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PROCEEDINGS AND DEBATES OF THE 76th CONGRESS FIRST SESSION

Appendix

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UNITED STATES



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Congressional Record

PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, FIRST SESSION

Appendix

The House That (Government) "Jack" Built

EXTENSION OF REMARKS

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. WHITE of Ohio. Mr. Speaker, I am going to try to do my part in bringing slum-clearance values down to the place where they belong in order to be within reach of genuine slum families and in order to have the program on a basis that is fair to the average American citizen. The action a few days ago during consideration of the appropriation was merely the opening gun. Before we get through some of the same people who voted "no" then will regard the authorizing act as the best place for needed corrections; they are going to reason this thing through, untangle the complicated formula by which the complete facts of the present set-up are hidden, and likewise take the firing line to bring the slum-clearance program within the boundaries of its real and proper purpose.

It will take more than U. S. H. A. lobbying activities to halt this movement when the people of the country discover and

understand what is going on.

In order to present the question of slum clearance in its proper light, I would like to submit the following questions to the House and to the thinking citizens of this country:

- (1) At what amount would you estimate the tax value of the average home in your county (counting house and lot for farm families)?
- (2) How does the tax value of your own home compare with a \$6,000 slum dwelling?
- (3) When the Government erects a \$6,000 house for a slum family, is that fair to you, considering the value of your own home and the fact that you do not get it at Government expense?
- (4) Considering the value of your own home and others in your community, whether owned or rented, and the fact that you have to "foot your own bill," what price dwelling do you think should be provided at Government expense for a family now living in a slum area?
- (5) Should the Government build homes, designed for slum families, that are more costly than the homes occupied by the average American citizen?

(6) Can a slum family afford to pay rent on a \$6,000 dwelling?

(7) Judging by your own experience and observation, what should be the top cost of a home for which a slum family would likely be able to pay the required rental charge?

- (8) Is \$6,000 (1) a fair price, (2) a reasonable price, or (3) too much for the Government to pay for a house to be occupied by a single family that is unable to provide its own dwelling?
- (9) Is it just or unjust when a private citizen living in the average home of your community is compelled to support a Government program which provides \$6,000 homes for other people as a means of taking them out of slums?

(10) If you could decide the question by vote, would you favor giving slum families (a) reasonable shelter at Government expense, or (b) some more expensive type of construction?

(11) If you could decide the question by your vote, would you support a program that provides houses for slum families costing (a) more, or (b) less, than \$3,500?

(12) In figuring the costs of a dwelling erected under Government sponsorship, should only the original cost of construction be included, or also subsequent charges borne by the Government?

Tributary Stream Control

EXTENSION OF REMARKS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA, AT THE THIRTY-FOURTH ANNUAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS, MARCH 24, 1939

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address delivered by me before the Rivers and Harbors Congress:

Floods are no respecters of our environment. They hold no briefs for our centers of population, whether located on main rivers or on tributary streams. In fact, thus far, flood-damage

studies with which I am familiar are proportionally as great on tributaries for the population affected, if not greater than those on

the large rivers.

We only awoke to flood disasters as a national problem in 1936 we only awoke to nood classters as a national problem in 1936 when we set our legislative machinery in motion authorizing protection along the banks of our main streams (notably the Ohio) by means of reservoirs and flood walls. The basis for approval of these projects was that a favorable economic ratio should exist for the proposed separate projects. In other words, the ratio of annual benefits to annual carrying charges must be greater than

Gentlemen of the River and Harbors Congress, there is no doubt whatsoever in my mind that this plan is the solution to our flood

whatsoever in my mind that this plan is the solution to our flood problems along our main streams and to date the United States Army engineers have made excellent progress in carrying it out. The portion of the comprehensive plan with which I am most familiar is the Pittsburgh reservoir plan. Already the Tygart River Dam, near Grafton, W. Va., is complete and functioning as a flood-control dam. It has saved an estimated \$250,000 during the first year of its operation. Two other dams in this same plan are almost 40 percent complete. The goal for reservoir protection of communities on the upper Ohio, for one example, is rapidly being reached. The Army engineers have not restricted their activities to the principal stream. Their plan of protection is comprehensive, and one that embraces those of us on the tributaries who know and have seen abject misery and flood suffering.

TRIBUTARY CONTROL PAYS BETTER

Studies and surveys thus far made by the Army Engineers prove that local protection of communities on tributaries is as humanely and economically justified if not more so than protection of communities along the larger rivers. Do I mean that protection for the main stream should be along other lines? Emphatically no. I mean that, dollar for dollar, protection of communities on tributaries may yield a larger return in the form of benefits, because of the peculiar characteristics of tributaries, than does protection of communities on larger rivers. I mean that where the most economical methods of protection for the main streams will on the average carry a favorable economic ratio of 2.5 to 1, especially selected projects for protection on the tributaries may show a favorable economic ratio of 3 to 1, and in one case has even reached 9 to 1.

The principal methods of protecting communities on tributaries

The principal methods of protecting communities on tributaries are channel-improvement projects where the existing stream is inadequate to carry high flows, external diversion of flow from one basin to another, protective walls or dikes, and combinations of the above. Local conditions dictate which of these would be the most economical to construct.

of the above. Local conditions dictate which of these would be the most economical to construct.

A typical example of channel improvement is in progress today at Johnstown, Pa., at the junction of Stony Creek, Little Conemaugh, and Conemaugh Rivers. This project is outstanding in its economic justification. The ratio of annual benefits to annual carrying charges is 9 to 1, which I daresay is the most favorable of any flood-protection project, general or local, in the United States. This project is well under way and when completed will have cost \$7,600,000. It is interesting to note that during the preliminary studies a reservoir plan was considered in connection with the protection of Johnstown. The obstacles to such a plan, however, were insurmountable. Because of the small drainage area (657 square miles) above Johnstown and the consequent limited number of available dam sites, a plan of reservoirs would have given only one-half as much protection, but yet would have cost three times as much as the channel-improvement plan.

An external-diversion project at Lake Chautauqua is being studied at present for the protection of Jamestown, N. Y. This plan would divert the excess floodwaters of the lake into Lake Erie. An interesting byproduct of this plan of protection of Jamestown would be the reduction of flood heights on the Ohio and Allegheny Rivers by way of Chadakoin River, a tributary of the Allegheny.

ELKINS PROJECT IS NEEDEL

The flood problem, however, of which I can give you firsthand information occurs in my home city at Elkins, W. Va., because in the past 22 years residents have seen 18 floods in that community. In 1932 I saw 25 percent of the entire town inundated, and had there been a rise of 7 feet higher in that flood it would have resulted in conditions comparable to those in the Ohio Valley during the great floods of March 1936 and January 1937. The city would have become isolated; habitation, commerce, business, industry, education, and life itself would have been seriously affected, and flood losses would have certainly required cutside relief. All this, gentlemen, would result from an increase of 7 feet above the 1932 flood, and yet studies show that the maximum probable flood at Elkins is 18 feet higher than that same flood. is 18 feet higher than that same flood.

is 18 feet higher than that same flood.

This case is an excellent example of the close relation existing between specialized flood protection and location on a tributary. Elkins is a progressive community located at the downstream end of a rich, flat valley 22 miles long and 1 mile wide, through which courses the Tygart River. To build a dam above the town for its protection would entail enormous costs in comparison to the berefits received, since the reservoir would flood one of the most fertile regions in West Virginia and a railroad running through its center.

Again the United States Army engineers have developed a practical plan for the protection of a tributary community. It is a combination of a cut-off channel across the bow of the Tygart River above town and the necessary diversion and protection dikes.

The plan as proposed will cost approximately a million dollars, and it is expected that it will carry a very favorable economic ratio.

ARMY ENGINEERS DO GOOD WORK

The comprehensive planning of the Army engineers proves con-clusively that the protection of centers of population on tribu-taries is justifiable in many instances. Economically selected projects on tributary streams are showing, and naturally should show because of their great selectivity, better ratios than large projects. I repeat again that the ratio of benefits to costs of 9 to 1, which exists at Johnstown, is, I believe, the most favorable in the entire United States.

From an engineering viewpoint, small tributaries naturally have small drainage areas, which limit the number of available dam sites and consequently make further studies necessary. Because the drainage area is small, however, is no sign that it is limited in flood potentialities. Studies of my section of the country show that the maximum reasonable expected run-off from a drainage area of 20,000 square miles is 30 cubic feet persecond nor square miles whereas for a drainage area. second per square mile, whereas for a drainage area of 200 square miles the maximum reasonable expected run-off is 370 cubic feet per second per square mile. Over 12 times as much discharge per square mile from an area 100 times smaller. Naturally, special means of protection must be designed to meet these special conditions. tions. The channel improvements, protective walls and dikes, and external diversions as I have outlined above are as definitely associated with protection on tributaries as reservoirs and flood walls are associated with protection on the main streams.

Gentlemen, the projects I have just outlined to you are a mere skeleton of comprehensive flood-control planning by the United States Army engineers who are striving to protect not only centers of population on main streams but also those on tributaries as well. First things must come first, and each project must be considered on its merit.

It is this type of national conservation and sensible planning that has made the United States a great and prosperous Nation. Supporting its progress will be the foundation of an even greater United States.

Agriculture

EXTENSION OF REMARKS

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, March 28, 1939

Mr. SABATH. Mr. Speaker, charges have been made that very little has been done by this administration for the farmers. Everyone familiar with the tremendous appropriations for agriculture since President Roosevelt took oath of office must be aware that these charges are not true. To bring home to those who make these charges and who are trying to fourflush the farmers into believing these charges, I insert a statement of the appropriations or Federal aid to agriculture.

Federal aid to agriculture, 1933-38, as of Dec. 31, 1938 Farm Credit Administration: Federal land banks_ 967, 016, 890 1, 120, 840, 034 174, 672, 107 72, 008, 540 3, 677, 394, 876 887, 426, 097 Total . mitments.) 574, 714, 441 loans and grants, etc.) Agricultural Adjustment Administration (All programs, including rental and benefit 2, 846, 872, 742 payments, conservation payments, cotton price adjustment payments, sugar payments, etc.)
Department of Agriculture (drought purchases)____ 83, 922, 420 Farm Credit Administration, reduction in interest 128, 071, 120 Federal Farm Mortgage Corporation, reduction in interest rates 9, 411, 173

28, 697, 331

12, 773, 526

Works Progress Administration, land utilization and loans and relief to farmers (actually expended by the Farm Security Administration)

Farm Security Administration, farm-tenant program—loans

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1928 1929 1930

Federal aid to agriculture, 1933-38, as of Dec. 31, 193 Parity payments (no disbursements as yet).	8—Continued
Federal Surplus Commodity Corporation	\$56, 493, 502

8, 305, 777, 228 66, 080, 543

Total______ 8, 371, 857, 771

Mr. Speaker, in addition to the tremendous total of \$8,371,-857,771 we have appropriated \$585,000,000 for rural rehabilitation, conservation, transmountain water diversion, irrigation, loans, and relief to farmers and livestock growers. Congress has also appropriated further moneys under title V of the Price Adjustment Act of 1938 the sum of \$212,000,-000 for parity payments to agriculture.

Out of the Federal appropriations for relief and work relief, at least 40 percent has gone to the agricultural and rural sections of the country. This amount is in excess of \$7,000,000,000 and added to the original or direct Federal appropriations to agriculture the benefits to agriculture and the rural districts amount to over fifteen and one-half billion dollars. There were also additional appropriations to aid agriculture that run to \$2,000,000,000, so that the total for relief and aid to our farmers was over \$17,000,000,000, and, with the appropriation in the present bill of \$900,000,000 the aid and benefits to agriculture to the end of the fiscal year of 1940 will be over \$18,000,000,000.

And still, Mr. Speaker, in the face of these authentic figures, the Republicans have the effrontery to claim that nothing has been done for the farmers. They have hoodwinked the farmers in the past, but the farmers of today know that this administration has been responsive in coming to their aid and they will give credit where credit is due.

The Problem of the South

EXTENSION OF REMARKS

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. BROOKS. Mr. Speaker, at this time I desire to review in figures the lamentable history of the cotton farmer of the South during the last 10 years. These figures tell the sad story of suffering, deprivation, and struggle under increasing odds and burdens. They indicate unmistakably the world trends in cotton production and consumption, and they sound out a warning to the entire Nation which this Congress cannot afford to ignore.

Production and consumption is equivalent language to supply and demand, the two economic forces that govern the market price of any commodity. I will, therefore, first present certain figures compiled by the Government to show the domestic production of cotton and to show likewise the foreign production of cotton. It is worthy of mention that since the year 1910 this Nation has produced annually from ten to sixteen million bales of cotton, and only in 3 years, namely, 1926, 1931, and 1938, has our production failed to come within these figures. In 2 of these 3 years our domestic production rose to almost eighteen and almost nineteen million bales, respectively. Through the years generally, however, the tendency has been largely to maintain a stable and level domestic cotton production in this Nation; but figures will illustrate this very clearly:

Production in bales

1925	16, 123, 000
1926	17, 755, 000
1927	12, 783, 000

14, 297, 000
14, 548, 000
13, 756, 000
16, 629, 000
12, 710, 000

 1931
 16, 629, 000

 1932
 12, 710, 000

 1933
 12, 664, 000

 1934
 9, 472, 000

 1935
 10, 420, 000

 1936
 12, 141, 000

 1937
 18, 946, 000

Production in bales-Continued

¹ Estimate. Final figures not available until May.

Now, an inquiring mind will naturally ask regarding consumption of cotton which our farmers have worked to produce. These figures are easily available, and I quote as follows:

Domestic consumption of cotton	
	Bales
1926	7, 190, 000
1927	6, 834, 000
1928	7, 091, 000
1929	6, 106, 000
1930	5, 263, 000
1931	4, 866, 000
1932	6, 137, 000
1933	5, 700, 000
1934	5, 361, 000
1935	6, 351, 000
1936	7, 950, 000
1937	5, 748, 000
1938	13, 391, 808

¹6 months ending Jan. 31, 1939.

It is interesting to know that United States consumption of cotton has shown a tendency to gradually increase during the last 10 years. In the year 1936 it reached the all-time high figure of 7.950,000 bales and in 1938 tabulated 6,082,808 bales. So we see that our cotton surplus is not the result of weak and shrinking domestic markets but, on the contrary, must be due to a failure of foreign markets. This fact is amply borne out by reference to the figures quoted below to show the world consumption of cotton and the consumption of cotton by nations other than the United States.

	Foreign consump- tion	World consump- tion
1926-27 1927-28 1928-29 1929-30 1930-31 1931-32	Bales 10, 121, 000 9, 709, 000 10, 556, 000 11, 857, 000 11, 346, 000 10, 368, 000 10, 601, 000	Bales 25, 869, 000 25, 285, 000 25, 782, 000 24, 878, 000 22, 402, 000 22, 896, 000 24, 986, 000
1933-34 1934-35 1935-36 1986-37	10, 368, 000 10, 601, 000 11, 544, 000 14, 149, 000 15, 211, 000 17, 771, 000 16, 042, 000	25, 324, 000 25, 198, 000 27, 627, 000 30, 820, 000 26, 748, 000

It is evident that both the world and foreign consumption of cotton has gradually increased each year; and our trouble cannot, therefore, be due to the shrinking world markets and to the declining use of cotton goods by the people of the nations of the earth. Compare these figures with those showing the export of American cotton which I place below:

Exports of American cotton (including linters)

	United Kingdom	Germany	Japan	France
1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1936 1936	2, 530, 000 1, 411, 000 1, 831, 000 1, 256, 000 1, 054, 000 1, 344, 000 1, 492, 000 738, 000 1, 410, 000 1, 144, 000 285, 458	2, 738, 000 1, 988, 000 1, 797, 000 1, 687, 000 1, 640, 000 1, 570, 000 1, 318, 000 342, 000 765, 000 650, 000 200, 135	1, 616, 000 959, 000 1, 309, 000 1, 020, 000 1, 228, 000 2, 294, 000 1, 743, 000 1, 524, 000 1, 479, 000 1, 550, 000 528, 351	999, 000 865, 000 775, 000 812, 000 914, 000 463, 000 864, 000 779, 000 681, 000 655, 000 293, 834

The figures given above are all of Government tabulation except in the table showing exports of American cotton, which figures are the best available and, I believe, are accurate. They all refer to cotton bales of 500 pounds weight.

These are tragic figures and indicate, to my mind, a losing fight which our farmers in the Southland have been making during the last 10 years. They bespeak a warning which cannot be overlooked and which demands legislation in the present session of Congress on behalf of the cotton farmer.

That this is the case is readily seen by reference to market quotations of the prices of cotton at the present time. I picked up the paper Saturday and obtained the following quotations on the New York markets which give increasing importance to this solemn warning. Saturday's closing quotations according to the New York Exchange were:

	Close	Year ago
May	8, 15 7, 93 7, 57 7, 51 7, 50 7, 53	8. 67 8. 72 8. 78 8. 79 8. 81 8. 86

The further we look toward the future in purchasing cotton the lower the price of this commodity. In the face of the cotton bill which we have before us and which contains an appropriation of \$500,000,000 for conservation payments and the additional sum of \$250,000,000 for parity payments, the world markets for our cotton continue to decline. This decline occurs in the face of the idea of the public that these funds will be appropriated to continue the conservation program and to help give the farmer a reasonable price for his cotton. If you strike from this bill the sums of money which the public mind already regards as having been appropriated by Congress, you again affect the market, and, in my opinion, will bring it to lower depths than it has reached even at the present time.

What hopes has the American farmer? What hopes has the southern cotton farmer, in the face of years of restricted production, in the face of years of promises of higher prices and greater yields?

The last 20 years have been years of struggle and deprivation for the farmers of the South. They have been years of experimentation with methods to offset the effect of subsidizing privileged industries by tariffs and payments. All during this time the situation of the cotton farmer has grown worse and the condition of himself and his family has sunk to a lower place in society financially. Nothing but radical steps on the part of this Congress to give him complete parity with the prices of other commodities, nothing short of placing cotton in its true position in regard to the other markets of this country, nothing short, in fact, of giving the farmer an equal break with the factory man and with the banker, can hope to bring back to the rural sections of the United States a reasonable degree of wealth and prosperity which is so essential to the well-being of our entire Nation.

In this hour of crisis to our farming population I urge upon you all possible consideration of his condition and his demands.

Keep American Market for the American Farmer

EXTENSION OF REMARKS

HON. BERT LORD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. LORD. Mr. Speaker, we have before us one of the largest appropriation bills for agriculture that has ever come

before the House, and we should appropriate for this greatest of industries; but this bill will not help the dairy farmers only so far as the soil conservation goes.

What we need is protection of the American market for the American farmer.

This bill provides a subsidy for the cotton farmer when the Government has more than 11,000,000 bales of cotton in storage that the Government has loaned more than 9 cents a pound on when cotton is selling from 8 to $8\frac{1}{2}$ cents a pound and this bill proposes to keep on piling up cotton instead of selling at the world price.

The bill proposes to keep on paying the corn farmer 15 cents a bushel not to raise corn, and to pay the wheat farmer 28 cents a bushel not to raise wheat, to pay the rice farmer 2 cents a pound not to raise rice, and the tobacco farmer not to raise his crop.

Just so fast as farmers take any of the above crops out of production they must put the land into some crop like clover or alfalfa, and this can be used only for raising cattle and cows, so when we stop raising corn, cotton, wheat, and tobacco we put the land into clover and compete with the stock and dairy industry. In other words, the stock and dairy business is paying taxes to pay subsidies to the corn, cotton, wheat, rice, and tobacco farmers, and the dairymen get little if any benefit from the program.

The only claim for their benefit is the surplus commodities taken off the market, and this is offset in a great measure by the reciprocal-trade treaties that let the dairy products come into the States at greatly reduced tariff rates. We are buying the sugar from Cuba that would put thousands and thousands of acres of land into production in this Nation. Let us stop buying our sugar abroad and produce it here. This would take the wheat and corn and the other crops out of production and they could shift our crops so there would not be a surplus.

This would reduce the corn and other crops and also reduce the competition with the dairy industry, and there would be no need of subsidies.

Let us keep the American market for the American farmer.

Stop the Private Armies

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

RADIO ADDRESS BY HON. JOSEPH A. GAVAGAN, OF NEW YORK, MARCH 23, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, under leave to extend my remarks in the Record, I include the following radio address by Hon. Joseph A. Gavagan, of New York:

I do not know a more vital and important subject facing the people of this country than the one assigned me for discussion. Before the establishment of our Government the questions of private armies and the bearing of arms were vexaticus. During the Constitutional Convention the delegates strove to vest this power in the Federal Government and accordingly provided in section 8 of article I of the Constitution, as follows:

of article I of the Constitution, as follows:

"Congress shall have power to provide for the common defense; to declare war; to raise and support armies; to provide and maintain a navy; to make rules for the government and regulation of the land and naval forces," etc.

Congress and Congress alone—has the constitutional duty and power to provide, regulate, and equip the armed forces of this Nation. This grant of affirmative power to Congress is so all-inclusive that it constitutes a denial of the exercise of such power

by any State or any group, within this Nation.

The question of private armies is not new in history. We know that in feudal days great landed barons maintained and equipped

private armies for service to the king. The feudal lords maintained and kept ready, armed forces which in times of stress or conquest they offered to the king, as a token of fealty, homage, and service. Our forefathers knew history and the lessons of history, and accordingly abolished private armies, vesting in Congress alone the power to raise, equip, and provide for the armed forces.

power to raise, equip, and provide for the armed forces.

Are we, their descendants, to be less mindful of history's lesson? For answer, we need not turn back the pages of history to the days of feudalism. We need but to look across to Europe, in our own day, to behold the evil and the diabolical result of private armies. We know, for instance, that the European dictators rode to power through the use of private armies. We know that Mussolini and Hitler, before they seized power, raised private armies. The former his "black shirts", the latter his "brown shirts." Hitler boasts in his autoblography Mein Kampf of his use of terrorism through his brown-shirted troops. In passing, I desire to point a warning to those in this country who seek to wear the "brown shirt": Do you remember what happened to Hitler's "brown shirts" and their leader? Well, after his seizure of power, Hitler, on June 30, 1934, liquidated the "brown shirts" and their leader, Captain Roehm. In this he was true to the best traditions of dictators and despots. Murder and arson have always been their weapons. Murder and arson have always been their weapons.

Murder and arson have always been their weapons.

Do we Americans wish to transplant in this country the conditions existing today in central Europe? I do not believe so. In fact, I sense in this country the dawning of the realization that we who love America have been too tolerant of those in our midst who worship foreign ideologies and seek to implant them here. We are beginning to realize that there are among us those who do not properly understand and appreciate our God-given freedom of free speech and free assembly, but who, on the contrary, assume these rights to constitute a license to insult our institutions of government, heap ridicule and obloquy upon our duly constituted officials. ment, heap ridicule and obloquy upon our duly constituted officials, even seeking through force the overthrow of our cherished institutions. If such there be let them heed the warning uttered by the great Speaker of the House of Representatives, Hon. William B. Bankhead, of Alabama, who on March 4 last, on the occasion of the one hundred and fiftieth anniversary of the final adoption of our Constitution, said:

"There are evidences of certain sinister influences and minorities now seeking to sap and mine the pillars of this temple of freedom. We may have been too generous in our hospitality to them. We may have been too tolerant of some of their recent manifestations of subversive treachery. We have sought with rather grim patience to respect the guaranty of freedom of speech; but it may be only fair to admonish all such groups that they take counsel of their prudence lest by going one step too far it will be too late to escape the wrath and indignation of all real Americans."

Thus spoke the illustrious Speaker of the House of Representatives. His voice, let me assure you, is no solitary one crying in the wilderness; it is reechoed by millions upon millions of our citizens and is a clarion call to us who believe in the divine nobility of our institutions of government to make ready now as of yore, to protect and defend them against any tyrant, dictator, or despot, whatever the color of his shirt, be it brown, black, or red, and whether clean or dirty.

red, and whether clean or dirty.

Over a decade of time now, our system of government has been assailed by disciples of all varieties of "isms." We have witnessed individuals and groups in the full enjoyment of liberty hurling opprobrium and brimstone on the very institutions and principles that make that liberty possible. They resort to all manner and means of propaganda. Their panaceas are as varied as human thought itself. They have had the field unopposed, but methinks they mistook indifference for surrender—at long last, we have awakened—we perceive that which we thought silly and harmless to be a well-planned attempt to overthrow, either by force or otherwise, our system of government and to substitute therefore communism or national socialism. This challenge we shall resist with all the vigor of a patrictic people. We are determined to prewith all the vigor of a patriotic people. We are determined to preserve and maintain for the human race and especially for ourselves, those principles of liberty and government that have made us unique in the history of mankind.

us unique in the history of mankind.

With this spirit, therefore, I have introduced in the House of Representatives a bill known as H. R. 4641, making it unlawful for any person or organization seeking either to change our constitutional system of government or to amend the same, to wear or adopt a uniform or to bear arms in the course of such activities. Frankly, the purpose of the bill is to prohibit the recurrence of the shameful and un-American scene enacted recently in Madison Scarler in Nor Verk City. These was displayed the heaven the shameful and un-American scene enacted recently in Madison Square Garden in New York City. There, was displayed the brown-shirt uniform bearing the swastika; there, armed members of the so-called bund maintained and preserved order; there, were uttered contemptible denunciations of the President of the United States. All Americans resent such actions, and especially when done by persons wearing foreign uniforms in allegiance to a foreign power. Such is not free speech. Free speech will be denied in this country if orators have an army, large or small, to carry their mandates into effect.

Contemplating the scenes enacted at Madison Square, we marvel at the stupidity of those there assembled. Do they not remember the events preceding 1917? Is it possible they forget? Are they just stupid? If so, they will never learn but will persist in their stupidity until they once again feel the might of the United States

Let those in our midst who love so well the foreign dictators return to those countries and attempt the exercise of free speech

and free assembly. If they do, they'll soon experience the concentration camp or the firing squad.

We want no foreign "ism" in this country. We shall have none. We seek peace and the right to live in a free concord of nations. We shall not and cannot be bluffed or frightened. We are resolved to maintain and preserve for ourselves and our posterity the bless to maintain and preserve for ourselves and our posterity the blessings of constitutional freedom under a representative republican form of government. That is the heritage we received from our fathers; that is the legacy we are bound before God to pass on to our children. Liberty, like life, was born of pain and struggle; she demands sacrifice to preserve herself; constant vigilance is the price; at all times in the history of mankind there were those who constantly assailed her; she has known her detractors and her defenders; she has drunk the bitter gall of temporary frustration; but ever like the sun, she rises giving to struggling marking a but ever like the sun, she rises, giving to struggling mankind a new hope and joy, emblazoning life's pathway with heaven's light, inspiring men's souls to fulfill their destiny, and giving to a distracted world a benediction of peace.

Agricultural Appropriation Bill

EXTENSION OF REMARKS

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. DONDERO. Mr. Speaker, the bill before us proposes appropriations of \$1,060,000,000 for the Department of Agriculture and the Farm Credit Administration for the fiscal year ending June 30, 1940. This enormous sum of money represents approximately one-seventh of the entire farm income of the United States. This bill represents a potential tax of \$8 on every person in the United States. To the Seventeenth Congressional District of Michigan, which I have the honor to represent, it means a burden of two and a half million dollars.

The Secretary of the Treasury, Mr. Morgenthau, recently testified before a committee of Congress that he did not care to make a statement or a forecast as to our national safety if our national debt went beyond \$50,000,000,000. It would take but 10 bills like the one before us for consideration to send the national debt above \$50,000,000,000, so near are we to the brink of national bankruptcy and ruin.

Economy is not present in this Congress nor has it been the guiding star of this administration. While it was promised, it has never been practiced and some day the people of this Nation will answer the deception which has been meted out to them in the administration of their National Government.

This legislation would be of little or no benefit to the farmers of my district. On the other hand, it will add another heavy burden on a people already overburdened.

Two hundred and fifty million dollars was added to this bill for parity payments without a request or any authorization from the Bureau of the Budget, the Secretary of Agriculture, or even the President of the United States. In the face of declining prices for farm products, and after appropriating billions of dollars for agriculture in the last few years, we are again asked to repeat the same mistake without regard to its effect on the economic condition of the country or the general welfare of the people.

No effort has been made and no intention indicated to change the policy of this adminstration in permitting the importation of foreign agricultural products, which certainly has aided in wrecking the home market for the American farmer, a market on which he must depend to sell what he produces.

It is a fact, as everyone knows, that the urban population and the consuming public residing in the great business and industrials centers of the Nation furnish the natural and legitimate market for the products of the farm raised by the American farmer. When these great centers of population are visited by industrial and economic upheavals and the men and women who reside in them are thrown out of employment, they are no longer able to purchase the products

of agriculture and the American farmer loses the best market he has on earth.

If this administration and this Congress desire to aid agriculture, by a method which at least has not proven itself to be a mistake, then let an attempt be made at once to correct the causes of the present unstable conditions in business and industry with its resulting unemployment. Let us correct the causes of a want of faith and confidence, which everyone knows exist today, of doubt, uncertainty, and the fear that grips and holds initiative and private enterprise from going forward and which has driven private capital into seclusion and hiding.

The Wagner Labor Act was passed to bring about industrial peace and a better relationship between capital and labor. In that it has failed utterly. It has brought industrial warfare. Strikes have swept the country. Radical and irresponsible labor have ridden in the drivers' seat encouraged by acquiescence or at least by silence on the part of those high in the authority of government in some of the States and in the national administration. Business is paralyzed. Employers have become the victims of bias and prejudice and the attitude of the National Labor Relations Board and its members, perhaps excused by the provisions of the act under which they have been appointed, has resulted in the general unrest and economic conditions existing in the country today.

Our people are no longer acting in concert and cooperation one with the other for the general welfare. Class has been arrayed against class. Hatred and ill will exists between employer and employee. Legislation imposing new rules, regulations, and taxes on the business and industry of the country has added to the burden, and the loss of confidence and the fear to move forward, to expand or employ labor has grown up. Social security taxes alone have taken a billion dollars away from labor and industry and not one dollar of it will ever go back to provide a job or expand an industry. Every one knows, who honestly has the welfare of his country at heart, that the Nation will not go forward to a more prosperous time under conditions of this kind.

The President has said that the Wagner Act—National Labor Relations Act—should be amended. I agree with him, and so informed him as long ago as January 10, 1938. It is to be regretted that nothing has been done up to this time to correct the mistakes of that act, which are now so apparent to everyone. Labor has suffered most by its unwise and unfair provisions. Government must cease to interfere with the normal activities of the people and their affairs.

We can do much for the farmer to restore his market and the price of his products if we will stabilize the general economic conditions in the country by correcting the mistakes that have been made in the last 6 years. It is futile to appropriate billions of dollars and drive the Nation at breakneck speed toward bankruptcy and ruin in an effort to help the farmer without attacking the real problems of the Nation which cause conditions through which the farmer can neither sell his products, nor receive a fair price for what he produces.

The time has come when blunt frankness should be recommended, no matter where the responsibility may lay for existing conditions, for by no other method can we cooperate with each other, either in the Congress or in the departments of Government, to restore what is so sadly wanting in American life at the present time.

For the reasons which I have stated herein, I cannot support this legislation. Unless we terminate the present trend in national affairs, the American people may well look forward to the time, which may be too near at hand, when they must suffer the tragedy and disaster which will be their lot as a result of uncontrolled inflation, brought about by profligacy and waste of the public resources, or a worse alternative—repudiation of the Nation's honest debts. God forbid that such a fate awaits the greatest nation on earth, with a government which has no equal on the globe, and to a people

who have enjoyed a standard of living under that government which has never been reached or approached by any other people anywhere.

Potatoes Under the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1939

Mr. REED of New York. Mr. Speaker, Republican spokesmen have repeatedly stated that the Roosevelt-Hull reciprocal-trade agreements are not reciprocal treaties but are a device for a general lowering of the tariffs. One of the best evidences of the accuracy of this statement is to examine the statistics relative to our exports and imports of potatoes.

According to the United States Bureau of Foreign and Domestic Commerce, in 1929 we exported 7,424,000 pounds of potatoes to countries which later under trade agreements reduced their tariffs-Colombia and Haiti. In 1937 we exported only 715,000 pounds of potatoes to these same countries, a decrease of 90.4 percent. Exports to other tradeagreement countries which made no concessions on potatoes fell from 125,124,000 pounds in 1929 to 61,643,000 pounds in 1937, or by 50.7 percent. In 1929 we exported to the nonagreement countries 31,524,000 pounds of potatoes; in 1937 we exported 46,985,000 pounds, an increase of 49 percent. Thus we find in analyzing our exports of potatoes that to the trade-agreement countries we have had a material decrease in the exports of potatoes, whereas to the nonagreement countries we have had a material increase. Eighty and eighttenths percent of our exports of potatoes in 1929 went to future trade-agreement countries, while in 1937 only 57 percent went to these countries. Is there any evidence here that trade agreements have helped our potato growers?

Over 99 percent of our entire potato imports come from Canada or Cuba, and we have made trade agreements with both countries. In these agreements we made concessions to both relative to potatoes, whereas Canada—the principal source of our potato imports—made no concession, and Cuba only bound the present rate of duty. The concessions we made were seasonal in nature, allowing potatoes to come into the country at reduced rates during certain periods of the year.

A few potatoes came into this country at a reduced rate of duty in 1935; but in 1936, when both the Canadian and Cuban agreements were effective, sizable quantities came into the country at the lower rates. In fact, in 1936, 56.5 percent of our entire imports came in under reduced rates of duty, and that amount increased to 75 percent in 1937. Furthermore, while total imports in 1937 were 15.8 percent less than in 1938, the amount of potatoes entering the country under agreement rates was 11.9 percent greater in 1937 than in 1936.

The tariff on potatoes was raised by the Hawley-Smoot Tariff Act of 1930 because imports of potatoes were materially increasing. Now we find duties are lower than they were before the Hawley-Smoot tariff. This is a general reduction in the duties on potatoes, whereas on our exports we have received no concessions of any value to the potato growers of this country. It is interesting to note that of the countries which have been and are important buyers of potatoes, we have trade agreements with countries that bought approximately 81 percent of the total exports in 1929 and 57 percent in 1937. However, we received concessions from a group that buy less than 1 percent of our exports. Is this reciprocity? No; it is a general lowering of tariffs in an unconstitutional and undemocratic manner.

The Late Honorable Clarence W. Turner

EXTENSION OF REMARKS

HON. CHARLES I. FADDIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1939

Mr. FADDIS. Mr. Speaker, it was with deep regret and a feeling of personal loss that I learned of the death of our dear friend and beloved colleague from Tennessee, the distinguished Hon. Clarence W. Turner. No man in this body more justly merited and enjoyed the respect and esteem of his acquaintances than this our departed friend.

I served with him on the House Committee on Military Affairs for 6 years. We sat side by side and I will miss him. He was a regular attendant of the meetings of his committee as he was of the sessions of the House of Representatives. His services were always conscientious, calm, fair, and impassionate. His viewpoint was Nation-wide and his patriotism was unsurpassed.

With his passing his State and Nation have lost an able and distinguished statesman. His family has lost a member impossible to replace and we have lost a friend. Kindly, courteous, thoughtful, and courageous. A gentleman of the old school.

May he rest in peace!

W. P. A.

EXTENSION OF REMARKS

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

Mr. DICKSTEIN. Mr. Speaker, in the present state of our finances, an appropriation of \$150,000,000 is important enough to be scrutinized with great care. It is true that we are overdue for some economy in Government excesses; but if any economy is to be indulged in, it should not be at the expense of those of our citizens who are least able to take care of themselves.

If Congress refuses more funds, 25,000 persons will be dropped from the rolls in New York City alone. The mayor of New York City had a conference the other day with Colonel Somervell, who is the Works Progress Administration administrator for the city of New York, and was definitely told that unless instructions from Washington would be issued to the contrary and the proper appropriation made by Congress to allow the W. P. A. to continue with its operations in New York City, it will be necessary to drop from the rolls 25,000 persons in New York, and the number of persons to be reduced in the several States because of this situation will be as follows: Alabama, 8,800; Arkansas, 8,000; Arizona, 1,500; California, 16,400; Connecticut, 4,000; Delaware, 500; Colorado, 4,400; District of Columbia, 1,800; Florida, 7,000; Georgia, 9,500; Idaho, 1,725; Iowa, 4,000; Kentucky, 9,200; Kansas, 5,000; Illinois, 34,000; Indiana, 11,000; Louisiana, 8,500; Montana, 2,880; Massachusetts, 18,000; Maine, 1,000; Maryland, 2,000; Mississippi, 7,000; Michigan, 20,000; Missouri, 17,500; Minnesota, 9,800; Nevada, 350; Nebraska, 4,200; North Carolina, 7,000; North Dakota, 2,100; New Jersey, 14,000; New York City, 25,000; New York State, outside New York City, 9,000; New Hampshire, 1,000; New Mexico, 1,200; Ohio, 36,500; Oregon, 2,700; Oklahoma, 10,200; Pennsylvania, 36,000; Rhode Island, 2,000; South Carolina, 7,000; South Dakota, 2,100; Tennessee, 8,500; Texas, 13,500; Utah, 1,950; Virginia, 4,800; Vermont, 2,500; West Virginia, 7,000; Wisconsin, 11,300; Wyoming, 675; Washington, 7,000; Hawaii,

In addition to this large number of lay-offs throughout the country, there will be another 40,000 to 45,000 W. P. A. workers dropped from the rolls in the city of New York by the end of the fiscal year June 30. The mayor of the city of New York has requested all Members of the House of Representatives from New York City, as well as the Senators from this State to stop this condition from arising.

I have before me a string of pathetic letters from constituents of my district who will undoubtedly be separated from the pay roll if the W. P. A. is not permitted to continue

with the funds which the House would vote here.

In the debate before the House last Saturday there were voices raised in opposition to this prospective cut. It is not merely a question of granting relief to a large number of Americans, but it is absolutely essential that before the wheels of industry should again turn millions of our citizens should not be caught in the throes of unemployment. The present administration has done everything in its power to put an end to this intolerable condition and within the limitation of opportunity every employable American who could not find his place in private industries was permitted to work with the W. P. A. The amount of work turned out by the W. P. A. is prodigious. Sections of the country which were lying fallow for years have begun to bloom again. Wildernesses were turned into garden spots, and the appearance of our cities at the present time, as well as the appearance of the countryside proclaims the fine manner in which employees of the W. P. A. have discharged their obligations.

Before the election of 1936 some antiadministration papers called a great deal of W. P. A. work boondoggling, but we have learned since that such is not the case, but that the existence of a body of men connected with the W. P. A. allowed this country to modernize itself, build better roads,

better schools, and better homes.

Industry will soon be able to absorb the men who are now working in W. P. A. projects, and when that day comes no one will be happier than the W. P. A. workers to disassociate themselves from the Government pay roll and become employees in industries once again, but until that time comes let us not make the burden of unemployment greater by denying the Government this appropriation for \$150,000,000.

What Happens to the Country When the President Is Away?

EXTENSION OF REMARKS

HON. BRUCE BARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1939

Mr. BARTON. Mr. Speaker, the President will be leaving soon on his forty-eighth absence from Washington since March 1933. He well deserves these interludes in his arduous life, and all of us, regardless of party, will join in the hope that the trip may prove pleasant and restful.

We hope, too, that the country will benefit; and in this connection it is interesting to note what has happened to business during his previous absences. Is business better or worse when the Presidential pressure is relaxed? Is confidence raised or lowered? Are jobs easier or harder to find? Partisan argument on these questions is unfruitful. What we need these days is less argument and more facts.

Fortunately, the facts are available. Economists and students of business are accustomed to refer to the action of the stock market as a "business barometer." By this they do not mean to imply that the market in itself is all-important; only a small fraction of our people are interested directly in stock trading. But the term "barometer" does mean that the market reflects general business sentiment. When the market advances, it is a sign that business sentiment is better, men are more confident, more ready to place orders, expand their

operations, and put more people to work. When the market declines, it indicates that businessmen are uncertain, afraid that their operations will prove unprofitable, and for this reason hesitate to expand their pay rolls.

Now, let us study what has happened to the market on the President's 47 absences. Here is the record of advances and declines as registered by the Standard Statistics averages of 90 representative stocks listed on the New York Stock Exchange:

Absences of the President from the White House, Mar. 4, 1933-Mar. 15, 1939

	Num- ber of		market ses		market lines	Net
Type of trip	such trips	Num- ber	Points	Num- ber	Points	change, points
All absences	47	24	+88.4	23	-55.1	+33.3
Annual Florida fishing trips Hyde Park trips Speaking trips	5 22 20	5 13 6	+20.1 +35.9 +32.4	0 9 14	-13.4 -41.7	+20.1 +22.5 -9.3

What do these figures mean? An average of 1-point gain or loss in the 90 stocks used to make up the Standard Statistics averages amounts roundly to \$340,000,000.

Multiplying this out we discover that-

The 27 absences of the President represented by 5 Florida fishing trips and 22 Hyde Park trips netted a gain of 42.6 points, or \$14,484,000,000.

The 20 speaking trips netted a loss of 9.3 points, or \$3,162,-000,000, making a net gain by having the President away from Washington of \$11,322,000,000.

Dr. George Gallup, of the celebrated polls, recently observed that whenever the President went to Florida to fish his popularity increased, and as soon as he returned it began to decline. Looking at the figures above, is it any wonder that his absence makes the people's hearts grow fonder?

Let us look into these figures a bit more closely. Take the Florida fishing trips first. There have been five of them; and every one of the five, as reflected in the trend of average stock prices, has added to the wealth of the country, the confidence of business, and hence by inference to the relief of unemployment.

On most of these trips the President has left Washington with a reassuring comment. Some of them have coincided with those blessed eras formerly termed "breathing spells," and more recently designated as "periods of appearament."

Businessmen have been willing to take these promises at face value. They have gone cheerfully to work, making their plans, placing orders, and hiring more help. But alas, the rest and recuperation on the boat have served only to fill the President's fertile mind with a new crop of experiments. Back he has come with a fresh supply of "must" legislation to throw things into confusion again.

Of the trips to Hyde Park in his 6 years, there have been 22. These, of course, have been too short to show an unvarying result. Yet even here the trend is unmistakable. On 13 of these 22 absences the market advanced for a total gain of nearly 36 points, 35.9. On nine occasions there were declines to a total of 13.4 points. The country was better off for his absence by \$7,650,000,000, as measured by a net advance of 22.5 points in the market averages.

Now we come to a third category of absences—the President's speaking trips. Here the results are most interesting. Twenty times he has left Washington to go somewhere and make a speech. Some of the speeches were constructive, even conciliatory. The majority, however, proclaimed fresh crises, or abused business, or bristled with threats against members of his own party who had dared to vote in accordance with the dictates of conscience. So the beneficial effects of the President's absence were more than offset by the demoralizing influence of what he said. This stands out clearly in the box score:

	Num-		market se		market lines	Net
	ber	Num- ber	Points	Num- ber	Points	change
Speaking trips	20	6	+32.4	14	-41.7	-9.3

People who know nothing about business—and this, unfortunately, includes much of the administrative personnel of the New Deal—belittle the importance of confidence. They regard it as a bogey which the businessman has conjured as an excuse for his unwillingness to take abnormal business risks. They say that as long as billions of dollars are poured out in grants, subsidies, and extravagant public works it makes no difference whether there is confidence in business.

Yet for 6 years we have had deficit piled upon deficit, and still the unemployed figure stands stubbornly at somewhere between 10,000,000 and 11,000,000. Ten or eleven million men and women willing and eager to work cannot find jobs, even though their Government has increased its expenditures every year, tripled Federal tax collections, and at the same time more than doubled the national debt.

The action of the market reveals the secret of the New Deal failure. Government debts and Government threats have probably held two men out of work for every man that W. P. A. has hired. Fear of what the President is doing or might do, consternation over what he has said, the constant repetition of "emergency" and "crisis" have all combined to restrain and intimidate every industry in the land.

Tragic as it may sound, it seems nonetheless clear from the figures I have cited that when the President goes away and lets the country alone the people are better off.

And this conclusion appears to be sustained fully by some recent results of the Gallup poll. In a poll published about 2 weeks ago—March 17, 1939—the question was asked: "Do you think the attitude of the Roosevelt administration toward business is delaying business recovery?" Here are the answers—

		Percent of those reply	ring
Yes:	a		41
Yes;	a	little	26
No			33

Here we have a cross-section of public opinion with 67 percent of those voting declaring the opinion that Roosevelt policies are a definite and positive check upon our inherent recovery impulses and resources. Two people out of every three say that recovery is being delayed unnecessarily by the administration

Equally significant, I think, is the development of this sentiment over the last 18 months. A year and a half ago 38 percent of those voting in this poll said that the administration's attitude toward business was "not friendly enough." But by March this year 52 percent of those voting said the White House attitude toward business was "not friendly enough."

These figures indicate clearly that the people of the United States now are alive fully to the forces which are prolonging this unhappy period of vast unemployment and low farm prices.

Thus far Mr. Roosevelt's second term has been an expensive luxury for the American people. Eleven million men and women are still out of jobs. Farmers are hard up because the purchasing power of these unemployed millions in the cities is inadequate. Business profits are eaten up in taxes and bureaucracy. The Nation's economy is constantly disturbed.

These are the facts demonstrated by one of the best barometers of business activity, the stock-market averages. When the market goes up more people have jobs; when it goes down more people lose their jobs. This is history. And the corollary is—as the figures show—that when the President lets the country alone, when he goes away and makes no speeches, trade is more active, confidence improves, more people are employed.

So in response to the oft-repeated suggestion of the new dealers that Congress hasten its adjournment and give the President a free hand, the people well might ask, in the interest of national recovery, when will the President adjourn himself this spring?

God Bless America-A Tribute to Kate Smith

EXTENSION OF REMARKS

HON. THOMAS M. EATON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, March 29, 1939

LETTER FROM CHARLES A. GRAF

Mr. EATON of California. Mr. Speaker, under leave to extend my remarks in the RECORD. I include a letter from a constituent of mine who is chairman of the National Defense Committee, Teddy's Rough Riders Post, No. 516, American Legion. The letter follows:

Hon. Thomas M. Eaton, Washington, D. C.

Washington, D. C.

Dear Congressman: When someone performs an exceptionally humanitarian act, he is sure to be recognized by the Government. When a soldier performs an act of valor on the battlefield, the Government commends him and presents him with a medal. At the present time the people of this country and the Government are national-defense-minded, and we are fortunate in having an outstanding radio personality contributing greatly to this worthy cause, not with money or arms but with a song that exemplifies the true feelings of all real Americans. I refer to Kate Smith, who instills the love of America in the hearts of countless thousands every time she sings God Bless America.

I feel that such service as Miss Smith is rendering should receive

I feel that such service as Miss Smith is rendering should receive some sort of Government recognition, and I suggest that you bring this matter before the Members of the House or some appropriate committee so that they may extend Miss Smith a note of thanks for her endeavor.

Respectfully yours,

CHARLES A. GRAF, Chairman, National Defense Committee, Teddy's Rough Riders Post, No. 516, American Legion.

The words to the song referred to above are:

God bless America, land that I love,

Stand beside her and guide her through the night, with the light from above

From the mountains, to the prairies, to the ocean, white with foam, God bless America, my home sweet home.

Trade Agreements

EXTENSION OF REMARKS

HON. ANDREW C. SCHIFFLER OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, March 29, 1939

EDITORIAL FROM THE WHEELING (W. VA.) INTELLIGENCER OF MARCH 28, 1939

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the RECORD. I include the following editorial from the Wheeling Intelligencer of March 28, 1939:

[From the Wheeling (W. Va.) Intelligencer of March 28, 1939] ARE WE HOLDING THE BAG AGAIN?

When the New Deal's trade-trading program was inaugurated. two major claims were made for it:

First. That it would restore our export market and thus bring prosperity to the United States. Second. That it would stimulate international trade throughout

the world and thus promote peace.

Very little is heard of the first claim today in view of the signal failure of the policy to do anything but increase competition in the American market. But correspondingly greater stress has been laid on the peace angle as the economic failure becomes more and

more apparent and as war clouds gather over Europe.

Thus when the trade agreements with England and Canada were signed in a carefully prepared stage setting at Washington, the political phase of the transaction was emphasized. Indeed, almost nothing was said of the economic advantages supposed to flow to us through the mutual easing of trade restrictions. We were told, with a great deal of feeling, that the signing of these agreements forged another link in the chain binding together the two great English-speaking peoples, and served a definite warning on the totalitarian states that the democracies would stand shoulder to

Several incidents occurring since then serve to throw additional light on this much-stressed relationship.

several incidents occurring since then serve to throw additional light on this much-stressed relationship.

Among the trade agreements this Government had negotiated prior to the new pacts with England and Canada was one with Czechoslovakia. Germany, as is generally known, is the one country beyond the pale of our trade program. In every agreement we negotiate the concessions granted the other party are automatically extended to all the world save Germany, and that without those favored nations granting us anything at all. So when Herr Hitler completed the subjugation of Czechoslovakia this Government promptly put imports from that region under the ban. Classifying them as German goods now, the Treasury has applied to them, effective April 22, a countervailing duty of 25 percent, such as already applied to goods from Germany proper.

Thus this Government has been quick to apply the economic weapon of trade restriction to the German expansion at the first opportunity. But how about England? How about this great sister nation with whom we had just completed a strengthening of economic bonds as a warning to totalitarians in general and to Herr Hitler in particular? What has England done with respect to trade with Germany?

What has England done? England, believe it or not, has entered

with Germany?

What has England done? England, believe it or not, has entered into an export trade agreement with Germany through a conference at Dusseldorf between British and German industrialists.

A London dispatch to the New York Times quotes the Financial News of London as denouncing this agreement on the ground that "what is intended is nothing less than a full Anglo-German economic alliance—a complete reorientation of the whole of our commercial policy."

The dispatch continues:

The dispatch continues:

"It is asserted that to carry out the provisions for the division of markets between Britain and Germany, British industry must be cartelized on German lines. Then if other countries resisted, the British and German Governments would be invited 'to subsidize a united Anglo-German drive against them.'"

Put that in your pipe and smoke it as you contemplate the glories "cooperation among the democracies."

Whatever the underlying facts of the German-English transaction above referred to may be, doesn't the very fact that trade negotiations have been carried on at all suggest that we may have some babes in the diplomatic woods looking after our interests?

Doesn't it all emphasize the wisdom of returning to a frank, straightforward policy of tariff protection here in the United States, and a strict hands-off policy where the quarrels of European and Asiatic peoples are concerned, whether their governments come under the loose classifications of "totalitarian" on the one side or "democracy" on the other; and that when you preached economy in the campaign of 1932 you didn't know what you were talking about?

Sugar Production in Our National Economy

EXTENSION OF REMARKS

HON. GEORGE W. GILLIE OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, March 29, 1939

ARTICLE BY HON. FRED L. CRAWFORD, OF MICHIGAN, IN FEBRUARY ISSUE OF THE SUGAR JOURNAL

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert a magazine article by my esteemed colleague from Michigan [Mr. CRAWFORD], Sugar Production in Our National Economy, which appeared in the February issue of the Sugar Journal.

In connection with this I desire to praise Mr. CRAWFORD for the crusade he has conducted in this body on behalf of the American sugar industry.

As the representative of a sugar-beet district, I wish also to deplore the apparent efforts of this administration to discourage, rather than encourage, the domestic sugar industry. Mr. Crawford's very fine analysis of the situation follows:

> [From the February issue of the Sugar Journal] SUGAR PRODUCTION IN OUR NATIONAL ECONOMY

(By F. L. CRAWFORD)

(Hon. F. L. CRAWFORD, Representative from the Eighth Congres-(hoh. F. L. Crawford, Representative from the Eighth Congressional District of Michigan, is one of the outstanding authorities in Congress on the American sugar situation. Mr. Crawford is from what is known as the eastern sugar-beet section. He expresses sugar opinions which are sound for Michigan, for Louisiana,

presses sugar opinions which are sound for Michigan, for Louisiana, Florida, but above all for the United States.—Editor's note.)

Today, as never before, we hear the elements of our national economy discussed over the radio; and from the platform; and we read more in the papers relative thereto than ever before in the history of our country. The very fact that there is so much discussion and consideration being given to this question is proof that our system is not functioning as it should.

The United States is perhaps more blessed with raw materials, soil, climatic conditions, the ingenuity of labor and mechanical equipment, than any other nation on earth. This fact imposes a great responsibility upon our people. The greater our opportunities, the heavier our duty becomes to keep our own house in order and to operate in a way that lends encouragement to the other peoples of the earth.

other peoples of the earth.

In recent years, and while the "surplus" philosophy has been growing so rapidly, we have learned that in the production of sugar in the sugar-beet fields of the North and West and in the sugarcane fields of the South that this nonsurplus crop is now, as never before, justifying its place in the economic life of our country. Let those who reside in the sugar-growing areas contemplate the economic value of the production of this basic food commodity in the areas where the crops are intensely cultivated. Let those who reside in proximity to the sugar-beet and sugar-cane industries also make calculations of the aggregate number of individual workers make calculations of the aggregate number of individual workers engaged on the farms where the sugar is grown, in the factories where the crops are processed, on the transportation lines, in the selling departments, as well as in those "feeder" industries closely related to sugar. Consider that should these crops be not in production, hundreds of thousands of additional people would be forced to rely on the largess of government in the form of relief checks.

While these facts are so impressive, it is time to give more serious consideration to the economic value of this industry. No one needs a doctor unless he is ill, and the value of a trained nurse is fully appreciated when the body and the mind are racked with pain. When the wheels of industry cease to turn and the smokestacks grow cold, that is when an enterprise engaged in the production of actual essentials of life can be fully appreciated. Now the ears of our people are open to comments and suggestions which deal

with the economic value of this great industry.

In the sugar-oeet sections of the North and West, there are those who have savings accumulated, and who would, in the those who have savings accumulated, and who would, in the absence of Government interference, invest those savings in long-term risks and in the building of additional plants expanding this great industry. It would not be necessary to "prime" these individuals into making such long-term investments. They stand individuals into making such long-term investments. They stand ready to take the risk and thereby increase our total supply of productive capital with all of the economic benefits that would naturally flow to those who would become employed in private industry by reason of such long-term investment. In these same areas, there are those handlers of the soil who would be delighted to increase the acreage of sugar beets. But the policy of the Department of Agriculture as well as the State Department, is such that the industry is not encouraged to expand. Instead almost every week the Government takes some step which discourages the agricultural operations, throws barriers in the way of the processors, and serves notice on those who would expand the industry through the investment of savings, that the Government's attitude is, and will continue to be, of an unfriendly nature. nature.

The progress made in recent years in the sugarcane areas of the South is remarkable. Working against the natural hazards of the business in addition to the artificial barriers, the success you have attained is further evidence of the soundness of the you have attained is further evidence of the soundness of the sugarcane industry and its place in our national economy. What has been accomplished in Florida and Louisiana in the way of combining agricultural and industrial operations is a living example of the fundamental progress our people would make if permitted to fully use the agricultural, mechanical, and scientific knowledge we have today.

The laws of Nature operate in such a manner that sunshine and moisture constitute by far the greater portion of the solids which we take from the soil in the form of agricultural products. Only a small percentage of the total weight harvested represents deprecia-

we take from the soil in the form of agricultural products. Only a small percentage of the total weight harvested represents depreciation of the soil. Therefore millions of our people should be given employment in new enterprises closely related to the handling of the soil and the extractive industries related thereto, such as is so well illustrated by the sugar operations. We should add to this the growing and fermenting of the products of additional millions of acres of crops, using the fermented products as a part of our fuel for power in the form of alcohol and converting other solids into plastics and starches. plastics and starches.

When our people come to the full realization that the United States is blessed with natural resources such as above referred to, in a manner that no other single nation now has, and that the market of the United States from a national standpoint should first be permitted to be enjoyed by those who work and serve in this be permitted to be enjoyed by those who work and serve in this country; and when we fully comprehend that our people must have work in order to preserve our institutions, we will then proceed to further utilize our acres and thereby bring into being a higher standard of living than our people have ever before enjoyed.

The sugar-cane industry of the South, as well as the sugar-beet industry of the North and West, during the past few years in this period of "surpluses" have justified their place in the immortality of our economy. If given the proper encouragement to which they are entitled future employment and production would be much

are entitled, future employment and production would be much greater than at present.

Monetary Powers of the Government

EXTENSION OF REMARKS

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, March 30 (legislative day of Tuesday, March 28), 1939

EXCHANGE OF LETTERS BETWEEN THE SECRETARY OF THE TREASURY AND HON. ROBERT F. WAGNER, OF NEW YORK

Mr. WAGNER. Mr. President, I send to the desk an exchange of letters between the Secretary of the Treasury and myself, in which I propounded certain inquiries with reference to certain monetary powers of the Government, and the exercise of those powers. I ask that my letter making the inquiries, and the answer of the Secretary of the Treasury, be printed in the Appendix of the RECORD.

There being no objection, the correspondence was ordered

to be printed in the RECORD, as follows:

UNITED STATES SENATE, COMMITTEE ON BANKING AND CURRENCY March 14, 1939.

March 14, 1939.

Hon. Henry Morgenthau, Jr.,
Secretary of the Treasury, Washington, D. C.

My Dear Mr. Secretary: My interest in our monetary policy as chairman of the Senate Committee on Banking and Currency has, of course, been intensified by the committee's present consideration of my bill (S. 910) to extend certain monetary powers. I should like your help in answering a number of questions which have arisen both before and during our consideration of the bill.

I ask these questions with no critical intent but solely with the hope of clarifying the whole subject. I realize that they relate to problems which are somewhat complex and technical and that any comprehensive answer may of necessity be somewhat lengthy.

comprehensive answer may of necessity be somewhat lengthy. Nevertheless, I feel that a satisfactory discussion of them would be very helpful to the Congress and the public, and I would appreciate your going into some detail.

The questions that seem to me most pertinent are these:

 Who owns the gold now in the Treasury?
 How much of the gold in the Treasury has been purchased with funds obtained from the sale of interest-bearing obligations of the Government? 3. Why has so much gold come to the United States in the past

5. Why are the specific of the

because it buys gold at a fixed price?

5. How much more gold do you think we will get?

6. Why doesn't the Treasury stop buying gold?

7. Of what use to us is this large stock of gold? Is there any likelihood that we will get so much of the world's gold that we will 'get stuck' with it?

8. Inn't it true that ferrigners are getting chosen of our reading.

8. Isn't it true that foreigners are getting shares of our productive industries and giving us in return gold that we have no use

9. What action, if any, should be taken with respect to the gold tuation? Should we, for example, return to the gold standard of pre-1933?

10. Did devaluation of the dollar in 1934 have an unfavorable

effect on our imports?

11. Who in England and France has the power of altering the gold value of their currencies and what is the extent of that

12. Is there any basis to the contention that the power to devalue operates to undermine the businessman's confidence so as to deter him from making loans and investments in the United

I believe that you can supply more satisfactory answers to these questions than anyone else, and I should therefore appreciate your replying to them at your earliest convenience.

Very sincerely yours,

ROBERT F. WAGNER.

MARCH 22, 1939.

Hon. ROBERT F. WAGNER,

United States Senate.

MY DEAR SENATOR: In your letter of March 14 you ask several important questions. These and similar questions relating to gold and foreign exchange have been asked so frequently that I welcome this opportunity to answer them and to make clear the policy of

the Government with respect to these matters.

As you say, the questions raised involve technical matters which cannot be adequately handled in a page or two. However, I shall be as brief as is possible with materials of such complexity.

1. WHO OWNS THE GOLD NOW IN THE TREASURY?

1. WHO OWNS THE GOLD NOW IN THE TREASURY?

Title to all gold held by the Treasury, now amounting to about \$15,000,000,000, is vested in the United States.

A large part of this gold—\$12,336,858,533 on March 15, 1939—is held as security for gold certificates—or credits payable in gold certificates—issued to and held by the Federal Reserve banks pursuant to the Gold Reserve Act. Such gold certificates may be redeemed in such amounts of gold bullion as, in the judgment of the Secretary of the Treasury, are necessary to settle international balances or to maintain the equal purchasing power of every kind of United States currency. of United States currency.

The remainder of the gold held by the Treasury is accounted for

Gold reserve—held pursuant to law as a reserve against United States notes and Treasury notes of \$156,039,430 Allocated to the stabilization fund.

Gold in general fund (against which gold certificates or credits have not as yet been issued): 1,800,000,000

(a) Balance of increment resulting from reduction in the weight of the gold dollar__

142, 288, 196 547, 899, 564

(b) In working balance The Treasury disposes of gold in the following ways:

(a) For use in industry, profession, or art. Any person needing gold for any such purpose can purchase gold from the Treasury.

(b) For the purpose of meeting the international balance of payments. To this end the Treasury sells gold to the members of the Tripartite Accord and to their stabilization funds and fiscal agencies. The Treasury also may sell gold to foreign central banks upon amplication and under special conditions. upon application and under special conditions.

Neither Americans nor foreigners can obtain gold from the Treasury for the purpose of hoarding.

2. HOW MUCH OF THE GOLD IN THE TREASURY WAS PURCHASED WITH FUNDS OBTAINED FROM THE SALE OF INTEREST-BEARING OBLIGATIONS OF THE GOVERNMENT?

The Treasury pays for gold with the cash assets in the general fund, specifically out of the Treasury's deposit account with the Federal Reserve Bank of New York. The account is normally compensated by the deposit with the Federal Reserve bank of gold certificates or gold-certificate credits issued against the gold then accounted. acquired.

acquired.

Up to December 22, 1936, it was the policy of the Treasury to issue to the Federal Reserve bank gold certificates or gold-certificate credits against the full value of the gold acquired. Under this procedure the purchase of gold by the Treasury did not involve any increase in the Federal debt either directly or indirectly. Shortly after December 22, 1936, however, the Treasury Department adopted a different procedure with respect to new gold purchases. Gold purchased was placed in an inactive gold account and paid for from the general cash balance of the Treasury without issue of additional gold certificates against the new gold acquisitions.

This procedure was departed from several times however by the

This procedure was departed from several times, however, by the issuance of gold certificates against gold released from the "inactive" account or against gold acquired but not placed in the "inactive" account. The "inactive" account was discontinued in April 1938, and at that time the Treasury issued \$1,400,000,000 in gold-certificate credits to the Federal Reserve banks against the gold released from the "inactive gold" account and thus increased its cash balance by that amount. Since that time the Treasury has followed a policy of issuing gold certificates periodically for additional gold acquired. Gold purchases are permitted to accumulate in the general fund in varying amounts before gold certificates are issued against them. On March 15, 1939, there was in the general fund \$548,000,000 of gold purchases against which gold certificates had not yet been issued but which had been paid for by checks drawn on the Treasury account with the Federal Reserve Bank of New York. This procedure was departed from several times, however, by the Reserve Bank of New York.

3. WHY HAS SO MUCH GOLD COME TO THE UNITED STATES IN THE PAST 5 YEARS?

Gold comes into the United States in settlement of the balance of international payments arising out of all transactions between the United States and all foreign countries. These international transactions include exports, imports, shipping services, tourists' expenditures, capital movements, interest payments, etc. When the demand for dollar exchange increases more rapidly than the supply of dollar exchange resulting from these transactions, the price of dollar exchange on the foreign exchange market rose. It may rise to a rate at which it becomes profitable for bankers and dealers, foreign and American, to ship gold to the United States, sell the gold to the Treasury for dollars, and then sell these dollars on the foreign-exchange market.

Therefore, to answer the question why large amounts of gold flow to the United States it is necessary only to explain why United States dollar exchange is so much in demand.

A survey of our balance of payments for the last few years re-

veals at once that the greatly increased demand for dollar exchange which has taken place during the past 5 years is largely a consequence of the huge flow of capital to the United States and, more recently, of the large favorable trade balance. None of the other categories of items in our international transactions can be held responsible for the substantial net increase in the demand for dollar exchange during this period. In fact, for several important categories the net demand for dollar exchange decreased. It is the flow of capital to this country, particularly before 1938, upon which our attention must be focused if we are to understand the chief reason for the large gold inflow.

The following figures show the contrast between the large re-corded inflow of capital in the past 5 years and persistent and large outflow of capital in the years preceding:

1928	1 850
1929	1217
1930	1 752
1931	1 490
1932	1 192
1933	1 336
1934	2 386
1935	21,537
1936	21,141
1937	2 800
1938	2 369

¹ Million outflow. ² Million inflow.

The capital inflow in the years from 1935 through 1937 was the major factor responsible for the inflow of gold, for it amounted in total to \$3,500,000,000, or 86 percent of the value of gold imported

total to \$3,500,000,000, or 86 percent of the value of gold imported during that period.

The trade item did not become important from the point of view of gold inflows until the last quarter of 1937. From 1934 to 1937 the excess of our exports over imports averaged only \$250,000,000 a year. (Incidentally, if silver imports were included in our merchandise imports, which is the procedure followed by many countries in the world, our excess of exports over imports would have amounted to only \$80,000,000 a year in this period.) In 1938, however, the favorable trade balance greatly increased and was the dominant factor inducing the large flow of gold into the United States. The excess of exports over imports totaled \$1,134,-United States. The excess of exports over imports totaled \$1,134,-000,000—the largest we have had in 17 years. This increased "favorable" balance of trade, together with other items, was re-

sponsible for the net inflow in that year of \$1.6 billion of gold.

Thus, it is evident that because there was a large inflow of capital in recent years, and in 1938 a large excess of exports over imital in recent years, and in 1938 a large excess of exports over imports, there was a great increase in the net demand for dollar exchange; and because of this large increase in the net demand for dollars there was a large inflow of gold. Therefore, in the final analysis your question: "Why has so much gold come into the United States?" reduces itself to the questions: "Why did so much capital come to this country during the past 5 years?" and "Why did we have so large a 'favorable' trade balance in 1938?" The answer to the first of these two questions, together with a description of the kinds of capital coming here, was given in some detail in my letter to Senator Vandenberg of September 22, 1936, a copy of which is enclosed for your convenience.

In section 3 of that letter the causes of capital imports into the United States are set forth as follows:

United States are set forth as follows:

"(a) Capital withdrawn from abroad by American owners because of the greater security or the more attractive field for investment offered the capital at home. The return of these funds to the United States—much of which left the country in 1930-32—is, of course, an indication of the relative strength of our recovery and of the prevailing confidence in the future of American industry and American financial institutions.

"(b) Funds sent to this country by foreigners who likewise felt that American securities offered a more attractive or more secure investment opportunity than did investments available to them

elsewhere.

"(c) Repurchase by foreigners of some of the foreign securities which Americans had purchased during the post-war decade and were now glad to get rid of even at low prices. This was particularly true of the securities of certain countries where nominal high large values were coupled with devices whereby the nationals of exchange rates were coupled with devices whereby the nationals of these countries were encouraged to repatriate these securities at an exchange profit to themselves, or where maintenance of debt service was provided for only internally but not for foreign holders.

"(d) Need created by increasing foreign trade for larger working-dollar balances to be kept in American banks by foreign banks and traders. Our international trade during 1934 and 1935 increased by one-third over the 2 years previous. It is to be expected that greater volume of foreign-trade transactions would call for larger

working-dollar balances.

"(e) Fear prevailing in some countries abroad of confiscation of property or of loss through inflation of their local currencies led during this period to a flight of capital from some of the countries

whose economic and political situations have been threatened by

disturbances with which you are doubtless familiar.

"(f) Lastly, funds sent to this country by speculators in the hope or expectation that an exchange profit will be possible if and when the currencies of their countries become depreciated in terms of the dollar.

"These are the causes which account for most of the capital inflows. Yet these capital inflows would not have resulted in such large sums being due to the United States were it not for the virtual cessation of foreign investments by Americans. Whereas in the years prior to the depression annual foreign investments by Americans of more than a billion dollars were common, since 1931 the annual sums invested abroad have been negligible; nor does it appear that the United States will approach in the near future the predepression volume of foreign investment."

Since the above was written (September 1936), nothing has occurred to alter substantially the trend of capital movements or the reasons for them. With the exception of one 9-month period, capital has continued to flow to the United States in large volume. During that 9-month period, October 1937 to June 1938, there was a net outflow of short-term capital of over \$1,000,000,000, but the flow was reversed during the fall of 1938, and more than a billion of short-term capital has since come to the United States.

Capital will continue to flow into the United States in large

amounts so long as:

(a) The opportunities for secure and profitable investment in foreign countries are not great enough to attract American capital

(b) The prospects of continued recovery here appear satisfactory

to foreigners;
(c) The political situation abroad remains disturbed;
(d) There is possibility of further depreciation of some foreign

currencies.

Whether the flow of capital into the United States will continue to take the form of gold or whether it will gradually assume the form of goods and services rather than gold depends upon the rapidity with which the mechanism of adjustments of interthe rapidity with which the mechanism of adjustments of international accounts operates. In earlier decades this adjustment process operated tolerably well and with fair speed to transform international movements of net balances into movements of goods and services. This adjustment process served to keep gold movements between countries relatively small in volume. In recent years, however, this mechanism has operated badly and haltingly. Moreover, it has had to operate under sudden and large capital and trade shifts which differed from those of earlier decades not only in magnitude but in character. To put it graphically, the mechanism of adjustment has had a heavier load to carry, the road has been uphill and the incline has grown steeper.

mechanism of adjustment has had a heavier load to carry, the road has been uphill, and the incline has grown steeper.

The reasons and nature of this change taking place in the effectiveness of the so-called adjustment process of international accounts are matters too technical to warrant discussing in this letter. Suffice to say that because the numerous obstacles to rapid adjustment still prevail in virtually all countries with free exchanges any large movement of capital to the United States in the near future will doubtless take the form largely of an inflow of gold.

of gold.

The significance of this fact as an explanation of the continuing flow of gold to the United States cannot be emphasized too strongly. As compared with the decades prior to 1930, there are now different relationships between international movements of capital and of gold, changes in domestic price levels, trade capital and of gold, changes in domestic price levels, trade changes, contraction and expansion of credit, and changes in the volume of business activity. Realization of this basic economic change is necessary to appreciate the need for treating present-day problems of gold and capital flows quite differently than was appropriate prior to 1929. Monetary experiences of those years, particularly in its international aspects, does not suffice for safe guidance for present-day policy.

4. IS IT TRUE THAT GOLD COMES HERE IN LARGE AMOUNTS BECAUSE THE TREASURY IS PAYING A HIGHER PRICE THAN OTHER COUNTRIES FOR GOLD AND BECAUSE IT BUYS GOLD AT A FIXED PRICE?

This is a question we frequently hear. Unfortunately, it is not wholly clear just what is meant, since the phrase a "higher price for gold" may be interpreted in two quite different ways, and the answer to each of the two interpretations would be arrived at through quite different lines of reasoning.

answer to each of the two interpretations would be arrived at through quite different lines of reasoning.

If the question be interpreted to mean that gold comes to the United States in large amounts because we pay a "higher price" than other countries do in terms of a money price (i. e., in terms of dollars), then the answer is definitely "no." The United States pays the same price for gold, allowing for arbitrage and transportation costs, that any other country does—no more and no less. We do not pay any higher prices for gold than does England, or France, or Belgium, or India.

The price of gold that is permitted to move freely in international channels of trade is (and must be) virtually the same the world over. An Englishman who sells gold in London gets the same return in pounds and shillings for it—with small variations to be explained in a moment—as he would get were he to send the same gold to New York, or to Amsterdam, or to Paris, or to Bombay to be sold. Right now, for example, he would get about 148 shillings for an ounce of gold in the London gold market. If he ships that gold and sells it to the United States, he gets \$35 an ounce (less one-fourth of 1 percent). When he converts the dollar proceeds of the sale of that ounce of gold back into sterling and deducts the expenses of shipping, he gets approximately the same amount of sterling as he would have obtained had he sold the gold

at home—namely, about 148 shillings. In other words, when a for-eigner translates the dollars he gets from the sale of his gold back to his own currency, he finds that the price of gold is almost the same in London, Paris, Amsterdam, or Johannesburg. We pay dollars for gold, England pays sterling, Holland pays guilders, etc., but when conversion from one currency into another is made at the prevailing exchange rates we find that an ounce of gold brings

approximately the same price in one country as in another.

I say approximately the same price. There are slight relative variations in the price as between different countries, variations variations in the price as between different countries, variations which inevitably result from changes in the supply of and demand for foreign exchange. Any change, no matter how slight, in the relationship of the supply of foreign exchange to the demand will bring about a change in the price for foreign exchange. The fluctuations of exchange rates, together with the fluctuations in the price of gold in terms of foreign currencies, result in the occurrence of relative differences in the price of gold in different national money markets when computed in terms of a single currency, but these relative variations can occur only within narrow limits.

These slight relative variations in the price of gold as among

These slight relative variations in the price of gold as among various markets which make possible a profit in shipping gold from one country to another would continue whether we paid \$10 an ounce for gold, or \$50, or \$60. Slight variations in the dollar-sterling, dollar-franc, dollar-guilder rates, etc., do give dealers small profits when selling gold in one market rather than another, but those variations operate as among all countries and at all levels of prices for gold; they are not peculiar to the United States alone, nor to the \$35 price for gold. Exactly the same condition prevailed when the price of gold was \$20.67 an ounce and when other countries had a fixed price of gold. It is the normal mechanism which has always prevailed and must inevitably prevail so long as gold is the international medium of exchange. long as gold is the international medium of exchange.

long as gold is the international medium of exchange.

To dispose briefly of another common misconception: It has been sometimes claimed that gold comes here because the United States pays a fixed price for gold, whereas other countries buy gold at varying prices. The mere fact of fixity of the price of gold in terms of any given currency has little to do with the movement of gold. For example, England does not have a fixed price of gold, and yet her net imports of gold in some of the past few years were greater than ours. Belgium has had a fixed price for gold for 2 years, yet her reported gold holdings are no higher now than they were 3 years ago. Moreover, our gold price, although fixed in terms of dollars, is not fixed in terms of other currencies. When, for example, an Englishman sells gold to the United States, the number of dollars he gets may be fixed, but the amount of sterling he gets, if he converts the dollars into sterling, is not fixed; it fluctuates with every change in the sterling-dollar exchange rate. The amount in his own currency which ling-dollar exchange rate. The amount in his own currency which an Englishman or a Frenchman receives when he sells gold is not fixed whether he sells his gold in New York, London, or Paris.

So far, in answer to this question, the discussion has been based So far, in answer to this question, the discussion has been based on the interpretation of the phrase "higher price" as meaning a higher monetary price. If, however, the phrase is to be understood to mean—as is doubtless intended by many who put the question—a "higher price" in terms not of money but of goods and services, then the question becomes a quite different one. It should then be phrased as follows: "Is it not true that gold comes to the United States in large amounts because we give more goods and services for a dollar (or its monetary equivalent in foreign currencies) than does any other country?" does any other country?"

The answer to this question is likewise "No," though less un-qualifiedly so because adequate statistical data for a categorical

answer are not available.

The purchasing power of the dollar in the United States, in terms of goods, can be compared with its purchasing power in other countries only very roughly and only with respect to those goods which do—or easily might—move from country to country. With respect to "services" comparison of the purchasing power of the dollar in the United States and elsewhere relates chiefly to shipping

services and the expenditures by tourists.

Now it is extremely difficult to measure the differences in purchasing power of gold or currency as between different countries, even with respect to such goods and services. Fortunately, for the purposes of the question we are examining, no such measurement is necessary. Were it true that an ounce of gold had a significantly higher purchasing power over American internationally traded goods than over foreign goods, indirect but definite evidence would be revealed in our trade figures. Our export excess would have so increased since 1933 that either we would have drained the outside world of all its monetary gold or we would have forced other countries to adopt strict exchange or import controls or much higher tariff schedules. No such developments have occurred. Foreign countries still have large gold holdings; many of them have not significantly heightened their barriers against imports of the world.

Convincing evidence that we do not pay a higher price for gold Convincing evidence that we do not pay a higher price for gold than do other countries in terms of goods and services is contained in the record of our balance of international payments on current account. For the years 1934 to 1937, inclusive, the balance of payments with respect to the pertinent commodity and service items was in the aggregate unfavorable by \$1,200,000,000, as far as the records show. Unfortunately, however, our international accounts, though more complete and reliable than those of other countries, are still subject to a substantial margin of error. In each year there has been a substantial "residual" item (i. e., unaccounted for) which during the 4 years in question totaled approximately \$1,500,000,000 due the United States. Some portion of this favorable

balance must be allocated to trade and services-how much it is balance must be allocated to trade and services—now much it is impossible to know. But even if we allocated the whole residual item to commodity and service items—which would be an extravagant allowance—there would result only a small balance due the United States for those items during the 4 years in question—\$400,000,000 for the 4-year period. This constitutes too small a sum relative to the magnitudes involved in our balance of payments to justify the claim that an ounce of gold can buy more here than elsewhere.

There is little basis, therefore, for the contention that an ounce of gold could in general buy more goods and services in the United States than elsewhere from the years 1934 to 1937, inclusive. Or to States than elsewhere from the years 1934 to 1937, inclusive. Or to put it in simpler and more accurate terms, the United States did not achieve any special competitive advantage in international markets as a consequence of its external monetary policy. The change in the gold value of the dollar in 1933 merely helped the United States to regain its earlier position. In 1938 the trade situation appeared to change. We did experience a sharp increase in our trade balance. Exports, as pointed out earlier, exceeded imports in 1938 by some \$890,000,000 more than in 1937. But most of this increase cannot be attributed to any changed relationship of the dollar to other currencies because the exports' excess arose from a sharp decrease in imports and not from an increase in exports. The recession in the imports and not from an increase in exports. The recession in the United States, more marked and earlier than in other countries, caused a temporary decrease in our purchases from abroad greater than the simultaneous decrease in our exports. This gap may be

expected to narrow as recovery proceeds.

The only sense in which it might be said that we give more for gold than other countries is that in addition to \$35 an ounce we also give peace, security, prospects of higher returns on invest-ment, and better speculative opportunities, with the result that foreign capital funds flow here in the shape of gold. It is these values that constitute the chief factor conducive to a flow of gold to the United States.

5. HOW MUCH MORE GOLD DO YOU THINK WE WILL GET

How much we will get depends upon the extent and direction of changes in our balance of trade and services, upon the output of new gold, and upon the trend of capital movements. Since capital movements are so sensitive to international polit-

Since capital movements are so sensitive to international political and economic developments, one can only hazard a guess as to their future trend. At this moment it looks as though the European situation will remain so disturbed as to postpone for some time any substantial repatriation of foreign balances. It also appears as though early resumption of American lending abroad such as would cause a gold outflow is extremely unlikely. As for our balance on commodity and service items, the fear of war and the preparation for war by foreign nations are likely to sustain our exports and reduce American tourist travel in Europe

sustain our exports and reduce American tourist travel in Europe and Asia—both developments making for additional gold inflows. On the other hand, continuance of our recovery here will tend to increase our imports and to increase American tourist travel in the Western Hemisphere. I believe the latter trend will outweigh the western remisphere. The leave the latter trend will outweight the other and that on commodity and service account the net balance due us will be less in 1939 than it was last year. On the other hand, capital inflows will probably be large so that, on the whole, it appears that in the near future the United States will continue to get gold, perhaps in as large volume as in recent

Current world gold production (outside the United States) now amounts to over \$1,000,000,000 per year. The bulk of this newly mined gold can go only to a few countries. Most countries now utilize practically every available dollar of foreign exchange to purchase imports or to make additional payments on outstanding foreign dollar which as they would like a processing order. chase impores or to make additional payments on outstanding foreign debts. Much as they would like to acquire gold, and much as they need it, they want to acquire additional imports even more. Therefore it is to be expected that until current hostilities and intensive preparedness for wars cease, and until the world economic situation improves, the bulk of the newly mined gold will be added to the manufacture of our form of the countries of the second of the s to the monetary stocks of only a few countries and the United States will get a substantial share of it.

6. WHY DOESN'T THE TREASURY STOP BUYING GOLD?

A simple way of stopping gold from coming into the United States would be for the Treasury to announce to the world that we will not buy any more gold for the time being. But such a step, taken unilaterally, would have disastrous effects on our economy. It would disrupt the foreign exchanges and gold bullion markets and would very soon cause such drastic disturbances in international trade and even in the domestic sphere as seriously to impede the recovery of business. the recovery of business

the recovery of business.

Present relationships among the various leading currencies would be upset. The dollar probably would appreciate immediately in terms of other leading currencies. At present, when the demand for dollar exchange increases, foreigners need only obtain gold (either at home or on the London market), ship it here and obtain dollars in exchange. Thus an increased demand for dollar exchange relative to the supply is met. If, however, this means of securing dollar exchange were removed, dollars would rise in value indefinitely in terms of other currencies. While it is impossible to indefinitely in terms of other currencies. While it is impossible to know in advance what rates of exchange would finally emerge, we can be certain of at least one thing—that no country would benefit from the ensuing international monetary disruption.

Were the United States, moreover, to declare a complete embargo

on gold imports, it might deal a serious blow to the value of gold as a monetary medium. (Such action coming at a period when there was discussion of the possibility of world overabundance of gold might have repercussions which would disturb the public's

confidence in the value of gold.) The leading gold-producing areas would be hard hit and some might even be involved in a major economic crisis.

A closely related question that has frequently been asked is: "Should not the price of gold be reduced? Is not \$35 an ounce too high a price for gold?" Possibly the simplest way to answer this question is to examine the consequences that would ensue from an increase in the gold content of the dollar (or, to phrase it another way, from a decrease in the monetary value of gold).

reduction by Congress in the monetary value of gold would probably not be as calamitous as a complete embargo. It would limit the extent of possible depreciation of gold (or appreciation of the dollar in terms of foreign currencies) and the psychological of the dollar in terms of foreign currencies) and the psychological disturbance caused by the change would not be as potent, yet it would have disadvantages serious enough to render resort to any such action most unwise. If the reduction made in the price of gold were small, our trade and service balance would not be much affected over the next year or so, nor would the inflow of capital cease. Once the drop in the price of gold was regarded by the rest of the world as definitive, the subsequent effect on capital imports would be virtually nil. Our securities would continue to be bought for the same reasons that they are bought now and dollar balances on foreign account would also continue to increase for the same reasons that they are increasing now. But were a for the same reasons that they are increasing now. But were a small decline in the price of gold to be regarded by numerous domestic and foreign investors and exchange speculators as being but the first of a series of drops, the result might well be to attract more, not less, funds to the United States, and to intensify the inflow of gold—the very thing it is designed to check. Speculators would rush to buy dollars and hold them here in anticipation of the next appreciation. Thus the effect on capital movements, both leave town and short term might more than offset the effect. both long-term and short-term, might more than offset the effect on trade and service items; instead of getting less gold we would find ourselves getting more.

On the other hand, were the monetary value of gold to be cut with one stroke substantially, and definitely—say, for ex-ample, to \$25 an ounce—the effect would be quite different from ample, to \$25 an ounce—the effect would be quite different from that described above. Such a step might reduce the volume of gold imports and perhaps give rise to an outflow of large dimensions; but the economic effects on our economy of the change in the foreign exchange value of the dollar would be little short of disastrous. The 40-percent increase in the price of American currencies to foreigners would constitute a severe handicap upon our exports. Our exports play a role in the level of business activity much in excess of the magnitudes involved and so great an appreciation of our currency in terms of other currencies would be bound to curtail our exports seriously. In the past 6 months the dollar has appreciated in terms of other the past 6 months the dollar has appreciated in terms of other leading currencies by some 5 percent and price movements in the various countries have not been such as to offset this comthe various countries have not been such as to offset this competitive disadvantage to us. The appreciation of the dollar has not been due to a change in the dollar price for gold but rather to a depreciation of foreign currencies in terms of gold. You will note that our exports during January 1939 were more than 40 percent less than they were in January 1938. Although it is too soon to evaluate the full significance of the decline, it is not unreasonable to assume that the less favorable position of the dollar in terms of other currency (i. e., higher prices of foreign currencies in terms of gold) contributed to the drop in exports. Our imports on the other hand would, in the event of a reduction in the price of gold to \$25 an ounce, be 30-percent cheaper. Our domestic producers would then be exposed to greatly sharpened competition in the American market from foreign producers both because the prices in dollars of imports would be less, and also because the numerous ad valorem duties would constitute smaller protection.

Foreigners would have a greater advantage in this market, but unfortunately even this would be of dubious value to them. The ability of Americans to buy goods, whether imports or domestic goods, depends chiefly upon the state of business activity here. It is chiefly for that reason that our imports during the recession of

goods, depends chiefly upon the state of business activity here. It is chiefly for that reason that our imports during the recession of 1938 dropped to almost one-half and that our imports began to increase in the fall of 1938. Thus, though the sharp appreciation of the dollar would make foreign goods cheaper in this country, our imports might actually be less than during the previous period, and instead of benefiting the rest of the world we would be hurting world business as well as our own.

world business as well as our own.

Judging from past experience, we could not expect the prices of domestic commodities and services to move either at home or abroad with sufficient rapidity to adjust quickly and fully to any substantial alteration in exchange rates. For many months, perhaps for years, the economic position of large groups of American producers, including farmers, would be worsened and there would be widespread unemployment. The combined effect on our domestic economy of a sharp drop in exports and of increasing competition in the domestic market would be keenly felt. Domestic prices would begin to fall. Many corporations would suffer loss of busiwould begin to fall. Many corporations would suffer loss of business and profits. In times such as the present these short-run effects-and by short-run we mean from a few months to several years—are of paramount importance. To brush aside, as some are prone to do, these short-run effects on the ground that in the long run appropriate adjustments will take place is to ignore the

unstable world in which we live and the real problems which confront us from day to day.

Moreover, were we to reduce the price of gold and were it to result in an outflow of gold, there is no reason to believe that the countries who most need gold would get it. On the contrary, were

gold to leave the United States, it would probably find a resting place in the very countries whose currencies would for the moment appear most secure. Certainly no gold would flow to Latin-American countries in any substantial amount, nor would the Far East or the Balkans obtain more gold. The loss of gold by the United States would not correct the serious maldistribution. It would rather operate only to take away some from the United States. rather operate only to take away some from the United States, which has too much, and to add it to the holdings of other coun-

tries which likewise have too much.

Thus we are confronted with the fact that though we should like to receive less gold and even to get rid of substantial amounts of the gold we already have, there is, under the existing circumstances, no acceptable alternative to the policy we have been pursuing. In the case of all the proposals we have examined, the remedy has always been worse than the disease. The best way to reduce our gold inflow on commodity and service account is for us to have full recovery so that our imports will rise more rapidly than

our exports.

7. OF WHAT USE TO US IS THIS LARGE STOCK OF GOLD? IS THERE ANY LIKELIHOOD THAT WE WILL GET SO MUCH OF THE WORLD'S GOLD THAT WE WILL "GET STUCK" WITH IT?

Gold performs two monetary functions. First, it serves as a specie base for the monetary system. Secondly, it serves as the medium for settling international balances. These are distinct and separate functions. The present gold stock of the United States is about \$15,000,000,000. The question you ask, therefore, is, "Is \$15,000,000,000 of gold more than enough to accomplish these two

functions which gold now performs in our economic system?"

It is doubtless true that we have more gold than we need to provide a specie base for our monetary system. Our laws require that a 40-percent reserve in gold certificates be held against Federal Reserve notes in circulation and a 35-percent reserve in gold certificates or lawful money against deposits of Federal Reserve banks. These legal reserve requirements are based on the assumption that gold reserve requirements operate as a control of the volume of goid reserve requirements operate as a control of the volume of means of payment, as a protection against excessive issue of notes and expansion of bank credit. At present, however, gold and gold certificate holdings are so far in excess of these legal requirements that they can hardly be said to constitute a protection against undue expansion of our currency and credit. We now have enough gold to permit an enormous expansion of credit and currency even after generous allowance for the outflow of gold that might accompany such an expansion. Legal reserve requirements do not of pany such an expansion. Legal reserve requirements do not of themselves necessarily protect us against an undue expansion of the volume of money, and the monetary authorities must be prepared, when and if the occasion arises, to apply appropriate supplementary control. This is especially likely to be true when gold holdings are as great as they now are.

as great as they now are.

But it is desirable that the reserves be above the minimum required by law. Otherwise, in a period of business recovery the limitations on the expansion of notes and deposits which the gold reserve would impose would operate to curb the rise in business activity, or an outflow of gold would tend to initiate a contraction of credit, irrespective of the legitimate needs of business. It is clear, therefore, that some excess of gold above the legal minimum is recorded to protect out deposits of gold above the legal minimum is recorded to protect out deposits of gold above the legal minimum. is needed to protect our domestic economy against effects of for-tutious inflows and outflows of gold. We now, however, have more gold than is necessary to insure this protection.

The second and more important monetary function of gold is its employment as a means of settling international balances among nations. Gold has been used for this purpose from time immemorial, and modern governments have as yet found no satisfactory substitute; nor is there any sign that a satisfactory substitute will be found in the near future.

Important commercial countries which carry little or no gold stocks have difficulties in settling their international payments. They have to see to it that their imports and exports are maintained in a certain relationship to each other. To achieve that and to keep their foreign exchange rates from fluctuating wildly they frequently have to maintain strict exchange controls so as to restrict merchandise imports and the movement of capital.

Small countries, which are not precluded by political and prestige considerations from holding their reserves in the form of foreign exchange assets, can get along more or less satisfactorily without gold. But they can do so only because the countries whose currencies they hold as reserve assets do have large amounts of gold

reserves.

Some countries (operating with very little gold or foreign exchange assets) have been pointed to as illustrations of the phenomenon that countries can carry on foreign trade and settle international transactions without resort to gold, and that gold is rapidly becoming obsolete even for this monetary role. Those who make this claim completely misread the experience of these countries. These very countries do, in fact, need and prize gold more and seek it more anxiously than do countries that use gold freely to settle balances of international payments. It is their inability to obtain gold which forces them to adopt a far less satisfaction. factory alternative method of adjusting their balance of interna-tional payments, namely, the adoption of strict exchange control, of clearing agreements, of barter schemes, and the imposition of severe penalties against evasion and all the other business- and liberty-destroying procedures necessary to make the system work. There is no one thing which demonstrates more effectively the superiority of gold as a means for settling international balances

than the experience of those countries that have tried to get along without it.

Without either gold or exchange controls, exchange rates would be very unstable. Any change in the balance of payments would have to be taken care of by international borrowing or lending, or the exchange rates would have to move to the point where the sums to be paid and the sums to be received were equated. Because we have abundant gold reserves, we do not have to apply exchange restrictions, and broad changes in our balance of international payments can take place without interfering with the

stability of the dollar exchange.

All these points have been granted by some critics, but they maintain that to fulfill both these functions much less than \$15,000,000,000 worth of gold would suffice. There is some merit to that contention, yet the future of international political and economic relationships is much too uncertain to justify our taking the steps which would be necessary if we were determined to reduce our sold heldings.

reduce our gold holdings.

One important factor to bear in mind in considering our gold policy is the psychological reaction of the public to a continuing loss of gold. Should a country be undergoing loss of gold over a considerable period of time there is likely to result impaired confidence in that country's currency and in the stability of its monetary system long before it has exhausted the gold it possessed in excess of legal or traditional reserve requirements. This has happened of legal of traditional reserve requirements. This has happened time and again throughout the world. Without greater ability to forecast future political and economic developments than is vouch-safed us, it is impossible to say with certainty that we have too much gold. We can say with some assurance, however, that we have enough gold to meet all likely contingencies and that we are in a strong position to defend the stability of our credit structure and of the dollar against any quick change in our international balance of payments, including any large withdrawal of foreign capital

capital.

The danger that gold will no longer be used as a medium of inter-The danger that gold will no longer be used as a medium of international exchange is so remote as not to merit serious consideration. Other countries will surely continue to accept gold in the settlement of favorable balances of payments, because gold is as important to them as it is to us. England has over \$3,000,000,000 of gold. France has almost as much. Holland, Switzerland, and Belgium, and many other countries have what are for them large holdings of gold. It is in the interest of these countries as much as it is in our own interest to continue to rely on gold as an essential part of their monetary system. Moreover, we must not overlook the fact that nations producing substantial quantities of gold have important vested interests in the continuation of gold as a monetary metal. The British Empire alone produces about half the world's gold. Even countries that produce relatively small amounts of gold find that those small emounts are an important source of stricts. find that those small amounts are an important source of national income to them.

8. ISN'T IT TRUE THAT FOREIGNERS ARE GETTING SHARES OF OUR PRO-DUCTIVE INDUSTRIES AND GIVING US IN RETURN GOLD THAT WE HAVE

The amount of American securities which have been recently acquired by residents of foreign countries has been much less than is generally supposed. During the past 4 years the total of net foreign purchases of American securities amounted to only one and two-tenths billion dollars, as follows:

	unons
1935	\$317
1936	601
1937	245
1938	49

There was, in addition, an increase in direct investments by foreigners as reported by the Department of Commerce of about \$175,000,000 during this period. Altogether, the total amount of investments by foreigners in American securities or directly in American industry during the past 4 years has been less than one-

fifth of the gold sent here during those years.

These sums do not, of course, represent the total of foreign capital which has come into the United States. Short-term funds owned by residents of foreign countries increased by one and eighttenths billion dollars. The bulk of these were demand deposits, which do not constitute acquisitions of shares in American indus-

which do not constitute acquisitions of shares in American industry and which do not earn any interest.

The acquisition of American securities by foreigners paid for with gold represents a transaction which admittedly is, under existing circumstances, of dubious advantage to the United States. Yet, given the relatively minor importance of the problem to date, we have not been able to convince ourselves that any of the possible remedies which we have so far examined gave promise of sufficient benefit to the national economy to offset their disadvantages.

On the other hand, it should be pointed out that if foreign holders of American securities liquidate their holdings and withdraw the proceeds, either gold or goods (and services) would necessarily be the resultant medium of withdrawal. If the vehicle of transmission were gold, its loss, in view of our large gold holdings could, of course, be regarded with equanimity. If the medium of transmission were goods, either because of direct purchases with the proceeds of the funds or because of the operations of the adjustment process, the resultant increase to our exports at a time when there exists a large volume of unemployed labor and other idle resources would have favorable effects on our economy. 9. WHAT ACTION, IF ANY, SHOULD BE TAKEN WITH RESPECT TO THE GOLD SITUATION? SHOULD WE, FOR EXAMPLE, RETURN TO THE GOLD STAND-ARD OF PRE-1933?

The maldistribution of the world's gold is a reflection of the disturbed economic situation throughout the world and the chaotic international political situation. Redistribution can come only with progress toward the solution of the basic problems confront

ing world international relations.

In our study of this matter we have examined literally scores of proposals directed toward possible action to redistribute the world's gold. The major conclusion we have drawn is that any measure which would take the form of restrictions on the flow of gold into this country would have, at this time, detrimental

what disadvantages may be associated with the gold inflow are fortunately only of minor magnitude, and should, moreover, be attributed to the factors causing that inflow rather than to the inflow itself. Foreign ownership of American securities may, however, serve as a source of disturbance to our security markets in times of stress; similarly with short-term foreign capital sent here. On the other hand, the third factor responsible for the gold inflow

to the United States—our export excess—does yield a gain.

The large inflow of gold in recent years has been a major factor in increasing excess bank reserves. These reserves do in some degree operate to stimulate an expansion of loans by banks and to keep the interest-rate structure lower, both developments helping somewhat to promote a higher level of business activity. Nonetheless, the prospect of continued large inflows of gold has been a cause of some concern on the part of those who consider a large volume of excess reserves as constituting a potentional danger of inflation, though I do not regard this problem as one of immediate

The only immediately disturbing aspect of the gold problem is the loss of gold by foreign countries. The countries losing gold may be adversely affected by the loss, and some of the adverse effects would impinge indirectly on us. This is to be deplored, but the factors producing this situation are external to us and beyond currently exting alone.

cur control acting alone.

With respect to the suggestion that the United States return to the gold standard of pre-1933, I must state definitely that such a move would be harmful to the American people and of no value to the people of other countries. In the first place, a return to the pre-1933 gold standard would mean a return to the \$20.67 an ounce price for gold. This, in the absence of similar changes in the gold value of other currencies, would represent a depreciation of approximately 70 percent in all foreign currencies in terms of the dollar.

It is obvious that an increase in the cost of the dollar to the foreigner by 70 percent and a decrease in the cost of foreign currencies to the American importer by 40 percent would seriously disrupt our foreign and domestic trade. Price movements are not so general or so rapid as to adjust economic conditions quickly to changes in exchange rates, and such movements as would occur would take the foreign of follows writers worked with a second of the contractions changes in exchange rates, and such movements as would occur would take the form of falling prices, particularly prices of agricultural products and raw materials. From experience we know that such price movements have disastrous effects upon incomes, profits, and the level of business activity. We might be precipitated into a depression rivaling the 1930-33 experience. There can be no question, therefore, of returning to a gold dollar with the pre-1933 content. The answer to question 6 above contains a full discussion of the foreseeable effects which would result from any substantial increase in the gold content of the dollar.

Even if what were proposed were a return not to the old gold

Even if what were proposed were a return not to the old gold value but to a pre-1933 gold standard with the present gold content of \$35 an ounce, such a step would be unwise at this time. Our present monetary system differs from the pre-1933 gold standard in three respects other than gold content. First, our currency is not convertible into gold coin; secondly, there are Government controls over the movement of gold in and out of the country; and thirdly, there is Executive authority to change the gold content of the dollar.

dollar.

convertibility of currency would, in my opinion, have no substantial advantages. Virtually every country in the world has recognized this fact and has withdrawn the privilege. For in normal times there is nothing to be gained by the right to convert currency into gold, whereas at all times convertibility has the potential disadvantage of creating a possible source of internal gold drain which would come into play at the very time when it would be most injurious. Internal hoarding of specie reserves has been, in the experience of many countries, one of the most important reasons for the weakening of currencies. Though the prospect of such a contingency in the United States seems at this time remote, it would nevertheless always be a possibility under a convertible currency system. Moreover, in the event that there should develop an emergency situation calling for a further change in the gold content of the dollar, the existence of private gold holdings would tent of the dollar, the existence of private gold holdings create unnecessary difficulties.

At present the movement of gold out of the country is in effect subject only to the restriction that it must be for the purpose of settling international balances. Gold moves freely to satisfy legitimate commercial and financial needs. The present powers of control over the movement of gold provide a safeguard that can instantly be used in the contingency of an international crisis. The power to change the gold content of the dollar should be

The power to change the gold content of the dollar should be lodged in an authority which can, in case of necessity, act swiftly and in a manner which will minimize the disturbances resulting from any change. This power should always be available; its existence contributes to the maintenance of stable exchange relationships, which make the exercise of the power unnecessary. It is important to realize that rumors of an impending change in the value of a currency, or any public discussion by responsible officials that such a change might be made, would in themselves be enough to induce large flows of capital either into the country or out of the country, depending upon whether the prospect is for an increase in the value of the dollar or for a decrease in the gold content of the dollar. Discussions in committees would be advance notice to speculators that such action might take place. The mere fact that it might take place would be sufficient to advance notice to speculators that such action might take place. The mere fact that it might take place would be sufficient to induce the flow of capital, because if the change did not actually occur, the speculation would have cost only the small charges attending any exchange transaction. Indeed, congressional discussion would stimulate speculators to engage in activities of a sort which would of themselves tend to force Congress to take the action which had been in contemplation, even if on its own merits and in the absence of the situation created by the operations of the speculators, a negative decision would have been in merits and in the absence of the situation created by the opera-tions of the speculators, a negative decision would have been in order. The liquidation of foreign holdings of American capital might, under such circumstances, easily be powerful enough to disrupt the security exchanges and to introduce a chaotic situation in markets and in business generally. Since the prospect of de-valuation would arise only under circumstances which were dis-turbing in any case, the outflow of capital would simply make bad things worse.

It therefore appears desirable that the Executive should have the power to alter the gold content of the national currency unit, in the public interest and within clearly prescribed limits, as it is in most of the countries in the world, so that if an emergency situation should require its exercise it could be exercised quickly and without the necessity of prior public discussion and its concomitant invitation to speculative activities.

10. DID DEVALUATION OF THE DOLLAR IN 1934 HAVE AN UNFAVORABLE EFFECT ON OUR IMPORTS?

Under one set of circumstances devaluation of a currency will induce an increase in imports and under a different set of circumstaces it may decrease imports. Devaluation of the dollar in 1934 did contribute to an increase in United States imports.

The value of American imports varies, in the main, with domestic business activity. When business is good in the United States our imports are high; when business is bad our imports are low. For example, between 1929 and 1932 imports dropped from \$4.400,-000,000 to \$1,300,000,000, a decrease of more than two-thirds. 000,000 to \$1,300,000,000, a decrease of more than two-thirds. Again in 1938, owing largely to the recession which prevailed through most of that year, our imports dropped more than one-third. On the other hand, during the years of recovery, 1934, 1935, 1936, and 1937, our imports rose from the low of \$1,300,000,000 to over \$3,000,000,000. Increases or decreases in the total value of a country's imports are due to changes in prices as well as to changes in quantity. A sharp drop in the prices of imported commodities which are competitive with domestic products has economic repercussions which are very disturbing to the country receiving the imports. At a time when business activity is declining, any potent source of further price declines serves only to lower still further the level of business activity and to increase unemployment. increase unemployment.

The best way to increase our imports is to increase our national income. Any measure which serves to promote recovery increases our imports, and, contrariwise, any measure which serves to reduce

our imports, and, contrariwise, any measure which serves to reduce business activity operates to reduce our imports.

As a consequence of falling prices and declining business intensified by the widespread depreciation of other currencies in 1931-33, we bought less because our national income was less, notwithstanding the greatly lowered cost of imported goods. Even though depreciation of the dollar made imported goods more expensive, the improvement in business activity which followed develuation. the improvement in business activity which followed devaluation was one of the factors responsible for the rise in national income and the consequent increase in imports. Whether or not depreciation of a currency will lead to increased or decreased imports depends upon the conditions which precede such depreciation, and upon other measures which accompany it, as well as upon the reaction of other affected countries.

11. WHO IN ENGLAND AND FRANCE HAVE THE POWER OF ALTERING THE GOLD VALUE OF THEIR CURRENCIES AND WHAT IS THE EXTENT OF THAT POWER?

In England the British Treasury has the power to alter the

In England the British Treasury has the power to alter the sterling price of gold through its operations in the gold market. There is no statutory restriction on the extent to which the British Treasury can change the sterling price of gold.

Similarly, the French Treasury, through the mechanism of its foreign exchange and gold operations, can alter the franc price of gold without any statutory restrictions. In addition, the Council of Ministers is authorized to fix ultimately by decree the gold content of the franc. As yet, they have not done so. The Council of Ministers, in other words, can decide whether or not there should be any statutory gold value for their currency and under existing law can fix that value at any amount it wishes.

12. IS THERE ANY BASIS TO THE CONTENTION THAT THE POWER TO DE-VALUE OPERATES TO UNDERMINE THE BUSINESSMAN'S CONFIDENCE SO AS TO DETER HIM FROM MAKING LOANS AND INVESTMENTS IN THE UNITED STATES?

A factor that more than any other will increase the confidence of businessmen in the future is the assurance that business will improve; a development contributing substantially to that expectation would be the prospect of a stable or moderately rising price level. What businessmen fear with regard to the dollar is not that the price level in the United States may remain stable or rise but that the price level in the United States may fall—that is, that the

purchasing power of the dollar may rise.

From past experience we know that falling prices have disastrous effects upon our economic system. The national income declines, business profits disappear, the security of loans is undermined, and the level of business activity falls. If the businessman could be assured that price levels will not fall sharply, he would have greater confidence that business profits and the value of investments would be maintained, and consequently would be more willing to make the contract and loans. investments and loans. At no time in modern history have lenders hesitated to lend during times of stable or moderately rising prices, and at no time has their desire to lend increased during a period of substantially falling prices. The power to devalue should thus constitute for the businessman an added assurance that prices will not be permitted to decline much or sharply in response to a marked depreciation of foreign currencies. This added assurance of domestic price stability should operate as an encouragement to

The present attitude of the owner of capital toward the prospective value of the dollar is one of full confidence. This is borne out by the eagerness of the public to invest in long-term fixedout by the eagerness of the public to invest in long-term fixed-interest bonds at almost the lowest interest rate in the history of this or any other country. The fact that people are willing to invest billions at low rates of interest, and run the risk of depreciation of the real value of the bonds which would accompany any sharp rise in the general price level, suggests that they have confidence in the way which counts most; namely, by their willingness to risk their capital.

The assertion that the continuance of the power to change

willingness to risk their capital.

The assertion that the continuance of the power to change the gold content of the dollar generates lack of confidence and hesitation in the business world is not, I am convinced, based on factual considerations. Rather, it seems to me, it stems from an effort to reestablish the validity of monetary theories that are ill adapted to the circumstances prevailing in recent years.

Monetary disturbances in the world today arise from causes almost entirely outside our control. The effect of these disturbances on our monetary system has been such as to reflect greater confidence in the American dollar than in any other currency. This tribute to the soundness of the dollar, taking the form of huge transfers of funds to the United States, creates an unbalance which is the only factor in the situation which the form of huge transfers of funds to the United States, creates an unbalance which is the only factor in the situation which gives us any cause for real concern. The powers we possess have been sufficient to prevent any significant damaging effect on our domestic system. The monetary powers granted to the President by the Congress have been employed in such a way as to be powerful forces for stability rather than instability in the domestic economy and in the international field alike. Sincerely,

HENRY MORGENTHAU, Jr., Secretary of the Treasury.

Need of Members of Congress for Additional Clerical and Research Assistance

EXTENSION OF REMARKS

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Thursday, March 30 (legislative day of Tuesday, March 28), 1939

ARTICLE BY DAVID LAWRENCE IN WASHINGTON EVENING STAR

Mr. LOGAN. Mr. President, on last Tuesday Mr. David Lawrence, in his column in the Washington Evening Star, had an article on the need of Members of Congress for additional facilities which I think is so filled with truth that I ask unanimous consent that it be published in the RECORD.

Mr. BILBO. Mr. President, it had been my intention to ask that the same article be printed in the RECORD. I join in the request, and hope every Member of the Senate will read the article. I think the country ought to know our predicament.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 28, 1939] CONGRESSMEN NEED ADDED FACILITIES-LIMITED PERSONNEL IS BLAMED FOR ERRORS IN DECISIONS MADE

(By David Lawrence)

It was disclosed the other day that 50 United States Senators had signed an informal circular advocating passage of a bill which would tax individual incomes up to 99 percent in time of war and that only about 10 Senators had read the document carefully before

This particular proposal has turned out to be impractical, because whoever drafted it forgot that out of individual incomes there must be paid State and city taxes and that if incomes are virtually confiscated when war begins the whole structure of private credit might collapse and bring on a financial crisis at the very moment when patternal unity was most desired.

collapse and bring on a financial crisis at the very moment when national unity was most desired.

Why, it will be asked, did 50 Senators sign such a preposterous proposal, and why didn't they read it carefully before giving even informal approval? The incident brings to the forefront of attention a problem on which relatively little has been said, but which is really at the root of our legislative situation, namely, the inability of Members of Congress to give personal attention to the thousand and one things that crowd before them, and the inadequacy of their office staffs to handle communications from constituents and others.

PRESSURE IS SCANDALOUS

The way the Congress of the United States is forced to do its work is nothing short of a public scandal. Just at the time when the citizens are deeply interested in an important bill or the repeal of an existing law and the mails are flooded with letters and telegrams, the Senator or Member of the House may be tied up with other matters which are his particular province of inquiry. He is importuned for answers to letters, and he is asked for personal interviews. He really does not have either the time or the staff to handle effectively the duties of his office unless out of his own pocket he is able to hire additional staff.

The entire cost of the salaries of the House and Senate Members The entire cost of the salaries of the House and Senate Members and their respective offices is about \$8,500,000 a year, and yet this group of 531 men is expected to pass minutely on appropriations totaling around \$10,000,000,000 a year. It might be thought that the congressional committees have special staffs available, but they do not. Each committee has a clerk or secretary, and occasionally an extra assistant is engaged, but on the whole the committees do not have any special staffs.

not have any special stails.

If the Congress should appropropriate a small amount of money each year to permit the hiring of a staff of at least two extra persons for each office of a Senator and Representative and make the salaries large enough to engage someone with business or economic experience, so that legislation, actual or proposed, could be carefully analyzed, the result might be a saving of hundreds of willings of dellers a year. millions of dollars a year.

RESEARCH MEANS LIMITED

If a Member of Congress wants to get a piece of research done on If a Member of Congress wants to get a piece of research done on a measure that is pending or one that he is thinking of introducing where can he go? Often he consults the executive departments or agencies, but there again the personnel isn't supposed to work for the legislative branch of the Government, and besides these officials have their own work to do. Lately it has been suggested that some Members might be able to avail themselves of the services of private research organizations, but there are not many which can afford to do work for nothing.

Worst of all is the situation that exists on Capital Hill with re-

Worst of all is the situation that exists on Capitol Hill with respect to committees. It is not at all infrequent for a Senator to find his calendar calls for attendance at three different committee meetings at the same hour. He cannot possibly go to all three, so he goes to one, stays a while, and goes on to another, or else he misses two out of the three. Yet the system assumes that each Senator who is a member of a committee will be present when legislation is being drafted.

TIME FOR ACTION AT HAND

Members of Congress hesitate to add to the legislative pay roll because of the demagogic outcries that usually arise in such instances; but the time is at hand when, unless the Senate and House get extra staffs, not only to handle the huge volume of letters and telegrams nowadays, but to analyze the numerous proposals and suggestions that come to them for serious attention, the people of the United States may expect even more ill-considered and patchwork legislation in the future than in the past.

patchwork legislation in the future than in the past.

What makes the situation even worse than ever before is that 9 out of every 10 proposals for legislation which come to the Senate and House nowadays relate to basic economic matters—either business or industry or agriculture or taxation or cognate questions. The day of the relatively simple piece of general legislation is long since passed. It is an era of technical legislation in which expert analysis is required, and yet the Congress has about the same equipment as it had in the "horse and buggy" days of a half century ago.

Small wonder that Senators and Representatives, giving hasty glances at what seems to be worthy or commendable bills, go on record favorably, only to find later that someone else has made an analysis showing that more harm than good would come from adoption of the proposal. A Call for Religious Liberty

EXTENSION OF REMARKS

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES Thursday, March 30 (legislative day of Tuesday, March 28), 1939

ARTICLE BY HON, JAMES J. DAVIS

Mr. CAPPER. Mr. President, in the current issue of Liberty Magazine, published in Washington, D. C., is an interesting and forceful article by our colleague, the senior Senator from Pennsylvania [Mr. Davis]. The article in question is entitled "A Call for Religious Liberty," and deserves the attention of the Senate and the country. I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From Liberty Magazine] A CALL FOR RELIGIOUS LIBERTY

(By the Honorable James J. Davis, senior United States Senator from Pennsylvania)

The most unique contribution of the United States to the science of government is religious liberty. This includes the right of all citizens to their individual opinions concerning the life of the spirit. American citizens have a right to their own beliefs in politics, economics, and religion; and this right is basic in the latter because freedom of religion is fundamental to all the free-

doms which we enjoy.

Authoritarian states can compel obedience to their man-made Authoritarian states can compel obedience to their man-made decrees, but no power on earth can control the movements of the Almighty in the minds of men. No power can equal the force of truth. No substitute can be found for productive thought. Creative ideas spring up in the minds of men everywhere. No dictator can withhold them. The power of God in the individual mind is superior to that of any earthly government. Our representative institutions of government have their roots in the thoughts and feelings of humble folk, whose minds no imperial decree can reach and whose hearts no bond of servitude can fetter.

THE POWER OF GREAT IDEAS

The most democratic thing in the world is an idea. To be the cradle of a great thought is the deepest religious experience A dominant idea will choose a humble birthplace a man can have. A dominant idea will choose a number birthplace for itself, often in the mind of some obscure man or some neglected child, and from that idea will grow the force of a mighty movement which will shake the world and rock the thrones of earthly rulers. Before the power of a great idea the forces of present-day dictators must tremble. They will give way before the shining light of truth as the blackness of midnight yields to the approach of the rights sun. proach of the rising sun.

Ingnt of truth as the blackness of midnight yields to the approach of the rising sun.

The selective power of great ideas is wonderful beyond all human intelligence. Who determined that the wisdom of the ancient world should be deposited in the mind of Aristotle? Who delivered to Moses the Ten Commandments? Who spoke to John the revelations of the New Jerusalem? Who selected Epictetus, the Greek slave, as the storehouse of Stoic wisdom? Who breathed into the mind of the Apostle Paul the truth of the immortal documents in Scripture which bear his name? Who selected Martin Luther as the champion of religious liberty? Who assigned to John Wesley his place as the founder of Methodism? Who gave to Shakespeare his power in language? Who stood at the shoulder of Bach when he designed his fugues and chorales? Who said that Thomas Jefferson should write the Declaration of Independence? Who chose Henry Ford to develop the automobile? Who called Abraham Lincoln to become the Great Emancipator? Who told Livingstone to dedicate his life to Africa? Who summoned Stanley to search for Livingstone in that dark continent? Who is it that speaks to men everywhere today, giving definite instruction to everyone who will be quiet and listen and obey?

America is the first and only place in the world where the idea of the store when the parameted at the continents of the content of the store when the dear of the store when the parameted at the content of the world where the idea of the store when the parameted at the content of the world where the idea of the store when the parameted at the content of the world where the idea of the store when the parameted at the content of the world where the idea of the store when the parameted at the content of the world where the idea of the store when the parameted at the content of the store when the st

America is the first and only place in the world where the idea of equality has been carried out on a large scale, over a long period of time, in every aspect of our common life. This equality of opportunity derives its ultimate sanction from the religious belief that before God all men are valuable beyond any earthly estimate. The American idea of life is essentially this religious belief, that this Nation under God is based on an equality of free spirits.

EQUALITY IN AMERICAN LIFE

The equality of American life is shown in countless ways. American idea of government is the equality of the executive head, the legislative assembly, and the coordinate power of free courts. The American idea of religion is the equality of men before their Maker. Every religious group in America is expected to have equal place and opportunity with all others, and this includes Episcopalians, Catholics, Methodists, Jews, Baptists, Seventh-day Adventists—all of us. Superiority complexes of ecclesiasticism have no rightful place in this Republic. The American idea of education is the equality of every boy and girl in the right to an education at public expense. The American idea of science is the equal right of thinkers to the product of their own thinking. A man's contribution to science in free America is expected to be judged not by its sources but by its social and human worth. How proud we should be that America is still the home of free science, a free press, free assembly, freedom of worship, and all the fundamental freedoms which derive their vitality from a free people.

We are proud of this American heritage which is so nobly marked in its religious tradition. It deserves and must be accorded a prac-

We are proud of this American heritage which is so nobly marked in its religious tradition. It deserves and must be accorded a practical protection. In the United States we have all manner of diverse groups and minority elements. An attack on any one of these brings difficulty to all the rest. If you strike at the Negro, you make a more ready target of the Jew. If you oppress the Jew, you make more emergent an attack on the Catholic. If you hit the Catholic, you place the Baptist or the Methodist in jeopardy, and bring conflict closer to all religious groups. This is true of all sects and denominations, because, essentially, all are minorities. If you injure any one, you injure all of them; and if you undermine religion, you introduce disorder in the realms of economics and government. Soon you find yourself in utter anarchy and confusion. The violation of justice, if permitted in a single instance, can speedily be multiplied in countless cases. In this way the fundamental precepts and practice of justice may be destroyed.

THE RIGHT TO DIFFER

Religious liberty is essentially a problem of unity through diversity. Different religious groups are all the children of one Eternal Father. We should allow room in our minds and hearts for dif-ferent forms of religious thought and expression. Life should be Father. We should allow room in our minds and hearts for dif-ferent forms of religious thought and expression. Life should be richer and fuller for us because we have the rainbow of many colors expressed in the life of the Spirit. Any attempt to make diverse religious groups conform to any one pattern of uniformity through force, is a blow at both liberty and essential religion. One conscientious man with God should be counted the equal of

One conscientious man with God should be counted the equal of any majority which refuses the counsel of the Almighty. For in the end, the truth within that true life will win.

The United States was instituted as a pattern of government under the Constitution whereby the individual citizen and the separate minority could be assured of the right to their own individual identity of life and function. Primarily, this means that in America we have the right to differ from each other and not suffer for it. suffer for it.

We must beware of present-day world trends which seek to subwe must beware or present-day world trends which seek to substitute military force and government coercion for the individual liberty for which this Nation was founded. If we allow the liberties of any single religious minority to be violated, we open the door for a loss of liberties on the part of all of us. In this time of changing world outlook, this is an increasingly grave problem with American citizens.

It must be obvious that while the United States has to date offered religious minorities their strongest refuge, we are not exempt from threatened peril of bigotry. No land could become more desperately subjected to the fierce winds of racial and religious hatreds than ours, if we once should lose our fundamental sense of equality and freedom. For we have more sources of racial, sense of equality and freedom. For we have more sources of racial, religious, and class differences in the United States than has any other country in the world. Hence, freedom of religion and an active cultivation of good will are imperative with us. Especially we should direct our best intelligence to the cultivation of good will toward those with whom we differ. Our national destiny hinges on the constant application of this principle.

NEED OF DIVINE GUIDANCE

Individual liberty is always threatened with the perils of unrestrained license unless it steadfastly is rooted and grounded in obedience to God. As the individual trees of the forest find their sustenance in the common soil of the good earth, so we as indisustenance in the common soil of the good earth, so we as individuals should find our common guidance and direction in divine intelligence and good will. The individual who seeks to stand alone, without divine guidance, is the foe of liberty, for he is sure to fall. When he fails, as inevitably will be the case, he brings into disrepute the principle of individual liberty. He makes possible the justification which dictators seek for themselves, because they are tolerated only when individualism run riot has produced the confusion and lawlessess of men disobedient to both God and the confusion and lawlessness of men disobedient to both God and man. This is the tragedy, the most desperate tragedy, of our modern world. We see all manner of individuals refusing to accept the guidance of either state or church, and at the same time refusing to accept the rule of God within themselves.

America needs strong men who put God first in their daily lives. America needs strong men, many strong men, not just one or a few. America needs strong men, many strong men, not just one or a few. America needs strong men who accept as the ideals of their lives the patterns of individual initiative and divine guidance which led our American sires as pioneers from ocean to ocean. No one has yet found a substitute for their strength of character and the stout hearts which they brought to the making of America. No sacrifice is too great which will help us conserve our American heritage of courage and faith.

Involvement of American Interests in World Activities

EXTENSION OF REMARKS

HON, LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Thursday, March 30 (legislative day of Tuesday, March 28), 1939

RADIO ADDRESS BY HON. ELBERT D. THOMAS OF UTAH, MARCH 28, 1939

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by the junior Senator from Utah [Mr. THOMAS] over the Columbia Broadcasting System on Tuesday evening, March 28, 1939, under the auspices of the American Council Against Nazi Propaganda, on the subject To What Extent Are American Interests Involved in Present-Day World Activities.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is a day of contradictions. Even accepted slogans of the thoughtless fall much as do the mighty and secure among the nations. Events stagger all. A few halt to become thoughtful. As we glance over the world we note Germany a nation of re-

As we glance over the world we note Germany a nation of re-finement, learning, and art turns upon itself and drives from itself many of its best. With them reason, historical fact, and the ability to discover new truth seem also to have gone. This self-destruction wins shouting and brutal approval. Thus a great culture ready to bloom with new life stands retarded. In India, spokesmen for a world-wide empire and an ancient despotism plead with a fasting saint and offer in return for a discontinuance of that fast a changed policy of state. Weakness

is triumphant.

discontinuance of that fast a changed policy of state. Weakness is triumphant.

Czechoslovakia, a well-armed nation created by victors' decree and sustained by covenanted alliances and collective agreement, is swallowed by a neighbor motivated by the weight of unrestrainable strength and the fever of success. Thus might prevails.

In Italy, a leader in the movement to hand the earth and its people over to the mighty presents a discarded doctrine used by ancient conquerors to justify them in the destruction of a neighboring state by declaring that when a state is unable to protect itself it is worthy of a new master.

This doctrine makes void the basic fundamental of international law which recognizes that the mighty and the weak among nations may live side by side as the rich, the powerful, the poor, and the weak within the state maintain equal protection of the law.

This loss of a basic principle of international understanding did not come at once but is the result of a gradual breaking down of process. A loss for the weak and a gain for the strong have given the doctrine that might makes right a glorified position in the center of what is loosely called "world civilization."

Again we are taught the lesson that that which is destructive of a national or individual right, at a distance, may become destructive of a national or an individual right close at home. Ideas are world-wide and soon become of concern to all.

In the Far East a student nation, maddened by the doctrines of a newer and supposedly wiser world deliberately turns were the strong have given the contents of a newer and supposedly wiser world deliberately turns were the strong have given the contents of a newer and supposed with wiser world deliberately turns were the strong have given the contents of a newer and supposed with winer world.

In the Far East a student nation, maddened by the doctrines of a

In the Far East a student nation, maddened by the doctrines of a newer and supposedly wiser world, deliberately turns upon its ancient teacher and attempts to wipe out the culture, the art, and the wisdom of the longest-lived nation on the earth. Both teacher and student are destroying the best in each.

A proud people, with enemies and friends both from within and without, stand crushed by civil war. The American people take sides but our Government stands aloof. Our divided people thus dull the voice and make weak the moral and economic force of our Nation. Where the people are divided even governments cannot act. This is our American democracy's sad example to the rulers of the single-willed states. of the single-willed states.

Attempts to gain security by collective action, alliance, isolation, a balance of power, national armed might, economic self-sufficiency, imperial, and ancient strength have all failed. They have failed because the nations of the world in endeavoring to attain national objectives have not recognized the interdependence and social

objectives have not recognized the interdependence and social nature of nations.

In the face of the facts of today's world history, I am asked to what extent are American interests involved. In my answer I am told to consider the question in the realm of ideas. First, then, this world of contradictions to which I have called your attention, this uncertain world where the fear of might has again taken hold of all, has been brought into existence primarily as result of a wide acceptance of the governmental technique of the single will within the state.

The concept of a state with a single will is the very antithesis of

The concept of a state with a single will is the very antithesis of American democracy; American democracy rests upon the fact that many wills may prevail in the state at the same time. There are within the United States of America 49 separate sovereign wills.

In the realm of idea there is, therefore, the most basic of conflicts between the American governmental system and the tech-

nique of the single-willed state.

In the realm of ideas what is it in American democracy that is of primary importance. First of all, there is the concept that the individual citizen should be the chief end and the real reason for government. Thus, the American ideal of citizenship and the ideal of the citizen's relationship to his Government are incompatible with the theory of the totalitarian state.

That which is of most concern to all Americans is the preservation of four great freedoms. These are all based upon the American

tion of four great freedoms. These are all based upon the American concept of citizenship.

The first great freedom is the freedom of the person. Government protects the individual in his rights both as to his person and as to the property which belongs to him. This is the American concept of private property. For Government to take property without just compensation would be unthinkable in America, but is justifiable under the totalitarian theory.

The second great freedom is the freedom of thought, speech, and the press. This freedom gives to man the right to evolve his own thoughts and to express them as he wishes. A right entirely inconsistent where a single will preparts

thoughts and to express them as he wishes. A right entirely inconsistent where a single will prevents.

The third great freedom is the right to an education unhampered by any system of rigidly assumed truth. Man is thus allowed gloriously to seek new and eternal truth. This freedom gives to the American the right to project his mind into the unknown and to discover the new. If a man in America wishes to make that which he discovers or invents his own, our Constitution guarantees him that right that right.

The fourth great freedom on which American democracy rests is the freedom of the soul. Man may worship or not as he wishes. He is free and unhampered in his religious beliefs. He may express his ideas about the great unknown as he sees fit. Without this freedom the American citizen would have lost one of the world's greatest lessons, namely, that men can have conflicting loyalties in regard to their gods and their dogmas and still live at peace with one another. This, of course, would be impossible in a land where the state is made the single embracer of all thought, action, and property.

These four freedoms which have meant so much to the building These four freedoms which have meant so much to the building of America were all based upon the concept of liberty. Legally, liberty embraces all the rights and beliefs of man which he has not surrendered to his government. Thus the American governmental system represents the notion that outside of the state there is much in men's lives which the state must respect. This concept is completely out of harmony with a state based upon a single will. Above all, the theory of citizenship as it has evolved in America rests upon Daniel Webster's great thesis "that morality is the first qualification for citizenship." The concept of morality cannot exist in a single-willed state, because there can be no moral rights in men when there is but one will controlling the actions and thought of men.

American democracy in the realm of idea would find its fundamental principle in Thomas Jefferson's great assertion: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

A single will among men must be the greatest of all tyrannies.

America, therefore, cannot accept the single-will notion and remain

Over 10 years ago David Lloyd George wrote: "The war rid the

Over 10 years ago David Lloyd George wrote: "The war rid the earth of crowned autocrats but it substituted for these tyrants a number of dictators who rule vast populations." Tyranny is wider in extent in the world today than it was 10 years ago. Some cynics laugh because America found itself willing to fight for democracy in the past, but for what greater right can men offer their lives? That we were deceived in our sacrifices should not cause us to dull our minds as to the worth of the contest. It should, though, make us thoughtful of this extreme fact that force cannot be defeated by force. That way to peace has been on the earth for many years but peace is not with us; in fact, peace is no longer an aim among leaders in the single-willed states, for now we see that even the ideal of a peaceful world and the ideal of a peaceful state are challenged. are challenged.

Force running rampant among the tyrannies of the earth has already turned those nations where the single will is supreme into nations of war. America should be thoughtful about these facts.

Labor Dispute Conciliations

EXTENSION OF REMARKS

HON. ELBERT D. THOMAS

OF UTAH IN THE SENATE OF THE UNITED STATES Thursday, March 30 (legislative day of Tuesday, March 28), 1939

ARTICLE BY BEN H. MILLER PUBLISHED IN THE BALTIMORE EVENING SUN OF MARCH 21, 1939

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article written by Ben H. Miller and published in the Baltimore Evening Sun, Tuesday, March 21, 1939, on the subject

of Labor Dispute Conciliations.

Mr. President, at times like the present, when we are experimenting on a solution of our industrial labor problems, we should always welcome thoughtful deductions about our evolving conditions. Mr. Miller's article is not only thoughtful and descriptive but, in addition, he points out as a subject what has been a very successful practice in regard to labor conciliation in Canada, and he offers it to the American public for their consideration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Evening Sun of March 21, 1939] LABOR-DISPUTE CONCILIATOR SAYS LACK OF AUTHORITY GIVES HIS UNIT STRENGTH—DR. STEELMAN ASSERTS THAT HIS SERVICE CAN'T MAKE ANYBODY DO ANYTHING, BUT IT HAS SETTLED CASES INVOLVING 20,000,000 THE NEWS

Employees of 13 Washington hotels were returning to work today, following a 2-week-old walk-out. Dr. John R. Steelman, Labor Department conciliation chief, announced the compromise agreement that ended the strike following conferences with attorneys representing both sides of the disagreement.

THE STORY BEHIND IT (By Ben H. Miller)

Of the governmental agencies taking an active part in the cur-Of the governmental agencies taking an active part in the current attempt to solve problems of labor relationships, the Conciliation Service is the oldest. A unit of the Department of Labor, it came into being on March 4, 1913, when William Howard Taft, in his last act as President, signed the bill creating the department. Among other things, this act provided:

"The Secretary of Labor shall have power to act as mediator and to appoint commissioners of conciliation in labor disputes whenever in his judgment the interests of industrial peace may require it to be done. * * *"

Since then other agencies have been born, but, theoretically, at since then other agencies have been born, but, theoretically, at least, each has its own separate field of activity, supposedly overlapping neither with the others nor with the Conciliation Service. The two Boards set up under the amended Railway Labor Act of 1937, for instance, confine their work to labor questions in railway and air transportation. These are the National Mediation Board in Washington and the National Railroad Adjustment Board in Chicago.

N. L. R. B. CAN'T MEDIATE

The most widely discussed at the present is the National Labor Relations Board, but it is designed chiefly to protect and encourage collective bargaining and, under the express terms of the 1935

Wagner Act, which created it, is debarred from mediating.

Furthermore, the N. L. R. B. is restricted to problems arising in interstate commerce, whereas the Conciliation Service may deal

in interstate commerce, whereas the Conciliation Service may deal with interstate and intrastate situations alike.

There are other grounds for contrast. The N. L. R. B., under the law and its own regulations, technically enters a case only when complaint is filed with it by a labor organization which is a party to a dispute. The Conciliation Service, on the other hand, may respond when requested by either party, by any interested government, State, or municipal official, or, if it seems advisable, may intervene on its own initiative.

DISPOSED OF 4,231 CASES IN YEAR

The result has been that the Conciliation Service has been very busy indeed from the time of its origin. Last year, for instance, it was active in every State in the Union, the District of Columbia, Alaska, Puerto Rico, and the Virgin Islands. It disposed of 4,231 situations formally referred to it—an increase of 59.4 percent over 1937. These involved 1,618,409 workers, and included strikes and threatened strikes, lockouts and threatened lockouts, and problems of arbitration, conduct of elections, and a variety of other matters. In 95 percent of these situations disposition was made in a manner said to be satisfactory to all parties interested. said to be satisfactory to all parties interested.
"The outstanding accomplishment," says a report of the Labor

Department, "was the prevention of 339 threatened strikes, involving 230,565 workers. With an average of 20 workdays lost per striking employee, as computed by the Bureau of Labor Statistics, the number of threatened strikes averted equals a potential saving of 4,611,300 man-work days."

NO POLICE POWER

Strength, rooted in the total absence of authority, is the apparently anomalous explanation which Dr. Steelman gives for the

success of his Service.

"We have no law to enforce; we have no police power; we can't make anybody do anything," Dr. Steelman says. "Furthermore, we

have no set jurisdiction."

"The result is," he continues, "our commissioners can go in anywhere and the worst that can happen is that they may be told they aren't wanted. That rarely occurs. In only six instances last year were our services declined."

WASHINGTON CONFERENCES

Dr. Steelman's office in Washington is open at all times to any branch of labor or industry which needs advice. Into it stream

leaders of varying and often mutually hostile sections of industrial life. These men and women sit down with the Conciliation Director or one of his aides and, because their remarks always are kept in confidence, frankly discuss their problems. The result is that the Service is in almost constant touch with the situation throughout the country and frequently a word here or a suggestion there results in dissolving a potential situation even before it actually takes form

FIFTY COMMISSIONERS

Dr. Steelman's service at the present time, includes in its personnel about 50 of these commissioners of conciliation. These field representatives are drawn from varied walks of life. Some have been personnel managers for industrial concerns; some have been

trained as workers and representatives of workers; some have been trained as workers and representatives of workers; some are lawyers. Although the services of conciliators are supplied free of any charge, the cost of the unit has been kept very low. Its budget for the current year is something under \$390,000 This compares to approximately \$375,000 for the National Mediation and Railroad Adjustment Boards and well over \$3,000,000—or nearly 10 times as much—for the National Labor Relations Board.

COMPARED TO N. L. R. B.

This record has caused some students of present-day labor problems to seek in the Conciliation Service the answer to a restoration of industrial peace. Critics of the N. L. R. B., in particular, have constructed a tabulation which they say proves that there is room for improvement in the N. L. R. B.'s procedure.

They express themselves in this way:

By the provisions of the Wagner Act, N. L. R. B.'s jurisdiction is limited to about 8,000,000 workers in the country. Yet the Labor Board employs a personnel numbering more than 750 and

has secured an appropriation for this year of over \$3,000,000.

On the other hand, proponents of this viewpoint contend, the Conciliation Service has a potential field of 33,000,000 workers with which to deal, yet functions with a total staff, field and departmental, of about 80 and its \$390,000 appropriation.

There have been suggestions that the part played by the Conciliation Service be given greater recognition. One of the most frequently voiced proposals is for legislation prohibiting action before the Labor Board or any other tribunal until after the Conciliation Service shall have had an opportunity to effect settlement. Some such system already is used in Canada, where a strike or lock-out is forbidden until a report on a dispute is made by a board of conciliation or investigation.

ONE PHILOSOPHY OF LABOR-DR. JOHN R. STEELMAN, HEAD OF CON-CILIATION SERVICE, GIVES VIEWS

Washington, March 21.—A veteran student of labor affairs (he holds a Ph. D. in sociology), Dr. John R. Steelman, Director of the United States Conciliation Service, believes that the front line of democracy is in the field of employment relationships.
"Most Americans may know the theory of democracy," says Dr. Steelman, "but it is in this field, affecting wages and hours and working conditions, that the practice of it comes closest to home."

Here are some of his views:

"We can clearly see by glancing at developments abroad how dependent the successful functioning of democracy is upon harmonious relations between those who work and those who direct work. When these relations break down, democracy goes by the board."

"I believe that free, self-governing labor unions are a bulwark of democracy; that through no other means can labor bargain with industry on any semblance of equality."

"The first requisite for the company or industry desiring to follow the path of progress is that it shall have a definite, constructive policy in the matter of its industrial relations, just as it has definite commercial and technical policies. It should be understood once and for all that not even the stockholders' money is protected to advantage unless the labor relations of the company are on a sound basis."

The Conciliation Service works on the theory that a dispute settled by the parties themselves at the conference table is more enduring and leaves less bitterness and rancor than one settled by

authority of law or force."

Texas

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Thursday, March 30 (legislative day of Tuesday, March 28), 1939

ADDRESS BY RALPH D. PITTMAN

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a speech entitled "Texas,"

delivered by Mr. Ralph D. Pittman before the Gyro Club at Washington, D. C., on March 29, 1939.

There beng no objection, the address was ordered to be printed in the RECORD, as follows:

Texas occupies all of the continent of North America except a small part set aside for the United States, Canada, and Mexico. Texas owns the north half of the Rio Grande, one of the few rivers in the world with one bank wet and the other dry. Texas is bounded on the north by 25 or 30 States, on the east by all of the oceans except the Pacific, on the south by the Gulf of Mexico and South America, and on the west by the Pacific Ocean and the rest of the world. Underneath Texas they have at this writing been down only 8,000 feet or so for oil, and up in the air Texas has in Guadalupe Peak 9,500 feet above sea level, the highest hill in the United States east of the Rockies.

Texas is so big that the people in Brownsville call the Dallas

United States east of the Rockies.

Texas is so big that the people in Brownsville call the Dallas people "Yankees," and the citizens of El Paso speak of the residents of Texarkana as being "effete easterners." It is farther from El Paso to Texarkana than it is from Chicago to New York, and Texarkana is closer to Milwaukee by airline than it is to El Paso. (Try this on your Rand-McNally.) The United States with Texas left out would look like a three-legged Boston terrier.

The chief occupation of the people of Texas is to try to keep from making all of the money in the world, and at that the wealth of Texas increased 539 percent between 1900 and 1927. At one time Texas was so wild that even the law of gravitation was not obeyed, and the chief pursuit of the Texans was Indians and Mexicans, but now it is crop records and oil production. It is so healthful in Texas that out in Eastland a horned toad lived 30 years sealed in a cornerstone without food, air, or water.

Texas that out in Eastland a horned toad lived 30 years sealed in a cornerstone without food, air, or water.

Texans are so proud of the Lone Star State that they cannot sleep at night. If a Texan's head should be opened the map of the State would be found on his brain. The word "Texas" is of Indian origin, and means "friends," and the Texas people are that way yet unless you take a slam at their State. If your front gate is not at least 18 miles from your front door, you do not belong to society as constituted in Texas. Down on the King ranch the front gate is 150 miles from the front porch and the owner is thinking of moving the house back so as not to be annoyed by passing automobiles. Other Texas landlords have whole mountains on their ranches, and one Texan has 40 miles of navigable river on his farm. If the proportion of cultivated land in Texas were the same as in Illinois, the value of Texas crops would equal that of the other 47 States combined. If all the people of the were the same as in limitors, the vatue of Texas crops would equal that of the other 47 States combined. If all the people of the United States were to move to Texas, it still would be not more densely populated than is Massachusetts. Texas has land enough to supply every man, woman, and child in the whole world with a tract 20 by 200 feet, and have enough left over for all the armies of the world to march around in five abreast.

To move the Texas corn crop would take a string of boxcars longer than the distance between New York and San Francisco. If the 1,500,000 tons of sulfur mined in Texas annually were in the 1,500,000 tons of subtribution in Texas annually were in the hands of His Satanic Majesty, they would solve his fuel problem. If all the cotton grown in Texas were baled and built into a stairway, it would reach to the Pearly Gates. If the 255,557,000 barrels of oil produced in Texas in 1928 were made into gasoline, it would run a well-known make of automobile throughout eterit would run a well-known make of automobile throughout eter-nity. If all the hogs of Texas were one hog, he could dig the Panama Canal in three roots and one grunt. If all the Texas steers were one steer, he could stand with his front feet in the Gulf of Mexico and his hind feet in the Hudson Bay, and with his horns punch holes in the moon and with his tall brush the mists off the Aurora Borealis.

Gentlemen, this finally explains why our great Vice President could not get to Dallas last summer.

Trade With Spain

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, March 30 (legislative day of Tuesday, March 28), 1939

ARTICLE BY HARRY W. FRANTZ IN WASHINGTON TIMES-HERALD OF MARCH 30, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an article entitled "United States to Enter Race for Trade With Spain." This article is by the pen of Mr. Harry W. Frantz and is clipped from this morning's edition of the Times-Herald, of Washington, D. C.

I am glad to be able to observe that at last our Government—at least the press of the country—is being interested in the importance of securing some of the trade that will be coming from Spain since now peace, law, and order have been brought out of chaos as a result of the victories of General Franco in the aid of the nationalist government over communism and anarchism. I have advocated for some time the recognition of the Franco government, since General Franco's government has been recognized by both France and England and all the major powers of the world, with the exception of the Soviet Union and the United States of America, and I should hate to think of the United States as awaiting the action of the so-called sister democracy of Russia before recognizing present-day Spain. The democratic form of government is claimed by the Soviet Union.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of March 30, 1939] UNITED STATES TO ENTER RACE FOR TRADE WITH SPAIN (By Harry W. Frantz)

With Spain facing urgent reconstruction expenditures estimated at not less than \$500,000,000, an international race for commercial position there was already under way yesterday, with the United States looming as a probable late starter but powerful contender. This country's attitude toward discontinuance of the munitions embargo and recognition of the triumphant nationalist government

remained in a stage of intensive study, with political and diplomatic factors for the moment evidently regarded of greater importance than commercial.

FAVORABLE ECONOMIC SET-UP

But United States economic relations with Spain were viewed unofficially by some experts as marked by numerous favorable features which would hasten recovery of trade in the event the Government should decide to recognize the triumphant Franco

regime.
These factors were:

(1) A notable recovery in United States-Spanish commerce during 1938, as compared with 1937.

(2) The fact that Spain has no dollar bond indebtedness to the

United States, and consequently there is no legal barrier to possible loans or credits to Spain after recognition.

(3) Spain's ordinary commercial indebtedness to United States businessmen, estimated around \$20,000,000 when the civil war broke out, has been given systematic attention by a standing committee of the Matienel Foreign Trade Council at New York and mittee of the National Foreign Trade Council at New York, and under normal commercial conditions might be adjusted in an orderly manner.

A 1936 SURVEY MADE

(4) A resumption of United States cotton, tobacco, and automotive exports to Spain would conform to traditional trade ties, and this country might derive some special advantages from its Export-

Ins country might derive some special advantages from its export-import Bank credit facilities and cotton-subsidy program.

(5) Every phase of United States-Spanish commercial relations was thoroughly explored in months prior to the outbreak of the civil war in July 1936, and at that time a reciprocity agreement was in an advanced stage of negotiation.

The Cotton Surplus

EXTENSION OF REMARKS

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Thursday, March 30 (legislative day of Tuesday, March 28), 1939

EDITORIALS ON COTTON PROBLEM

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Inquirer entitled "Cotton Furnishes Another Headache"; an editorial from the Baltimore Sun entitled "Deeper Into the Bog"; and an editorial from the New York Herald Tribune entitled "Blame for the Cotton Surplus." This subject is before the Senate at this time and is one of the greatest examples of the mismanagement of the New Deal. I should like to have these editorials made a part of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of March 30, 1939] COTTON FURNISHES ANOTHER HEADACHE

Of all the features of its ill-fated farm program the administration has scored its greatest failure with cotton. It has tried almost every alleged remedy for the ills of this vital American industry without success, until the condition has become desperate.

Now, as a seemingly last resort, Mr. Roosevelt suggests a plan to dispose of the 11,000,000 bales of surplus cotton the Government has left on its hands as collateral for loans to the farmers.

It is proposed to give the borrowing farmers a bonus of \$1.25 a bale to release this stored cotton for foreign markets, thus wiping out their debts. Then experts could buy this cotton at about 8 cents a pound from the Government, which would grant them a bounty of 2 or 3 cents a pound on all they sold abroad.

This would be fine for American exporters, getting their cotton well below present market prices and making handsome profits even

well below present market prices and making handsome profits, even though they dumped it at less than prevailing prices in other countries. It would not be so fine for the cotton growers in China, Egypt, Brazil, India, and other lands who have been corraling our world markets because of our Agriculture Department's suicidal policies

suicidal policies.

Mr. Roosevelt says this is frankly a scheme to regain our fair share of those markets while benefiting our own producers by getting rid of the enormous cotton surplus that has been hanging as a big black cloud over our southern farmers.

But what would our foreign customers receiving this generous bargain do with the American cotton? They would proceed, of course, to turn it into manufactured goods which could be shipped back to American to compete to surplus to represent the competent prices with our domestic back to America to compete at cutthroat prices with our domestic articles.

The President mentions the possibility of establishing import quotas to prevent or reduce this evil, but how would this procedure and also our cotton dumping abroad harmonize with our reciprocal trade agreements in which the administration has taken such prude as promoters of American commerce and of cordial relations with

The answer is that, like Secretary Wallace's current export wheat subsidy, it would not harmonize at all. After several months' trial the wheat surplus remains large, and the taxpayers are heavily out

of pocket as usual.

When Mr. Wallace started his scheme anybody could see it was

when Mr. Wallace started his scheme anybody could see it was bound to run into trouble. Selling our products at preferential prices to foreign customers and making up the deficit by soaking cur own people didn't seem good business.

Argentina was the first to kick—and not, of course, for fear we should be dumping any wheat on that wheat-producing country, but because its own export market was facing injury through the dumping of American wheat on Brazil. Secretary Hull had to act as "trouble shooter" to straighten that difficulty out, with Mr. Wallace's assistance.

as "trouble shooter" to straighten that difficulty out, with Mr. Wallace's assistance.

The incident is mentioned as an illustration of the complications we let ourselves in for when we start subsidizing our exporters, at the expense of the home folk, in the rush to capture world trade we lost largely through our own fault.

For nobody now denies that A. A. A. crop restriction played directly into our competitors' hands. As has been said, our Government "held an umbrella" over foreign producers of cotton and wheat and fostered their business at the cost of our own.

And so the administration is casting about for ways and means of repairing the mischief and, as always, the nonfarming taxpayers are to foot the bill. The cost of the cotton export scheme is estimated at from \$60,000,000 to \$90,000,000 a year.

This might not be a bad investment from the long-range point

This might not be a bad investment from the long-range point of view if our former customers abroad hadn't made themselves so independent of American cotton supplies that they will now buy only at bargain prices. We can't continue indefinitely to hold the bag for our foreign customers.

The fact is our own farmers have been spoiled by their Government's largess, and their foreign markets have been spoiled by their Government's short-sighted policies. It would be encouraging to think that in cutting out the \$250,000,000 for farm price parity payments the House has taken a permanent stand against extravagance in farm relief. Aside from the saving, this action, if sustained, will strike a body blow at the absurd idea of guaranteeing a price to a producer based on its supposed purchasing power at a fixed date of years ago.

But the whole hodgepodge of price fixing, crop curtailment, acreage restriction, and bounties, subsidies, and loans has got farming nowhere, while increasing the burden of taxes and the cost of living. The farm problem remains a national headache.

[From the New York Herald Tribune] BLAME FOR THE COTTON SURPLUS

In outlining the administration's newest plan for combating the In outlining the administration's newest plan for combating the cotton-surplus problem—an export subsidy—the President on Tuesday took the occasion of his press conference to inject into the record a statement so remarkable that it momentarily overshadows, it seems to us, the details of the scheme itself. This was a statement in which he clearly implied that the major share of the blame for the New Deal's cotton fiasco should be placed at the door of the Supreme Court. Said he: "The present status of the cotton industry goes back in large part to the almost 19,000,000 bales of cotton we grew in 1937. This record crop followed the invalidation by the Supreme Court of the control provisions of the original Agricultural Adjustment Act. Since that time another law enabling an effective control program has been enacted, but several years of adjustment will be necessary to bring our supplies to normal."

What does this statement imply to the casual reader? It implies, if it implies anything, that when the Supreme Court invalidated the original A. A. A. on January 6, 1936, the Government was left with no control, or with inadequate control, over cotton acreage; that in consequence of this fact cotton farmers expanded their acreage so prodigiously that they produced the largest crop in the country's history, a crop of over 19,000,000 bales, and that before the Government could regain control of the situation the present

huge surplus stock had been accumulated.

Now, what are the facts of the situation? When the Supreme Court declared the A. A. A. unconstitutional this action did not catch the administration napping. It was ready for such a decision, and in less than 3 months it had a new crop-control measure—the Soil Conservation Act—on the statute books. That act did not, it is true, include the so-called Bankhead compulsory crop-control provision of the original measure, but it is well to remember that the administration had never favored this section of the law. In 1937 land planted to cotton was about 34,000,000 acres, which, while 3,000,000 above the previous year, was still some 10,000,000, or, roughly, 25 percent, under the predepression normal. This acreage represented a generous voluntary reduction by the cotton farmers, for which they were handsomely rewarded under the Soil Conservation Act. There were no apprehensions at the time about this modest expansion in cotton acreage, because, thanks to a boom in the domestic textile industry in 1936, the statistical position of cotton was the best in 1937 that it had been in 5 years. Because of the 1936 drught moreover the second in 3 bisical position of cotton was the best in 1937 that it had been in 5 years. Because of the 1936 drought, moreover—the second in 3 years—the demand for crop curtailment generally was at a low ebb that year. The big 1937 crop did not result from any lack of control over acreage. It resulted from the fact that, because of the largest per acre yield in the Nation's history, cotton farmers were able to produce a record crop on an acreage that was actually 25 percent under normal.

There is no doubt that the 19,000,000-bale crop of 1937 complicated the problem of cotton control, but it is certainly misleading to imply that this was the fault of the Supreme Court. Moreover, to imply that this was the fault of the Supreme Court. Moreover, even this 19,000,000-bale crop would not have proved the burden that it has were it not for the administration's ill-advised loan program, which has maintained prices at artificial levels and thereby prevented cotton from going into consumption. The American cotton problem today is not basically one of oversupply. It is one of underconsumption, resulting, in the main, from the Government's interference with the price structure. So long as the administration refuses to face this simple fact, just so long will the surplus problem be with us.

[From the Baltimore Sun of March 30, 1939] DEEPER INTO THE BOG

For some months it has been clear that the administration's cotton program had completely bogged down. The failure of the program had been indicated from the very beginning, for all signs pointed unmistakably to the conclusion that the effort to restrict production and raise prices was undermining our export trade. Foreign consumers who formerly looked exclusively to this country as a source of cotton were turning more and more toward other producing areas, and, as a result, our share of the world cotton trade has steadily diminished. Where we were supplying about thalf of all the cotton consumed in the world 10 years ago we have been supplying only about 40 percent in the past few years.

It was not until a few months ago, however, that the complete break-down of the cotton program become emperat. Thanks to

the was not until a few months ago, however, that the complete break-down of the cotton program became apparent. Thanks to the mistaken policy of trying to hold cotton off the markets by advancing growers the market price in the form of loans, the Federal Government has accumulated in the past 2 years a surplus of some 11,000,000 bales. The loan program has kept prices for our cotton well above the world levels, and it has reduced offerings of American cotton to such an extent that foreigners who wish to buy our fiber often cannot obtain except to series they wonld. buy our fiber often cannot obtain enough to satisfy their requirements. As a result our exports have fallen to the lowest point in 50 years, and the whole enterprise of hoarding is about to collapse, to the injury of our growers and to the financial disadvantage of the Government, which has \$550,000,000 invested in cotton loans.

The administration's answer to this unhappy development is not

a frank confession of error and a proposal to retrace the mistaken steps which have got us into difficulty. Instead, after months of anxious cogitation, the President comes forward with a plan to advance further into the morass of arbitrary interferences with trade in which we are already deeply mired. He proposes, first of all, an export subsidy—a strangely inconsistent suggestion to come from an administration which, only 10 days ago, moved to penalize German imports because Germany subsidizes exports to us, and which for 6 years has sedulously cultivated the idea that export subsidies are of a piece with the high-tariff barriers and quota systems which Secretary Hull has been trying to scale down by means of reciprocal-trade treaties.

Nor is the export subsidy the only inconsistent device which the President proposes to use. He suggests that it may be necessary

to provide import quotas for manufactured cotton goods in order to protect ourselves against cheap cotton goods manufactured abroad out of the cotton we propose to sell foreign mills by the aid of a subsidy. And, finally, it is even suggested that we may find it necessary to pay export bounties on manufactured cotton goods in order that our own mills may not be handicapped in the world markets by having to buy their raw material at prices lifted above world prices by the various features of the cotton program already described. In brief, it would seem that having made one error after another for 6 years, the administration now finds it necessary to make three additional errors in order to get out of the unhappy mess into which it has worked itself.

For those who look on from afar this procedure may seem to be

For those who look on from afar this procedure may seem to be a comedy of errors, for a more ridiculous struggle to escape from the consequences of a Government's own misdeeds would be hard to imagine. But for the people of the Southern States, whose chief industry is being gradually undermined by these misadven-tures, the whole business threatens to become a tragedy of errors. The chief difficulty under which the South labors, as the President himself admits, is that "foreign cotton is underselling our cotton in world markets." But instead of trying to remedy this situation by the reopening of a free market, which would inevitably correct the present difficulty in a year or two, the administration proposes to adhere to, and even to intensify, a policy which prevents any fundamental correction whatever. fundamental correction whatever.

Taking the Profits Out of War

EXTENSION OF REMARKS

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

RADIO ADDRESS BY HON. JAMES E. VAN ZANDT, OF PENNSYL-VANIA, MARCH 26, 1939

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address which I delivered recently over the radio:

I delivered recently over the radio:

Wars have been waged for gain—for profit—since man first trod the earth. Shaggy cavemen in the stone age fought for a fish, a beast, or a bird, for food to sustain life if you please, but none the less for profit. Down through the ages, pelf or profit have led men to war. Clans, chiefs, and countries all went to war for food, land, or gold—for profit. The profit motive is the mainspring of war. It is today no less than it was at the dawn of creation. Wars always will be fought for profit unless restraint is placed upon those who would profit from war.

Civilization advanced man in the arts and sciences but the primitive profit motive for war remains unchanged. The only changes that have come since the single combat of cavemen gradually gave way to modern war are in those who profit from war. Under jungle law the prize or profit went to the stronger man. The chiefs took the lion's share of the swag won by their bands. Now most of the profits of war go to the munitions makers. But the common man still fights the wars, dies in the wars, is crippled in the wars, and, if he is fortunate enough to come out of the wars with a whole skin, he helps pay for the wars, on the same basis as noncombatants, some of whom are the war profiteers. the war profiteers.

The arts play an increasingly important part in modern war. They are used to camouflage the motive, confuse the issue, lend romance and respectability to war, and give virtue to the cause. One of the indispensable arts of modern war is propaganda. Witness the Wilsonian slogan, "Make the world safe for democracy," as a shining example of the phrase-maker's art in lifting the cause for which we fought the World War to a noble and lofty plane. And, despite the hollow mockery of that slogan, we have us today some who strive to ring the changes on it in an effort to whip the American people into a war frenzy. You may be sure that those who cry loudest and strive hardest to embroil us in another European war would profit most from it.

War propaganda is scarcely less dangerous than war itself. For despite the hitter lesson we are supposed to have learned in the

despite the bitter lesson we are supposed to have learned in the World War, it would be only a short step to another war once the war-propaganda machinery began to function full blast. George Creel, director of the so-called Bureau of Public Information during the World Work a credited with the swind work.

the World War, is credited with the cynical statement that:
"Give me 3 weeks and the proper machinery and I can change
the so-called minds of Americans on any given subject."

Science only has served to make the weapons of war swifter and more devastating. It has not deterred war. On the contrary, science seems perversely to have added to man's passion for war. Since the war to end all wars we have witnessed an almost constant succession of wars, all apparently leading up to another general war. And if the whole world again divides into hostile camps and

clashes in monstrous mass murder, you may be sure that those who stand to profit most will remain aloof from death and destruction. In view of the menacing European situation and the threat of a

general war which grows graver every day, our duty is plain. I do not share the disheartening and fatalistic opinion, which the war propagandists have impressed upon many men in high places, that American participation in the next great war is inevitable. How-ever, I do believe we should take certain steps which are as essential to a preparedness program as guns, battleships, and airplanes. Not the least important is to curb as far as possible the profit motive, lest we be drawn into another world war which would all but end civilization itself.

motive, lest we be drawn into another world war which would all but end civilization itself.

We cannot change human nature by legislative decree. In fact, we do not want to destroy the profit motive, which is the mainspring of democracy as well as war. But we can and should strip war of all opportunity for undue profits in the future, so far as this country is concerned. By stripping war of profiteering we can do more to keep America out of war than in any other way.

Hence, that is the primary purpose of the bill to tax the profits out of war which I introduced in the House last Tuesday. That measure would put into practice the principles I preached for many years during my activities in veterans' affairs. It encompasses the abhorrence of war held by all veterans of the World War.

An identical measure was sponsored in the Senate by 50 Senators—a clear majority of that body. The House rules do not permit joint sponsorship of bills. Otherwise, I am confident the bill would have been sponsored by an overwhelming majority of the Members of the House. And unless the Roosevelt administration succeeds in scuttling it, I venture the prediction that some measure embodying substantially the same principles as my bill will become a law before this Congress ends. I say that with a full realization of the tremendous opposition which already has developed and the possibility of a Presidential veto making it necessary to muster a two-thirds majority in both Houses of Congress to override the veto and enact the law without Executive approval.

It has been suggested that instead of calling the bill an anti-war profits bill, we should simply call it an anti-war bill.

ride the veto and enact the law without Executive approval. It has been suggested that instead of calling the bill an anti-war profits bill, we should simply call it an anti-war bill. The point is well taken. It is primarily a peace measure. It was designed as a preview of the tax bill which would be rendered the profiteers of any war they may help us enter. It is a stop, look, and listen sign to those who are shouting "Halt Hitler!" It is a warning to those who would have us embark on any crusade to save religion, democracy, and international good faith among nations, such as Mr. Roosevelt suggested in his annual message to Congress. But it is no mere gesture. Those behind the basic principle of this bill—and they constitute a majority in both the House and Senate—are determined to push this measure to enactment with all possible speed. We will be content with nothing short of enactment.

enactment.

Just as we expected, the bill had hardly dropped into the hop-per in the House and Senate before a howl of anger, anguish, and rage went up from the would-be profiteers, the international-ists who would rather mind Europe's business than America's, the "Halt Hitler" crowd, congenital critics and wise-cracking

columnists who would sacrifice a principle for a figure of speech.

One newspaper, noted for its international viewpoint, made a great to-do over the fact that some of the senatorial sponsors of the bill had not studied the voluminous measure. That paper polled the senatorial cosponsors of the bill and found them all polled the senatorial cosponsors of the bill and found them all enthusiastically in favor of the principle underlying it. Others wailed that it was confiscatory, because it would leave a man with \$10,000,000 in war profits a mere \$110,000 a year to live on, when 27 out of every 100 families had less than \$750 income in the relatively good year of 1935-36; 42 out of every 100 families had less than \$1,000; and 65 families—two-thirds of the Nation's families—had less than \$1,500 a year. Hence you may imagine there will be many a dry eye in the country and Congress over the sad plight of would-be war profiteers, no matter how loud they souawk.

Even if the Government took ninety-eight and nine-tenths of a war profiteer's \$10,000,000 income, he still would have an in-come equal to that of 160 entire families in the \$750 annual income class. Certainly the bill was intended to be almost con-fiscatory, but the war profiteer would have quite a bit of loose change left.

change left.

The bill was based upon the policy that recognizes the fact that human life is more valuable than wealth, and that all citizens, poor and rich alike, are under equal obligations when the safety and security of the Nation is at stake.

I want to cite just one glaring and concrete example of unrestricted and exorbitant profits of industry in time of war, which gave rise to this bill. It is contained in the testimony of Mr. Eugene G. Grace, president of the Bethlehem Steel Corporation, before the Senate munitions committee. It was because of the unconscionable profits rolled up by industry and the fat bonuses paid to officials and employees in addition to salaries and wages that were tripled in many instances, that the question of adjust-

paid to officials and employees in addition to salaries and wages that were tripled in many instances, that the question of adjusting the compensation of the men who wore the uniform in the World War was first agitated. If you take the profit out of any future war engaged in by the United States there will be no demand for a bonus by the veterans who fight it.

Quite unabashed, Mr. Grace told the Senate munitions committee he received bonuses of approximately \$3,000,000 from his corporation during the World War and then defiantly sought to justify that huge hand-out, in addition to a princely salary. That Mr. Grace should have had the monumental gall to deplore the payment of the adjusted-service certificates to the men who

fought the World War is incidental to the question of taking the profit out of war. I cite this statement merely to illustrate the illogical and selfish position of the war profiteers in their opposition to any measure to end this unjustifiable war-profits system, as well as their inconsistent opposition to the immediate cash

payment of the adjusted-service certificates.

The enormous bonuses received by Mr. Grace are typical of the practice indulged in by industrial concerns during the World War to dodge the excess-profits taxes. By giving bonuses to highly paid officials and employees great corporations were able to split up their excrbitant profits and thus greatly reduce their taxes and rob the Federal Government of millions of dollars they should have rightfully paid into the Treasury. It was not generosity that dictated the practice. It was selfishness and greed and a determination to gyp the Government out of every cent possible in taxes. I cite Mr. Grace's testimony not only to show the failure of the excess-profits tax to take the profits out of war but even to force industry to pay its just share of taxes to the Federal Government to support the war.

to support the war.

Internationalists, would-be war profiteers, and their paid defenders, and professional calamity howlers have dug up such an imposing list of dire disasters that would overtake the United States if this bill became a law that it would be impossible to mention them even briefly in the time allotted to me. It is sufficient to say, however, that they all are picking on petty details, and none of them has dared attack the principle of the measure.

Despite the fact that the bill was drawn after extensive hearings by the Munitions Committee, and the draftsmen had the benefit of expert advice from the Internal Revenue Bureau, the Committee for Internal Revenue Taxation, and the Legislative Drafting Service of Congress, there may be defects in the details of the bill. But so long as the principle of the measure is sound the defects can be corrected quickly and easily by the committees in charge of the bill. So the almost hysterical opposition may dry its eyes and calm itself. itself.

Incidentally, it is strange that none of the critics who exhibit such deep emotion over the prospect of an economic collapse resulting from taxes to pay for the next war, which so many of them regard as a consummation devoutly to be wished, have mentioned regard as a consummation devotify to be wished, have helitables the inevitable economic collapse that would follow the war if it were managed financially like the World War. After the wartime boom the bottom fell out of our economic system, and we have been getting in and out of depressions ever since. Perhaps these critics would like to nurse a depression headache for two more decades if given the opportunity to enjoy a brief wartime prosperity spree.

Even if the would-be wartime profiteers desire that sort of frenzied financial existence, the vast majority of the American people do not. And since this measure was drawn in the interest of the people and not the war profiteers we will let the latter worry about this sharp cut in their swag so the people won't have to worry later in the midst of the post-war depression where they can dig up the price of a meal and a place to lay their heads.

can dig up the price of a meal and a place to lay their heads. This bill is dedicated to the veterans of the World War and to the boys of today, whom I hope a merciful God will spare the horrows of another war. For this bill is as much an antiwar measure as it is a proposition to tax the profits out of war. I have confidence that enactment of this bill will spare others in the future the distress of witnessing the sights I have seen in veterans' hospitals from one end of this country to the other. There you will find today the living protests against war. There you will find, 20 years after the last shot was fired in France, thousands of men still suffering with lacerated flesh, suffocated lungs, shattered legs, mangled bodies, and shadowed minds. For lungs, shattered legs, mangled bodies, and shadowed minds. many of them death would have been merciful.

many of them death would have been merciful.

I want the mothers and fathers of America, the wives, sisters, and sweethearts of men and boys of or near the draft age to consider this bill. I want them to weigh the flesh and blood of American youth against the unwarranted and grossly swollen bonuses and profits that would roll into the pockets of munitions industrialists in the event of war. Now is the time for citizens to make themselves heard. Events in a war-mad world move swiftly. Next month, next year, may be too late to demand the enactment of a measure which certainly would be a powerful influence in of a measure which certainly would be a powerful influence in keeping America out of war. Next month, next year, a white cross in some shell-torn field may be a silent protest against the failure to make the most of an opportunity to avert or avoid civilization's

most disastrous war.

W. P. A. Appropriation

EXTENSION OF REMARKS

HON. PIUS L. SCHWERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939

Mr. SCHWERT. Mr. Speaker, we are concluding a week of most interesting legislation. The passage of the agricultural appropriation bill took up much of our time during the week. During the discussion of this bill and voting on amendments the appropriation for the Dutch-elm disease was removed. This and other items of the bill which were removed for petty reasons will have their effect on New York State. I mention this because of the fact that when we later reached the item of parity payments to farmers any Member in favor of the above items which were removed might have felt that he should vote against the parity payments; and such a vote would have been a grudge vote.

It was my privilege to be raised amongst the farmers and to have had dealings with them all my life. I know them to be a group that works continuously, making no request for reduction of hours, working for a small return and in many cases a loss, and generally speaking, having excellent character. I believe all of these characteristics could be well copied by other groups to the advantage of our whole country. I know also that the farmers began to lose money several years before the depression was felt in the city, and that, therefore, their depression has been of longer duration than that of any other group. Therefore, instead of voting against the parity payments in the nature of a grudge vote, I voted for it—first, because the farmers deserve assistance; and second, because it is my belief that the constituents sending Members to this Congress do not send them here to cast grudge votes, but rather to scrutinize carefully every piece of legislation and then vote for the benefit of constituents in the district and the country as a whole. It was my belief also that to be consistent I should favor the parity payment to farmers if on a later occasion I was going to favor a large appropriation under the W. P. A. bill.

Returning for a moment to the original W. P. A. deficiency appropriation, which was reduced from \$875,000,000 to \$725,-000,000, we find that there were enough safeguards placed in that particular bill to furnish ample investigation and information to the W. P. A. and to Congress itself. As a matter of fact, the questionnaire submitted to the W. P. A. workers since the passage of that bill not only asks them whether they hold office in any political party-including county or town committeeman, or a similar office-but it asks whether or not the W. P. A. worker is a member of any organization which is concerned with political campaigns or political management. This questionnaire is, therefore, really delving into, and, because of the installation of fear in the heart of the W. P. A. worker, is interfering with his personal privileges. Despite this fact, this week we passed a resolution ordering a congressional investigation of W. P. A. I supported this resolution, believing that no one should oppose a fair investigation of W. P. A., or of any office or department of any

governmental subdivision at any time.

I believe such a probe decently conducted will show the enormous amount of good W. P. A. has done, the vast benefits it has returned to the country: First, in the maintenance of purchasing power; second, in keeping families from starvation; and third, in the many valuable projects it has given the country—though I am frank to admit that some projects have not been of the proper caliber. This latter class, however, is in most cases due to the local governmental subdivision which made the original request. In my opinion Colonel Harrington and his associates know more about the operations and needs of W. P. A. than the Members of this Congress which argues over how many jobs they shall destroy. It seems to me that the very proposal for an inquiry is a confession that Congress does not know the needs of the W. P. A.

Not fearing the investigation, however, I repeat that I voted for it-I welcome it.

Getting down to today's appropriation: I agree with many of my colleagues that we must watch our expenditures and our appropriation items, but I am not in favor of making reductions and curtailments at the expense of the jobless workers and the poorer and more deserving classes of our country. I voted for parity for the farmers, and I am going to vote for this \$150,000,000 item. In this year of 1939 in my own county, of every dollar paid for taxes 60 cents of same is for welfare; and in the city portion of my district, the city involved cannot increase its tax rate. A curtailment of this appropriation will mean returning many to the welfare rolls. For the reasons above stated my district cannot stand such additions; and I believe that my district is similar to many, many others. Thus I believe we should follow the request of those who know the requirements of W. P. A. and support the \$150,000,000 item.

Let us investigate, but let us keep the workers working.

Education-Democracy's First Line of Defense

EXTENSION OF REMARKS

HON. W. F. NORRELL OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939

Mr. NORRELL. Mr. Speaker, this present Congress has authorized the largest peacetime expenditure for armaments in the history of this country. Our Navy, our Army, our air force, each has been provided with adequate funds for rendering this country impregnable in defense. Defense against what? The answer is clear. Defense against any nation or combination of nations which would attempt through force to encroach upon our physical possessions or otherwise to overthrow the democratic institutions which are fundamental in our Government. No one who is informed on what is going on in the world today can doubt that democracy is in a state of siege. Week by week, month by month, we watch the march of the totalitarian states abroad, ruthless, smashing with brute force the liberties and independence of smaller nations. Within a few short months we have seen the mastery of Europe grasped by dictator hands. On this continent alone do the democratic institutions of a free people still reign supreme, nor will this supremacy remain long unchallenged. Because we value our American way of life, our freedom, and our institutions of democracy, above all material gain we stand ready to make whatever sacrifice is required for our continued security and protection against invasion.

Let us take heed that while we spend millions for armaments we do not neglect a second phase of defense without which armaments are useless. It is not by armament alone that modern wars are made. In Europe we are witnessing the death struggle of conflicting idealogies. In this struggle propaganda, cunningly devised and psychologically timed, is a weapon even more potent than bombing planes and tanks. If a democracy can be undermined by an infiltration of ideas, a bombardment of subversive doctrine, weakening the people in their faith in their own institutions, then the work of armies is rendered futile and all that we have authorized to be spent on armaments will be so much waste. We have also to arm against alien ideas and idealogies, and in this type of armament the foremost weapon is education.

Mr. Speaker, this Congress has taken all proper steps to protect our institutions from an invasion by force—the invasion from without. But our work is no more than half done if we stop at this point. The invasion that works from within is far subtler and essentially more dangerous. The invasion of ideas through propaganda, spoken and written, must be repelled also. This invasion has already begun and has been operative in this country for months—yes, years. It strikes at the very root of our liberal institutions. It challenges our rights as freemen. It is represented by scores of organizations which, while paying lip service to American ideals, at the same time acknowledge an allegiance to the dictator powers. We have these groups in our midst. know what they are. Evidence of their activities is in the hands of each of us. Our responsibility as the chosen representatives of a democratic people is great. Once faith in our American way of life has been corrupted and destroyed, our armaments will be vain. This faith, this belief in our fundamental institutions, is now the subject of a persistent and far-flung attack. How are we to meet it? By clamping

down a censorship? By legislation abridging freedom of assemblage and press and speech? Such methods constitute a violation of our fundamental principles and would in the end prove futile. You cannot destroy ideas by legislative fiat. There is but one way to meet this challenge and that way is by mass education.

Thomas Jefferson, who aptly is called the father of publicschool education in this country, once wrote in a letter to a friend:

I think by far the most important bill in our whole code is that for the diffusion of knowledge among the people. No other sure foundation can be devised, for the preservation of freedom and happiness. * * * Preach, my dear sir, a crusade against ignorance; establish and improve the law for educating the common people. Let our countrymen know that the people alone can protect us against these evils, and that the tax which will be paid for this purpose is not more than the thousandth part of what will be paid to kings, priests, and nobles who will rise up among us if we leave the people in ignorance.

These words written in 1786 might well have been addressed to us who are sitting here today. It might be added that in writing this letter Jefferson had in contemplation the conditions then existing on the continent of Europe. Who can doubt that were he a Member of this body today he would be among the first to realize the danger to our institutions which lies in this aggression of ideas, and would be the first to realize that the only way to combat this aggression is through education? Education, no matter what the price we pay, comes cheap. It is the guardian of our liberty and our happiness. In a true democracy, education is and must be universal. If we are to repel the fallacies and nostrums, if we are to repel alien ideas and idealogies, if we are to fight back this invasion which works from within, we must recognize that education is our foremost national problem and that educational opportunity must be equalized throughout this land.

One approaching this subject for the first time must be amazed and shocked at the inequalities now existing in educational opportunity here in our own United States. This is largely due to the fact that education has too long been viewed as the particular problem of the States. Public-school education has therefore varied in the opportunity it offers in proportion to the abilities of the several States to support a public-school system. Thus we find that approximately 20 percent of our children live in States where more than \$75 per child annually could be provided for education without heavier-than-average taxation.

On the other hand, another 20 percent live in States where not more than \$25 per child could be provided without heavier than average taxes. An expenditure of \$50 per child of school age would be low by city standards almost anywhere, and yet more than 60 percent of the children of the United States live in States that on a State-wide basis could not provide \$50 per child for public schools without more than average effort. These facts, gathered by the Advisory Committee on Education, are not to be doubted. As an example of the effort required if certain of our States relying on their own taxable resources of wealth were to undertake to offer educational opportunity on the minimum efficiency level, it has been estimated that it would take 116 percent of Arkansas' entire tax resources to support what has been called by educators the defensible national minimum of \$60 per unit of educational need.

Mr. Speaker, I do not come before you as an apologist for the low level of educational opportunity offered by my native State of Arkansas and by other States which occupy a low place on the economic scale of the Nation. The standard by which a State should be judged is the effort expended through taxation of available taxable wealth to provide adequate educational advantages, and by this standard the State of Arkansas ranks high, although it stands near the bottom in the per capita expenditure per child for education. A maximum of 21 mills on property can be voted under the State constitution, of which 3 mills has been levied by the State for many years for the support of State schools. The remaining 18 mills is authorized for local school tax and 86 percent of all the property in Arkansas has levied against it this 18-mill maximum tax for local school purposes.

In addition, we have levies of almost every imaginable type of special tax. We have a severance tax; we have a tobacco tax, one of the highest levied by any State; we have a beverage tax; and we have a sales tax, recently reenacted. It is no exaggeration to say that our legislature has gone through the taxable sources of wealth with a fine-tooth comb in the hopes of finding something additional upon which to levy a tax for school purposes. Compare these efforts with the efforts of States which are among the economically blessed. And yet, for all the diligent and painstaking effort put forth by the State of Arkansas, we find that Arkansas is unable to provide an 8-month term of school for approximately 34 percent of its children. Our teachers receive an average salary of \$500 a year. The lack of adequate finances is further reflected in poor housing facilities, inadequate equipment, and only the meagerest of library materials in both the elementary and secondary schools. Such is the condition existing today in Arkansas, and yet let it be said to the credit of the State's leaders in the educational field. we have made tremendous progress within the past several years in spite of our economic handicap.

Let us turn now to a broader field of comparison. In three States the amount expended per pupil in average daily attendance is less than \$30; in three others at the opposite extreme, expenditures are above \$115, nearly four times as large. The average compensation of teachers, supervisors, and principals in all public elementary and secondary schools is below \$600 in three States, while it is above \$1.800 in three others at the opposite end of the scale. In two States the average length of the school year is under 140 days; in nine States it is above 180 days. Here we are met with facts which leave no doubt of the gross inequality in educational opportunity now existing.

The Advisory Committee on Education, in reporting on these facts, makes this significant statement:

The great disparities among States in the support of education are not due to a lack of interest or of effort on the part of the States that provide the least support. * * * Those States having the adequately supported schools are, in general, the ones putting forth the greatest effort.

Mr. Speaker, if the low standard of education offered our young in certain of our less economically favored States is a disgrace—and I say that it is a disgrace—then let us recognize that it is a national disgrace and deal with it on this basis. I would remind my colleagues from certain of the economically more favored States that while the taxable wealth of my native State of Arkansas is meager in comparison, the fact remains that Arkansas and other States similarly situated have contributed heavily to the sources of wealth which now enable you to support without extreme effort an adequate educational system. Our natural resources have been exploited and the proceeds of that exploitation have passed to other States. Our farm products are shipped out in vast quantities as raw materials to out-of-State factories. Our life-insurance, fire-insurance, tornado-insurance premiums are nearly all paid to companies in other States. Our timber has been cut largely and taken away to factories. Our bauxite has been mined and taken out to be manufactured. Perhaps it is our own fault that we have permitted the great sources of our natural wealth to be stripped and exploited in the interest of groups beyond our State. I make no defense at this point, since to do so would be to digress. I merely call your attention to a significant fact—that while our own taxable sources of wealth are meager we have done much to supply taxable sources of wealth to other States; and for that reason when we come and ask that education be viewed as a national problem and that Federal aid be granted for the purpose of equalizing educational opportunity, we come not humbly in the role of beggar but as citizens asking no more than their due. It is not too much to ask that some of the wealth which we have contributed prodigally and perhaps foolishly to other States and to the national income be returned to us in part in order that our boys and girls may enjoy the same educational advantages as the children of richer States.

It is not upon such narrow grounds, however, that I base my main argument. Education should be viewed as a national problem, because it is a national problem, and just as there is no strong, healthy body of which there is a diseased or feeble member, just so we cannot boast of a strong and healthy system of public-school education as long as certain of our States fall below the national minimum requirement of \$60 per unit annually of educational need. The principle of general taxation for the purpose of equalizing educational opportunity has long been recognized in the several States. This principle should now be applied to the entire Nation as a unit. The necessity of Nation-wide application must be apparent to every thinking person. We are all aware of the social phenomena of mass migration, the movement of large numbers of people from one community to another, from one State to another. Thus the child of Arkansas or Mississippi today may be the citizen of Illinois or New York or California tomorrow. Youth in its search for opportunity knows no State boundary lines. A large part of the great increase in the population of the cities from 1920 to 1930 was provided by migration from the rural areas. Here was a movement so comprehensive that the total farm population declined. Take the population of any great industrial center and you will find boys from the cotton fields of the South, the mountains of Tennessee, the plains of the West. There is everywhere evident today the movement of our youth from one locality to another, and the result is that no community stands isolated in the matter of education. It is no longer possible to be complacent because the particular locality in which one lives and pays taxes supports an adequate system of publicschool education, whereas in adjacent or even far-removed communities the standard is incredibly low due to an impoverished condition. Thus the educational standard of the most remote community becomes a matter of national

There is this further significant fact: It is recognized that the highest birth rate is recorded in those areas which are economically poorest. It is equally true that it is in these areas that the lowest standards of public-school education are encountered. Each succeeding generation thus is drawing most heavily from the ranks of those who have been given the least in education. If this trend continues unchecked by national legislation there will result a weakening in the fiber of democracy which finds its greatest strength not in armaments but in enlightenment. It may be that this weakening is already apparent. Many think that it is. At any rate, we should not wait for further signs. Delay now, at this critical period in the world's history, when the map of Europe changes almost from week to week, when we here are subjected to a constant and relentless barrage of alien ideas that question and defy the philosopy of government upon which our institutions of democracy are builded-delay now in dealing with this greatest national problem may conceivably prove fatal, and remedial action when we are at last forced by catastrophe to take action may come too late.

This Congress has dealt courageously and realistically with the problem of national defense through armament. Let us now deal as courageously and as adequately with the problem of national defense through the equalization of educational opportunity. Here lies our first line of defense, without which armaments are useless. We cannot plead ignorance of the facts. We have in the Larrabee measure a proposal which is sound and sane. This measure should be reported out of the committee and should be enacted. It is time that we translated our good intentions into action. It is a measure which represents Jeffersonian philosophy, and I repeat Jefferson's words and invite their present-day application:

I think by far the most important bill in our whole code is that for the diffusion of knowledge among the people. No other sure foundation can be devised for the preservation of freedom and happiness. * * * Preach, my dear sir, a crusade against ignohappiness. * * Preach, my dear sir, a crusade against ignorance; establish and improve the law for educating the common people. Let our countrymen know that the people alone can protect us against these evils, and that the tax which will be paid for this purpose is not more than the thousandth part of what will be paid to kings, priests, and nobles who will rise up among us if we leave the people in ignorance. Canning Industry and Reciprocal-Trade Agree-

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939

Mr. REED of New York. Mr. Speaker, the effects of the reciprocal-trade agreements on the canning industry show the term "reciprocal" to be a misnomer. The canning industry is of great importance to agriculture. It not only takes the surplus fruit and vegetable crops of many areas, but in some regions these crops are raised primarily for canning

While the vegetable branch of this industry is much more important in terms of value of product, the fruit branch is far more important as an export industry. In 1935 exports represented but 1.3 percent of the total vegetable pack, while 21.7 percent of the total fruit pack was

exported.

Thus it is obvious that the export market is important to the fruit-canning industry. Of the 16 trade agreements effective prior to January 1, 1938, the State Department obtained concessions on canned fruits in all of them. However, even with these concessions, our volume of canned fruit exports to agreement countries in 1937 was not as near the 1929 level as it was in nonagreement countries. though our total exports in 1937 were 87.3 percent of the 1929 level and our exports to nonagreement countries were 92 percent of the 1929 level, exports to agreement countries were but 62.6 percent of the 1929 level.

Concessions on canned vegetables were obtained from 14 of the 16 agreement countries, the exceptions being Belgium and Haiti. Our volume of canned vegetable exports has not recovered to the extent that canned fruits have, although our total exports of canned vegetables have increased each year since 1932. However, this constant increase is entirely due to our exports to nonagreement countries as our exports to agreement countries have decreased each year since 1935. While our exports to nonagreement countries were 82 percent of 1929 in 1937, to agreement countries which gave us concessions they were but 22 percent of 1929.

Thus, in spite of so-called concessions granted this country by other nations through the Roosevelt-Hull reciprocal trade agreements program, our foreign trade in canned goods is better with nonagreement countries than with agreement countries. To get such concessions the New Deal has lowered tariffs and opened our home market to foreign goods made by cheap foreign labor, which could have been grown and made by American farmers and workers. Can prosperity return and the unemployment problem be solved under an administration with such policies?

More Retaliation Against Hitler

EXTENSION OF REMARKS

HON. LEON SACKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, MARCH 23, 1939

Mr. SACKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address

by Hon. EMANUEL CELLER, of New York, Thursday, March 23, 1939:

Europe is again in turmoil. Its map has been unbelievably transformed in a few hours. The brutality and the rapidity of the conquest by Hitler is astounding.

Memel is stolen from Lithuania. Czechoslovakia, a free republic,

Memel is stolen from Lithuania. Czechoslovakia, a free republic, rich in culture, with a brave history, is swallowed up by the thieving brute. The world stands aghast. Hitlerian Germany, with Saxony and Austria, now is a massive black plague spot in the heart of

The empire of Hitler exceeds in force, brute force, the Holy German-Roman Empire and the empire of Charles V.

Hitler, with brazen effrontery, destroys the theories which he has propagandized so successfully. He always harps on racial unity, Aryans must be united, the Czechs, the Bohemians, the Slovaks, the Ruthenians, the Carpathians, the Ukranians are no Aryans. They are pure Slavs.

His theory of saving Europe from communism won't work. Czechoslovakia had nothing to fear from the contagion of communism. Communists were anathema there.

The world now knows only too well Hitler's cunning intrigues and lying propaganda. He has consigned to limbo the Munich pact, and, brigand that he is, has grabbed 150,000,000 of Czech's gold and

and, brigand that he is, has grabbed 150,000,000 of Czech's gold and foreign exchange, stolen rich farm land, seized 500,000 skilled workers, 3,000 airplanes, and a modern, equipped army of 1,000,000 men. However, all is not gold that glitters. He will have minority population troubles; he will lose world markets by ostracism and boycott; he must police much hostile territory; he has earned the world's everlasting ill will; he will increasingly feel the pinch of the lack of essential raw materials; his stolen gold will soon be exhausted. exhausted.

What shall the United States do? Never mind England, Russia, and France for the moment. What shall we do? Our course is

Congress will undoubtedly amend the Neutrality Act and allow all goods, including armaments, to be sold to anyone on a cash-and-carry basis. Since England and France will control the seas in the event of war with Germany, Hitler will be deliberately

denied access to arms, supplies, and equipment that will be open to the Allies.

Also, the President has pointedly spoken. Economic reprisals, Roosevelt hinted on January 3 last, as "methods short of war" within the power of the United States to invoke and which will fortilbly depresentate our abbrevious the rileague.

forcibly demonstrate our abhorence of the vileness, the thievery, the cruelty of Nazi totalitarianism.

Accordingly, beginning April 22, our Bureau of Customs will apply to all goods, directly or indirectly received from Germany, including Czechoslovakia, a countervailing or penalty duty of

including Czechoslovakia, a countervalling or penalty duty of 25 percent. This additional duty can only be lifted, or refunded, where substantial proof is offered that Germany is not subsidizing the particular export to the United States.

Pursuant to the President's policy, we will thus use against Hitler one of the strongest weapons in our economic arsenal. Why? Because as that brute Hitler says, "Germany must export, or die." He realizes that he cannot live by land grabbing alone. We will not buy—he cannot sell. He needs, and covets, our raw material, essential to German manufacture and industry—including his chief industry—rearmament. To procure raw materials, he must have foreign exchange, chiefly pounds and dollars. Only by export can he procure that money. If we, and others, boycott and refuse his export, or offer against his commerce the bulwarks of a punitive tariff, he is left in the lurch. Hence his lament, "we must export, or die." Thus we strike a telling economic blow by raising our duties against his goods.

We have it within our power to deal him many more economic

We have it within our power to deal him many more economic blows from which he can never recover. For example, under our tariff laws, the President has the right to clamp down completely

tariff laws, the President has the right to clamp down completely on trade with Germany. He can lawfully place an embargo upon all Nazi products. That is a sort of Damoclean sword that can be held over the heads of the Nazi leaders.

And there are plenty of other weapons we can use against him. More than one billion dollars of American money was invested in German bonds issued by German states, cities and corporations. Suitably after the Nazis got control, they promulgated a decree whereby the service on virtually all dollar corporate bonds was stopped. Subsequently, arrangements were made to pay only a part of the stipulated rate. And now, nothing has been paid for more than 2 years.

But, were the European countries receiving the same treatment? No! The subjects of France, Sweden, Norway and of other European countries have been paid regularly, without in-

other European countries have been paid regularly, without in-

other European countries have been paid regularly, without interruption, on all German corporate bonds which they may hold. As to the Reich government bonds, in contradistinction to the bonds of German corporations, permit me to quote from a statement of the Foreign Bondholders' Protective Council, Inc.:

" * * * the council very much regrets that despite the protests of the United States Government, of the paying agent of the Dawes and Young loans (Messrs. J. P. Morgan & Co.) and of the council, the German government persists in its discrimination against American holders of these bonds by making payments for the regular service of the interest on the British, Dutch, and French tranches at a reduced rate. and French tranches at a reduced rate. The general bond securing these loans states 'all bonds issued by the German Government in respect of the loan shall rank pari passu irrespective of date or place of issue or otherwise.' The central banks of the allied governments used their good offices to facilitate the placing

of the tranches of these loans in their respective countries. The American tranche was issued at the request of the Governments of Great Britain, France, and Belgium. The council regrets to of Great Britain, France, and Beigium. The council regrets to have to record that when the German Government defaulted on these bonds the British and French Governments, by either threatened or actual coercive measures, secured arrangements by which the coupons on the tranches of these loans held in those countries were paid in full, without heeding the request of the American fiscal agents to have those governments which had requested the issuance of these bonds in the United States, live up to the provision in the general bond above quoted which was designed to prevent any discrimination in the service and treatdesigned to prevent any discrimination in the service and treat-ment of the various tranches of the loan."

Discrimination upon discrimination has been practiced upon

Americans by the Nazis.

We pay all interest due on our bonds which the Nazis hold. We put no obstacles to the removal of moneys due Germany—yet American creditors of the Reich cannot collect what is rightfully due them.

Until recently, for example, inheritances due German subjects out of American estates were freely paid. But vice versa, moneys due American subjects out of inheritances in Germany were blocked by Nazi decrees. A courageous judge in the court of common pleas in Philadelphia, Hon. Raymond MacNeille, a few months ago refused to allow moneys from an estate to pass to a Nazi beneficiary. Fearing that other courts would follow the precedent thus set, and realizing that they have more to lose than to gain from such "reciprocity of discrimination," the Nazis quailed and are now setting up sufficient foreign exchange to permit the transfer of inheritances from Germany to the United States.

In other words, the minute we threaten the Nazis with retaliation, they shrink and slink away like whipped curs.

Not so long ago a very outstanding decision was made by a supreme court jurist of the State of New York, the late Honorable Alonzo G. McLaughlin. He stated that a holder of a Nazi corporate bond has a perfect right to seize whatever assets the Nazi corporation might have in the United States to pay that bond. Judge McLaughlin pointed out that a German decree of June 1933, which the Nazi company cited as a reason for the nonpayment of the debt in question, could not bind American citizens not subject to Germany's jurisdiction, and that this Nazi decree of June 1933 sought to suspend the payments of debts due Americans. The judge went on to say that every nation should protect its own citizens from injuries resulting from foreign laws prejudicial to its own interests and policies, and that the rights of American holders of German bonds are not controlled by the laws of the Reich. Judge McLaughlin's decision points the way.

Judge McLaughlin's decision points the way.

I thus offered the bill which provides that for the purpose of protecting American citizens who are holders of Nazi corporate securities partially or completely in default, such Nazi corporation must register all its assets in the United States of every nature, name, and description which may be owned by it, directly or indirectly, with agents or agencies to be designated by our State Department, giving an itemized account of such assets as of the day on which the present measure would become law, and also as of June 1, 1933, together with details as to any transfer or disposition thereof, in the intervening period. Likewise, American financial institutions and kindred organizations, as well as agents or agencies directly or indirectly identified with or well as agents or agencies directly or indirectly identified with or acting for such Nazi corporation in default, shall register all possible information as to such assets. Failure to comply with the provisions of the act will involve a fine of \$1,000, 1 year's imprisonment, or both.

imprisonment, or both.

I believe such a bill will be a concrete remedy against the indefensible discrimination against American holders of Nazi corporate dollar bonds. I am of the opinion that at least \$150,-000,000 can be collected—in this way—by American holders of Nazi dollar bonds by attaching the assets of Nazi corporations. At the present time, the whereabouts of such assets are hidden and secret. My bill will force disclosures. Frankly, however, I do not think there will be much need of forceful remedies, like attachment. The mere passage of my bill, like the decision of Judge MacNeille, would soon bring the Nazis to terms.

It is difficult to believe, yet it is true, that the Nazis instead of paying interest on moneys rightly due the holders of German securities, have been using such interest to repurchase the principal of the bonds at greatly forced-down prices.

That, in itself, is a damnable outrage. Furthermore, when Austria was seized by Germany, all Austrian bonds held by American citizens were virtually repudlated by the Reich. Our State Department protested.

Department protested.

The German Minister of Economics, Dr. Funk, gave a fake reason for the repudiation. He contended, first, that the British did not recognize the debts of the Boer Republic after the Boer War; second, that the French refused to assume the debt of Madagascar after its capture by the French; and third, that the

Madagascar after its capture by the French; and third, that the United States refused to recognize the obligations of the Southern States after the Civil War.

Dr. Funk's facts are inexcusably wrong. The debts of the Boer Republic have been met faithfully by Great Britain at all times. The statement to the contrary is, therefore, a lie. Madagascar, I am informed, had no debt. There was nothing for France to assume—a second lie. As to the debt of the Confederacy, Mr. Funk is indeed "in a funk." Those debts were contracted by an unrecognized body which had rebelled against the United States. They were contracted illegally, and those

who owned them had purchased them at their own peril. Mr. Funk's argument is mere balderdash—tommyrot.

We may expect in a few days repudiation by Hitler of all debts

We may expect in a few days repudiation by Hitler of all debts held by our citizens in the form of bonds and securities issued either by the Government and provinces of Czechoslovakia, as well as its corporations and entities.

Although American holders of Czechoslovak bonds do not expect or desire their Government to act as a collecting agency in the event of default, it is worth bearing in mind that the Czech loans are specifically secured by a first lien on customs receipts, which have at all times been more than adequate to meet in full the service thereon.

which have at all times been more than adequate to meet in full the service thereon.

With the profound changes which are taking place within what used to be the Republic of Czechoslovakia, it is apparent that Czech loans will, before very long, sink to the level of the Saar bonds, the Austrian issued and the German bonds.

It will be recalled that when the Japanese threatened to seize Chinese customs which were pledged to secure bonds which were held by British, French, and Germans, a vigorous protest was lodged by the American Government through its ambassador in Tokyo on the grounds that the seizure of customs would impair American investments in China. This protest was lodged even though Chinese customs-guaranteed bonds were never sold in though Chinese customs-guaranteed bonds were never sold in the American market. A protest to Germany would appear decidedly more logical than the protest lodged with Japan.

decidedly more logical than the protest lodged with Japan.

American investments in Czechoslovakia, including debts owing to the United States Government, are placed at \$195,521,000. Of this amount, the debt to the United States Government amounts to about \$165,500,000. Czechoslovak bonds are outstanding to the amount of \$25,300,000, consisting of two direct loans of the Republic, the 8's of 1951 and the 8's of 1952, outstanding at \$10,-800,000 and \$7,200,000, respectively. The bonds of the city of Prague, capital of the Republic, are outstanding at \$5,100,000; the bonds of the city of Carlsbad in the Sudetan area are outstanding at \$1,000,000, while the bonds of a Czech corporation, the First Bohemia Glass Works, are outstanding at \$1,200,000. American direct investments in the Republic are estimated at \$4,725,000, comprising an investment of \$1,008,000 in manufacturing establishments, and an investment of \$439,000 in distributing concerns; the remainder representing investments in miscellaneous enterprises, including a subsidiary of the Standard Oil combine.

While the principle of sovereign immunity is generally recognized by civilized countries, it is abundantly clear that Germany by her actions during the past several years no longer deserves to

by her actions during the past several years no longer deserves to be so classified. The seizure of the assets of the Czech Republic, notably the gold in the Czech National Bank, is in no way different from the policy adopted by hold-up men. Since the gold in the Czech bank may be considered as serving as security for Czech debts owing to the United States, would it not be proper if steps were taken by our Government to compensate American citizens for losses, sustained because of Germany's action, out of assets which Germany directly or indirectly may own in the United

States?

In conclusion, my bill for the registration of Nazi assets in this country is known as H. R. 2633. It has been referred to the House Committee on the Judiciary, of which committee I am the ranking member. Hearings will soon be held on this bill. Contact your Congressmen and urge them to give favorable consideration to this

Its passage will involve more retaliation against Hitler.

Agriculture Department Appropriations

EXTENSION OF REMARKS

HON. JAMES A. SHANLEY OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, my amendment seeks to restore the appropriations for the Dutch elm disease eradication to its 1939 status insofar as the amount is concerned. The estimated sum needed to implement past efforts against this viciously local pest was set at \$778.489. The committee not only cut down that sum to eliminate the \$400,000 increase but it almost hit rock bottom, comparatively speaking, in marking down the final sum to \$100,000. Just remember that this amount was in the official Presidential Budget with the necessary endorsement of the Chief Executive and the Budget Office, thus possessing the high sanction of the most caustic budgetary critics ordinarily needed to insure House approval.

There is a comparatively long story behind this project, though short in years, for the epidemic was only discovered in 1930 when a single tree was located at Cincinnati, Ohio, and three trees were found in Cleveland, Ohio. In the late summer of 1933 infection was discovered in trees in the vicinity of New York Harbor and inspections that season located 818 infected trees in this area, 740 of which were found in New Jersey.

The distinguished and versatile chairman who heads this bill is of the opinion that not enough satisfactory results have been obtained in this field from the amount expended. I submit that there have been unusual handicaps in this direction—one the nature of the disease. Here is what an entomological authority of high repute says.

The research work that has been done has demonstrated the insect vectors of that disease within the United States,

When the Dutch-elm disease was discovered in the United States, it was not known, either in this country or abroad, how the disease entered healthy trees. The investigations in Europe were carried on about the same time as our investigations in the United States, and in Europe they discovered that one of their bark beetles, which does not occur in the United States, carried the disease from diseased to healthy trees. Our studies demonstrated that an introducted bark bettle which came into the United States long before the Dutch elm disease did, and had established itself, and was here as a rather secondary or minor pest, or little or no importance, is the important vector of that disease. In addition to that, the investigations have demonstated that one of our native bark beetles, which occurs throughout all of the eastern United States and west to the Mississippi, is a carrier of the disease.

This past summer we have demonstrated that another one of the bark beetles, a bark beetle that attacks apples normally, will also serve as a vector; and we have discovered in our studies that one of the big borers will carry the disease under favorable conditions,

Other studies that have been carried on have been directed to finding out methods of controlling the beetle; the flight of the beetle; how to keep it from breeding in woodpiles—because it lives preferably in freshly cut timber rather than in healthy timber, and it transmits the disease only because of the habit of the adult to feed on the fresh-growing twigs of elms before it lays its eggs. A beetle will come out of a diseased tree all covered with diseased spores and fly up to a healthy tree and feed on the bark of that tree, right in the growing twigs, and cause the tree to become infected with the Dutch elm disease.

There is nothing very tangible that you can get at as to the control of the beetles. The most effective method is to remove the wood that is favorable for them to breed in. And that is one of the reasons that the part of our work against the Dutch elm disease that we call sanitation work, which is the removal of diseased, moribund, or dying trees, is so important. These trees furnish a favorable breeding ground for the vector, or the insect that will carry the disease to healthy trees. That is a pretty big job.

Then all the elm wood that is cut will serve as breeding places for the beetle, and we are carrying on experiments to determine means of protecting the trees from infestation by the beetle by sprays.

Other lines of study which have a very direct bearing on the disease itself are those concerned with the flight habits of the beetle. We must know how far this beetle will move; it covers a wider area than does the disease, and it may transmit the disease from infected trees within the area to points without the area or to new points within the area. That is one of the important studies being carried on at this time.

The repeated suggestion of the committee that removal of the elm tree is the only solution presents an even greater question. The legality of removal on private line, States' rights and agreements, and costs, including the obstacle of city streets, electric-line wires, and other hindrances of modern street transportation, communication, and utility service, though these are exceptions.

Furthermore, there has been an alleged retardation of service due to Works Progress tie-ups. Now, I heartily approve of this use, for I think there is no better project for relief workers than this project, but I maintain that we ought to be mindful of the cost and delay of teaching men how to detect wilt, discoloration, and possibly in elementary laboratories the culture progress and make allowances.

I endorse the W. P. A. uses, and I suggest that the committee and this House should take into account the handicap that this places on the entomological department of the Department of Agriculture. I think that this project fulfills the highest hopes of that great American student and philosopher, William James, when he envisaged the fight of man against nature's revages instead of fratricidal war. We now consider that the fifteen million spent in studying this disease is little enough in comparison with other studies, especially when we realize that the British, whose long-time

reverence for the elm is known, could do little with it until recently.

The chairman of the committee admits the need and thoroughly endorses the Department's statement that unless something is done the elm tree will be lost to our area. Our problem is to determine the flight possibilities of these carriers and the immediate removal of dead and dying elm trees a veritable nesting place of geometrical development, but that is costly, and an annual \$100,000 sum would be a futile gesture. Training of men, removal of trees, and laboratory studies are the needs and witness read the emphasis of one authority:

We have never had funds to make an intensive inspection of this Dutch elm disease. We have been using relief funds and relief men from the very start, and some of these men had to be taught what an elm tree was. Some of them would not know an elm tree from other trees and we had to spend some time educating them. Then we have no way of enforcing discipline among these men in such way as we could enforce it if we had men we could hire and pay wages.

We estimated that if we could employ enough trained men to do this scout work that we could cover the entire area during the summer; that we could find the diseased trees at the time.

During the last few months the Department of Agriculture imported a number of elms that have been raised in Europe with the thought of producing an elm tree that was resistant to the disease. They have been imported into this country by the Department of Agriculture and have been placed out here at the Bureau of Plant Industry station, at Bell, near the District, where they have been doing some special work.

Mr. Speaker and my colleagues, other men will stress the highly necessary part that trees play in the communities in which we live. Ornamentally so, to be sure, but we are a great vacation land. We need trees and in this need there is a utilitarian value that should appeal to the hard-headed student even if he cannot understand the essentially strong regard men have for nature's giants. We need the appropriation suggested by this amendment.

Only recently I saw the following news item in one of our liberal papers dealing with this situation and I have already secured unanimous consent to insert it in the Record.

Warned that hurricane elm wood left in the open may result in serious increase and spread of the Dutch elm disease in Connectincut, Director W. L. Slate of the agricultural experiment station here has signed an order affecting four counties. The order states that on or after May 16, 1939, Federal or State agents may remove or dispose of any elm wood infested with elm-bark beetles, four either on public or private property, in zones of infection. At the same time the director appealed to citizens throughout the State to help in the campaign to dispose of down elms so that danger of disease spread will be minimized.

The warning came from Station Forester W. O. Filley who is in charge of Dutch elm disease control work for Connecticut. Mr. Filley said that an alarming situation has developed since the hurricane. Elm wood with bark on is lying about on public and private property. Some is stored in open sheds, some is piled as cordwood, and much of it lies as it fell. All of it constitutes a menace because it is an attractive breeding place for bark beetles, carriers of Dutch elm disease.

Safety in the Air

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES
Thursday, March 30, 1939

EDITORIALS FROM ST. LOUIS STAR-TIMES OF MARCH 28, 1939

Mr. COCHRAN. Mr. Speaker, a great deal has been said concerning air safety. We are all interested in this very important subject. From time to time we are shocked when we read of some great disaster. In the St. Louis Star-Times of Tuesday, March 28, is a very interesting editorial on this subject as well as an editorial to which Mr. D. D. Walker, vice president of sales of the Chicago and Southern Air

Lines, Inc., objected. Under leave to extend my remarks, I include the editorials, as follows:

[From the St. Louis Star-Times of March 28, 1939] ACHIEVING AIR SAFETY

Reprinted in the next column on this page is a letter, three copies of which were received by various Star-Times executives, from D. D. Walker, vice president of sales of Chicago & Southern Air Lines, Inc. Mr. Walker is wrong in stating, "In the past, after each air-line accident, the St. Louis Star-Times has commented editorially on the fact that aviation is unsafe." The Star-Times has commented occasionally about aircraft accidents and bad flying practices, such as pulling streamers and stunting above crowds. In no case, however, has aviation as such, or the aviation industry, been criticized in a destructive way. The few comments on this subject that have appeared in the Star-Times were intended to better a good record—not show up a bad one.

The Star-Times will change its editorial policy on air safety when it believes this policy is incorrect, or when, through continued development of safety measures, an editorial policy advocating air safety measures is no longer necessary.

The Star-Times has no comment to offer on the action of Mr.

The Star-Times has no comment to offer on the action of Mr. Walker in canceling all Star-Times advertising until this newspaper discontinues its efforts to improve the safety of air travel.

Walker in canceling all Star-Times advertising until this newspaper discontinues its efforts to improve the safety of air travel. It is his privilege to advertise anywhere he pleases, or not at all if that is his idea of the way to run an air line. It is also the privilege of the Star-Times editorial writers to state their views on air safety, regardless of the opinions of persons who apparently feel that open discussion on the subject should not be permitted.

For the benefit of any Star-Times readers who missed it, we reprint, below Mr. Walker's letter, the editorial he objected to, and invite comment on the soundness of the ideas advanced therein, that true safety in the air will never come until planes are designed so that motors can be tended in flight exactly as they are in the new 74-passenger Yankee Clipper ship, which has just completed a shake-down flight across the North Atlantic.

Since the receipt of Mr. Walker's letter eight persons were killed and four injured when a twin-motored transport plane crashed and burned shortly after taking off from the municipal airport at Oklahoma City. The pilot of this plane radioed 6 minutes after the take-off, "Turn on lights. Returning to field."

Two minutes later the plane suddenly plummeted to earth, exploding and bursting into flames. The doctor who attended Pilot Claude Seaton, who was seriously injured in the crash, said Seaton told him the left motor failed, and he tried to circle back to the port and land. The Braniff Air Lines had a perfect passenger-

told him the left motor failed, and he tried to circle back to the port and land. The Braniff Air Lines had a perfect passenger-carrying record prior to this accident. The truth may never be known, but it is at least possible that this perfect record would still exist if airplane manufacturers would turn out planes designed to carry an engineer with access to the motor equipment. The British Air Ministry disclosed Saturday that apparently ice-clogged carburetor intakes were responsible for stopping two of the four motors of the flying boat Cavalier, and crippling the others, causing the ship to plunge into the Atlantic, with the resultant death of two passengers and one of her crew. If an engineer could have attended those engines in flight, is it not possible that he might have been able to correct this condition in time to avert catastrophe?

The Star-Times believes that the air lines are making a wonder-

The Star-Times believes that the air lines are making a wonderful safety record in view of the natural hazards inherent in flying. We believe further that every year the record will be improved as lessons are learned from each disaster. If, in the meantime, an improved design can be found that will mean as much to air travel as steel trains and automatic block signals mean to railroads, we believe that the major air lines almost without exception will welcome such advance. will welcome such advance.

will welcome such advance.

There is no reason to believe that the present-day airplane represents the ultimate in safety and efficiency. The passenger plane of 1950 may have a Deisel engine power plant in the fuse-lage, transmitting power by shaft and chain link belts to multiple propellers located along the wings. With expected improvements and the elimination of gasoline as fuel, the air lines may match the safety record of the L. & N. Rallroad, which boasts 21 years of service without a passenger fatality.

SAFETY IN THE AIR

Here is the editorial, published March 23, to which Mr. Walker

objected:
"A survey of airplane crashes establishes the fact that one of the major causes of disaster is still the sudden failure of a motor. "Sant ime major causes of disaster is still the sudden failure of a motor.

"Sometimes, on a multimotored plane, when only one engine fails, the ship limps to a safe landing. But all too often one failing motor, even on a two-motored or four-motored plane, means tragedy. The damaged engine vibrates and disintegrates, tearing the ship to pieces or shearing off a wing. Ground witnesses say the plane 'seemed to fall apart' in midair. Or perhaps the motor spurts hot oil, which is ignited by sparks, sending plane and passengers down in flames.

"Each time an airplane disaster occurs Government and air-line."

"Each time an airplane disaster occurs Government and air-line officials proceed with a critical investigation. Occasionally, as with a recent crash on the west coast, they find a pilot guilty of some fantastic human error. But all too often the investigation means, chiefly, meticulous examination of the wreckage, the instruments, the surviving passengers, if any, followed by a report so obviously

tentative it is meaningless. For some unexplained reason, it is decided, 'a motor failed.'
"It seems extraordinary, under these circumstances, that aircraft producers have not followed this fact to its logical conclusion—that, since motors apparently will sometimes fail, the safe plane is one which provides better facilities for checking up on the engines during actual flight. Not on the ground before take of engines during actual flight. Not on the ground, before take-off, but in the air.

"The shipping line which sent a vessel to sea without any engineers, with its boiler room sealed up, would be ruled off the ocean. Even if an automatic fuel supply were assured, a liner would not be permitted to make a voyage without day and night supervision of its power plant. The chance that something might

go wrong is too great.

"But aircraft producers have never realized that the same principle, applied to planes, would be equally sound. Why should planes be sent up with passengers without any provision for expert attention to the motors while in flight? Pilots obviously cannot always discover, even with all their instruments, that an engine is about to go out. Is it not possible, then, to design multimotored craft so that an engineer has access to the engines at

multimotored craft so that an engineer has access to the engines at all times, can constantly check on performance and preliminary signs of failure, and can make necessary repairs in flight?

"The huge new 74-passenger 'clipper' ships designed for trans-Atlantic service make provision for a flight engineer with particular responsibility for motor performance. The engineer can reach the engines, and the ship is supposed to be able to fly on two motors while the other two are being repaired.

"This exact type of construction, with control room and passenger deck separate, presumably is possible because of the ship's tremendous size. But the expert designers of planes should be able to design some kind of construction, on even smaller transport planes, enabling close attention to motors in flight. When the lives of passengers and crew depend on the discovery, early enough to prevent disaster, of pending engine failure, why should not such construction be required?

"The crash of a great plane like the Boeing stratoliner, which, officials insist, was structurally sound, suggests that present orthodox American aircraft design lacks something. Why should such a masterpiece, developed at a cost of half a million dollars, suddenly masterpiece, developed at a cost of hair a million dollars, suddenly disintegrate in midair, carrying 10 persons to death, shedding parts all the way down? Maybe a failing motor was not the cause this time, but certainly that is the way it appeared to eyewitnesses. Apparently one engine, breaking up while operating at terrific speed, literally tore the left wing off the ship. Would not an engineer, with access to the motors, have discovered evidence of its prospective failure in time to save 10 lives and a half-million-dollar plane?

"Better think it over Mr. Airplane Manufacturer"

"Better think it over, Mr. Airplane Manufacturer."

Guam, Haunted Paradise

EXTENSION OF REMARKS

HON. MICHAEL J. KIRWAN OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

ARTICLE BY W. B. COURTNEY

Mr. KIRWAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from Collier's magazine:

GUAM, HAUNTED PARADISE (By W. B. Courtney)

(By W. B. Courtney)

(Guam could be made an American Gibraltar within the closing gates of Japan's Pacific empire. Shall we do it? While Congress battled over this question, W. B. Courtney flew from New York to the west coast, thence by clipper to Guam—a total of more than 8,000 miles. He talked to the Navy rulers of the island and to its frightened natives. From Manila he cabled back his story—a picture of a paradise caught in the path of a juggernaut.)

You come at sundown to Guam, where 20,000 souls live in mortal dread that the United States, to which they eagerly pledge allegiance and love, is about to abandon them to the brown wolves of the Far East.

of the Far East.

You glide down among puff clouds brushed with lavish and primitive colors of a tropical sunset. There suddenly lies Guam, outspread complete within range of your eyes like a continent in miniature—ruddy hills that shoulder up from deep forests of breadfruit, mango, ipil, and palo maria. The middle plains are covered with sword grass in the valleys. Nipa huts shelter cultivators of bananas, pineapples, avocados, sapodillas, all the lush bounty of hot-country fruits, and row upon row of American sweet

On riverside and beach, on road and farm, coco-

nut palms stand like tattered mops.

Naval officers who come to meet you in the launch are upstand-Naval officers who come to meet you in the launch are upstanding, friendly, and courteous. Natives who surround the landing stage come up to your expectations with their milk-chocolate faces, their bright eyes, quick and constant laughter, and their uninhibited interest in you and your baggage. For all the tales you've heard about secret preparations, for all the ominous-sounding mystery of a closed port, barred even to our own merchant vessels unless they get special permits, there is no sign of gun or drill or fortification. On all sides there is nothing but affability, beauty, and hospitality.

AN AMERICAN DICTATORSHIP

Yet truth does not lie very deep. Four days ago you rose from Yet truth does not lie very deep. Four days ago you rose from the land of the free whence incense and hosannas rise daily in homage to all the ideals of liberty, of self-determination, of the right of the common people whose pennies and dollars support and pay for the Government. Today you have come to earth again in a territory under that same flag, governed by that same leader and cymbal-smacker among democratic powers, wherein is violated and suspended many principles for which the great home Nation virtuously postures before the world.

You have set foot in the trimmest little dictatorship on earth, a

perfected military despotism.

Two miles in the air you needed a heavy suit; now upon arrival you gratefully shift into whites. Even as you do so you reflect that it is not only the climate which is hot and steamy here. Back home you thought fortification was the main bone in Guam. On the spot you learn that fortification is, of course, of profound interest and that it conditions all other topics. But it is only part of the involved discussions, the numerous issues, which immediately

bedevil you.

At cocktail parties in the officers' club, around oil lamps in the tidy little huts of the natives wherein coconut husks are burned at night to make a smudge that discourages mosquitoes, in at hight to make a smudge that discourages mosquious, in schools and offices and ice-cream parlors, on bullock carts and in taxicabs, along palm-sheltered roads and damp jungle trails, you gradually piece out the whole story of Guam and find there is more here than can be met by mere appropriations for antialr-craft guns or for a plane and submarine base. It is a tale of 40 years of uncertainty and confusion and postgoued hopes of a craft guns or for a plane and submarine base. It is a tale of 40 years of uncertainty and confusion and postponed hopes of a people who, despite endless apologizing, intimidation, and legalistic hairsplitting by their American masters, still feel themselves really to be men without a country. It is a moving recital of the strangest agitation ever waged against a great nation, a plea from the hearts and minds of one of the least of its divisions, not for separation, not for independence, not for a hand in the relief grab bag, not for punishment for oppressors—but for closer ties.

Magellan seems to have been the first white man to stop out here, a hundred years before the Pilgrim's Mayflower got to Cape Cod. The natives helped themselves to his stores, including a longboat, probably as much from curiosity as from turpitude. Whereupon Magellan introduced them to Christian manners by killing, burning, and pillaging, named his discovery the Ladrones,

whereupon Magelian introduced them to Christian mainlers by killing, burning, and pillaging, named his discovery the Ladrones, or Robber Islands, and sailed off in a bad humor. Later Spaniards named the group in honor of Maria Ana, widow of Philip the Fourth of Spain. In June 1898 the U. S. S. Charleston steamed up and banged at Fort Santa Cruz in Apra Harbor. The Yankee aim was so bad that their intentions were misunderstood. Neither depressed to the fort por splesh of shells being observed. damage to the fort nor splash of shells being observed, and news of war not having reached Guam, the Spaniards assumed the Charleston was firing a salute with blanks. A landing party from the warship found a pleased and honored company dragging field pieces along the road from Agana 6 miles away to return the

Embarrassing explanations took place. Here Americans, through carelessness or ignorance, missed a chance. Don Juan Marina was Governor not alone of Guam but of the entire Marianas group. Captain Glass demanded and got only surrender of Guam. Spain sold the rest of the Marianas to Germany, whence they passed under the mandate of Japan after the Great War. The United States might just as easily have got the bunch for the asking in 1898 and thus have had a more tenable position in the far Pacific in 1939 if Glass had been on his toes.

asking in 1898 and thus have had a more tenable position in the far Pacific in 1939 if Glass had been on his toes.

If you will stare at your map you will see that the Marianas form a literal door 450 miles wide barring westward passage toward Asia. Bonin, near Yokohama, is the north jamb on which the door is hung and the Japanese Caroline and Marshall Islands form the south column. Move in for a closer look at Guam, talipiece of the geographic chain of Marianas. From a high-flying airplane you will see that Guam, by ironic symbolism, bears a resemblance to the shape of a human footprint. That foot is thrust right across the south end of the threshold, preventing the Japanese from closing the door tightly. It has the annoyance value of a salesman's foot in a housewife's door, rather than the menace of intrusion. This is the real crux of the fortification of Guam. It is not so much a potential Gibraltar as a wedge that would take valuable time to dislodge and give the drummer opportunity to summon up his manager, who can talk louder and faster and more persuasively.

Japanese officers told me they consider that Japan's sphere of

Japanese officers told me they consider that Japan's sphere of Japanese officers told me they consider that Japanes sphere of influence includes everything west of the 180th meridian, the international date line, where day begins. More symbolism: Japan's traditional culture speaks of her as the "first land greeted by each new day, the rising sun." Guam is the split influitive in this empire poesy, Japanese argue: "If you think it is all right

for America to fortify Guam to protect your China trade, how would you like it if we took over and fortified the Galapagos Islands to protect our trade with South America?"

The jambs of the doorway in which Guam is stuck are tough Bonin to the north is a great naval station; Truk, and sturdy. Bonin to the north is a great naval station; Truk, Yap, and Palaou to the south are mystery bases. If you're caught peeping there you will see home and mother no more. But even your amateur military eye tells you Guam could be made a hard nut, too. She grows food abundantly and could be stocked with reserves. There is adequate water for a large garrison. The island's whole east and north sides are open to heavy Pacific swells with very deep and constantly tempestuous waters, a hard lava shelf which means death to keel plates, no bite for anchors and steep jagged cliffs you would hate to try to scale. A few machine guns would make this shore costlier and bloodier than Gallipoli. The west and south coasts are guarded by coral reefs and shallow approaches which have taken vicious toll of shipping. Landings might be essayed here but contours are nicely drawn Landings might be essayed here but contours are nicely drawn for raking cross fire. The central ridge or backbone of the island is made to order for antiaircraft or heavier guns. Apra Harbor, with a little dredging, could be made a grand submarine and plane nest. Years ago before one of the disarmament conferences in Washington a joint Army-Navy board estimated Guam could be made impregnable for \$300,000,000. That figure could now be undercut in the light of modern weapons.

WHAT GUAM'S INTERESTED IN

But impregnability is one thing in a fortified island and offensive usefulness is another. Even if an enemy could not capture Guam he might be able to stand off and blockade her more or less effeche might be able to stand off and blockade her more or less effectively with a comparatively light force. Granted his submarines and his planes were based on nearby islands, he could match Guam's forces. It is not, however, the merits of the professional arguments with regard to the fortification of Guam that interests its uneasy natives. The more poignant question of what may happen to them if we don't fortify it is what makes Guamanians hang on the news from Saipan—pronounced Cy-pan—even more than on news from Washington. That's why they gaze apprehensively toward Rota, which on clear days is in full and menacing sight from Ritidian Point. Saipan is not within view—it's another 70 miles north of Rota—and advices that come from it are round-about and slow, by letter, word of mouth, or rumor.

Guam for its size compares lustily with great world capitals as a rumor factory. The talk is mostly of Saipan because that's the nearest of the Japanese fortified islands, capital of the Marianas, and bound to Guam by native ties of blood and language. You

nearest of the Japanese forthed islands, capital of the Marianas, and bound to Guam by native ties of blood and language. You hear of the mysterious disappearance of an American naval officer who went to Saipan on a tour years ago and never came back. You hear of a Japanese admiral who, visiting Guam, smilingly and slyly revealed that he knew more about the island than most

of its inhabitants.

You hear of Japanese officers making secret landings on lonely Guam beaches for a "look-see." Back in Washington a Representative tells Congress about Japanese and German airplanes that flew over Guam recently, and you hear of an American official of long ago who visited Guam, "got tight," had his picture taken with his coat off between two immaculately uniformed Japanese offi-cers and thus cost us plenty of face. But just try to pin any of these things down to names and dates.

One man who has a responsible job and was college trained in the States assured himself I would not misunderstand his mothe States assured himself I would not misunderstand his motives, then spoke up: "We want to be United States citizens and would like the benefits of civil government, although we realize perhaps not enough of our people are yet trained to take full responsibility for posts in such a government. Citizenship is more important, and we don't see why we can't be American citizens under the Navy. But understand this: Even if we don't get either, still we would rather be subjects of the United States than citizens of any other nation on earth. We don't agree that administrative expenses and consequently taxes would be much higher if we had civil government; our wage scales are lower than yours and in nearly every department we have a native assistant to the head who goes on, year in, year out, and knows the job better than his titular superior, the Navy officer who is changed each 2 years.

"We don't agree that the Oriental Exclusion Act would have to be amended in order to make us citizens if it wasn't for the

"We don't agree that the Oriental Exclusion Act would have to be amended in order to make us citizens if it wasn't for the Hawaiians. We are from the same Western Pacific roots. One general order years ago, to use the exact words, ruled we were neither 'Dagoes nor Niggers.' People of both those stocks, however, are citizens of the United States. Secretary of War Denby ruled that while the native of Guam owes perpetual allegiance to the United States he is not a citizen. Neither is he an alien and there is no provision of law under which he may become a citizen of the United States by naturalization. That answers the statement that we have all the privileges of citizenship. Yes; but we have all duties, too, without the dignity. We are citizens by innuendo.

The Navy always threatens to pull out of Guam and take away "The Navy always threatens to pull out of Guam and take away the pay roll that is so necessary to our people, if we get citizenship and civil government. Isn't that a question of national policy and a move that should be decided by the United States Government as a whole and not by the Navy Department? The Navy says it could not administer Guam if it did not have undivided authority in the event of war. But in wartime doesn't military power have full control in any area in which it operates by declaring martial law, which supersedes civil law for the emergency? We don't agree that we can look forward to future security as the State Depart-

APPENDIX TO THE CONGRESSIONAL RECORD

ment contends with the same guaranty as the mainland citizens. It is not probable you would give Ohio to Japan in order to avoid war, but we are a remote little chick far away from the shelter of its mother's wing and can see the hawk's shadow. Washington politics might very well lead you sometime to let us slip in order to avoid general bloodspilling.

"We have read with interest of your sympathy for the Jewish refugees from Germany. We only wish you could extend this

"We have read with interest of your sympathy for the Jewish refugees from Germany. We only wish you could extend this sympathy to your endangered children here who some day might have a worse fate than what has befallen the Jews in Germany, who for years have stood daily in pledge of loyalty, patriotism, and devotion. There are 22,000 people here who want your sympathy too, and hope they have earned it, who have paid you the compliment of imitating you in every possible way and wanting to be as you are."

Your last chat is with a member of the civilian American colony, one of many Americans who have elected to make Guam their home and are engaged in business there. He says: "This seems to be one of those arguments in which both sides are right and

ony, one of many Americans who have elected to make Guam their home and are engaged in business there. He says: "This seems to be one of those arguments in which both sides are right and it can be worked out, I think, giving both sides all they want. Some Navy people are inclined to believe the local politicos agitate for citizenship so they can get jobs, but I don't think so. I know these people well and I don't think they have any ulterior motive; they want security. Also, as you know, face is very important out here. Citizenship would give them plenty. The Navy has done a magnificent job when you consider these officers are not schooled in civil administration.

"In my quarter century here I have seen this inexperience lead to a few silly things. I remember one Governor who ordered the people not to whistle.

"Now it is the policy of the Navy to replace Spanish priests with Americans. The Chamorros are saying among themselves that they have been tricked into seeming to want this. Several administrations ago, when this policy was brought up, patrolmen went from door to door getting people to sign a petition for cheaper rice, which contained an inconspicuous paragraph saying they wanted Spanish priests replaced by Americans. Later the people flocked to the priests and said they hadn't known what they had done. Bishop Olano and the priests feel very bad. It is not that they mind going elsewhere if American Government policy demands it, but after their years of devoted service, they are hurt because it was made to appear that the people were driving them out. Believe me, I know these priests never interfered in politics and discipline. The virtues they taught people made it easier for the Navy to govern the island. The priests love the natives. A great wrong would be averted if they were invited to stay out their days here.

"There has been a constant procession of Governors. None wants to stay longer than his allotted 2 years, because it would hurt his promotion chances. Each new one has ridden a hobby; each

"There has been a constant procession of Governors. None wants to stay longer than his allotted 2 years, because it would hurt his promotion chances. Each new one has ridden a hobby; each dropped that of his predecessor, and so the good work of each previous 2 years has been lost. Each Governor's intentions have doubtless been praiseworthy, but the poor natives have been kept running in circles. One Governor wanted the people to grow more rice. The next boomed coffee. Another got enthusiastic about kapok. His successor had a 'plant avocados' campaign.

"Why, the tours in office don't even overlap because of housing shortage. Every officer has to pack himself and family aboard the transport the day his successor arrives. That's why Guam has two good-byes for the garrison. Transports leave here, stop in Japan, China, and Manila, stop here again on the way home 7 weeks later. I think the Navy Department should send a retired officer as a permanent Governor. About citizenship, the Navy, I'm afraid, strives for perfection in these people, and we haven't got that back home in the States. Why should they demand it of these people who are better qualified to realize what citizenship means, because of their Navy training, than millions of those who have it?

SHADOW ACROSS PARADISE

"Perhaps the greatest flaw in the Navy's relationship with the Chamorros is the effect to impose Temperate Zone civilization with its industriousness and money values on a tropical people. That's no go. Living is too easy to pick up out here. Follow the Equator around and you'll find people and countries along it ruled by nations that have the zip cold weather gives. I don't know much about military value but Guam's real place in the economic world is as an old-fashioned South Sea trading isle, a place where some big corporation sets down an agent who takes the natives' copra and gives them tobacco, muslin, and other goods in return. And a couple of times a year a trading ship comes inside the reef and anchors. Everybody goes down to the beach, sings, feasts, gets tight, and has a swell time."

You have come to the end of your stay in America's fear-haunted

You have come to the end of your stay in America's fear-haunted aradise and you are called in pitch darkness for the flight outward to Manila. For a long moment you pause when you step outdoors. The Southern Cross is still bright. There is a cool night wind in the palms on the distant shore and the muted thunder of the surf beyond. Nearby there is the occasional thud of a coconut gnawed loose by rats. Their torches glitter like monster lighting buss as speer fishermen wade deargenests. of a coconut gnawed loose by rats. Their torches gitter like monster lightning bugs as spear fishermen wade dangerously along the reef. Several hours from now in Agana school children will be gathered in the plaza in front of the palace of "Y Malagala," the great man, as they call the American Governor. When the marine guard raises the flag the children will pledge allegiance to it and sing the national anthem, but there is a little catch in their voices these days, for they know the talk that goes on around oil lamps in the eventures. in the evenings.

You leave Guam at sunrise color and when you look back regretfully upon its morning peacefulness you find another phrase belling in your mind: "The Rising Sun."

Tariff on Dairy Products

EXTENSION OF REMARKS

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

JOINT RESOLUTION OF THE WISCONSIN LEGISLATURE

Mr. JOHNS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following joint resolution of the Legislature of Wisconsin:

Joint resolution memorializing Congress for higher tariff on dairy products

Whereas the statistical abstract of the United States for the year 1937 lists the following figures for imports of dairy products into the United States for the year of 1936:

Total value of all dairy products imported into the __ \$16, 103, 000 United States_____Amount of dairy imports into the United States: Casein or lactarene pounds do 9, 874, 000 16, 209, 000 8, 029, 000 Swiss cheese_____do___ 51, 820, 000 2, 245, 000 Other cheese _ ____do____ Milk (condensed and evaporated) ______do_
Dried and malted milk ______do_ ____do__ 24, 584, 000 44,000 67,000 Cream___ ____gallons__ _do__

Whereas thousands of farmers in various sections of the United

States depend mostly on dairying for a living; and
Whereas it is evident from the foregoing figures that farmers
in other countries are taking away the market of the American dairy farmer; and

Whereas the present tariff on dairy products is ineffective to prevent the foreign farmer with his cheap production from selling dairy products in the United States in ruinous competition with the American dairy farmer: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of the State of Wisconsin hereby respectfully memorializes the Congress of the United States to place a tariff on dairy products sufficiently high to protect the American dairy farmers against foreign competition; be it further

Resolved. That properly attested copies of this resolution be

Resolved, That properly attested copies of this resolution be transmitted to both Houses of Congress and to each Wisconsin

Member thereof.

Agricultural Equality Act

EXTENSION OF REMARKS

HON. CHARLES HAWKS, JR. OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939 JOINT RESOLUTION OF THE WISCONSIN LEGISLATURE

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint resolution of the Legislature of Wisconsin:

> WISCONSIN LEGISLATURE. ASSEMBLY CHAMBER Madison, March 28, 1939.

Hon. CHARLES HAWKS, Jr., House of Representatives, House Office Building, Washington, D. C.

My Dear Mr. Hawks: I have the honor to transmit herewith copy of Joint Resolution 33-A, adopted by the Legislature of the State of Wisconsin.
Respectfully yours,

JOHN J. SLOCUM, Chief Clerk, Assembly. Joint resolution memorializing Congress to pass the pending Agricultural Equality Act

Whereas for several years, with slight exception, the return to the producer for farm products has been less than the cost of production, which has left the farmer without purchasing power

in the face of many needs; and
Whereas it is agreed by many economists and other thinking
people that the well-being of the farmer is the criterion of the

people that the well-being of the farmer is the criterion of the Nation's prosperity; and
Whereas there is now pending in the Congress of the United States, a measure known as Senate bill 570 or the Agricultural Equality Act of 1939; and
Whereas this bill provides for regulating the world market on agricultural commodities by imposing duties on imports and manipulating exports on surpluses in a manner that will assure the producer of farm products a price therefor equal to the cost of production price of such products; and
Whereas the 18 United States Senators who introduced this bill are unanimously of the belief that the plan proposed will not only

whereas the 18 United states senators who introduced this bill are unanimously of the belief that the plan proposed will not only assure an abundant and permanent supply of such products by securing to the producers a minimum price of not less than the cost of production, but that when such prices are made a reality the general welfare of the entire country will be promoted thereby:

Now, therefore, be it

Resolved by the assembly (the senate concurring), That this
legislature respectfully memorializes the Congress of the United States to enact into the law the said Senate bill 570; and be it fur-

ther

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

Works Progress Administration

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

Mr. HOUSTON. Mr. Speaker, on March 20 the W. P. A. released instructions for the reduction of 400,000 in employment effective during the week beginning April 3 unless additional funds are appropriated by the Congress, and the statement that the employment authorization for the State of Kansas for April would be 28,500, or a reduction of 5,000 from the March authorization.

Believing city and county officials, and perhaps the Governor of the State, because of their proximity to and familiarity with local relief and employment problems and the state of finances of the political subdivisions for relief purposes would be in better position than I to determine the effect of a drastic cut in W. P. A. personnel and projects at this time, I directed letters to the Governor of the State of Kansas, to the chairman of each board of county commissioners within the Fifth District, and to the mayors of 20 cities of my district, asking them to notify me whether in their opinion a cut of that proportion would be advisable.

Up to this time no word has been received from the Governor of the State of Kansas, or from the county commissioners of Sumner, Harvey, and McPherson Counties, or from 15 of the 20 mayors, but I wish to insert in the RECORD the replies of those who were kind enough to give me the benefit of their views on the subject. The letters and telegrams follow:

WICHITA, KANS., March 28, 1939.

House of Representatives, Washington, D. C.: After survey of relief needs here I consider requested additional After survey of relief needs here I consider requested additional Federal appropriation justified because of lack of city, county, and other funds available for relief. Relief situation here is critical. There are 1,742 persons now on W. P. A. manual projects. If additional Federal appropriation is not granted 660 will be removed between now and June 1. Local and county funds are not adequate to meet such emergency. Suffering and want will result from this reduction. Also important and necessary public improvements will be curtailed.

ELMER R. CORN. Mayor.

ELMER R. CORN. Mayor.

WICHITA, KANS, March 28, 1939. JOHN M. HOUSTON,

House of Representatives, Washington, D. C.:
W. P. A. continuation on requested appropriation vital to situation in Sedgwick County. Reduction of W. P. A. load would

throw burden on county funds. Sedgwick County could not at present absorb any additional relief. Agricultural prices too low to boost business and create private employment

HENRY J. PELTZER. Chairman, Sedgwick County Commissioners.

WICHITA, KANS., March 28, 1939.

JOHN M. HOUSTON,

House of Representatives, Washington, D. C.:

I consider the requested additional Federal appropriation for relief warranted from standpoint of relief needs in this community because county funds and other relief funds will be inadequate to meet situation resulting from proposed reduction in W. P. A. Also, important public improvements will be jeopardized, especially development of municipal airport, which is of supreme importance from Federal standpoint, because it serves in interstate commerce, national defense, and United States mail.

ALFRED MACDONALD Director for Park Board.

EL DORADO, KANS., March 27, 1939.

JOHN M. HOUSTON,

House of Representatives, Washington, D. C.:

Due to present conditions, we are carrying the largest relief load in Butler County since 1935. We feel that you should vote for House Joint Resolution 209, for a larger W. P. A. appropriation.

ED MAHER,

ED MAHER,

ESCAL Westerne.

County Commissioner, Butler County Board of Social Welfare.

CHENEY, KANS., March 27, 1939.

Hon. John M. Houston,

House of Representatives, Washington, D. C. Dear Mr. Houston: In answer to your inquiry of March 23, wish to say that from the standpoint of conditions in this locality regarding men at present on the W. P. A. and relief rolls, the additional appropriation is absolutely warranted.

This is primarily an agricultural community which was affected

This is primarily an agricultural community which was affected with an adverse crop condition last year coupled with a low price for grain products. In addition, there is positively no oil activity in this locality at the present time, and many of the oil companies have quit paying on their leases and rentals which was formerly quite an item of income to the farm owners.

There is a possibility of a few men being absorbed on the farms for a few weeks during harvest, but, outside of this, cannot see where any men can be absorbed in permanent employment in this locality until farm conditions are in a more prosperous state.

Sincerely yours,

FRANK A. RYNIKER, Mayor, City of Cheney.

HALSTEAD, KANS., March 27, 1939.

Hon. JOHN M. HOUSTON.

House of Representatives, Washington, D. C.
DEAR SIR: As to House Joint Resolution No. 209, it is not necessary in this vicinity.

Yours truly,

R. Z. HAND. Mayor.

MULVANE, KANS., March 25, 1939.

Hon. John M. Houston,

House of Representatives, Washington, D. C.

DEAR MR. HOUSTON: I have your letter of the 23d in regard to
the House joint bill No. 209 in regard to the additional appro-

priation for the use of W. P. A.

It would seem that locally, with the spring work starting, the farming season opening up, and warmer weather, it would not be too much of a hardship to cut 5,000 from the W. P. A. roll.

It is my personal opinion that it is going to be necessary to cut our relief appropriations a lot in the near future, and now is as good a time as any to start it.

good a time as any to start it. Yours very truly,

S. F. KIMBLE, Mayor, City of Mulvane.

BURRTON, KANS., March 27, 1939.

Hon. John M. Houston,

House of Representatives, Washington, D. C.

DEAR MR. Houston: Insofar as our local needs are concerned,
I do not believe that the appropriation is needed.

Yours very truly,

EDGAR W. KAPFER. Mayor, City of Burrton.

WELLINGTON, KANS., March 27, 1939.

Wellington, Kans., March 27, 1939.

Hon. John M. Houston,

House of Representatives, Washington, D. C.

Dear Sir: Your letter of March 23 was brought to the attention of the city commissioners at their regular meeting.

It is the unanimous opinion of the board that the additional appropriation of \$150,000,000 for W. P. A. is unwarranted.

Very truly yours,

THE CITY OF WELLINGTON By BERNICE S. LINDBERG, City Clerk. Development of the White River

EXTENSION OF REMARKS

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

STATEMENT TO APPROPRIATIONS COMMITTEE

Mr. ELLIS. Mr. Speaker, the development of the White River in Missouri and Arkansas would mean more to the happiness and prosperity of the people of those States than most anything else I can conceive of. On last Thursday, March 23, I appeared before the Subcommittee on Appropriations in an appeal for more funds for the Nation for this type of development. Money thus spent would not be an expenditure but an investment. An adequate investment of this kind now will enable us to stop liquidating our soil and many of our other resources of the present generation and to turn our great unconquered rivers into riches of human happiness. Under leave granted me by unanimous consent of the House, I quote my statement to the subcommittee in

Mr. Chairman, the gentleman here with me is Mr. Layton Coffman, of Harrison, Ark., a member of our State Flood Control Commission. Here in Washington attending the National Rivers and Harbors Congress is the entire personnel of our State Flood Control Commission, including, in addition to Mr. Coffman, Mayor-R. E. Overman, of Little Rock, chairman of the commission; Mr. John Morrow; Mr. W. C. Greason; Mr. Luke Geren; Mr. Lamar Williamson, and Mr. Ben Butler; also Mr. W. C. McClure, secretary of the Southwest Valleys Association, and Mr. L. A. Henry, of the State Planning Board.

I may say also that the congressional delegation from Arkansas and the State administration of Arkansas are united in their appeal for more funds for flood control and waterways development in our State.

ment in our State ..

My purpose in appearing before you is to give you our side of the picture from the White River Basin in Arkansas and Missouri in an appeal for an increased flood-control appropriation over and above the Budget recommendation of \$110,000,000.

In the Flood Control Act of 1938 the Congress laid down what conceivably is to be the Nation's flood-control policy for years to come: That floods constitute a national rather than a local problem and menace; that reservoir construction is the only complete answer; that the Federal Government shall bear the whole cost of reservoir construction; and that in the development of such a program navigation, power, irrigation, recreation, and other possibilities shall be developed as far as is economically feasible. The bill was signed after Congress adjourned, hence there was no appropriation. And after the bill became law President Roosevelt added another major consideration: That special attention be given to the development of hydroelectric power along our rivers to be used in the production of war materials in case of emergency.

While \$110,000,000 is more by \$35,000,000 than the Nation has While \$110,000,000 is more by \$35,000,000 than the Nation has ever spent for this purpose in any one year heretofore, yet here we are attempting to inaugurate a vast program with appropriations already authorized to the extent of \$698,877,000. But we must not drive, as I see it, toward this low figure, because projects are actually authorized to the extent of \$1,148,877,000. The Congress authorized in 1938, for instance, six reservoirs in the White River Basin which would cost a total of approximately \$75,000,000 but authorized a total appropriation of only \$25,000,000 for all six, or only one-third of the amount necessary. Furthermore, many of the choice sites on the streams were not authorized, either in 1936, 1937, or 1938, because the surveys had not been completed. in 1936, 1937, or 1938, because the surveys had not been completed or because of various other reasons.

or because of various other reasons.

General Schley, Chief of United States Army Engineers, has stated that they could use profitably \$195,500,000 during the fiscal year 1940, in developing the program. Even this is driving toward not the higher figure, representing authorized projects, but the lower figure, representing authorized appropriations. He has also stated that if only \$110,000,000 is appropriated, very few new projects can be commenced next year. be commenced next year.

THE WHITE RIVER

Naturally I am interested in the whole program, but since my district lies almost wholly within the White River Basin, since a proper development in that basin would materially affect the prosperity of all of Arkansas and Missouri, and since I have devoted 4 years of constant study to this basin, I want to show you, if I may, how we, along with the rest of the country, will be affected by an appropriation of only \$110,000,000.

FLOOD CONTROL

The White River rises in the Ozark Mountains of northwest Arkansas, flows north into Missouri, and then southeast through Missouri and Arkansas, a total distance of 690 miles before entering the Mississippi River just above the mouth of the Arkansas. It drains a total of 28,000 square miles, or more than two-thirds the amount of the area drained by the celebrated Tennessee River. Seven thousand square miles of this area is in the alluvial valley and constitutes the finest farm lands in the world, except for the ever-present flood hazards. The entire river basin except in the immediate vicinity of the reservoir sites, which are in the mountains, is densely populated.

The average annual rainfall in the basin is nearly 4 feet. The average fall of the river above the lowlands is 4 feet per mile, but in the lowlands it is barely more than one-third of a foot per mile, with the result that the floodwaters frequently come down with tremendous volume and speed and cover the entire alluvial valley, with the loss always running far into the millions of dollars.

At the height of the 1927 flood the White River discharged 440,000 cubic feet of water per second into the Mississippi, and for the period from April 23 to May 5 of that year its discharge for the period from April 23 to May 5 of that year its discharge averaged over 300,000 cubic feet per second. During the 16 highest floods of the past 50 years the White River has contributed flows that synchronized with the Mississippi floods, ranging from 50,000 cubic feet per second to 440,000 cubic feet per second for those floods. When the levees fall to hold, as is frequently the case, these floodwaters never reach the Mississippi at the mouth of the White but flow behind the levees and inundate vast regions of still other fertile lands. Furthermore, the floods contribute to the disaster all the way down the Mississippi from the mouth of the White to New Orleans, inundating vast other regions in Mississippi, Arkansas, and Louisiana. sissippi, Arkansas, and Louisiana.

During the record flood of 1927 approximately one-fifth of the floodwaters of the Mississippi below the mouth of the White were contributed by the White River.

Effective flood control by these reservoirs would immediately enhance the value of farms thus protected by several million

Mr. SNYDER. How large are the alluvial plains? Mr. Ellis. Seven thousand square miles in the White River Basin to where the river enters the Mississippi in southeast Arkansas, and 140,000 square miles below the mouth of the White including 90,000 square miles in the Red River Valley.

I believe that sizable reservoirs can be constructed in the upper basin of this river at a cost well justified by the benefits that may reasonably be expected. Factors tending to reduce their cost over similar ones being constructed and planned in other sections of the country include. Excellent reservoir and proving size and s similar ones being constructed and planned in other sections of the country include: Excellent reservoir and power sites, good foundations, no highway nor railway relocation, no towns to be moved, and no expensive lands to be acquired in the reservoir areas, for the proposed sites are all in the mountains.

Pursuant to section 1 of the River and Harbor Act of 1927 and section 10 of the Flood Control Act of 1928 an extensive survey of the White River and its tributaries was made by the United States

Army engineers.

Army engineers.

House Document 102 of the Seventy-third Congress, first session, entitled "White River, Missouri and Arkansas," a copy of which I hold in my hand, reporting that survey, contains a "general plan for the improvement" of the river "for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation." The report was signed and submitted by Patrick J. Hurley, then Secretary of War. In it the engineers located and reported 29 reservoir sites, not a one of which has been developed, nor has any appropriation been made. which has been developed, nor has any appropriation been made for a single one of them.

The Seventy-fifth Congress authorized construction of six dams The Seveny-Inth Congress authorized construction of six dams at Norfork, Lone Rock, Greer's Ferry, Water Valley, Belle Foley, in Arkansas, and Clearwater in Missouri. No appropriation was made, however. Only two of the dams can be completed for the \$25,000,000 authorized, the engineers tell us, and they say they will not begin more than two because, since only two can be completed for that amount, they consider that only two, to be selected by them out of the six, are actually authorized. I will come back to this in just a minute

to this in just a minute.

According to the engineers, more than 2,000,000,000 kilowatthours of electricity can be developed annually on the White River and its tributaries without interfering with a systematized program of flood control. At the current rate of electricity in the White River Basin this power would sell for more than \$100,000,000 annually.

A cheap power is seriously needed in this region. As reflected by the reports of the Federal Power Commission, the power rate in Arkansas is the third highest in the Nation—only the States of Louisiana and New Hampshire having higher rates. This may be due partly to the fact that, as reflected by the figures of the State utilities commission, more than one-half of the power used in Arkansas annually is imported and our power depend in arkansas annually.

State utilities commission, more than one-half of the power used in Arkansas annually is imported, and our power demand is growing at the rate of 60,000 kilowatts a year.

It is my firm belief that with a power rate similar to that now enjoyed in the T. V. A. region the power consumption of this area would double in 12 months. Our rate now is from three to five times higher than in the Tennessee Valley. For instance, 25 kilowatt-hours a month under the T. V. A. retail rates cost 75 cents, while in Arkansas 25 kilowatt-hours cost us \$2.50.

Many of our municipalities are now producing their own power because of the exorbitant rates. My town of Bentonville, with a population of 2,500, is one of these. The city of Conway, with a population of 5,000, is another. All of these cities stand ready and anxious to avail themselves of a cheap power from the White River. More than 8,000,000 people live within easy power range of these six dams already authorized. This area includes several larger cities that likewise are anxious to avail themselves of cheap power from the White. Kansas City, with a population of 500,000, is one of these. is one of these

is one of these.

Rural electrification lines are being constructed throughout the region. These cooperatives will use many millions of kilowatthours annually, and all are anxious for the low rate. This power can be produced as a byproduct of flood control at around 3 mills

per kilowatt-hour.

We have vast mineral deposits in the White River Basin and within power range—lead, zinc, silica, sulphur, phosphate, man-ganese, iron, commercial clays, coal, limestone, marble, bauxite, and many others, most of which are practically untapped due to and many others, most of which are practically untapped due to the high power rate and high freight rates in this region. With a cheap rate untold millions of kilowatt-hours of this power would be utilized almost immediately in the development of these minerals. A silica plant at Rogers, Ark., for instance, has been forced, because of high prevailing rates, to install equipment recently to generate its own power. Even so, local production costs several times the amount that power could be produced for on the White

White.

The rougher regions of the Ozarks are covered with hardwoods, the development of which depends largely upon cheap power. The average year-round flow on the several tributaries of the White insure adequate storage for power purposes. Markets for all the power that can be produced on the White River now exist within easy power radius. The sale of power will help repay the cost of the reservoirs and thus reduce the output for flood control, particularly invitation, and other heapets. navigation, irrigation, and other benefits.

NAVIGATION

The White River can be made navigable as far north as Forsythe, Mo., a distance of nearly 400 miles, and the Black and Current can be made navigable for a considerable distance without interfering with the development of flood control and power. The White is already navigable the year round to Newport, Ark., and part of the year to Batesville, thanks to Government locks already constructed. A regulated river flow will aid materially in navigation below the dams.

Many small industries are ready now to avail themselves of water transportation. Batesville, Ark., for instance, is noted for its production of marble and limestone, both of which lend themselves to river transportation. Freight rates in this area are 20 to 75 percent higher than outside the South, and a water rate into this fertile region would aid materially in its development.

TRRIGATION

The rice industry of the alluvial valley, one of the State's biggest money crops, is dependent upon the water pan, supported by this river, for its irrigation system, and the water level is gradually going down. Not only would a regulated stream flow raise the water level, but it would give the rice growers gravity flow over a vast region.

RECREATION The Ozarks and surrounding region have long been recognized as a recreational center, but the construction of vast reservoirs outside of this territory in recent years has diverted the tourists elsewhere. Construction of these projects will not only restore the tourist trade, but will go far toward developing the wonderful recreational edvantages. recreational advantages.

The White and its tributaries above the alluvial plain are noted for their clear water and splendid fishing. These are benefits which we well may take into consideration in attempting to arrive at the value of this vast improvement.

NATIONAL DEFENSE

I think it well not to forget the President's warning that in ase of war we face a possible, if not certain, emergency in the shortage of electric energy for the production of war materials. The harnessing of this power that is now so rapidly wasting itself to the sea would be a great asset to the national defense.

PUBLIC WORKS

These projects are worth untold values in reducing unemployment. They place new money into circulation over a long period of years. This was true back in the Coolidge and Hoover administrations—where the program began—and it is true now. The people heartly approve of the Government shifting the emphasis in expenditures to projects that lend themselves so vitally to the progress and happiness of future generations.

EQUAL DISTRIBUTION OF PROJECTS

The White River people have stood by without murmur and watched and helped to pay for the gigantic long-range development of the Tennessee Valley immediately to their east and the development of the Grand and Red and Colorado Rivers immediately to their west, and they feel it is about time some attention should be given to the ravages and potentialities of the White River.

NEW CONSTRUCTION

Of this \$110,000,000, \$80,000,000 would be used on the construc tion of projects already commenced and only \$30,000,000 would be available for new projects. It just doesn't make good sense for this great democracy to set out so half-heartedly to do a great job like this.

The Seventy-fifth Congress authorized these sites to be developed not only for flood control but also for power where in the opinion of the engineers it is economically justified—but this requires money for higher dams.

Now, if you give the Nation only \$30,000,000 for new construction somebody is going to be left out. We have reason to believe tion somebody is going to be left out. We have reason to believe that the engineers would still start work on two of these dams—on the White and tributaries—one in Arkansas and one in Missouri—because they are among the most-needed projects in the Nation. But with such a limited fund it is not certain that power would be included in either. Penstocks would be included, of course, but you understand that it takes a broader base, a thicker dam, and a higher head for power.

If built for power also, and the added cost would be relatively low, one of these two dams that would be built would produce 217,043,000 kilowatt-hours annually and the other one 49,312,000. There is not only a ready market but a demand in our State for this amount. It would be a calamity to build them without power.

CONCLUSION

In conclusion, gentlemen, may I say that the people of Arkansas are united 100 percent for this program and are demanding action of their Representatives in Congress. I hope you will see fit to approve, not the Budget recommendation of \$110,000,000, but the amount desired by the Army engineers, \$195,500,000.

I thank you, Mr. Chairman, for giving me the opportunity to present this matter to the committee.

The Day We Celebrate

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

ADDRESS OF HON. THOMAS J. BROGAN, CHIEF JUSTICE OF THE SUPREME COURT OF THE STATE OF NEW JERSEY, AT THE ONE HUNDRED AND FIFTY-FIFTH ANNUAL DINNER OF THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK AT NEW YORK CITY ON ST. PATRICK'S DAY, MARCH 17, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, St. Patrick's Day, March 17, is celebrated throughout the whole world by legions of Irish men and women and their countless friends.

The Society of the Friendly Sons of St. Patrick celebrated the day at the Hotel Astor in New York City with its one hundred and fifty-fifth annual dinner.

This year our guest speaker was the Honorable Thomas J. Brogan, Chief Justice of the Supreme Court of the State of New Jersey.

The address of Justice Brogan has a special appeal to every good citizen, regardless of race, creed, or political belief, because it honors the dignity and beauty of motherhood. The influence and guidance of the mothers throughout the world is the only thing that will save civilization from decay.

Justice Brogan responded to the toast "The Day We Cele-

Mr. Toastmaster, distinguished guests, and members of the Friendly Sons of St. Patrick. At the moment two thoughts obtrude themselves: First, that when it comes to courtesy, charm, and that fine urbanity which is part of his nature, it is difficult to compete with our friend and toastmaster Mr. Justice Glennon. [Applause.] Second, when I look around at the distinguished personages in this gathering, and see the outstanding figures in church and state, authorities in law and jurisprudence, mentors in finance and diplomacy, I realize that in leaving my own jurisdiction—the State of New Jersey—and coming to a foreign jurisdiction—the State of New York—to make a speech, I violated one of the first rules or canons of caution and prudence, which reads, "Never get into fast company." [Laughter.] And yet for a man who lives a somewhat cloistered life and has not made a speech in years, I feel completely at home in this distinguished company, and that, I suppose, is quite natural, for if there is any place where a man of my antecedents—and I hope you noted that the toastmaster said we are distinguished for saintliness and piety [laughter]—is privileged to feel at home, it is here on March 17, at a dinner of the Friendly Sons of St. Patrick. [Applause.]

So, when the invitation to speak at this dinner came, though you might readily have made a better choice, I accepted, because no one should be cold enough not to accept it. In fact, I was glad and proud to accept it. And at that juncture, communing with myself, and thinking perhaps of my own shortcomings as a speaker, there popped into my mind the incident of the Irishman who boasted to a friend about his ability as a musician, particularly as an instrumentalist, and his friend, credulously enough, inquired, "Can you play the violin?" to which he replied "The violin? I guess so. I never tried it." [Laughter.] And my position is a little like that. It has never been my experience to make an address at this dinner, but here I am, ready to try it. [Laughter.] So, when the invitation to speak at this dinner came, though [Laughter.]

But, he would be cold indeed who could not give some account of himself on this day, a day set apart by all, regardless of heir nationality, for Ireland and the Irish, "The day we celebrate," the day that brings back the finest recollections of the years, the day that stirs the depths of our emotions, the day of gladness and of sorrow, as we look down the long vistas of recollections and live anew the triumphs and the failures of our fathers in their age-old

fight for recognition and liberty.

But his, my friends, is neither the time nor the place to ask you to give ear to a detailed account of the glorious history of the Irish people, to valor unsurpassed, to courage without fear, to honor without blemish, to "prisons made holy, to scaffolds made altars," where countless Irishmen suffered the martyr's death.

altars," where countless Irishmen suffered the martyr's death, Rather, is it the occasion to recall our magnificent heritage, ever present through the centuries, that spirit of Ireland that never yielded its devotion to an ideal, its consciousness of nationhood.

If it be brave to live and suffer without surrender, as our fathers did, under laws with "cruelty writ in every line," to endure under regulations described by the jurist-philosopher Montesquieu, "As contrived by the devil," and still smile, surely the Irish were brave. If it be greatness to live and struggle without surrender in a land "where liberty hung crucified for centuries, dying perpetually yet never dead, wasting forever yet enduring still," and, after all this, to win recognition and freedom in the end, surely the Irish had greatness. [Applause.]

How strange it is that this land that sent her sons as soldiers

How strange it is that this land that sent her sons as soldiers rallying to the defense of almost every nation should have received so little outside help in her own struggle for recognition and freedom. France, Spain, Austria, Canada, and our own United States felt the rallying force of the Irish volunteer in every war; and more, felt the rallying force of the Irish volunteer in every war; and more, Washington, with his Continental Army, felt not only the rallying force of the Irish manpower, for fully one-half of Washington's Continental Army was Irish, but felt as well the might of a contribution of nearly half a million dollars, when it was needed most, donated by 29 Irishmen of the city of Philadelphia, all members of the Friendly Sons of St. Patrick. [Applause.]

And this same intrepid, generous spirit lived on through the years without loss of power or stability, until, at long last, beginning in 1916 and ending in 1921—July 11, it was—that manhood which had fought the fight to advance the cause of the oppressed people of other nations, alone and unaided, an unarmed people against the might of a proud empire, won for itself recognition and liberty

other nations, alone and unaided, an unarmed people against the might of a proud empire, won for itself recognition and liberty and emerged as the Republic of Ireland. [Applause.]

"Army without banners" is the description given by the poetnovelist to that group which won the age-old fight. Army without banners indeed—army without adequate arms and equipment—army poor in everything material with which wars are won, but army, rich in courage, rich in the justice of its cause, rich in the spirit its patriots had, transmitted by their fathers in undiluted purity, the consciousness of nationhood.

Now what is it that differs the Irishmen from the other many

Now, what is it that differs the Irishman from the other mem-bers of the family of Kelts, for different he is. His nature is different from any other that ever came from the hand of God. His is a fanciful, poetic, valiant, spiritual nature. He lives in the present, but in spirit he dwells in the past, and that past for him is still a living actuality.

Not so with the rest of the British Isles. The Scot will recall the disaster of Flodden Field, will enthuse over Bannockburn, will weep over his betrayal of Mary Stuart, his martyred queen, will sit up all night supping sorrow or joy, but next day he is his practical self again.

The Welchman plots along thinking not of the days of his greatness; the Englishman will recall his yesteryear in history, the days of the Seven Kingdoms, the War of the Roses, but not for long—the spirit of utility in a moment will have asserted

But in Ireland events do not pass so rapidly. Ireland has her traditions and she meditates. Monuments of war, of nobility, of religion cover the land. The poorest peasant lingers in the noonday shadows of historic walls and towers that tell him his forefathers were not slaves, but that they lived as heroes and died as men. He ploughs the fields or walks the country roads with as men. He plotting the helds of walks the country roads with scenes before him that have been immortalized by his poets, and lying down in his humble cottage at night, he hears the wind rushing over the mountains and through the valleys or sighing through the ancient battlements, in a faint voice, a voice that stirs him to the very depths of his soul, for it brings back to his

mind the voices of scholars, of heroes, and of saints. [Applause.]

Now, what was it that kept alive this race of great souls who
never despaired of their country? What made them cling to their
longing to breathe the fresh, clean air of liberty? It was not the
poet who wrote and sang the immortal events of Irish history, nor
was it the schoolmaster, or as he has been more accurately

described, the "hedge master," unique and heroic figure that he was, for he imparted only education, kept their minds informed and their eyes open, and education is not indispensable, nor was it that irrepressible wit and humor, the blarney, the gift of the Irish and only of the Irish, that kept alive this devotion to an

Rather it was the most beautiful gift that ever came to the Irish people, the lovely, spiritual Irish mother. [Applause.] There never was a mother who was not, in the eyes of her children, almost like the Blessed Mother of us all, and there never was a mother who at eventide, as she softly crooned her lullaby to the mother who at eventide, as she softly crooned her lullaby to the babe cradled to her heart, who was not very close to Heaven, and no figure in Irish annals carries so sweet a personification of love and courage, of tenderness, patience, and spirituality as the Irish mother. Truly the Nation took its sustenance from her through the years. Generation after generation of her children went out from the land of their birth, under the benediction of her gaze, encouraged by the smile that hid the agony of her anguish, and from the Irish mother they imbibed an ambition and a richness of soul that made them equal to the tasks of the world, whether they were on the battlefield, in the legislative halls, in the professions, or in business. The Irish exile spanned the rivers, tunneled the mountains, and built great buildings, possessed of a heritage that conquered, a leadership with power which could not be his were it not for the sustaining influence of the Irish mother. [Applause.]

O mothers of the world, we acknowledge with gratitude our

mothers of the world, we acknowledge with gratitude our debt to you, and with the calm judgment that comes with the years we realize that the greatest schoolroom of all times is the place where the child learns its first lesson of what is good and

true and right and just and holy—at its mother's knee.

I am reminded of the story of Cornelia, the mother of the Gracchi, to whom pagan Rome, in ancient times, erected a column in one of its most magnificent temples, who, upon an occasion when rich, jeweled ornamentation was the order of the day, was asked. "Where are your jewels?" to which she replied, pointing to her sons, "These are my jewels." And so, too, the Irish mother who, possessing none of the jeweled adornment of wealth, may stretch out her arms to all the world and, pointing to her children, may say with pride, "These are my jewels. They left me and went forth to do the work of civilization for God. They brought progress, and culture and have advanced religion, and civilization in years. and culture and have advanced religion and civilization in every land in this fair world. The battlefields have been crimsoned with their blood. They fought the fight of the French, the Austrians, the Spanish, the Canadians, all in the cause of liberty; they fought the fight of the American colonists with Washington in the War the fight of the American colonists with washington in the war for Independence; they fought under Meagher at Fredericksburg for the preservation of this Union; they fought against the mailed fist of despotism in the World War. These are my jewels and I have given them to humanity." [Applause.] We recollect with regret that when, after the World War, the

victorious nations sat down at the great hall at Versailles to dole victorious nations sat down at the great hall at Versailles to dole out freedom and independence, there was no room for Ireland. She was the poor child, hungry and cold, left outside gazing in at the glory of the lights, tantalized by the odor of good things, straining her ear to catch the melody of the music and the laughter of happy voices, and when the roster of nations was called, she could not answer "present" to her name because her name was not on the roll. And all she wanted was a chance to be heard; all she wanted was a chance to breathe the fresh, clean air of liberty. What effrontery in this urchin to knock at the door of the banquet hall at Versailles!

But thank God she wan liberty in 1921 and since that time has

But, thank God, she won liberty in 1921 and since that time has displayed to the nations a bill of rights which is a model of Christian justice, a constitution that, like our own, is a model of pure democracy for the encouragement of the downtrodden people of the world. [Applause.]

I hope to see the day when there shall be another convocation of nations, a convocation of nations called together in the interest of peace, liberty, and democracy for all; and when that roll call of nations is thundered forth from our own Capitol Hill in Washington that the Old World nations of Europe will answer "present"; and continuing the roll, the nations of the Far East will answer "present"; and continuing on, the name of Ireland is called, and Ireland, a free and independent nation, will answer "present"; and then the name of our own country is called, and our own glorious America answers "present"; and so on and on until every State and every nation has answered "present," a swelling chorus thrown unto the high heavens by a reunited family of nations upon earth, a triumphant exultation that compels the very soul of us to get down on its knees in thanksgiving, when all wounds are healed, persecutions a thing of painful memory, rancor, strife and race madness are forgotten, and when our glorious America on this side of the Atlantic shall join with Ireland on the other side and challenge the world not to conflict, not to strife, but to excel in undying devotion to the principle of self-determination for all nations and all men. [Applause.]

And at that moment, in my mind's eye, tear-dimmed, I see an of nations, a convocation of nations called together in the interest

and all men. [Applause.]

And at that moment, in my mind's eye, tear-dimmed, I see an image crowned in pure light, her face lined a little and worn with care, her blue eyes gentler with the years but lovely as ever, smiling at me through the mist—my Irish mother and yours.

And so my toast and yours too, I hope, for "the day we celebrate" is to the Irish mother—may she ever remain enthroned in the hearts of her children, and may she always enjoy the smile of God. [Applause.]

Work of National Youth Administration in California

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

LETTER FROM THE CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

Mr. VOORHIS of California. Mr. Speaker, for the benefit of those who may have any doubt of the value of the work of the National Youth Administration for the young people of America, I include herewith a letter from the Department of Industrial Relations of the State of California.

Our young people are the America of tomorrow, and any move to give them the training and the chance which N. Y. A. has given certainly deserves the support of Congress.

STATE OF CALIFORNIA,
DEPARTMENT OF INDUSTRIAL RELATIONS,
San Francisco, March 23, 1939.

Hon. JERRY VOORHIS, House of Representatives, Washington, D. C.

DEAR SIR: On behalf of the Department of Industrial Relations of the State of California, I take this opportunity to state our experiences with the National Youth Administration as administered in this State.

Since the inception of the National Youth Administration, we have had continuously in our department and the five divisions comprising it, an average of 25 of these young people. During that 4-year period we have had more than 200 of these young people in our employ and of that number only 3 have been separated from our projects for cause.

The difference between the 25 average and more than 200 total

The difference between the 25 average and more than 200 total has been brought about because these young people practically with unanimity have at all times sought private employment and have never failed to accept it when it came along.

Our department of government happens to be one that has been sorely pressed by budget limitations and the help given us by the National Youth Administration has not only been acceptable, but has proven itself to be both valuable and essential.

In view of the foregoing, may I bring this letter to a somewhat abrupt end by simply stating that the National Youth Administration has proven itself to be of real value as an organization and the young people whom they have assigned to our projects have proven themselves to be earnest, sincere, and capable. In view of the fine work that has been and is now being done by the National Youth Administration, we hope that nothing will be done to curtail their efforts.

Very truly yours,

ARCHIE J. MOONEY

Assistant to the Director, Department of Industrial Relations. P. S .- As assistant to the director, my duties bring me in per-

sonal contact with all of these young people and I feel that I have a right to speak from personal knowledge.—A. J. M.

The Interstate-Migration Problem

EXTENSION OF REMARKS

HON. ALFRED J. ELLIOTT OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, March 30, 1939

LETTER FROM STEPHEN EARLY AND REPORT OF THE ADMIN-ISTRATOR OF THE WORKS PROGRESS ADMINISTRATION

Mr. ELLIOTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. Stephen Early, secretary to the President, together with the reports referred to therein:

THE WHITE HOUSE, Washington, March 28, 1939.

Hon. A. J. ELLIOTT,

Chairman, California Delegation on Interstate Migration and its Effect on California,

House Office Building, Washington, D. C.

DEAR CONGRESSMAN: By the President's direction, I am transmitting herewith, for the information of your colleagues and yourself, a copy of Administrator Harrington's report to the President with reference to the interstate migration problem and its effect on California.

You will also find a copy of a report to Colonel Harrington from William R. Lawson under date of March 2, 1939.

The President has reviewed Colonel Harrington's letter and the attached report. He asks me to say that he concurs with the recommendations made by Administrator Harrington.

Very sincerely yours,

STEPHEN EARLY, Secretary to the President.

Works Progress Administration, Washington, D. C., March 15, 1939.

The PRESIDENT, The White House.

My DEAR Mr. President: In accordance with your instructions conveyed to me in Mr. Stephen Early's letter of February 17, 1939, conveyed to me in Mr. Stephen Early's letter of February 17, 1939, I have consulted with various agencies of the Federal Government concerning the problems presented in the letter which was addressed to you by Representative A. J. ELLIOTT, chairman of the California delegation on interstate migration and its effect on California. The following agencies were consulted: Farm Security Administration, United States Housing Authority, Social Security Board, Federal Surplus Commodities Corporation, Public Health Service, Office of Education of the Department of the Interior, and United States Employment Service.

The Works Progress administrator for northern California, who is thoroughly familiar with this problem in all of its aspects, was called to Washington for the conferences and has prepared a detailed report, a copy of which is attached. The purpose of this letter is to summarize the conclusions which were arrived at during

letter is to summarize the conclusions which were arrived at during

the conferences.

Interstate migration is the result of extremely complex social and economic factors and is, of course, not confined to California. The outstanding conclusion that I have reached after the discus-The outstanding conclusion that I have reached after the discussion of the problem is that no Federal agency or group of agencies can effectively deal with it in its entirety under their present powers and limitations. If the responsibility for solving the problem of interstate migration is to be accepted by the Federal Government, it is my opinion that special legislation to this end would have to be enacted by the Congress. Such legislation should provide for Nation-wide planning and might take the form of authorizing action along the three following lines:

(a) The resettlement of the migrants who are now in California and other destination States and who can become self-supporting there.

(b) The return of those migrants who are willing to resume residence in their State of origin and giving assistance in establishing

them there.

(c) The resettlement of other migrants in those areas where employment suited to their abilities is most likely to be found.

I believe that a decision as to whether such legislation should be enacted rests with the Congress.

Passing to the action which can be taken by the Federal agencies Passing to the action which can be taken by the Federal agencies under their present powers the representatives of all of them are in agreement that according special treatment to nonresidents that is not available to residents is bad practice and tends only to aggravate the problem of migration. This is certainly true insofar as the Works Progress Administration is concerned. It would be possible for the Works Progress Administration to set up an earmarked quota for the employment of migrants in California and to develop a work program particularly for those migrants. I believe become a work program particularly for those migrants. I believe, however, that this is highly undesirable and recommend against it. On the that this is highly undesirable and recommend against it. On the other hand, a general increase in the Works Progress Administration quota for the State of California will not do anything constructive to solve the problem, and the extent to which such an increase can be made under present limitations as to funds would not in my judgment have any marked effect in alleviating the conditions which prevail.

The lines along which other Federal agencies can be of help and the steps that they can take are as follows:

(a) The United States Employment Service can undertake a complete and systematic dissemination of information on employment to prevent the flooding of the California labor market.

complete and systematic dissemination of information on employment to prevent the flooding of the California labor market.

(b) The Federal Surplus Commodities Corporation, by cooperation with the Farm Security Administration and the California State Relief Administration, can achieve a wider distribution of available surpluses for the purpose of providing more assistance to needy migrants now in the State.

(c) The Farm Security Administration can continue its efforts within its present limitations to provide camp facilities and small homes for rural migrants. It would require additional funds and authority for it to expand its activities.

(d) The Public Health Service has a program that is of considerable aid to the local communities in the control of disease and treatment of the farm migrant. Additional funds would be

and treatment of the farm migrant. Additional funds would be

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necessary to expand these activities so as to provide adequate care for migrants.

(e) The United States Housing Authority is willing to cooperate

with local housing authorities in creating low-rent dwelling units, but at the present time all of its funds have been allocated.

Steps (a) and (b) above can be initiated at once, and, in my judgment, this should be done. To make steps (c) and (d) and (e) effective would require additional funds, which the Congress

would have to provide.

To secure the best results in California from the activities of the various Federal agencies in connection with migrants requires that a local agency familiar with the problem should accept the responsibility for planning and coordination. This is very important to avoid overlapping and confusion. In the case of California, I think the proper State agency to undertake this responsibility is the State relief administration.

This report has been concurred in by the representatives of the various Federal agencies listed in the first paragraph of this letter. Respectfully yours,

F. C. HARRINGTON, Administrator.

MARCH 2, 1939.

To: Col. F. C. Harrington. From: William R. Lawson.

Subject: Report on interstate migration and its effect on California. In accordance with your request, I have discussed with officials of the agencies most directly concerned the problems of interstate migration raised by the California delegation in their letter to the President under date of February 15. The present report is the result of a meeting with representatives of the Farm Securis the result of a meeting with representatives of the Farm Security Administration, United States Employment Service, United States Housing Authority, Social Security Board, Public Health Service, Office of Education, Surplus Commodity Corporation, and Works Progress Administration, and their memoranda to me on the aspects of the problem in their respective fields of administration. Memoranda from these agencies are appended. For convenience of reference, the discussion below follows the same subject order as that of the California delegation's letter. Nature of the problem: The problem created by interstate migration is the result of extremely complex social and economic factors among which the most important are: (1) More workers than fobs: (2) the movement of the unemployed in search of

than jobs; (2) the movement of the unemployed in search of work; (3) the migratory labor supply, particularly that in agriculture; (4) the displacement of farm operators and laborers by drought, erosion, and machinery; (5) inadequate relief; (6) ill health; (7) the attraction of areas with mild climate for the ill, nearth; (7) the attraction of areas with finial climate for the fit, aged, and dispossessed; (8) inadequate local relief; and (9) the characteristic mobility of the American population, especially when economic opportunities in their home States are limited. Much of the interstate migration that takes place each year results in successful economic adjustment. But the unsuccessful

results in successful economic adjustment. But the unsuccessful portion creates a particularly acute problem because it constitutes an additional burden on the facilities of city, county, and State already taxed to capacity to care for the resident unemployed, aged, and unemployable. Cities as well as rural areas are faced with this problem, and so long as part of the resident needy are without assistance, local opinion is strongly opposed to granting special care to the propresident. special care to the nonresident.

special care to the nonresident.

All States contribute and all States receive interstate migrants, but some few "destination" States such as California receive many more than they give, and a slightly larger number of "origin" States such as Oklahoma give many more than they receive. Although it is the inflow rather than the outflow that attracts attention in any State, there is no question that all States are

Among governmental agencies there is unanimous agreement that the problem is national in nature and therefore requires consideration on a nation-wide basis. This opinion is shared by the Cali-fornia delegation and is set forth clearly in the first paragraph of its letter.

Since no one area is responsible for the problem caused by inter-state migration, it is difficult to see how an attempted solution in a particular State can be effective. Unless there is coordination of effort in all States—particularly in States with excessive out-migration—an attempt to deal solely with local conditions in Cali-fornia would greatly complicate the problem and in the long run do more injury than good.

There is also general agreement that the problem has both an immediate and a long-range aspect. The immediate problem is one of relieving the pressure on the local relief rolls, hospital and school facilities, housing, and employment opportunities. The long-range aspect is concerned both with the conditions in the States of origin which cause the uprooting of so many in-dividuals and families, and with the most effective means of stabilizing and rehabilitating those who are already uprooted. In both the immediate and the long-range aspects joint effort by the several governmental agencies responsible for the administra-tion of some phase of this problem is essential. No agency, as now constituted, can solve so large a problem.

In the discussion of particular points below emphasis is placed upon the administrative responsibility of the several agencies consulted.

Employment: Since it is work rather than relief that the migrant wants, employment opportunities are of prime consideration in this problem. When employment is not to be found

some part of the migrant population necessarily turns to relie

for a means of subsistence.

Bringing men and jobs together is primarily the concern of the United States Employment Service. In addition, they are the agency in the best position to disseminate information on the agency in the best position to disseminate information on the service. employment opportunities as well as information on areas in which there is already an oversupply of workers. There was general agreement that immediate benefits would result from a systematic spreading of information among potential migrants in the States of origin as well as among migrants en route for the purpose of checking the continual oversupply of workers to California. Not only should the State employment service exchange information among its local agencies as to over and under supply, but great advantages could be obtained through the exchange of such information among those States now receiving or supplying the greatest bulk of the migrant population.

All regular channels of publicity should be used. Growers' associations have been particularly effective in attracting an oversupply of migrant workers through the use of handbills, signs along the road, radio announcements, and word-of-mouth advertising. The use of these same channels by the Employment Service should go a long way to direct the regular seasonal agricultural migrant to areas in which he is needed, to discourage unneeded workers from continuing their journey to California, and to advise pros-pective migrants of the general lack of job opportunities in California.

In a memorandum on their activities, the United States Employment Service reports that, through their Farm Placement Service, they are gathering and disseminating information on job openings and labor surpluses. Further, they report that by using the radio, newspapers, and bulletins, they believe that the flow of migratory labor to California has been reduced and better adjustments of supply and demand for workers achieved during the past year in California and Arizona. The United States Employers of the California and California with the California and California and California with the California with the California and California with the Cal ment Service offers its full cooperation with State and Federal agencies in further improving the distribution of workers in accordance with job opportunities.

Since industrial as well as agricultural migrants are found among the needy it would seem desirable for the United States Employment Service to disseminate information on urban as well

as rural employment opportunities and gluts.

Another suggestion made by the California delegation is that rural migrants be settled on small plots of land in areas where seasonal farm labor is in demand. The Farm Security Administra-tion has been making such efforts, but because they lack author-ity to purchase land, any expansion of this type of activity is limited. Were it possible for the Farm Security Administration to acquire land for the purpose of small plot settlements, cooperation with the United States Employment Service and the Works Progress Administration might provide a useful combination of partitime private or program employment with subsistence farming, Such a plan should operate to stabilize a badly needed labor supply and, at the same time, provide the means of permanent resettlement for uprooted farm-labor families.

Still another suggestion made by the delegation under the general heading of "employment" is, that pending the revival of employment in the Nation, W. P. A. quotas be adjusted to some degree in accordance with the movement of people from State to State. This suggestion is based upon the fact that conditions in State. This suggestion is based upon the fact that conditions in the States of origin have a very direct bearing upon the present situation in California. The Works Progress Administration is well aware of the fact that people are continuing to leave States where conditions are unfavorable, and that action in these States is essential if the continuing flow of migrants is to be stopped. The national aspect of the migrant problem is obvious here. Development of a sound course of remedial action in the States which are the major sources of migration will, however, require careful study and some time to put into operation. Long-range planning is required; it is not believed that a satisfactory program of this nature can be formulated in time to help meet the immediate need for assistance in California. need for assistance in California.

An increase of 10,000 in California's W. P. A. quota would provide the most effective immediate action. This additional quota would help to relieve the State of some of the relief burquota would help to relieve the State of some of the relief burden which, to a large extent, has been built up by the influx of migrants during recent years. If granted, the State W. P. A. administrator should report semimonthly the number of migrants assisted, by State of origin and length of time in California, and such additional information as may be required. These reports would assist materially in determining allotments to be made during the next month. This plan would permit ready adjustment of W. P. A. employment according to resident and migrant needs within the State, and, at the same time, provide information on the origin of migrants so that suitable measures could be introduced in the contributing States to check additional be introduced in the contributing States to check additional migration. Furthermore, this plan would avoid the questionable device of fixed quotas for migrants in one State.

Health: The health problem created by migrants is closely re-Health: The health problem created by migrants is closely re-lated to their economic status. Forced to live in substandard housing without adequate sanitary facilities, with insufficient incomes to provide proper diets or to obtain proper medical care, they readily become the focal point of epidemics and the carriers of communicable diseases. This threat to the physical well-being of the resident population is one that creates immediate and strenuous protest.

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The California delegation lists, with approval, the work already done by the Farm Security Administration in providing medical aid through the Agricultural Workers' Health and Medical Association. However, the delegation's letter understates the Association. However, the delegation's letter understates the amount of money expended on the program by the F. S. A. The \$100,000 mentioned was the original grant, not the total expenditure. The F. S. A. reports that \$250,000 was spent during the fiscal year ending June 30, 1938, and it is anticipated that an additional \$675,000 will be spent on the medical aid program during the support fixed year. ing the current fiscal year.

On the subject of medical aid, the Social Security Board has suggested that since the United States Health Service and the Children's Bureau now make Federal grants to States for various health activities, these services might be extended on a temporary basis in California for the assistance of migrants. The Board goes on to point out, however, that since medical care facilities for residents are wholly inadequate in most communities little can be dents are wholly inadequate in most communities, little can be expected until facilities are improved. According to the Social Security Board this could probably be done only through Federal grants-in-aid, such as those suggested at the National Health Con-

ference held here in July.

The health problem among migrants has received considerable attention in recent years from the United States Public Health This agency has allocated \$52,000 to the California State Health Department to be used in securing the services of a limited number of physicians and public-health nurses to provide medical aid to agricultural migrants during the current fiscal year. In addition, an allocation of \$103.791 has been made for work on the control of venereal disease with the specific requirement that micontrol of veneral disease with the specific requirement that migrants be accorded the same privileges for treatment as are given to residents. The Public Health Service calls attention to the possibility upon specific request from the California State Health Department of limited use of funds allocated under the Social Security Act and administered by the Children's Bureau, for prenatal nursing and delivery care among migrants. The Public Health Service officials feel that additional funds for public-health work among migrants could be used to good advantage.

Relief: Under this general heading the California delegation raises, among other questions, the need for more adequate diet, particularly for the children of migrants in that State. As an immediate measure, the delegation suggested that "* * * the Surplus Commodities Corporation furnish as nearly as possible a balanced ration of foodstuffs * * * for distribution to the balanced ration of foodstuffs * * * for distribution to the undernourished people." In discussing this suggestion, a representative of the Federal Surplus Commodities Corporation calls attention to the fact that they were limited by law to the purchase of agricultural commodities for the express purpose of relieving the market of price-depressing surpluses. As to a balanced ration the Corporation's representative states in a memorate of the commodities of the corporation of the corpo anced ration, the Corporation's representative states in a memo-

randum that

"An additional consideration is that the commodities purchased by the Corporation must be diverted from the 'normal channels of trade and commerce.' This means that commodities must be distributed on an over-and-above basis; that is, must be in addi-

distributed on an over-and-above basis; that is, must be in addition to the regular purchases of recipient families. To attempt to supply recipients with a balanced diet, therefore, would be a specific violation of the legislation setting up the Corporation."

While the scope of the Federal Surplus Commodities Corporation's activity is limited, their facilities could undoubtedly be used with increasing efficiency through cooperation with the Farm Security Administration and the California State Relief Administration. In our discussions, representatives of the Farm Security Administration and Federal Surplus Commodities Corporation agreed that a better balance of commodities distributed might be achieved by efforts to make distribution by one agency supplement the distribution made by the other. Thus, while a balanced diet is probably beyond the ability of either or both agencies at the present time, beneficial results would certainly follow from close cooperation of these agencies.

With regard to the suggestion migrants should be assisted to return to their States of former residence, it should be noted that

turn to their States of former residence, it should be noted that no Federal agency has the authority to compel migrants to return against their will. The State Relief Administration of California has in the past, and continues at the present time, to assist mi-grants who express a willingness to return to their State of

The California delegation also suggests "* * The California delegation also suggests "* * a system of Federal grants-in-aid to States, probably through the Social Security Board, to defray the cost of relief extended to nonresidents. * * * " In summarizing the comments of the Social Security Board on this suggestion, the following points seem to be most important:

1. If assistance for nonresidents is granted to California it would

have to be granted to all States.

2. Resentment would be aroused by grants to nonresident aid unless provisions were also made for assistance to needy residents not cared for under existing programs.

3. Assistance for nonresidents without a general relief program

would tend to encourage transiency.

would tend to encourage transiency.

4. For the reasons noted above, the Social Security Board's statement concludes that "It would seem desirable to establish a Federal program of assistance for nonresidents and other needy individuals and families for whom employment on public-works projects financed in whole or in part by the Federal Government is not suitable or available."

5. If such a program were established the following questions would require decision:

a. The establishment of a fourth category of assistance administered by the Board.
b. Funds for this purpose.
c. Conditions for approval of State plans.

d. Modification or elimination of State legal settlement requirements for assistance.

6. Any program for aid to nonresidents will involve cooperation on the part of a number of State and Federal agencies. As a result there is need for a continuing committee under the auspices

result there is need for a continuing committee under the auspices of some agency, to formulate plans for nonresident aid.

Housing: Bad housing facilities are the rule where migrants congregate. In rural areas the ditch-bank shack, the tent camp, or the worst type of tourist camp provide most of the shelter within the means of this low-income group. In urban areas, the "shacktown" at the edge of the city is frequently the only resort of the needy nonresident. Low income and short stays make the migrant an unprofitable or undesirable tenant. In calling attention to the substandard housing of migrants, the California delegation suggests remedial action by the United States Housing Authority, local communities, the Farm Security Administration, and the Works Progress Administration.

The United States Housing Authority, in a memorandum on

The United States Housing Authority, in a memorandum on their activities, calls attention to the fact that they do not, on their own account, undertake the construction and administration of low-rent housing. Local housing authorities organized under State laws construct, own, and operate the housing projects with the United States Housing Authority making loans which must not exceed 90 percent of the total cost. The Housing Au-thority believes that its program makes a contribution toward the solution of the migrant problem in two ways: (1) "By providing decent, safe, and sanitary dwellings for families of low income throughout the United States it will assist in drying up the flow of migrants at its source * * *"; and (2) its "* * program enables cities in California for which housing authorities

have been created to provide low-rent housing authorities have been created to provide low-rent housing facilities."

The Housing Authority officials question whether dwellings constructed with their aid can be built to rent for the very small amounts which the migratory worker can afford from his low earnings, and whether this more or less continually moving group would provide enough year-around tenants to supply economical

operation.

Although most of the local housing authorities are operating in Atthough most of the local housing authorities are operating in urban centers, there appears to be no reason why rural projects could not be undertaken by county housing authorities provided "* * * the local authority can develop a project suitable for the needs of the locality and which can be economically operated to rent low enough to meet the needs * * *." The Los Angeles County Housing Authority is cited as an example of an authority with power to operate throughout a county.

It should be noted that the improvement of housing conditions

It should be noted that the improvement of housing conditions through the cooperation of local communities and the United States Housing Authority would more properly come under the heading of long-range planning than under that of immediate action. It does, however, provide a logical and much-needed line of endeavor in which the United States Housing Authority would gladly cooperate

which the United States Housing Authority would gladly cooperate within the limits of its authority.

The Farm Security Administration is actively engaged at the present time in providing housing for farm persons in rural areas through its migratory labor camps, by means of small homes for the relocation of farm families. To date there are 10 F. S. A. camps with permanent structures in California capable of accommodating a total of 1,720 families. For the current year there is presented for templetics in California capable of accommodating a total of 1,720 families. proposed for completion in California accommodations for 1,200 additional families. The small home construction program of the Farm Security Administration has provided for 100 families in California so far, and 200 additional homes are planned for the current

In reporting on their housing activities the Farm Security Ad-

ministration states that-

"In general, the housing program of the F. S. A. has been pushed as rapidly as funds and planning would permit, but at the present time is drastically limited by lack of authorization to extend funds for the purchase of land."

for the purchase of land."

The possibility of participation by the Works Progress Administration in low-cost housing is restricted at the present time by a decision of the Project Control Division against such action, except when the occupants are to be relief recipients. Were the prohibition tion removed cooperation with local, State, and Federal agencies in low-cost housing construction might well provide a desirable field of activity. Such action would, of course, have to be restricted to properties owned and operated by agencies of the Government. Education: Proper educational advantages for the children in

migrant families is a serious problem in California, as well as in all States that have a marked influx of nonresidents. School facilities are either seriously overburdened or are totally inadequate for ties are either seriously overburdened or are totally inadequate for the demands placed upon them. Local resentment is easily aroused by the overcrowding of school facilities caused by the children of migratory families, particularly since the burden of maintaining the local schools is of immediate concern to the local taxpayer. A frequent result, as stated in the California delegation's letter, is "* * that many children of migratory families are growing up without the advantages of an American education." The delegation that the advances of the hope that if a hill for Federal edit advances of the control of the tion then expressed the hope that if a bill for Federal aid to educa-tion is passed special provisions will be included for grants in proportion to the number of nonresident children being educated at local expense.

This matter has been discussed with the Office of Education, where it stated that the problem of migrant school children is recognized as one of increasing seriousness. The Office of Education officials have pointed out:

1. That the problem is not peculiar to California, but is prevalent in a number of States.

in a number of States.

2. That at the present time the Office of Education does not have any funds that can be allotted to the States for this purpose.

3. That in connection with the hearings of S. 1305, to be held beginning March 2 by the Senate Committee on Education and Labor, an opportunity is afforded for presenting the problem of proper educational facilities for the children of migrant families.

Long-range planning: What the various agencies concerned with the problem of interstate migration can do in California and elsewhere at the present time is limited by the fact that an effective

where at the present time is limited by the fact that an effective solution requires planned action on a wider basis than one State or region. Agency officials agreed on the need for long-range planning in order to make the best use of their several authorities. Some of the subjects on which more information is needed to effect more

complete coordination of effort are:
1. Conditions in States of origin that cause migration.
2. Areas from which large numbers of migrants may be expected in the future

The industries in addition to agriculture that depend upon migratory labor, the size of the demand, and the time of year when

the demand is operative.

4. The extent to which migratory labor can be directed to areas of need and withheld for other areas by full use of publicity on job opportunities

5. The relationship of low relief standards or lack of relief to the

western migration.

6. The willingness of localities to cooperate in housing, health,

and rehabilitation projects for migrants.

7. The feasibility of W. P. A. State quota adjustments to act as a brake on migration at origin.

8. The possibility of integrating assistance for migrants with as-

sistance for residents in areas where opportunities for resettlement are good.

order that these and many other points may be investigated and the results used in planning future action, it is the belief of agency officials that a continuing committee on this problem should

be set up under the auspices of one of the participating agencies.

Such a committee could, through frequent consultation, the pooling of information, and coordinated study, formulate the long-range

planning that is so badly needed.

Agency officials are all aware that the present situation is not unique; that it is merely the current aspect of last year's and next year's problem. Existing agency activities cover parts of the problem, and in continuing and coordinating these activities lies the most hopeful prospect for an eventual solution.

A Primer of Economics: An . Essay in Adult Education

EXTENSION OF REMARKS

HON. VINCENT F. HARRINGTON OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, March 28, 1939

SURVEY ON ECONOMICS BY REV. EDWARD A. KELLER, C. S. C.

Mr. HARRINGTON. Mr. Speaker, under leave to revise and extend my remarks I submit herewith a survey conducted by the bureau of economics research of the University of Notre Dame under the direction of Rev. Edward A. Keller, C. S. C. Inasmuch as this document is copyrighted, I have obtained the written permission of my good friend, the Reverend John O'Hara, president of the university, to have it reproduced in the RECORD.

FOREWORD

A few years ago the University of Notre Dame, disturbed by publicized orthodox speculations regarding our material existence, decided to conduct a research program on the national economy; that is, on the management of the household budget of the people of the United States.

This research had but one object—to find the truth about our material existence (using official governmental data) and to translate this truth into words so simple that anyone could understand it.

The first results of the research, published in this volume, are in

reality a Primer of Economics: An Essay in Adult Education.

JOHN F. O'HARA, C. S. C.,

President of the University.

FUNDAMENTAL CONCEPT OF "WEALTH"

This study is a simplification of the word "wealth" in terms of goods or things.

Ask any man on the street if he possesses "wealth," and I dare say his answer would be in the negative.

Yet the average person in this country has, in reality, more

"wealth," in terms of comfort goods, than the rich person of a relatively short time ago.

He has a home with conveniences undreamed of before—to name a few; Running water, electricity, bathtubs, radio, furnace. In other words, as a result of man's progress in science and inven-

tion, he is surrounded in his home by comfort unparalleled in the history of the world.

He is provided with an abundance and variety of good food, and with clothing of good quality and sufficient quantity to meet seasonal changes and personal preferences.

If he wishes a change from the comfort and convenience of his home, he gets into his automobile, a modern miracle of conveyance and pleasure, drives on good roads practically any place he wishes to go for entertainment or diversion.

Now ask him again if he possesses "wealth."

His answer will be different, for the average American is a very fair-minded person and quick to grasp reality once it is presented to him.

to him.

to him.

The reality is that "wealth" consists not merely of factories, stores, banks, railroads, but just as much of those goods or things which contribute to man's comfort—the home, radio, automobile. The supposedly "wealthy" person fundamentally has little more of comfort goods—he can sleep in only one bed, ride in only one automobile, listen to only one radio.

Of course, he enjoys comfort goods of better quality and in larger amount, but, all in all, the comfort he enjoys is not much different from that of the average person.

from that of the average person.

CONFUSION AS TO THE WORD "WEALTH"

"Wealth" then consists solely of goods or things, but because it is commonly thought that "wealth" consists principally of money, stocks, and bonds, there is confusion as to the meaning of the word.

That is the reason the average person will answer "no," when asked if he possesses "wealth."
Stocks, bonds, mortgages are merely evidences of ownership of

the goods or things, not the goods or things themselves.

When one purchases a house he gets a "deed" to the home, a piece of paper which is legal proof of his right of ownership of the home.

He knows the "deed" is not "wealth," the wealth is the thing itself, the house and lot.

So, from the point of view of our economy as a whole, "wealth"

consists only of goods or things.

However, since there is this misunderstanding and misuse of the word "wealth," there is substituted for it the term "physical assets," which in this study means "all useful, physical things, capable of control and ownership by human beings."

PURPOSE OF THE STUDY

The purpose of this study of the physical assets is to discover and present in simple language the truth concerning the goods or things which are the fundamentals of material well-being; what these goods or things are, how they originated, what they are used for, and who owns them.

It is all important that this truth be known since theories of government, theories of social science, theories of economics are basically concerned with human material existence.

These theories are concerned with man and things.
But the nature of man, particularly his spiritual side, is outside

the field of thought of these theories.

The spiritual truth concerning the nature of man, the reason for his existence in this world, summed up in the relation of man to his Creator, is something which must be accepted from other fields of thought.

Hence, theories of government, social science, economics are concerned only with goods or things, and with man insofar as things affect him in his attempt to live the spiritual truth for which he was created.

The truth or falsity of these theories can be discovered only by putting them to the test of reality.

Therefore it now becomes necessary to study intensively the facts of our material existence that we may be certain of the truth of our material existence.

There is much confusion of thought at the present time regarding our material existence due primarily to too much "theory," too

our material existence due primarily to too much "theory," too many words, and too few facts.

On the basis of these "too few facts" theories are taught as "proved fact" while in reality they are but half-truths.

As such they are much more dangerous and insidious than outright falsehoods, because through the use of words they are "dressed up" to give the appearance of the "whole truth."

In this guise they more easily deceive and mislead the average

Due to this lack of sufficient factual information, too many of the theories of government, theories of social science, theories of economics are presented in this disguise of words—half-truths "dressed up."

Although practically little or nothing is known of our material existence, except theories and half-truths, yet these serve as the basis for political and economic policies which vitally affect every person in this country, not only in his material well-being but also, more importantly, in his spiritual. It is "high time," then, that the truth be presented in such simple language that none may be deceived; that all may learn the real facts of our material existence; that the facts, and these alone, should serve as the basis for political, social, and economic policies. Founded on any other ground, the institutions so dear to the heart of every American will inevitably be undermined and fall.

Now is the time for clear and honest thinking if we are to save America from the ill fate of so many countries of the world.

FACTS OF MAN'S MATERIAL EXISTENCE

What are the facts of man's material existence?

Man is created equal in that all men are endowed with a soul.

But man is not born equal. Biologically men are born unequal.

Some are blessed by the Creator with better minds and better bodies than others.

This condition is the will of the Creator and as such can neither be disputed nor changed.

Also, men are born unequal in the sense that they are born into different material surroundings. But man is born naked.

He needs food, clothing, and shelter to live in this material world. The natural resources—land, water, and air—provide him with the raw materials with which, using his muscle, directed by his

brain, he provides tools of production, food, clothing, and shelter.

As man improves the tools of production he produces more and better tools of production, more and better food, more and better clothing, more and better shelter, and produces other goods or things which add greatly to his comfort and reduce greatly the hours of labor required for his material existence.

TOOLS, MAN'S ALLY IN PRODUCING MORE AND BETTER COMFORT GOODS Biologically man has not changed over the course of the cen-

Man has learned, however, through science and invention how to provide more and better tools of production to aid him in his material existence.

In very early times primitive man depended almost entirely on his muscle to obtain from nature the food, clothing, and shelter he needed to keep himself alive.

Consequently, he had to be satisfied with the most frugal of diets and with the roughest kind of clothing and shelter.

His material condition was little better than that of the animals

around him.

However having been blessed by God with intelligence, he discovered, in the course of time, an ally who could aid him, not only in obtaining the food, clothing, and shelter he needed but also could help him obtain these more easily, in greater abundance and

of better quality, than he could unaided, using his muscle alone.

This ally was tools.

In other words, man discovered that by devoting part of his labor and natural resources to the making of tools of production he could, with the aid of these instruments, produce more and better food,

shelter, comfort.

Thus, where formerly all his labor was used in producing the barest of essentials, he now, through the help of tools of production, could not only produce more and better food, clothing, and shelter but, in addition, because of the economy of time and labor, produce in great variety other comfort goods which contribute so much to man's material well-being.

In this way only could he better his material standard of living.

Without the aid of tools of production, the greater part of mankind would have been doomed to a "starvation standard of living." Fortunately, such has not been his fate.

SCIENCE AND INVENTION THE SECRET OF MATERIAL PROGRESS

The history of the material progress of the human race tells a different story, for it is the story of how man, using brain as well as brawn, has through science discovered the secrets of nature, and through invention made these forces of nature serve his needs

in striving to better his material condition of life.

Through science and invention more and better tools of production are devised, and through these better means of utilizing natural resources, with a resultant increase in quantity, quality, and variety of food, clothing, shelter, and other comfort goods.

If one were to look for any single cause to account for the material progress of the human race, he would find it in science and invention.

So we believe it necessary in order to understand government, social science, and economics, and to have sound and workable political and economic policies, to study carefully the natural resources, and man-made goods remaining unconsumed, used by man in association with his hours of labor to produce food, tools of production, shelter, and other things used by him for comfort in his material existence. material existence.

GOVERNMENT RECORDS AS SOURCE OF DATA

For data regarding the facts of man's material existence we must go to the best authority—the Government records.

The Government, through its various departments, gathers a

wealth of data relative to the material existence of the citizens of this Nation.

The most important is the Bureau of the Census, a division of the Department of Commerce, which since 1800 has taken a census every 10 years, the last being in 1930. Also the Bureau of the Census, every 10 years from 1850 to 1900, and in 1904, 1912, and 1922, authorized and directed the compilation of statistics of the aggregate physical assets of the Nation.

In addition to the aggregate physical assets of the Nation.

In addition to the decennial census, the Bureau of the Census compiles reports on: Agriculture, every 5 years; manufactures, every 2 years; electrical industries, every 5 years; religious bodies, every 10 years; financial statistics of States and cities, every year.

The Department of Commerce compiles, also, other valuable data pertaining to our material evictors.

pertaining to our material existence.

The Interstate Commerce Commission publishes comprehensive statistics of railroads.

The Department of Agriculture publishes a Yearbook of Agriculture, which has an abundance of data on the agricultural condition of the Nation.

The Bureau of Internal Revenue, a division of the Treasury Department, publishes yearly the statistics of income, which furnish the most valuable data on wealth and income of corporations and incomes of individuals.

The Department of the Interior publishes every 2 years a report on the condition of our educational system.

In addition to these specific reports, the various departments of the Government compile other inportant data on our national

CLASSIFICATION OF DATA RELATING TO MAN'S MATERIAL EXISTENCE

This study is based on the concept that an inventory of total physical assets at a given time would show two kinds of physical assets: Natural resources, which are not produced by man; and goods or things, which are produced by man from natural resources and which remain unconsumed at the time of the inventory.

That natural resources and man-made goods remaining uncon-

sumed are the totality of things which affect the material existence

of man.

Both classes of physical assets are used either for comfort or for production.

A physical asset used for comfort is one which, regardless of its present state of processing, is ultimately to be used to satisfy some want of an individual.

A physical asset used for production is one which is not used by

an individual for comfort but is a tool of production used to produce goods.

Thus land, when used for agricultural or industrial purposes, to name a few, the raising of farm products, the extracting of mineral deposits, as a site for a factory, is classified as a physical asset used

as a tool of production.

When used as a site for a home it is classified as a physical asset used for comfort.

So, too, for man-made goods remaining unconsumed.

Some are used to produce goods or things and services such as factory buildings, agricultural equipment, stores, power stations, while others are used for the comfort of individuals, such as houses,

radios, automobiles.

Therefore the totality of physical assets which affect the material existence of man has been divided into two classes:

(1) Natural resources and man-made goods remaining unconsumed used for comfort.

(2) Natural resources and man-made goods remaining uncon-sumed used as tools of production.

BROAD CONCLUSIONS

This study covers the period 1922 to 1933.

For the period under review physical assets used for comfort increased at a faster rate than physical assets used for production. The greater growth in the proportion of physical assets used for comfort was due to the invention and use of more and better tools of production, with the result that more and better comfort goods were produced, evidencing a high degree of efficiency in the organi-

were produced, evidencing a high degree of efficiency in the organization and use of the tools of production.

In a general way this study presents statistical evidence that about 50 percent of all physical assets are used for comfort; about 50 percent of all physical assets are used for production.

Thus in 1930 the country's total physical assets of \$410,000,000,000, excluding streets, public roads, etc., were used as follows: For comfort, \$222,000,000,000; for production, \$188,000,000,000.

Physical assets of \$222,000,000,000 used for comfort consisted principally of:

principally of:

Housing \$106,000,000,000 Chattel goods, motorcars, and other individually owned goods or things. 59,000,000,000 Tax-exempt property. 35, 000, 000, 000 Stocks of goods, including farm livestock_____ 22,000,000,000

The \$188,000,000,000 of physical assets used as tools of production were made up as follows:

Agriculture _____ __ \$42,000,000,000 24,000,000,000 Railroads . 31,000,000,000 8,000,000,000 5,000,000,000 Gold and silver____

OWNERSHIP OF THE PHYSICAL ASSETS

The false theories used and conclusions drawn as to the ownership of "wealth," such as 1 percent of the people own 59 percent of the wealth, and/or 13 percent of the people own 90 percent of the wealth, have been publicized on the basis of studies of probated estates.

Anyone who permits himself a little common-sense observation

will admit such a concentration cannot exist.

He sees the great mass of people in possession of homes, automobiles, radios, household furnishings, and other comfort goods in which concentration is physically impossible and which account for over 50 percent of total physical assets.

over 50 percent of total physical assets.

Thus, using the inventory method, we find that of the total physical assets of \$410,000,000,000, or 100 percent, \$222,000,000,000, or 54 percent, are used for comfort; \$42,000,000,000, or 10 percent, are owned by individual farmers and used as tools of production; \$15,000,000,000, or 4 percent, are owned by individual business and professional men and used as tools of production; \$131,000,000,000, or 32 percent, are in the possession of corporations and used as tools of production. The ownership of these is widespread: (a) Through direct security holdings by individuals; (b) through life-insurance policies and bank deposits by individuals.

Detailed ownership of physical assets will be discussed at greater length in a forthcoming study.

length in a forthcoming study.

FORTHCOMING STUDIES RELATING TO THE TOTALITY OF OUR NATIONAL ECONOMY

In our national economy the worker as a rule does not produce what he consumes but, through the use of the tools of production, specializes in the making of goods and in the rendering of services.

specializes in the making of goods and in the reintering of services.

These he exchanges for goods and services produced by others.

This exchange or barter of goods and services by the workers is carried on through the use of a receipt, which they accept for the goods and services they have produced, and exchange for the goods and services produced by others.

This receipt is called money.

The unit of expression of the receipt is the dollar and the sub-

division the cent.

The study as to how the receipt serves to exchange goods or things will be issued at a later date, and will cover the banking in-stitutions, which are by law permitted to create and circulate these

receipts.

To complete the picture of the totality of our national economy, this study of the physical assets showing the condition of the national economy will be supplemented by a further study of the operation of the national economy.

This letter study will show the cost to the Nation of the annual

This latter study will show the cost to the Nation of the annual production of goods and services expressed in the basic elements of cost, which are wage payments for hours of labor and wage payments for the use of tools.

This study will also show the annual production of goods broken down into portion used for production of other goods and portion

used for comfort.

Upon completion of the above studies, we shall have the truth concerning the facts of man's material existence and his material well-being.

Americanity

EXTENSION OF REMARKS

HON, CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES Friday, March 31 (legislative day of Tuesday, March 28), 1939

ARTICLE BY PROF. F. M. KERCHEVILLE

Mr. HATCH. Mr. President, recently an article appeared in American Speech by Prof. F. M. Kercheville, of the University of New Mexico, discussing a new word, "Americanity." Believing that this article will be of interest to Senators, I ask that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From American Speech of February 1939] AMERICANITY

The recent belated but perfectly legitimate and sound emphasis on strengthening the cultural bonds between the Americas has demonstrated the need for adequate words and terminology to demonstrated the need for adequate words and terminology to express the concept of an old, recently reemphasized, and lasting friendship between the peoples of the Western Hemisphere. The Pan American Union, the State Department at Washington, the Committee on Cultural Relations with Latin America, the Pan American Round Tables, and many other organizations have worked long and faithfully to bring about the emphasis on, and faith in, the present era of good will. The ultimate success of the movement will undoubtedly depend upon the favorable reaction and general acceptance of the idea on the part of all the peoples of North, Central, and South America.

In the meantime, while there exist terminology and words such as "Americanism," "Pan Americanism," "the American way," "the American ideal," and so forth—all perfectly legitimate and excellent terms when understood properly and used in the broadest and the broadest and the control of the property and the proper excellent terms when understood properly and used in the broadest and best sense—it so happens, however, that many "Anglo" Americans, and certainly a great number of "Latin" Americans, unconsciously perhaps, think of the above words and phrases in the narrow and limited sense of "Uncle Samism" (in Spanish "Tio Samuelismo"), in other words, as pertaining in great measure, if not entirely, to the life, manners, and customs of the United States of America. This is rather unfortunate, but none the less true. The term "Americanism" (Spanish "Americanismo") is also used more often than not in its close connection with philology (linguistics) meaning a word originating in or peculiar to America. The Spanish term "Americanismo" is a very good one and fortunately is sometimes used in the broadest sense. Certainly "Pan Americanism" (Spanish "Pan Americanismo") is an excellent and perfectly adequate expression when used, as it should be, with the broadest possible meaning. Unfortunately, to some people of both

broadest possible meaning. Unfortunately, to some people of both North and South America, the term, through no inherent fault or limitation of its own, has become perhaps too closely identified with the economic and political destinies of the United States. It might not be out of place to state that the writer has lived

and studied in Spain and various parts of Spanish America.
Furthermore, justly or unjustly, with or without reason, there are people who hold in disfavor any word ending in "ism," not excepting even "Americanism" or "Pan Americanism." Such persons consciously or unconsciously compare and associate the above

sons consciously or unconsciously compare and associate the above words with other often misunderstood and overworked terms such as "fascism," "nazi-ism," and "communism."

In the light of the foregoing all too brief and inadequate discussion, it is suggested that we seek some other word or term to express the broad but nonetheless profound concept of the genuine spirit—the fundamental elements and characteristics—common to all the Americas (Spanish, "America" or "Las Americas"). Until someone comes to the rescue with something better, the writer suggests the word "Americanity" (Spanish, "Americanidad"). This latter term at least seems to have the advantage of getting away from the confusion caused by the philological aspect of the term "Americanism." The use of "Americanity" would also seem to eliminate any association with any "ism."

The vital characteristics, such as youth, energy, freedom from Old World traditions (to a certain extent at least), faith in the

The vital characteristics, such as youth, careful, faith in the Old World traditions (to a certain extent at least), faith in the future, the essentially democratic spirit common to most, if not all the Americas appear to be embodied in or suggested by "Americas appear to be embodied by "Americas appear to be appear to be embodied by "Americas appear to be appe all, the Americas appear to be embodied in or suggested by "Americanity." Instead of unconsciously inviting comparison with any "ism," there is just the slight possibility that this new(?) word might suggest "humanity" (Spanish, "la humanidad"), "amity" (Spanish, "amistad"), and "sanity" (Spanish, "sanidad," meaning coundres beatith).

(Spanish, "amistad' soundness, health).

soundness, health). The word "Americanity" was first used by the writer of the present article in an "aside" during the reading of a paper, Cultural Bridge Building Between the Americas, at the Institute of Public Affairs held last April (1938) in Dallas, Tex. Due to the fact that the term did not appear in the original draft of the paper (since published in the last issue, October 1937, of the Southwest Review), the word first appeared in print in Dallas, Tex., and San Antonio, Tex., newspapers. It has appeared since in Albuquerque, N. Mex., newspapers, in an article in the November issue of the magazine New Mexico, published in Santa Fe, N. Mex., and in the daily press of Mexico City. Letters expressing interest in and approval of the word have been received from several well-known authorities. inword have been received from several well-known authorities, including H. L. Mencken.

"Americanity" was first used almost as a matter of course without even considering the possibility that such a word was not found in standard dictionaries or in The American Language. The term was not "concocted" to coin a new word. It came about naturally from a sincere belief that "Americanity" expresses a vital concept (certainly not a new one) in inter-American cultural relations. It is quite possible, even probable, that the word has been used before in either Spanish or English, perhaps in both languages. It seems that it certainly should have been.

The only adverse criticism yet made of the word in question is

The only adverse criticism yet made of the word in question is that from the esthetic standpoint it doesn't sound well—that it is too short or that it sounds a trifle harsh to the ear. This may be a sound objection, but there is certainly room for difference of opinion. Though the above objection may be offered to the English version as expressed in "Americanity," it certainly fades when the concept is expressed in the sonorous and significant Spanish word "Americanidad"—as yet not listed in standard Spanish dictionaries. From a strictly "purist" viewpoint it may be argued that the term "Americanity" is not appropriate, since such a word as "humanity," for example, is derived from the classical Latin form "humanitatem" (which in Spanish gives "humanidad"), whereas apparently there existed no analogous form, such as "Americanitatem." from which the English "Americanity" might have been derived. The same strict logic might be used against the use of the Spanish "Americanidad." However, the above argument could certainly be used against most, if not all, of the useful and accepted terms whose root words are not to be found in Latin ment could certainly be used against most, if not all, of the useful and accepted terms whose root words are not to be found in Latin or other classical source. The proper name "Americus" is found in Latin. "Americanity," therefore, undoubtedly belongs in our modern speech with as much right as "American," "Americanise," and with perhaps greater right than such word as "Amerindian." The very expressive "Americana" has already been adopted. Why not "Americanity"?

It would appear that the only other valid objection to the term would be that there already exist the words "Americanism" and "Pan Americanism," which express the same idea. Even here there may be room for argument. However, it should be distinctly understood that there exists no quarrel with "Americanism" and certainly none with "Pan Americanism," when these terms are properly used and understood in their broad true meanings.

In the insistence on the cultural aspects of inter-American affairs as found in this brief article there is no intention to minimize the tremendous importance of the economic or the political. However, even in these latter fields a little more "Americanity" might be

In suggesting the word "Americanity" in English ("Americanidad" in Spanish) to the people of the Americas the writer positively refuses to enter into any long drawn-out arguments or aggressive campaigns in favor of the "recognition" of the term or insistence

campaigns in favor of the "recognition" of the term or insistence on its inclusion in the dictionaries. Such procedure would be contrary to the very spirit of the word itself.

"Americanity" (Spanish "Americanidad") is offered only as a suggestion. If the term "takes," it should be used to supplement—not to supplant any existing terminology. If the idea, honestly believed to be perhaps just a little more adequately expressed, in this new (?) word becomes a reality in the lives of the peoples of the Western Hemisphere, then we shall have need of all the existing terms and more—or perhaps having the reality we might see fit to discard them all—and begin anew.

Colonial Swedes

EXTENSION OF REMARKS

HON. JAMES H. HUGHES

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, March 31 (legislative day of Tuesday, March 28), 1939

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO, MARCH 29, 1939

Mr. HUGHES. Mr. President, I ask unanimous consent that an address delivered by the junior Senator from Colorado [Mr. Johnson] on the occasion of the celebration of the three hundred and first anniversary of the landing of the Swedes at the rocks on the Delaware River be inserted in the RECORD. The address was delivered at Wilmington, Del., on March 29, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HALLOWED GROUND

Americans of Swedish origin and Americans of every origin ex-Americans of Swedish origin and Americans of every origin experience a deep sense of pride when they recall the heroic history depicting the experiences and exploits of the first Swedish settlers of America. To me this spot which markes that first Swedish landing is hallowed ground. As a schoolboy in a little Swedish community out on the prairies of Nebraska, I remember so well the thrill that we, the children of Swedish immigrants, got out the thrill that we, the children of Swedish immigrants, got out of the story told in our textbooks of the Swedish settlements on the Delaware. I remember as though it were yesterday how angry we were with old Peter Stuyvesant for his impudent conquest of New Sweden in 1655. We could not forgive him for ignominiously hauling down the beautiful Swedish flag in all of its glory and rich tradition after it had flown unmolested for 18 years to the storms and calms of Colonial America. We were grateful that the Indians loyally rallied to their support and offered to fight to the death in the defense of the Swedes against the conquering Dutch. We felt the bold old aggressor Governor Stuyvesant got just what was coming to him when, after 9 years of Dutch rule over New Sweden, the English snatched it away from him without over New Sweden, the English snatched it away from him without much consideration and grabbed New Amsterdam as well. Poor old defiant, determined Peter had no one to defend him in that little sod schoolhouse. We did not understand that it was inevitable that Europe's quarrels should have their repercussion in the European colonies in America. Yes; to me this is, indeed, hallowed ground. I have identically the same emotional feeling when I visit Jamestown and the other historical shrines of the colonial period which are scattered all along the Atlantic seaboard.

SWEDES BUILD FOUNDATION

Under circumstances in which pioneering was a hard, exacting life; where only the strong and the bold dared apply, courageous Swedes and Finns brought everlasting glory upon their people by establishing permanent settlements in three American colonies—Delaware, New Jersey, and Pennsylvania. Migrations from these settlements at a very early date took some of these pioneer Swedes and Finns to New Amsterdam and the new settlements in Maryland. When we contemplate the greatness of America today, measured in the leadership it is giving the world in every branch

of human endeavor—political, spiritual, cultural, and economic—when we realize the importance of America to the preservation of world civilization, and when we finally understand that America is now the hope and the light of the world, then and then only can we begin to comprehend and properly evaluate the high place in history that rightfully belongs to our forebears from England, Holland, Finland, and Sweden, who wrote the early pages of American colonial history in hardships, suffering, deprivation, and worse in these humble pioneer settlements long since disappeared

American colonial history in hardships, suffering, deprivation, and worse in these humble pioneer settlements long since disappeared and now marked only by such simple monuments as we find here.

We truly do honor to ourselves when we come here and pay humble tribute to their notable achievement in laying the foundation for the building of a mighty and honorable nation. The adventurous souls from the land of the midnight sun and the adventurous souls from England and Holland with whom they were associated in their mighty work here built far better than they knew when they established their modest homes on this new soil destined by the will of God to become the land of liberty and freedom

AN HONORABLE HISTORY

AN HONORABLE HISTORY

As we review the intimate, realistic details of the daring accomplishments of these fearless men and women from the far North, and from England and Holland, our hearts swell with justifiable pride. The least we can do in their honor is to show plous reverence to their memory and to the best of our ability emulate their courage, vision, and discipline by carrying out to a successful conclusion the task which they so nobly began. Noble folks, indeed, they were, regardless of the land from which they sprung; but none of them, I am privileged to say in simple truth and fitting modesty, left a more honorable history than did the colonial Swedes and Finns who first landed on this very bank of the Christina River. of the Christina River.

They were honest and just in their dealings with the natives

They were honest and just in their dealings with the natives—a practice so unusual and singular that it stands out in naked and lonely relief upon the pages of American history.

When William Penn and his Quaker refugees sailed up the Delaware to "Penn's Woods," he counseled with the Swedes and Finns regarding their successful handling of the Indian problem. He had had reports of Indian massacres and Indian outrages against the settlers in New England and elsewhere and wanted to learn the secret of New Sweden in her ability to live in peace and harmony with these wild savages. He was told that there was no secret to it whatever, that in fact it was all very simple—the only requirement being the application of simple honesty and simple justice in dealing with the redskins. These Swedes and Finns advised Penn to treat the savages as kindly as he would any other human being and never deceive or take advantage of them and he human being and never deceive or take advantage of them and he would secure their confidence and respect. William Penn adopted that suggestion with unqualified success and found to his delight that suggestion with unqualified success and found to his delight that the Indian problem, so far as his people were concerned, was solved for good. English and Dutch traders complained bitterly because the Swedes gave the Indians such excellent barter bargains. They said, "The Indians are being spoiled and Indian trade is being ruined by these foolish Swedes." That compliment, implied but not intended to be complimentary, told the whole story of amicable Indian and Swedish relations.

SWEDEN A WORLD POWER

To properly understand the motives and the background of the Swedish immigration to colonial America it will perhaps be advantageous to recall briefly the European situation of that period. The great Vasa had passed on to his reward, but his dream that little Sweden should dominate the whole world in commerce and on the battlefield did not die with him. After a distressing period of bungling, Carl IX, a famous soldier and a statesman, finally ascended the throne. He was followed by his son, Gustavus Adolphus, the ablest warrior and political leader of his century, who was destined to carry forward the ambitious torch of Swedish aggression. The fierce Cossacks gave way before the stubborn, unrelenting strength of Gustavus, as did the militant Poles. The Germans and the Danes felt the sheer power of his dauntless legions in many crushing blows before he finally fell, personally leading his brave soldiers in the battle of Lutzen in 1632. His daughter Christina was a minor, fortunately, making it possible for the wise and prudent statesman, Axel Oxenstierna, to assume the royal chancelorship until the princess should reach maturity. To properly understand the motives and the background of the for the wise and prudent statesman, Axel Oxenstierna, to assume the royal chancelorship until the princess should reach maturity. Under Oxenstierna the Swedish surge to power and prestige gradually went forward with traditional Swedish certainty. This was an epoch of aroused national consciousness and proud patriotism. The Baltic Sea was to become a Swedish lake. Swedish kings were planning for world power, Swedish statesmen were ambitious to direct the destinies of defeated nations, and Swedish merchants were anxious to stretch the arms of commerce into every port and every continent on the globe. every continent on the globe.

DUTCH-SWEDISH ALLIANCE

In fact, a large and profitable trade was being carried on with the entire world. It was so extensive and had grown so rapidly that Sweden, the land of shipbuilders, had to hire foreign vessels—mostly Dutch—to carry at least two-thirds of her commerce. Holland was Sweden's closest friend and ally in those glorious days of European supremacy. Holland was probably Europe's most advanced nation in many of the arts and in commerce. The Dutch West Indies Trading Co. was well established and doing a thriving business. These two peoples, the Dutch and the Swedes, had so much in common, including racial similarities and habits, that their sympathetic alliance was perfectly natural. It was fashionable for young Swedes of that day to be educated in Holland.

Dutch soldiers served in Swedish armies and Dutch captains and skippers commanded Swedish ships and directed Swedish industry. Both countries were interested in developing trade with America. Holland had already established colonies on the North River, afterward the Hudson, and suggested to their friends, the Swedes, that they establish colonies on the South River, or the Delaware. The Dutch had discovered that there was little actual mineral gold to be found in America, but they knew that gold could be had for furs and pelts and tobacco, all of which were plentiful and could be secured more readily by establishing permanent American colonies.

England was another neighbor very friendly to Sweden and with whom the Swedes cooperated harmoniously and with mutual advantage. England was doing some colonizing of her own in America and encouraged the ambitious Swedes, who needed little urging to take a hand in such an adventurous enterprise also.

In that way the world was made ready for New Sweden.

The French were in Canada; the Spanish in Florida, Mexico, the West Indies, and South America; the Spanish in Frioria, Mexico, the West Indies, and South America; the Dutch in New Amsterdam; and the British in New England, Virginia, Maryland, and Georgia. And it was not objectionable to Europe to have the rising commercial and political power in the northland establish a colony in America. There was more of room than anything else in the

PETER MINUIT

And so plans went forward for establishing a Swedish colony. After a long, tedious controversy arrangements were finally concluded for transporting the Swedish immigrants to the proposed New Sweden and the Delaware River was selected as the site for the venture. The Swedish Crown supplied two good ships, the Kalmar Nyckle and the Fogel Grip; a large supply of ammunition and arms, and considerable cash for the undertaking. A mixed company of Dutch and Swedish investors furnished the balance of the capital necessary. Peter Minuit, a Hollander, who had spent many years in America's New Netherlands, was placed in charge of the expedition. Some of his sallors were Dutch and some were Swedish. Minuit was very familiar with the whole American Atlantic seacoast and knew the South River, later the Delaware, to abound in beaver and fur-bearing animals, and that the Indians produced quantities of tobacco. He knew the trinkets and merchandise that the Indians most desired and he knew the supplies that the settlers would need. No one in all Europe was better qualified for directing such an expedition than intrepid Peter Minuit. And so plans went forward for establishing a Swedish colony. Minuit.

The selected cargoes consisted of thousands of yards of brightly colored duffels and cloth, hundreds of axes, hatchets, adzes and knives, dozens of tobacco pipes, a large supply of mirrors and looking glasses, gilded chains and finger rings, combs, earrings, and other ornaments—all for the Indian trade. Spades, hoes, and other agricultural implements for the future colonial farmers. Twelve cannon and 12 good soldiers and brave to man the garrison that was to be built. Supplies of every available kind for the sailors and settlers. Minuit was to purchase cattle, horses, sheep, goats, and pigs at New Amsterdam for his new colony, and he was to purchase the land for the new colony from the Indians at a price satisfactory to them, take possession of it in the name of the King of Sweden by erecting the Swedish coat of arms, and the proposed territory was already affectionately named New Sweden. The selected cargoes consisted of thousands of yards of brightly

NOT ONE MAN DESERTED

Not one man deserted by terrific storms and heavy seas. The two little ships became separated and, after being tossed about for a month, the Kalmar returned to Texel leaking, minus its prow and mast. A week later the Grip showed up, also badly damaged. Did they decide that the homeland, after all, was best? Did the sailors resign? Did the soldiers seek another assignment? Did Peter Minuit say that he had had enough? Did the emigrants beg to remain at home? No, indeed. These Norsemen were made of sterner stuff. Not one man deserted, but six additional would-be colonists joined them to make the next attempt. They again set sail on the very last day of the year 1637. In less than 3 months' time—a most unusually speedy voyage for that day—they reached their intended destination. Nevertheless it was a hard, trying trip. Some had died on the way over and their poor bodies tearfully laid to their eternal rest at the hour of midnight in the hungry arms of the angry Atlantic. Many were very ill and had to be carried from the vessels when the landing was made. The crew, the soldiers, and the settlers all were very tired men and women and lost no time in giving fervent thanks to Almighty God for their safe passage. for their safe passage.

MONTHS ON THE HIGH SEAS

In these wonderful days of modern travel conveniences one can no more picture the terrifying anxiety and physical misery of crossing the ocean in the cramped, crowded ships of that day, marking time for weeks awaiting a favorable wind, than could men of that day visualize the present-day ocean liner, with all of its luxurious cay visualize the present-day ocean liner, with all of its luxurious comforts and appointments, steaming across the Atlantic in 4 or 5 days. Nor could they be expected to picture Charles Lindbergh, the American son of Viking forebears, in the short space of a few hours' time making his historic and lonely flight through the clouds on the fragile wings of the Spirit of St. Louis. The daring abandon of Lindbergh's flight depicts, as it can be done in no other way, the dauntless spirit of the colonists on board the Kalmar and the Grin on that first worses to America. No trips were made in which Grip on that first voyage to America. No trips were made in which scurvy and other diseases did not take their toll. Accidents were frequent, colonists and sailors were often swept off the heaving

decks in the terrific storms. No physician or professional nurses ministered unto the sick and there were no facilities whatever for caring for them in their distress. Men and women were crowded together like animals

Minuit was given full instructions for maintaining discipline on maintaining discipline on that first voyage and he was given full power to enforce his commands. The officers and men were to keep good watch day and night and were always to be prepared for every emergency and have their guns in readiness to fight, if necessary. Stealing was to be severely punished, no fighting between the sailors was permitted. to be severely punished, no fighting between the sailors was permitted, and drunks were put into irons for 3 days. Gambling was also prohibited, and no one other than Minuit was allowed to barter and trade and dispose of the cargo. Prayers were conducted morning and evening, and anyone absent from these religious ceremonies without good cause was severely fined and punished. These were a few of the rules and regulations. Ten subsequent expeditions brought a continuous stream of new settlers to Fort Christina and the colony slowly and painfully grew and, while not prosperous, gradually bettered their condition until the day of Dutch conquest.

INTRODUCTION OF LOG HOUSES

The houses which the Swedes first erected for themselves were very poor, indeed. Little cottages built of round logs, cracks plastered up with mud, having small loopholes for windows which could be closed with a sliding board, and unadorned with ugly fireplaces slapped together with rough, odd-shaped boulders. The doors were so low that even short men had to stoop as they entered. As new and more practical colonists arrived dwellings and living conditions were vastly improved. Some authorities credit the Swedes with being the introducers of the American log house. If that be so, the

The Indians had relatively large fields of corn, which they sold to the whites. They also supplied them with game and fish. In fact, the colonists could never have survived without the aid and assistance of the lowly Indians.

RELIGIOUS HARMONY

Since there were no internal controversy in Sweden over religious questions, no Swede came to America because of religious persecution or because he was seeking religious liberty. A very different situation prevailed in England, and the English colonies profited greatly by the willing exodus of the persecuted, who turned to America as a haven of religious liberty and who were in many

instances very able men and women.

The Swedish Crown, however, saw to it that New Sweden was conthe Sweden to to that New Sweden was continuously supplied with very able Lutheran ministers, who at once became not only the spiritual leaders but the educational and cultural instructors as well. Cultural and religious ties through the Swedish clergy closely bound New Sweden to the old in language and customs and thinking.

CONSTRUCTIVE GOVERNORS

The colony was blessed, too, by able Swedish Governors, and especially was that true of Gov. Johan Printz, highly educated and experienced soldier, and a man of unusual ability and strength of character. Amandus Johnson, in his delightful book The Swedes on the Delaware, gives a graphic picture of the sensational arrival of Governor Printz. I want you to enjoy this excerpt from Dr. Johnson's descriptive pen.

Johnson's descriptive pen.

I quote:

"Commander Ridder, with his few soldiers and colonists, was quietly passing the winter of 1642-43 at Fort Christina. The New Year's festivities were over. An occasional hunting expedition, the daily morning and evening prayers, and now and then an Indian visit were almost the only diversions in the monotonous life. Storm and snow swept over the territory of New Sweden on the 6th and 7th of February, and the colonists remained around the fireplaces in their log cabins. But the sun appeared again, the snow melted, and all was as before, half spring, half winter, for the climate of the Delaware is generally undecided at this time of the year.

"About the beginning of February we may suppose that the Indians carried news to the little settlement that ships had appeared in the river. Were these Swedish vessels or Dutch? Of course, the Indians did not know. But hope revived the drooping spirits; the vessels might be from Gothenburg. Eager eyes spied the Delaware for days and about noon of February 15 two ships plowed slowly up the river with a slight breeze astern.

the river with a slight breeze astern.

"Every man in the fort watched the sails. There was a bustle and hurry everywhere. The news spread, and the colonists came running in from their plantations. Sure enough, the Swedish colors were displayed from the topmasts. In an instant the gold-blue cross-banner was flung to the breeze on the flagpole of Christiana Fort, and a shout of welcome greeted the Swan and the Fama as they passed the mouth of Fish Kill. At 2 in the afternoon the ships anchored in Christina Harbor, and the passengers and sailers went ashors. noon the ships anchored in Christina Harbor, and the passengers and sailors went ashore. Reverend Torkillus with his entire ficck stood on the bridge to receive them, and Governor Ridder, surrounded by his little staff, did homage to the arriving Governor, while some Indian lurking behind the pine trees on the island was watching the scene. The passengers were greeted with tears of joy, and the handshakings seemed never to cease. But, to work, to work! There were cargoes to be unloaded and horses and cattle to be landed. Until evening the work went on. Shelter was sought for the newcomers, but some slept on the ship for want of room in the dwellings.

"The fires were fed longer than usual that evening, and the

"The fires were fed longer than usual that evening, and the candles or fir torches were kept burning till morning hours. News from Sweden, from relatives and friends was desired, the progress of the war, the victories won by Swedish armies, what

new decrees had been issued, what new taxes levied, who among the relatives and acquaintances of the colonists had been drafted and sent to German battlefields—such and a hundred other quesand sent to German battlefields—such and a hundred other questions we may be sure were asked. And when the settlers were told of the great victories at Glogau, at Schweidnitz, and at Breitenfeld, and the glorious exploits of Tortensson and Baner, their patriotism rose within them, and they were proud of belonging to such a nation and of being its representatives in the New World. But the journey across the ocean was not forgotten. The sufferings on the way from Gothenburg to Godyn's Bay were related, and the storms and mishaps of the Horn Kill were described. Gradually the night came on; the fires went out, the tired travelers were soon asleep, and all was quiet.

"In the early morn everybody was at work again. In the afternoon all the people were assembled in Fort Christina. Ridder delivered his authority to Governor Printz, and the instructions and orders of the Swedish Government were read in the presence of the people. Within the next few days the commissioners were

of the people. Within the next few days the commissioners were busy making an inventory of the merchandise in the storehouse

and preparing for the return voyage of the ships."

EUROPEAN QUARRELS SPELL FAILURE

The Swedish colony was terribly handicapped by the constant wars occurring in Europe. Large cargoes of furs and tobacco would be purchased from the Indians and accumulated by the settlers only to be held for months and months awaiting a Swedish vessel to carry them to Europe. Often when they had an opportunity to make a large, profitable purchase from the Indians they had no merchandise on hand to barter and the bargain went to the Dutch of English traders who were always well supplied with Indian merchandise on hand to barter and the bargain went to the Dutch or English traders who were always well supplied with Indian goods. Competition was becoming very keen and the Indians were rapidly developing into shrewd dealers on their own account. Old Sweden was fighting in too many wars for New Sweden's best interests. Trade jealousies kept creeping in to mar the fine friendship that had previously existed between Sweden and Holland and this growing enmity finally culminated in the conquest of New Sweden by the Dutch. Sweden shortsightedly had made New Sweden secondary to European wars, and its complete loss to her was the inevitable result of so disastrous a policy.

Sweden's direct influence upon the New World came to an untimely end because of these things, but her indirect influence

timely end because of these things, but her indirect influence through the colonists she had planted here from her own flesh and blood, instilled with her traditional qualities of strong, virile Swedish character and culture, was privileged to contribute with-out stint to the America that was to be.

HANSON STATUE HONORS COLONIAL SWEDES

Bruce Kremer has made that point very obvious in his vivid story of the American statesman and patriot, "John Hanson of Mulberry Grove." John Hanson was a direct descendant of one of the pioneer settlers of Fort Christina who served his country during her greatest crisis with unfaltering patriotism, understandduring her greatest crisis with unfattering patrictism, understanding, and patience and exceptional zeal. Every Swede is tremendously proud that John Hanson was the first President of the United States in Congress assembled under the Articles of Confederation and that his statue in the Capitol at Washington marks him as one of his grateful Nation's first citizens. When I gaze upon that statue, as I often do, with pride and admiration I feel that it stands there in its proud place not only as an everlasting tribute to a great man but somehow that it honors also the whole group of Caloniel Swedes from whose longs he sprang and that they are of Colonial Swedes from whose loins he sprang and that they are there represented and their lives typified by that silent statue of imperishable bronze of John Hanson.

The tercentenary celebrations held last year in the Delaware Valley did much to remind the American public that the Colonial Scandinavians pioneered on the Atlantic seaboard side by side with the Dutch and English and performed with them a notable and distinctive service in the birth of a good and great Nation.

The Peril of Peasantry

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Friday, March 31 (legislative day of Tuesday, March 28), 1939

ARTICLE BY JOHN NAPIER DYER

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an article which at this time should prove very interesting in view of our present consideration of matters and proposed bills pertaining to our farms and farmers and farming elements. The article to which I refer is one by the pen of Mr. John Napier Dyer entitled "The Peril of Peasantry."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PERIL OF PEASANTRY

(By John Napier Dyer, Vincennes, Ind.)

In a speech before the Senate Agricultural Committee very recently Senator WHEELER referred to the present status of the American farmer as a "peasantry peril." How near our farm population is to peasantry is little realized by those on the brink

The dean of the agricultural college of the University of Cali-fornia said in an address, which reflects the opinion of a great

many people—
"After all, farming is not a business intended for profit; it is a

"After all, farming is not a business intended for pront; it is a mode of living."

I wonder if the professor knows where his salary comes from. If farming is not a business for profit, I am again wondering what kind of a rainbow you and I, my dear radio audience, have been chasing for the past quarter century. A farmer has as much right to a profit from farming as a college professor has from teaching. We farmers have been lulled into a condition of "innocuous desistence," which means, in simple English, we have gone to sleep. Certainly there has been no profit in farming with corn at 30 cents, wheat at 55 cents, and cotton at 8 cents. In the years 1920 to 1939 the mortgage debt of farmers has increased from four billion to nine billion dollars and is still increasing. The total farm to nine billion dollars and is still increasing. The total farm debt is in the neighborhood of \$15,000,000,000. Not only does this not create a bright outlook for the farmer, but, as I have repeatedly said, industry, dependent upon farm buying power, need look for no prosperous upturn in 1939 or 1940.

need look for no prosperous upturn in 1939 or 1940.

In a letter from one of my intimate advisers dated February 9, 1939, commenting on the business future, he writes "concerning the outlook, the very valuable information which I have, indicates that the Wall Street high prices of this year will soon be reached and that they will not be as high again this year or next year either, for that matter. There is a long slide coming. The worst times this country has ever seen will come in 1941, 1942, and 1943. Some say we will run into these bad times toward the end of 1939 and we will have the first real hard times America. the end of 1939 and we will have the first real hard times America

has ever seen."

This is the gospel of the insiders of Wall Street. I have never known my correspondent to go wrong in his predictions in 20

I sometimes wonder how much longer Wall Street is going to run this country and if the gamblers in Chicago are to continue to be the determining factors of farm independence and the rights of farmers to a profit out of the business of farming. It took organized labor 40 years to remove the shackles of capital control and to obtain a living wage for American workers.

Labor's militant leaders still fight every day to maintain the wage standards they have won—the highest wage in the whole world. Farm leaders are "asleep at the switch." Farm wages are the lowest in the United States.

There is absolutely no reason why this country should slide into the "worst hard times America has ever seen," as is predicted by the Wall Street crowd, but if we continue on the course we have pursued for the past 20 years, there will be no way to avoid it.

The continuing destruction of the value of our basic raw materials by speculators will being us to diseason that as the second of the

rials by speculators will bring us to disaster just as truly as 2 plus 2 make 4. Out of the disaster will rise a new crop of milionaires and millions of people will lose their all. Those who have nothing now may suffer a little inconvenience for a few years and then life will go on as usual.

The greatest question involved in this predicted oncoming disaster is, Will the Nation survive or will we change our form of government? When the 3 percent who now absorb the wealth of the country are reduced to 1 percent, then you will have peasantry in America for the first time, and no longer will there be a President in Washington but in his place a fascist dictator

be a President in washington but in his place a lastist distance to protect the wealth of the 1 percent.

Would you, my good American citizens, avoid this disaster and tragedy and loss of your liberties and retain your present form of government? Then destroy now the pernicious influences which government? Then destroy now the pernicious influences which predict your immediate future, control the prices of your raw-material products, and destroy the basic buying power of the country. If this present Congress does not correct these inequalties, the revolution of the ballot box will be scheduled for 1940. Sixty families control the purse strings of America, but 130,000,000 people control its destinies.

people control its destinies.

Agricultural pursuits are followed by 44 percent of the people of the United States. That's a pretty big chunk of the total population, but out of that total of more than 50,000,000 persons, not to exceed 500,000 belong to any kind of a farm organization. Farm organizations are negative factors in the expression of agricultural opinion; they are mere political entities which are swayed by political influence. The largest and most influential of the present crop of farm organizations was promoted by the grain gambling interests which still dominate its policies.

The reason we farmers still take ticker-tape prices for our products is because our farm organizations write the farm-relief bills which carefully avoid any interference with the ticker-tape price-making system, and Congress passes the bills. These bills are so designed that they relieve the farmer instead of giving him the kind of help he really needs—a price for the things he produces, instead of charity payments for things left undone. A policy which taxes the many to pay a few farmers for not pro-

ducing corn and wheat and cotton, creating a system of scarcity, and then paying farmers out of the Public Treasury a bounty to make up for the loss on the crops not grown, is not sound

economy.

The average income of the farmer in the United States, 1920 to 1932, was \$602, while salary and wage workers received \$1,423. Out of the farmer's income he must pay for the upkeep of his equipment, the feed of his horses or the gasoline for his tractor, and the purchase of new tools, which brings his actual cash for food and clothing for himself and family to a sum so small as to be below a decent living standard. The wage and salary worker fares much better, because they do not have all the necessary expenses of the farmer and can, therefore, live according to better standards, and yet they too are underpaid under a system which destroys basic buying power, the thing which creates prosperity.

Farming is the biggest business in the United States and brings the lowest percentage of profit. It should be made to create the greatest standing power of the people. Give agriculture one dollar out of every seven of the total national income and you will see things begin to happen. W. P. A. will be a thing of the past. Jobs will be looking for men instead of men looking in vain for jobs. The average income of the farmer in the United States, 1920

Ask the merchants on your main street this question, How good would your business be if every farmer in your trade territory had money to buy the things they and their families are in great need of today? I have asked the question more than a hundred times in 40 different communities, from Wall Street to the Mississippi River, and the answer has always been the same: "Business would be wonderful—prosperity would be here." Ask 50 manufacturers, How good would business be if every small-town and big-town merchant would treble their orders? I have put this guestion to a hundred manufacturers and the enswer is the seme: question to a hundred manufacturers and the answer is the same: "Business would boom."

"Business would boom."

Well, for goodness sake, if all it takes to make business boom is to give the farmer \$1 out of seven of the national income, and that is exactly what it takes let's bring together 20 of the smartest business leaders of the country, men who have made outstanding successes of their own business, and have them tell the Department of Agriculture just how to do it. You and I know it can be done, but there must be the will to do, and those who profit out of expertity and who demend that wheat some and or t can be done, but there must be the will to do, and those who profit out of adversity and who demand that wheat, corn, and cotton shall be theirs to gamble with must be brushed aside. A farm-buying power of \$15,000,000,000 will destroy pernicious taxes on business now made necessary to support the Government's spending policies. Business will be free to expand without being

penalized.

The spending power of 44 percent of the people, the thing which creates prosperity, is being ruthlessly destroyed so that a mere handful of gamblers may use the products of our farms as "poker chips" in a great game—\$27,000,000,000 are the stakes that the gamblers and their allies, the bankers, are playing for—against a parity price for farm products and \$1 out of every seven of the national income for the farmers.

Your farm organizations, with memberships of 500,000 are help-less and impotent. For 20 years they have accomplished nothing to make farming profitable.

Will 5,000,000 farmers join together to wage a fight to win their independence and to restore prosperity to our beloved country? Five hundred farmers fought at Lexington to win their independence.

More people are engaged in agricultural pursuits than in any

other business

Farm products are the most important of all public utilities. They produce food and clothing and creature comforts.

Farm products constitute 80 percent of the raw products of

Remember, always, agricultural income definitely establishes consumer demand and is the governing factor in our national

Prosperous farmers beget a prosperous nation.

Improbability of Attacks by Air

EXTENSION OF REMARKS

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES Friday, March 31 (legislative day of Tuesday, March 28), 1939

ARTICLE FROM CHRISTIAN SCIENCE MONITOR OF MARCH 30. 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the Christian Science Monitor on March 30, 1939, under the headline "Attacks by Air on United States Viewed As Improbable."

In this article we find liquid hydrogen mentioned as a fuel, and we find further that European bombers are being built for European short-distance service—they are small bombers and cannot reach us across the great Atlantic. Our bombers are larger, due to greater flying distances.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From the Christian Science Monitor of March 30, 1939] ATTACKS BY AIR ON UNITED STATES VIEWED AS IMPROBABLE—SIKOR-SKY ANALYZES THE MILITARY AIR SITUATION BASED ON OBSERVA-TIONS HE MADE IN EUROPE

(By Volney D. Hurd)

(By Volney D. Hurd)

Kingston, R. I., March 30.—Only a radical development like liquid hydrogen, tripling the range of bombers, or a coalition which would bring the British Navy against the United States—both highly improbable—would make this country liable to serious air attack, said Igor Sikorsky, noted Russian-American airplane designer, in an interview at the State college here today.

In a clear analysis of the world military air situation, brought up to date by a recent trip to Europe, where the air forces and factories of most of the powers except Russia were inspected, Mr. Sikorsky made his first statement of American air defense, rare for this designing genius, who invariably confines himself to peacetime transportation.

peacetime transportation.

Bombers being the key air instrument of destruction, Mr. Sikorsky pointed out that the very large bombers, so widely dissikorsky pointed out that the very large bombers, so widely discussed in the past, are not being considered by the European air forces. Light and medium bombers dominate, showing that the entire air strategy is designed for European warfare where distances are short. To emphasize this military point, he showed that the American air force, with much longer distances to cover, had developed and was using large, heavy bombers.

HIGHLY IMPROBABLE

This concentration on small bombers makes any trans-Atlantic bombing expeditions highly improbable, he said. The range and load-carrying capacity of such ships would make a 3,600-mile trip with a load of bombs and return home without refueling impossible.

He pointed out that as a freak or publicity stunt a special ship might be built which might get away with a single trip and a small load of bombs, but such a sporadic stunt could have no

serious military import.

The development in quantities of liquid hydrogen, to be used instead of gasoline as a fuel, is far away. Since this is the only remotely possible method of increasing bombing ranges to the distance necessary for trans-Atlantic bombing, Mr. Sikorsky pointed out that there was nothing to fear from Europe in the air.

The one possible exception which might make the present type of European bombers effective against the American shores would be a coalition of powers which included Britain. With the British Navy aided by others, the American Navy could be kept ashore, permitting airplane carriers to act as their refueling stations for bombers, who could thus be sustained in the air for trips from Europe to America and return with bomb loads.

IS UNIMAGINABLE

Again, he stated, such a situation is unimaginable. Speaking of the Pacific, he said the limitation incurred by the great expanse of ocean there makes that situation even less threatening.

ocean there makes that situation even less threatening.

At the same time, benefited by being in London during the Munich crisis, Mr. Sikorsky said that at the present stage of world politics a good competent air force was necessary for the United States to keep the peace and demand respect. The present air force is excellent in quality, he added, but deficient in quantity. However, with the new rearmament bill this need is taken care of.

Mr. Sikorsky estimates the German air force at 10,000 first-class planes, with an annual possible production of 30,000. However, he added, within a year the British will have facilities for producing 30,000 planes a year, if necessary, which should balance the scales

30,000 planes a year, if necessary, which should balance the scales and probably slow down the German drives. He said he was greatly impressed by the British designs and the tremendous building now under way of new factories which would make a 30,000-a-year production possible.

Why the Preference for Stalin?

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Friday, March 31 (legislative day of Tuesday, March 28), 1939

EDITORIAL FROM NEW YORK DAILY NEWS OF MARCH 24, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an editorial from the columns of the New York Daily News, issue of March 24, 1939, from the pen of Captain Patterson, the editor and publisher of that newspaper, entitled "Why the Preference for Stalin?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the New York Daily News of March 24, 1939] WHY THE PREFERENCE FOR STALIN?

Among most of the Americans we talk with, there seems to be a kindlier feeling toward Josef Stalin, "red" czar of almost all the Russians, than toward Adolf Hitler, uncrowned kaiser of Greater Germany and whatever new territories he may have taken to his bosom since we went to press.

"We don't want either of these babies' political ideas prevailing in the United States," appears to be the average American feeling; "but when it comes to a show-down between Hitler and Stalin, Stalin looks a little bit the better of the two."

This in spite of the fact that the Communist regime in Russia has been and is a great deal bloodier than the National Socialist regime in Germany.

Hitler has concentration-camped a considerable number of German "reds," Social Democrats, pacifists, intellectuals, labor leaders, and Jews. Treatment of prisoners in these holes is said to be brutal in the extreme. Unknown numbers of them have died or committed suicide. The Hitler "dry pogroms" in Germany have meant mental anguish to all the Jews in Germany, property losses for the great majority of them, death or suicide for more than a few

All this is sickening enough, in the supposedly enlightened twentieth century, and we don't see how any believer in democracy and elemental human decencies can condone it.

Yet compared with what has gone on in Russia for 21 years past, the German reign of terror is mild. The Russian "reds" began by conscientiously killing off an estimated 1,000,000 members of the old ruling, professional and intellectual classes, including the caar and his family. By confiscating all their crops, including their seed, they caused between 3,000,000 and 4,000,000 farmers to starve 1931-32 for not growing enough to feed both themselves and the Russian cities.

For all this, prevailing American opinion is that Stalin's way of doing things is preferable to Hitler's way. Why?

SIMILAR METHODS, DIFFERENT IDEALS

Our theory is this:

Stalin and his Communists profess to seek as an ultimate objective the brotherhood of man—a cooperative commonwealth of the world, in which we shall all work along together, with wars and selfishness forgot, and lions lying down with lambs all over the landscape. That is what the "reds" claim to be winning for a weary world, though they have to wade through oceans of blood and break a billion human hearts to get there.

Hitler and his Nazis profess no such appealing ideal. Their aim is an all-powerful German state, which will rivet German culture on the world. Their ideal is best expressed in the old and the new

Germany's national anthem:

Deutschland, Deutschland ueber Alles, Ueber Alles in der Welt, Wenn es stet zu Schutz und Trutze, Bruderlich zusammen haelt. Von der Maas bis an die Memel, Von der Etsch bis an der Baelt— Deutschland, Deutschland ueber Alles, Ueber Alles in der Welt!

Which, roughly translated (and if anybody knows of a better translation, we'd like to hear of it), means:

Our Germany, our Germany, Shall all the world transcend, Uniting ever one in many, Both to conquer and defend. From the Maas unto the Memel, From the Etsch unto the Belt, Our Germany, our Germany, Shall all the world transcend!

Hitler is professedly a Julius Caesar, ambitious for German world domination. Stalin is professedly a worker for universal human brotherhood, though his methods combine the craft and bloodiness of Machiavelli and Ivan the Terrible. Most Americans go for any-body who preaches brotherhood with his mouth, no matter what he does with his brass knuckles, military organizations, spies, and agents provocateurs. Hitler is frank about what he wants; and sometimes that is a mistake.

That, we surmise, is why most Americans do not hold both of these gents in equal abhorrence.

The Building Construction Industry

EXTENSION OF REMARKS

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, March 31 (legislative day of Tuesday, March 28), 1939

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE, MARCH 30, 1939

Mr. GURNEY. Mr. President, I ask unanimous consent that there be printed in the RECORD an address delivered last evening by the Senator from New Hampshire [Mr. BRIDGES].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Colonel Sawyer, and members of the Washington Building Congress, I am appreciative of the opportunity presented to me to address you tonight. When first asked if I would consider such an engagement I hesitated to accept, because I feared that the subject was too technical, too detailed, and too filled with cold facts and figures to enable me, in no sense of the word an engineer, to present to you any thoughts of a constructive nature. engineer, to present to you any thoughts of a constructive nature. However, before declining or accepting, I asked time to consider and during that interim I made a casual survey of the building and the construction industry. I became so enthused and interested in what I discovered that I hastened to inform Mr. Aring and your committee that I would be glad to accept. I therefore appear before you in the role of a citizen who is deeply interested in the problems confronting not only the Washington Building Congress but the building and construction industry throughout the United States.

Let me say as a member of the Senate Committee on the Dis-

Let me say, as a member of the Senate Committee on the District of Columbia, I have a high regard for the building congress that you have organized in Washington. Your leaders here in the Nation's Capital deserve to be publicly praised for their effort and vision in the formation of an organization that safeguards and promotes a great industry.

In order that Washington may retain its proud position as one of America's most beautiful and modern cities, certain building enterprises must be undertaken. One of these is a project which I know is being supported by the Washington Building Congress, and which has my support as a member of the Subcommittee on the District of Columbia of the Senate Appropriations Committee the District of Columbia of the Senate Appropriations Committee—
a great public auditorium, a stadium wherein the country's great
sporting events could be staged. Building congresses throughout
the Nation are constantly working on developments that will improve and beautify our cities. To be sure, such efforts help the
building industry, but they also give employment, put money in
circulation, and speed recovery, to say nothing of increasing the
real wealth of the community. For their work, therefore, the
organizations throughout the country, congresses such as your
own, are entitled to the thanks of the people.

On the whole, our picture here in Washington is representative of
that of the building industry throughout the land. As I said before,
I have become intensely interested in the problems facing your
industry. I have within the last month devoured reports and books
on the subject. Naturally I have not been able to grasp many of
the finer points, but I have read and studied enough on the subject
to make me pause and ask this question: Where is the private
construction industry in America?

The answer to that question is important, because the private

construction industry in America?

The answer to that question is important, because the private building industry is a most important part of the entire construction industry, which is the second greatest industry in our country, ranking slightly below agriculture from point of view of money spent. I say that your industry is far greater than most people realize, and that is what I mean. The reason is simple. First, human beings must eat, and then they must have shelter. That is why, under normal conditions, agriculture ranks first, with building second. The market for the products of the construction industry is ever present. The desire to own his own home is one of man's basic wants. This has held true from the time of cliff dwellers up to the present age of penthouse dwellers. to the present age of penthouse dwellers.

to the present age of penthouse dwellers.

With this constant, ever-present demand for housing, and with the private building industry waiting to supply that demand, what factors prevent coordination between consumer and producer? Why do they not get together? When we answer that question we shall find out where the building industry is today. As I see it, there are four principal answers as to what has happened to the private construction industry: (1) Taxes; (2) Government building

program; (3) lack of confidence on the part of investors; and (4) general lack of improvement in the quality and attractiveness of

housing

housing.

The burden of taxes on real estate is crushing. Private building enterprise needs encouragement, but under the existing set-up of State and local taxation, no prudent investor can go into building under conditions where his investment is placed under unlimited liability—to take up increased local government costs. Local tax conditions, as they exist today, need reform in practically every State. Many State and local governments permit nearly all their extra expenses to be satisfied by an increase in the levy on real estate alone. Such a situation has created a liability tending to destroy real-estate credit. This, combined with the shrinkage in earnings due to the depression, has rulined thousands of owners of earnings due to the depression, has ruined thousands of owners of earnings due to the depression, has ruined thousands of owners of income-bearing property. It has wiped out that portion of the building industry which depends upon building as a private investment. The easy power to raise tax rates without limit has encouraged excessive municipal expenditures. Whether this spending be made in good faith or as a result of that wastefulness, corruption, and extravagance which has too often marked the failure of municipal governments in America is not at point.

municipal governments in America is not at point.

The depressing effects of real-estate taxes on the private construction industry have been tremendously increased, in my opinion, by the Government spending program. Federal extravagance has led to State and municipal extravagance in three ways: First, by sheer force of example; second, by general acceptance of the fallacious consumer purchasing power doctrine which has, by high-powered propaganda, become lodged in the public mind as the remedy of all economic ills; and, third, by the policy of requiring States and municipalities to match Federal funds.

Federal "pump priming," whatever its advantages, and I must confess I know of none, is surely a bad example to the States. Just as the children of profligate parents tend to be wasteful and ex-

confess I know of none, is surely a bad example to the States. Just as the children of profligate parents tend to be wasteful and extravagant so the States tend to follow the bad example set by the National Government. I speak with knowledge on this subject because, as Governor of New Hampshire, I had to contend with constant appeals for more and more State spending. Fortunately I was able to keep the State on a pay-as-you-go basis. We balanced our budget by living within our income and not by "socking" home owners and real-estate operators with unconscionable taxes. The only solution to the problem created by harmful Federal example is the practice of economcy and thrift in high places and a cessation of the bad practice of playing politics with the people's

cessation of the bad practice of playing politics with the people's money.

The President and the economic wise men with whom he surrounds himself are mainly responsible for the adoption, by large portions of the people, of the false purchasing power doctrine. "Purchasing power," as a phrase, has been abused and misused. To my mind, the term means the capacity to buy commodities and services. Real purchasing power can be created in two ways only—by the production of economic goods or through expansion of the money means of payment. The expansion of the money means of payment does not, however, necessarily entail an increase in purchasing power. No manufacture of money by Government, inflation or otherwise, really adds to the existing total of immediate purchasing power.

power.

The production of commodities and services is the basic method of creating purchasing power. This method means the production of economic goods, the very possession of which confers upon their owner purchasing power with which to buy other goods. As long as the people are willing to accept benefits from the Federal Government without regard to the effects upon the welfare of the whole Nation, or the ultimate effect upon themselves, the difficulty of security as a contradict product of the security of the street of the security of the s fare of the whole Nation, or the ultimate effect upon themselves, the difficulty of securing an attentive hearing for sound doctrines is almost insurmountable. Throughout all these pump-priming experiments, during all this period of wishful economic thinking, the Government has been taking action which has effectually prevented private industry from assuming its customary role. A tax policy, a business-relation policy, and a wage policy was adopted to follow the false doctrine of purchasing power set up as a cure-all. In short, as Professor Crum, of Harvard, so ably stated, the present administration has sought to transfer purchasing power from savers to consumers without taking the necessary step of commodity production.

The requirement that States and municipalities match Federal grants is, of course, an incentive to unnecessary expenditures.

grants is, of course, an incentive to unnecessary expenditures. At a glance, to the building industry this may seem a good idea. At a glance, to the building industry this may seem a good idea. However, a prolonged, sound recovery is more desirable than a shot in the arm. Especially you who produce durable goods must look to the long-term possibilities. As a consequence of all this spending, the local taxes on real estate amount, essentially, to confiscation. Until spending is halted and local taxes on real estate reduced (or some of the burden shifted to other forms of taxation), I see little prospect for a really healthful revival of the private-construction industry. I hope the growing public revolt against tax abuses and Government extravagance will soon remedy this situation.

On the second point, the Government building program, I do not need to dwell at great length. The private construction industry finds no fault, I am sure, with Government construction of certain public works. A sensible public-works program,

carefully planned and economically administered, is necessary. lends itself to the general welfare of our country. Properly carried out, a public-works program is really a helper, a cooperator, and a contributor to private industry. In the last few years, however, the Federal Government has been trying to build everything, everywhere. This is the incorrect approach to the solution thing, everywhere. This is the incorrect approach to the solution of the real problem—recovery. Private and Government construction industries are not competing to see which can build more. The fact of the matter is that a healthy private construction industry can and should make the Government building programs have, supposedly, been undertaken to draw up some of the "slack" of private industry.

Building is of course only one of the industries into which the

have, supposedly, been undertaken to draw up some of the "slack" of private industry.

Building is, of course, only one of the industries into which the new art of Government competition has injected itself. But in the building industry the Government can never hope to have a program extensive enough to take up the "slack." For the 11-year period 1925-35, nearly \$100,000,000,000 was spent in building construction of all types—that is utilities, public construction, and private construction. Of this enormous sum, Federal Government aid amounted to only 5.5 percent of the total. Such being the case, it is plain that the Federal Government should take a definite cooperative stand in its building programs. There is absolute proof that if this great industry is to go forward it must do so through private enterprise.

Altogether too much confusion exists in the Federal housing field. The alphabetical wizards have run wild, and the public is completely bewildered. The average family that has income enough to think of building a home searches the field in order to obtain the best possible bargain. Frankly, not only does the Federal Government compete with private industry in the building field, but the various building agencies compete with each other. When the Government goes into the model-village business, the worst example of competition with private business is exposed. Government housing removes rent-paying tenants from properties now taxed to the point of confiscation. Often these tenants are placed in properties from which the cities in which they are located will receive no income. Yet the cities provide the services which make rents possible. Such a process destroys and discourages individual enterprise. Model housing demonstrations may be desirable, but can't they be conducted in a manner which will encourage rather than discourage other building?

The third point, lack of confidence on the part of investors, is building?

manner which will encourage rather than discourage other building?

The third point, lack of confidence on the part of investors, is also obvious. Many investors still regard the long-term prospects with doubt. They are not willing to risk their funds in the private construction industry until the political and financial outlook is more favorable. Lack of investors in the building construction market is, of course, due in part to the tax mistakes, about which I have already spoken. The investor who might lend on mortgages, or go into housing or other building, has quietly left the field of investment. The prudent investor who is so greatly needed to give life and credit to housing and other building has been practically eliminated. The whole attitude of government toward business is wrong. I say this advisedly and without partisanship. So long as we, a nation, are committed to the profit system and it appears that we will be committed to this system for some time, capital must be given a fair break. Capital which starts new enterprises deserves encouragement. Such capital keeps the wheels of industry moving. Such capital keeps competition vigorous. The abundance of funds for investment in short-term, liquid securities, and its scarcity for uses which involve loss of liquidity, point to a weakness in the financial structure of our society. This weakness is the separation of the saving process from the producweakness is the separation of the saving process from the produc-

tive utilization of funds.

The remedy is a change in attitude. When you say that you mean to be friendly, act like it. For the last 4 years the administration has been harping about business not doing its share. I maintain that it's the other way around. The administration has not been doing its share. Witness the recent appeasement talk followed by the subsequent threat of President Roosevelt to keep followed by the subsequent threat of President Roosevelt to keep a club of inflation safely tucked away in his closet. Witness the unwillingness of the administration to agree to amendments of the National Labor Relations Act, although American industry and the American Federation of Labor both claim that amendments are necessary. Witness the refusal to revise the capital-gains tax or the undistributed-profits tax, although most economists of wisdom agree that they are deterrents to recovery. Witness the recent nomination of Amlie to the Interstate Commerce Commission. Witness the continued demand for more appropriations for spending

spending.

The theory that large-scale Government spending is necessary to restore prosperity doesn't make sense. Deficit spending does not produce lasting benefits. The continuance of such a policy only frightens private capital from investing in productive enterprises. Let me for a minute quote some figures to prove this fact; In the 3 years previous to 1929 an average of four and three-tenths billion dollars was poured into new corporate enterprises in this country. At the peak of the Government spending, 1937, the amount of new capital so invested was only one and two-tenths billion dollars. For 1938 it was eighty-five one-hundreths billion dollars. Private investors must be wooed back to private industry. An about face by the Government is necessary. I deplore the constant New Deal chant about business and Government getting together, and the Government doing nothing about it. This administration is still blaming business for what happened 10 years ago. To be sure some of the practices of business were bad. There has been improvement. There have been necessary changes in labor relations, in security regulations, and in bank-deposit guaranties. Now is the time to let the bad boy—business—out of the closet so that he can see the light of day and grow into a strong man and thus carry his share of the burden. To keep him forever in the closet in punishment of his past misdeeds precludes him from giving assistance in carrying his share of the burdens of industrial activity so necessary to recovery.

giving assistance in carrying his share of the burdens of industrial activity so necessary to recovery.

The fourth difficulty alluded to earlier in my talk is the fact that, in comparison with earlier periods, the dollar spent by the consumer for housing today does not buy as greatly increased a value as does the dollar spent by the consumer for automobiles, refrigerators, radios, and other similar merchandise. In other words, there has been no improvement in housing to match the improvement which has taken place in these other lines. For instance, in July 1936 the cost of frame houses was down only 13.4 percent from the 1926-29 average. Automobile prices, however, were 26 percent below 1926, refrigerator prices 58 percent, radio prices 50 percent, and electric washing machines 55 percent. In 1926 one of every three dollars spent by consumers for durable goods went to buy housing; in 1936 only one out of every seven dollars.

in 1936 only one out of every seven dollars.

The only answer must be that the building industry is not well organized to market its product. Lack of organization prevented the practice of smart marketing tactics in competition with the automobile and electrical equipment industries. Now, there is no automobile and electrical equipment industries. Now, there is no reason why the housing industry should not get a substantially larger share of the huge market for durable consumer goods provided it were willing to give the consumer more for his dollar. Other industries have shown that the real path to broadened markets is the ability to turn out a superior, better product at a lower

In my remarks I have given merely a layman's viewpoint of what I consider to be wrong with the private construction industry. Since this gathering is composed, for the most part, of experts who are really interested in finding out what is amiss with the building industry and where it is going in the future, I have not tried to paint a glossy picture. I have tried to analyze the situation in its broader aspects in the cold light of reason. Let me now summarize

and conclude.

Since the building industry is the second largest in the country it is absolutely essential to national recovery. In my estimation recovery should start with the building industry. I do not mean with any fantastic boom. I am always skeptical of spellbinders with any fantastic boom. I am always skeptical of spellbinders who claim that a latent boom is at hand and all we need is a little pump priming to get it started. We have real expansion factors before us. Increased population and advancement in electrification are factors that indicate a healthy, sane demand for building products. The move away from the cities will answer the ill-advised tax measures of which I have spoken. Electrification advances will speed up farm and country building. The demand for new homes grows constantly greater.

Once started recovery in the building industry will carry all

Once started, recovery in the building industry will carry all other durable-goods industries along with it. The administration here in Washington realizes that national recovery is necessary, but to date it has been unwilling to put recovery ahead of its put social reforms. The solution of the relief and unemployment prob-lem lies with the recovery of the capital-goods industries. There must be construction work going forward in increasing volume if the capital-goods industries are to fully recover. Their recovery alone can bring about satisfactory reemployment of men now unemployed or on relief work. This will mean a permanent recovery which does not depend on the temporary expedient of huge Government expenditures.

If poor local tax systems are the cause of real-estate foreclosures If poor local tax systems are the cause of real-estate foreclosures and general dissatisfaction, I feel the people will soon insist upon tax reforms and economy. We see the beginning of the demands for economy in our National Government. When that move gets fully under way it will set the example for the States and localities. I do not say that we shall have real reforms in the tax or spending field under the present administration, but then that can't last much longer either.

much longer either.

There is increasing public recognition of the importance to employment and recovery of opening up the flow of private invest-ment funds into industrial building equipment, commercial build-ing, public-utility construction, and other forms of private capitaling, public-utility construction, and other forms of private capital-goods production. There is an increasing demand for modernization, for reequipment, and for new construction. That the vast Federal spending programs have done nothing but get the country further in the morass of debt is a recognized fact. There is an active bloc in Congress that is insisting upon economy and sanity in government. The continued growth of this opposition, both Republican and Democratic, to the spending and business competition activities of the administration should prove of great assistance to the building industry.

The industry as a whole must reform its merchandising methods. That such reformation is under way is evidenced by the growth of such organizations as the Washington Building Congress and the other building congresses throughout the Nation. I was interested to note the current Fortune survey. In it the question was asked:

to note the current Fortune survey. In it the question was asked: "Can you name any large important thing that you would like to have and would probably buy if it cost only half as much as it now

costs?" Twenty-one and nine-tenths percent of the people answering said that a house or a home was their greatest desire. This was a higher percent than for any other desire. As Fortune says, "This was the first choice of every economic level; of every occupation except students; farm owners and farm hands; of every part of the country except the Northwest Plains; and even of the people in every-size community, including those who live in cities of more than a million." This indicate a pent-up desire for housing that give birth to a building boom if costs were materially cut. Even discounting the people who would not have the price of a new home even at half the present levels, or even with the help of easy credit. even at half the present levels, or even with the help of easy credit, the figures, plus those for renovation and repair, make a powerful argument for efforts to bring down building costs.

the figures, plus those for renovation and repair, make a powerful argument for efforts to bring down building costs.

Building congresses throughout the Nation are the instruments by which the entire industry can develop new marketing methods. There has been great progress within the last year. As a layman, I can see part of the trouble is the red tape and multitude of problems with which the prospective home builder is faced when he begins to think about building. There must be coordination between the different groups and different businesses within the building field. Recently a building-materials dealer observed—a man who wants to build is likely to go first to one of a dozen sources. He may go to the architect, the banker, the manufacturer, or the construction engineer or the lumber dealer. He may get one story from one man and another from a second man and so on. The result is that the prospective builder becomes confused and suspicious. It is up to your building companies have solved the problem by a showroom. A place where a home can be seen as a piece of packaged merchandise. The buyer should be able to purchase his home at a single transaction, with financing as liberal as it is on an automobile or a washing machine.

The development of team work within your industry will lend a more encouraging color to the future. I believe it is obvious that you cannot depend upon the Government for your construction program. You must devise and execute it yourself. You have real values, and you have a ready market. America is going ahead, there is no doubt about that. I truly believe that the private construction is not only going ahead with America, I believe it is going to take the lead. The general public is coming to realize that the era of crackpot ideas and unfulfilled promises is at an end. Economy and thrift, together with the natural incentive to build, are returning. American labor and American capital must, and will, join to bring about the return of American

tat a end. Economy and thirt, together with the natural incentive to build, are returning. American labor and American capital must, and will, join to bring about the return of American prosperity. This will begin with the building industry. There is nothing wrong with the country; it's only the way we have been treating it that is to be condemned. I saw the beginning of the new era after last November, and I truly believe we will be under way to real recovery in the very nor future.

way to real recovery in the very near future.

It has been a real pleasure to be with you this evening. I am happy to note so much enthusiasm within one of our country's first industries. It speaks well for the future of America. Despite temporary setbacks, I see real recovery, and permanent recovery, tied up with your industry. The private building industry is on its way and is eager to play its predestined part in national recovery

Navaho Indians in Southwest United States

EXTENSION OF REMARKS

HON. DENNIS CHAVEZ

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES Friday, March 31 (legislative day of Tuesday, March 28), 1939

ARTICLE BY FLORA W. SEYMOUR IN SATURDAY EVENING POST

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have inserted in the RECORD an article appearing in the last issue of the Saturday Evening Post with reference to the Navaho Indians in Southwest United States, the article being entitled "Thunder Over the Southwest," written by Flora W. Seymour.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> THUNDER OVER THE SOUTHWEST (By Flora Warren Seymour)

(By Flora Warren Seymour)

The Navaho Indian rubs his eyes in amazement. Mirages are not uncommon in his southwestern country. But the extent, the variety, and the fantastic appearance of those he has seen in recent years outdo all his previous experience.

He hears much of soil conservation; sees great numbers of men at work, supposedly saving the soil for his use. At the same time, his own use of it is restricted here, forbidden there. He is told roughly that his own country does not belong to him at all.

He sees expensive schools built all over his reservation. At the same time he knows well that fewer than one-third of the Navaho

children are enrolled in school, with winter storms and bad roads making the attendance pitiably less than the enrollment.

He hears proud boasts about the protection of his civil liberties. But he knows that any expression of opinion counter to that emanating from "Washingtone" will mean the loss of a job, if he has one, or the refusal to employ him, if he hasn't. He knows gathering for group discussion will not improbably result in a breaking up of the session and perhaps jail for the participants.

Especially does he hear that he has "religious liberty." He finds this means liberty to take part in dances and reject the white man's ideas of religion. But if he is among those who follow the white man's faith, his "liberty" is quite another thing. He has failed to "preserve the ancient traditions." The good Indian, in modern judgment, must walk in the path of his ancestors.

In short, he concludes that for him the New Deal is handed out with marked cards. The more abundant life has brought him greater restriction than he has ever known. And all this confusion and misery has come to him from those who have always loudly publicized themselves as "friends of the Indian."

Remote in a region larger than three New England States, but

Remote in a region larger than three New England States, but so barren that his numbers all but overpopulate it, the Navaho has remained among the most primitive and the most independent of Indians. Until these late years he has gone his own way—a simple way of hardships and privations, it is true, but a way that had much to satisfy his spirit. It was the shepherd life of Abraham's time pregisting in an unenetrated cover of the modern. ham's time persisting in an unpenetrated corner of the modern industrial world.

THE NAVAHO MAGNA CARTA

In the sixtles the Navahos, for their turbulence, suffered an exile of 4 years in eastern New Mexico, at the Bosque Redondo. When in 1868 they joyfully trekked back to their beloved wastes of sand and sagebrush and tumbled rock they made their first and only treaty with the United States. That treaty of 1868 has been the magna carta of the Navaho ever since. He promised to keep the peace. He has done so. He took the sheep issued from Fort Defiance, the headquarters of the reservation staked out for the tribe, and went about his business.

The count at this issuence of sheep showed between nine and

The count at this issuance of sheep showed between nine and ten thousand Navahos. Today they are 50,000 or so in number. No "vanishing Americans" these. And they have achieved something in which many another tribe has been laggard-self-support. On their bare acres even the sagebrush grows a bit half-heartedly. But they have sustained their herds of sheep and their hogans full

of children, asking little from any man.

They have paid no taxes on their desert land. A certain proportion of their children have been cared for at various Government boarding schools. Aside from this the tribe has survived without such doles and rations and subsidies as have made mendicants of

such doles and rations and subsidies as have made mendicants of other groups of Indians.

Long since, they outgrew their original reservation. Additions have been made from time to time by Executive order, until there were six different jurisdictions, each with its "natahni," or superintendent, and its staff of Government employees. Each of these superintendencies was an isolated dot in the vast swirling sand that is the Navaho country—Crownpoint and Shiprock, N. Mex., and Leupp, Tuba City, Keams Canyon, and Fort Defiance, Ariz. Even today these places are not notably easy of access.

There are no Indian towns in all this region. Your Navaho is no villager, like the Rio Grande dwellers in terraced pueblos. Sheep must follow the grass, and he—or rather she, for the woman is owner and manager of the herd—must follow the sheep. The hogan built for use in the growing season is deserted as

The hogan built for use in the growing season is deserted as colder months make a different range desirable. As the years have gone by, Navaho sheep, adaptable like the people, have learned how to exist 12 miles from the water hole. Six miles is said to be the usual limit.

Always the sheep--mutton for the chief food, wool to exchange Always the sheep—mutton for the chief food, wool to exchange at the trader's store for flour and sugar and coffee. Rugs to be made of wool as time permits, always a gay blanket hanging on the rude wooden loom suspended beside the hogan. Lambing season in the spring, shearing in the summer, wool shipped to pay the debts that have accumulated during the year. Navaho life centered about the sheep.

Some of the tribesmen became men of substance. Always in Navaho history, there have been the rices Specials is the Navahola.

Some of the tribesmen became men of substance. Always in Navaho history there have been the ricos—Spanish is the Navaho's second language—who stood out from the others by virtue of their possessions. No notion of communal ownership existed among these people. The greater number of families had small herds; a few score head of sheep, some goats, a string of indefferent horses. The average household would consume some dozens of sheep in a year's time, so a family with a herd of but a hundred or two was dangerously near the subsistence line. But their wants were few dangerously near the subsistence line. But their wants were few and the skies were blue above them.

Now a cloud was beginning to drift across the azure. Little larger at first than a man's hand, how it did grow! From a fleecy wisp of educational theory, wafted in on a breeze of high-sounding promises, it spread out into a leaden blanket of harsh regimentation, oppressive, deadening. The deluge descended—a veritable flood of theorists and experimenters. If the Indian got in the way of this experimentation, so much the worse for the Indian.

THE WHEELER-HOWARD BILL

The incoming Commissioner of Indian Affairs was a man who for a dozen years had made his living by denunciatory propaganda against the Government's handling of Indian problems. Now that he had become the responsible administrative head of the office had so roundly abused he announced that the Indian would no longer be forced to fit into the white man's mold. He should direct his own destinies, follow his own desires. "We shall teach the Indian to be an Indian." Or, "We shall foster the native arts, crafts, and traditions." All this sounded plausible to the sentimental audiences the Commissioner was used to swaying, people whose notion of an Indian probably came from a childhood reading of Hiawatha. It didn't mean a great deal to the Indian, but, so far as it seemed to mean that he was to be left alone, he could scarcely

He found out, instead, this meant he was to live his own life, whether he wanted to or not. That he was to be an Indian, even though nature and training had made him share the white man's blood and follow the white man's ways. That he was supposed to hark back joyfully to the "native religion," though his ancestors might have embraced another faith under Father De Smet or Eleazar Wheelock. That he was to be an Indian in fact, according to the specifications of Indianism laid down by the white man.

to the specifications of Indianism laid down by the white man.

The ideals of the new Indian administration were embodied in a bill proposed in Congress early in 1934, known as the Wheeler-Howard bill. Senator Wheelers, however, introduced it only upon request, and has since offered the Senate a bill for its repeal.

The original form of this 52-page pronouncement was fantastic in the extreme. One must conclude either that its framers had never read the Constitution of the United States or had decided that it could safely be disregarded. The Secretary of the Interior, holding Indian lands in trust for individual owners, was to be authorized to return the property to the tribe as a whole. This is, putting it mildly, a strange type of guardianship. Indians forming tribal corporations were to exercise the right of eminent domain and exclude from their boundaries any whites who might have purchased land and settled there. All over the Indian country, such a scheme would have resulted in the abolition of an incredible number of counties, towns, and cities. In these vastly enlarged wastes the tribe would carry on, aided always by large Government subsidies. It would hold its property in common as an idyllic state of communal ownership was presumed to have been the Indian's before he was exposed to the contaminating influences of civilization.

The Indian's were expected to welcome this with delicht. In ences of civilization.

The Indians were expected to welcome this with delight. Instead strong protest arose from many quarters. Congress was supposed to pass it without inspection, as it was treating all legis-

lation that came to it from the throne.

Somehow this bill did not slide down the greased way so easily.

The President wrote two letters in praise of it—two, because the first was prepared by someone so obviously unacquainted with the bill as to excite mirth among those who did know what it contained. The delights of the proposed new regime were presented eloquently to Indian congresses held throughout the country.

In spite of all the ballyhoo, the bill at final passage contained but the country.

but five pages. Most of the dreams had been eliminated. Chiefly it promised a lot of appropriations; but as the act had squeaked through in the closing days of a busy Congress, the actual money had to wait for another session.

One of the provisions of this Indian Reorganization Act, as the Indian Office called it eventually, was that the tribes should vote whether or not to accept it

whether or not to accept it.

There ensued a campaign all over the country to high-pressure the Indians into favoring it. Never had there been such a mass production of eloquence, such an outburst of rosy promises and dark warnings. Vote "yes," and the future lay shining before them. Vote "no," and they would speedily fall a prey to the conscienceless and rapacious white man. All white men are conscienceless and rapacious except a few of the more recent officials of the Interior Department Department.

None of this beating of tom-toms need have been dinned into Navaho ears at all. Their huge reservations had never been divided into individual allotments. There was no reason to suspect that such a thing would ever be proposed. The conditions of desert shepherd life precluded that.

But the powers that be were determined that, by hook or by crook, the Navaho should enjoy a greater measure of communal life. He was assured that if he failed to adopt the plan, the immediate result would be the partitioning of his land and its "loss"

to the greedy whites.

Propaganda descended upon the Navaho country with the force of a hurricane. Secretary Ickes' gag rule, promulgated while the bill was under discussion in Congress, provided for the "summary dismissal" of any employee, white or Indian, who should speak against his policies. This rule is still enforced. Only a few weeks ago Navaho employees were dismissed from the Service because ago Navaho employees were dismissed from the service pecause ago Navaho employees were dismissed from the service pecause they were suspected of having talked about reservation conditions with a friend of many years' standing from a society sincerely de-voted to Indian interests. The identification was erroneous, and made no difference.

THE NAVAHO COUNCIL

Storms of argument on behalf of the new law and arbitrary treatment of any who dared oppose it were kut a small part of the tempest that raged over the desert. In addition to this proposal, the Navaho Council had presented to it three Government plans, any one of which would have been enough to work vast and serious changes for the tribe. They were faced with a complete reversal of their school system; with the merging of their six superintendencies into a single central agency; and with a huge program of soil-erosion control which would pierce to the very heart of their economic life by diminishing their range and cutting down the herds of sheep from which they drew their livelihood. This was a staggering program. staggering program.

The powers that be might have learned from previous Indian congresses, had they been capable of learning, that an Indian council regards itself not as a lawmaking body but as a deliberative assembly. The Navaho Ccuncil, at that time about 10 years old, had been formed when discoveries of oil in northern New Mexico had made it desirable to have some means of sounding out the views of the tribe and giving them expression. Since then, at two elections, the council had been chosen by the Navahos. The 12 councilmen, 2 from each of the 6 superintendencies, did not exert, nor expect to exert, power either over Government procedure or over their fellow Navahos.

But they were assured that the new day was at hand. Self-government was to be granted to all the tribes. In this particular case self-government was to mean pleased acquiescence in whatever

government was to be granted to all the tribes. In this particular case self-government was to mean pleased acquiescence in whatever the Government suggested.

The council deliberated, demurred; wanted, as is always the way of Indian councils, to take these weighty matters back to their people. An immediate and favorable vote was urged.

"There is no further appropriation for boarding schools," they were told; "the money can be spent for day schools only." In a word, the choice offered them was no choice at all. A glittering word picture was painted of the Navaho capital that would be built for them at a cost of nearly a million dollars. Eventually it was nearer two millions. And a reduction in their herds of sheep would result in better land and more grass for future herds. Promises and warnings at length prevailed. But the vote was 7 to 5. Rather reluctantly, the councilmen returned home to break the unwelcome news to their people.

As a publicist, the Commissioner of Indian Affairs had made Indian boarding schools the especial object of his attacks. They disrupted family life and destroyed native culture. Indian children, torn forcibly from anguished parents, were condemned to a life of scant food and bitter slavery. "Forced child labor" and "slow starvation" were among the slogans he had been active in popularizing.

popularizing.

As Commissioner, the agitator learned with surprise that great numbers of Indians protested against the abolition of boarding schools. But what difference did that make? "We must teach the Indian to be an Indian."

At first, Navaho day schools were planned to resemble as nearly as possible what official bulletins called "the traditional eight-sided hogan." The traditional form had really been circular, the eight-sided form developing about a half century ago, when the advent of the railroad made the Navaho acquainted with the usefulness of ties for building purposes. The eight-sided hogan resulted from unobstructed visits to the right-of-way. This change is typical of the Navaho's receptiveness to new ideas. He does not let ancient tradition stand in the way of what he deems improvement.

The hogan schools, with their low ceilings and dirt floors, the Navaho viewed with alternate amusement and disgust. So obvious was Navaho disapproval that but four or five of these were perpetrated. Completed in 1935 these are by now badly in need

Followed plans with which the New York architects doubtless thought to please the Navaho. It was instead a form that would have been quite appropriate for their ancestral enemies in the Rio Grande villages. The same style was adopted for the new capital rising at Window Rock. "This is Taos," Navahos would say derisively, as they approached the red stone monument.

TEACHING INDIANS TO BE INDIANS

Thirty or more day schools were built, at from twenty-five to a hundred thousand dollars per plant. Besides from two to eight schoolrooms each, there were the school kitchen and dining room, washrooms, and, nearby, incredibly cramped quarters for em-

Progressive education had fallen upon the Indian schools with the force of a tornado. The child was to direct his own develop-ment unhampered by any rules or plans. Not even furniture, blackboards, books, or teachers would be forced upon him to repress

his freedom.

With much fanfare and a gathering of both Indians and whites, a typical two-room day school was opened at Canyoncito, N. Mex., in the spring of 1935. The young Navaho who had been appointed leader for the expected pupils interpreted—not very smoothly—the words of the school supervisor in charge of the

reservation work.

"You must not be surprised," she told the Indian parents, "to see your children outside the schoolroom, working about the place, making chairs or tables, laying out walks, building a goat corral, or in the kitchen preparing their meals. That is what they are

so "forced child labor" had become "vocational training." It is as simple as that. She went on:

"And while they do this they will talk about it in Navaho and learn the Navaho words for what they are doing. By and by they want to know the English words for them, too. He will tell them if they ask him. After they become fluent in speaking English they may want to learn to read it. When they show, by their interest in books and magazines, that they are ready to learn, that will be all right."

Exposed to no word of English and unfurnished with books

Exposed to no word of English and unfurnished with books and magazines, this interest might not develop very speedily. "Then, when they are really prepared the teacher will send for me. I will come and teach the teacher how to teach them to read."

The Navaho parent found this quite too progressive. Protests came from all directions. Some groups even sent in formal petitions that the course of study for the State schools be followed.

SCHOOLS WITHOUT PUPILS

Even more striking was the protest of nonattendance. The new schools simply did not muster up numbers large enough to justify the title of school at all. In defense, the idea was spread about that they were more than schools. They were to be real about that they were more than schools. They were to be real community centers, regardless of the absence of communities to be centered. So, when Mrs. Two Horses came in to sew up her wide ruffles on a Government sewing machine, or Mr. Big Man sought some warm water to wash his shirt, great was the official rejoicing. This was true civic service. The new community centers were functioning. They were integrating Indian life. And so on. Still, an occasional clean shirt was not enough—particularly as the new schools, supposedly much less expensive to operate than the boarding schools proved to cost quite as much per capita. It must have irked the professed upholder of all ancient traditions to turn again to qualified teachers. Of course, these must be new employees—those who had been turned away from the closed boarding schools would never do.

employees—those who had been turned away from the closed boarding schools would never do.

So they came—girls fresh from college, with no idea of what lay before them. The desert, the isolation, the responsibilities of isolated life, were eye-opening. They came—and they went. Today the Indian Service is announcing that appointments to teaching positions will be given only to those familiar with the conditions of rural life.

But it has taken 5 years to learn this most elementary of lessons. In that interval some few Indian children have participated in various projects, such as feeding a pet snake or chicken or building a diminutive hogan in a corner of the schoolroom. There is a definite 5-year gap in which Navaho pupils in Government schools made no advancement at all comparable with even the least suc-

cessful of public schools.

cessful of public schools.

If you doubt that the Navaho really wants his children to learn, look at the mission boarding schools at various points on the reservation. A few years ago these inaugurated the plan of charging a small tuition, chiefly as a guaranty of real desire to attend. From \$5 yearly this amount has advanced a little each year, with no protest from the Navaho parents. All these schools have as many pupils as they can accommodate, with others waiting to take the place of those who graduate.

The Navahos know that these missionaries, of several denominations, are their friends. They do not in the least share the attitude

The Navahos know that these missionaries, of several denominations, are their friends. They do not in the least share the attitude of the Indian Office employee who, writing in the semimonthly publicity sheet sent out everywhere by the Office, spoke of "the cheap rascality of Christian soul saving."

Meanwhile the Navaho capital was growing. "Nee Alneeng," the Commissioner called it, having been assured that this phrase meant "center of the Navaho world." The Indians grinned. "There are 11 Navaho words for hell, and this is one of them," they explained. Eventually even the Commissioner became aware of the joke. When occupation of the stone buildings made a post office necessary, the name given was what the English speaking had always called the place—Window Rock.

The Navaho by this time realized that this meant the end of his six superintendencies. The council had voted for Nee Alneeng

his six super intendencies. The council had voted for Nee Alneeng under the impression that it was to "coordinate and correlate" the work of the others, not to supersede them. The Navaho was deeply

disturbed.

disturbed.

Carry his problems to Window Rock as he had been wont to do to his own superintendent? He might live 250 miles away. By this time there was no one there whom he knew, no one who felt any interest in the Navaho and his personal affairs. The place was swarming with experts on land and range management and soilerosion control. He could look long and in vain for a familiar

His chapter organization of previous years—75 or so of them—had been discouraged. The new regime could not admit that anything good could come out of previous administrations. The 18 supervisors who had been appointed to function for the superintendencies and chapters, had no authority to decide questions. Bit by bit the Navaho was losing his means of communication with his official guardian. The Great Witte Father was instead playing the part of a harsh and indifferent stepparent.

THE LAW AGAINST NATURE

Great areas of the reservation were set aside for experimentation. The magic shibboleth "soil-erosion control" swelled from a mere whisper to a thunderous roar. Nature's unwelcome operations were to be checked. No more freshets, no more silt washed down to Boulder Dam. As one school child, made soil-erosion conscious,

put it, there was to be no more erosion at all.

Erosion created soil in the first place, but should the mere laws of Nature stand in the way of a new day? The land, saved at an expense per acre of fifty to a hundred dollars, would still be worth barely 50 cents to a dollar per acre. What of that? Water was the real need, but there was no excitement about that, nothing

As a matter of fact, the millions spent experimentally on the Navaho Reservation in the past few years, with the results, if any, still highly problematical, would have sufficed to do an enormously effective job of water development, or to purchase enough irrigable and irrigated land to enable the Navahos to settle down and farm, but these would have been retailed and to enable the set of the

but there would have been nothing new about that.

As the experimenters descended like swarms of mosquitoes, Indian Office Service employees were pushed aside, eased out by

transfer, retirement, dismissal—what you will. They still had a lingering idea of service to the Navaho; the newer group thought in terms of sand and silt. "We don't give a damn for the Indians," frankly said one of the erosionists.

The two groups, moreover, reported to two different Cabinet officers. An agreement was finally signed between the Secretary of the Interior and the Secretary of Agriculture, putting the direction of the reservation in the hands of the experimenters. "There is no longer any Indian Service here," said the Commissioner, in installing the latest superintendent at Window Rock, "no longer any soil erosion service. There is simply a Navaho service."

Good words, these; but what, asks the Navaho, does this do to the trusteeship of the land? Can a guardian hand over the property of his ward to another for experimental purposes? The whole thing is admittedly a long-range experiment which may prove of benefit a generation or two hence. Where, the Navaho wants to know, will he be a generation or two hence? Why save the land for the Indians if you are not going to save the Indians

the land for the Indians if you are not going to save the Indians

for the land?

With great acreages of his reservation fenced off for demonstration purposes, with his sheep and goats and horses cut down below his modest subsistence level, the Navaho feels he is getting a very his modest subsistence level, the Navano feels he is getting a very unfriendly type of guardianship. And when, last summer, his guardian haled members of the tribe into court in Arizona to enjoin them from grazing their own sheep on their own land, his opinion of that guardian dropped lower still.

The long-tried patience of the tribe very nearly reached exhaustion. Put to their credit the fact that they went to a lawyer instead of polishing their rifles. The Navahos still observe the treaty of 1868, though their guardian seems to have forgotten it. But we are getting a bit ahead of our story. To be set upon by swarms of researchers and experimenters was bad enough. To have

the children's schooling reduced to a minimum was bad enough. To lose contact with those who had been his advisers was bad But when the blight of reduction fell upon his sheep, the Navaho felt that the very core and center of his life was being destroyed.

The council, reluctantly agreeing to reduction, had understood that it would apply to those families which possessed more than a hundred head. When the time came, this promise was violated. The owner of a few head must give up a substantial proportion of his already insufficient supply. This meant deepening poverty, often actual hunger.

Work for wages had been promised to offset this loss of income. A man might be employed in the building operations. He might help in planting the thousands of little tree shoots that were set out, each with a swirling little question mark cut in the ground around it. He might pile up the little mounds of chips that were supposed to hold back floodwaters. All these things, for a year or two at least, brought pay checks. This would meet the situation

but it just didn't. In the first place, it is the Navaho woman who owns and manages the herd. It is she whose means of livelihood was curtailed. It was the Navaho man who got a job, and he might not be the one who had any responsibility for the families suffering from herd reduction. Loss and recompense might travel like parallel lines and never meet.

In any case, the Navahos are entirely unused to a money econ-

Credit and barter have been their way of meeting their

omy. Credit and parter have been their way of inceting their needs.

"What is money?" they had asked. "We can't cut any wool from it. It doesn't bring us any lambs." From the native point of view, dollars were simply things that came and went. They came—and they went. The shortage of sheep and wool remained the most vital of problems. The superintendent demanded further reduction; he became aware that such a program could not be enforced.

THE HAND-PICKED COUNCIL

In the midst of such confusion, the Navaho, unaccustomed to elections and voting, still managed to express his distaste for the Indian Reorganization Act. Despite every pressure brought to bear upon them, their vote was to reject it. It was a sad disappointment to the theorist who had hoped to point out this largest of tribes as making a happy return to communal life and the ancient

traditions.

Since the council was not proving subservient, the office announced its intention to secure a "truly representative" body. This was assured by sending out men from the central agency to select the "representatives." The old council was summarily wiped off the slate and a new and much larger one installed. The Navahos as a whole, looking on the whole procedure with marked disfavor, never referred to this body during its months of life under any other name than the "hand-picked council."

The Navahos as a whole, did we say? Yes; that is the strangest part of it all. Out of this chaos the tribe has achieved a unity it had never before known. The ugly and venomous toad of oppression has had a precious jewel concealed about it after all.

The Chippewas, French-mixed Indians with generations of civilized training behind them, when the removal of their agency was decreed, staged a riot and nearly tore their superintendent

was decreed, staged a riot and nearly tore their superintendent in twain before the police came to the rescue. The Navahos, con-sidered the most primitive of tribes, have made their protest in thoroughly dignified manner, by petition and by appeal in person to Congress. Several times in these past few years these people have mustered their scanty resources and sent a delegation to Washington to plead their cause.

From the Secretary of the Interior, their official guardian, they have had scant comfort. Indeed, on occasions they have had such peculiarly malignant abuse as only he knows how to purvey. They did not reply in kind. Such language does not comport with the

did not reply in kind. Such language does not comport with the Indian sense of propriety.

But their petitions for a real council election carried many thousands of signatures and thumb marks. These could not utterly be disregarded. Early in 1938, it was announced, an election would be held. Postponed again and again, the voting actually took place in September.

Leader of the Navahos was a man from Farmington who had represented the Shiprock jurisdiction in the old council, but had been pointedly and purposefully excluded from the "hand-picked council." Jacob Casamero Morgan, who has boarding-school and council." Jacob Casamero Morgan, who has boarding-school and mission education, a man in the latter fifties, is a symbol of the strength that is in the Navaho character when there is opportunity for development. He has been, indeed, a man diligent in business. For years past his efforts have been bent to the double task of bringing his people together and presenting their situation to the world without.

A half century ago he was an Indian shepherd boy in a rough hogan. Today he is the acknowledged leader of 50,000 people who had never before had a leader.

had never before had a leader.

The result of the election for president of the council was inevitable. To the very last the Government forces threatened to cancel Morgan's nomination because his home at Farmington is just across the border of the reservation. All the familiar high-pressure, steam-roller methods were brought to the aid of the candidate favored by the Indian Office. The newly installed broadcasting system at Window Rock chanted his praises. But Jake Morgan has what the Government has lost—the confidence of the Navaho people. He won by a vote of 4 to 1.

But he knows, and the Navahos know, that this victory is only a prelude to more serious trials. Whether stubborn theorists will ever acknowledge facts, whether the eyes of Government officials can be opened to the real needs of the Navahos, is a grave question. We must wait to see what, if any, cooperation is possible

tion. We must wait to see what, if any, cooperation is possible between the Navaho people and the guardians who have done such a poor job of guardianship. There is very little sign yet that the administration has really learned any lessons. There is a long way to go before they can even start to win again the trust of an aroused people who feel themselves betrayed by those who most of all should have been their friends.

of all should have been their friends.

The Indian Office is preparing some fine window dressing. A fresh coat of whitewash was recently administered in the form of a pamphlet emanating from Civil Liberties Union sources. This publication praises the glory and effulgence of the New Day that has dawned for the Indian. This may make public opinion in the East, but it affects the Indians not at all.

A teacher from a Navaho day school visited a hogan. She saw the agitation of the Navaho mother upon inquiry about her children. "What is the trouble?" she asked her interpreter.

"She say you count the sheep and take half of them away. She say you count the horses and say she got to get rid of them. She say you not to count the children. She not going to let you get rid of them, too." To such a state of distrust have these years of doctrinaire regimentation and wild experiment brought a fundadoctrinaire regimentation and wild experiment brought a funda-mentally friendly and reasonable people.

Relief and Work Relief

EXTENSION OF REMARKS

HON. LAWRENCE J. CONNERY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. CONNERY. Mr. Speaker, in January this House was asked to appropriate \$875,000,000 for the purpose of continuing the activities of the W. P. A. during the remainder of the fiscal year which will end on June 30, 1939. The House saw fit at that time to cut from the requested appropriation the sum of \$150,000,000, and as a result the sum of \$725 .-000,000 was granted by the Congress.

Today we have before us another emergency appropria-tion bill. We know that unless additional funds are made available immediately, thousands of worthy relief cases are going to be thrown off the W. P. A. immediately and that from month to month hereafter until the end of the fiscal year additional thousands will lose their W. P. A. jobs.

The Appropriations Committee has set as the figure necessary for carrying on this work the sum of \$100,000,000, regardless of the fact that Colonel Harrington, Administrator of W. P. A., has clearly stated in testifying before that committee that the granting of any sum less than \$150,000,000 can but result in drastic cuts in the rolls of relief recipients.

It seems to me, Mr. Speaker, that this is no time to quibble over the difference between \$150,000,000 and \$100,-000,000. Yes, of course, I realize that \$50,000,000 is a lot of money, but I cannot feel that it is a large sum when we are called upon to consider that amount in connection with the daily bread of millions of our unemployed who through no fault of their own find it necessary to seek assistance from our Government.

When it is realized that just within the past few weeks we have appropriated millions of dollars for the Interior Department to establish and maintain public parks for recreational purposes, and that, as I pointed out when this matter was before us in January, we have voted to spend millions upon millions of dollars for weapons of war to be used in defense of our country, I am sure that not one Member of this House can disagree that \$50,000,000 is a small amount when it means a guaranty against absolute want to millions of our citizens.

Many arguments have been advanced during this debate that this appropriation should be cut to \$100,000,000 because of mismanagement within the W. P. A. To my mind, such arguments are beside the point. If such mismanagement has existed, or does exist, I do not condone such activities, and I feel that the forthcoming inquiry into the matter recently authorized by Congress will show us to what extent such abuses have been carried on. And I feel certain that when the results of this investigation are forthcoming we will learn

that, considering the magnitude of this great Nation-wide relief program, the abuses have been negligible.

But in this particular bill we are not dealing with the proposition of alleged abuses in the W. P. A., but rather with the proposition of how much money we are going to allot for the continued well-being of those of our citizens, innocent of all wrongdoing, who are looking to Congress as their only hope. In this bill we are talking about bread and butter and not investigation. Investigation has already been authorized.

And so, Mr. Speaker and ladies and gentlemen of the House, let us deal with this matter only from the angle of doing what is right for those who are less fortunate than ourselves.

I feel certain that if we will approach the problem along these lines every Member of this House will vote for the amendment which will restore to this bill the full amount of \$150,000,000.

Why Not "Smother" Him?

EXTENSION OF REMARKS

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

ARTICLE BY FELIX HINKLE

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. Felix Hinkle, editor of the Canton (Ohio) Economist:

[From the Canton (Ohio) Economist of March 28, 1939] WHY NOT "SMOTHER" HIM?

(By Felix Hinkle)

Economic pressure and revenge are the twin devils which can be held accountable for most all of the crime and lawlessness in the

If a man is hungry and does not have the means to buy food, or if he feels society has treated him unjustly, conventional rules lose much of their moral weight insofar as he is concerned. Quite likely such a man will take whatever he can through such measures as seem most expedient to him. He looks upon his victims as fair

on the other hand, if a man is secure in his own material requirements and holds no particular grudge against anyone, he seldom resorts to any form of pillage or plunder. He is content to abide by the laws and seeks to maintain a status quo. He views with alarm all revolutionary tendencies and stands firmly upon the principles of organized control.

It seems to me that the conflicts throughout the world today are

It seems to me that the conflicts throughout the world today are fundamentally predicated upon the points in this observation. Disputes between nations are not really fanned by the flames of differing ideologies. All the "isms" are nothing more or less than man-made vehicles—vehicles made to support the passions of aroused peoples. The real battle is between the "haves" and the "have-nots"—between the "offenders" and the "offended."

Take the case of Germany as an illustration. I am not attempting to condone the ruthlessness with which Hitler pursues his objectives. I am merely focusing attention on some of the reasons why central Europe is now a verifable madhouse. I wish to review just

central Europe is now a veritable madhouse. I wish to review just a few high spots of the Versailles Treaty and then leave it to you to decide whether or not the world had any right to expect a different result.

ent result.

This travesty in statesmanship was concluded between Germany and the Allied Powers on June 28, 1919, and, technically, brought to an end the World War. Following are some of the conditions imposed upon Germany in this treaty:

Parts 2 and 3 required Germany to demilitarize the left bank of the Rhine forever. It ceded the coal mines of the Saar Basin to France, as well as the Provinces of Alsace and Lorraine, thus turning over to "the enemy" 2,000,000 inhabitants and over three-fourths of the German-produced iron.

It demanded that Germany demolish the fortifications of Heligo-

the German-produced iron.

It demanded that Germany demolish the fortifications of Heligoland, and presented the northern part of Schleswig to Denmark. It established the Polish Corridor, separating East Prussia from Germany proper, and gave the city of Memel to Lithuania. In all, about 6,000,000 German inhabitants were handed over to other powers, together with most of the iron and minerals of the country. In addition to this, it ceded all of Germany's overseas colonies to the principal Allied Powers. In Africa, the Cameroons were divided between France and the British Empire; East Africa went to Great Britain and Belgium; Great Britain got Togoland; also, Southwest Africa was ceded to the Union of South Africa.

In the Pacific, Germany lost Marshall Isles to Japan; Samoa to New Zealand; New Guinea to Australia; and the Naura Island to Great Britain. Germany also had to renounce, outright, the peninsula of Shantung to Japan.

Great Britain. Germany also had to renounce, outright, the peninsula of Shantung to Japan.

In addition to all of this, Germany lost all of her state property, movable and immovable, in her colonies. An absolute clean sweep was made of her transmarine possessions—properties, powers, and rights. She even had to give up the properties and stations of the German missions.

German missions.

Part 5 had to do with the German Army and Navy. The Army was placed at a maximum of 100,000 men and the Navy was restricted to 6 battleships, 6 light cruisers, 12 destroyers, and 12 torpedo boats. Submarines were banned entirely and Germany was commanded to destroy all existing fortifications.

Part 6 took up the matter of reparations. If anyone wants to

commanded to destroy all existing fortifications.

Part 8 took up the matter of reparations. If anyone wants to learn how far sound reasoning and statistical facts can be twisted to meet the hate of a revengeful people, let him read the full text of part 8 of the Versailles Treaty. It is significant to note that the Allied Powers were given the right "to confiscate private properties of German citizens" in their respective countries.

Of course, the world now realizes how impossible it was for Germany to fulfill the pledges made in this section of the treaty. Not only were the demands impossible for Germany to meet but they bankrupted the nation and made a political farce of the efforts to establish a wholesome democracy.

But worst of all, the Versailles Treaty fertilized the egg which finally hatched in a Munich beer cellar on November 8, 1923. It mally hatched in a Munich beer cellar on November 8, 1923. It was responsible for the birth and growth of Adolf Hitler, with all of his insane ideas of persecution and religious intolerance. It projected a menace upon the political horizon which challenges the social and economic status of civilization itself.

What the rest of the world is going to do about it, poses a difficult question. I have a hunch we have not approached the basis of a real solution as yet. I believe the "republics" have a bitter pill to swallow. If they stop Hitler they will have to smother him to death.

Peace-loving countries must sooner or later climb

pill to swallow. If they stop Hitler they will have to smother him to death.

Peace-loving countries must, sooner or later, climb over on Germany's side of the fence. They must give back their colonies and confiscated properties. They must reduce the trade barriers, extend liberal credits, buy German products, and generally accord the German people an equal place under the sun.

These things must be done even though the negotiations go through the Third German Reich. My whole point is that a differentiation must be made between the German people and Adolf Hitler. The best way to stop Hitler is to make him unnecessary. I cannot help but feel that the country which gave the world Martin Luther, Mendelssohn, Goethe, Steinmetz, Einstein, and hundreds of other outstanding men and women, must be a pretty decent spot on the globe. I believe the great mass of German people are peace loving and sportsmanlike. I have an opinion that they would welcome the generous overtures of the rest of the world with deep appreciation and instantaneous cooperation. I suspect they would rather have our good will than a Hitler.

Of course, I realize this point of view will not be popular but, at least, it represents my best judgment, and I am willing that it be filed alongside of the Versailles Treaty for the perusal of future generations.

generations.

Jute and Cotton

EXTENSION OF REMARKS

HON, STEPHEN PACE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. PACE. Mr. Speaker, on February 28 the Department of Agriculture reported as follows with respect to the cotton

On February 1 domestic stocks of American cotton totaled about 17,500,000 bales. This was nearly 2,000,000 bales larger than the previous record stocks as of that date and more than twice as large as the average for the 6 years ended 1930.

From August through December foreign consumption of American cotton was the smallest in 20 years. Exports of American cotton continue exceptionally low. During the 8 weeks ended February 22 they were about half as large as the comparatively small exports of a year earlier. In January they were the smallest for that month since 1872, or in 67 years. Total domestic exports from August through January were 43 percent less than a year earlier, the smallest for the period since 1881–82.

This surplus of 17,500,000 bales is the largest in the history of the Nation, and another crop of around 12,000,000 bales is now being planted.

We must increase our exports of cotton; we must recapture our foreign markets, and at the same time we must increase the use of cotton in this country. Otherwise I see little hope in the future for the cotton farmers of the South.

I think the time has come when the Congress should solemnly resolve to save the American market for the American farmer. We can never increase the farm income and raise the standard of living on the farm as long as our farmers must compete with farm products grown in foreign countries like India and the Philippines, where the cost of living and the standard of living are much lower than in our

For example, jute is grown in India, a country with the very lowest standard of living. Yet we are importing into this country each year jute and other hard fibers in sufficient quantity to displace over 2,000,000 bales of cotton. Here are the figures:

Estimates of the quantities of cotton that would be consumed if jute and hard fibers were replaced entirely by cotton

IMPORTED JUTE [Bales of 478 lbs. net]

Bags:	
Mill feed	248, 000
Fertilizer	
Sugar	
Potatoes (white)	56,000
Wheat (bran and shorts)	50,000
Flour (all kinds)	
Other (for other products and sundry purposes)	19,000 111,000
Contract products and saidly purposes/	111,000
Total	620,000
Bagging for wrapping bales of cotton (12,000,000 bales)	135, 000
Textile wrapping (bales covering manufacturing goods)_	
Wool carpets and rugs	95, 000
Twine and cordage (including tying United States	20,000
mails)	75,000
Road building	100,000
Rags for U. S. Navy, low-grade cotton	200,000
Other	8, 000
Other	
Total	588, 000
Grand total	1 208 000
	2, 200, 000
IMPORTED HARD FIBERS	
Binder twine and rope	550,000
Other (mostly twine and cordage)	600,000
Grand total, hard fibers	1, 150, 000
Grand total, jute and hard fibers	2, 358, 000

For the last 2 years I have been trying to cooperate with the Department of Agriculture in its efforts to find new uses for cotton. Their research work is not only very interesting, but I believe it is soon going to result in establishing new and economical uses for cotton.

I have been particularly interested during the present session of Congress in the activities of the Division of Cotton Marketing in trying to perfect a cotton twine which will fully compete with the jute twine now in use by the Post Office Department. When the appropriation bill for that Department was before us 2 weeks ago I secured adoption of an amendment requiring the use of at least 50 percent cotton twine. That cotton can compete with jute, both in service and in price, is fully shown by the following letter which I have received today from Mr. R. J. Cheatham, who is in charge of cotton utilization research, who understands the problems of the southern cotton farmers, and who merits the praise of every southern Representative.

MARCH 30, 1939.

Hon. Stephen Pace,

House of Representatives.

Dear Mr. Pace: In response to your telephone request of March 28 for a report on the small-scale tests which we have recently completed on a new cotton twine for tying out packages of letters and other types of mail, I am summarizing, herewith, the results obtained from these trial shipments.

The cotton twine used in these tests was developed by the

Cotton Utilization Section of the Bureau of Agricultural Economics in cooperation with a prominent cotton manufacturer of your State. Trials of cotton twine conducted in the past by the Post Office Department showed that the types generally available at that time possessed several undesirable properties, and this new cotton twine represents the result of an effort to produce a twine which would obviate these difficulties.

The tests were conducted as follows:

The tests were conducted as follows:

Five lots, each consisting of eight bundles of letters, four tied with cotton and four tied with jute twine, each bundle weighing approximately 2 pounds, were sent from Raleigh, N. C., to offices of this Bureau in the following places: San Francisco, Calif., Atlanta, Ga., New York, N. Y., Chicago, Ill., and Dallas, Tex.

The 40 packages were tied by an experienced mail clerk in the Raleigh (N. C.) Post Office in order to insure, so far as possible, attaining equal tension on the packages. All jute twine used in the experiment had a small section marked with red dye so that it could be determined whether or not the twine had broken and was replaced in transit. No mark was placed on the cotton twine, as no post office or Railway Mail Service had such twine in stock and any replacement made would be evident.

Our representatives in these cities were asked to report particularly on the following points: (1) Comparative looseness of the jute and cotton twine; (2) condition of the letters, as to whether or not they seem to have shifted in the packages; and (3) whether the ends of the envelopes had been cut by the twine.

the ends of the envelopes had been cut by the twine.

Reports made by Bureau representatives upon receipt of the packages at the various points showed that both the packages tied with cotton and those tied with jute twine arrived in sufficiently good condition to be returned without the necessity of having the twine replaced or retied. The packages tied with cotton twine appeared to be in slightly better condition, on the average, than did the packages tied with jute twine, but no appreciable differences were noted in any respect.

The various packages of letters were then retagged and returned

examined each bundle and found their condition to be as follows:

All bundles, with the exception of one tied with jute and one tied with cotton, both sent from Chicago, were received into the condition of the All bundles, with the exception of one tied with jute and one tied with cotton, both sent from Chicago, were received intact. The twine on these two bundles had evidently slipped off the ends or broken during the return trip. The original jute twine on one other package had been replaced with a heavier twine. As a whole, the bundles tied with cotton twine were tighter than those tied with jute. No appreciable difference as detected in regard to cutting of envelopes and disarrangement of letters in bundles.

Although these tests indicate that this new cotton twine is fully satisfactory, I think it is well to point out that the trial was on such a small scale that the results should be considered as preliminary in nature until the twine can be tried out more extensively

nary in nature until the twine can be tried out more extensively by actual regular use in the Post Office Department.

On a yardage basis this new cotton twine is only slightly higher in price than the last jute twine supplied on bids to the Post Office Department.

We shall be pleased to keep you advised on subsequent develop-ments and greatly appreciate your interest in our efforts to extend

the uses of American cotton.

In the meantime, if there is any further information which we may be able to supply you, please let us know. Sincerely yours,

R. J. CHEATHAM, In Charge, Cotton Utilization Research, Division of Cotton Marketing.

W. P. A. Appropriation

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, Members of the House, the President of the United States by a message in writing, dated January 5, 1939 (H. Doc. No. 8), informed the Congress that an appropriation of \$875,000,000 was necessary to meet the relief situation in the country. On February 4, 1939, Congress appropriated the sum of \$725,000,000 on the false assumption that such sum was wholly adequate to meet the needs of relief for the fiscal year ending June 30 next. The President, on March 14, 1939 (H. Doc. No. 205), by message in writing, informed the Congress that its partial compliance with his previous request for funds would not and could not meet the required needs of relief for the balance of the fiscal year, and he therefore demanded that the Congress meet the situation by appropriating the balance of the original request; that is, the sum of \$150,000,000.

Until today nothing was done to comply with this request. We are now attempting a further compliance therewith. The Committee on Appropriations has reported House Joint Resolution 246, wherein it is sought to appropriate an additional sum of \$100,000,000. In my judgment, this sum is inadequate to care for the relief situation of the country. Private employment, either willfully or otherwise, has not taken up the slack of unemployment. This, in spite of the fact that the Congress acted to and did repeal certain taxes claimed by big business as a detriment to it. It was the complaint of big business that these taxes made it impossible to meet their need of development of plant and personnel, that if these taxes were removed business and industry could go forward and take up the slack of unemployment, subsequently relieving the W. P. A. and relief rolls. The removal of these taxes has not, however, prompted business and industry to so act. We are, therefore, faced with the same situation for relief legislation as prevailed when the President first advised the Congress thereon, to wit: January 5, 1939.

The attitude of the Congress has been piecemeal—first, it was claimed that the sum of \$725,000,000 was sufficient. Recently, the Congress has conceded its error, but in an attempt to save face the concession was only partial. In its greater wisdom, Congress now claims that the sum of \$100,000,000 is sufficient to meet the immediate needsrather than the \$150,000,000 advocated by the President. Due to the parliamentary procedure by which the House of Representatives is governed, we are compelled to adopt a practical attitude in order thereby to protect properly the unemployed and the needy. Were we to reject the proposed appropriation proffered in House Joint Resolution 246 we would thereby fail to meet the demands of the immediate situation in any respect. Under House rules, it will prove a virtual impossibility to obtain a roll-call vote to increase the appropriation to \$150,000,000. We must take or leave what is offered. To my mind such a situation is unworthy of a truly legislative body. Opportunity should be provided for a full and open attempt to comply with the President's request. The House committee in its report states, "recognizing that time is of the essense just now because of the pressing need, however brought about, to project administrative procedure for the remainder of the fiscal year, the committee perforce has pursued a more liberal policy than a searching inquiry probably would justify."

This language constitutes a feeble apologia for the committee's failure to comply fully with the President's request and a weak excuse for its failure to meet the actual situation of relief for the unemployed, which is such a vital issue at this time. We should not temporize with necessity and want. Millions of our citizens look with hope and confidence to the Congress for relief from a pressing economic situation, over which they have no control. To lessen or liquidate at this time the W. P. A. enterprises is tempting economic fate. The very attempt so to do will further destroy the already inadequate purchasing power of millions of our people to the ultimate harm of business and industry. If people cannot buy, business and industry cannot sell. It is our duty as a nation, during the period business and industry are unable to go forward and take up the slack, to maintain W. P. A. programs in order to give purchasing power to the unemployed. Unless we can maintain this equilibrium between purchasing power, consumption, and production, the entire economic edifice founded thereon will cease to function, bringing in its wake further chaos and distress to all, and especially to the unemployed and the needy.

Due to circumstances beyond their control a rather high percentage of the people in my district have been forced to resort to the relief rolls in order to sustain themselves and their families. Therefore, Mr. Speaker, while I deeply regret the parliamentary situation that practically prevents this House from raising the amount of the appropriation reported by the House Committee on Appropriations, I shall be constrained, in order to act in the best interests of the people whom I represent, to support the resolution as reported, reserving my rights to attempt by all parliamentary means possible to increase the same to the amount of \$150,000,000 as requested by President Franklin D. Roosevelt.

Should the Wagner Law Be Amended?

EXTENSION OF REMARKS

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

RADIO TALK BY HON. CLARE E. HOFFMAN, OF MICHIGAN, GIVEN OVER WJSV ON MARCH 30, 1939

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein copy of talk delivered by me on March 30, 1939, over the Columbia Broadcasting System from station WJSV in Washington:

Fellow Americans, one of the most important questions now be-

fore Congress is this: Should the Wagner law be amended?

As expressed in its title, the National Labor Relations Act, commonly known as the Wagner law, was passed "to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce."

foreign commerce."

If figures mean anything, it has not lessened the causes of such labor disputes, for though we find, from the Department of Labor's own figures that during 1928, 1929, 1930, and 1931, a 4-year period, we had in this country 2,972 strikes, involving 1,127,579 workers, and causing a loss to industry of 28,193,455 man-days of production; we also find that in 1 year, 1937, which might well be said to be the first year during which the Wagner law manifested its full strength, we had 4,740 strikes, which involved 740,000 more men than did the strikes during the 4-year period beginning with 1928, and these strikes caused a loss of almost 300,000 more man-days of production than were lost during the 4-year period.

In 1934, we had 1,856 strikes; in 1935, 2,014; in 1936, 2,172; and in 1937, as stated, 4,740.

The number decreased in 1938 to 2,350, but a number still greater

The number decreased in 1938 to 2,350, but a number still greater than in any year between 1921 and 1933.

The decrease can be attributed largely to the fact that business was flat on its back; lacked the funds to carry on a losing fight against the C. I. O. and the Board and found it easier temporarily to submit to the demands of the Board than to do costly battle

in the courts. Within the week the president of the American Federation of Labor said:

"The American Federation of Labor is the friend of the National Labor Relations Act. We sponsored it in the beginning. We helped draft it. We contributed largely toward its enactment into law."

He then demanded the amendment of the law.

At the time the law was enacted the A. F. of L. was the only great labor union, and apparently it proceeded in the drafting of this law.

on the theory that the Board interpreting and enforcing it, if it did not favor organized labor, would at least maintain a judicial attitude.

Unfortunately for the A. F. of L., the C. I. O. was organized, and, falling under the domination of Communists, although its leader, John L. Lewis, is not one, and using Communist methods, it proceeded by means of the sit-down strikes, threats, intimidation, and violence, not only to unionize the unorganized but to raid the mem-

violence, not only to unionize the unorganized but to raid the membership of the A. F. of L.

The National Labor Relations Board, the enforcing agent of the National Labor Relations Act, became the active ally of the C. I. O. until, as President Green said last week, it—

"Through decisions clearly in favor of the C. I. O. and against the American Federation of Labor, is working out the destruction of the American Federation of Labor."

Again, he said:
"We saw in this measure a new 'bill of rights' for labor; it has been used to nullify the rights of unions established during half a been used to nullify the rights of unions established during hair acentury. Under this act, workers were to be safeguarded in organizing, free from employer interference. Instead, labor has found itself coerced by a new and powerful bureaucracy."

Here we have the reason for the demand of the A. F. of L. that the Wagner law be amended.

Too many people have assumed that the act was passed solely in the interests of organized labor. While the A. F. of L. may have a membership of between three and four million and the C. I. O. claims a like number, a total of somewhere between six and eight million organized workers, the census of 1930 tells us there are more than 38,000,000 employees in this country, exclusive of agri-

cultural, forestry, and fishing workers.

The fundamental fault with the act is that it is basically unfair. All admit that the employer is without remedy for unfair labor practices on the part of his employees; that the act, by its terms, not only fails to acknowledge that organized labor or employees can not only fails to acknowledge that organized labor or employees can be guilty of unfair labor practices; that it not only fails, after granting certain rights to workers, to grant reciprocal rights to employers, but that it, in fact, places the employer, in the conduct of his business, absolutely at the mercy of the Board, organized labor, and employees, and that under it his business can be destroyed without legal redress.

Proof that the Wagner law permits the business of the employer to be injured or destroyed; the right of the worker to refuse to join a union without losing his job to be taken from him; the right to collect dues and bargain with the employer to be taken from a labor union and the union destroyed—by the action of the Board is found in three recent cases decided in the United States courts.

States courts.

States courts.

In the Zirkin case, decided by the Circuit Court of Appeals for the District of Columbia on the 27th day of March 1939, there were, among other employees, 11 fur workers. After an organizing campaign, 1 joined the C. I. O.; later another joined. The other 9 workers joined the A. F. of L., with whom the employer, obeying the provisions of the act, made a collective bargaining agreement.

The two C. I. O. workers, assisted by men who were not employed at Zirkin's, picketed the plant. The court said:

"The persons picketing Zirkin's place of business were disorderly in their conduct, made assaults and attempted assaults upon the fur workers of Zirkin's, intimidated and coerced them by threats of bodily harm, and interfered with customers of Zirkin's while they were entering or leaving the business establishment."

Zirkin's would have been guilty of unfair labor practice under the act, had it refused to bargain collectively with the A. F. of L. union.

of L. union.

Although Zirkin's had complied with the law in every particular and its business was being destroyed, the Court, in dissolving an injunction which had been issued to restrain the pickets from assaulting, intimidating, and coercing the workers and customers said.

"The result is an inequality before the law as between an employer and employees in this particular, namely, that while the employer has a right to carry on his business, he lacks a legal remedy for protecting it against injury through the struggle of

competing unions."

The Court further held that Zirkin's only remedy was through

The court further held that Zirkin's only remedy was through an amendment of the law by Congress.

The employer and the A. F. of L. employees were told that, while they might have rights which were being taken from them, there was no legal remedy under the Wagner Act.

The effect of this decision is that, if you have a business, employ men, and those men cannot agree upon which organization they desire to represent them for the purpose of collective bargaining, and if you bargain collectively with one faction—as you can, under the act, be forced to do—the other faction, if the Board fails to call an election, as it has in many cases, can picket your place of business, use force and violence insofar as the Wagner Act is concerned, and absolutely destroy your means of livelihood.

Such a condition, in a country which claims to be free, should not be tolerated for a moment and Congress has been remiss in its duty, in its failure to take up and solve this problem long ago.

Not only is the law unfair to the employer, but, as interpreted Not only is the law ultilar to the employer, but, as interpreted and administered, it absolutely deprives the worker of the very right guaranteed to him; that is, the right to bargain collectively through representatives of his own choosing.

As authority for this I cite the statement of the chief counsel of the A. F. of L., Joseph A. Padway, who, arguing before the Supreme Court of the United States in a labor case, said:

"One would imagine that every employee under section 7 (of the

"One would imagine that every employee under section 7 (of the act) has the absolute right to freedom of choice in respect to representatives for the purpose of collective bargaining. Nothing can be further from the truth."

Proof that the Board has the power to destroy, and has destroyed, independent unions is found in the decision in the Harris case, reported in 100 Federal (2d) 197, affirmed by the United States Supreme Court on February 27, 1939.

Supreme Court on February 27, 1939.

There the Board disregarded the result of an election called by it, certified as representatives for collective bargaining those who did not represent the majority, and, when the majority, represented by an independent union, appealed from this order or certification, the employees and the union were told that they had no right to appeal, that they could not bargain collectively through representatives of their own choosing; that they could not exercise the right which was expressly given them by section 7 of the act.

Another case, where the A. F. of L. was the victim of the Board's arbitrary decision, is that of American Federation of Labor et al. v. National Labor Relations Board, decided on the same day, February 27, 1939, by the Circuit Court of Appeals for the District of Columbia.

There, for the purpose of selecting the representatives for collec-

There, for the purpose of selecting the representatives for collective bargaining, the Board designated the whole west coast as the bargaining unit, or election precinct, from which these representatives should be elected.

sentatives should be elected.

Many individual employers, many cities, many ports of entry were included in this district, and it was matter of common knowledge that, throughout that district as a whole, Harry Bridges, the alien Communist, held sway.

Ignoring the claims of the A. F. of L., which had many members in this territory, an election was held and the C. I. O., having a majority in the whole district, was designated as the bargaining

The result is that from Mexico to Canada all of those members of the A. F. of L., if this decision stands, will be forced either to join the C. I. O., pay dues to Harry Bridges' communistic organization, or lose their jobs.

zation, or lose their jobs.

In this case, acknowledging this injustice, the Court said: "So that what happened was precisely what in a proper case the act designed should happen, but, as we have seen, with the result that petitioner, in the localities in which its members constituted a majority, was—if the Board's decision as to the representative unit is valid—deprived of the very thing which petitioner insists it was the purpose of Congress to secure and protect."

Your attention has been called to these three cases for they establish the fact that, under the Wagner law as it stands, as it is interpreted and administered by the Labor Board, an employer can be deprived of his business, the individual worker can be forced to join a union, pay dues, or lose his job, and labor unions can be destroyed—all without remedy under the act.

Other circuit courts of appeal have held, as has the United States Supreme Court in the Harris case, that, from the order certifying

Supreme Court in the Harris case, that, from the order certifying representatives for collective bargaining, the employees had no appeal to any court; thus, they were deprived of the right given

them by section 7.

The Wagner Act does not in all cases give to the employee the right to bargain collectively through representatives of his own

choosing.

That act does not protect an employer, the man who furnishes the jobs and pays the workers, from the unfair, the unlawful activities of either labor organizers or his own employees.

The act does not protect the employee against intimidation, coercion, and force on the part of labor organizers.

The act does not protect the millions of unorganized employees.

The statement of the president of the A. F. of L. is true. The act is being used to raid and to destroy that great labor organization. ization.

The conclusion, therefore, is that Congress should so amend the law as to accomplish the purpose stated in its title, and to that end I have offered amendments which I sincerely believe will do much to aid labor, restore industrial peace, and protect the worker who wants to join or not to join a union.

A New Deal Exhibit

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

EDITORIAL FROM THE SHELBYVILLE (IND.) REPUBLICAN

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Shelbyville Republican of March 30, 1939:

[From the Shelbyville (Ind.) Republican, of March 30, 1939] A NEW DEAL EXHIBIT

Three times in the last 3 months President Roosevelt has insisted that W. P. A. has not enough money to feed the hungry unemployed. But in spite of this relief emergency, the W. P. A. will spend a quarter of a million dollars for an ornate pavilion at the New York World's Fair, the only Government activity to have

New York City Relief Administrator Somervell has announced that this W. P. A. show will be housed in a building not far removed from the bubble dancers of the fair's great white way.

removed from the bubble dancers of the fair's great white way. The structure, with a 256-foot frontage, will contain an open-air court 126 feet long and 80 feet wide, filled with shade trees, comfortable benches, gravel walks, flower beds, and a fountain. The interior, opulently adorned with murals by W. P. A. artists, will be a living panorama showing W. P. A. workers at their desks in laboratories and classrooms; at work benches repairing books, furniture, and toys; in kitchens cooking; and sewing. Elaborate models and charts will show W. P. A. workers constructing highways, bridges, airports, and other large projects. There will be a ways, bridges, airports, and other large projects. There will be a 299-seat theater equipped with a revolving stage and motion-picture projection booth and a band shell for concerts and folk dancing. It has been admitted that the \$250,000 cost of the building is only a start, and the completed project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will come to be a start of the project will be a st more than twice as much. Apart from the workers who participate in the actual displays, a characteristic New Deal note will be an administrative staff of some 200 persons.

administrative staff of some 200 persons.

Congress has already appropriated \$3,000,000 for a Federal exhibit at the New York World's Fair and it did not authorize any separate exhibit for W. P. A. If, as President Roosevelt has stated, the W. P. A. is seeking "all possible economies," why should a quarter of a million dollars of relief money be used to house an exhibit at the world's fair? At prevailing rates that sum would have kept 1,388 workers on W. P. A. rolls for the next 3 months. Looked at from the taxpayers' point of view, it would require the taxes on more than 5,200 incomes of \$5,000 each to pay the cost of this exhibit.

this exhibit.

this exhibit.

Not only is this exhibit a flagrant waste of relief money but, as is the case with so many New Deal activities, it is an interference with private business as well. The W. P. A. Theater, which will provide free entertainment by a series of 40-minute plays, has already evoked a protest from the owner of the Merrie England exhibit, which includes a reproduction of the famous Shakespearean Globe Theater. This free competition endangers the entire enterprise representing a considerable investment and the employment

Taken all in all this pavilion is well calculated to show the spirit of the New Deal in the World of Tomorrow. It is a perfect exhibit to present the viewpoint of an administration which has nothing to offer the unemployed but relief, an administration which makes it difficult for private enterprise to succeed, an administration which is so anxious to spend taxpayers' money that its activities make it difficult for the unemployed to get jobs in private industry.

private industry.

Josephine Brownson of Detroit Awarded Laetare Medal for Catholic Action

EXTENSION OF REMARKS

HON, LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks, I wish to have preserved in the Congressional RECORD an event of memorable significance.

On Sunday, March 19, 1939, Miss Josephine Brownson, a respected and beloved citizen of my congressional district in Detroit, Mich., was awarded the Laetare Medal by the University of Notre Dame. This honor, the highest a Catholic layman can receive in the United States, is bestowed

annually by the university.

Miss Brownson, president of the Catholic Instruction League of Detroit, is widely known for her educational activities. In 1906 Miss Brownson established the league in Detroit for the purpose of instructing Catholic children in public schools. At the present time she has some 400 teachers and 13,000 students under her supervision. Formerly an instructor of mathematics in a Detroit high school, the medalist resigned her position to devote her time to religious instruction.

In recognition of Miss Brownson's contribution to the cause of Catholic Action, the late Pope Pius XI conferred on her the papal decoration Pro Ecclesia et Pontifice in 1933.

Both in Catholic Action and in the field of writing Miss Brownson carries on the literary traditions of her family, begun by Orestes A. Brownson, the "Father of American philosophy." Her published books include Living Forever, Feed My Lambs, and To the Heart of a Child. Miss Brownson's father, a philosopher and author, was awarded the medal in 1892. This is the first time that a descendant of a former medalist has received the honor.

The Laetare Medal is given annually by the University of Notre Dame as a recognition of merit and as an incentive to greater achievement, the award originated in the ancient Papal custom of bestowing the golden rose on a member of the Italian Catholic nobility on Laetare Sunday, the fourth Sunday of Lent. Its modern counterpart was inaugurated at Notre Dame in 1883, when the Very Reverend Edward Sorin, C. S. C., founder of the university, bestowed the first medal on the late John Gilmary Shea, eminent Catholic historian.

Others who have received the medal include Dr. Albert Zahm, present occupant of the Guggenheim chair of aeronautics in the Congressional Library; John McCormack, Irish tenor; Hon. Alfred E. Smith, statesman; Richard Reid, southern editor and writer; and Dr. Irvin Abell, former president of the American Medical Association.

Below is the complete honor roll of the men and women. who in their particular fields of endeavor have achieved such distinction as reflects glory upon their Catholic faith:

1883. John Gilmary Shea, historian. 1884. Patrick J. Keeley, architect. 1885. Eliza Allen Starr, art critic. 1886. Gen. John Newton, engineer. 1887. Edward Preuss, publicist. 1888. Patrick V. Hickey, editor, founder of Catholic Review. 1889. Anna Hanson Dorsey, novelist. 1890. William Onahan, organizer, First American Catholic Congre 1891. Daniel Dougherty, orator. 1892. Henry F. Brownson, philosopher and author. 1893. Patrick Donohue, founder of the Boston Pilot. 1894. Augustine Daly, dramatic producer. 1895. Mrs. James Sadlier, novelist. 1895. Mrs James Sadlier, novelist.
1896. Gen. William S. Rosencrans, soldier.
1897. Thomas Addis Emmett, physician.
1898. Thomas E. Howard, jurist.
1899. Mary Gwendolin Caldwell, philanthropist.
1900. John A. Creighton, philanthropist.
1901. William Bourke Cochran, orator.
1902. John B. Murphy, surgeon.
1903. Charles J. Bonaparte, lawyer.
1904. Richard Kearns, diplomat.
1905. Thomas B. Fitzpatrick, philanthropist.
1906. Francis Quinlan, physician.
1907. Katherine E. Conway, journalist.
1908. James C. Monaghan, economist.
1909. Mrs. Frances Tiernan (Christian Reid), novelist.
1910. Maurice Francis Egan, author and diplomat.

1910. Maurice Francis Egan, author and diplomat.

1911. Agnes Repplier, author. 1912. Thomas M. Muiry, philanthropist. 1913. Charles B. Herberman, editor in chief of the Catholic

Encyclopedia.
1914. Edward Douglas White, jurist, Justice of the United States

Supreme Court.
1915. Mary V. Merrick, philanthropist.
1916. James Joseph Walsh, physician and author.
1917. William Shepherd Benson, admiral and Chief of Naval

Operations.

1918. Joseph Scott, lawyer.

1919. George Duval, philanthropist.

1920. Lawrence F. Flick, physician.

1921. Elizabeth Nourse, artist.

1922. Charles P. Neill, economist.

1923. Walter George Smith, lawyer.

1924. Charles D. Maginnis, architect.

1925. Albert Francis Zahm, scientist.

1926. Edward N. Hurley, businessmar

1925. Albert Francis Zahm, scientist.
1926. Edward N. Hurley, businessman.
1927. Margaret Anglin, actress.
1928. Jack J. Spalding, lawyer.
1929. Alfred E. Smith, statesman.
1930. Frederick P. Kenkel, publicist.
1931. James J. Phelan, banker.
1932. Stephan J. Maher, physician.
1933. John McCormack, concert singer.
1934. Genevieve Garvan Brady, philanthropist.
1935. Frank H. Spearman, author.
1936. Richard Reid, lawyer and journalist.
1937. Jeremiah Denis M. Ford, scholar.
1938. Irvin William Abell, surgeon.
1939. Josephine Brownson, founder of the Catholic Instruction eague.

League.

Florida and Old Erin-Contributions of the Irish to the "Land of the Free and the Home of the Brave" Since the Days of St. Brendan

EXTENSION OF REMARKS

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

ADDRESS BY HON, VINCENT F. HARRINGTON, OF IOWA

Mr. HENDRICKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I offer herewith the manuscript of an address delivered before the Friendly Sons of St. Patrick in Miami, Fla., on Friday, March 17, by the Honorable Vincent F. Harrington, a Member of Congress from the State

Ladies and gentlemen, to visit Florida at any time is esteemed a great pleasure, but to sojourn in Miami on St. Patrick's Day, as the guests of the loyal sons and daughters of old Erin, is a delight that warms the heart of an Irishman and lifteth the cup of joy

that warms the heart of an Irishman and lifteth the cup of joy to the brim of overflowing.

About 4 weeks ago it was my privilege to enjoy the hospitality of your neighboring city of Jacksonville, but one really has to come down to Miami on such an occasion as this to plumb the real depths of Florida cordiality and to discover where the real wonders of this gorgeous winter land are really located. Incidentally our congressional committee visited Jacksonville to investigate the matter of digging a ditch across northern Florida, thus separating the two sections of the State. Those northern Floridans want that canal very much and if I were a Miamian. I wouldn't want that canal very much, and if I were a Miamian, I wouldn't object too strenuously. Just think of the extra inducement your Miami boosters would have to offer us northern tourists—a visit to the only island State in the Union—a sojourn in a southern Florida paradise surrounded entirely by the Gulf Stream. I can think of no adequate rebuttal whatever from the Los Angeles Chamber of Commerce.

When one considers, too, that this is the same Gulf Stream that kisses the southern shores of the Emerald Isle it is easy to con-ceive of there being a bit of Florida transplanted in Ireland, and the physical affinity between the two islands would be such that no loyal Irishman would ever again want to spend a winter in California. He would have to come to Florida, not only because of the inherent virtues and superiority of this magnificent winter land, but also simply as a matter of sentiment. And sentiment is no light matter with the Irish.

Before venturing down here I thought I had better look up a little of the early history of Ireland and Florida to see if I could establish any natural affinity other than the Gulf Stream. So I went over to the Congressional Library and browsed around a bit, and believe you me I think I really found something there. The first thing I learned—and this may sound like heresy coming from a good Knight of Columbus—the first thing I read was that Christopher Columbus was not the first European to discover America but that an Irishman had beat him to it by something like a thousand years and had voyaged over here in the sixth century. sand years and had voyaged over here in the sixth century. However, when you stop to consider that 14 centuries later another Irishman got off the track with his airplane, flew backward, and landed in Ireland by "mistake," you can see that these Irish are capable of doing almost anything, and it is consequently quite believable that one actually did visit our shores many hundred years ahead of Columbus.

years ahead of Columbus.

Of course, this is largely legend and tradition, but an exploration of the lore of early medieval times discloses that the discovery of a western world is frequently alluded to, and that this land was commonly referred to as Irland it Mikla, or Great Ireland. It all seems to date back to the voyages and discoveries of an Irish monk named Brendan. For the benefit of any Scandinavian constituents from my district who may be listening in and who cling to the belief that it was Leif Ericson or Eric the Red who first discovered America, let me say that the source of the tradition of St. Brendan America, let me say that the source of the tradition of St. Brendan is as much Norwegian as it is Irish. In the oldest Norse sagas the southern coasts lying between Virginia and Florida are designated as the land of the white men. They are expressly called Great Ireland, and it is maintained they were peopled by the Irish. Later volumes in which corroborative accounts are recorded were com-piled 3 centuries before the birth of Columbus, and evidently represent the then prevailing belief in a Great Ireland beyond the

western sea.

Irish annals also make special mention of the same fact. They credit the first voyage westward to St. Brendan, who flourished from the year A. D. 550 till the beginning of the following century. Another thing: Two centuries before Columbus the discovery of St. Brendan's Land is an accepted tradition in Italy and the Italian geographers set it down on their conjectural charts as "opposite Europe and Africa, from the south of Ireland to the end

of Guinea."

Pursuing the legend further, we arrive at a description of this new world which seems to have been settled and peopled, for a time at least, by the Irish. In the thirteenth century the Golden Legend was written by the Bishop of Genoa (the native city of Columbus), and special prominence is given in this work to the new world discovered by St. Brendan. And here is the interesting point: The frequent references of the Golden Legend to the "singing of the birds," the "greenness of the vegetation," the "promised land," and the "semitropical paradise" of this new world can lead to but one conclusion in the mind of any unbiased southern Floridian. And this conclusion is that the land discovered, settled, and peopled for a while by St. Brendan was none other than your beloved Florida. What happened to these prehistoric Irish settlers, of course, no one knows. Perhaps the Indians wiped them out, or the mermaids lured them to their doom, or it may have been the alligators. been the alligators.

Now, having demonstrated to your satisfaction that an Irishman discovered Florida and that the first white settlers of this sweet land of sunshine were the sons of Erin, I want to point out that, appropriately enough, it was another Irishman who made it possible for Florida to become a part of the United States. I refer to one other than the great patron saint of the Democratic Party, the illustrious Andrew Jackson. After his defeat of the British at New Orleans in the War of 1812, General Jackson prosecuted the Seminole war to a successful conclusion and thus paved the way for the acquisition of Florida in 1819.

Andrew Jackson was the unlettered son of poor Irish immigrant parents. Untutored in the technique of the schoolroom, he was nevertheless the recipient of a rich heritage of common he was nevertheless the recipient of a rich heritage of common sense and tenacity and a richer heritage of courage to defend and maintain those rights for which his forefathers fought. So it is that we find Jackson meeting the challenge and turning back the same reactionary trend in this young Republic that had contributed to such misery and tragedy in the homeland. Being of the common people it was but natural that this simple son of the American frontier should rise to the defense of the common people when avarice and special privilege and the principle of property rights above human rights threatened to circumvent the Constitution and make a mockery of the Declaration of Independence. A sense of justice and fair play and the courage to fight on the side of the underdog are inherent characteristics of the Irish race and Andrew Jackson personified these typical virtues to the highest degree. virtues to the highest degree.

I wish it were possible to continue the analogy by producing some evidence that Irish blood flowed in the veins of the romantic

I wish it were possible to continue the analogy by producing some evidence that Irish blood flowed in the veins of the romantic Ponce de Leon who was undisputably Florida's first and foremost press agent. Broadly speaking, however, the Irish and the Spanish, the Scotch and the French spring from a common Cettic ancestry, remote as it may be, so it is easy to understand that the romantic flair which inspired Ponce's quest for the fountain of perpetual youth could readily have been of Irish origin. And, if the Spanish explorer had only known it, the object of his search—the fountain of youth—existed and lives forever in the hearts of every true son and daughter of Erin, for the Irish are essentially a people of youth, love, and laughter.

As we are gathered here tonight to celebrate the birthday of the man who brought Christianity to the Emerald Isle some 1,600 years ago, it would seem in order to touch lightly on the background of the Irish. We sons of Irishmen may well be proud of our ancestry which dates back beyond that of almost any other European people. Long before the great event in Galilee, Irish kings were enthroned in Erin, and while England and most of Europe was yet a savage and uncouth wilderness the seeds of learning and culture were firmly planted on Irish soil. From the fifth to the twelfth centuries the schools and University of Ireland enjoyed a widespread renown and attracted students from many parts of Europe. Irish travelers penetrated into every part of the then known world and contributed their knowledge and genius to the development of civilization and Christianity. Throughout the Dark Ages of European history, Ireland alone cradled the spark of liberty and kept alive the torch of intellect, and when Charlemagne welded together his empire he recruited Irish scholars and monks to bring about a revival of learning and a renaissance of culture and civilization.

Ultimately, however, Ireland was to succumb to military force and for several centuries she bore the yoke of oppression which

Ultimately, however, Ireland was to succumb to military force and for several centuries she bore the yoke of oppression which has been lifted only within the memory of this generation. Consequently the settlement of the new world and the establishment sequently the settlement of the new world and the establishment of a free and independent government on the shores of America offered a heaven-sent sanctuary to the suffering and suppressed back in the old country. The part played by Irish immigrants in wresting a foothold in the American wilderness and later on in helping to free the colonies is well known to every school-

Irishmen served in the Continental Congress and aided in drafting the Declaration of Independence and in writing the Constitu-tion. Their gallantry in many of the battles of the Revolution is a matter of record. It is said that at least half of Washington's Continental Army was composed of Irishmen while "Mad Anthony" Wayne's command was recruited almost entirely from the sons of Ireland. It is interesting, too, that when the British evacuated

Boston on March 17, 1776, General Washington's password on that day was "Boston" and the countersign, appropriately enough, was "St. Patrick."

"St. Patrick."

Likewise the Irish have conspicuously displayed their valor in every other war this country has engaged in. They fought at New Orleans, in Mexico and Texas, and on both sides at Gettysburg. In the late World War, it is estimated, 500,000 of them fell on the battlefields of France.

On the other hand, since the very beginning of this Nation, the descendants of Irishmen have also distinguished themselves in peaceful pursuits—at the bar, in government, in oratory, and in letters. They have made lasting contributions to every avenue of American life. Men of Irish blood have served as governors, as Supreme Court Justices, and as President of this great Nation. They have contributed their genius to our literature, our halls of education, our music and arts, and our stage and screen. Their peculiar talent for politics and government has helped to keep our comparatively youthful ship of state on an even keel with the compass of that ship ever pointed toward the stars of liberty, freedom, and justice. They are forever interwoven into the fabric of Americanism. Americanism.

Americanism.

Recently I read a history of Irish Settlers in North America, written by Thomas McGee in the year 1850. It recounts the conspicuous activities of the early Irish-Americans up to about the middle of the last century. What impressed me greatly was the statement that, in spite of their contribution to the new republic, the people of Irish descent were still being persecuted in America as late as 1840. Bigotry seemed to have been running rampant for a time, resulting in the Philadelphia riots and to other religious persecutions. At any rate, the children of Irish blood and Irish names seemed to be shrinking from the epithet of Paddy, and the book concluded with a stern admonition to Irish blood and Irish hames seemed to be shrinking from the epithet of Paddy, and the book concluded with a stern admonition to Irish parents that unless their progeny were instilled with the proper pride of ancestry and respect for their religion that the rich heritage of Irish-Americans would cease to be in another

generation or two.

I am most happy that this warning either had the desired effect or proved to be unwarranted after all. For today there is not a man or woman in America whose ancestry springs from the a man or woman in America whose ancestry springs from the Emerald Isle but who is proud and sometimes—as on St. Patrick's Day—a little boastful of the fact. Likewise, I believe that we descendants of Irishmen enjoy the respect and, I might add, the affection of most other American citizens. The World War and its liberalizing aftermath did much to break down the bigotry and intolerance of the old order. By their conduct and example the people of Irish blood in this country have convinced

and its liberalizing aftermath did much to break down the bigotry and intolerance of the old order. By their conduct and example the people of Irish blood in this country have convinced the world that they are good citizens and good Americans, and that they have contributed generously not only of their blood and brawn but of their loyalty, industry, genius, and intellect to make America the great nation that it is.

America today is confronted not so much by direct dangers from without as by perils from within which originate on foreign soil. Philosophies of government alien to our ideals and our traditions are seeking to insinuate themselves into the minds and hearts of our citizens. These insidious propagandas would seek to substitute communism on the one hand and fascism on the other for the true American ideals conceived by our forefathers and written into the Declaration of Independence and the Constitution. They would reverse the time-tried theory that the state exists only for the benefit of the individual and made the individual the vassal of the state. They come cloaked in the guise of economic salvation, and what a palpable disguise it is! In the countries where these so-called Utopian forms of government are in effect the people no longer enjoy free speech, a free press, and the freedom of worship. For the most part, they do not even enjoy the normal gratification of physical appetite. They have nothing left to enjoy and they barely exist under the grinding heels of self-deifying dictators. I am proud that the Irish of America are too perceiving, too experienced, and too liberty loving to have anything to do with these false philosophies and that in both the Communist and Fascist movements our Irish-Americans have been very conspicuous by their absence.

It is to be devoutly hoped that communism and fascism will

the Communist and Fascist movements our Irish-Americans have been very conspicuous by their absence.

It is to be devoutly hoped that communism and fascism will never gain a foothold in this land of the free and home of the brave. But in the event of such a threat I am quite sure on which side the Irish would promptly align themselves. Like the patron saint whose birthday we celebrate tonight and who is credited with ridding the Emerald Isle of reptiles, I feel certain that Irish-Americans would be the very first to raise the shield of liberty and help to exterminate the alien agitator and the pagan philosopher.

So, in repeating this ditty that is being sung in more and the pagan philosopher.

So, in repeating this ditty that is being sung in many parts of Ireland tonight I would like you to bear in mind that the objects of St. Patrick's wrath were merely figurative and that they really symbolize all the evil things that endanger our moral and political structure today:

"St. Patrick was a gentleman, and he came from decent people; In Dublin town he built a church, and on it put a steeple; His father was a Wollaghan, his mother an O'Grady, His aunt she was a Kinaghan, and his wife a widow Brady.

"Och! Antrim's hills are mighty high, and so's the hill of Howth, too;

But we all do know a mountain that's higher than them both, too; Twas on the top of that high mount St. Patrick preached

He drove the frogs into the bogs and vanished all the vermin,"

The legends of Ireland are both copious and beautiful. One of the most enchanting tells us that when God set about to create the earth he first put in England to give the world solidity; next he earth he first put in England to give the world solidity; next he fashioned France to give the world a rainbow hue; he added Italy to give the world art, music, and literature; and then he rested content when he gave the world adventurous Spain. But the legend says that St. Patrick, turning to God, said, "Master, Thy work is incomplete—now give us, good God, a country with the heart of a child, the love of a lassie, and the smile of God."

And thus Ireland was born, and hence it is that Irish humor and good nature ever since have warmed the blood and blessed the life of every people; Irish poetry has stirred the deepest depths of the human heart and lifted it to heights sublime; Irish oratory has moved men to high endeavor and daring deeds of valor in noble causes; Irish learning and culture have brightened and

oratory has moved men to high endeavor and daring deeds of valor in noble causes; Irish learning and culture have brightened and softened barbaric peoples and advanced civilization; and Irish love and laughter have penetrated the fiber of all mankind.

Tonight, as the sons and daughters of Irish kings—and all of us are—we may look back upon the story of Ireland, upon its checkered history, upon its heroic struggles, upon its ennobling traditions, with both affection and veneration. And, as Americans, we can look forward into the unnumbered years of the future with serenity and confidence, knowing that as long as the blood of Ireland beats in American hearts, no dictator can impose his will upon American editizens and no oppressor no matter box. his will upon American citizens, and no oppressor, no matter how artful or mighty, can enslave our people. The love of liberty, of truth, of justice, and of free government is seared deep in the souls of Irish-Americans, and their courage to defend these rights is as unquenchable as the sands of Sahara.

A Citizen's Comments on Current Topics

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

LETTER FROM A CONSTITUENT

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an interesting and provocative letter from a resident of my congressional district. Honest and sincere thinkers may differ as to the arguments and conclusions contained in the letter. However, I think the comments and observations in the letter are well worthy of scrutiny. It seems to me the author of this epistle is to be congratulated for his interest in national and international problems. I do not want it understood that I necessarily agree with comments of the writer or in his conclusions, but I do feel that his approach to the problems provides an interesting sidelight on what is motivating the impulses of many of our citizens at home today.

The letter is as follows:

EATONVILLE, WASH., March 20, 1939.

Hon. John M. Coffee, M. C.,

Washington, D. C.

Dear Mr. Coffee: In writing this letter I am merely trying to express as concisely as possible certain conclusions that seem to me inescapable and obvious if one attempts a common-sense evaluation of events and conditions today.

of events and conditions today.

Today democracy is under severe pressure. It approaches the diverging road which forks to the left and to the right. Can we avoid those diverging branches and carry on the democracy of our fathers without material changes in the structure thereof? That, it seems to me, is the basic question we can no longer evade.

The pressure for change is terrific. Internally we have our bunds and other subversive groups; dissatisfaction of industrialists on the one hand and of poverty-stricken unemployed on the other; cranks and crackpots of every hue everywhere. Externally we have the saber-rattling egocentrics of Europe and Asia (promoters of a new Dark Age), whose success will probably mean civilized society's end. In the struggle of the European democracies against totalitarian egomaniacs whose one precept is force and more force, I feel that we cannot merely stand by and hope for the best. We must so slant our neutrality that friends of democracy will be aided and its foes assisted only in making a hurried exit. For I believe that democracy can be militant without being militaristic. When pressure is put upon us, counter pressure must be applied. Without some assistance from America to the democracies of Europe in the seemingly inevitable war to come, it may well be that America will heave the ich to de clove and unvestited at a later date. seemingly inevitable war to come, it may well be that America will have the job to do alone and unassisted at a later date.

Present attempts in the Senate to revive the war-referendum idea can have no effect but to weaken our democracy by checkmating its leaders in their efforts to apply the rule of reason to interna-

tional morals. Such a referendum is contrary to the Democratic principle of "government by elected representatives;" it would mean government by emotion in place of reason and would place a premium on demagogues of the Coughlin type who work up mob

premium on demagogues of the Coughlin type who work up mob passions by every device of modern propaganda.

Our magnificent facilities for industrial production are only partly utilized for lack of purchasing power on the part of most of our people. Were it used to the full, and the people able to absorb the production, the resultant well-being in the United States would exceed our most sanguine dreams.

I believe that conditions approaching that ideal can only be attained through the growth of a more tolerant, more democratic spirit among those who hold the reins of economic and political power in America. Our captains of industry and the press and politicians of the reactionary stripe must realize that the days of the rugged individual with the grasping fingers is past. They must understand that the nether third is entitled to something more than a bare subsistence. They must be made to concede the necessity for so ordering our economic life that the efforts of our liberals toward the attainment of a fuller life for the masses can succeed.

sity for so ordering our economic life that the efforts of our liberals toward the attainment of a fuller life for the masses can succeed. Nothing is more disgusting than to read the speeches of our obstructionists in Congress and the Senate. Their one purpose in life appears to be to prevent passage of any and all legislation that can possibly be of benefit to the people. The tragedy is that such a negative attitude hastens the day of crisis when subversive organizations may gain the upper hand. Revolution is bred of misery and the eclipse of hope. By refusing to sanction progressive legislation our reactionaries are preparing the way for Fascist propagandists who are only too active in the propagation of their unholy cult.

of their unholy cult.

I believe the solution lies in restoring to the people their rights as cosharers of the wealth they have produced by their labor. This end can be accomplished by the encouragement of cooperative societies; by the fostering of nonprofit publicly owned utilities, including such necessary utilities as the railroads, coal, gas, and oil; and by the levying of very heavy income taxes in the higher brackets. By these means and others would be accomplished a gradual redistribution of wealth, resulting in improved purchasing

power and greater national well-being.

Let us make no mistake about it, the obstructive tactics of our die-hard conservatives in Washington are as truly subversive in

die-nard conservatives in Washington are as truly subversive in effect as are the equally blundering tactics of the bunds.

By contrast the sane and constructive attitude of your small band of genuine liberals in Congress is heartening in the extreme. The shame is that you are so few. My hope is that voters will some day awake and put into office more men of the type who will work for the interests of all the people, instead of plugging mainly for the special-interest crowd.

I remain, sincerely,

WATT MCHENRY.

WATT MCHENRY.

A Report From Puerto Rico

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

RADIO ADDRESS BY MAJ. GEN. BLANTON WINSHIP, GOV-ERNOR OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Maj. Gen. Blanton Winship, Governor of Puerto Rico, over the Columbia Broadcasting System, Saturday, March 25. He spoke from the studios of WJSV, Columbia's station for the Nation's Capital.

Our lovely island of Puerto Rico during the last few months has assumed a new importance to the United States. Although the little Caribbean territory has long been prominent commercially as one of the 10 leading customers of American business, it now has come into even greater prominence because of the new emphasis on national defense and because of President Roosevelt's desire to improve cultural relations between North and South

desire to improve cultural relations between North and South and Central America and the islands to the east and south of us. Puerto Rico, as a Territory of the United States, is closely tied to this great democracy, and I am hopeful that these recent developments will result in a still closer relationship and thus bring about more quickly a solution to Puerto Rico's pressing economic

and social problems.

and social problems.

The island originally was acquired from Spain in 1898 as a consequence of the Spanish-American War, because it was considered to be strategically located for the defense of our eastern seaboard. Ideas changed, however, and plans for establishing defense bases there were abandoned, only to be suddenly revived when President Roosevelt's plan for continental solidarity was announced. It now is deemed essential to provide for complete protection, not only of the Atlantic seaboard of the United States but also of

the Panama Canal and South America, and Puerto Rico has been termed by various military and naval experts as the keystone in our national-defense program. Strategically located in the Caribbean Sea, 1,400 miles south

and east of New York, about 1,000 miles east of Panama, and less than 600 miles from the north coast of South America, Puerto Rico is ideally situated, not only for the large proposed naval air base but also as a full-fledged base for naval vessels. In addition, plans have been advanced for fortifying the island to guard against possible seligure by general forces.

tion, plans have been advanced for fortifying the island to guard against possible seizure by enemy forces.

At the present time there are no modern fortifications of any kind in Puerto Rico nor are there any large armed forces. As for fortifications, Puerto Rico has only its historic forts built three and four hundred years ago by the Spanish Government. These forts are of no value today, except for their great appeal to the thousands of tourists who visit Puerto Rico each year. We have one United States Army reg'ment, the Sixty-fifth United States Infantry, and two National Guard regiments. Our National Guard regiments rank with the best of all National Guard regiments in the States. The Sixty-fifth Infantry now stationed on the island is a consolidation of two regiments which were sent from Puerto Rico to guard the Panama Canal during the World War. Their service there was characterized as outstandingly good and furnishes another example of the unmistakable loyalty of the Puerto Rican people to the United States Government.

Rican people to the United States Government.

Without question, Puerto Rico looks forward to the solution of its problems and to the future happiness of its people under the United States flag. All evidence points to the fact that the people of Puerto Rico are devoted to the idea of cooperation with our Government, and to the preservation of American ideals under

the American flag.
Some individuals with un-American ideas have endeavored to Some individuals with un-American ideas have endeavored to foment trouble in the island, but their ideas find no lodgment there. The people of Puerto Rico want an orderly, democratic government. The island now has been a part of this country for 40 years. Its people have been United States citizens for nearly 22 years. They have been living under a form of government which is as truly democratic, in every respect, as that of the United States mainland. Like their fellow citizens in the States, they enjoy to the utmost the freedom of speech and of worship, the freedom of the press and of civil liberties, and other democratic institutions which make the United States the envy of the civilized world. The Puerto Rican people fully recognize the many advantages which the United States flag has brought them and have no intention of relinquishing those privileges.

Construction of the naval base in San Juan Harbor will prove of great importance to our tourist industry inasmuch as extensive

great importance to our tourist industry inasmuch as extensive dredging of the harbor will be required. To some extent our tourist business has been hampered by the fact that the channel leading into San Juan Harbor was narrow and there was a shortage of anchorage space. But now, since a huge quantity of material will be needed to fill in the landing field, harbor improvements can will be needed to fill in the landing field, harbor improvements can be effected at no additional cost to either the Federal Government or the island. These harbor improvements, together with those already in process at the present time, will make it possible for the largest vessels in the world to enter our harbor, bringing thousands of visitors from the United States and foreign countries. We are counting heavily on the income from our growing tourist business to help the island financially. Not only will the additional tourists help business in Puerto Rico, but so will the several thousand enlisted men and officers and their families who will be stationed there.

will be stationed there.

The plan advanced recently by the Inter-Departmental Committee on Cooperation with the American Republics, of which Under Secretary of State Sumner Welles is chairman, for utilizing the University of Puerto Rico for the improvement of cultural relations between the Americas, also should be beneficial to Puerto Rico, as well as to the United States and the "good neighbor" countries

One byproduct of this plan undoubtedly will be improvement in our steamship service, especially with South and Central America. At the present time the island and its tourist business are ham-At the present time the island and its tourist business are hampered by a shortage of steamship accommodations. In fact, there now is no regular service between Puerto Rico and South America by water. With hundreds of students and scientists from the South American Republics coming to our island each year to study in our university and observe our many outstanding social improvements, some way certainly will be found to include Puerto Rico on the routes of the ships which now travel from the United States to the South American countries. In addition, we will need more ships to carry students from mainland educational centers to Puerto Rico and from the island to the mainland. This improved transportation will benefit our commerce and tourist business as

regretation will benefit our commerce and tourist business as well as facilitating the cultural program.

Perhaps of greatest importance to Puerto Rico is the fact that both the defense program and the cultural-relations proposal should help directly to center the attention of the United States on the island's basic problems—overpopulation and declining

During its first 40 years as a part of the United States, living standards and business conditions in Puerto Rico improved gradually but steadily, reaching a new high point in 1937. At the same time Puerto Rico became increasingly more prominent as a customer of business concerns in the States. In 1937 our purchases were so great—amounting to more than \$90,000,000—that we bought the products of 800,000 acres of farm land in continental United States. Not only that, our purchases of manufactured goods, meant 33,000,000 additional man-hours of work to industries on the

mainland. Puerto Rico became the sixth largest buyer of goods shipped from the States, surpassing all but five large foreign coun-

tries as a customer.

Meanwhile Puerto Rico had come to lead all of Latin America in living standards. Our 1,500 miles of highway, our 2,000 public schools, and our splendid system of sanitation have attracted great attention throughout Latin America and the tropical world. Puerto Rico has been deriving its income almost entirely from the pro-Rico has been deriving its income almost entirely from the production of sugar, coffee, tobacco, and fruits, together with its needlework industry and a few other lesser manufacturing enterprises. Unable to produce many of the everyday necessities of life, such as lard, wheat, flour, machinery, fuel, and so on, Puerto Rico's economy developed on the basis of selling to the outside world most of what it produced and buying from the outside world most of what it consumes. Being a part of the United States, more than 90 percent of this external trade was with the United States mainland.

States mainland.

Business was improving gradually until 1937 when there suddenly came the first of a series of economic blows which have seriously restricted our income, greatly increased unemployment, and made the future a matter of grave concern. These developments for the most part are the result of Federal legislation and

ments for the most part are the result of rederal legislation and regulation.

Because of these conditions, sales of our products to the States declined \$18,000,000 in 1938, a serious blow to an island whose income already was too low.

Our tobacco industry, which once brought us \$25,000,000 a year, returned only \$9,000,000 last year because of market conditions and Federal crop control. Our greatest source of income—sugar and its byproducts—has been reduced sharply under the sugar-control system. Puerto Rico which could produce 1500,000 tons of sugar system. Puerto Rico, which could produce 1,500,000 tons of sugar a year, with employment for 200,000 people, is restricted to a production of 845,000 tons in the current year and can furnish only about 120,000 jobs. When the quota system was adopted Puerto Rico was the only domestic sugar-producing area compelled to make a drastic reduction in its output, and further reductions were ordered for 1938 and 1939.

were ordered for 1938 and 1939.

Reciprocal-trade agreements negotiated with foreign countries by the United States Government for the purpose of aiding mainland business as a whole unfortunately have handicapped a number of Puerto Rico's leading industries. The Swiss treaty, for example, lowered duties on certain types of handkerchiefs and resulted in transferring a considerable portion of our needlework industry to foreign countries where wage rates are miserably low.

The Cuban agreement has brought about a substantial decline in our pineapple industry and proposed amendments to that treaty threaten to reduce further the price of sugar—our main source of income—which already is at low levels. The agreement recently approved with Great Britain has put our coconut industry

on an unprofitable basis.

On the other hand, none of these treaties has opened up new markets for Puerto Rican products to compensate for the losses we have suffered. We realize, of course, that Puerto Ricci is only a small part of the United States, but we are hopeful that the Federal Government will find some way in the immediate future to remove some of these handicaps which have been placed on

our products.

our products.

As a result of these developments and of the application of the Federal Wage and Hour Act to Puerto Rico, unemployment on the Island is about to reach the highest level in history. The Wage and Hour Act, if continued in its present form, will mean at least 90,000 fewer jobs in our needlework industry and other smaller manufacturing enterprises. We are hopeful that Congress will find it possible to amend this act so as to take into consideration special conditions existing in Puerto Rico. As Governor of the island, I am as eager as anyone else to see wages raised to the highest possible level. But I hope that goal can be obtained in a way that will enable the island gradually to adapt itself to higher costs without suddenly throwing large numbers

itself to higher costs without suddenly throwing large numbers of people out of employment.

Our economic difficulties do not, of course, affect the island's tourist attractions. Our visitors will find the same comforts and conveniences as ever. The people welcome visitors, being by nature most generous and hospitable.

Puerto Pico deserves and must have the symmethatic bein and

Puerto Rico deserves and must have the sympathetic help and cooperation of every branch of the United States Government, if it is to survive the developments of the last 2 years. Fortunately there are a few hopeful signs on the horizon which should, to some extent, make up for the losses we have suffered. For one thing, we are asking that Puerto Rico be included under certain provisions of the Social Security Act, and are requesting that the island be included in other Federal programs which will herefit the people from the standpoint of health agriculture. will benefit the people from the standpoint of health, agriculture, and commerce.

Our rum industry shows signs of growing steadily. Sales to the

Our rum industry shows signs of growing steadily. Sales to the States last year totaled close to \$3,000,000, and we hope that this figure will grow each year. We have good prospects also for increased sales of fruit juices, vanilla, and various tropical products not produced in continental United States.

To aid in feeding the large percentage of our population which will be unemployed this summer, the island's landowners have generously loaned many thousands of acres of good farm land to the insular government for the growing of food crops which will be distributed among the unemployed. The land owners also are furnishing oxen and plows to prepare the land, and in some cases are supplying seed and fertilizer. All agricultural agencies in the insular government and in the Puerto Rico Reconstruction

Administration also are assisting wholeheartedly in the success of this really wonderful enterprise.

Our tourist industry, to which I have referred, has shown a steady improvement. We have everything any visitor could ask in the way of climate, natural beauty, historic forts and monuments, and other natural attractions. We expect to obtain several new hotels within the next few months and are endeavoring to work out the necessary arrangements for transporting touriest from the mainland to the island in large numbers. In tourists from the mainland to the island in large numbers. cidentally, we are to have the privilege this summer of entertaining the annual convention of the United States Reserve Officers Association, and expect other large groups to visit the island during

While the island faces serious handicaps, its people have shown great capacity for developing their slender resources and running their government in an efficient and businesslike manner. Even during the recent depression years, with great fluctuations in income, Puerto Rico has balanced its budgets each year and built up a sizable surplus. Labor has gained many advantages through progressive legislation, and until the last year we have been able to make steady advances, at the same time receiving much less Federal aid per capita than any State in the Union or any other Territory.

Now, in view of our newly recognized importance to the United States, we have every reason to hope that the Federal Government and the people of this great country will do everything in their power to aid this little territory in attaining a more stable

economic position.

National Labor Relations Board

EXTENSION OF REMARKS

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, at this time I want to call attention to one of the most vicious phases of the activity of the National Labor Relations Board, that is, its pressure against the small manufacturer and businessman. Those aware of conditions know that despite the fact that we have a tremendous number of large corporations it is the little fellow who makes or breaks the business structure.

As typical of the abuses by the Labor Board I submit the case of the Oil Well Manufacturing Co. of Los Angeles. Calif. This company manufactures oil-well equipment and its owners are workers in the business. Its gross volume of business amounts to about \$165,000 per year and it has a total of 23 employees. Six of these are clerical and 12 more are engaged in production work. The president of the company is a Mr. Clarence White, who is also the company's principal salesman.

The National Labor Relations Board filed a complaint against this company charging that it violated the Labor Relations Act in discharging one Ethan E. Harris and one George E. Falardeau for union activities. The hearing commenced November 9, 1937.

The Labor Board offered its evidence on Falardeau on November 10, 1937, in which he testified that he was dismissed for labor activities.

I had to forfeit it-

He testified on page 159 of the official Labor Board transcript of this case-

I had to take off a couple of days with respect to this matter, and I was more or less discharged. I was laid off. It wasn't due to my workmanship. I had a good reputation there. I worked there previously a couple of years.

Later he testified as follows under questioning of the Labor Board attorney, beginning on page 178 of the official transcript of the case:

Q. I believe you testified that your employment was terminated

on October 4.—A. Yes.

Q. What took place on that day?—A. Well, before coming to work I went to the clock rack for my card to punch in, and it wasn't there. I looked around to ask Thomas Garey, the shop foreman, about it, and he explained that they had to let me go on account of that was the instructions in the event I was off any more time. I was sick with pleurisy, and whenever you are sick you are supposed to call up. I had relayed a message to them and they had no notice of what was wrong with me, so I explained to him that I had a verification of that fact; that I was sick and that the message should have been relayed. I couldn't depend on my nephew. I had an experience like that before, and I said, "It must have been his fault." He called up the wrong place and he said he notified them. That is the way I got it.

By Trial Examiner O'BRIEN:

Q. Would you repeat as best you can remember what was said to Mr. Garey and what Mr. Garey said to you, so it will clarify it?—A. I explained that I had been sick with an attack of pleurisy, and I supposed he got the message; and he replied, "No, George we had to have the work done and we had to hire some-

George, we had to have the work done, and we had to hire some-body else," and "No, George; there is nothing I can do about it. I will just have to let you go." I said, "O. K. There is nothing I can say to make it different." He said he had to hire two men, one for nights and one for days. I went back out, and Mr. Walker, the superintendent, told me the same thing more or less; that they just had to have the work and that they put a man on nights and a man on days on that machine.

Q. Were you laid off that day?-A. What? Q. Did you receive your pay check that day?—A. I did not have any money coming. Their system is that they pay you up to the minute on pay days, and it was 2 days after pay day that I was off. I got paid that night. I was out a Friday and Saturday, and I

returned to work on Monday.

On cross-examination Falardeau testified to the name of the doctor he had called in attendance and of the doctor's diagnosis and treatment of his ailment. He also testified that he had been off from work previously because his wife had been in an automobile accident and he denied ever being drunk. He also testified that he had never been involved in a criminal proceeding while being absent from work.

Now remember, this was on November 10, 1937. On the next day, which was a holiday, the attorney for the company made an investigation and at the trial on November 12 made an offer of proof based on the following information:

First, that the complainant Falardeau did not see the physician as he testified to on the days he was absent from work. But he did call the doctor on the phone and request him to say that he-Falardeau-had pleurisy if the company

Second, that his wife was not in an automobile accident as he so stated in his testimony at the trial as his reason for being absent from work.

Third, that he had a police record for attempted burglary, threatening to kill, being drunk, and disturbing the peace.

Fourth, that he had been discharged from other places of employment for being drunk and disorderly and was considered an habitual drunkard.

Now, remember if you please, that this offer of proof was made at the opening of the hearing on the day after Armistice Day, or 36 hours after Falardeau had testified.

The Labor Board's attorney made this amazing statement on page 308 of the official transcript following the offer of

If the examiner please, counsel for the Board knowing that much of the offer of proof of the respondent can, in fact, be proven and is correct, and Mr. Queen, representative of the union, having stated to counsel for the Board that a motion to dismiss the complaint as to Falardeau would meet with the full approval of the International Association of Machinists at this time I move that the complaint as to George Falardeau be dismissed and the evidence heretofore given by George Falardeau be stricken from

Now, Mr. Speaker, I do not charge here that the Labor Board attorney knew these facts before the offer of proof. But I do demand of the Labor Board itself an explanation as to why its attorney was not so informed. Did not their field representatives, these many and expensive investigators, make an investigation of the circumstances of this case before it was filed?

Does every employer have to defend himself before this Board because someone comes in and makes a complaint? Is it not the duty of these investigators to find out if there is any basis for the filing of a complaint? Certainly it would have been a very simple matter for the Labor Board to acquaint itself with these facts. The defense even on a holiday had no difficulty in finding out so much that the Labor Board attorney immediately moved to dismiss the complaint.

It must have cost this little company many hundreds of dollars to defend itself against this complainant, Falardeau, which was later dismissed by the Board. All of this needless

expense could have been avoided if the Labor Board had fulfilled its obligation of investigating the circumstances of the case before filing the complaint. This case is positive proof of the miserable and inefficient conduct that has marked the entire career of the Labor Board.

On another occasion I shall address the House concerning the disposition of this case with regard to the other com-

plainant.

Shall We Copy Hitler?

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

Mr. ALEXANDER. Mr. Speaker, on March 2, in connection with my remarks on the export wheat-subsidy plan of the Department of Agriculture, which has been operating since last September, I introduced House Joint Resolution No. 192, which calls for suspension of the subsidy plan, first, because of its apparent failure to benefit the farmer; and, second, in order to give Congress opportunity to make a study of its operation and ascertain where the export-subsidy plan, which is the method of totalitarian countries, is leading us.

Two events have taken place since March 2 that would seem to make the adoption of that resolution a wise step at this time.

First, the Treasury and Department of Justice have issued rulings against subsidized exports coming from Germany on the ground that they violate section 303 of the tariff act. Following these Department rulings, the President on March 23 issued a proclamation canceling trade treaties with Czechoslovakia and sundry provinces over which Germany has recently obtained control—all on the ground that subsidized exports violate the antidumping clause of the American tariff act.

Second, and a still more urgent ground for investigation of the effects of the export subsidy on breadstuffs, is the message of the President on March 28 suggesting that the export-subsidy plan be extended to cotton. Certainly this country ought to make a prompt study of the export-subsidy experiment already in operation before we launch a more ambitious program of subsidized exports. Respect for the interests of our constituents, the people who elect us to represent them in this House, would seem to demand of us at least an attempt to inform ourselves of the effect of this plan, which in 6 months has broken down the wheat markets of the world, before we further commit the United States to the export-subsidy plan of Germany against the provisions of our own tariff law.

The export subsidy on wheat discriminates against American processing industries that pay out over \$300,000,000 a year in wages and buy a wheat crop of over 600,000,000 bushels from the farms. It would seem to be our duty to ascertain the effect of selling this wheat abroad with a subsidy of 25 cents a bushel to foreign mills, before we go further on the way of copying the trade policy of Germany.

In this connection I desire to extend my remarks by including therein the editorial of the Washington Post of March 30 under the significant caption "Copying Germany."

> [From the Washington Post of March 30, 1939] COPYING GERMANY

By its action in pegging the price of cotton above world-market levels, the administration has deprived the American farmer of export outlets and has accumulated a vast store of cotton against which the Government has loaned more than the reserve is currently worth.

Barring its intentional destruction, there are only two ways in which markets for this stored surplus can be expanded. We must either abandon the price-boosting policies which have helped to squeeze our cotton out of foreign markets or we must resort to export subsidies. And, as the President is opposed to withdrawal of loan subsidies, it is a policy of dumping which he advocates. It is scarcely necessary to emphasize the economic folly of first raising prices by subsidies and then subsidizing further because prices are too high. More to the point is the complete inconsistency of the new program with the reciprocal-trade program of the Department of State. Neither President Roosevelt's assertion to the contrary, nor Secretary Hull's grudging admission that a particular situation may require temporary emergency treatment, cerries the slightest conviction in this respect.

the contrary, nor Secretary Hull's grudging admission that a particular situation may require temporary emergency treatment, carries the slightest conviction in this respect.

The proposed subsidy would, of course, result in lower production costs of cotton textiles in foreign countries. That would lead to the imposition of compensating import duties, or, as the President suggests, application of definite import quotas to protect domestic industries against the competition of foreign goods made from this subsidized cotton. To offset the handicap imposed on American exporters of goods manufactured from high-priced cotton, still another export subsidy would be required. Nor is there any likelihood that the trend would stop at that point.

In establishing one price within the home market and another for export the United States would be copying procedure which we have self-righteously condemned when practiced by others with more excuse than we have. Only a few days ago it was decided to levy penalty duties on German goods to offset German export sub-

more excuse than we have. Only a few days ago it was decided to levy penalty duties on German goods to offset German export subsidies. What economic ground for such action is there if we are about to embark upon wholesale subsidization of our cotton exports? Moreover, by what strange process of reasoning does the President persuade himself that the creation of new obstacles to foreign trade fits into a program intended to remove such obstacles? The simple truth is that the administration's agricultural program, being designed to raise prices of exportable commodities above world levels, has from the beginning actively discouraged foreign trade. The irreconcilability of this program with Secretary Hull's efforts to remove artificial trade barriers is obvious. So long as no effort was made to deal with the problems presented by loss

as no effort was made to deal with the problems presented by loss of our cotton-export markets, it was possible to pretend that harmony ruled. Now that pretense is abandoned and the President has elected to follow the methods of the totalitarian states by resorting to export subsidies and import quotas.

His faith that a few years of artificially arcountered.

His faith that a few years of artificially encouraged cotton exports "will bring our supplies to normal" will be shared by few, in view of the abnormal conditions created by governmental interference with the normal course of production and distribution.

Technological Trends and Their Social Implications-Continuation of Discussion of Report by National Resources Board

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. SMITH of Washington. Mr. Speaker, in a previous discussion I referred to the report on Technological Trends and Their Social Implications, which was prepared by the National Resources Committee. In a communication to President Roosevelt transmitting the report, which consists of 388 pages, Secretary of the Interior Harold L. Ickes, Chairman, stated that the Science Committee, which supervised the preparation of the report, included members designated by the National Academy of Sciences, the Social Science Research Council, and the American Council on Education, and that they, through a special subcommittee headed by Dr. William F. Ogburn, professor of sociology, University of Chicago, assembled the materials which comprise the report.

Secretary Ickes is Chairman of the National Resources Committee and Secretary of War Harry H. Woodring, Secretary of Agriculture Henry A. Wallace, Secretary of Commerce Harry L. Hopkins, Secretary of Labor Frances Perkins, Frederic A. Delano, Dr. Charles E. Merriam, Henry S. Dennison, and Beardsley Ruml are members of the Committee. Secretary Ickes wrote the President that-

This document is the first major attempt to show the trends of new inventions, which may affect living and working conditions in America in the next 10 to 25 years. It indicates some of the problems which the adoption and use of these inventions will inevitably bring in their train. It emphasizes the importance of national efforts to bring about prompt adjustment to these changing situations, with least possible social suffering and loss, and sketches some of the lines of national policy directed to this end.

Mention is made of the cooperation and assistance rendered in the preparation of the report by leading universities, laboratories, and governmental bureaus.

SOCIAL CHANGES MANY AND VARIED

The foreword sets forth in general outline the main objectives of the survey and investigation and the ground intended to be covered in the report. Commenting on the changes resulting from the advance of science, the statement is made:

The chemical inventions making substitutes of wool and cotton from cellulose, gasoline, and coal, and rubber from coal and chalk, may affect cotton, coal, and timber production and no doubt policies in regard to other natural resources. * * * Invention is cies in regard to other natural resources. * * * Invention is a great disturber and it is fair to say that the greatest general cause of change in our modern civilization is invention. Certainly development in technology cause a vast number of changes in a great variety of fields. For instance, the air-conditioning developments, which lower inside temperatures during hot weather, may or may not within the next generation affect southern cities and stimulate the growth of factories in warmer regions. Or again, tray agriculture, which produces a high yield per plant when the roots are suspended in a tray of liquid chemicals instead of in the soil, may or may not be used sufficiently to be of much social significance within the reader's lifetime.

INVENTIONS LIKELY TO INCREASE

The findings indicate that the large number of inventions made every year show no tendency to diminish and that the trend is toward further increases. "No cessation of social changes due to invention is to be expected. It is customary to speak of the present age as one of great change, as though it were a turbulent transition period between two plateaus of calm, but such a conclusion is illusory. Though the rate of change may vary in the future there is no evidence whatever of a changeless peace ahead."

TECHNOLOGICAL UNEMPLOYMENT AND EMPLOYMENT

The comments in regard to the important and far-reaching subject of technological unemployment and employment are most illuminating and informative. Briefly summarized, the findings are as follows:

Although technological unemployment is one of the most tragic effects of the sudden adoption of many new inventions (which may be likened to an immigration of iron men), inventions create jobs as well as take them away. While some technological changes have resulted in the complete elimination of occupantions and even entire industries the serve of these characteristics.

changes have resulted in the complete elimination of occupations and even entire industries, the same or other changes have called into being new occupations, services, and industries.

No satisfactory measures of the volume of technological unemployment have as yet been developed, but at least part of the price for this constant change in the employment requirements of industry is paid by labor since many of the new machines and techniques result in "occupational obsolescence." The growth and decay of industries and occupations caused by technological progress necessitate continuous and widespread—and not always successful—readjustments and adaptations on the part of workers whose jobs are affected by these changes.

The question whether there will be a large amount of unemployment during the next period of business prosperity rests only in part on the introduction of new inventions and more efficient industrial techniques. The other important elements are changes in the composition of the country's production (such as appreciable changes in the proportion which service activities constitute of the total), the growth of population, changes in the demands for goods and services, shifts in markets, migration of industry, hiring-age policies of industries, and other factors discussed in the body of the report. For instance, even if industrial techniques remained the same, the volume of production would have to be greater in the future than in 1929 in order to absent the interest in the future than in 1929 in order to absent the interest in the future than in 1929 in order to absent the interest in the future than in 1929 in order to absent the interest in the future than in 1929 in order to absent the interest in the the same, the volume of production would have to be greater in the future than in 1929 in order to absorb the increase in the working population and keep unemployment to the level of that date. If the productivity of 1935 (the latest year for which figures are available) continues the same, and the composition of the Nation's total product remains unchanged, production would have to be increased 20 percent over that of 1929 to have as little unemployment, and if labor efficiency is increased by new inventions or otherwise, then the production of physical goods and services must be more than 120 percent of what it was 1920.

then the production of physical goods and services must be more than 120 percent of what it was in 1929.

Aside from jobs, subtracted or added, new inventions affect all the great social institutions—family, church, local community, State, and industry. The committee find that in all the fields of technology and applied science which were investigated there are many new inventions that will have important influences upon society, and hence upon all planning problems. Farticularly impressive were new inventions in agriculture, communication, aviation, metallurgy, chemistry, and electrical tools and appliances.

A large and increasing part of industrial development and of the correlated technological advances arises out of science and research. Invention is commonly an intermediate step between science and technological application, but this does not make less important the point that the basic ideas upon which these problems

science and technological application, but this does not make less important the point that the basic ideas upon which these problems are developed come out of scientific discovery or creative activity. Advance of many aspects of industry and the correlated technologies is dependent upon scientific research and discovery. This fact is made clear by the increasing importance of research laboratories in the great industries. The research conducted is not only well organized but it is carried forward with the cooperation of investi-

gators having high rank in the field of science. If the contribution of research were to be reduced, the industries would tend to freeze in a particular pattern.

The report revealed the imminence of a few very important inventions that may soon be widely used with resultant social influences of significance. The committee recommended that studies be made of the following inventions: The mechanical cotton picker, air-conditioning equipment, plastics, the photoelectric cell, artificial cotton and woolenlike fibers made from cellulose (wood pulp), synthetic rubber, prefabricated houses, television, facsimile transmission, the automobile trailer, gasoline produced from coal, steep-flight aircraft planes, and tray agriculture.

Since the patent laws have considerable influence on the rate of technological progress, it was recommended that the whole system be reviewed by a group of social scientists and economists.

The most important general conclusion to be drawn from the report is the continuing growth of the already high and rapidly developing technology in the social structure of the

Relief of Distress in Spain

EXTENSION OF REMARKS

HON. LEE E. GEYER OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

LETTER TO THE PRESIDENT

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I am putting in the RECORD a letter addressed by me to the President. Even in this short time that has passed since this letter was written, the news from Spain has become more distressing. I am sure that all the Members of this House join with me in hoping that the influence of our Government may be used to halt the bloody revenge being wrecked upon Spaniards by the invading army of Fascist Italy. I am sure, too, that all my colleagues desire to see the Red Cross and other relief agencies give aid to the Spanish refugees and thus carry on the humanitarian traditions of our country.

The letter is as follows:

CONGRESS OF THE UNITED STATES, House of Representatives, Washington, D. C., March 29, 1939.

The PRESIDENT,

The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: In spite of the censorship which is evident in newspaper reports coming from Spain, I cannot avoid reading between the lines a tragic story of brutal reprisals against the people who so long and so bravely defended their democratically elected Government.

I am confident that you are doing and will continue to do all in your power to express this Government's desire that the end of the Spanish conflict may bring a real peace to the Spanish people. Surely all Americans, whatever their sympathies may have been while the war wes in progress, must now disapprove on humanitarian grounds the persecution of Spaniards whose only "crime" was loyalty to the Republic and its defense against foreign invasion. For my elf I do not hesitate to say that I feel America owes a heavy responsibility to the republican forces whose valor and sacrifice kept back the Fascist advance for more than 2½ years and

sacrifice kept back the Fascist advance for more than 2½ years and so served the cause of world democracy and peace.

I most respectfully request, Mr. President, that you take all possible steps to intervene, through the usual diplomatic channels, on behalf of the Spanish loyalists, military and civil. It is my hope that you will also find a way, either through the Red Cross or other appropriate relief agencies, to extend American assistance to refugees in France and in Spain itself. I have read Colonel Fuqua's statement that no ships are available for the evacuation of political refugees from the Fascist terror. I earnestly request that you consider also the possibility of aiding in the evacuation of these unfortunate victims, many of whom have already been assured the right of asylum in other lands.

Among the measures "short of war" which the United States can take to register its horror of Fascist aggression and barbarism, none,

take to register its horror of Fascist aggression and barbarism, none,

I am sure, will have a more overwhelming support among the American people than immediate assistance to the people of Spain. In this, as in all questions of foreign and domestic policy, I am proud to follow your courageous leadership and to assure you of

my continuing loyalty.

Please believe me, Mr. President,
Most respectfully yours,

A Selected List of Prominent American Statesmen Who Changed Their Political Views

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. COFFEE of Washington. Mr. Speaker, because of the interest many people have manifested in the changing attitude of public officials on questions of the day, I have compiled a brief list of some prominent figures in American history who have changed their minds. One of the outstanding characteristics of most American statesmen is their mutations on public questions. Increased maturity, variety of contacts, travel, and study have often induced public officials to alter their attitude with respect to burning and controversial issues. One hears frequently the statement that the longer one remains in public life the more conservative he becomes. In order that some light may be thrown upon this question, I am presenting the following information:

John Quincy Adams (1767-1848): Approving Jefferson's embargo in the United States Senate, Adams became estranged from the Federalists and acted with the Republicans. After his retirement Federalists and acted with the Republicans. After his retirement from the Presidency, to which he was elected as a National Republican, he reentered Congress in 1831 as an Independent and served until his death in 1848. (Source: J. F. Jameson and J. W. Buel, Encyclopedic Dictionary of American History, vol. I, p. 22. [American History Society, Washington 1900.])

John Tyler (1790-1862): The Jacksonians, under the lead of John Randolph and Thomas Ritchie, of the Richmond Enquirer, got control of the State of Virginia and Tyler became a member of the opposition and a Whig. He resigned from the Senate rather than vote for the expunging of resolutions censoring Jackson. (Source: Dumas Malone, ed., Dictionary of American Biography, vol. 19, p. 90. [Scribner's, New York 1936.])

Caleb Cushing (1800-1879): In a pamphlet addressed to his constituents, Cushing defended President Tyler's vetoes as being matters of conscience. * * * Cushing then enlisted with the "Corporal's Guard," a little group of Congressmen who supported

constituents, Cushing defended President Tyler's vetoes as being matters of conscience. * * * Cushing then enlisted with the "Corporal's Guard," a little group of Congressmen who supported Tyler against Clay. Despite his protests, he was ignored in the Whig councils, and from that date until the Civil War he was known as a Democrat. * * * He supported every Civil War emergency measure, and on the night before the election of 1864 he spoke in Faneuil Hall for Lincoln and against McClellan. He remained a Republican until his death. (Source: Allen Johnson and Dumas Malone eds. Dictionary of American Biography vol 4

he spoke in Faneuil Hall for Lincoln and against McClellan. He remained a Republican until his death. (Source: Allen Johnson and Dumas Malone, eds., Dictionary of American Biography, vol. 4, pp. 624, 627. [Scribner's, New York, 1930.])

John Charles Fremont (1813–1890): Left the Free Soil Party in 1856 to become the first Republican nominee for the Presidency. (Source: Allen Johnson and Dumas Malone, eds., Dictionary of American Biography, vol. 8, p. 22. [Scribner's, New York, 1931.])

Martin Van Buren (1782–1862): Van Buren, a Jacksonian Democrat, was elected to the Presidency in 1836. In 1848 he left the Democratic Party because of the opposition in New York to the administration of James K. Polk and became the Presidential candidate of the Free Soil Party. (Sources: E. M. Shephard, Martin Van Buren, pp. 364–66. [Houghton-Mifflin Co., New York and Boston, 1888]; Jameson, J. J., and Buel, J. W., Encyclopedic Dictionary of American History, vol. 2, p. 323.)

Alexander H. Stephens (1812–1883): At the time of the Kansas-Nebraska debate, Stephens left the Whig Party and became a Democrat. (Source: E. Ramsay Richardson, Little Alex: A Life of Alexander H. Stephens, The Fighting Vice President of the Confederacy, pp. 162–168. [Bobbs-Merrill Co., Indianapolis, 1932.])

James Longstreet (1821–1904): Longstreet was involved in a struggle with poverty. In this same year, President Grant, with whom he had been intimate in early years and who seems always to have cherished a friendly feeling for him, gave him the place of the surveyor of customs in New Orleans. Longstreet held this place from 1869 to 1873.

It carried with it the necessity of becoming a Republican.

* * To the people of the South, Longstreet seemed a de-

It carried with it the necessity of becoming a Republican,

* * * To the people of the South, Longstreet seemed a deserter—a kind of traitor. (Source: H. J. Eckenrode & Bryan Conrad, James Longstreet: Lee's War Horse, p. 374. [University of North Carolina Press. Chapel Hill. 1936.])

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APPENDIX TO THE CONGRESSIONAL RECORD

Andrew Johnson (1808-1875): 1853-1857. Johnson was Democratic Governor of Tennessee. During the Civil War he was a strong Unionist and was appointed by Lincoln military governor of Tennessee. 1864 Johnson was selected by the Republicans for the Vice Presidency. (Source: J. F. Jameson & J. W. Buel, Encyclopedic Dictionary of American History, vol. 1, p. 361. [American History Society, Washington, 1900.])

Charles Francis Adams (1807-86): Originally a Whig, Adams in 1848 became the candidate of the Free Soil Party for the Vice

Charles Francis Adams (1807–86): Originally a Whig, Adams in 1848 became the candidate of the Free Soil Party for the Vice Presidency on the ticket with Martin Van Buren. During the Civil War, Adams became a Republican and was sent by Lincoln as the United States Ambassador to London. 1872–76: Adams was a member of the Liberal Republican Party. (Sources: E. D. Ross, the Liberal Republican Movement, p. 228 (Henry Holt Co. 1919, E671 R82); J. F. Jameson and J. W. Buel, Encyclopedic Dictionary of American History, vol. 1, p. 20 (American History Society, Washington, 1900).)

Theodore Roosevelt (1858–1919): Roosevelt broke with President Taft in 1911 because Taft had not continued the policies of Roosevelt, and had not heeded Roosevelt's advice on certain Cabinet appointments. In 1912, Roosevelt organized the Progressive Party and ran against Taft in the Presidential election of that year. (Sources: H. H. Kohlsaat, From McKinley to Harding, pp. 184–190 (Scribner's, New York, 1923); Dumas Malone, editor, Dictionary of American Biography, vol. 16, pp. 142–143 (Scribner's, New York, 1935).)

1935).)

Resolutions of Democratic Women's Clubs

EXTENSION OF REMARKS

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

RESOLUTIONS OF DEMOCRATIC WOMEN'S CLUBS

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions recently adopted by the Democratic Women's Clubs affiliated with the Woman's National Democratic Club:

Whereas there has been a concerted effort by a few intolerant persons to discredit the ability and service of Hon. Frances Perkins, Secretary of Labor, we, the members of the Democratic Women's Clubs affiliated with the Woman's National Democratic Club, do hereby declare our faith and confidence in Secretary Perkins and congratulate her on the splendid manner in which she has administered her office; and further be it

Resolved, That a copy of this resolution be sent to Secretary Perkins and the chairman and members of the Judiciary Committee of the House of Representatives and be published in the Democratic Digest

Digest.

Whereas the members of the Democratic Women's Clubs affiliated with the Woman's National Democratic Club, and representing a Nation-wide view of Democratic affairs, are ever mindful of the brilliant and far-visioned leadership of our matchless President Franklin D. Roosevelt, whose high purpose is always to advance the Jeffersonian principle of "equal opportunity to all and special privilege to none". Therefore be it

Resolved, That we, in convention assembled in Washington, March 23, 1939, do hereby pledge continued loyalty to Franklin D. Roosevelt and the New Deal and assure him that we will continue to give active and wholehearted support to his policies to the end that the United States will continue as the leader of the nations of the world to advance the cause of justice, freedom, and peace; and

further be it

Resolved, That a copy of this resolution be sent to President Roosevelt, the Democratic Members of the Senate and House of Representatives, and be published in the Democratic Digest.

W. P. A. Appropriation

EXTENSION OF REMARKS

HON. A. F. MACIEJEWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

Mr. MACIEJEWSKI. Mr. Speaker, I appreciate the privilege allowed me to extend my remarks in the RECORD on one of the most important measures to come before this House in a number of years, namely, providing additional funds to permit the Works Progress Administration to carry on its humane activities for a further period. Coming from an industrial district, I thoroughly appreciate the severe suffering to a great number of my constituents who are now deriving a meager existence under the W. P. A. unless additional funds are provided.

I propose to support the maximum amount of \$150,000,000 recommended by the President of the United States and hope the majority of the Members constituting this great body will also lend their support to the President in his effort to relieve suffering in the country by voting for the passage of a bill providing the full amount asked for by our great leader.

P. W. A. Savings on Bridge Construction Project in Ontario County, N. Y.

EXTENSION OF REMARKS

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

Mr. MERRITT. Mr. Speaker, the soundness of the Public Works program has often been commended and I am sure that many of the Members here have concrete examples in their own communities of the fine work now in operation with the financial assistance made possible by the Public Works Administration.

I came across a newspaper article the other day which demonstrates that construction work undertaken by this Government agency is not only done efficiently but also, in many instances, effects a real savings to the taxpayers. This article called attention to the fact that up in Ontario County, N. Y., a saving of \$40,000 in a \$200,000 bridge-construction project will make possible four additional spans. Think of it. a saving of approximately 27 percent on the estimated costs of the project.

The article to which I have referred appeared in the Rochester Democrat and Chronicle of March 9, 1939, and I submit it here for the information of the House:

ONTARIO PLANS FOUR NEW BRIDGES

CANANDAIGUA .- A saving of \$40,000 in Ontario County's \$200,000 P. W. A. bridge construction project will provide funds for four additional spans, County Highway Engineer Gordon S. Chester reported yesterday.

reported yesterday.

As soon as approval of P. W. A. officials and the Bureau of Public Roads is procured, work will be started on these additional spans: Littleville Bridge over Canandaigua Outlet; Shortsville Village Bridge, over Canandaigua Outlet; William Street Bridge, Phelps, over Flint Creek; Carlton Road Bridge, Seneca, over Flint Creek. All are widening projects.

A saving of approximately 27 percent on estimated cost of 15 bridges now under construction was made through low bids on contracts, Engineer Chester explained. This saving will cover the cost of the four additional spans without added cost to taxpayers.

cost of the four additional spans without added cost to taxpayers.

The Multiple-Purpose Project

EXTENSION OF REMARKS

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES Monday, April 3, 1939

ADDRESS BY HON. JOHN C. PAGE BEFORE THE RIVERS AND HARBORS CONGRESS MARCH 23, 1939

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. John C. Page, Commissioner of Reclamation, before the Rivers and Harbors Congress on March 23, 1939, on the subject The Multiple-Purpose Project.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The key to the gate from which will flow the best use of the water resources with which Nature has endowed this country is the construction and operation of projects serving more than one function in the public interest. The engineer has used his increasing technical skill and his greater vision in perfecting the multiple-purpose project in response to a general demand by the public itself that maximum benefits be made to flow from public expenditures for stream improvements. It is an expression in

expenditures for stream improvements. It is an expression in engineering terms of a new social consciousness.

It has not been long since the day when an irrigation dam was designed for no purpose in addition to irrigation; when a structure for the improvement of navigation was designed with only that thought in mind; when a power dam was a power dam and nothing more, so far as the designer and the operator were concerned. In that time many structures were built which serve well their individual purposes but failed to develop valuable related uses, structures which will have to be duplicated because the related uses were overlooked.

You will notice that I have said these dams were designed with only a single purpose in mind. Despite this, many of these structures do serve other ends to a limited and inadequate degree. Others have actually defeated or obstructed the performance of related functions that might have been included.

Almost every reservoir designed to reduce floods would serve, ill or well, some other purpose. The water held back would have to be released at times of lower flow. This definitely would affect other activities on the stream below.

It would be impossible to design a dam that would concentrate the fall of a stream and so make water power available but would serve no other purpose. Every dam creates a reservoir, large or small, and every reservoir delays the flow of water at high stages. The multiple-purpose project, which now is the subject of much discussion, is the result of recognition by forward-looking engineers that the single-purpose project in many instances needs little expansion when in the planning stage to serve as well important related functions. Through thus increasing the efficiency of the parison when in the praining stage to serve as wen important related functions. Through thus increasing the efficiency of the project, 50 cents has been made to do the work of a dollar in some instances in the provision of storage for irrigation, for example, and the other 50 cents has, at the same time, served to lower the cost of providing protection from floods or of the generation of electric energy.

electric energy.

Perhaps the multiple-purpose project should be defined in order that we can be perfectly sure that no misunderstanding exists. Such a project may be, for example, a dam; a dam and other works; a series of dams; or a series of dams and other works designed and operated so as to perform efficiently more than one function in the field of water utilization and control. The project may serve navigation and, in addition, power; or flood control and also irrigation. River regulation for pollution abatement or improvement of domestic or industrial water supplies may at the same time provide recreational facilities for millions. The multiple-purpose project may join any and all of these with still other useful functions. useful functions

There is one great project now under construction, for example, that will serve the following diverse purposes: Improvement of navigation on two important rivers; reduction of flood damages to highly developed lands along these rivers; irrigation of about 1,000,000 acres of equally rich lands now inadequately supplied with water; the production of low-cost power for a rapidly growing market; and the regulation of the fluctuating flow of the river for domestic water supply, for industrial water supply, and for the protection of 400,000 acres of fertile delta lands now threatened with ruin by the infiltration of salt water. Westerners will recognize from this description the Central Valley project in California. At this point I want to make it perfectly clear that not every project can be adapted for multiple purposes by special provisions in the plans for more than one use. Some projects are so simple or are so situated that only one purpose is worthy of special consideration. Some necessarily involve dam sites which are inade-There is one great project now under construction, for example,

or are so situated that only one purpose is worthy of special consideration. Some necessarily involve dam sites which are inadequate for structures capable of serving fully more than one end. Some are on streams and in areas where the water and the need are limited. It is essential, however, that all possibilities be studied in every instance, and that, wherever feasible, all related functions be included or provided for in the final designs for the project.

In the West, where the Bureau of Reclamation operates, there are more than 740,000,000 acres of arid and semiarid lands. The streams are comparatively few and their flow fluctuates more widely than the flow of rivers in humid regions. Mountainous areas receive most of the precipitation, much of which comes as snow in winter. When the snows melt in spring, floods occur. When the floods pass, the streams dwindle and some of them actually go dry. Fortunately, these conditions make most floods predictable, dry. Fortunately, these conditions make most mous predictions, so that it is easy to combine flood reduction with irrigation storage. Irrigation is necessary in the West for general farming, and it is essential for close settlement of rural areas. Since the maintenance of most of the population is dependent on irrigation, the use of

use, excepting only its use for domestic purposes.

The regulation of most streams in the arid and semiarid regions has irrigation as its first purpose. The character of the streams

and the requirements made by irrigation on reservoirs are such, however, that nearly all irrigation-storage dams are valuable also for flood reduction. The regimen of the streams and the operation of the reservoirs for irrigation also make many of these dams valuable from the standpoint of power development, usually without very material alterations in the plans for the structures that would

be required for irrigation alone.

Where water is scarce, particularly, and where it must be conwhere water is scarce, particularly, and where it must be com-served for irrigation to support the population, it would be ridic-ulously wasteful to refrain from making more than one use of this limited and vital resource. In passing through a turbine before entering an irrigation canal water loses none of its usefulness for irrigation; but by passing it through a turbine the over-all benefits from the irrigation project may be greatly increased, and the cost to the irrigators may be greatly reduced.

There has been much discussion in recent months about the

principle of developing the streams for more than one purpose in the public interest. There has been criticism to the effect that more than one function could not be well performed. Some of this criticism may be traced to a resistance against comprehensive planning for conservation and control of our waters. Some of it is apparently inspired by those who would becloud a larger issue in order to prevent the use of public-owned power resources that otherwise would be wasted.

otherwise would be wasted.

The multiple-purpose project is much too important a weapon in our offensive against riotous nature to permit these general attacks upon it to go unanswered. As a result of a flood on the Colorado River of Texas, where a multiple-purpose project involving several dams has been begun, a flurry of attacks, mostly editorial, were made recently against the idea of combining flood control and power in a single project. Last July when the flood occurred only one of the series of dams was completed and in operation. It was the upper dam. Buchanan, designed primarily for power to produce the upper dam, Buchanan, designed primarily for power to produce revenues and help to pay for the rest of the project. Farther downstream, the Marshall Ford dam, being constructed by the Bureau of Reclamation and designed as the major flood-control unit of the

of Reclamation and designed as the major flood-control unit of the series, had not progressed above the river level. The project as a whole, involving several dams, was incomplete when the flood came. It is still under construction today.

Based on the fact that the single dam which was completed did not prevent but only reduced one of the largest floods ever recorded on the Colorado River of Texas, a powerful and dangerous stream, a hue and cry was raised against the combination of flood control and never the single project. Withtully all the published control and power in a single project. Virtually all the published comments neglected entirely to mention the fact that the project as a whole was not completed and that the principal flood-control dam at Marshall Ford was not above river level. Many of the editorials were in strikingly similar language. Apparently there was concerted agitation behind such misrepresentation, the purpose of which was to mislead the public.

What are the facts? There are multiple-purpose projects already

completed and operating. Let us examine a few of them.

Mr. Nathan B. Jacobs, president, Morris Knowles, Inc., consulting engineers of Pittsburgh, Pa., in a paper presented before the American Society of Civil Engineers, said:

can Society of Civil Engineers, said:

"Another typical multiuse reservoir is the one on the Tygart River, in West Virginia, which was designed primarily to aid navigation on the Monongahela River which can and will be used for flood-control purposes as well. * * * The Pymatuning Reservoir, on the Shenango River in Pennsylvania, was designed primarily for low-water control and for recreational purposes. Since its completion in 1933, however, it has been responsible for lowering flood heights at Sharon, Pa., and other communities."

Concerning this seems reservoir in another paper presented before

fiso completion in 1933, however, it has been responsible for lowering flood heights at Sharon, Pa., and other communities."

Concerning this same reservoir in another paper presented before the same society, E. K. Morse and Harold A. Thomas, members, American Society of Civil Engineers, said:

"Experience with the recently completed Pymatuning Dam demonstrates the effectiveness of the reservoir method of flood control under conditions encountered on the rivers of western Pennsylvania. This dam was constructed by the Commonwealth of Pennsylvania to provide an adequate supply of water for manufacturing and domestic use during periods of low discharge on the Shenango River. * * * The first year's operation of the Pymatuning Dam has proved its effectiveness in improving dry-weather flow and in controlling floods. * * * Since its completion the Pymatuning Dam has prevented two floods. * * * The owners of important industries in the Shenango Valley claim that the Pymatuning Dam paid for itself the first year of its life."

Edwin S. Cullings, hydraulic engineer, of Watertown, N. Y., in a letter published in the February 1939 issue of Civil Engineering, describes the successful operation of a multiple-purpose project by the Black River regulating district in New York State. This project has been in operation since 1925 and controls about half the flow

has been in operation since 1925 and controls about half the flow of the river. He says, in closing:

"While multiple-purpose reservoirs can be successfully operated "while multiple-purpose reservoirs can be successfully operated for several purposes, such reservoirs will not be 100-percent effective for every purpose. Compromise will be necessary in cases of conflicting usage, but"—says Mr. Cullings; note this carefully—"the aggregate benefit to the community can be made far greater than would be possible if the reservoirs were operated for only a single purpose."

Mr. Cullings was discussing a comparatively small project which did not even provide complete control of the river. What he says is true for such projects. It is possible, however, to construct multiple-purpose projects on rivers to provide complete control of

the flow when the conditions are right. This was done with the construction of Boulder Dam. This dam serves each of its several

purposes without compromise.

Frederick S. Delenbaugh, who went with Maj. John Wesley Powell down the Colorado River on one of his memorable expeditions long ago, described the Colorado River as a wild bull of a river. He compared the more gentle rivers of humid regions with cows, saying they were easily domesticated and put to use by men, but the Colorado was the untamable bull of the herd. Yet a ring was successfully put in the nose of the Colorado River with the construction of Revider Deep Colorado River with the construction of Revider River River

cessfully put in the nose of the Colorado River with the construction of Boulder Dam. The Colorado now has been broken to yoke to serve in many and varied ways.

Lake Mead, created by Boulder Dam, has a capacity about twice the average annual flow of the Colorado River at Boulder Dam. Of this capacity, 9,500,000 acre-feet, or more than half the average annual flow of the river, is reserved for flood control. Three weeks ago, early in March, we completed drawing out of the reservoir 1,500,000 acre-feet in anticipation of the flood which annually comes in May or June. If later snow surveys indicate that more than 9,500,000 acre-feet of storage will be needed for flood control this year, we shall draw Lake Mead down still lower.

The storage in Lake Mead is about five times the annual demand

The storage in Lake Mead is about five times the annual demand for irrigation downstream. It can be safely stated that no flood is anticipated which would necessitate release of water at Boulder

is anticipated which would necessitate release of water at Boulder Dam in quantities which would cause a serious flood below. It can be stated with equal assurance, in addition, that through regulation of the flow at Boulder Dam the irrigators downstream will never again have to face the water shortages which formerly threatened to destroy their crops each year.

In 1934, the year before Boulder Dam was completed, the Colorado River went virtually dry in the late summer after the flood had passed. Farmers in the Imperial Valley alone as a result sustained crop losses estimated at more than \$10,000,000, and many of them lost trees and groves of mature and bearing fruit, that could not be replaced in less than 5 years. But early in the summer of 1935, the newly completed Boulder Dam, caught and held a flood, which otherwise probably would have breached the levees protecting the Imperial Valley, since the levee system was in poor condition as a result of extended drought. Had the levees been burst the damage would not have been less than \$10,000,000.

It is difficult to evaluate in dollars the contribution made by Boulder Dam in regulation of the flow for domestic water supplies. An indication of the value of this service can be gained from the

Boulder Dam in regulation of the flow for domestic water supplies. An indication of the value of this service can be gained from the fact that the 13 cities in Los Angeles and adjacent counties in southern California have prepared to spend about \$220,000,000 in construction of an aqueduct to the Colorado River. This aqueduct is nearing completion. It would not have been built except for the control of the river provided by Boulder Dam. It is hard also to assign monetary values to such recreational uses of Lake Mead and the streams as are now being made as a result of the construction. and the streams as are now being made as a result of the construc-tion of Boulder Dam. More than 500,000 people last year visited the project to spend a part of their leisure time. They go to glory in the spectacle of the dam and its magnificent surroundings, to

in the spectacle of the dam and its magnificent surroundings, to fish, to bathe, and to boat.

A definite monetary value can be placed, however, on the power generated at Boulder Dam. With less than half the units installed, revenues from the power plant to the United States approach at this time \$400,000 a month. Power is incidental to the other uses, but the sale of the energy under contracts now in force will repay the entire cost of the project in 50 years—the whole cost of this great project, \$130,000,000, for all of these highly valuable purposes—with interest at 4 percent.

Other outstanding examples of successful multiple-purpose projects are the Tennessee Valley dams and the Sacandara Reservoir

Other outstanding examples of successful multiple-purpose projects are the Tennessee Valley dams and the Sacandaga Reservoir project of the Hudson River Regulating District. Good recent discussions of these projects can be found in the section on Water Power and the Drainage Basins in the report of the National Resources Committee entitled "Energy Resources and National Policy," recently transmitted by the President to the Congress.

Doubts have been aroused in the public mind in recent months with respect to whether it is practicable to combine flood control and power. The answer to these doubts should be clear from the examples I have cited. I am not giving you merely my own opinion. There is agreement on this point.

Maj. Gen. Julian L. Schley, Chief of Engineers, United States Army, answered this question last spring as follows:

"Yes; the same dam and reservoir can be used for both purposes under either one of two conditions: First, what amounts to two reservoirs but both behind a single dam, one on top of the other, the flood-control reservoir being on top; and second, where the identical capacity can be used for both purposes because you know exactly when the storm rains are going to start and stop."

In its report, Drainage-Basin Problems and Programs, 1937 revi-

exactly when the storm rains are going to start and stop."

In its report, Drainage-Basin Problems and Programs, 1937 revision, the National Resources Committee, representing all the interested Federal agencies, said on the subject of multiple benefits:

"Not to promote the integrated development and utilization of latent water resources as promptly and fully as all relevant technical, economic, and social conditions warrant is to invite waste of potential wealth, and so is incompatible with the public interest.

"Integrated control and use of water implies planning and constructing projects for dual or multiple benefits wherever practicable. Actually, almost every water project of magnitude may be made to contribute to the solution of more than one problem. Not to realize all of its feasible potentialities is inimical to the public interest. A large dam and storage reservoir built and used solely for flood control is a wasteful maladjustment, socially if not economically, provided it could have been practicable to design, construct, and operate the dam to regulate the flow of

the stream for other purposes as well as flood control, to develop marketable power, or to realize incidental reservoir values in connection with recreation and wildlife conservation. Coming years, like the last few years, should witness increasing emphasis on multiple-purpose projects. The regulation and integrated development of rivers for all useful purposes is an attainable

This report was prepared by the water resources committee of the National Resources Committee. It is the considered judgment of representative State engineers and university authorities, as well as that of all of the major Federal agencies engaged in

water planning.

The Congress, 14 years ago, was seeking a comprehensive national plan for multiple-purpose development of all our navigable rivers, as shown in section 3 of the Rivers and Harbors Act of March 3,

The public long since has approved the multiple-purpose project as a means of increasing the efficiency of public works in the development of our water resources. There are indications that public opinion has gone a step further than general approval of the multiple-use principle.

"Whether for better or worse, people are beginning to view the control of a stream for flood reduction as an integral phase of the use of that stream for power, navigation, irrigation, public water supply, and sanitation. To the writer it is an evolutionary step of merit."

This is abstracted from a paper by Mr. Abel Wolman, chairman of the water resources committee and president of the American Public Health Association, delivered recently before the American Society of Civil Engineers.

It is my experience also that public opinion is insistent that power development be included in the plans for irrigation projects,

power development be included in the plans for irrigation projects, where feasible from the engineering and economic standpoints.

Before closing it should be noted that multiple-purpose development has been accomplished almost entirely through public enterprise. For the very good reason that by its very nature the multiple-purpose project is not inviting to private developers, who must look for an actual cash return on their investments, it is apt to remain the responsibility of public agencies. With few exceptions, water power is the only one of the many purposes which can be served by river development which now interests private industry. Conservation and control of water for other purposes very largely has been a public endeavor for many years. It is generally accepted today that flood control, irrigation, domestic water supply, navigation, recreation, wildlife protection, and, for the most part, sanitation, are fields for community action, either local, State, or national. Since this is so, I do not see how the public can be denied the right to develop all of the possibilities which are created by the public's work.

It is the duty and the task of the designer, as stated in Energy Resources and National Policy, and of those who guide the appli-

Resources and National Policy, and of those who guide the application of public policy to develop all of the potential benefits of great river systems in such manner that their sum shall be a maximum. Each should be and can be developed in harmony with the others; each should contribute its share to obtain a total benefit much larger than would be possible by separate exploitation and that at lower total cost.

tion, and that at lower total cost.

The New Deal Era

EXTENSION OF REMARKS

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES Monday, April 3, 1939

RADIO ADDRESS BY HON. THEODORE F. GREEN, OF RHODE ISLAND, MARCH 28, 1939

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio by the distinguished Senator from Rhode Island [Mr. Green] at Washington on March 28, 1939. The subject of the address is the New Deal Era.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, this month we observed the sixth anniversary My fellow citizens, this month we observed the sixth aninversary of the administration of President Franklin D. Roosevelt. Ordinarily, a 6-year span in peacetime is hardly significant in the life of a great nation which has already existed for a century and a half. Yet even the most captious critic of the administration will concede that the course of action now being pursued by the Federal Government will have a deep influence on American life for generations generations.

This has come to be known as the New Deal era. Some worthy citizens despise the term, but to millions more it has become a

symbol of hope and encouragement. The fact is that deep-seated changes are taking place in the social and economic life of the Nation and a period of change is always marked by sharp differences

of opinion.

of opinion.

In this brief address it is not my purpose to add fuel to the controversy over the New Deal but to outline in broad terms the problems which President Roosevelt has faced and to review some of the steps taken to meet them. To avoid misunderstanding let me say that I advocated these policies before he became President, and that now I stand behind his policies and firmly believe that the course he is pursuing is the only course that can bring us through

safely.

The United States is not alone in coming face to face with new problems. Social upheaval is world-wide. It has brought on revolutions and wars. International trade is disorganized. Force has taken the place of law and order in world affairs. Some dehas taken the place of law and order in world affairs. Some democracies have given way to dictatorships which menace the peace of all humanity. Let us rejoice that the United States is coming through this period of chaos in better shape than most nations. This is because the one great objective underlying every action taken by President Roosevelt has been the determination to provide a measure of social and financial security for the mass of average men and women who must contend with the exactions of this machine age.

The standards of living in this country 100 years ago, or even 50 ears ago, were far below what they are now. There were then no The standards of living in this country 100 years ago, or even 50 years ago, were far below what they are now. There were then no telephones or automobiles or airplanes or electric lights or radios. Farmers and laborers worked longer hours for lower wages. Yet, although it may be difficult for us to realize it, the vast majority of citizens in those days had security and for that reason were reasonably happy. The majority of the population lived on the land. They were assured of a place to sleep, warm clothing, and enough wholesome food to meet their needs, whether times were good or bad. Industrial employment was far more stable than it is today and periods of unemployment were rare. Those conditions no longer exist.

longer exist.

The standard of living has been raised by the modern industrial system, but the cost of living has also been raised. At the same time the bedrock of security has been taken away from millions of citizens. After a century of machines, there is a surplus of industrial workers in the cities and no intelligent person can say that it is their own fault that those men and women are out of worker that they should be able to care for themselves until they that it is their own fault that those men and women are out of work or that they should be able to care for themselves until they find reemployment. The farmers raise far more food than the Nation is able to consume, and as a result millions of them are compelled to exist on the borderline of poverty with no hope of attaining a decent income. This paradox of want in the midst of plenty has been brought about largely by the introduction of laborsaving machinery. May I quote from an address I made several veers are? years ago?

"It takes less time for a man to make something and he can make "It takes less time for a man to make something and he can make it with the expenditure of less energy. So he can make many more things with the same effort or in the same time. In other words, the same number of men can make the same number of things in a shorter workday, or fewer men are needed if the workday is unchanged. * * * The question of what we are going to do with the men no longer needed * * * is one which is put to us every day by hungry men and women out of work and out of money and whose hope of relief is almost dead. If that hope should die, how tragic would be its funeral! Millions of poverty-stricken in this the richest country in the world, millions of economic slaves in this the land of the free, millions of hopeless in this the promised land, would file by in the funeral procession. No tradition of the past, no appeal to moderation or to reason might hold in check an past, no appeal to moderation or to reason might hold in check an attack on our social and economic system or even on our form of government." I said this in June 1932.

This was the problem which the Roosevelt administration had to

This was the problem which the Roosevelt administration had to meet. It remains a task almost superhuman in its proportions, which other governments have tried to solve, only to meet with failure and often with disaster.

Great Britain is often singled out by the opponents of the Roosevelt administration as a nation that was able to ride out the economic storms of the last decade without unbalancing the national budget. They overlook the fact that a liberal and farseeing government carried out a drastic program of social security in England more than 20 years ago, a system that bears a remarkable resemblance to the present program of the Roosevelt adminisable resemblance to the present program of the Roosevelt adminis-tration. The late President Woodrow Wilson attempted to do the same thing for this country until the World War interrupted his efforts. It is a matter of common regret that the successive Repub-lican administrations which ruled this country after the war had terminated failed to act with similar enlightenment.

Although President Roosevelt and the Congress have been com-

Although President Roosevelt and the Congress have been compelled to carry on the struggle for social and economic justice along many fronts, the many worth-while acts of his administration are shaped together into a single pattern.

The first labor which he was called upon to perform was to tabilitize the banking system and to root out the evil banking practices that brought about the financial crisis of 1933. This labor was done well, and along with it the New Deal Congress enacted the bill insuring bank deposits. This latter act, of course, was opposed by short-sighted individuals, who predicted that it would strain the entire banking structure and bring about a worse series of disasters than those it sought to correct. On the contrary, the insurance of bank deposits has proven itself to be a wholesome piece of legislation, the advantages of which have been felt in every community. community.

During the Coolidge administration a series of measures designed

to relieve the agricultural population was rejected on the ground

that it would be dangerous and un-American to use funds from the Federal Treasury for the benefit of a single class. The farmers had been left to rescue themselves from the menace of depressed world prices or else to perish in the attempt. The short-sightedness of that attitude was soon exposed because the subsequent collapse of agriculture was a major factor in bringing on the general economic depression. The present administration has done everything in its power to lift the income of farmers and producers and to halt the power to lift the income of farmers and producers and to halt the wholesale eviction of those falling behind in mortgage payments. This sane policy is designed not only to help agriculture but to safeguard and protect the whole national economy.

The men and women who toil in factories and mills have not been forgotten. A wage and hour law has been placed in operation to put a floor under wages and a ceiling over hours of labor. This measure is just beginning to make itself felt and already the benefits are apparent.

The relief administration has given a means of subsistence to

The relief administration has given a means of subsistence to millions who had no other means of obtaining a livelihood, and the public works program has provided good jobs on needed projects for millions of others.

The C. C. C. camps have opened the doors of opportunity and

The C. C. camps have opened the doors of opportunity and health to an army of young men, while at the same time helping to reduce the supply of surplus labor.

The Social Security Act is now looked upon as a landmark along the path of human progress. The most cruel hardship of the industrial system was the fact that millions of persons worked a lifetime for meager wages only to approach old age without means of support. Eventually, when the new act becomes fully operative, I venture to predict that social security will be looked upon generally as a basic principle in the American system.

The case for the Roosevelt reforms was well put, by a writer in

ally as a basic principle in the American system.

The case for the Roosevelt reforms was well put by a writer in a recent issue of the Yale Review. In response to those individuals whose daily prayer is "Get rid of Roosevelt," he asked:

"Will any political party dare to propose that the Federal Government repudiate ultimate responsibility for keeping people from starving? Will any party dare to announce to the farmers that hereafter they will hoe their own row, without assistance from the Government in time of need? Will any party announce that it means to abolish old-age security; that it means to set finance free to blow up a bigger bubble still than under Hoover's grandfatherly eves: that it means to withdraw from the field of industrial rela-

to blow up a bigger bubble still than under Hoover's grandfatherly eyes; that it means to withdraw from the field of industrial relations and let labor and capital fight it out with tear gas, stink bombs, and propaganda?"

Much has been done; yet much remains for us to do. The great problem of unemployment has not yet been solved. The old-age benefits should be broadened and increased. There needs to be a permanent Public Works Administration to take up when needed the slack in employment. Loans for small-business men should be provided. The farmers' problem is still unsolved and, in the interest of the whole country, they should be made sure of a decent livelihood on the farm. The great success of the home building undertaking justifies its further extension.

In the heated controversies of the moment, we are apt to forget

In the heated controversies of the moment, we are apt to forget the long-range perspective that has guided President Roosevelt in his efforts to reshape the Nation's economic and social fabric. He

his efforts to reshape the Nation's economic and social fabric. He has labored to bring about a well-rounded prosperity, in which every citizen shall obtain a fair share in return for his labor.

He has devoted all his vast energies to uprooting the old system under which a few classes reaped most of the benefits, while the masses struggled along without adequate income or hope of security. He has revitalized the moral thinking of America. He has taught the Nation that if we go forward with converge it is possible to should destination in this lead of courage, it is possible to abolish destitution in this land of

courage, it is possible to abolish destitution in this land of plenty.

Best of all we are restoring economic liberty to America without sacrificing a single one of the basic rights which we look upon as the fundamentals of American democracy. We have preserved liberty of conscience, freedom of speech, and freedom of the press. The ugly practice of throwing political dissenters into jail or concentration camps, so common to other lands, is just as alien to America as it ever was. Instead of weakening democracy, we have made the United States the one great outpost of government of the people, by the people, and for the people.

The Social Security Act and the Townsend Plan

EXTENSION OF REMARKS

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES Monday, April 3, 1939

RADIO ADDRESS BY HON. FRANCIS T. MALONEY, OF CONNECTICUT, APRIL 2, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD a talk which I delivered last evening over the radio during

a joint discussion with the junior Senator from California [Mr. Downey].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I was pleased to have Senator Downey say that he did not regard I have a great admiration for Senator Downey, because I recog-

I have a great admiration for Senator Downey, because I recognize his sincerity, his devotion to the cause of his distressed fellows, and his determination to give people who are approaching the wintertime of their lives economic security with a reasonable measure of comfort. I want to say at the outset that although the original Townsend plan was far beyond my range of vision, I note with some degree of satisfaction that the continuing studies of Dr. Townsend and Senator Downey are bringing them closer to what seems to me a safe approach to a long overdue proper pension system. I am pleased to know that Senator Downey is soon to offer his pension philosophy in the Senate, and I am sure that other Senators, like myself, anxiously await that discussion.

I would not be fair to a determined and tender-hearted man if I did not pay a word of tribute to Dr. Townsend, who has compelled all of us to undertake a more intensive search of a plan to protect people who have exhausted their physical value to industry but who have earned a lasting share in the benefits of society through years of usefulness to business and the Nation. It seems to me most unfortunate that the industries of our country have always set aside funds to replace outworn machinery, but that at the same time many of them, without intending it to be that way, have permitted the outworn human machine, the handiwork of God, to suffer neglect when he became physically worn.

My presence here is dedicated to the purpose of helping to arrive at a proper pension system. Senator Downey, like the rest of us, is devoted to the principle of democratic government, and

because of his self-sacrifice in the cause of the aged, I am among those attentive to his views. The Government has a responsibility, and "the true test of a nation is its care of the weak."

I do not agree, however, that the present Social Security Act is a tragic failure. There are weaknesses in the act, but modification seems at hand in the places where the law has penalized industry and labor, and corrections are certain to be made in the instances where the act is insufficient.

Because there are imperfections in our system of government, we cannot now or ever rest on our oars. Democratic government has tolerated many abuses but the history of our country teaches us that the abuses are corrected when the people so desire, and there is no occasion for fear so long as we correct them by the democratic process, or approach the correction by such a type of democratic discussion as we have here this evening.

Democracy cannot correct its ills by placing its destiny in the hands of any one group. Its basic objective must be the greatest good for the greatest number. Those who criticize the democratic process as slow-moving and inefficient should remember that there is something in life dearer to us than efficiency; and that is our freedom—our freedom to do our own thinking and planning-our freedom to educate our children according to our

planning—our freedom to educate our children according to our own ideals—and to worship God according to our own wishes.

Senator Downey has not only clearly portrayed the plight of the aged but has pointed to the problem of the youth of our land, many of whom are years out of college, fortified with a spiendid education, and still seeking their first job. He reminded us of the millions of unemployed. All Members of Congress are of this torrifying problem, and the Congressiant Propriet. aware of this terrifying problem, and the Congressional Record will show my interest in it. The records also disclose that I was first, or among the first, to suggest a regulation of working hours as a means of stimulating employment and purchasing power. Unemployment has been the principal factor in aggravat-ing the distress of elderly people.

The subject of pensions can only be touched in the few minutes given to me on this program. If it appears that I am critical of the viewpoint of Senator Downey, it is not actually because of the viewpoint of Senator Downey, it is not actually because of opposition, but rather because I want to contribute toward the study of his idea. I have grave doubt as to the wisdom of providing funds for old-age pensions by way of a transaction tax, which is, in reality, a multiple sales tax. Such a tax would mean several sales taxes on everything consumed, and I have the fear that this would prove an unbearable burden upon the less feature of the construction of the less construction. fortunate of the American consumers, and would prove detri-mental to business, and particularly to small business. I share the view that any pension plan should be on a pay-as-

we-go basis, and I believe that the system can be developed. The great insurance companies have shown, by way of sound annuity policies, that small payments over the years will provide a reasonable retirement income as people approach that time of their lives when a speeded up industrial system is likely to abandon

We know that every business depression excites the advancement of financial panaceas. We had them after the depression in 1837 and again after the depressions of 1857 and 1872. At such periods people get the idea that there is something radically wrong with the people get the idea that there is something radically wrong with the monetary system, and that if that problem could be solved, the road to Utopia would be straight and easy. Actually what people are seeking at such times (and no class is immune from the desire) is a freedom from the debts they have incurred and a return of the income they have lost. Unfortunately economic relationships are not so simple. Prosperity cannot be restored by handing a few hundred dollars to each of many million people. Actually that kind of purchasing power might even bring a greater unbalance in our economic system. Money that is too cheap destroys itself, and since the World War we witnessed one nation pass through a period during which it required enough money to fill a suitcase to buy a ham sandwich.

sandwich.

While I want pensions sufficient to provide comfortable security for elderly people, I cannot believe that it is possible under any system to pay a great part of our population a larger income during a period of forced unemployment or during old age than the recipient was able to obtain while physically strong and gainfully employed. Such planning carries us to "the dream city of the sun." Let me say again, lest I be misunderstood, that it is my understanding that the Townsend plan, as a result of study and sincerity of purpose, is approaching the middle of the road.

In the old-age pensions section of the Social Security Act we have a system of old-age security that may be put in harmony with the

a system of old-age security that may be put in harmony with the dignity and independence and traditions of American life. No selfrespecting American wants something for nothing. He does want a full share of opportunity, without gratuity and without a pauper oath, and it was with that in mind that the Social Security Act was written and is being developed.

was written and is being developed.

It was the original plan that old-age insurance under the Social Security Act should be payable January 1, 1942. Now the Social Security Board has recommended that it be payable January 1, 1940. The Board has also recommended liberalizing pensions. Under its proposal a single man reaching the age of 65 on January 1, 1940, who had earned an average of \$50 a month for the 3 years since the old-age insurance plan went into effect on January 1, 1937, would retire on his birthday in 1940 with benefits amounting to \$20.60 per month for the rest of his life. A married man with a 1937, would retire on his birthday in 1940 with benefits amounting to \$20.60 per month for the rest of his life. A married man with a wife over 65 would receive \$30.90 a month. A single man who had earned an average of \$100 a month during the preceding 3 years would receive \$25.75 per month, and a married man with a wife over 65 would receive \$38.63. When a worker died his widow would receive a monthly benefit of three-fourths of her husband's monthly payment. The plan not only provides a reasonable amount of oldage security, but also protects the American family against part of its loss due to the premature death of the breadwinner.

Thus when a young worker dies his widow would receive three-fourths of the monthly amount due her husband on the basis of his wage credits. She would receive for each child one-half as much as her husband's wage credits would allow.

Pending the organization of the insurance program of the Social Security Act, it was found that some temporary provision had to be made for a large number of aged persons who had been reduced to destitution. More than a million and a half of them were on the relief rolls. A number of States passed old-age-benefit legislation, but were without adequate funds to meet the needs. Con-

lation, but were without adequate funds to meet the needs. Congress came to the rescue by setting up a system of Federal grants-in-aid to the States. The Federal Government decided to meet 50 in-aid to the States. The Federal Government decided to meet 50 percent of the cost up to a maximum of \$30. It was an imperfect plan. The original bill provided that in order to receive the Federal grants the State should pay a certain minimum pension, but through an enthusiasm for States' rights Congress eliminated that provision. Now, the Federal contribution of 50 percent means 50 percent of \$6.15 a month in one State and very little more in some others.

I personally feel that this is outrageous, but we are dealing with the "rock-ribbed" traditions of the poor law, which are still deep-rooted in many comunities in the United States. We can pour

Federal funds into them, but in some instances they are administered according to standards that belong to an ancient past.

While we recognize the limitations of our program, we cannot fall to be impressed by progress made since the passing of the Social Security Act. It was legislation long overdue and passed in a period of world-wide confusion and under the pressure of time and distress. and distress

and distress.

My State of Connecticut is close to the head of the list of States in its average monthly grants for the aged. Its average grants are \$26.66 a month. Only California and Colorado provide more. To fully express my feelings, I should say that Connecticut should go further. The amount is not sufficient, and an effort is being made to improve the Connecticut law.

The number of persons over 65 years of age in the United States are reportly increasing, and the ratio of dependancy among them.

is constantly increasing, and the ratio of dependency among them is mounting. Therefore, providing of security for them has become a problem of the first magnitude. Radical changes are necessarily fraught with danger. Most men desire to be fair, and I know people would prefer a slightly hesitant approach to a proper pension (and by that I mean careful study and test) than to risk the destruction of the greatest system of government yet devised.

The problem demands determined and charitable consideration, and I am hopeful that Congress is anxious to assume its responsiand I am hopeful that Congress is anxious to assume its responsibility. I think that a part of its responsibility is study of the suggestions of Dr. Townsend and Senator Downer. For myself, I shall not be reluctant to oppose a plan that appears to me to be economically unwise, though I would be bold if convinced that a generous distribution of pension money would contribute to the country's welfare as it provided comfortable security for people who are moving nearer to the everlasting beauties of eternity.

I am not so self-satisfied as to look with scorn upon the views of men of good heart, who devote their energy, without a hope of personal reward, to the welfare of their less fortunate neighbors. I seek enlightment, as I am sure most men do, and for that reason I have been willing to participate in the discussion of a subject that is difficult and that some people might consider politically

that is difficult and that some people might consider politically wise to avoid. I am confident of the future and grateful for a

national leadership that has at long last moved America toward a rehabilitation and a protection of forsaken groups, who are no less noble than other people and in the eyes of God equal to the most fortunate of their fellows.

The Lake Erie Canal

EXTENSION OF REMARKS

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES Monday, April 3, 1939

EDITORIAL FROM THE PITTSBURGH PRESS OF MARCH 20, 1939

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Pittsburgh Press of March 20, 1939, entitled "The Lake Erie Canal." This article gives a clear answer to questions raised by many of my constituents and shows the tremendous difficulties that confront such a venture at the present time.

There being no objection, the editorial was ordered to be

printed in the RECORD, as follows:

[From the Pittsburgh Press of March 20, 1939]

THE LAKE ERIE CANAL

The recent recommendation of the Corps of Army Engineers for

The recent recommendation of the Corps of Army Engineers for construction of the long-discussed Pittsburgh-Lake Eric Canal has revived public interest in this project. In Youngstown a tremendous campaign is under way to obtain funds from Congress to build the canal to Youngstown. In Pittsburgh, groups favoring and opposing the waterway are getting busy again.

Before the merits of the proposed canal can be discussed, an explanation of its background and purpose is necessary. As long ago as 1919, the River and Harbor Act authorized a survey of a waterway connecting the Allegheny River and Lake Eric via French Creek. In 1922, the Chief of Army Engineers recommended a survey of three routes, including one from Pittsburgh to Ashtabula, on the lake, by way of the Beaver and Mahoning Rivers.

This survey was not made and reported back to Congress until 1934, when the engineers recommended the canalization of the Beaver and Mahoning Rivers to Struthers, a point above Youngstown. This was the famous "stub end" canal which Youngstown wanted but Pittsburgh opposed on the grounds that it would give the former steel center a tremendous competitive advantage.

wanted sure Pressaying opposed on the grounds that it would give the former steel center a tremendous competitive advantage.

Acting upon the engineers' report, Congress authorized the construction of the waterway, but with the provision that it extend to Lake Erie and that the entire project first be approved by the engineers. Thereupon, the engineers set to work and made the

engineers. Thereupon, the engineers set to work and made the report which has revived the canal as a public issue.

Briefly, the engineers pronounce the project sound from an economic and engineering standpoint. They point out that 65,000,000 tons of coal are shipped to the lake each year, and that 32,000,000 tons of ore are shipped in return from the lake to furnaces in the upper Ohio Basin. They estimate that by using the Beaver and Mahoning Rivers to Struthers and the Grand River Valley to the lake a canal can be built at a cost of \$240,000,000, of which the Federal Government would have to pay \$225,000,000. The engineers estimate the prospective traffic of the canal as 27,746,000 tons and claim it would mean a savings in transportation charges of \$20,000,000 a year.

27,746,000 tons and claim it would mean a savings in transportation charges of \$20,000,000 a year.

However, the report recommends the construction of the canal to Youngstown first, and then proposes that a further study be made. If then found economically justified, it should be continued to the lake. It is this feature of the report that has particularly aroused Youngstown's enthusiasm for the project.

The decision as to whether the canal is to be built now is up to Congress. And Congress, on this project, will be guided largely by pressure from back home. If it feels that Pittsburgh and Youngstown want the canal, it will probably put up the necessary funds.

In many respects, therefore, the decision is in the hands of the two cities affected. Youngstown already is showing in no uncertain manner that it wants the canal. Pittsburgh still has to speak its collective mind.

What Pittsburgh's decision should be is not easy the claims of the rival groups are directly conflicting. Those favoring the canal feel that it will mean the economic renaissance of this district. Those opposing it think it will seriously damage local industries

After carefully weighing and studying the claims and counter-claims of both groups, we are inclined to agree with those who oppose the canal. For it seems to us that canal advocates, in their natural zeal to realize a dream of many years and link Pittsburgh and Lake Erie and thus complete the inland waterways system of the Mississippi and Ohio Basins, are forgetting some important fundamentals

They emphasize the need for cheaper transportation. There unquestionably is such a need. But does this answer it?

There we think the answer is definitely no. For this is not cheap transportation, it is subsidized transportation. The Government will spend \$240,000,000 to build a waterway and will spend large sums each year, in addition, to maintain it. The tax-payers will foot the bill and a handful of river shippers will be the direct beneficiaries.

It seems to us that on this issue alone the project cannot be justified economically. River interests for years have maintained that they offer the cheapest form of mass transportation, where speed is not an essential element. But that has never been proved. For river improvements are made with public funds and rivers are maintained from the same source. Naturally, river shippers can offer low transportation rates. So could the railroads if the Government built and maintained their right-of-way and they had

ornment built and maintained their right-of-way and they had nothing to provide except rolling stock.

There are other valid objections to the canal. Its uses are limited. It probably will be impassable during the severe winter months. Thus it is not an all-year-round medium of transportation which an industrial center such as Pittsburgh needs.

Nationally, it is vulnerable from the standpoint of its high cost. At the present time an effort is being made to curtail Government expenditures. Those who advocate this—and their ranks include most taxpayers—can hardly, in all consistency, insist that the Govmost taxpayers—can hardly, in all consistency, insist that the Government spend \$240,000,000 on a single project whose economic value is open to serious doubt. The excuse that if Pittsburgh doesn't get the money somebody else will is a filmsy argument at best; for, after all, this region is a heavy Federal-tax contributor and is only adding to its own tax burdens by taking such an attitude.

Locally the canal is subject to other criticisms. If, as the engineers say, it will handle 27,000,000 tons of transportation, it obviously will cut heavily into the railroads' revenue at a time when they are in none too sound an economic condition. Railroad men say it will cost 7,500 employees their jobs. And if the railroads suffer, so will the coal mines, for the railroads are the largest users of coal; and so will the steel mills who also regard the railroads are less than the coal mines, for the railroads are the largest users of coal; and so will the steel mills, who also regard the railroads as a major customer.

There unquestionably will be some economic benefits to offset these losses. But we doubt if they will be sufficiently compensating. For, despite what its proponents say, we do not believe this canal will open up any major fields of business for Pittsburgh's industries. Its primary use will be to carry ore and coal, not manufactured products. And that in itself limits its possible benefits.

If this canal were being built on a self-liquidating basis, that is, if tells were being charged that would never for the project in 20 to

if tolls were being charged that would pay for the project in 20 to 40 years, then most of the objections to its construction would be removed. For it would then be a Government investment; not a Government expenditure. And the railroads could offer no sound opposition to a project built on such a basis.

As it is now, they and the entire community can find plenty of valid objections. And so can the rest of the Nation, which is justified in asking whether the Federal Government has any right to continue its policy of subsidizing one form of transportation in competition with another.

We therefore hope that Congress, despite the report of the Army engineers, will refuse to appropriate the requested funds for this waterway. On its present basis it seems to be neither economically sound nor economically desirable.

Louisiana-Vicksburg Bridge Commission

EXTENSION OF REMARKS

HON. NEWT V. MILLS OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

Mr. MILLS of Louisiana. Mr. Speaker, will the gentleman

I first desire to thank my distinguished friends and colleagues, Luther Patrick, of Alabama, Virgil Chapman, of Kentucky, as well as the entire membership of the Interstate and Foreign Commerce Committee, for having favorably reported H. R. 3224, a bill creating the Louisiana-Vicksburg Bridge Commission, which if adopted will eventually make the Louisiana-Vicksburg bridge at or near Delta Point, La., and Vicksburg, Miss., toll free.

The commission which this bill proposes to create will consist of three persons, two of whom shall be appointed by the Governor of Louisiana and the other by the Governor of Mississippi; however, each member of the commission shall give such bond as may be fixed by the Chief of the Bureau of Public Roads of the Department of Agriculture, conditioned upon the faithful performance of all duties acquired by this

act. I may say further this bill meets with all objections that | have previously been raised.

Mr. Speaker, I congratulate Hon. Dan McGehee, of Mississippi, Congressman from the congressional district adjoining this bridge, as agreeing to permit this bill to be passed over without prejudice at this time in that he could submit this bill to Mayor J. C. Hamilton, of Vicksburg, and all other interested parties for their opinion.

At this time I would like to call the House's attention to the fact that I introduced in the Seventy-fifth Congress a similar bill and that same was reported favorably by the Interstate and Foreign Commerce Committee, and said bill was reported out and came to the House on the Consent Calendar. However, at that time, my distinguished friend, Hon. Dan McGehee, objected in the light that certain interests in his district wanted to study the contents of this proposed legislation to which I had no objection, as I felt that all interested parties should iron out their differences. I believe, however, Mr. Speaker, we have ultimately found a medium of understanding whereby legislation can be adopted in this present session of Congress that will make it possible to eventually make this bridge in question toll free.

It is my understanding that an average of \$397,691.11 is paid in annually for toll or \$3,181,528.91 has been collected as toll for the past 8 years, and I say, Mr. Speaker, it is a shame that the public is forced to pay bridge toll on one of the main Federal highways of this country. Therefore, I trust by the next Consent Calendar day that my distinguished Mississippi friends will come to an agreement whereby we can secure the passage of the necessary legislation in this present session of Congress in that we can eventually make this bridge toll

It may be held by certain interests that they would be interested in the bridge being toll free earlier than my bill provides, which I well appreciate and I believe this can be made possible if we can persuade the highway commission of each of the States of Louisiana and Mississippi to contribute financial aid in this undertaking.

Borah Talks Sense

EXTENSION OF REMARKS

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

EDITORIAL FROM THE CHILTON (WIS.) TIMES-JOURNAL

Mr. KEEFE. Mr. Speaker, under leave to extend my remarks I am putting in the RECORD the following editorial written by Mr. William J. McHale, editor of the Chilton Times-Journal, of Chilton, Wis., entitled "Borah Talks Sense":

[From the Chilton (Wis.) Times Journal] BORAH TALKS SENSE

Senator Borah sounded a warning caution in the conduct of the foreign affairs of this Nation which will and should find widespread approval when he declared:

"For myself, I would adhere closely to the advice of Washington—

no entangling alliances, express or implied. I would regard the Monroe Doctrine as a part of our national defense and a cornerstone of our foreign policy. I would send no money to European war chests, no munitions to any nation engaged in war, and, above all, no American boy to be sacrificed to the machinations of European imperialism."

At the moment the two European dictators, Hitler and Mussolini, At the moment the two European dictators, Hitler and Mussolinl, are making themselves extremely disagreeable. Especially repugnant to our democratic sense of right and justice has been Hitler's seizure of the helpless little Republic of Czechoslovakia. It was just such an act of injustice as Hitler has accused other nations of committting against Germany and which he has made the pretext of justifying his sweeping disregard of treaties. The American people naturally condemn that sort of thing. In our attitude of disgust we become fertile subjects for those to work upon who make a pretext of defending democracy against nazi-ism and fascism. a pretext of defending democracy against nazi-ism and fascism. We lose sight of the fact that it is Communists and Communist sympathizers who are the leaders of the ballyhoo against the

European dictators.

Before getting unduly excited about the European situation we would do well to consider the causes which gave rise to it. First and would do well to consider the causes which gave rise to it. First and foremost of these causes was the rank injustice of the Versailles Treaty. This instrument was drawn not in the spirit of justice but in the spirit of revenge. It was intended to break the morale of the German people for decades to come. Germany was deprived of her colonies with the result that England and France had their empires extended. The consequent hopelessness and unrest which seized Germany brought about a condition of chaos. In the meantime Russia had gone Bolshevik and started out on its mission to make all the nations of the world the vassals of Moscow. Communism, we should remember, was the first of the international "isms." In chaotic Germany it quickly gained footbold, and millions of the people became sympathizers of the Moscow doctrine. Thus was laid the groundwork for the rise to power of a strong man in Germany.

Hitler made his bid for that role and won.

Se England, France, and Russia are primarily responsible for the conditions that started Hitler. Let them stop him. Not one of them would lift a hand today for democracy as such. They become concerned only when the threat is to their own imperial domains. They did nothing to prevent the seizure of Austria. At Munich they went so far as to "legalize" the first slicing up of Czechoslovakia. They gave Hitler his start in expanding his domain and their concern now is not to correct the wrongs he has done but to protect themselves against a loss of their own empires, much of which were acquired by

against a loss of their own empires, much of which were acquired by the methods Hitler is now using.

The cry goes up to defend the democracies—and Russia is on the side of the defenders of democracy. Russia, where the Communist Party, with a membership of less than 1 percent of the people, holds the other 99 percent in a state of terrified serfdom; where Bolshevik murderers, in the name of the Government, slaughtered over murderers, in the name of the Government, slaughtered over 20,000,000 Christians; where communism got its start and in turn gave rise to the opposing doctrines of fascism and nazi-ism—this undemocratic, godless dictator tyranny is now to be allied with the democracies in the movement to stop Hitler and save democracy. This country was propagandized into giving its blood and treasure in the World War "to make the world safe for democracy." We loaned billions to Britain and France to fight that war, and they broke their pledged word with regard to repayment of those billions just as arbitrarily as Hitler broke his word respecting the independence of Czechoslovakia.

And yet our Government chiefs seem to have forgotten all this

pendence of Czechoslovakia.

And yet our Government chiefs seem to have forgotten all this recent history and to remember only current events. They pass up no opportunity to strain the relationship between this country and the dictatorships. While we disapprove of the dictator banditry, it is obviously the height of folly for us wantonly to pick a fight with them. But that is what our Government has been doing. Senator Borah does a service in warning against our getting mixed up in the European mess. Let those who started Hitler find a way now to stop him. now to stop him.

The W. P. A. Revulsion

EXTENSION OF REMARKS

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

ARTICLE BY MARK SULLIVAN

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mark Sullivan, which was printed in the Washington Post of April 1:

> [From the Washington Post of April 1, 1939] THE W. P. A. REVULSION—UNMISTAKABLE SIGNS

(By Mark Sullivan)

The greatest applause given to any speaker on any question in this session of Congress was given this week to a Member of the House who attacked W. P. A.—his attack was against foolish and extravagant projects. On another occasion, a motion to investigate W. P. A. was carried by 352 to 27. These and other evidences show that Congress and the country are turning against W. P. A. This is a sign of something deep-reaching and little understood. It is an instinctive national mood, not understood even by many who feel it.

W. P. A. was an agency for taking care of the residue of the residu

W. P. A. was an agency for taking care of the needy and deserving appeals to our human sympathy. Many who are on W. P. A. rolls are genuinely deserving. Many others are not. However small or large the number who deserve our sympathy, whatever the defects of W. P. A., we feel a little ashamed to withhold sympathy from an institution that certainly does take care of some persons who are worthy of the utmost sympathy and consideration. persons who are worthy of the utmost sympathy and consideration.

We observe, or read about, some example of undeserving beneficiaries of W. P. A., or some waste, or some sordid political use made of W. P. A.—and we are moved to indignation. But there occurs to us some case we personally know of, a fine and worthy person whose job on W. P. A. is his defense against intolerable distress. We think of the case within our own experience, we reflect that there must be many others—and we withhold our indignation. indignation.

indignation.

Nevertheless, the country is turning, as Congress has turned, against W. P. A. We are turning against it because of an instinct within us even more powerful than sympathy for unfortunate individuals. We are turning against W. P. A. because we sense, vaguely but strongly, that something within W. P. A. constitutes a threat to the very existence of the country. That this is so is sensed in a vague way by many who do not understand why.

To explain just why W. P. A. is a threat to the country is not easy. One way to achieve understanding is to imagine yourself in the position of a person who wishes to bring about the destruction of American society and the substitution of some form of government collectivism—communism, socialism, or a variation of

of American society and the substitution of some form of government collectivism—communism, socialism, or a variation of them. Such a person you can imagine reasoning as follows:

"We will take the lowest layer of the population. We will make this layer dependent on the government for its living. To this layer we will give a standard of living slightly higher than is enjoyed by the layer immediately above, which remains in private employment. The layer above, seeing the better standard of living enjoyed by those who get their living from the government, will be constantly tempted to feel discontent with their private jobs, constantly tempted to join the number dependent on government. Thus gradually we will increase the number dependent on government. In time we will increase the number dependent on government to where it amounts to some 30 percent of the total population. At that point the whole American system of society government to where it amounts to some 30 percent of the total population. At that point the whole American system of society will turn over. For the 70 percent remaining in private employment will not be able to support the 30 percent who get their living from government. We will have destroyed the system of privately owned industry. We will have achieved government collectivism. We will have done it quietly, without violence. We will have achieved peaceful revolution. We will have done it as if it were a natural process, impossible to resist or even to criticize justly."

Something much like this is made possible by W. P. A. The layer of population that is on W. P. A. gets an average pay of \$61 a month. That is slightly more than is received by many persons in private employment. Some on W. P. A. draw over \$150 a month. This is much more than many in private employment receive. In addition to larger earnings, other features of work on W. P. A. make it more attractive than many in private industry. Work

make it more attractive than many jobs in private industry. Work on W. P. A. is less onerous. Workers on W. P. A. receive, additional to their pay, free gifts of food, which, when bought by ordinary citizens, would cost anywhere from \$5 to \$15 a month or more. This is done by Secretary Wallace's Triple A under a system of buy-

This is done by Secretary Wallace's Triple A under a system of buying up surplus crops in order to help farmers, by keeping up prices of crops. While this helps farmers, it helps even more directly the W. P. A. workers to whom the food is given.

Not only by the things that make W. P. A. more attractive than many jobs in private industry is the system of private industry undermined, the tendency toward government collectivism furthered. Every policy and practice that makes private industry more difficult to operate tends to throw more and more of the people into the group that is tied into government as the source of their living. Everything that makes business recovery difficult works toward the same end—destruction of the system of private industry, the coming of government collectivism.

If there are persons who consciously wish to destroy private industry and bring about government collectivism, W. P. A. must be a fundamental part of their plan. Such persons would, in the words of Representative Wadsworth, make a "desperate endeavor to make W. P. A. permanent." They would, in Representative Woodrum's words, "instead of getting people off W. P. A., make it attractive for them to stay on."

But dismiss any charge of deliberate intent. Assume, if you

But dismiss any charge of deliberate intent. Assume, if you wish, that the motive of all is honest humanitarianism. The effect is the same. America must liquidate W. P. A.—or W. P. A. will liquidate America.

W. P. A. Appropriations

EXTENSION OF REMARKS

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

LETTER CONCERNING W. P. A. APPROPRIATIONS

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me recently:

Representative William Miller,

Washington, D. C.

Dear Mr. Miller: Congratulations on your stand against the W. P. A. appropriation bill now before the House. An investigation in your own State will show gross negligence in the handling of relief funds; and if the situation here is any criterion, this is certainly the time to clamp down on any further needless spending. I am an employee of the W. P. A. and have been working on two W. P. A. projects. Being so completely disgusted with the needless waste and inefficiency, I have requested a transfer to a construction project at a wage reduction of \$32 each month, so that while I must work for W. P. A., I at least will earn what I receive (sic). From 6 months' employment with the W. P. A. I have learned to be lazy and incompetent and have seen more dehumanization among employees that the newspapers tell me are being rehabilitated.

A cut of the persons in Connection to the content of the persons in Connection o

A cut of the persons in Connecticut who could do very well without this employment would save at least \$20,000 every 6 months, and this amount could be used for the real needy ones who would be glad to work for \$60 per month.

Good luck, Mr. MILLER, and don't vote till you see the figures.

Sincerely yours,

The American People Do Not Want War

EXTENSION OF REMARKS

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

ARTICLE FROM THE TABLET OF MARCH 18, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, on March 18 there appeared in The Tablet, a Catholic weekly, published in New York City, an editorial, the title of which is "The American People Do Not Want War."

This editorial is timely, and will give to the membership of the Congress the attitude of our people relative to war.

Mr. Speaker, under leave granted by the House to extend my remarks, I have the pleasure to include the editorial above referred to.

> [From The Tablet of March 18, 1939] THE AMERICAN PEOPLE DO NOT WANT WAR

The latest ventures of Adolf Hitler will undoubtedly arouse the internationalists and interveners in the United States to have our country mix in the kaleidoscopic troubles of Europe. The money changers are fast seeing their fields of power and profit destroyed; the world savers, learning nothing and forgetting everything, will argue that the place of American youth is in the trenches of China or the fields of the Ukraine; the Communists and occult forces bitter at the decreasing chances of world revolution, seeking by dominating subversive movements to counteract the triumph of Dictator Hitler, will scream "To arms"; and those the triumph of Dictator Hitler, will scream "To arms"; and those who have been engaged in name calling, threats, and bombastic attacks will, in bitterness as they see their efforts were futile,

attacks will, in bitterness as they see their efforts were futile, make rash statements.

Thoughtful and fair Americans will not lose their balance over Hitler's recent exploits. They will continue to think solely of their own beloved land; they will continue to consider solely the welfare of the American people; they will continue to strive solely for peace; and they will not be moved by the war mongers, the hate dispensers, and the defeated internationalists who see their market dealining.

markets declining.

Czechoslovakia was a product of the World War. The Austro-Hungarian Empire was made up of Czechs and Germans in one end and Russians, Hungarians, Rumanians, and Poles in Carpatho-Ukraine. These nationalities with the Slovaks were lumped together at the insistence of France to make the artificial State of Czechoslovakia. Czechoslovakia. The old Austro-Hungarian Empire was an economic unit. The grouping of all these people in Czechoslovakia was performed by amateurs and opportunists. Differences in languages, customs, traditions, and philosophies were frequently disregarded; absurd boundary lines were set up; self-sustenance was disregarded; racial and religious factors were not sufficiently considered. The headling of the problem was united. sidered. The handling of the problem was unjust, stupid, and illogical. Central Europe previous to the World War was happier and self-sustaining. The after-war arrangement made for bitter-

and self-sustaining. The after-war arrangement made for bitterness, rivalry, antagonism, economic chaos.

The treaty of Versailles is again responsible for this week's news. It transformed large groups of peoples from units into rivals; it solidified the Germans who are determined to break the chains forged upon their nation and again to become a "have" and not a "have not" nation. The treaty together with the infiltration of communism has acted as a compelling force to undergo hardships

and loss of liberty for fear of receiving a worse evil to complete the picture.

not the lesson clear to the American people? Does it not Is not the lesson clear to the American people? Does it not now dawn on everybody that our entrance into the last war was a tragedy? Did we save the world for democracy? Did we assist world peace? Not at all. We did help "Kill the Kaiser"; yet we prepared the scenes for Adolf Hitler. Today Germany has more territory and more subjects than previous to the World War. Need any fair-minded person hesitate in saying we should never again send our boys and our dollars to Europe to fight a war in which everybody loses? Keep out of Europe, mind our own busiess is once more a great lesson to be drawn from all these recent ness, is once more a great lesson to be drawn from all these recent events.

There is another lesson. In every one of the countries seized by Hitler he has followed a devastating, if bloodless, program. The internal peace and unity of each people was destroyed by agents of confusion and propagandists of destruction. Then the army and officials were hamstrung by dividing and contradictory forces. Reduced to impotence, these peoples were literally seized. In the United States, even though on a small scale, the foreign propagandists of hate and confusion are active. They work through Government channels, the Army and Navy, in cities in the ranks of labor, with the press, radio, education, politics, and every other form of human activity. They frequently travel under assumed names. They shout for "peace and democracy," for the Constitution and against certain dictators, but their entire program is to indoctrinate foreign ideologies, to create confusion, to divide the American people, to make the Nation helpless so as to bring about warforeign, class, and finally revolutionary conflict.

Today the duty of Americans is again clear. Keep out of Europe. Insist upon peace. Seek to restore prosperity to our own American people. Ban the foreign ideologists, movements, and organizations who act as agents for distant dictators. Condemn all subversive movements alike. Strive for national unity.

America for Americans! Americans for America! There is another lesson. In every one of the countries seized

Republican River Valley, Nebr.

EXTENSION OF REMARKS

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1939

RESOLUTION OF THE LEGISLATURE OF NEBRASKA

Mr. CURTIS. Mr. Speaker, I arise to speak again in behalf of the Republican River Valley of Nebraska. It would be impossible to overemphasize the need for flood control and irrigation in that valley. About 4 years ago a devastating flood came down that valley and took the lives of 110 known persons. Governor Cochran, of Nebraska, who is an engineer, says that that valley is the most neglected spot in America.

The Legislature of Nebraska has passed some resolutions pertaining to the problems, and I trust that the Members of the House will give them their due consideration. It is as

follows:

Legislative Resolution 23 REPUBLICAN RIVER VALLEY FLOOD CONTROL

Whereas the Congress of the United States, by the adoption of Whereas the Congress of the United States, by the adoption of acts pertaining to flood control and reclamation, has recognized responsibility on the part of the Federal Government to control the destructive floodwaters of the basins of the Mississippi and Missouri Rivers, has declared this to be a national problem, and has heretofore authorized the expenditure of Federal funds in considerable amounts in the area for the improvement of conditions resulting from floods and drought; and

Whereas the Republican River Valley drainage area in Nebraska, settled by people who are and have been making every effort to better their condition in the face of adverse circumstances beyond their control, comprises many hundreds of thousands of acres of valuable land which has been greatly damaged by floods and drought; and

Whereas the Republican River Valley in Nebraska, a part of the great drainage area of the Missouri and the Mississippi Rivers, has thus far received but scant Federal recognition for conservation

and reclamation; and

Whereas as a result of the 1935 floods in that valley, over 100 persons lost their lives, the property loss was tremendous, and much of the fertile and valuable land in the valley has been imperiled and made subject to repeated damage from floodwaters, while on the other hand many thousands of acres in the area are in urgent need of the waste waters of the river for irrigation; and Whereas a constructive and comprehensive Federal program for the pretection of life and property from destructive floods and

the protection of life and property from destructive floods and

drought within the drainage area of the Republican River, including its tributaries, is admittedly a national problem, and is needed for the control, conservation, development, and beneficial use of the water and land resources of said area as affecting the well-being of the hundreds of thousands of its citizens: Be it

Resolved by the Unicameral Legislature of Nebraska, That the Congress of the United States be and it is hereby requested and urged to cause to be made full, complete, and comprehensive survey and investigation into the claims of the residents of the Republican River Valley in Nebraska for flood control and reclamation therein, including the storing, preservation, and distribution of the waste and flood waters of said river and its tributaries for beneficial use:

That the Congress be and it is urged to make early appropria-tion of Federal funds to insure the inauguration and carrying on of internal improvement projects within said valley, and that the proper Federal agencies be empowered and directed to give early

proper Federal agencies be empowered and directed to give early and careful consideration to the feasibility and advisability of constructing and maintaining dams in said area in Nebraska, including the various tributaries of the Republican River, for the Federal purpose of flood control, conservation, and other beneficial use of the water, including that of irrigation.

That a copy of this resolution be sent by the chief clerk of this unicameral legislature to each of the following: The President of the United States, the Honorable Franklin D. Roosevelt; United States Senator, the Honorable George W. Norris; United States Senator, the Honorable Edward R. Burke; to each of the five Congressmen from Nebraska, to wit, the Honorable Carl T. Curtis, the Honorable Karl Stefan, the Honorable Charles F. McLaughlin, the Honorable Harry Coffee, the Honorable George H. Heinke; the Vice President of the United States, the Honorable John N. Garner, as President of the Senate; the Speaker of the House of Representatives, the Honorable William B. Bankhead; the Secretary of the United States Department of Agriculture, the House of Representatives, the Honorable William B. Bankhead; the Secretary of the United States Department of Agriculture, the Honorable Henry A. Wallace; the Secretary of Commerce of the United States, the Honorable Harry Hopkins; the Secretary of War of the United States, the Honorable Harry H. Woodring; the Secretary of the Interior of the United States, the Honorable Harold L. Ickes; the Governor of Nebraska, the Honorable R. L. Cochran; the Chief of the Army Engineers, Maj. Gen. Julian L. Schley, Washington, D. C.; the Office of Army Engineers, Kansas City, Mo.; the Mississippi Valley Flood Control Association; the National Rivers and Harbors Congress; the National Reclamation Association; the chairman of each congressional committee in Congress which has to do with the appropriation of Federal funds for the conservation of national resources; the Governors, respectively, of Kansas and Colorado. tively, of Kansas and Colorado.

The Money Question

EXTENSION OF REMARKS

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

CONGRESSIONAL BREAKFAST TALK, MARCH 28, 1939

Mr. BURDICK. Mr. Speaker, the greatest unsettled question now before this Congress is the money question. That question would soon be settled here if the people of the United States were in possession of the facts. I submit here the proceedings of the congressional breakfast talks conducted by Charles G. Binderup, as these proceedings are bristling with facts. The Members of Congress will remember the great work done on this question by Congressman Charles G. Binderup in the Seventy-fourth and Seventyfifth Congresses.

I want to preface this congressional breakfast broadcast by a letter I received the evening previous, calling attention to this radio program, because this letter includes some indisputable fundamental facts well stated.

JUST AS A CONSTITUENT WOULD LIKE TO SPEAK WITH HIS REPRESENTATIVE IN CONGRESS

WASHINGTON, D. C., March 27, 1939.

MY DEAR COLLEAGUE: May I respectfully remind. There is only one fountain from which all wealth flows. It is the fountain of labor combined with God's natural resources of the earth.

May I also bring to your mind—there is only one plan whereby the products of this fountain can flow freely, distributing from the producer to the consumer; it is money, our circulating medium of exchange of exchange.

With an abundance of labor and an abundance of God's natural resources there is no more justification for unemployment and suffering for lack of money to carry on than if a dealer in dry goods should close his doors because there was a shortage of vardsticks.

A perfect monetary system, the wheels of distribution, the life-A perfect monetary system, the wheels of distribution, the life-blood of trade and industry, must definitely provide two things, velocity (circulation) and volume (quantity). It is not possible to have a dollar with uniform purchasing and debt-paying power with either of these two factors lacking. Thus the necessity of constitutional money. Government monetary control. It is invariably the contraction of volume or the failure of vol-ume to expand in keeping with the demands of a growing nation that retards velocity of circulation.

So retarding the volume of money invariably retards velocity and retarding velocity in turn retards the efficiency of volume—in other

words, starts hoarding.

These matters are all explained in our congressional breakfast broadcasts every Tuesday morning over WOL at 8:15 o'clock.

Respectfully,

THE CONSTITUTIONAL MONEY LEAGUE OF AMERICA, C. G. BINDERUP, President.

CONGRESSIONAL BREAKFAST TALK, TUESDAY, MARCH 28, 1939

Announces. Once again we bring to you the Tuesday morning congressional breakfast talks conducted by Mr. Charles G. Bindformer Congressman from the State of Nebraska. Binderup.

Mr. Binderup. Thank you, Mr. Brown. I am pleased to introduce our guest speakers this morning, Senator Gillette, of Iowa, and Congressman Hunter, of Ohio.

Our subject this morning is the Quantitative Philosophy of Money, the subject that has been so liberally discussed here in Washington for the past week, or since that erroneous statement

Washington for the past week, or since that errolleous statement appeared in one of our Washington papers purporting to be made by the Governors of the Federal Reserve banks.

I am just in receipt of a letter with an attached clipping from this newspaper, sent in by a Member of Congress. He writes in the letter as follows: "It seems to me the Board of Governors of the Federal Reserve bank are trying to give you a real set-back, in this clipping from one of our Washington papers. You will notice they are claiming your philosophy, or quantitative monetary control level, is not workable."

Well, Is hot workande.

Well, I believe I'll just pass the buck and turn this matter over to our guest speakers this morning for reply to the Governors of the Federal Reserve banks. Mr. GILLETTE, what do you think about the quantitative philosophy of money, as a basis whereby to determine Government monetary control and provide constitutional money? I mean, the theory that money measures things and things measure money, each measures the other by and according to its own supply and demand as compared with the supply and the demand for the other. If you double the amount of money in circulation, you approximately double the price of everything and by doubling the price of everything you divide your debts, as it will then take

you approximately double the price of everything and by doubling the price of everything you divide your debts, as it will then take only half as much labor, or the products of labor, to pay the same debt. If you divide the amount of money in circulation, you will divide the price of everything; by dividing the price of everything, you double your debt, for it will then take twice as much labor or the commodities produced by labor to pay the same debt. Now that is what we mean by the quantitative theory or philosophy of money. Senator GILLETTE, give us your opinion.

SENATOR GILLETTE. Well, Mr. Binderup, I do not claim to know so much about what you call philosophies or theories. What knowledge I have along the monetary line has been acquired by facts and figures obtained from general experience and observation.

Now, if I understand rightly what you mean by the quantitative philosophy of money, I believe there is not the slightest doubt as to its accuracy. How could I help believing in this when I see it before my eyes and in business experience every day, I know when money is plentiful prices are high, wages are high, debts and taxes are easy to pay, labor is fully employed, and there are small relief rolls. And I notice when money is plentiful and the farmers are getting the cost of production plus a reasonable profit for their goods, they buy the products of industry, and the factories run night and day, and the laboring people in industries buy the farmers' products. Now, there is no theory or philosophy about this. It night and day, and the laboring people in industries buy the lariners products. Now, there is no theory or philosophy about this. It is common knowledge. And I also know when money is tight or scarce, prices go down excepting freight rates, interest, taxes, and similar fixed charges. But labor and the products of labor governed by the supply and demand that determine the purchasing and conby the supply and demand that determine the purchasing and con-suming power of the multitude go down—then mortgages are fore-closed. Farmers and laboring people lose their farms and homes. Merchants and manufacturers go broke. I am firmly convinced that it was scarcity of money in the twenties that helped break no less than 16,000 little banks, depriving millions of laboring people of their lifetime savings they had laid aside for their old age. And thus, money scarcity and its effects made out of some of the best citizens, roaming nomads, wanderers without homes, W. P. A. and relief workers by the millions. relief workers by the millions.

relief workers by the millions.

Now, I don't know, Mr. Binderup, whether this answers your question, but that is my opinion. I don't call it a philosophy, but I call it just common knowledge based on observation and experience.

Mr. Binderup. Thank you, Senator Gillette; that is a good statement. The newspaper clipping referred to is about 36 inches long dealing primarily with this issue. It is on the front page and in the first column. Just who do you think wielded the power and influence to place this misleading statement in this conspicuous place? I will venture to say, Congressman, that even though you are a

Member of the House, you could not get one word in this paper in this position refuting or disproving this statement. Senator Thomas tried it and they gave the Senator 3 inches on an inside page. But in those 3 inches he exploded a ton of dynamite when he said, "If the present board does not have confidence in its ability to regulate the value of the dollar then some other board which he said, it he present board does not have confidence in its ability to regulate the value of the dollar then some other board with more confidence in its ability should be appointed to supplant the present board." Well, that's the truth in a nutshell. In fact such a bill has already been introduced in the House. The number is H. R. 4931 known as the Binderup-Voorhis bill. What do you say, Congressman Hunter, in reference to the quantitative philosophy of money and the statement made by the Governors of the Federal Reserve banks that price control will not work?

Mr. Hunter, I think, Mr. Binderup, I should explain, in order that our radio audience may know. Price control does not mean to control the price of any individual article. Prices must fluctuate freely, according to supply and demand. Price control, as the Governors refer to it, in this article, refers to the dollar index of 1926. In other words, it means the average price of 784 leading commodities in the year 1926, which has been accepted generally as the zero mark. From this point, Congress can regulate the general price level by instructing its monetary authority to raise the price level, if and when necessary.

Mr. Binderup, I am pleased that you cleared up the exact mean-

the price level, if and when necessary.

Mr. BINDERUP. I am pleased that you cleared up the exact meaning of the term "price control," Congressman Hunter, and may I suggest an example to further explain. Suppose we find after establishing the price level, based on the average prices of 784 commodities in 1926, that this price level or dollar index figure for 1926 is insufficient to create full employment for all employable or that this price level or dollar index figure does not establish a parity between fixed charges such as interest, taxes, freight rates, and hundreds of other fixed charges that do not respond to lish a parity between fixed charges such as interest, taxes, freight rates, and hundreds of other fixed charges that do not respond to supply and demand, then in order to establish this parity and create full employment, the Congress can advise its agent, "the monetary authority," to raise the average price level for labor and commodities, say one or two or any number of points until this has been established. In other words it gives us a definite measurement whereby to scientifically control our price level and prevent booms and depressions. It does answer, as you say, the same as the zero mark on our thermometer from which we can measure up or down, but Congressman Hunter, the Governors of the Federal Reserve Board say Government monetary control will not work. not work.

not work.

Mr. Hunter. How do they know it won't work? They have always refused to try it regardless of the fact the world's greatest economists say definitely that there is no question but what it does work perfectly. And everybody knows, as the Governors themselves admit, that too much money will cause what we call inflation, and rob the rich or the creditors; and too little money will cause defiation and rob the debtors or the poor, and thus having long since established these fundamental facts, how strange that the Governors of the Federal Reserve banks should claim that it is not possible to find the right amount of money and keep prices on an average stabilized. Just why do they refuse to try it? It could not possibly be worse than no control at all. It could not possibly be worse than our present system that has collapsed no less than 27 times during the life of our Nation, or a money depression about every 5 or 6 years. And in fact our monetary plan never has worked even half way right. Certainly anything would be better than what we have. I would like to hear your opinion. hear your opinion.

Mr. BINDERUP. Oh, no; my turn will come later, you two gentlemen are handling it perfectly. Let us turn the "mike" over to Senator Gillette again.

Senator GILLETTE Well, since in this article referred to, the Governors of the Federal Reserve Board merely hold up their hands Governors of the Federal Reserve Board merely hold up their hands in defeat and surrender and don't even lend the least encouragement; this certainly doesn't agree with President Roosevelt's statement made, I think, in his last inaugural speech, when he said, "Let us refuse to leave the problem of our economic welfare to be solved by the winds of chance and the hurricane of disaster; let us not admit that we cannot find a way to master economic epidemics of disease." That was President Roosevelt's challenge to the Governors. Mr. Binderup. Well, Senator, that really puts the Board of Governors on the spot, doesn't it? That really means drive or get off the bus. Let me read the second paragraph, "The Board of Governors said they are in complete sympathy with the desire to prevent booms and depressions, but that prices cannot be controlled." Well, Congressman Hunter, that strikes right at the heart of your bill; what do you say?

Mr. Hunter. Well, as I said before, how do they know when they

Mr. HUNTER. Well, as I said before, how do they know when they have never tried it? They express their sympathy and desire to accomplish the objective for which we strive, but say it just simply

can't be done.

Mr. Binderup. Yes; and without the slightest suggestion why it won't work and without the slightest plan or remedy as to how we shall avoid these booms and depressions that are destroying our Nation.

Let me read the third paragraph of this outstanding confession of defeat by the Governors of the Board. "Prices cannot be controlled by the amount of money"; and the third paragraph, "The Board's control of money is not complete and cannot be made complete." Senator GILLETTE, while I think you did answer this question in your first statement, we would welcome your further comments.

Senator GILLETTE. Well, I was just thinking of my former remark when I said that this statement from the Governors of the Federal

Reserve Banking System must be discouraging for President Roosevelt to read. But it is also shocking to think that the founders of the Constitution (according to the word of these Governors) requires us to do something that is impossible because they did com-

quires us to do something that is impossible because they did command in the Constitution that Congress should coin the people's money and regulate its value. And now the Governors of the bank say, "Impossible; it can't be done."

Mr. Hunter. It can be done, but there is only one way to regulate the value of money, and that is by the quantitative philosophy. To regulate the volume of money after we have first achieved full velocity can be done simply by creating a safe monetary system, wherein our money supply cannot be taken out of circulation by some group or individual, thereby doubling the value or purchasing power of money that is hoarded to take advantage of falling prices.

Mr. BINDERUP. Do you mean to tell me, Honorable Guest Speakers, that the velocity or speed with which dollars travel in transactions

that the velocity or speed with which dollars travel in transactions can be accelerated to the limit or at least to the point where it would require very little attention by our monetary authority to maintain a dollar with the same debt paying and purchasing power,

as far as velocity is concerned?

as far as velocity is concerned?

Senator Gillette. Certainly, this can be done. Now, again, I don't know nor do I care whether you call these conclusions a theory or a philosophy, but I know from actual experience when the bankers hesitate to make new loans and become insistent in their demands for liquidation of old loans, it's time to look out, for there's certainly going to be a money stringency and a falling price level of all commodities. I have lived through four of these bankers' panics, and four such lessons ought to teach us something. So when good bankers find themselves unable or unwilling to serve the banking and credit needs of their respective communities: when when good bankers find themselves unable or unwilling to serve the banking and credit needs of their respective communities; when they start contracting loans, it is an incentive for me to sell all I can and hoard the money. The most profitable thing in business is hoarding dollars on a falling price level and then when things pick up a little and prices are starting back, to get busy as do millions of others. We all start buying and up go prices. Now, if there was a plan for Government monetary control, constitutional money, that would put money into circulation when we hoard, there would be no booms and depressions. It's a very simple and easy matter, if we do business through our own agencies instead of agencies of selfish control. Consequently, money would not become frightened into boxes and lockers but would continuously move at full speed. There is little question about this for in that case there speed. There is little question about this for in that case there

would be no profit in hoarding money that would take away the incentive to the hoarding or speculating in dollars.

Mr. Hunter. I would like to ask Mr. Binderup what would be the maximum speed of our dollars? Under a safe monetary system where we would know definitely that no one was tampering with

our money supply?

Mr. Binderup. We have never had a period of prosperity long enough to be able to definitely determine just how fast money would circulate when supported by a safe and honest money system, because under our present hazardous money and banking system, our banks have been everlastingly tinkering with our money supply. Minting and unminting our money from morning to night with a fountain pen creating entries on the ledger, credits, lending these figures on their ledgers as money—check-book money—or buying Government bonds and handing us another check book with the privilege of checking against our own bonds by paying them millions for this checking privilege as well as revited there a billion deleas a year interest and by the way, that by paying them millions for this checking privilege as well as paying them a billion dollars a year interest and, by the way, that is the system the Governors of the Federal Reserve banks have been approving for over 25 years and that is the principle they tell us in this newspaper clipping that we will have to continue. I would estimate, however, that it would be safe to say our dollars would create one business transaction a week or 52 transactions in a year, but the beautiful part of it is that it just doesn't make any difference whether this estimate is right or wrong as a maintained price level will always take care of this. The faster money moves, the more efficient it is and the less money will be required to attain and maintain our 1926 price level or whatever price level Congress determines shall be maintained from time to time to keep Congress determines shall be maintained from time to time to keep up full employment.

Mr. HUNTER. What I would like to know is why do the Governors of the Federal Reserve banks refuse to make the slightest effort to control our money system?

Mr. BINDERUP. Oh, but they do control perfectly for the benefit of the bankers, the international bankers and those mighty enough to speculate in dollars. The Federal Reserve banking system is merely and purely a bankers' trust—money monopoly to the fullest degree. Yes; even to the extent that the Governors of the Federal Reserve banks, that should be the peoples' representation and protection, receive their salaries from the bankers. That's why the

people don't stand any show in such a monetary system.

Announcer. It is now 8:30 o'clock. You have just listened to another one of our breakfast talks by Senator GILLETTE, of Iowa, and Congressman Hunter, of Ohio. Mr. Binderup, I understand you have a very interesting program planned for next Tuesday morning. Can you tell us something about it? Who are your speakers and what is your subject?

what is your subject?

Mr. Binderup. Yes; I am pleased to announce as our guest speakers for our congressional breakfast talk next Tuesday morning at 8:15 o'clock two westerners, Senator Edwin C. Johnson, of Colorado, and Congressman Usher L. Burdick, of North Dakota, continuing the subject of quantitative philosophy of money, or the effect of an abundance of money in raising the price level of labor and commcdities. I will assure you that it will be one of our most interesting broadcasts, for we have decided definitely to call a spade a spade. spade a spade.

The A B C of Radio, So That the Average Listener May Understand How It Works in America

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, March 22, 1939

ARTICLE PREPARED BY THE NATIONAL ASSOCIATION OF BROADCASTERS

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following article prepared for me by the National Association of Broadcasters, a splendid national group of broadcasters:

WITH THE SPEED OF LIGHT

Mount the platform and speak to the assembled multitude. Before the person in the last row hears the sound of your voice, radio will have carried your words 'round the world seven and one-half

strike up the band—even though you are listening in your home 600 miles away, you will hear the music one-half second before it is heard by the spectator listening just 600 feet from the bandstand. For radio travels with the speed of light, 186,000 miles per second. Sound waves, however, like the sound produced by your voice, travel at a much slower rate, barely more than 1,000 feet per second. "How, then, do you combine the sound wave with the radio wave," you naturally ask, "to bring me a radio talk?"

STRIKE A NOTE ON THE PIANO

Ring the bell.
Blow the whistle.
Strike a note on the piano keyboard.
You produce sound.

What is the nature of sound?
Strike the note middle C on the piano.
The note middle C—that tightly strung piece of wire in the piano—vibrates back and forth 256 times per second.
You have generated a sound wave by setting air in motion at this

frequency.
You do this when you open your mouth and speak; when you

draw a bow across a violin.

Each sound wave has its own frequency; that is the number of

Each sound wave has its own frequency; that is the number of vibrations set in motion per second.

This is why the piano tuner painstakingly strikes each note on the piano keyboard; to know that middle C, when struck, produces exactly 256 vibrations per second; that all the other notes produce exactly their required number of vibrations.

When this is done, the piano is "in tune." Evidence that every note, every sound, has its own frequency.

These air vibrations or sound waves must be converted into electrical impulses. This function is performed by the microphone. This is what makes possible the translation of sound waves into radio waves. radio waves.

THAT "THING," THE MICROPHONE

Everyone has seen a microphone, that "thing" in the studio into

which the singer sings and the speaker speaks.

It works something like the mouthpiece of your telephone. It vibrates when sound waves are set up before it.

Strike middle C again and the microphone will vibrate 256 times, too. This is because its face is so thin and sensitive that it responds to sound waves. But more than this—

Behind this sensitive surface flows electric current—alternating electric current—back and forth.

As the microphone responds to the frequency of 256 vibrations per second, so does the electric current.

And that current, conveyed by wires, goes out to the radio station's transmitter, whence it is "put on the air," released through space, and received by your radio in your own home.

In other words, the microphone responds to sound waves set up in the studio by voice or music or otherwise and converts them into electrical frequencies in exact accordance with the frequencies set up by the sound waves.

Because each sound has its own number of vibrations we are able to translate sound waves into electrical waves and, conversely, to translate electrical waves back into sound waves. The latter takes place when we tune in our radio at home.

WE TUNE IN

Two hundred and fifty-six vibrations per second from middle C have been set in motion as the planist strikes the note. The microphone vibrates 256 times accordingly. In turn, these 256 vibrations from a sound wave are translated into electrical energy of

These 256 vibrations of electrical energy will not travel well through space, but must be conducted by wires to the radio transmitter. Here a carrier wave is generated, the frequency of which

APPENDIX TO THE CONGRESSIONAL RECORD

corresponds exactly with the spot on the broadcast dial assigned to the station by the Federal Communications Commission. The 256 vibrations are "modulated" on the carrier wave.

We tune in.

Down from the antenna comes the carrier wave with the 256 vibrations on it. The radio receiver amplifies it, picks off the 256 vibrations from the carrier wave.

The electrical current of 256 vibrations flows through the loud speaker, which converts it into sound of 256 vibrations by moving

Our radio set has translated electrical frequencies back into sound

We are hearing the same note at practically the same time it was struck on the piano in the studio, though miles away. For, as at the sending end, the microphone translates all sound into electrical energy to convey it through the air, so at the receiving end the loudspeaker in our own radio translates electrical waves back again into sound waves so that the human ear can hear.

This is radio.

If each note struck did not have its exact number of vibrations, such would not be possible.

ACROSS THE DIAL

Two hearts that beat as one. Something exactly like this happens when you tune in your radio with the station you wish to hear.

What happens?

Look at the dial on your radio. From left to right it is numbered 550, 560, on through to 1600 kilocycles.

Now, what's a kilocycle?

It's a measurement of electrical frequency. Just as we found that each sound wave has its own frequency, or number of vibrations per second, so now we find that an electrical current also has its own frequency—its own number of electrical vibrations per second.

Kilo means 1,000; a kilocycle, of course, means 1,000 electrical

cycles per second.

Thus if you want to hear a radio station broadcasting at, say, Thus if you want to hear a radio station broadcasting at, say, 1,000 kilocycles you simply turn your dial to the 1,000 kilocycle mark. (Most set dials leave off the zero for convenience. One thousand kilocycles would be found at 100 on the dial.)

Then you are tuned in. Then two hearts beat as one.

For you have made the radio set respond at the same frequency at which the radio transmitter is vibrating and at no other frequency as it releases the radio waves through the air—1,000 kilocycles.

cycles.

This is why it is possible for you to tune in, to tune from one station to another over the dial.

For each station broadcasts on its assigned frequency. Each station has its own pathway through the air.

THE FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission tells each station over

which pathway it may send its program to your home.

It requires that each station owner be an American citizen; that he furnish satisfactory evidence as to his moral and financial responsibility to operate "in the public interest, convenience, and necessity."

It requires that high technical standards be kept. It specifies the number of hours per day the station may operate, and with what

power.

As a result any American listener knows the exact location on the dial of his favorite radio station. He knows that every time he tunes in to a certain station he can always locate it at the same place on his dial.

Things were not always so orderly on the American air lanes. Not so long ago anybody in the United States who so wished

could start a radio station.

He could select any frequency he desired and begin broadcasting. There was then no traffic cop of the air to tell him to move over to another radio traffic lane or to get off a one-way radio street. It made little difference whether somebody was already broadcasting on the frequency he chose or not. He could do as he pleased. The courts ruled that he could.

This was in 1926. At that time Herbert Hoover was Secretary of Commerce. He had been endeavoring to bring about some orderly use of the broadcast band.

Then someone challenged his authority, and the courts ruled that the Department of Commerce—in fact, that no department of the Government—had any jurisdiction over radio. Anybody could broadcast anywhere, anytime.

The result brought on utter chaos and pointed out the fundamental need of radio regulation.

mental need of radio regulation.

The air mushroomed with new stations who had passed no examination to their fitness to operate a radio station—technical, moral, financial, or otherwise. Head-on collisions of sound waves shook the ether and ear-splitting sounds crackled from radio sets all over the Nation. There was nothing to hear but noise, and finally the noise reached the ears of Congress.

The first Radio Act of 1927 resulted. It laid an orderly pathway for radio in the United States and gave us what has been called the American system of broadcasting.

the American system of broadcasting.

RADIO PATHWAYS IN THE UNITED STATES

Acting on the principle that every American citizen has the right to receive good radio service, the Government authorities have allocated the 100 channels to 727 radio stations.

They have endeavored to do this on the basis of population and through the use of discovered radio laws.

By limiting the power of some, they have found that two or more stations, located far enough apart, could broadcast on the same frequency without interfering with each other in their immediate

vicinity.

They have found that, inasmuch as radio waves travel farther at night than they do in the daytime, this deficiency could be overcome by permitting more stations to broadcast from sunrise to

sunset than are permitted after sunset.

They found that by raising the power of others greater distances could be covered to bring the radio signal within listening range

of wide regions and remote rural America.

No station is permitted to change its location on the dial without the authority of the Federal Communications Commission.

Thus, through regulation, order has been restored to the Ameri-

can radio pathways.

Each kind of station gives a program service calculated to be of interest to the kind of people it serves. For example, a local station in a metropolitan area gives a different kind of radio program than a regional or clear-channel station having a wide following of listeners in small towns and on the farm.

But this is a story unto itself—one that goes to the roots of the American system of broadcasting,

ROOTS OF THE AMERICAN SYSTEM OF BROADCASTING

ROOTS OF THE AMERICAN SYSTEM OF BROADCASTING

In the United States, Congress gives every authority to the Federal Communications Commission needed for the orderly technical regulation of radio frequencies; it gives it no authority to control what can or cannot be said over the air (other than the necessary restraint that no one may utter profane, obscene, or indecent language over the radio).

The Commission has been given no right to deny freedom of speech in radio. Candidates of recognized political parties must be granted equal facilities of expression by every radio station.

Thus, the American system of broadcasting is based upon the same democratic ideal which guarantees us freedom of the press.

same democratic ideal which guarantees us freedom of the press, freedom of religion, freedom of speech.

Writing on the subject "Radio by the American Plan" (Published by the Abingdon Press, New York, and released October 1938), former United States Senator Clarence C. Dill, and coauthor of the Radio

Act of 1927, declared:
"The legislative problems which radio presents in the United States are widely different from, and more difficult than, those of other countries. In nearly all other countries the government directly or indirectly manages and controls radio station and levies taxes or fees to provide for their operation. In the United States, Congress has refused to do either."

Though Congress provides that licenses may be granted for a 3-year period, the Commission has consistently issued them, but for a 6-month period.

This means that every 6 months representatives of a radio station must submit ample evidence in Washington that its program service has been "in the public interest, convenience, and necessity."

DOES AMERICA WANT TO LISTEN?

What is the value of a radio set?

Great streams of scientific research have been poured into its taking. The finest skilled workmanship of American labor has

been employed to produce it.

It is the new and handsome piece of furniture without which no American home is complete.

But the ultimate value of a radio set depends upon its ability to

receive radio programs that people want to hear.

When the head of an American family buys a radio set, he is taking a chance that the broadcasters will bring him and his family the sort of radio program they want to hear.

When he buys a radio set he is actually casting a vote of confi-

dence to the American system of broadcasting.

He wants to listen. How many American families want to listen?

Eighty-four percent of American families own a radio set. Twenty-seven million families own 40,000,000 radio sets (Joint Committee on Radio Research).

Forty million votes of confidence in the American broadcaster's

ability to serve and to please.

Of the total number of radios in the world, more than half are in use in the United States

And more than this: When the head of the American family buys a radio he is giving employment to some 345,000 Americans who in turn support nearly a million and a half people.

Most recent trade figures from figures compiled by McGraw-Hill Publishing Co., Inc., show that direct employment in radio totals 345,000 men and women in the United States. Of this number 91,000 work in about 500 factories making radio sets, tubes, and parts. About 25,000 are connected with wholesale establishments handling radio merchandise. Another 56,000 are engaged as radio retail merchants, while salesmen, repairmen, and others engaged in radio sales and service total 150,000.

To these must be added 23,000 people regularly on the pay rolls of the broadcasting stations and networks. And to these also must be added the great number of musicians, actors, actresses, and other radio artists who are employed on programs on a contract basis.

These figures do not take into account employment that radio creates for copper miners, refiners, metal workers, and lumbermen, or the electrical supply industry which benefits from radio. Nor

have we counted the thousands who work in businesses which have

been largely created or stimulated by radio.

All these men and women at work; all these millions of sets in American homes, because American broadcasters proved they could make people want to listen.

CONCLUSION

From three fields American listeners draw their radio entertainment and service—from locally produced radio productions, from network programs via local affiliates, and from radio transcriptions specially adapted to local tastes.

And with them all competition, as between local show and local

And with them at competition, as between local show and local show; competition as between network show and network show; competition as between transcription and transcription.

No other system of radio has been so competitively devised. That is why American radio is live, vibrant, improving—a mirror freely reflecting American tastes, ideals, and life.

This is the American system of broadcasting.

Conditions in Industry Under the New Deal

EXTENSION OF REMARKS

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

ARTICLE BY ROBERT P. VANDERPOEL

Mr. THOMAS F. FORD. Mr. Speaker, we Democrats have sat here in this House for several years and listened to our Republican friends prattle about lack of confidence.

Pinned down as to what they mean by confidence, we are told that industry lacks confidence because it is no longer able to make a profit.

That would be interesting and tragic also, if true.

No one, I am sure, will accuse the Hearst newspapers of being pro-New Deal. For this reason I feel that Robert P. Vanderpoel, financial editor of the Chicago Evening American, may be read with confidence as not being biased when commenting on conditions that exist in industry under the

The following article appearing under Mr. Vanderpoel's byline from the Chicago Evening American of March 8, 1939, tells an interesting story and completely refutes the unwarranted assertion that industry has not made profits under the New Deal:

> [From the Chicago American of March 8, 1939] THREE-YEAR INDUSTRIAL PROFITS BEST ON RECORD (Robert P. Vanderpoel, financial editor)

In 1938 industry suffered from the so-called New Deal depression. This was a depression characterized by some prone to exaggeration

as one of the worst on record.

There were those who insisted that the principal, if not the only, cause for the depression was the inability of industry to earn an adequate return. With this position we consistently disagreed. Moreover, we offered facts to substantiate cur views as contrasted with mere statements of opinion offered elsewhere.

More facts are becoming available. The studies of the National City Bank of New York, which we have so frequently quoted in this column, are once again pertinent. The bank finds that the first 940 industrial corporations to report 1938 earnings showed an average return on net worth of 4.4 percent during the year.

BELOW 1936

While this compares unfavorably with 10.5 percent in 1937 and 10.1 percent in 1936, it contrasts with deficits in 1932 and 1931 and a return of 1.54 percent in 1930.

In other words, so far as industry is concerned, the "depression" of 1938 was not nearly as severe as that of 1930 and was slight, indeed, compared with the 3 following years.

If we examine the record a bit further we find that for the 3 years 1936 to 1938, inclusive, industry in the United States earned an average return on its net worth of 8.3 percent.

This, it should be recalled, is after taxes, after depreciation, after all charges.

Further, it is an average return. It includes inefficiently managed enterprises as well as those with good managements. It includes sick industries, such as railroad equipment, as well as the

more prosperous lines of endeavor. It includes industries which suffered temporarily because of special conditions, such as meat

IS IT NOT OBVIOUS?

Is IT NOT OBVIOUS?

If all industry, or at least all big industry, as represented by the nearly 1,000 leading corporations of the Nation having a net worth in excess of \$15,000,000,000 earned a net return of 4.4 percent last year and an average of 8.3 percent in the last 3 years, must it not be obvious that whatever is wrong with our Nation today, whatever is responsible for idle capital, for "lack of confidence," it is not that profit has been taken out of industry, it is not that excessive taxes have made it impossible for capital to earn an adequate return, it is not that the profit system has been squeezed by governmental reform until it lacks vitality?

In the 3 years, 1927 to 1929, inclusive, regarded by many as representing the hey-day of prosperity, American industry earned an average return on net worth of 6.5 percent. Contrast this figure with the 8.3 percent earned during the last 3 years. Contrast these figures and then explain, the cries of business persecution that have been made by business leaders throughout the country, that have been heard in the Halls of Congress, that have poisoned the minds of people who have not had access to the facts and have become bewildered by a barrage of propaganda intended not as a help to the solutions of pressing problems but as deliberate poison for selfish reasons. ate poison for selfish reasons.

RESULT STARTLING

The net profit of industry (during the last 3 years) has averaged 8.3 percent on net worth. This startling result has been accomplished during a period when interest rates have been the lowest in all history, when the volume of idle capital has been the greatest in all history.

Never before, as far as records are available, have there been 3 successive years when the average profit of industry has been as high as the last 3 years and yet never before have the complaints of industry been as great.

of industry been as great.

It has been possible to borrow money at 2 or 3 or 4 percent, and it has been possible to earn money at an average rate of 8.3 percent.

Under such conditions, why has there not been the wildest scramble of all times to borrow and to make money?

We have our suspicions as to the most important factor involved but we should be glad to receive the views of readers, of businessmen, of politicians, of bankers, of economists, of all those who will give the matter some thought.

Embargo on Livestock From Argentina

EXTENSION OF REMARKS

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

RESOLUTION BY THE LEGISLATURE OF KANSAS

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution recently adopted by the Legislature of the State of Kansas:

House Concurrent Resolution 16

Concurrent resolution memorializing the Congress of the United States to keep intact the embargo on livestock and its products from Argentina

Whereas the foot-and-mouth disease is prevalent among livestock in Argentina; and

Whereas the present embargo placed on Argentina livestock prevents the importation of livestock and its products from Argentina, thus preventing the spread of this disease among livestock in our country: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas

the senate concurring therein), That we request and urge the Congress of the United States to continue its vigilant guard against the importation of livestock and its products from Argentina and other countries infected with disease, encourage the Department of Agriculture to keep the embargo on Argentina livestock intact and discourage any trade agreements whereby the terms of said embargo will be circumvented; and be it further

livestock intact and discourage any trade agreements whereby the terms of said embargo will be circumvented; and be it further Resolved, That this resolution be engrossed by the chief clerk of the house of representatives and the secretary of the senate and that copies thereof be transmitted by the secretary of state to the Senate and House of Representatives of the United States and to several Members of said bodies representing this State therein, and to the President of the United States.

Cheese Under the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1939

Mr. REED of New York. Mr. Speaker, contrary to the general business trend, the domestic cheese industry is one of the very few industries which expanded throughout the depression due to the development of types of cheese new to the American people and to an aggressive marketing policy on the part of the cheese manufacturers, made possible through the increased protection given this industry by the Republican administration in 1930 under the Hawley-Smoot Tariff Act. Between 1929 and 1935 per capita consumption of cheese increased by 13 percent, while at the same time

imports decreased by 35.9 percent.

Under the Reciprocal-Trade Agreements Act of 1934 the Roosevelt administration has made treaties granting concessions to four of the five countries which have been the principal importers of cheese to this country-Italy, Switzerland, Canada, France, and the Netherlands. In addition, further reductions in the tariff were made in the agreement with Finland. All of these agreements became effective in 1936 and imports increased materially in that year over 1935. In 1936, 37.1 percent of the cheese imports entered at agreement rates and 48.9 percent in 1937. If we had an agreement with Italy, quantities entering under the agreement rates would be much larger, for that country is the largest exporter of cheese to the United States and sells a special type of cheese on which no concession has been granted.

Imports in 1936 were 22.3 percent above 1935 and were slightly higher in 1937. They would have been much higher except for the decreased production of Cheddar cheese in the United Kingdom, causing a definite increase in Canadian exports to the United Kingdom and an accompanying decrease in Canadian exports to the United States. However, this condition is apt to be temporary as Britain is paying her dairy farmers a bonus for the increased production of milk, both as fluid milk and as a raw material to be used in the manufacture of dairy products. Since the principal cheese production of the United States, Canada, and the United Kingdom is Cheddar cheese, the Canadian imports very definitely affect the American cheese industry, although during recent years the domestic cheese industry has been developing new types of cheese for this country.

The cheese which has had the greatest relative increase has been the Emmenthaler, or Swiss variety. Domestic production of this type of cheese doubled between 1929 and 1934 and the quality of the domestic product was greatly improved, resulting in a drop of total imports of all cheeses from Switzerland from 18,839,000 pounds in 1929 to 5,870,-000 pounds in 1935. The Roosevelt administration made concessions on Emmenthaler in the Swiss agreement effective February 15, 1936, and further concessions in the Finnish agreement effective November 2, 1936. Due to these concessions, our total cheese imports from Switzerland rose to 6,929,000 pounds in 1937. However, total imports of emmenthaler increased from 6,259,000 pounds in 1935 to 10,332,-000 pounds in 1937. These concessions principally helped France whose imports of Emmenthaler, or Swiss cheese, increased from 23,000 pounds in 1935 to 1,399,000 pounds in 1937, and Denmark, whose imports of this type of cheese rose from 646,000 pounds in 1935 to 2,687,000 pounds in 1937. During this same period imports of Emmenthaler, or Swiss cheese, from Switzerland increased from 4,811,000 pounds in 1935 to 5,135,000 pounds in 1937, while imports of this cheese from Finland dropped from 520,000 pounds in 1935 to 121,-000 pounds in 1937. Thus, we find another example of how concessions made in trade agreements are more beneficial to countries other than the agreement countries as imports of Swiss or Emmenthaler from France increased 5,982.6 percent between 1935 and 1937, and from Denmark increased 315.9 percent, while from the agreement countries Switzerland's imports increased but 6.7 percent and Finland's decreased by 76.7 percent.

The concessions on Cheddar cheese made in the Canadian agreement, and of Emmenthaler, or Swiss cheese, in the Swiss and Finnish agreements, were the concessions which most directly affected domestic production. However, the concessions made in the Netherlands agreement on Edam and Gouda, and in the French agreement on Roquefort and Bluemold cheeses, also affected the domestic production. These statements are verified by the fact that the Department of Agriculture reports total apparent cheese consumption slightly higher in 1937 than in 1936, while domestic cheese production decreased from 663,600,000 pounds in 1936 to 624,500,000 pounds in 1937, or by 5.9 percent. Thus again we find concessions made at the expense of the American producer, farmer, and worker.

Stabilize America First

EXTENSION OF REMARKS OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Friday, March 31, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, JANUARY 4, 1932

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the Congressional Record, I include the following speech which I delivered in the House of Representatives on January 4, 1932:

Mr. Arnold. Mr. Chairman, I yield 1 hour to the gentleman from New York [Mr. Sirovich].

Mr. Sirovich. Mr. Chairman, ladies, and gentlemen of the committee, on Monday, December 14, 1931, one of our distinguished colleagues from the great State of Pennsylvania and one of our most eminent constitutional lawyers of our Republic, the Honorable Impact M. Beak delivered a most brilliant address in defense of the

James M. Beck, delivered a most brilliant address in defense of the foreign policy of President Hoover. He said:
"It is all part of one problem, the national debts due us, the debts owed by business corporations and municipal subdivisions of those foreign nations to us, and all of it must be worked out in order that credit may be restored, and if credit is to be restored, it must be restored in Europe before it can ever be really restored here, because, whether we like it or not, we are a part of a situation world wide in extent and beyond the power of any one nation

to solve."

Succinctly put, Mr. Beck believes that Europe must be stabilized first before America can recover from its great economic depression. I shall endeavor to prove, in the light of European history, that the economic stabilization of Europe under the Versailles Treaty is impossible of realization. Therefore we should stabilize America first in order to bring happiness and prosperity to 8,000,000 men un-

first in order to bring happiness and prosperity to 8,000,000 men unemployed and 12,000,000 partially employed, whose dependents are the tragic victims of penury, hunger, and want in this land of plenty, this great Republic of ours. [Applause.]

In 1815, in the city of Vienna, an infamous treaty was adopted at a conference presided over by Prince Metternich, the adroit Prime Minister of Austria. In that conference were representatives of Russia, Prussia, Austria, and England, who shortly thereafter retired. This group constituted the league of nations of their day. It was called the Holy Alliance. The purpose of this alliance was to make the world safe for monarchy. Liberalism and progressionism, wherever they were found, were to be crushed and annihilated. Reactionaryism, autocracy, and conservatism sat in the saddle. Progress, liberalism, and reform, under the name of democracy, were driven into subterranean channels in order to survive.

Why did monarchy hate liberalism and try so desperately to suppress and destroy it? Because prior to the French Revolution liberalism gave birth to an intellectual, economic, political, and industrial revolution. The intellectual revolution began with Voltaire, who pilloried and exceriated the church as the custodian of hidebound tradition; Montesquieu, who preached the gcspel of parliamentary constitutional government for France the same as

was found in England; Rousseau, who in his treatise on the Social Contract enunciated the political concept that governments derived their just powers from the consent of the governed—that kings do not rule by the divine right of God but through the sovereign right of the people. The new school of political economy was founded by Turgot, of France, and by Adam Smith, whose Wealth of Na-tions was the bible of this new economic school in England. It disciples were men like Jeremy Bentham, David Ricardo, John Stuart Mill, and Thomas Robert Malthuse. Most of the writings

disciples were men like Jeremy Bentham, David Ricardo, John Stuart Mill, and Thomas Robert Malthuse. Most of the writings of some of these men were incorporated in an encyclopedia by the great French writer Diderot. This publication was given wide distribution and had a tremendous effect upon the people of France. About this time a bloodless revolution took place in England. It was called the Industrial Revolution. No speeches were made, no conventions held, no battles fought. It was a silent revolution that altered the life of millions of people. Through the perfection of science, machinery was invented that converted England from an agricultural to an industrial nation. Men began to work with machines instead of their hands. A new institution was founded. It was called the factory. People left their farms to go to the factory. That is why Oliver Goldsmith wrote the famous poem, The Deserted Village. With the factory came the evils and abuses incidental to that system—long hours, low wages, insanitary and unhealthful conditions; children working in the mills, mines, looms, and factories. These conditions reflected themselves upon the social and economic status of the people of England. Across the channel the French peasants were in misery. The financial condition of France was desperate. Thousands were unemployed. Families were starving. Taxes were imposed upon those least able to bear them just as in our Republic. That was the spark that caused the conflagration that soon thereafter not only engulfed France but encompassed the entire civilized world as well.

Prince Metternich and his associates, while sitting around the

the spark that caused the conflagration that soon thereafter not only engulfed France but encompassed the entire civilized world as well.

Prince Metternich and his associates, while sitting around the conference table in Vienna in 1815, ascribed the French Revolution to the growth of liberalism in western Europe. In order to prevent monarchy from ever again being challenged by democracy they determined not only to check liberalism in science, art, literature, philosophy, and statesmanship but even endeavored to bring back to Bourbon Spain its lost colonies in South and Central America.

The only nation that proudly bore the torch of democracy was the United States, which was then only in its infancy. James Monroe, who was then the President of the United States, realizing the true purport that inspired the Holy Alliance to extend monarchy in North and South America, then promulgated his famous Monroe Doctrine. This theory declared in no unmistakable terms to Metternich and to his associates in the Holy Alliance that the realization of their aims and objects in South America would be considered a threat against the sovereignty of the United States, yea, an overt act which would likely lead to war. This courageous act of President Monroe and his Secretary of State, John Quincy Adams, was the only effective barrier erected against the world domination of monarchy through the dictatorship of the Holy Alliance. The entire course of history would have been entirely different had not the struggling young Republic, the United States, through its President, thwarted the efforts of Metternich and his allies in making the Western Hemisphere as monarchical in its complexion as they had succeeded in making the Eastern. monarchical in its complexion as they had succeeded in making

While democratic ideas were very seriously eclipsed in the period following the termination of the Napoleonic Wars, they could not be permanently submerged. The dark era of liberalism was the decade immediately following the Battle of Waterloo and the creation of the Holy Alliance. The years from 1830 to 1848 saw the weakening of the reactionary strangle hold that absolute monarchy had upon the world, and represented the dawn of a new period of liberal thought. This was merely symptomatic of the change of philosophy which came over Europe about that time. The thinkers of western Europe came out of their underground passages again, and once more effectively challenged the onslaughts of monarchy.

slaughts of monarchy.

For many decades the Holy Alliance continued to suppress all liberal ideas by force and intervention. On other occasions they employed suppression through censorship and espionage. For a generation Metternich dictated these policies.

generation Metternich dictated these policies.

The tragedy of reaction, as the lessons of history clearly indicate, is that it brings in its wake not merely suppression of liberalism but the creation of extreme and dangerous doctrines of action and thought. The Holy Alliance sounded the death knell of democracy not wisely but too well. When its influence had waned there had grown in the place of the liberalism of Voltaire the socialism of Karl Marx. In place of the freedom of Montesquieu the anarchism of Bakhunin and Proudhon, and instead of the laissez faire doctrine of Bentham and Mill the communistic anarchy and "mutual aid" of Prince Kropotkin. of Prince Kropotkin.

We can pause more profitably at this juncture and contemplate the bitter lessons of history. If we do so, we learn that the tem-porary suppression of free thought ultimately leads to something infinitely worse. That it is far better for mankind to freely think and to speak, even if their thoughts prove ultimately wrong, for suppression leads to revolutionary acts and the cultivation of vio-

From 1815 to 1914 this bitter conflict between monarchy and autocracy on the one hand and liberalism and democracy on the other persisted. For 100 years every monarchical government in Europe vied with each other to enlarge its domain and its economic influences under the guise of nationalism.

Human blood flowed everywhere. Innocent people had to pay the penalty with their lives in order that monarchial Europe might enlarge its economic sphere and its geographical borders. So we find wars between Russia and Turkey, Germany and Austria, Austria and Hungary, Italy and Austria, Germany and Denmark, France and Prussia, England, Turkey, and Russia. War after war engulfed

Europe during the last 100 years.

To enlarge the influence of a nation large standing armies and navies were the rule. Billions of dollars were spent in maintaining formidable armaments. This money, instead of being utilized to promote education and social justice among its people, was employed to foster war and the glories and conquest that come therefrom. Again we find the disciples of democracy appealing to the conscience of the people to outlaw war, that human beings were not considered to be made forder for components. created to be made fodder for cannon. As the cries of those who toil in the quarries of labor kept incessantly increasing for peace, and as the armies of liberals and progressives kept multiplying decade after decade and refused to vote appropriations for war and for standing armies, the thrones of monarchies again began to feel insecure.

Kings trembled as they saw the specter of democracy looming on

Liberalism could not be crushed. It was still fighting the battle of the middle classes and the common people whose interests it was determined to preserve. [Applause.]

was determined to preserve. [Appliause.]

To divert attention from monarchy, to divide and scatter the forces of liberalism, to preserve the glory that comes from waging a successful war, monarchy united and threw the world into the maelstrom of war, hoping that the tides, eddies, currents, and whirlpools of this conflict would so enmesh liberalism and democratic that the property is for another hundred years.

maelstrom of war, hoping that the tides, eddies, currents, and whirlpools of this conflict would so enmesh liberalism and democracy as to destroy it for another hundred years.

Thus we behold, almost a century after the Treaty of Vienna, monarchy again trying to destroy democracy. Woodrow Wilson, the greatest philosopher of democracy that this Nation has ever produced since the days of Thomas Jefferson, recognized this fact and, to preserve democracy, carried the Monroe Doctrine over to Europe. The conscience of America, public opinion, and its physical and material resources followed him. Our President declared that "the world must be made safe for democracy." [Applause.] When the World War was concluded, monarchy succumbed. Democracy triumphed. The Hohenzollerns of Germany were eliminated. The Hapsburgs of Austria were destroyed. The Romanoffs of Russia collapsed. Just as Napoleon was banished to St. Helena, so the Kaiser was exiled to Doorn. In the ashes of these autocratic governments there rose triumphantly the Republics of Russia, Germany, Austria, Hungary, Poland, and Czechoslovakia. [Applause.]

Just as the Holy Alliance was formed in 1815 to protect the rights of monarchy, so was the League of Nations formed in 1919 to protect the rights of democracy. Just as the Treaty of Vienna in 1815 changed the geographical complexion of Europe, so the new Treaty of Versailles in 1919 changed the geographical complexions of Europe and the entire world. Just as the Treaty of Vienna was infamous and unfit and caused 100 years of conflict, so will this Treaty of Versailles go down in history as an iniquitous treaty that will bring havoc and injustice to millions of men and women throughout Europe. [Applause.]

In the Holy Alliance a century ago Russia, Prussia, and Austria sat in the saddle while France was the slave. So today, 100 years later, France sits in the saddle while Germany, Austria, and Hungary are its economic slaves.

France and England have not paid off the debts of the Napoleonic war after 100 years. I

France and England have not paid off the debts of the Napoleonic war after 100 years. It is my contention that it will take the combatants of the World War many more centuries to repay the debts incurred from the last war. Therefore, the distinguished gentleman from Pennsylvania, Mr. Beck, was right when he said:

"In my judgment, the man is not living in this Chamber who will be the said of the said of

"In my judgment, the man is not living in this Chamber who will see the ultimate end of economic crisis which the destructive World War has inflicted upon humanity."

Mr. Chairman, ladies and gentlemen, Mr. Beck contends that we must first stabilize Europe and place her upon a basis of economic prosperity before our country can ever recover. Mr. Chairman, Europe is today an armed camp, Amidst all the depression and panic that exists over there France is the richest nation of the world. She has subsidized, financed, and armed Belgium, Czechoslovakia, Yugoslavia, Rumania, and Poland with billions of dollars to maintain the largest standing armies ever known in the history of Europe. Seventy to eighty cents of every dollar collected history of Europe. Seventy to eighty cents of every dollar collected in taxes is being maintained for the great armaments in prepara-tion for the next war. She, has formed a military armed ring against Germany, Austria, and Hungary, three sister republics that we are pledged to preserve. Secret diplomacies and alliances are being formed all over Europe. The next war is already in the offing, and when it comes, as it inevitably must, woe betide the

offing, and when it comes, as it inevitably must, woe betide the white races of Europe.

Since the World War we have been united to continental Europe by a financial umbilical cord. The time has now arrived when the great obstetrician, Uncle Sam, must cut in twain that financial umbilical cord and allow American democracy to live, thrive, and develop free and untrammeled as an independent and useful organism. It must not be affected by the financial cancer of moribund Europe. America must remain American, true to its ideals and traditions as the preserver of democracy. [Applause.] That is why President Hoover and all his advisers are wrong when they are first trying to stabilize Europe, which is impossible of realization. For 20 centuries European governments have waged war against each other. Their soil is saturated with the innocent blood of its martyred citizens. The leopard cannot change its spots. The Ver-

sailles Treaty has created so much prejudice, rancor, hatred, bitterness, and sorrow among the nations of Europe that time cannot efface it. Europe cannot be stabilized. Revenge is in the air. Those whose rights have been trampled upon through the Versailles Treaty are looking for the day when might will make right. Let us save America first by stabilizing our own country. [Applause.] The founder of our Republic, George Washington, in his Farewell Address to the American people, warned us against entangling alliances with European countries. He was right then. Time proves he to right now.

he is right now.

I would be unworthy of the respect of the membership of this House if I were to give vent to thoughts that bore hatred and malice toward the peoples of Europe. One need not be internationally minded to view the conditions of all the nations of the world and their present sorrow and suffering with a degree of profound sympathy. I do not yield to the distinguished gentleman from Pennsylvania in his desire not merely for the stabilization of Europe but for the rehabilitation of all the struggling peoples of the world. My allusions to the history of Europe, particularly to the century or so that has elapsed since the Napoleonic era, show that because of nationalistic, geographic, racial, religious, linguistic, and economic problems permanent peace, which is the genuine object of any degree of stabilization, is impossible in continental Europe. Europe

Europe.

Mr. Beck. Will the gentleman yield?

Mr. Sirovich. With deference to the gentleman, I should like to continue the sequence of my thoughts.

Mr. Beck. I was only going to ask a simple question.

Mr. Sirovich. When the distinguished gentleman from Pennsylvania spoke he refused to yield to Congressman Sumners, the chairman of the Judiciary Committee, on the ground that the interruption would interfere with the orderly flow of his address. Upon the same basis I would most respectfully ask my distinguished colleague to desist until I have concluded my remarks, when I shall be pleased to answer any questions that any Member of the House might desire to propound.

Mr. Beck. Certainly.

Mr. Sirovich. Two forces have been loosened from the east that

Mr. SECK. Certainly.

Mr. Sirovich. Two forces have been loosened from the east that further threaten not only the equilibrium of the world, but the future of our civilization as well. Some 80 years ago, Commodore Perry gave the island of Japan its first glimpse of the industrial civilization that we have evolved in the west. Since then the progress that the Nipponese have made in adopting the processes of the industrial resolution and taking advantage of western progress that the Nipponese have made in adopting the processes of the industrial revolution, and taking advantage of western civilization and culture, veritably beggars description. Japan is today the industrial overlord of the Far East. It looks with longing eyes upon two enormous giants who are still sleeping under the spell of a medieval gloom, without stable political governments and with an economic system that savors of our feudal period. the slumbering 800,000,000 human beings of China and India living in the most unenlightened conditions in countries abounding in natural resources are anxiously viewed as fertile fields for exploitation by the pioneer industrial chieftains of Japan. If the next 80 years shall see an economic development in the mainland of Asia that would somewhat parallel the progress that Japan has

next 80 years shall see an economic development in the mainland of Asia that would somewhat parallel the progress that Japan has made since the days of Perry, a new and tremendous disruptive element would necessarily be introduced to threaten the stability, not only of Europe, but the entire world as well.

Mr. Beck has very aptly stated that the first great crisis in modern world history came with the fall of the Roman Empire in the year 476 of the Christian era. The Asiatic hordes of Ghengis Khan, Alaric, and Attila, which stormed and sacked Rome, and by slow infiltrations followed by actual conquests, shattered the flower of Alaric, and Attlia, which stormed and sacked Rome, and by slow in-filtrations followed by actual conquests, shattered the flower of ancient civilization, may find the counterpart in the menace of the modern oriental hordes led by Japan which will seek to overwhelm occidental culture. Rome, weakened and exhausted through its imperialistic attitude in conquests, battling in Hispania, Gaul, the modern Balkan States, Greece, Macedonia, Asia Minor, and Carthage, fell an easy prey to the barbaric hosts from Asia in the east, as well as the Teutonic races that came from the north. It took Rome 14

centuries to recover from that blow.

Are we to witness once again the destruction of an elaborately developed civilization weakened, devitalized, and enervated by conquest and vice as a result of the onslaught of brute forces of an

inferior peoples?

Inferior peoples?

At the crossroads between the Occident and the Orient there stands a new world power developed in a novel fashion in the last 14 years, and occupying one-sixth of the world's area. A new power that is still in its infancy, and may yet stand as the bulwark of western civilization against the onrushing forces of the Far East. Soviet Russia, at once creating a political state and an economic organism, makes a new departure from all theories of government that have heretofore prevailed in the world, and furnishes additional conflict to the forces that have already prevented the stabilization of Europe. To the problems of monarchy as opposed to democracy, and that of autocracy as contrasted with liberalism have now been added a racial challenge from the Far East and an have now been added a racial challenge from the Far East and an economic one from Soviet Russia. With the growth and aggravation of all these enormous conflicts, it would seem very clear to the human eye that the stabilization of Europe will become, as years go by, relatively more difficult. What then, therefore, should be the position of the American Government? A sympathetic attitude toward Europe, yes; but an active interest in European affairs, no.

Many media could be suggested for the possible stabilization of Europe. As an American observer looking over the high seas, one can view objectively the inadequacy of an economic system which

sets off innumerable tariff walls and trade-restriction barriers in a territory not much larger than that covered by the United States. One remedial solution comes immediately to mind; namely, that

an economic federation of Europe be organized. Retaining the autonomy of the various countries as natural sovereign powers, but autonomy of the various countries as natural sovereign powers, but breaking down the indescribably petty commercial rivalries which in past times made so much for discord in Europe. Just as we have 48 States in our Union enjoying equal economic relations, but with separate bodies of law, so Europe could be constituted into a vast economic union with no loss of individual dignity to its component parts. It would be a veritable United States of Europe. Such a union would clear away the maze of formidable tariff barriers which choke international trade and prevent European recovery.

As a second suggestion, I would seek to mollify the rigor of the Versailles Treaty by revising that pact in its entirety. I would declare to the nations of the world that the portions of it that were written in the spirit of anger, and at an hour when the roar of cannon on the battlefields of Europe had just ceased, should give way to the sober second thought of mankind. The passions of war have now somewhat subsided, and the statesmen of the world can

have now somewhat subsided, and the statesmen of the world can view international politics from saner heights. A condition precedent to any degree of stabilization in Europe would therefore be an amicable and friendly revision of the Versailles Treaty in all its manifold aspects. [Applause.]

Still another suggestion that an American can make to Europeans seeking betterment of their own conditions would look toward immediate and rigorous reductions in the armaments of toward immediate and rigorous reductions in the armaments of the various nationalities. Presumably any effort toward European stabilization would have, as the major premise, an indication of good faith on the part of leaders of European public opinion. Such good faith can best be expressed by the ceasing of the various countries of Europe to act as if they were preparing for another bloody conflict. An individual citizen seeking peaceful relations with his neighbor does not continually arm himself to the hilt; so nations, on the larger scale, must rid themselves of appearances that are obviously warlike and threaten the well being and safety of other countries. It is unbelievable that the lessons of the last of other countries. It is unbelievable that the lessons of the last war should be so completely lost on the statesmen of present-day Europe as to cause them to spend from 70 to 80 percent of all their taxable income on preparations for another war. An immediate universal agreement to radically slash the military and naval budgets of all countries would at least, to an American mind, indicate that Europe sincerely desired peace, and was earnest in its intention to exhibit a A rational and liberal revision of intention to achieve stability. A rational and liberal revision of the Versailles Treaty, accompanied by radical reductions in Euro-pean armaments, and followed by the creation of economic united states of Europe would unquestionably aid in the stabilization of

Europe. [Applause.]

However, Mr. Chairman, ladies, and gentlemen, although these ideals are Utopian in character, every lover of humanity would gladly pray to have them realized. When one views Europe through the telescope of its history, it can be easily understood, however, that they are incapable of practical realization. Let us leave Europe then and turn our eyes toward the American scene, where a vast degree of stabilization is most needful at the present time. Stabilization, like charity, should begin at home.

me. Stabilization, like charity, should begin at home. I shall propose a modern economic decalogue for American stabili-tion. They may serve as a present-day "Ten Commandments."

COMMANDMENT 1

Scrap the Hawley-Smoot tariff bill from top to bottom. Right the wrongs of injustices done therein. Then establish reciprocal relations and understanding with all the nations of the world for the mutual benefit of all concerned. [Applause.]

COMMANDMENT 2

Place agriculture on a parity with industry by passing a bill similar to the McNary-Haugen bill, introducing the principle of debenture or the equalization fee.

debenture or the equalization fee.

This will place agriculture upon a parity with industry and bring justice and happiness to 40,000,000 farmers who are the victims of a high protective tariff that compels them to purchase their goods and materials in the restricted markets of our country and sell the products of Nature's soil in the competitive markets of the world. Let us, therefore, stabilize the farming interests of our country by helping them in this the greatest hour of need so that there shall be no repetition of over a thousand banks failing in their midst. [Applause.] midst. [Applause.]

COMMANDMENT 3

Abolish child labor. Children under 16 belong to the schoolhouse, not in the mills, mines, looms, and factories. They should not compete with adult men and women for work that rightfully belongs to them. [Applause.]

COMMANDMENT 4

Establish a 5-day week and a 6-hour day in industry. Machinery has dislocated production. It has displaced men and women in every industry. We should frankly recognize that in our machine age mechanisms are superior to men, and the creation of a shorter working week with fewer working hours per day would better enable man to cooperate with the advance of machinery.

COMMANDMENT 5

Establish unemployment insurance and old-age pensions in every State of the Union so that in times of prosperity we may be able to prepare for days of adversity. Unemployment insurance and old-age pensions are neither new or radical ideas. The arch conservative, Bismarck, instituted them in Germany way back in 1883. The liberals, Asquith and Lloyd George, brought them about in England in 1909; and the Socialists, Briand and Clemenceau, introduced them in France in 1910. Twenty-eight other nations of Europe adopted them in one form or another. Why, then, should America, the most advanced country of the present age, lag behind? [Applause.]

COMMANDMENT 6

Institute employment agencies throughout the United States through the cooperation of the Federal and State Governments so that labor may easily be shifted from one part of the country to another in times of economic depression.

My distinguished colleague and associate from New York, Senator

ROBERT WAGNER, introduced the Wagner unemployment bills which, if signed in toto, would have been instrumental in relieving to a very great extent the burden of 8,000,000 people who are unemployed and seeking opportunity to work at anything to support their dependent children and their families. Herbert Hoover, President of the United States, vetoed that particular feature of the bill which is the heart and soul of the they are legislation. Mr. Chelir. dent of the United States, vetoed that particular feature of the bill which is the heart and soul of that humane legislation. Mr. Chairman, ladies, and gentlemen, if that militant Democrat, that liberal and humanitarian, our beloved Speaker, John Nance Garner, were the President of the United States, as a lover of his fellow man, deeply imbued with feeling and sympathy for the suffering and distressed, he would have signed that bill. [Applause.]

If the distinguished Governor of the State of New York, the Honorable Franklin D. Roosevelt, were President of the United States, he, too, as a progressive Democrat interested in the great masses of his fellow man, would have signed that bill. [Applause.]

of his fellow man, would have signed that bill. [Applause.]

If the idol of the democracy of New York City, a gentleman whose whole life has been dedicated to the interests of his fellow man, Al Smith, were the President of the United States, he, too, would have signed that bill. [Applause.]

COMMANDMENT 7

Guarantee bank deposits in every bank of the country through a national bank insurance fund, so that no depositor should ever be permitted to lose a single penny through the closure of any bank, whether due to frozen assets, incompetent or corrupt management, or economic depression. [Applause.]

COMMANDMENT 8

Put teeth into the Federal Trade Commission Act so that grossly unfair methods of competition should be prevented.

COMMANDMENT 9

Recognize Soviet Russia and so open up to American capital and labor the vast markets and resources of that enormous expansive territory containing 160,000,000 inhabitants, who are yearning for the friendship of Americans and who are begging to be permitted to buy from them and to do business with them. Millions of un-employed American men and women could be put to work tomorrow to supply the needs of Soviet Russia if we recognized that country immediately.

COMMANDMENT 10

Modify the Volstead Act to permit the sale of light wines and beer. [Applause.] This would at once deal a deathblow to rack-eteering and bootlegging in this country. At the same time it would turn billions of dollars into the Treasury of the United States relieving our citizens of the enormous burdens of taxation. [Ap-

plause.]
The effectual realization of these "ten commandments" would immediately restore prosperity to the United States. The rehabilitation of our own economic order cannot await the stabilization of

Congressman Beck says stabilize Europe first. I say stabilize America first. The moratorium will not save Europe. It is only a temporary palliative. However, for the momentary good it might accomplish I voted for it.

The only effective way to cure suffering Europe is to cancel all The only effective way to cure suffering Europe is to cancel all debts and obligations between the peoples of the world that have been bequeathed to us by the late war, which I would be in favor of doing, provided—mark you, I say provided—we could be guaranteed and assured of complete and universal disarmament that would outlaw and forever abolish war. Universal disarmament would save billions of dollars for all the nations of the world that could be used for culture, education, social justice, and all humanizing influences that would ennoble man. This, then, would be the greatest gift offered by the democracy of America upon the altar of universal peace, guaranteeing stability and order to all the governments of the world and happiness to all mankind. [Applause.] I yield now to anyone who desires to ask me any questions.

Mr. Seger. Mr. Chairman, will the gentleman yield?

Mr. Sirovich. Yes.

Mr. SIROVICH. Yes.

Mr. Seger. I assume that it would be highly improper to add another commandment to those mentioned, but would the gentleman accept an addition to his fifth commandment to abolish night work

for women?

Mr. Sirovich. That would naturally come under the principle of the 5-day week and the 6-hour day.

Mr. Blanton. Mr. Chairman, will the gentleman yield?
Mr. Sirovich. Oh, certainly. I don't think any speech would be complete unless my friend Blanton were in it.

Mr. Blanton. Does the distinguished scientist believe that idleness produces happiness? I am sure my friend wants the people to be happy. My experience is that people cannot work 5 days a week, 6 hours a day, and be happy. They cannot do it. They must be busy at work if they expect to be happy.

Mr. Knurson. You are right, Tom.

Mr. Skrovich. I see my distinguished friend wears the Masonic insignia on the lapel of his coat. Masonry, I am sure, has taught him that 5,000 years ago our fraternity divided the 24-hour day into three parts, 8 hours for labor, 8 hours for sleep, and 8 hours for refreshment.

Mr. Blanton. And I am in favor of that.

Mr. Strovich. But that was 5,000 years ago, before machinery was ever invented to take the place of the labor of man.

Mr. Blanton. And things have not changed much since. [Laughter.] Idleness is still the devil's workshop. I am still in favor of

8 hours for labor, 8 for sleep, and 8 for amusement.

Mr. Sirovich. That is because the gentleman lives in Texas,
[Laughter.] If the gentleman had lived in any other part of the
country he would think differently.

Mr. Johnson of Oklahoma. Mr. Chairman, will the gentleman

vield?

Mr. SIROVICH. Yes.

Mr. Johnson of Oklahoma. I was interested in the statement of my distinguished friend that he would favor the cancelation of all war debts to America provided the foreign governments would disarm.

Mr. Sirovich. I would demand universal and complete disarma-

Mr. Johnson of Oklahoma. Does the gentleman think for one moment that the foreign governments would comply with that proviso?

Mr. Sirovich. That is a very interesting question, and I am honest enough to confess as a practical idealist that to me it is Utopian. enough to comess as a practical idealist that to me it is Utoplan. They will never agree to it. A leopard does not change his spots, and since Europe refuses to disarm but continues piling up large armaments and great standing armies to wage war against the innocent people of other nations, I want them to pay back every dollar that rightfully belongs to the American people. [Applause.]

Mr. Erk. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. Erk. Speaking of Russia, has the gentleman ever known an

individual or a nation to succeed that was godless?

individual or a nation to succeed that was godless?

Mr. Sirovich. In my humble opinion there has never been a nation in the world that tried to destroy religion but that in the end was not ultimately destroyed itself. During the French Revolution, under the dictatorship of the triumvirate of Robespierre, Marat, and Mirabeau, they placed the goddess of reason upon the pedestal of the Lord. As the years rolled by the goddess of reason toppled and crumbled and in its place freedom of worship of God according to a person's conscience was rightfully restored to its proper position. The population of Russia is 160,000,000. Three to four millions are avowed atheists. At the present time they control their government. That does not necessarily imply that all Russia is atheistic. When I visited Russia a few months ago and discussed religion with many of their leaders, I was told by them that Thomas Paine, Thomas Jefferson, and Benjamin Franklin were atheists during the period of our colonial revolution, but that did not necessarily imply that all of our American citizens were atheists.

during the period of our colonial revolution, but that did not necessarily imply that all of our American citizens were atheists.

The word "God" is not found in the Constitution of the United States or in the Declaration of Independence. In my humble opinion it was kept out of the Constitution because King George the Third, who persecuted our American forebears, ruled in the name of God and believed in the rulership of the kings through divine gift of God. So our colonial forebears refused to have the God of King George the Third in the Constitution of the United States. They claimed the voice of the people, that is the voice of God.

Mr. Chairman, will the gentleman yields

Mr. Simmons. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. Simmons. The gentleman does not mean to say that the statement coming from a Russian is a correct statement of the men he named and of American history at that time?

Mr. Sirovich. I am simply repeating the statement given to me

in Russia. That was their view, not mine.

Mr. Simmons. Let us not have the gentleman stating it as a

correct statement of history.

Mr. Sirovich. Tom Paine, by many writers throughout the land,

for seven decades has been considered an atheist.

Mr. Simmons. I am suggesting that the gentleman has stated a series of situations that do not exist, either regarding the Constitution or the Declaration of Independence, nor regarding two of the three men named.

Mr. Sirovich. Thomas Jefferson and Benjamin Franklin in their day were accused of being atheists. I do not, however, share in that view. Either I do not understand the gentleman's question or my distinguished friend from Nebraska does not understand me.

Mr. Knurson. I have always understood that Tom Paine was an agnostic.

Mr. Sirovich. He has been considered an agnostic by some and an

atheist by others.

As a matter of fact, what is the difference between agnosticism As a matter of fact, what is the difference between agnosticism and atheism? An atheist is one who does not believe in any God. An agnostic is one who professes ignorance of the existence of God or who sits on the fence and says, "There may be a God and there may not be one." Having read most of the writings of Thomas Paine, I am convinced he was not an agnostic. I have taken him as an atheist.

Mr. Chairman, I wish to thank the membership of this House for the cordial and gracious manner in which they have listened to me and for their uniform kindness in receiving my remarks for the past hour.

All I tried to show in my address was that charity should begin at home. That we must stabilize America first. That the interests and happiness of 130,000,000 Americans are paramount to that of any peoples of the world. [Applause.]

Subsidized Water and Air Transport Unfair to Railroads

EXTENSION OF REMARKS

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1939

STATEMENT BY D. B. ROBERTSON, INTERNATIONAL PRESI-DENT OF THE BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

Mr. SHAFER of Michigan. Mr. Speaker, approximately 39,000 railroad employees in the State of Michigan will be indirectly affected if this Congress takes favorable action on the proposed Beaver-Mahoning Canal in Ohio, legislation for which is now pending before the House Committee on Rivers and Harbors. I am certain each of these 39,000 railroad workers are opposed to this proposed project because they know it would mean certain injury to the employment and welfare of their fellow workers in Ohio.

The proposed canal would be nothing more than another agency of transportation to compete with railroads. The proposed canal would obviously obtain its required traffic from the existing transportation agencies and therefore would mean the destruction of jobs of men now employed by the railroads.

An analysis of the Beaver-Mahoning Canal project leads me to believe that it is just another subsidy brainstorm. Approximately \$300,000,000 of the taxpayers' money is involved in the proposition, and only a limited number of industries in a limited territory would be benefited. The only argument advanced in favor of the project is that the present railroad rates appear too high.

If this is true

One railroad man has observed-

it would seem that the rates could be adjusted down to a satisfactory level without the employment of vast sums of public money and without the destruction of existing transportation agencies, which, naturally, would entail the loss of thousands of jobs.

Mr. Speaker, I am convinced that the time has come for Congress to call a halt to the Government subsidization of industries of all types, whether it be in industries in transportation or otherwise. Railroad employees of the Nation are in accord with that belief. They know they have been made the victims of the unthinking use of public funds that have been used in vast amounts to create agencies of business that have resulted in injury to privately operated businesses and to the jobs of men employed by them.

At this point I ask unanimous consent to insert in the RECORD a statement by Mr. D. B. Robertson, international president of the Brotherhood of Locomotive Firemen and Enginemen. It contains facts relative to Government subsidies which I believe all Members of Congress should have in their possession. The statement follows:

SUBSIDIZED WATER AND AIR TRANSPORT UNFAIR TO RAILROADS (By D. B. Robertson, president)

Every citizen interested in the welfare of the country, every merchant, manufacturer, or dealer catering to the needs of the railroads or their employees, every investor interested, either directly or indirectly, in railroad prosperity, and every railroad worker interested in protecting his employment should unite in an effort to solve the problem presented by unfair competition, subsidization of certain forms of transportation, and lack of uniform regulation among all forms of transportation.

The history of the railroads and the important part they have

The history of the railroads and the important part they have played in the development and prosperity of this continent cannot be overestimated. Were it not for the railroads, most of this immense terrain would still be an uninhabited wilderness.

A continuation of the efficient operation and further improvement of the railroads is a vital and essential factor in national defense.

defense.

Exceeded only by agriculture the railroads as a group constitute one of America's chief employers, directly, and indirectly through purchases. They are as taxpayers one of the chief supports of government—municipal, county, State, and Federal. In many counties the railroads pay as much as 90 percent, and in some cases more, of the taxes paid for the support of public institutions and the maintenance of government.

Without the railroads to transport the raw materials to our mills and factories, we would have few, if any motor vehicles, ships, or airplanes. The cost would be too great.

A threat to the continued efficient operation of railroads, contributed to in some measure by State and Federal legislation, is subsidization of other forms of transportation—highway, waterway, and airway—competition which could not exist were it not for subsidies either tacitly allowed or resulting from legislative edict.

Before the coming of the railroads the inland rivers, largely the Mississippi and its principal tributaries, the Ohio and the Missouri, accommodated transportation by means of flatboats and vessels

accommodated transportation by means of flatboats and vessels not requiring deep water. The waterways could not prove self-supporting against the superior form of railroad transportation. Their traffic vanished therefore, and inland river shipping passed

Their traffic vanished therefore, and inland river shipping passed out of the transportation picture.

"The decline of transportation by water in the United States," says Dr. Moulton, of the Brookings Institution, a high and unprejudiced authority, "has been due to a large number of factors. In addition to the physical imperfection of the waterways and what have been defined as unfair competitive methods of the railroads, we have found that many other influences have been equally important in producing the decline of water tonnage that has taken place. * * It cannot fairly be said, therefore, that if the waterways of the country were improved and guaranteed protection from the railroads their successful future would be assured."

RIVERS NOT NATURAL WATERWAYS

In their natural condition, rivers are not adapted to constant and dependable transportation. In the Northern States ice interferes with their use for several months in the winter; floods, low water, and the shifting of channels offer substantial obstacles at other seasons. Instead of being natural means of transportation, they must be artificially prepared for transport purposes by the building of locks and dams and the deepening of channels, and this condition must be constantly maintained at great expense to the taxpaying public, whereas a similar expense for the building and maintaining of a railroad is paid for by that industry alone.

The 981-mile Ohio River lock and dam system, one of the best of the inland waterway projects, has cost the taxpayers nearly \$140,000,000 to prepare it for navigation, or about \$142,000 per mile; and, excluding interest on the investment, costs annually some \$4,000 per mile to maintain. A double-track railroad would have been a far superior facility, yet no one would advocate public building and maintenance of such a railroad for free use by the public.

public.

Regardless of the efficiency of the railroads in carrying the freight to the sea, it seems that an effort now is being made to try and

bring the sea to the freight.

No subject has been more fully discussed for the past decade than No subject has been more fully discussed for the past decade than the St. Lawrence canalization project. It calls for a 27-foot waterway for a distance of about 1,350 miles through the Great Lakes and the St. Lawrence River, including the widening and deepening of the St. Lawrence between Lake Ontario and Montreal, about 180 miles, and the development of water power in the St. Lawrence.

The cost of the project was estimated at \$543,000,000. Including items neglected—interest during construction, delays, difficulties, and contingencies—it is calculated by some experts that the cost would be over a billion dollars.

would be over a billion dollars

Doubtless the proponents of the seaway would expect the railroads to maintain sufficient facilities to care for their peak requirements during the winter months, notwithstanding that much of the equipment would necessarily remain idle during the period of the waterway operation.

The railroad physical plant cannot be contracted and expanded to adjust itself to the fluctuations of business. It must be maintained at a stage which will adequately provide for the movement

tained at a stage which will acequately provide for the movement of traffic at its peak.

Its operation would mean a loss to the taxpayers even though the St. Lawrence Waterway could be operated 12 months each year, but to demoralize land transport for part of the year and then to expect the railroads to give the same service at the same rates during the closed season of navigation seems most unfair and unreasonable.

Only on the rails is it possible to combine the convenience and flexibility of the individually loaded and empty freight car—which can go anywhere on this continent at any season of the year with the economy of mass transportation. For this simple and fundamental reason the present outlook is that the railroads will continue to be the basic mass-transportation industry of the country.

There is probably no question quite so complicated and quite so controversial as the extent that water, highway, and air transportation is being subsidized by the use of taxpayers' money.

RAILROADS SELF-SUPPORTING

The railroads are expected to be self-supporting, to meet all their own costs, and to pay taxes which do not go toward the upkeep of their right-of-way but are used to meet the general cost of local, State, and Federal governments. Rail rates on certain traffic are held down on the theory that the railroads are a monopoly, while on other traffic Government-fostered and Government-subsidized competition hammers down the rates. Railroad traffic volume—and the railroads operate a volume business—is reduced, and unit expenses increased by the diversion to these Government-subsi-dized agencies of transportation of tremendous tonnage which could be handled at a lower cost on the rails.

It is manifestly unjust to tax all the people to subsidize water-ways when only a small part of the population derives direct bene-

fit from these subsidies.

It is possible for the waterways to serve but a small percentage of the population; they have their natural limitations, but, like the motortrucks, they skim the cream of certain traffic. When we remember that five or six men can move several thousand tons of freight in a train while it would require several thousand trucks to carry the same tonnage, it should be clear that the cost of motor transport is prohibitive as compared to rail transportation when all costs are considered.

Almost every analysis of comparative costs leads to the conclusion that it is more expensive to move freight by inland waters

than by rail.

than by rail.

Since the World War nearly \$2,000,000,000 of the taxpayers' money has been spent by the Federal Government to develop water transportation in competition with the railroads. Bonds were issued to secure the money, and the interest payments alone amount to nearly \$60,000,000 per year.

This huge investment pays no taxes, and it costs more than \$100,000,000 per year to maintain the waterways, provide the extensive system of lighthouses, buoys, and radio beacons, and Coast Guard service, all of which are required to aid and protect water transportation.

transportation.

The annual expenses of the Federal Government for river and harbor improvements increased year by year from \$47,000,000 in 1920 to more than \$200,000,000 at the present time.

Federal, State, and local governments have built piers and wharves to provide terminal facilities for the water lines.

Altogether, the taxpayers are contributing more than \$200,000,000 each year to subsidize water transportation that competes with the railroads.

The two decades just concluded have been characterized by great activity in the matter of increasing water transportation. To a considerable extent the growth of water transport is due to the entry of the United States Government into this field through the operation of the Federal Barge Line on the Mississippi, Warrior, and Missouri Rivers.

rior, and Missouri Rivers.

In 1924, there was organized, under congressional authority, the Inland Waterways Corporation, charged with the duty of operating a barge line on the Mississippi and any of its tributaries other than the Ohio, as well as upon the Warrior River in Alabama and waterways connecting Birmingham with New Orleans. Subsequent amendments have increased the extent of the Federal Barge Line operations.

operations

The statute dealing with this barge line provides that it shall be continued in operation until certain developments are complete. Up to June 30, 1937, according to the Chief of Engineers, the Government expended in new work on the various rivers constituting this system, in all, the sum of \$683,365,000—a sum that would build more than 10,000 miles of average railroad.

Rail carriers are regulated and supervised by Enderel and State

Rail carriers are regulated and supervised by Federal and State Governments. Other transport agencies—even when they are subject to some measure of governmental regulation—operate relatively free of many restrictions which are imposed upon the railroads.

A STRIKING ILLUSTRATION

A striking illustration of unfair and uneconomic competition is A striking illustration of unfair and uneconomic competition is found in the New York State Barge Canal. Since 1903, more than \$316,000,000 of public funds have been poured into this artificial waterway. The barge canal is free to all users—except the railroads, which are not permitted to use it. During the past 10 years New York State taxpayers have contributed a subsidy of \$2.57 on every ton of freight moved over the canal. During this same 10-year period the railroads paid to the State of New York an aggregate of nearly \$263,000,000 in taxes.

Despite the tremendous efforts and all the money which has been

period the railroads paid to the State of New York an aggregate of nearly \$263,000,000 in taxes.

Despite the tremendous efforts and all the money which has been expended by Federal, State, and local Governments during the past 15 or 20 years to develop highway, water, and air transportation, the railroads continue to provide for the greater part of our transportation requirements. It seems certain that they will continue to do so for a long time to come.

While a part of the decrease in the volume of traffic handled by the railroads has been due to the low level of business during the depression, even more responsible has been the loss of traffic by the railroads to competing water, highway, and air transportation—competing transportation which exists only because it is subsidized by the taxpayers' money.

To the extent that the present low level of business is responsible, the financial condition of the railroads will improve as business improves and traffic and revenues increase.

The railroad problem will never be solved as long as water, highway, and air transportation, which competes with the railroads, is subsidized and is thereby enabled to take away traffic which belongs to the railroads—traffic which the railroads can handle more efficiently and more cheaply when all costs are considered.

These costs, of course, refer to ultimate costs, whether they be become by the chipper who expresses the services of the certain or here.

These costs, of course, refer to ultimate costs whether they be borne by the shipper who engages the services of the carrier or by the taxpayer, from whose contributions the Government has built the highways and improved the waterways. Doubtless the time

will come when the burden of taxation will be so heavy that there will be an irresistible demand that those who use a carrier shall pay the entire cost of the service rendered, a proportionate share of the cost of construction and maintenance properly assignable. Whether or not such a policy is adopted it is obvious that from the viewpoint both of sound economics and ordinary justice all costs should be taken into consideration.

Another illustration of competitive advantage may be found in the tragic hurricane and floods which swept over the New England area last September. Important sections of railway lines and public highways were washed away, and bridges destroyed. The cost of rehabilitation will total millions of dollars. Every dollar spent to rebuild the railway plant must come out of the treasuries of the New England railway plant must come out of the treasuries of the New England railroads, while every dollar spent to restore the facilities used by competitors of the railways will come from Federal, State, and municipal taxes, to which the railroads are among the heaviest contributors.

If the railroads were now handling the traffic which has been diverted to air, water, and highway transportation solely because the greater part of the actual cost of such transportation is being paid by the taxpayers, the traffic and revenues of the railroads would be so increased that we would have no railroad problem.

AIRWAY COMPETITION

The Federal Government maintains and operates the 19,500 The Federal Government maintains and operates the 19,500 miles of lighted and radio equipped airways in the United States. It provides the airplane inspection service and a special weather service for the air lines. It grants the air lines a mail subsidy which covers a very large portion of their cost of operation. The State and local governments provide and maintain the airports. Altogether, the subsidy of air transportation is costing the taxpayers approximately \$50,000,000 each year.

The public generally has been proceeding upon the theory that air transport would be limited to the movement of light commodities and to the handling of passengers willing to pay a high price for quick transportation. It has been assumed that airplanes are expensive to operate and are of such restricted carrying capacity expensive to operate and are of such restricted carrying capacity that they will not play a very conspicuous part in the transportation field, especially as concerns freight traffic. But no one can predict with certainty just what the next few years will bring forth. Very recently, a high official of the Federal Department of Commerce predicted that soon all our first-class mail will move by air; that there will be regular 10-hour flights from coast to coast; that in a few years 40,000,000 people will be using planes. He stated also that flying freight cars are in contemplation, using tri-motored equipment, powered with 1,200-horsepower engines and carrying 10 tons of freight at a speed of 150 miles per hour. It was predicted that soon we would be witnessing the use of airplanes in the movement of "perishables, silks, smaller machines, parts and accessories, dairy and poultry products."

Only insofar as they contribute to the national defense and flood control are the costs to the taxpayers of Government con-

flood control are the costs to the taxpayers of Government constructed and maintained water and air facilities justified. Otherwise their users, shippers, and transportation agencies should be required to pay their own way and be subjected to the same degree of regulation as may be imposed upon the railroads from time to

Excessive Spending in W. P. A.

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER OF INDIANA

Monday, April 3, 1939

IN THE HOUSE OF REPRESENTATIVES

Mr. SPRINGER. Mr. Speaker, I desire to make some observations respecting the stupendous appropriations of money by the Congress for many and various departments of Government, which are in large part greatly detrimental to every class of our citizens. Our businessmen and our industrialists are pleading for help, and that assistance from their Government is imperative, which should consist in the decrease of taxes, the repeal of the undistributed-profits tax, the elimination of the pay-roll tax, and the restoration of confidence that a sound and stable program will be established and

Another group of our citizens, our farmers, are greatly disturbed because of the excessive spending program which has been inaugurated and continued by our Government, and they realize that the burden of paying the unprecedented national debt which has been created by this administration will fall quite heavily upon their shoulders, and that posterity will have a huge burden to assume. The taxes now imposed upon our farmers are all too heavy; they must have relief.

maintained respecting all business in our country.

Our laboring men and women are greatly agitated because of the many taxes, which include the hidden taxes, now levied and collected from them; these hidden taxes are collected from the people in the increased purchase price of every needed family commodity; these most repulsive taxes have been made necessary by the great spending program which has been adopted by the national administration and its agencies. At this time our laboring people have short-hour jobs, or uncertain jobs, or they are unemployed; yet these secret and hidden taxes are collected daily for the use and benefit of our Government. Each loaf of bread purchased for the family table contains its tax for the Government; likewise, each suit of clothes, hat, dress, hose, and every essential for family use is the subject of Government tax; the average man steadily employed earns approximately \$100 per month, and in expending that sum of money throughout the year he pays Government taxes aggregating the sum of \$231.72; and the man who earns the sum of \$150 per month pays the sum of \$363.60 in hidden taxes in expending that sum for the support of his family. This unprecedented spending program, which the majority in the House is now blindly following, makes necessary the creation of new and additional taxes with which to pay the obligations incurred. Unless this spending program is greatly limited it will continue to take a constantly greater share from the income of every American family. While the obligation to pay the taxes of every character has become greater and more burdensome to the people, the earning capacity of the American citizen has become less during the last few years. Industry in our country, to which we look for the employment of the unemployed, has been taxed and strangled by our Government; it is unable to proceed with its business operations because of the great burdens imposed and because of the uncertainty existing respecting business; when business and industry is unable to proceed and go forward, then labor is affected to the extent of their jobs.

The average American citizen is appalled when aware of the fact that our national debt is rapidly approaching the \$45,000,000,000 limitation. Quite recently the President indicated the necessity of increasing the amount of the fixed limitation of our debt; I desire to warn the Members of the House if this spending program is continued by the majority it will quite soon be absolutely necessary to further extend the power and limit to create debt by our Government. If and when that fatal day arrives, who will be responsible for it? The answer is apparent—the majority in this House, who now vote for practically every appropriation of money for many nonessential things will alone be responsible.

When we analyze the spending of the W. P. A. funds we are made conscious of the maladministration of the funds which have been allocated to that relief agency. I have waged the battle for the poor and the unemployed, and I will continue to render every aid and assistance necessary for the needy, the poor, and the unemployed; I will cast my vote for all funds needed for the sustenance of the needy and the unemployed. However, I am unalterably opposed to the waste, the extravagance, and the racketeering involved in this agency of our Government, because that philosophy of Government spending imposes a heavy burden upon the very people we seek to help. The hidden taxes imposed by our Government, which are made necessary by the unprecedented spending on the part of this administration are equally heavy upon the poor and the unemployed as well as the rich and the independent people of our Nation.

Under the Economy Relief Appropriation Act of 1938, approved June 21, 1938, the sum of \$1,425,000,000 was appropriated for the W. P. A., which staggering sum was to carry that relief agency until June 30, 1939. However, by reason of the great army of workers who were put upon the relief rolls before the general election in 1938, many of whom were not entitled to relief and could not qualify therefor, and by reason of large sums of money having been paid out to political manipulators, and by reason of the payment of vast sums of money for other nonessential things, such as the

operation of more than 1,000 plays produced by performing units of the Nation-wide Federal Theater Project, at a cost of approximately \$10,000,000 during the past year, which funds were paid out of the W. P. A. funds, and by the expenditure of the W. P. A. funds for the purpose of erecting and constructing a great show building upon the world's fair grounds at New York at a cost of approximately \$300,000 to exploit the W. P. A., and by the expenditure of approximately \$4,000,000 per month for personal services for the administration of that relief agency, and by retaining on the pay roll 1,902 administrative employees and a field-roll force of 32,670 people, and by reason of the expenditure for travel and subsistence amounting to approximately \$500,000 per month, and by the unexcusable payment from the W. P. A. funds of approximately \$150,000 per month for telephone, telegraph, and other communication purposes, all of which border upon the ridiculous, the W. P. A. funds were diminished and almost depleted, so that an additional appropriation was asked, and \$725,000,000 was granted by the Seventysixth Congress to care for this agency until June 30, 1939. The ink was hardly dry upon the appropriation bill when the President requested additional funds for relief without any real emergency for the same; the Congress had just granted \$725,000,000 for that specific purpose. The hearings which were held, at which evidence was introduced, show that \$55,000,000, the same being the approximate amount embraced in the Cox amendment, is all the money which would be reasonably required to carry the relief program to the end of the fiscal year June 30, 1939, with the reasonable and proper curtailment of spending such money for nonessential things.

The appropriations made for this relief agency aggregate more than \$500,000,000 in excess of the total amount used last year for this same purpose, and they amount to approximately \$300,000,000 in excess of the amount expended in the previous year for that purpose. Therefore, the relief appropriations during the present fiscal year are much greater than those in any immediate previous year for such purpose.

Therefore, I say that these staggering appropriations of money must be stopped. Every class of our people are suffering from the spending of money by this administration; labor has suffered, and is now suffering, because of the imposition of the secret taxes upon them and the laboring men and women have no real opportunity so long as industry and business cannot go forward. The American farmer has been controlled and regimented, his crops have been limited and curtailed, and his taxes have been increased until he stands upon the threshold of bankruptcy. Business and industry in this country have faced so many changes of policy by this administration they do not know "what the next day may bring forth," and the burden of taxation has become so heavy they operate, largely, without profit to themselves.

Just as long as this administration continues its present policy of spending money, and of permitting the utter waste of it, prosperity in this country will be deferred and obstructed. When prosperity is obstructed and prevented by our Government, every class of our people suffer. The people crave a sound and constructive policy of government which is permanent and which will, in the end, revivify and rejuvenate business and industry; agriculture, with the millstone removed from its neck, will go forward and labor, with a permanent purchasing power in its hands, will make progress as a great class of our people. Let us start on the highway of recovery by curtailing the policy of recklessly spending the taxpayers' money. Let us turn the administration of relief back to the local communities, and thereby stop the waste and squandering of the money which has been appropriated for the poor and the unemployed people in our country; let us adopt a policy that all relief funds shall be used for relief only. Let us adopt a policy which will be in the interest of the people of our Nation; let us inject a sound business policy into every department of government and go forward as Americans.

Court of Appeals for Administration

EXTENSION OF REMARKS

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Tuesday, April 4 (legislative day of Monday, April 3), 1939

ADDRESS BY J. E. SEBREE

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by J. E. Sebree, professor of administrative law in the National University, on "The Proposed Court of Appeals for Administra-tion." The address was delivered before a group of lawyers in Washington a few days ago.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I particularly appreciate the opportunity to talk to you this afternoon about the proposed court of appeals for administration. The proposal of such a court is of more than passing interest to a clinic of lawyers who practice in the field of taxation, and are not only intimately concerned with the adjudication of controversies arising out of the administration of the tax laws, but with the building of a sound jurisprudence within that field of public administration. administration.

administration.

I am asked to discuss some aspects of the proposed administrative court review of Board of Tax Appeals decisions.

While I assume that you are all somewhat familiar with the provisions of the bill S. 916 proposing this court, I think it would be helpful to examine, briefly, its background and purpose as well as the sections pertinent to this discussion.

I do not need to say to lawyers who are engaged in departmental practice that the country is becoming administratively conscious and is demanding certain administrative reforms; nor do I need to point out that the trend is toward efficiency in administration and a more definite control of administrative action through administrative adjudication.

I think it is generally recognized that, in matters of administra-

I think it is generally recognized that, in matters of administra adjudication, Uncle Sam has pretty much outgrown his nes. The problem is, Shall he get a new suit or have the old clothes. one repaired? Some lawyers believe that he ought to wear the old suit and from time to time add such gussets and sundry patches as necessity may require. They like the old familiar suit with its baggy knees and multicolored patches. They recognize it anywhere.

than the laggy ances and induceded packets. They recognize it anywhere.

Other equally thoughtful lawyers believe he ought to have a new suit, they point out that he acquired the old suit when he was a boy and has been patching it ever since; that he has outgrown it and should have a new suit tailored to fit. They believe that when they become accustomed to the new suit they will like it a lot better, but they realize it is a big order requiring very careful measurements.

In order to understand the problems that arise in any legislation looking to improvement in the adjudication of controversies arising out of administrative action and in order to evaluate the system as it now is, we must recognize that our administrative system has grown up with a tremendously expanding population and in recent years has developed all the complexities of government incident to modern social demands.

In order to provide for the constantly increasing demands upon

In order to provide for the constantly increasing demands upon government, Congress has from time to time created new agencies and tribunals for particular purposes, either with a prescribed procedure or with power to formulate their own rules of procedure. Thus the administrative branch of the Government has developed, as it were, by accretion in the form of new agencies charged with new activities and endowed with new powers. This development has been unitary without any real coordinating control.

Now Uncle Sam conducts the largest business in the world, and Now Uncle Sam conducts the largest business in the world, and in the establishment of a new agency in government, the pressing problem has been one of administration, and the adjudication of controversies arising out of administrative action has been largely confined to old methods. This has been particularly true in regulatory bodies. It is not surprising, therefore, that at this time there should be felt a need for the reorganization of our administrative system. Posticularly clong the lives of judicial control.

trative system, particularly along the lines of judicial control.

When we consider that administration is government in action and it is the function of the American Government to carry on the largest and most complex business enterprise in the world, it becomes evident that it must function smoothly and rapidly in

order to meet the demands that are made upon it.

The law of administration not only delimits the sphere of action of administrative officers but it indicates to the persons affected by administrative action their rights and their remedies. It is, therefore, of tremendous importance that the law should be clear and unambiguous-and that insofar as it is humanly possible the

adjudication of controversies arising out of administrative action should not result in conflicting decisions and confusing dicta which often make it difficult for both the bar and the adminis-trative tribunals to determine what the law is.

Due largely to our doctrine of the separation of powers as con-Due largely to our doctrine of the separation of powers as construed in relation to administration, the review of the decisions of administrative tribunals has been in the law courts in our Federal judicial system. This method of review has not only hindered the development of a body of public law to control public administration, but has made possible as many varying decisions on substantially the same questions as there are district and appellate courts in our judicial system. The points of view of the courts and the dicta of the judges are, to say the least, confusing and certainly encourage litigation. fusing and certainly encourage litigation.

But a sad thing about conflicts is that only the party last litigant benefits when the conflict is finally resolved by the Su-

litigant benefits when the conflict is finally resolved by the Supreme Court. The parties affected by the erroneous decisions in prior cases find their remedies exhausted and the taxpayers who have perhaps for many years followed the erroneous decision and paid the tax find the statute of limitations for refunds has run. With a view to improving administrative adjudication by eliminating the possibility of conflicts of decision in review of administrative controversies; to securing greater uniformity in decision, and in procedure and practice; to improving Federal administration by a more centralized judicial control, and with a view to reducing litigation by building up a more positive system of administrative jurisprudence, Senator Logan, at the meeting of the American Bar Association in Kansas City in 1937, in a prepared address to the Section on International and Comparative Law proposed the establishment of a single court of appeals for administration. So great an interest was manifested in the proposal by lawyers throughout the country and there were so many requests for copies of the address that it became necessary to have quests for copies of the address that it became necessary to have it printed to supply the demand. In the following session of Congress, and on March 17, 1938, Senator Logan introduced in the Senate a bill to establish such a court. Hearings were had on the bill from time to time throughout the remainder of the session. This bill, with some minor changes, was reintroduced by Senator

This bill, with some minor changes, was reintroduced by Senator Logan in the present session of the Seventy-sixth Congress on January 17, 1939.

The bill as introduced proposes to establish under article III of the Constitution a United States Court of Appeals for administration, to receive, decide, and expedite appeals from Federal commissions, administrative authorities, and tribunals in which the United States is a party or has an interest. The court and the justices thereof shall have all of the powers and duties of the appellate courts of the United States and the judges or justices thereof.

The bill does not propose to greate an administrative court. It

The bill does not propose to create an administrative court. It proposes to create a constitutional court that will be given the exclusive jurisdiction of appeals from orders and decisions of Federal administrative tribunals that are now reviewable by the United States courts of appeals. Its jurisdiction, therefore, is substantially different from that of an administrative court.

The bill proposes that the court shall be located in the District of Columbia, but whenever "the convenience of the public or of the parties may be promoted, or delay or expense prevented thereby, a division of the court may hold special sessions in any part of the United States."

The jurisdiction of the court extends to all the final orders and decisions now subject to review by the Federal courts of the administrative authorities and tribunals specifically enumerated in the bill. Included among these is the United States Board of Tax Appeals.

The bill does not in any manner affect the jurisdiction of the Board or any other agency or tribunal. The proposed court is purely an appellate body.

an appellate body.

Under the bill, the decisions of the Board would be reviewable only by the proposed court, instead of by the 10 circuit courts of appeals and the Court of Appeals of the District of Columbia, as under the present law. This would eliminate the possibility of conflicting decisions and would in all probability have the effect of encouraging settlements in tax cases, reducing the number of appeals from Board decisions, and expediting the decision of cases appealed.

appeared.

Since the proposed court is ambulatory, hearings of cases on appeal would be had at any place in the United States most convenient to the parties. There would, therefore, be no substantial difference in that respect between the present procedure and that under the proposed court.

Under the proposed court.

Under the bill an appeal from a decision of the Board may be begun by filing a "petition for review" with the clerk of the court, praying that the decision be modified, set aside, or reversed. Copies are forthwith served by the petitioner upon the Board and upon the respondent on review. The Board shall certify and file with the court a transcript of the record, which shall contain the petition, the pertinent pleadings, the relevant evidence, the findings of fact, and the decision appealed from, which shall be prepared and transmitted to the court in the manner which the court by its rules may mitted to the court in the manner which the court by its rules may prescribe. No objection, assignment of error, or question of law will be considered by the court unless it shall have been urged before the Board, except upon good cause shown the court otherwise

There is no material difference in the procedure on review from that under the present rules, except that under the present rules the petition is filed with the clerk of the Board, while under the bill it is filed with the court.

Section 7 of the bill is of particular interest. It provides that—"If on hearing of a petition for review either party shall apply to the court to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence before the authority or tribunal, the court may order additional evidence to be taken before the administrative authority or tional evidence to be taken before the administrative authority or tribunal and the authority or tribunal may modify its findings as to facts by reason of the additional evidence, and it shall file such modified new findings which, if supported by substantial evidence, shall be conclusive, and it may file its recommendations for the modifying or setting aside of the original order or decision."

The bill provides that the review of the court shall be limited to questions of law, and the findings of fact of the Board, if supported by substantial evidence shall be conclusive.

supported by substantial evidence, shall be conclusive.

supported by substantial evidence, shall be conclusive.

Questions coming before the court may be certified to the Supreme Court, and its judgment shall be subject to review by the Supreme Court upon certiorari.

The bill provides that the court may be divided into divisions for the purpose of hearing and deciding appeals coming before it. It may also be divided by the chief justice into sections to permit the handling of related cases by justices who are expert and experienced in the subject matter thereof. The justices to constitute each section shall be designated with due regard for their experienced in the subject matter thereof. The justices to constitute each section shall be designated with due regard for their qualifications by way of learning, experience, and special training for the work of the section to which they are assigned. Under this provision there would undoubtedly be created a tax section of the court to hear appeals coming to the court from Board of Tax Appeals' decisions. This could only mean that appeals on tax cases would be heard and expedited by judges trained and experienced in the low. experienced in tax law.

Section 3 (d) provides that:
"The decision of any division shall be reduced to writing and a copy thereof distributed to the chief justice and to each associate justice of the court. It shall be reviewed by the court whenever, in the opinion of the chief justice, such review is necessary, or upon the written request of any associate justice. If no review is requested by an associate justice or deemed necessary by the chief justice, the decision of a division shall be deemed the decision of the court and shall be final; but, subject to the rules of the court, any party of record adversely affected by the judgment may file a petition for a review of such decision by the entire court.

may file a petition for a review of such decision by the entire court."

The proposed court is of particular interest to tax lawyers because a large majority of the cases that would be reviewed by it are tex cases. Based on the number of appeals going to the circuit courts of appeals and the Court of Appeals of the District of Columbia during the calendar year 1937 from the agencies included in the bill, a total of 359 cases would have been appealed to the proposed court during that year. Of these appeals, 243, or approximately five-sevenths, were appeals from the Board of Tax Appeals.

These appeals were distributed among the 11 circuit courts of appeals as follows:

First	13
Second	70
Third	37
Fifth	33
Sixth	35
Seventh	40
Ninth	47
Tenth	12
District of Columbia Court of Appeals	49

Based on 40 cases per year as the work of 1 judge, it is estimated that the review of these cases required the full time of 8 circuit judges, as follows:

Second
Third
Fifth
Sixth
Seventh
Ninth
District of Columbia Court of Appeals

Total_

For the first, fourth, eighth, and tenth circuits there should be

For the first, fourth, eighth, and tenth circuits there should be added one-third the time of one judge.

Based on this study, a court of appeals of 11 judges would seem to be fully adequate to handle the appeals coming before it. The idea of having 1 appellate court review of the Board's decisions instead of 11 is sound in principle and would tend to expedite the decision of cases on review. Certainly it should command the serious attention and merit the constructive criticism of this body. Not only is the idea of one court to review appeals arising from administrative controversies sound but it is becoming increasingly necessary in the building up of a uniform body of tax law. A striking example of the effect of a single tribunal on the body of the law is within the peculiar knowledge of every member of this clinic.

is within the peculiar knowledge of every member of this clinic. Prior to 1924 the adjudication of income- and estate-tax cases in the first instance was in the 85 United States district courts, and the decisions of those courts were merged with the great body of the law and largely lost in the reports. The Board of Tax Appeals was created in 1924 as a single tribunal to hear and decide controversies in income and estate taxes, and only jurisdiction over refunds was left with the district courts. The decisions of the Board were published and immediately became the basis for a real body of tax jurisprudence. Since 1924 the Board has published 37 volumes of decisions which are outstanding in the field of taxation;

the American Federal tax reports of Federal court decisions have reached 20 volumes; numerous digests, texts, treatises, and tax services have been published, and today there is a well-defined tax jurisprudence easily accessible to both the bar and the courts.

THE TRAYNOR PLAN

An interesting plan for administrative improvement is proposed by Professor Traynor, of the University of California School of Jurisprudence, in the Columbia Law Review of December 1928. The plan is indicative of the present trend toward efficiency in administration and a more centralized judicial control. The plan proposes (1) certain administrative changes with a view to facilitate the settlement of controversies administratively and thereby reduce the number of cases to be judicially determined by the Board of Tax Appeals and the courts; (2) a so-called decentralization of the Board of Tax Appeals; and (3) the establishment of a single court of tax appeals with certiorari to the Supreme

Court.

The proposed plan to expedite the administrative settlement of tax cases through a change of procedure which would not permit any facts or issues to be urged before the Board unless urged before the administrative authorities, while it might conceivably result in a more careful marshaling of facts before the administrative authorities, would not, in all probability, result in the taxpayer divulging any facts that he might think prejudicial to his interests. At the present time the issues raised and the facts presented at a conference between the Government authorities and the taxpayers are in most cases substantially the same as those presented at a hearing before the Board. Administrative as those presented at a hearing before the Board. Administrative changes in policy and procedure would no doubt be helpful in expediting settlements, but they would not necessarily affect the settlement of a greater number of cases because the present administrative methods are not the cause of the differences between

settlement of a greater number of cases because the present administrative methods are not the cause of the differences between the parties or the reason for failure to settle.

In most cases the reason for failure or delay in settlement is bottomed upon conflicts of court decisions, favorable dicta, the fact that the question has not been decided in the court of appeals to which the case would go if appealed, or the fact that the question involved has not been adjudicated. It is apparent that administrative improvement would lose most of its effect under our present system of appellate review. Its effectiveness, therefore, under the "Traynor plan" depends upon the establishment of a single court of appeals to review tax cases.

In our attempt to improve administrative efficiency and to facilitate the settlement of controversies by the Treasury Department, we cannot lose sight of the fact that in these controversies the controlling facts are peculiarly within the knowledge of the taxpayer and that circumstances are continually arising where officers charged with the administration of the tax laws find it necessary to refuse a compromise and submit the controversy to adjudication in order to protect the interests of the Government and provide for an equal distribution of the tax burden. On the whole the administrative departments of the Federal Government are doing a good job, and any plan of reorganization must recognize that while administrative machinery built up through years of experience may be improved it must not be destroyed. The theory that the dealings of government with its citizens should be fair and equitable is certainly sound, but it may not extend to a disregard of the duty of every citizen to bear his just proportion. be fair and equitable is certainly sound, but it may not extend to a disregard of the duty of every citizen to bear his just proportion of the burdens of government.

The proposal of the plan to decentralize the Board of Tax Appeals does not square with the general theory of the plan, which is to encourage settlement of controversies, discourage litigation, and aid adjudication, by obtaining uniformity of decision through the elimination of conflicts and conflicting dicta by adjudicaton

in a single court.

8

in a single court.

The "plan" proposes to create five boards of tax appeals with 3 members each in place of the present Board of 16 members. These five boards would be located in different parts of the country and each one would be ambulatory. They would be entirely independent of one another and each one would be in the nature of a circuit tribunal functioning within a prescribed geographical district. Appeals from these boards would be to a single court of appeals. Clearly such a change, while eliminating conflicts on review of Board decisions, would result in conflicting Board decisions and confusing dicta by the members of the various boards. Moreover, nothing would be gained by such a change, and the value of discussions within the Board as now constituted would be lost. Approximately 90 percent of cases coming before the Board are now tried in the field and the setting up of local boards would give no advantage to litigants in that respect.

A straight line is the shortest distance between two points and there is no logical reason why we should construct and travel around a triangle in administrative adjudication when we can proceed along a direct route. As at present constituted controversies in income, estate, and gift taxes go directly to one administrative tribunal, the Board of Tax Appeals. It remains to extend that line to a single court of appeals to review the decisions of the Board. This will make for simplicity in procedure, for uniformity in decision, and the more expeditious settlement of tax controversies by the administrative authorities. The author of the "plan" aptly describes the pattern of tax litigation today as:

"* * decision by Board of Tax Appeals decision by a circuit.

"* * decision by Board of Tax Appeals decision by a circuit.

"* * decision by Board of Tax Appeals decision by a circuit. The "plan" proposes to create five boards of tax appeals with

aptly describes the pattern of tax litigation today as:

"* * decision by Board of Tax Appeals, decision by a circuit court of appeals, denial of certiorari by the Supreme Court, extensive litigation to produce a conflict, granting of certiorari, and final settlement of the issue. Under the proposed system, as an issue could reach the Supreme Court only through the court of

tax appeals, both the Commissioner and all taxpayers would be forced to acquiesce in a decision of the court of tax appeals if certiorari were denied, so that denial of certiorari would settle a question instead of being an invitation to litigation. The consequent reduction in the number of decisions, and hence of precedents, should do much to strengthen the uniformity achieved by consolidation of original jurisdiction in the Board. As Board decisions would no longer be jeopardized by the prospect of running the gantlet of 11 tribunals, the disruptive factor of legal uncertainty in the administrative stage would largely disappear, and controversies between taxpayer and Commissioner would be fewer in number and more readily settled."

He further observes that the "concentration of appellate review of Board decisions in a single court would remedy most of the difficulties inherent in the present system" of judicial review and the creation of such a court "would make it possible effectively to coordinate the Board of Tax Appeals with the judicial system."

With this suggestion we heartily agree.

Indian New Deal

EXTENSION OF REMARKS

HON. DENNIS CHAVEZ

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES Tuesday, April 4 (legislative day of Monday, April 3), 1939

EDITORIAL FROM THE SATURDAY EVENING POST, APRIL 1,

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Saturday Evening Post of April 1, 1939, entitled "Indian New Deal."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Saturday Evening Post of April 1, 1939] INDIAN NEW DEAL

For 3 years the Post, aware of what is going on on the Indian reservations, has sought to find an objective article on John Collier's Indian New Deal. Several writers have tried and failed.

Indian New Deal. Several writers have tried and falled.

Mrs. Seymour's article on the opposite page is not the objective article we have been seeking. She feels too strongly for that. We agree with her verdict, while wishing that she had managed a reportorial detachment. No one, however, may challenge her qualifications to speak. She was in the Indian Service from 1909 until her marriage in 1915. Later she was the first woman member and long the only woman member of the Federal Board of Indian Commissioners, an unpaid, nonpolitical body. She is the author of 10 books, all of which have dealt with Indian or frontier history.

"If you think I feel too strongly," she wrote us, "you should glance over the open letter which so serious and restrained a body as the Indian Rights' Association wrote to President Roosevelt last sum-

over the open letter which so serious and restrained a body as the Indian Rights' Association wrote to President Roosevelt last summer. My indictment is very pale beside that."

From 1923 to 1933, as secretary of the Indian Defense Association, Commissioner Collier denounced the Indian Office as the Indian Rights' Association now denounces his administration. There are parallels in Indian history for such doctrinaires as he in office.

Nathan Cook Meeker was a country storekeeper in Ohio and Illinois, a Fourier Socialist and a poet who became, first, war correspondent with Grant's army for Horace Greeley's New York Tribune, then farm editor of the Tribune. In New York he organized, with Greeley's blessing, a cooperative colony to settle on unbroken land in eastern Colorado, one of the first of the irrigation projects. Seventy thousand acres were bought from the Den unbroken land in eastern Colorado, one of the first of the Irriga-tion projects. Seventy thousand acres were bought from the Den-ver Pacific Railroad and the town of Greeley founded in 1870. After bitter vicissitudes, Greeley survived and flourished, but by 1878 Meeker had lost his all, \$15,000, and Grant made him Government agent at the White River Indian Agency.

Meeker attacked the Indian problem with undiminished idealistic fervor. He felt that if the Indian could be induced to lead an industrial and expirally and expiral life, all his difficulties would be solved.

fervor. He felt that if the Indian could be induced to lead an industrial and agricultural life, all his difficulties would be solved. That the Indian did not want to lead an industrial and agricultural life was irrelevant. When they resisted, he asked for troops. One hundred and sixty cavalrymen from Fort Steele, under Maj. Thomas T. Thornburg, were sent. The Indians ambushed them in September 1879 in Milk Canyon, killed Thornburg and 12 of his troopers, wounded 42. At the same time another party of Indians sacked the agency, murdered and terribly mutilated Meeker, killed all the other men, and took the women captive. Gen. Wesley Merritt, who arrived the third day with a force from Cheyenne, is said to have "wept like a child" at the scene at the agency.

The desire of the Indian to lead his own life is as unchanging as the determination of the reformer to lead the lives of others.

the determination of the reformer to lead the lives of others.

Work Relief and Relief

EXTENSION OF REMARKS

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES Tuesday, April 4 (legislative day of Monday, April 3), 1939

RADIO ADDRESS BY HON. JOHN F. COLLINS

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a radio address delivered by the Republican mayor of the city of Providence on March 29, 1939. It is a convincing argument in favor of the W. P. A. and an eloquent appeal for the support of the President's request for an additional \$150,000,000 for the

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening ladies, and gentlemen, once again I want to acknowledge with grateful thanks the hundreds of letters and messages of support I have been receiving as a result of these broadcasts. It is a happy fact that officials of government are able to reach the people directly by means of the radio; otherwise, what they have to say may be twisted and distorted to give false impressions pressions.

I have been unable, as yet, to answer the hundreds of letters which continue to urge me to fight on. I hope I may be pardoned

for the delay.

Tonight, I shall discuss the unemployment-relief problem, as it demands the attention of the city government of Providence. It is a nonpartisan problem which cannot be solved with a political

Figures supplied me by the city auditor and by the city treasurer, show that Providence expended the enormous sum of \$3,386,424 for all forms of relief during the last fiscal year which ended Spetember 30. Since it is generally estimated that \$1 in the tax rate yields over \$500,000, it can be readily seen that \$6 of the present \$24 tax rate, or about 25 percent of the tax rate, is imposed for the purpose of financing relief.

When we are confronted with these facts, we should all hope for a speedy recovery of private employment to take the load from the overburdened backs of the cities and towns. Governor Vanderbilt has had the legislature approve a resolution authorizing him to appoint an industrial rehabilitation commission, and it remains for us to hope that this commission will be able to induce new industries to locate in Rhode Island without extending them special favors, which would be a disadvantage to existing industries in the State.

in the State.

Of the total of \$3,386,000 expended for relief during the past year, \$1,951,000, or almost \$2,000,000, was expended as the city's share in supporting W. P. A. projects. In cooperating with the Federal Government by taking advantage of the W. P. A. program the city has launched many worth-while projects, among them being the realty survey. As you are well aware, this project has not been completed. I have been cooperating with the W. P. A. authorities to guarantee a proper and fitting conclusion to this work, so that the city can benefit with a healthy, honest, complete, and up-to-date appraisal of all the land and realty property in the city. The city wants these findings placed on cards for each piece of property, so that the figures can be of tremendous value in establishing a scientific valuation and tax base.

This is only one type of W. P. A. project. While the city of

scientific valuation and tax base. This is only one type of W. P. A. project. While the city of Providence expended almost \$2,000,000 in financing materials and other costs for the W. P. A. projects, it must be remembered that the Federal Government paid all the wages of the hundreds upon hundreds of men and women who benefited from these projects. We cannot be blind to the fact that without the aid of the Federal Government, especially in the matter of W. P. A. assistance, the city of Providence, not to mention the State of Rhode Island, would have feed a serious problem which could not have been solved with have faced a serious problem which could not have been solved with existing revenues. The sources of revenue have already been strained to the breaking point.

Just think what it would have meant to the merchants of Providence if W. P. A. wages had not been pumped into the State! Just think of what the condition of the State would be today, after the hurricane, if the Federal Government had not stepped in to take over the principal work of rehabilitation! The city of Providence alone expended \$1,400,000 for hurricane rehabilitation work,

while the total intended expenditures of the State for such purposes was going to be only \$2,000,000. And even this \$2,000,000 will not be spent, because the voters turned it down.

I think it is important to observe the fact that unemployment relief expenditures of the city of Providence for W. P. A. purposes alone were \$400,000 more than the total State expenditures for relief. In other words, while the city of Providence was expending

nearly \$2,000,000 for one form of relief, the State expended only \$1,600,000 for the same purpose. This gives a vivid illustration of the major problems which confront the city of Providence in the matter of relief.

Is it any wonder, then, that the city of Providence has telegraphed its support to Washington of the additional \$150,000,000 which President Roosevelt is asking Congress to appropriate to sustain W. P. A. rolls? We all know there has been a reduction of these relief rolls in Rhode Island, and this means that the problem of financing relief in Providence becomes more acute.

It may be of interest to you to know that there has been a significant increase in the relief rolls during the past 3 months in the city of Providence. The increase for all forms of relief is over

30 percent.

Figures supplied me show that the number of persons on State unemployment relief, which means projects for which the State will contribute less than half the cost, was 2,032 for the week ending January 5. The number on these same projects for the week ending March 9 was 2,696, or an increase of 664. The number given aid in the form of family work relief was 1928 in January; it is 2,568 now. The number given home relief in January was 961; now it is 1,164. And the number given home and work relief in January was 305; now it is 398.

In other words, the number receiving relief, to which the city of Providence contributes, was 5,226 in January, and it was 6,826 at the beginning of this month. And last week there were 321 new

applications.

It is all right for organs of propaganda to protest sustaining W. P. A. appropriations; it is all right for them to claim that reductions in the Federal relief rolls are a sign of economy. Somebody has got to finance the costs of relief. If the false-economy bloc can shift the burden back to the State, and the State does not change its relief law, then the burden will be borne almost wholly by the cities and towns. Without W. P. A. assistance, I dare say the costs of relief in Providence would soar as high as \$6,000,000 annually.

Almost \$2,000,000 was expended on the W. P. A. projects last year, and the sum of \$870,000 was contributed by the city for emergency unemployment relief, which is financed in part by the State. The city also appropriated over \$200,000 for aid to dependent children, and over \$350,000 for direct support of the poor, who were not eligible for other forms of relief assistance.

The monthly average of expenditures for relief during the past

The monthly average of expenditures for relief during the past fiscal year, as far as the city of Providence is concerned, was \$282,000. Figures supplied me by officials of the city government show that for the first 5 months of the present fiscal year, which began October 1 last, the city has expended \$1,250,000 for all forms of relief. This figure includes \$685,000 for W. P. A. projects; \$350,000 for emergency relief projects financed in part by the State; nearly \$100,000 for aid to dependent children; and \$116,000 for support of the poor. Even if these averages are not increased for the remaining 7 months of the year, the relief expenditures for the year will be \$3,000,000—and \$3,000,000 represents nearly \$6 in your tax rate.

The mayors of the several cities of the State and the presidents of the town councils have held conferences on the subject of relief and what should be done to solve the problem. The Governor attended our first conference and he promised to cooperate. We are hoping the proposed survey into relief, which the Governor announced he would have made, when he delivered his inaugural

message, will yield some very definite conclusions to coordinate more closely the administration of relief.

As I have already said, the city of Providence is grateful for the tremendous amount of assistance given by the Federal Government in aiding the city to care for its unemployed. Those who ridicule W. P. A. appropriations know little about the current problems of government. That's why I was pleased to have the Providence city government, through its officials, go on record in support of the full W. P. A. appropriation requested by the President. Otherwise, it means a continual rise in our relief costs, which means that real estate will have to bear the major cost. When the Federal Government uses its tax power for relief funds, it does not levy assessments on the overburdened home owners. It seeks to get the funds from those best able to pay. Maybe that As I have already said, the city of Providence is grateful for It seeks to get the funds from those best able to pay. Maybe that is one reason why we read so much propaganda about ending Federal aid and shifting it back to the States and to the cities and

Just as soon as the Governor directs the study of relief, on behalf of the State, I intend to have created a commission representing the city of Providence, which can cooperate with the group making the city of Providence, which can cooperate with the group making the State study. There are officials in the present city government who know first hand the needs of the city in the matter of relief. There are those in the religious, social, and charitable agencies who can contribute their experience and ideas to such a survey. It must be done so that a more effective pattern for the administration of relief can be woven in the State and in the city, with due regard for the rights of the unemployed and of the taypayers. We cannot for the rights of the unemployed and of the taxpayers. We cannot be so inhuman as to turn our backs on the needs of charitable agencies, the needs of public agencies, and the needs of the unemployed.

Before concluding this radio address I want to commend the office of city solicitor, Daniel E. Geary, and his assistant, John T. Walsh, in preparing the brief on the issue of proportional representation, which was requested of me and of the city solicitor's office by the Supreme Court. I believe the law department has completed a fine exposition of the issues, and I concurred in the brief as it has gone to the Supreme Court.

You will recall I originally raised doubts over the constitutionality of proportional representation in radio talks last January. The matter is before our Supreme Court, and I, for one, intend

to refrain from comment on the issue.

In the meantime I suggest you keep acquainted with the real happenings in the Providence city government, in the fight of your mayor for proper and effective administrative and budgetary control, in the fight of your officials for adequate relief appropriations, and in the determination of your mayor to give the people of Providence what they deserve—an honest administration with privileges to none.

Thank you, and good evening.

Entrance Fees for Great Smoky National Park

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Tuesday, April 4 (legislative day of Monday, April 3), 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, AND STATEMENT BY DEPARTMENT OF THE INTERIOR

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD a brief address which I delivered last Saturday night in my home town of Asheville, N. C., on the occasion of the celebration of the twelfth anniversary of the establishment of radio station WWNC, at which time I took occasion to express the hope that the Secretary of the Interior would not find it necessary to impose entrance fees upon the Great Smoky National Park, a portion of which is in North Carolina and a portion of which is in my sister State of Tennessee.

In connection therewith, Mr. President, I ask unanimous consent that there be printed a statement by the Department of the Interior relative to the proposed fees for parks, which fees I am opposing, and which I feel confident the able Senator from Tennessee will likewise oppose, particularly in view of the fact that during the past year we had about 800,000 visitors, and we hope to have a million the coming year. I ask that the statement of the Department of the Interior be followed by a protest issued by Thomas P. Henry. the president of the American Automobile Association, in reference to the same subject.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

It is a great pleasure for me to come home and participate in this

are program. It marks the dedication of radio station WWNC as a new and important link in the great Columbia Broadcasting System. It also marks the twelfth anniversary of this "Voice of Western North Carolina"—a radio station in which I am particularly interested.

Over a period of years I have watched this station grow and expand its scope of public service and entertainment. I recall the advent of radio in Asheville in the form of a tiny and crude transmitter in the office of the Asheville Citizen. From this beginning has come the great radio institution to which we nay tribute to has come the great radio institution to which we pay tribute to-night. I am also interested because station WWNC offered me my first radio experience and because it serves my home city—a com-

first radio experience and because it serves my home city—a community which has given me much and to which I shall always be linked by the strongest bonds of gratitude.

When the Columbia Broadcasting System proclaims to the world the addition of this newest outlet for its constructive and refreshing programs, it can also testify to the great public service and high purpose of WWNC. This is true because its owners and the members of its staff are civic-minded and are always alert to community needs and community demands.

Sometimes I feel that radio has grown so rapidly that too many people accept it as commonplace. They fail to realize the influence it exercises on our people, our ideals, and our institutions. Too few consider that only a small part of radio programs are revenue producing and that the balance are offered not for the profit of radio stations but to meet the responsibilities of broadcasting for the ducing and that the balance are offered not for the profit of radio stations but to meet the responsibilities of broadcasting for the public good and to inform and entertain our people. In my opinion, WWNC measures up to every phase of its responsibility to Asheville and western North Carolina.

For the benefit of listeners beyond the normal range of this "Voice of Western North Carolina," let me say that in this great section there will soon be another important dedication. It is the dedication of the Great Smoky Mountain National Park. Radio

station WWNC will undoubtedly broadcast those momentous ceremonies to the world. It will also be the radio outlet for the millions who now, and will in increasing numbers, enjoy the challenging scenery, inspiring climate, and breath-taking beauty of this newest national park.

lenging scenery, inspiring climate, and breath-taking beauty of this newest national park.

Recent developments in Washington indicate that fees will be imposed by the National Park Service in line with the extension of park fees elsewhere. I am vigorously opposed to this vicious practice. The national parks were created by the people for the use and enjoyment of the people. I hope that the facilities of WWNC will be used in any and all efforts to keep toll gates and ticket windows out of the Great Smokies.

In the words of Thomas P. Henry, president of the American Automobile Association, which guides millions of motorists on their vacation treks, fees to enter the national parks and historic shrines are "an unjustifiable and unnecessary tax on the health and recreation of the American people." He adds that our parks are a part of the "larger life" promised our people and there should be no "nickel and dime" taxes on those who enjoy it. Surely we have not come to the point where there should be a tax on fresh air, scenery, and history.

In conclusion, let me again congratulate WWNC on its splendid facilities and great community service. May I express the hope that the linking of this station with the Columbia Broadcasting System will mean a new and greater outlet for informing people everywhere of the matchless beauty and climate of western North Carolina. I thank you.

Carolina. I thank you.

STATEMENT RY THE DEPARTMENT OF THE INTERIOR

A revision of national-park existing fees, together with the estab-

Ishment of new fees of a more uniform nature to put the Nation's parks more nearly on a "pay-as-you-use" basis, was announced today by Secretary of the Interior Harold L. Ickes.

Under congressional mandate which authorized the collection of such fees to make the parks as near self-supporting as possible without violating the policies laid down by Congress in establishing the parks the Secretary set forth a number of charges which will the parks, the Secretary set forth a number of charges which will be made for services rendered in the parks.

Secretary Ickes said:
"The national parks do their share to reduce the cost of gov-

"Although few of them can be self-supporting, and it was not the purpose of Congress that they be so, the collection of automobile permit fees, together with a percentage of the profits made by public operators, has assisted in bearing the administrative cost that makes these national playgrounds possible.

"In making appropriations for the national parks Congress had in view the development of a system of fees which would help to support their cost. Also it is believed that those who actually visit the national parks and monuments should make small contributions to their upkeep for the services those visitors receive which tions to their upkeep for the services those visitors receive which are not received by other citizens who do not visit the parks that are available to them, but who contribute to the support of these parks. Such services include public camping grounds with wood, water, and comfort stations, guide and lecture service, excellent roads and parking areas, and a variety of other services such as are normally subject to detailed charges in many areas."

Among the national parks affected are Rocky Mountain in Colorado, Shenandoah in Virginia, and Grand Teton in Wyoming. In these areas a permit fee of \$1 per year will be collected for each automobile. The motorcycle fee in Rocky Mountain and Shenandoah National Parks is \$1 and in the Grand Teton National Parks

doah National Parks is \$1 and in the Grand Teton National Park it is 50 cents. The license will entitle the owner or driver of the motor vehicle to enter or reenter the particular park as many times as he desires during a calendar year. A special provision is made in regard to Shenandoah, where entrance for a single day will be permitted upon payment of a 25-cent fee.

permitted upon payment of a 25-cent fee.

Under the new ruling, fees are also established in certain national monuments and other areas. In some cases nominal charges will be made for guide service and elevator operation.

In six of the national monuments where, in the past, no charge has been made, a motor vehicle license costing 50 cents will be required. These include Colorado National Monument in the State of Colorado, Craters of the Moon National Monument in Idaho, Devils Tower National Monument in Wyoming, Petrified Forest National Monument in Arizona, and Lava Beds and Pinnacles National Monuments in California.

For the first time an additional fee of \$1 will be charged for

For the first time an additional fee of \$1 will be charged for a house trailer in those national parks where motor-vehicle licenses a nouse trailer in those national parks where motor-vehicle licenses are required. In national monuments where motor-vehicle fees are collected the trailer permit will cost 50 cents additional. Charges for trailers are in addition to the required motor-vehicle fees. In Shenandoah where a special 1-day automobile license may be obtained for 25 cents, a similar 1-day fee will be applicable to trailers.

The automobile license fees for Ties and Ties.

cable to trailers.

The automobile-license fees for Zion and Bryce Canyon National Parks have been combined in one fee of \$1 which will admit motor vehicles to both parks. The long-established \$3 fee for Yellowstone will entitle the holder to use of roads in Grand Teton. However, if entry is first made by way of Grand Teton, a motor-vehicle fee and trailer fee of \$1 each will be charged. These licenses may be presented at face value to apply upon the Yellowstone license charge.

One reduction in formerly established fees is made in the Secretary's new ruling. Former elevator charges of 50 cents for adults and 25 cents for children at Carlsbad Caverns National Park in New Mexico are reduced to 25 cents and 15 cents, respectively.

An elevator fee of 10 cents will be charged at the Statue of Liberty in New York Harbor. This fee will apply to all visitors, with the exception of children under 16 years of age who are

A fee of 25 cents is established for the use of the elevator in the Perry's Victory and International Peace Memorial at Put-in-Bay, Lake Erie, in the State of Ohio. This fee will apply to adults. Reduced rates for children and members of organized groups are as follows: Children between 10 and 15 years, 15 cents; members of organized educational, club, or other associated groups, 10 cents; children under 10 years, no charge.

10 cents; children under 10 years, no charge.
Guide service will be charged for on the basis of 25 cents per person, children excepted, at the following national monuments: Aztec ruins, Bandelier, Chaco Canyon, and El Morro—all in New Mexico—and Casa Grande and Tumacacori in Arizona.

Admission fees varying from 10 to 25 cents per person, with exceptions for children, will be collected at certain other national monuments, including George Washington birthplace in Virginia, Montezuma Castle in Arizona, and White Sands in New Mexico.

Montezuma Castle in Arizona, and White Sands in New Mexico.

Admission fees of 10 cents per person are set up for such miscellaneous places as the inner fort at Fort McHenry National Park, Baltimore, Md.; the Ford mansion and museum at Morristown National Historical Park, N. J.; the Lincoln Museum and the house where Lincoln died, Washington, D. C.; the Lee mansion in Arlington National Cemetery, across the Potomac from Washington, D. C.; the museums at Fredericksburg and Spotsylvania County and Petersburg National Military Parks in Virginia; Vicksburg National Military Park, Miss.; and the museum at Scotts Bluff National Monument in Nebraska. Admission fees of 25 cents are set up for the Derby House at Salem Maritime National Historic Site, Mass., and for a combined visit to the Moore House, Yorktown Historical Museum, and Jamestown Island Museum in the Colonial National Historical Park in Virginia.

A registration fee of \$1 per person will be charged mountain

A registration fee of \$1 per person will be charged mountain climbers in Mount Rainier National Park, in the State of Washington, before they ascend the mountain.

License forms to be issued at all the areas where motor-vehicle fee systems will apply are in the process of printing and will be sent to these different locations within a short time. House trailer permits in the form of adhesive stamps are being prepared by the United States Bureau of Engraving and Printing. These will be affixed to the automobile licenses upon purchase at entrance stations.

[From the American Automobile Association News Service]

PROPOSAL OF DEPARTMENT OF INTERIOR TO EXTEND FEES FOR NATIONAL PARKS AND MONUMENTS BRANDED BY A. A. A. AS UNJUSTIFIABLE AND UNNECESSARY TAX ON HEALTH AND RECREATION OF AMERICAN

Washington, D. C.—The proposal of the Department of Interior to extend fees for the national parks and monuments was today branded by the American Automobile Association as an unjustifiable and unnecessary tax on the health and recreation of the American people.

The statement by the national motoring body was in accord with its long-standing policy of opposition to any and all fees for entrance to the national parks and historic shrines under Fed-

eral jurisdiction in all parts of the country.

"From the very inception of the national parks and Govern-ment protection for forts and monuments of historic importance," ment protection for forts and monuments of instoric importance, said Thomas P. Henry, president of the American Automobile Association, "it was proposed to preserve these outdoor areas and shrines as public domain. Now, when these great travel objectives are drawing many millions of motorists annually and on the even are drawing many millions of motorists annually and on the eve of one of the greatest travel years on record, it is proposed to erect more toll gates and ticket windows in virtually every section. It is indirect taxation in its most vicious form. Taxpayers are already paying for these attractions.

"If the Congress permits such a policy, it will be a flagrant breach of faith with taxpayers. It will undoubtedly discourage the use of these public playgrounds which have contributed much to the recreation and happiness of a great cross section of Amer-

the use of these public playgrounds which have contributed much to the recreation and happiness of a great cross section of Americans at a time when they are most needed. Certainly any such fee system should be definitely established by the Congress which created the parks rather than by a Federal department temporarily vested with authority."

Pointing out that the new schedule of fees would range from

10 cents to view the place where Lincoln died and Fort McHenry, which inspired The Star-Spangled Banner, to \$1 for the right to climb the majestic peaks in Mount Rainier National Park, the American Automobile Association said that the whole idea seems to be to give a carnival tinge to American history and place a premium on the inspiration of the great outdoors. The statement continues:

"Nearly a quarter of a century ago automobiles were banned from some of the great national parks. In 1915 the American Automobile Association concluded a successful campaign to per-mit motorists to drive into the parks. Since that time the tide of travel to these outdoor areas has steadily increased as more and more people found recreation in these playgrounds. More recently it has been the policy of the Federal Government to increase the number of national parks, open up new areas of play, and further protect forts and monuments associated with history. It was undertaken as a part of the 'larger life' promised to all "Now it is proposed to put a tax on the 'larger life' in the form of a new schedule of fees, which would 'nickel-and-dime' to death the great interest now being shown by many millions of motorists in visting national parks and shrines in all sections of the country."

Export Subsidy on Cotton

EXTENSION OF REMARKS

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 4 (legislative day of Monday, April 3), 1939

EDITORIALS FROM THE NEW YORK TIMES, THE BALTIMORE SUN, AND THE MEMPHIS COMMERCIAL APPEAL

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record three editorials, one from the New York Times, one from the Baltimore Sun, and one from the Memphis Commercial Appeal, all opposing the export subsidy on cotton.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the New York Times of March 30, 1939] COLLAPSE OF A PROGRAM

Nothing could better emphasize the bankruptcy of the administration's agricultural program than the President's proposal for subsidizing the export of cotton.

The President's statement itself reveals the pass to which our previous cotton policy has now brought us. While it ought to have been our effort to sell cotton in world markets, while some foreign consumers have even been pleading for American cotton, we have held our cotton off the markets of the world in the vain hope of higher prices. Under the ill-conceived loan system, the Government now has in storage about 11,300,000 bales of cotton, equal to an entire year's crop, while the exports of American cotton are at the lowest level in more than 50 years. The Government has about \$600,000,000 tied up in these loans, and it is costing it \$45,000,000 a year even to carry the cotton. Last year, after 5 years of the Government's agricultural program, cotton sold at the lowest level in history in terms of the old gold dollar. It is still near those levels, even though sustained now by the Government loan figure.

even though sustained now by the Government loan figure.

The President, by implication, attributes the present plight of cotton to the Supreme Court decision of more than 3 years ago invalidating A. A. A. No support for this theory can be found in the facts. It is Government control, not lack of control, that has brought about the present situation. The crop-restriction theory, even if it had been free from other defects, was based on the false assumption that America had a virtual monopoly of the world's cotton growing and that the world price could be boosted simply by reducing our own supply. The result of our restriction policy was not to reduce the world supply but to encourage an enormously greater foreign yield to make up the shortage.

The Government loan policy was also based on the false as-

The Government loan policy was also based on the false assumption that by withholding American cotton from the world's markets we could boost the world price. The same result followed. Foreign cotton flowed into the foreign markets that we deliberately abandoned. The statistics tell the story. World consumption of cotton in the last crop year was actually 652,000 bales higher even than in the prosperity year 1929. But world consumption of American cotton taken alone was 4,296,000 bales less than in 1929. This is simply another way of saying that world consumption of foreign-grown cotton in the last crop year was 5,000,000 bales higher than in 1929. The same result has followed in the first half of the current crop year—that is, from August to the end of January.

August to the end of January.

What the President now proposes is a complete reversal of the export policy the administration has been following in recent years. Having artificially, and at great Government expense, held American cotton out of the world market, he suggests that we now artificially, and at further Government expense, force American cotton onto the world market. He would do this by a still further subsidy, paying cotton growers \$1.25 a bale to release their loan cotton to the market. It is estimated that his program would cost around \$15,000,000 between now and August 1 and would entail between \$60,000,000 and \$90,000,000 in additional Federal expenditure during the next full year.

All export subsidies, even when they do not bring retaliation, are unsound. They subsidize the foreign consumer at the expense of the home consumer and the home taxpayer. It has been costing the American taxpayer approximately 25 cents a bushel so that foreigners can get our wheat cheaper. But an export subsidy on cotton is doubly unsound, because cotton is a raw material that goes into manufactures. What we would be doing, in that case, would be to give foreigners cheaper raw cotton to compete

against our own manufacturers in our own markets and in world markets. The President is aware of this, and therefore recommends that we establish import quotas for foreign cotton textiles in our market and subsidize our cotton textile manufacturers. In other words, one subsidy would force us to pay another subsidy and involve us in a hopeless maze of red tape and further Government regulation, when it is Government regulation that has got us into the very dilemma we are trying to escape from.

It is in vain for the President to declare that this export subsidy recovers.

It is in vain for the President to declare that this export subsidy program "is in no sense a repudiation of the reciprocal-trade programs." It is a repudiation of the whole spirit of those programs. It is only a few days ago that we announced the imposition of 25 percent additional duties on German goods on the ground that the export of these goods was subsidized by the German Government. In other words, we officially penalize this as unfair and demoralizing competition. And now we propose to resort to the same practice ourselves. Last fall, in a speech at Fort Worth, Secretary Wallace declared that a cotton export subsidy would amount to international war and that the end would be self-defeat. That was true when he said it and it remains true now.

[From the Baltimore Sun of March 30, 1939]

For some months it has been clear that the administration's cotton program had completely bogged down. The failure of the program had been indicated from the very beginning, for all signs pointed unmistakably to the conclusion that the effort to restrict production and raise prices was undermining our export trade. Foreign consumers who formerly looked exclusively to this country as a source of cotton were turning more and more toward other producing areas, and, as a result, our share of the world cotton trade has steadily diminished. Where we were supplying about half of all the cotton consumed in the world 10 years ago we have been supplying only about 40 percent in the past few years.

all the cotton consumed in the world 10 years ago we have been supplying only about 40 percent in the past few years.

It was not until a few months ago, however, that the complete break-down of the cotton program became apparent. Thanks to the mistaken policy of trying to hold cotton off the markets by advancing growers the market price in the form of loans, the Federal Government has accumulated in the past 2 years a surplus of some 11,000,000 bales. The loan program has kept prices for our cotton well above the world levels, and it has reduced offerings of American cotton to such an extent that foreigners who wish to buy our fiber often cannot obtain enough to satisfy their requirements. As a result our exports have fallen to the lowest point in 50 years, and the whole enterprise of hoarding is about to collapse, to the injury of our growers and to the financial disadvantage of the Government, which has \$550,000,000 invested in cotton leans.

our growers and to the financial disadvantage of the Government, which has \$560,000,000 invested in cotton loans.

The administration's answer to this unhappy development is not a frank confession of error and a proposal to retrace the mistaken steps which have got us into difficulty. Instead, after months of anxious cogitation, the President comes forward with a plan to advance further into the morass of arbitrary interferences with trade in which we are already deeply mired. He proposes, first of all, an export subsidy—a strangely inconsistent suggestion to come from an administration which only 10 days ago moved to penalize German imports because Germany subsidizes exports to us, and which for 6 years has sedulously cultivated the idea that export subsidies are of a piece with the high-tariff barriers and quota systems which Secretary Hull has been trying to scale down by means of reciprocal-trade treaties.

Nor is the export subsidy the only inconsistent device which the

Nor is the export subsidy the only inconsistent device which the President proposes to use. He suggests that it may be necessary to provide import quotas for manufactured cotton goods in order to protect ourselves against cheap cotton goods manufactured abroad out of the cotton we propose to sell foreign mills by the aid of a subsidy. And finally, it is even suggested that we may find it necessary to pay export bounties on manufactured cotton goods in order that our own mills may not be handicapped in the world markets by having to buy their raw material at prices lifted above world prices by the various features of the cotton program already described. In brief, it would seem that, having made one error after another for 6 years, the administration now finds it necessary to make three additional errors in order to get out of the unhappy mess into which it has worked itself.

For those who look on from afar this procedure may seem to be a comedy of errors, for a more ridiculous struggle to escape from the consequences of a Government's own misdeeds would be hard to imagine. But for the people of the Southern States, whose chief industry is being gradually undermined by these misadventures, the whole business threatens to become a tragedy of errors. The chief difficulty under which the South labors, as the President himself admits, is that "foreign cotton is underselling our cotton in world markets." But instead of trying to remedy this situation by the reopening of a free market, which would inevitably correct the present difficulty in a year or two, the administration proposes to adhere to, and even to intensify, a policy which prevents any fundamental correction whatever.

[From the Memphis (Tenn.) Commercial Appeal of April 2, 1939]

When Agriculture Secretary Wallace told a Texas audience he favored a processing tax on cotton goods to raise money for parity payments to cotton producers, he at least had the good grace to qualify it by admitting the necessity for a similar tax on cotton's competitors.

President Roosevelt some time later publicly rejected the proc-

But what has he now in his ill-considered export-subsidy plan?
The President's program contemplates maintaining a domestic price at not under 8.3 by means of the loan. He proposes to subsidize export cotton by at least 2 cents.

So the mills of the other nations would get our cotton at a price

lower than our own mills, and what would we be paying unless it is a processing tax in the disguise of the difference in price

it is a processing tax in the disguise of the difference in price between our cotton goods and the low prices made available to foreign manufacturers by our own Government?

And after we get into this, what would prevent other countries from following a similar plan? Egypt already is planning.

It was the loan that built up the 11,000,000-bale pall that hangs over the market; yet the President makes no effort to eliminate Government loans on cotton. There is no protection for the cotton producer. As a matter of fact, we wonder where the President found enough recommendation for it even to complement his decided views. decided views.

decided views.

Washington reports indicate that now the President has had his request for additional relief funds gratified to the extent of \$100,000,000 he may lend support to the plan to get two hundred and fifty millions for cotton producers' parity payments.

We sincerely hope the Congress and President get together on this legislation and that the export subsidy plan is lost in the shuffle.

The Foreign Debts

EXTENSION OF REMARKS

HON. JOHN A. DANAHER

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES Tuesday, April 4 (legislative day of Monday, April 3), 1939

EDITORIAL FROM THE BOSTON POST OF APRIL 1, 1939

Mr. DANAHER. Mr. President, I ask unanimous consent that there be printed in the RECORD an editorial which appeared in the Boston Post on April 1, 1939, with respect to the debts owed this Government by foreign countries.

There being no objection, the editorial was ordered to be

printed in the RECORD, as follows:

[From the Boston Post of April 1, 1939] CHARACTER AND HONESTY

A question which constantly nettles the average citizen in this day of sweeping international policy is the issue of the war debts. Some surprising data were revealed in the heat of a furious debate in the Senate on the appropriation of \$100,000,000 for strategic and necessary war materials.

The Army wants these materials, which cannot be obtained in this country, for storage against the day that this country may be involved in a war.

Senator Longe came to the fore with an amendment to give the President power to obtain these materials from our debtors and have the amounts charged up to what they owe us.

It certainly is reasonable to suppose that a nation which is honest about the debts would want to pay them in materials at hand, if

about the debts would want to pay them in materials at hand, if the money is not available.

But administration forces moved strongly to crush the amend-ment, and so frantic was the effort that a strong suspicion that some arrangement has been made about debts by the State Department was revealed.

For example, Senator Borah, who is generally on the inside of international questions, made the statement that foreign powers already have agreements with the United States for paying off the debts and that nothing should be done to make further negotiations difficult at the present time.

difficult at the present time.

Senator Norris, a sage opponent of any measure to involve us in war, stood for the amendment. He pointed out that it would direct the attention of the country again to the outrageous swindling that we received in the last war and would probably stand as a reminder of the danger we now face.

Senator Lodge's own words on the subject were able and eloquent, and they find a familiar echo in the feelings of the rank and file American.

and file American.

His speech included the statement: "There are countries today His speech included the statement: "There are countries today that eagerly desire the friendship and support of the United States, and that situation might possibly color their views toward a proposition of this kind. We have the example of Finland, which did pay its debt, and we have the example of Ireland, which even further and assumed a debt which, according to a strict legal construction, she did not have to assume, and paid that debt. I mention these instances of character and honesty among nations as something that is refreshing to think about at this time."

Those words, "character and honesty," are big ones in the view of the average citizen in present-day affairs.

They did not mean enough to have the United States Senate act favorably on the amendment, but they brought out that we can only judge the future by the past.

If there was no character and honesty in past relations, shall

there be such in future relations?

America must go slowly today. Slower to follow chimerical ideals and foreign lures.

The Farm Problem

EXTENSION OF REMARKS

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1939

ADDRESS BY HON. RALPH O. BREWSTER, OF MAINE, MARCH 30, 1939

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address I delivered at the annual observance of Farm and Home Week at the University of Maine, Orono, Maine, on Thursday, March 30, 1939:

As a member of the Committee on Agriculture of the House of Representatives I have been listening for the past month to a disrepresentatives I have been insteming for the past month to a discussion of the farm problem by experts from all sections of the United States, including the Secretary of Agriculture, Henry A. Wallace. Every phase of the situation from the Atlantic to the Pacific and from the Great Lakes to the Gulf, together with much evidence regarding agricultural conditions in our island possessions and in other countries, has been thoroughly threshed out before the committee.

NO FARM PROBLEM

The conclusion seems irresistible that there is no farm problem. There is a cotton problem. This affects not merely 2,000,000 share-croppers in the South, with an 11,000,000-bale surplus suspended like a sword of Damocles over their heads, but it also seems to result in their 6,000,000 dependents hanging like an old man of the sea about the recovery efforts of the United States. Our foreign markets seem to be gone. Lately stimulated production in Egypt, Russia, and India, as a result of increased cost of cotton in the United States and newly developed cotton-raising areas in Brazil and now in China, mean apparently that America will no longer be able to market one-half of its cotton crop abroad.

able to market one-half of its cotton crop abroad.

This means disaster not only to the South but to the rest of America as well, as the cotton problem of the South is dumped in

America as well, as the cotton problem of the South is dumped in the lap of the United States.

There is very evidently a wheat problem, as the United States Government has been paying a subsidy of between 17 and 18 cents per bushel for the past year for all United States wheat sold abroad. Sixty-seven million three hundred sixty thousand bushels have been thus disposed of. This gives a rather hypocritical and hollow sound to the denunciation by our State Department of Germany and the imposition of discriminatory rates because Germany is subsidizing its exports. America may well examine the reasons that lead Great Britain to refuse to take such a step.

DAIRY PROBLEM

So one might go on to point out that there is a corn problem, a tobacco problem, a rice problem. Dairy farmers know full well there is a dairy problem, with millions of gallons of surplus milk seeking an outlet in America while at the same time Secretary Hull is lowering tariff barriers to let in dairy products from other lands and the South turns to dairying with displaced cotton acreage.

POTATO PROBLEM

Certainly the State of Maine knows full well that there is a potato problem with an estimated production this year of 367,000,000 bushels of potatoes in the United States leaving millions of bushels of surplus potatoes within the United States. Certainly the potato problem of America is not assisted by lowering tariff barriers to admit potatoes from other countries which simply serve to accentuate the glut. A perishable vegetable such as potatoes which enters the export market only to a negligible extent serves as a perfect illustration of the wisdom of the philosophy of protecting the American producer in the American market. So long as the American consumer can secure an ample supply of excellent potatoes at a reasonable price there would seem absolutely no justification of any character for permitting the import of potatoes from other countries. other countries.

Yet the State Department with certainly negligible knowledge

of potatoes (not the Agricultural Department) has recently fixed 350,000,000 bushels as a normal supply for the United States and has provided that any deficiency under this figure may be imported from foreign countries at reduced tariff rates.

The potato farmer of Maine knows full well from long and bitter experience that he must rely upon 1 good year of rather limited

production in other sections to permit him to recoup his losses in the 3 or 4 years of generous supply. Yet the State Department now steps in to destroy the possibility of his recovering his losses. The records will indicate rather clearly that the farmer will probably not receive his cost of production in any year when the supply of potatoes is above 350,000,000 bushels. Yet that figure is now fixed as normalcy and our foreign friends are invited to pour potatoes into our markets whenever our production on September 1 of any years is estimated to be less than 350,000,000 bushels. It is to be noted that our actual production—as distinct from the estimate on September 1—may be far in excess of 350,000,000 bushels yet the estimate of September 1 is to determine the amounts of imports that are permitted.

This arrangement is a clear case of "heads you win; tails I lose." The existence of a problem in these various crops is best demonstrated by a price comparison showing the price of the several crops in the year 1933 and for the year 1938 and also the figure which is considered parity.

Weighted average seasonal annual prices for the various commodities and the parity prices are as follows:

[In cents per bushel]

IIn cents per bushell

	1933	1938	Parity price
Cotton	10. 2	8. 6	15.7
	52. 2	50. 3	81.5
	74. 4	55. 2	112.3
	82. 1	56. 9	86.5

These figures show that the prices of these major farm products today are in every instance below their price in 1933.

This would seem conclusive evidence that there is a very real

problem in connection with these various crops.

CROP SUBSIDIES

For 6 years now the administration has confidently assured us that these problems would soon be solved. Yet the records plainly indicate that they continue to go from bad to worse with the result that the Congress is now considering the appropriation not only of \$500,000,000 for soil-conservation payments to go to those who shall cooperate in the soil-conservation program throughout the United States but is also considering a special subsidy of \$250,-Onited States but is also considering a special subsidy of \$200,000,000 to the producers of cotton, corn, wheat, rice, and tobacco. Three out of five of these products are peculiar to the South and two of the three are of negligible importance when compared with dairy products or potatoes either from the standpoint of their contribution to feeding America or from the standpoint of their

contribution to feeding America or from the standpoint of their financial value.

This proposed special subsidy for these five crops represents an obvious attempt to form a coalition of southern Representatives with Representatives of the corn and wheat States in the West that shall have sufficient power to logroll the appropriation to passage. The leaders in the movement really desire \$500,000,000 for this special subsidy and are only deterred in attempting to secure \$500,000,000 by their fear that they might then lose the whole sum. One of their leaders stated on the floor of the House that \$1,000,000,000 was really required.

During the past week upon the floor of Congress there has been a perfectly bare-faced attempt to form a coalition of the Members

a perfectly bare-faced attempt to form a coalition of the Members from the South and West with the Representatives from the industrial centers interested in larger W. P. A. appropriations in order to form a logrolling bloc that should be invincible. Certainly along this path lies destruction and disaster.

POTATOES

When the Triple A program was first proposed potatoes were not included among the major agricultural crops in spite of the fact that potatoes constitute the fourth food crop in value in the United States. Potato farmers soon discovered that constantly increasing areas of farm lands displaced from other crops under the control programs then operating were being planted to potatoes. As a result of this utterly unfair competition from other croplands stimulated by the Government, potatoes were selling in the State of Maine in 1935 for 10 cents a barrel, and more than 2,000,000 barrels were dumped upon the ground to rot.

Potato farmers then demanded that potatoes be put on a parity with other crops and recognized as a major agricultural product, and this recognition was finally achieved in the Warren Potato Act of that year.

of that year.

The present price schedule of the major crops indicates clearly, however, that control programs incident to the soil-conservation program have not solved the problem.

COST OF PRODUCTION

The hearings before the Committee on Agriculture this winter have revealed a considerable volume of opinion favoring what is called cost of production, by which the United States Government would guarantee to all producers the cost of production of their commodity and would then dump the surplus abroad that was not required for domestic consumption and charge back to the pro-

ducer the cost of this operation.

Proponents of this legislation estimate the cost of production of potatoes at \$1.36 per bushel. If such a price were assured for all the potatoes produced in the United States, the surplus problem would unquestionably be serious.

While such a program undoubtedly has a most persuasive appeal, and the theory simply stated seems fair and right, it is yet to be recognized that tremendously serious problems of administration would be involved and its economic consequences are difficult to

PARITY PAYMENTS

Meanwhile, either \$250,000,000 or \$500,000,000 is being asked for what is termed parity payments with very responsible backing in both Houses of Congress. The pending proposition contemplates payment of the difference between the current market price for the five specially favored farm products and 75 percent of what is termed parity.

PARITY FOR THE SOUTH AND WEST

Only cotton, corn, wheat, rice, and tobacco are included in this subsidy. For potatoes the parity price is figured at 86.5 cents a bushel, but no parity payments are provided in pending legislation nor is there any provision for all the other farm products outside the five favored few. Dairy products are, of course, most seriously discriminated against, as they are the major farm crop and are suffering as seriously as any other farm product from the problems of oversupply and difficulty in marketing, but they are definitely excluded from parity payments. excluded from parity payments.

SPECIAL TAXES

The President has thus far taken the position that no such payments should be provided for unless the taxes to support the payments are provided, and no such provision is contained in the pending bill. Presumably the President and his advisers know very well that the Supreme Court has declared definitely that especial taxes for special groups are prohibited by the Constitution. This was the clear decision of the Supreme Court in eliminating the original Triple A program.

WHAT OF THE NEW DEAL?

But Maine is more interested in the future than in the past. past simply serves to illuminate our footsteps. A Representative in Congress is responsible for estimating as well as possible what may be in the wind and what may be expected affecting the interests of the State of Maine.

of the State of Maine.

It seems evident that the New Deal is rapidly disintegrating. It is impossible to exaggerate the disintegration of administration control as a result of the increasing and bitter conflict between old-fashioned Democrats and new dealers. The consequences of this situation it is difficult to estimate. The President and his advisers more and more represent the left-wing point of view while the leaders in Congress more and more trend to the right. A virtual impasse for the next 2 years must be the inevitable result. No new left-wing economic or social legislation is likely. Amendments of existing farm and industrial legislation may be possible by compromise and this will lean toward the right.

SLUICE GATES

Appropriations are another story and the question of whether the flood gates will be loosed and all regard for financial control and a balanced Budget thrown to the wind as a result of the

and a balanced Budget thrown to the wind as a result of the open invitation of the President in his annual address to Congress to spend and spend and spend remains to be determined.

Republicans are united as they have not been for many years and under the competent, able, and liberal leadership of Representative Joseph W. Martin, Jr., of Massachusetts, they are writing a record that will represent a considerable measure of consistency and one on which the Republican Party may well enter the campaign this next year with great and growing confidence.

COMMON SACRIFICES

In the final analysis the American people must decide whether

In the final analysis the American people must decide whether they are still capable of the common sacrifices that are necessary to bring us out of this depression. The country faces a challenge fully as serious as any we have known before in time of war.

Whether the spirit of 1776, of 1861, and of 1918 still survives within our sinews is the question to be determined. Great sacrifices will be required. No one will escape unscathed. The multiplication table cannot be repealed or amended. What we sow, that the latter that the latter of the same and the continuation of unbeloned Budgets will shall we also reap. A continuation of unbalanced Budgets will lead inevitably to an inflationary disaster that will wipe out private property and institute an era of collectivism. A return to financial sanity may yet equitably adjust the burden of taxation and restore America to a self-governing democracy with liberty and justice for all

What does this mean in terms of the State of Maine? All the evidence in Washington before the Committee on Agriculture and all the experience of the country indicates that we do not have a farm problem but a crop problem.

INDEPENDENCE OF FARMER

Any farmer who lives upon his farm is invincible. There has rarely if ever been a year when the value of his cash crop would not rarely if ever been a year when the value of his cash crop would not suffice to pay the taxes and probably the interest on the mortgage. One may well ask, What about the comforts of life? These are fully as much a matter of speculation as the hazard of the industrial worker with his job. With 10,000,000 unemployed and 25,000,000 million dependent upon these jobs for their daily bread and shelter, it is evident that a very substantial portion of America faces a steadily declining living level.

Until the present period of economic and social revolution

Until the present period of economic and social revolution throughout the world is passed everyone will be wise to seek the nearest bombproof shelter where he may economically survive. Unless we have lost the intelligence and stamina of our ancestors, it

should be possible to eke out a livelihood in New England as our |

ancestors have for 10 generations upon these shores.

How much of our present luxuries or comforts it will be necessary to surrender is dependent in substantial measure upon how quickly sanity and common sense take control of the situation.

FUTURE OF NEW ENGLAND

Apparently New England as a whole and New England agriculture in particular have come through these 10 terrible years of depression in better shape than any other section of the country because New England farmers are more nearly self-sufficient than farmers anywhere else in the United States. The record of tenant farming and farm mortgages clearly indicate the reward of New England thrift and New England industry and willingness to sacrifice.

EXPORT SUBSIDIES

Export subsidies guarantee inevitable involvement with our neighbors overseas. Export subsidies here are dumping over there and vice versa. What we resent Germany's doing to us and what is prohibited under our tariff legislation is exactly what we are doing to other countries under the existing wheat program which it is now proposed to extend to cotton.

Control programs and subsidies bump up against the inexorable laws of Nature. Limitations by acreage turn farmers to fertilizers, Limitations by marketing quotas revive the bootlegger and the

reward of his illegal traffic.

AN AMERICAN SOLUTION

America gradually approaches the point of decision whether it will strike off restrictions and control either by Government or by private monopoly and keep individuals more nearly free to work out their salvation in a free economy. Government may simply guarantee that every man shall have a chance to win or lose and reserve something of profit and advantage to the wise and to the diligent. By this method America has progressed in 3 centuries to a position of preeminence among the nations of the earth. The program may not be lightly discarded.

Free enterprise for all men in the full vigor of manhood has always attracted the venturesome spirit of America and many signs indicate that America is getting ready to give this program another try.

another try.

This does not mean that Americans are going to be left to starve, and children without an education, but it does mean that fairly soon America will restore American principles to control the situation and brush aside much of the theory that would supersede the initiative of a free America.

The aged will be properly cared for in accordance with the expanding resources of America.

If younger people choose to cling to grandma's skirts rather than to make a living for themselves, they will simply classify their position in society. This lacks the terrible urge of the poorhouse, but the poorhouse is to be discarded in the America that is to be.

The National Grange has grappled with the problem in its insistence that primary consideration should be given to the farmer and not to the speculator. Farming has been the foundation of every successful civilization. Farming has always meant one who lives

Every development in Washington points to the wisdom of the New England farmer who has continued to think in terms of the

farm as the better way of life.

Subsidies have simply tended to undermine his independence and weaken his capacity to survive.

No one believes the Treasury can continue to pay constantly expanding subsidies to crop producers running into hundreds of millions of dollars.

The deluge is near at hand when the whole subsidy system is likely to disappear. On that day the New England farmer will be far better off than any of his fellows in the South or in the

Meanwhile in Maine we may continue to carry on, adapting ourselves as best we can to our environment, as we have for 300 years. We may wisely do our best to cooperate so far as practicable with the program that may be at any time in vogue. We may welcome such aid as we may receive to tide over an emergency, but we shall always keep in view that there is no magic road to wealth by Government subsidy and that the wealth of the soil may continue to feed our children if we continue to deserve its bounty.

Refugee Children

EXTENSION OF REMARKS

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Tuesday, April 4 (legislative day of Monday, April 3), 1939

VARIOUS NEWSPAPER EDITORIALS AND LETTERS

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix to the Record a proposed plan for the admission and care of German refugee children pursuant to the joint resolution (S. J. Res. 64) which I introduced and which is pending before the Committee on Immigration.

The plan was prepared cooperatively by a group of leading child-welfare experts of the country and submitted to Clarence E. Pickett, of the American Friends Service Committee, who is now serving as acting executive director of the Nonsectarian Committee for German Refugee Children.

I also ask unanimous consent to have printed in the Appendix various editorials and letters supporting the proposed legislation.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

New York, March 20, 1939.

Mr. CLARENCE E. PICKETT,

Acting Executive Chairman, Non-Sectarian Committee for German Refugee Children

New York City. Dear Mr. Pickett: I am writing in order to submit to you a preliminary plan for the care of refugee German children in the United States prepared by a group of American child-welfare workers of all faiths acting as individuals. Our deep concern for the children of Germany subjected to exclusion from school, separation from their parents, exile from their country, and even death by starvation moved us to join together months ago to contribute whatever we could to ameliorate the tragedies of these children. children.

The clarion call of the religious leaders of America of all faiths

The clarion call of the religious leaders of America of all faiths that urged Congress to give sanctuary to some of these children laid a new responsibility on us. Now that the Wagner-Rogers bill has been introduced to make possible the entrance of 10,000 refugee children in 1939 and 1940, and your committee has been announced, we wish to offer our full services to you.

No one more than we, could appreciate the needs of American children. But the emergent and desperate needs of the German refugee children demand special effort and we do not believe that in saving 20,000 of them we will deprive American children of any aid they would otherwise receive. We believe rather that out of our efforts to meet this German obligation we shall gain new strength to meet the needs of American children.

For these reasons we have worked out a plan by which children admitted under the Wagner-Rogers bill, can be received in this country and placed in homes of their own faiths distributed throughout the country in accordance with the best thought of childwelfare experts. In addition to drawing upon our own experience, we have consulted with members of the staff of the Children's Bureau of the United States Department of Labor.

Bureau of the United States Department of Labor.

We submit the first draft of this program to you, in the hope that it will serve as the basis for the procedures to implement the Wagner-Rogers bill. We wish to assure you that our services will continue to be at your disposal in the great humanitarian task you have undertaken.

Sincerely yours,

MARION E. KENWORTHY, M. D.

PLAN FOR THE CARE OF GERMAN REFUGEE CHILDREN IN THE UNITED STATES

The remoteness of our country and the quota laws have prevented the admission of a single child refugee from Germany outside the the admission of a single child refugee from Germany outside the quota. Since November 10, 1938, some thousands of children have escaped to neighboring countries, which have somehow managed to give them refuge through emergency measures necessitated by the lack of preparation for their care. Since the admission of any substantial number of these children to America must be preceded by special legislation, we have the unique opportunity to prepare for their coming in such a way that they can be placed throughout the country in homes of their own faiths, without creating an emergency situation in any community. As the first step toward such preparation, an outline of the major problems to be met, together with recommendations for their solution, is submitted.

SELECTION OF CHILDREN ABROAD

"Should children be taken from their families?" This is a question frequently asked. There is no intent in plan or action to break up families. On the contrary, every effort will be made through the machinery set up to preserve family ties and to keep the children in touch with their parents, when possible, through correspondence. Owing to the chaotic conditions of immigration from Germany, many families have already been broken up, and many parents are pleading that their children be taken abroad, if the sacrifice will assure their physical safety.

Children will be selected only after skillful inquiry and consultation with parents, where available, in order to determine that place-

tion with parents, where available, in order to determine that placement abroad is essential to their present safety and future welfare. The alm will be to organize trained service for selection sensitive to the dangers involved in the child's temporary or permanent separation from its parents. The possibility of later contacts with the parents will always be kept in mind.

The American Friends Service Committee has for many years served those who needed help, regardless of race, color, nationality, or creed. Their service to German children after the Great War has made it possible for them to serve the children of oppressed minorities in Germany today. They have taken a leading part in organizing the refugee work in Germany, Austria, Holland, Belgium, and England. and England.

Since the American Friends Service Committee has the confidence of all people here and abroad and has entry into Germany, we recommend that this committee act as the central agency for the selection of children abroad. To do this it will be necessary for the American Friends Service Committee to add to its staff abroad social workers well acquainted with the children's field in the United States and such other technical staff as may be needed. The International Migration Service, which has branches and corre-

The International Migration Service, which has branches and correspondents in European countries and has had 15 years of experience in the international treatment of family problems, may also be of real assistance in aiding in the selection of children.

Selection of the children will at all times be subject to the statutory requirements of the immigration law and the rules and regulations imposed by the State and Labor Departments. Among such requirements is one of prime importance, that every immigrant must be of sound body and mind. The selection of children will be done in close cooperation with the Non-Sectarian Committee for German Refugee Children, so that the work of bringing the children to this country and the work of placing them in satisfacchildren to this country and the work of placing them in satisfactory homes under adequate supervision by accredited social agencies will be coordinated.

A PROGRAM FOR CHILDREN OF ALL FAITHS

The child refugees from Germany will be children of all faiths-The child refugees from Germany will be children of all faths—Protestant, Catholic, and Jewish. The Nonsectarian Committee is therefore an agency appropriate to assume responsibility as the central organization in this country. It is recommended that this committee appoint to its board, outstanding experts in the field of child welfare. Working through such subcommittees as may be needed and in cooperation with the child-welfare agencies throughout the country, the Nonsectarian Committee will be in a position to allocate children to the agencies able and willing to accept them for placement and supervision. them for placement and supervision.

RECEPTION OF THE CHILDREN

Children admitted to this country under the provisions of the Wagner-Rogers bill will be admitted on visas for permanent resi-Wagner-Rogers bill will be admitted on visas for permanent residence. Their papers must satisfy the governmental requirements and they must pass the physical and mental examinations required before entry. The admission procedure for immigrants arriving on crowded steamers is complicated and the experience is especially hard for children burdened by separation from their parents, oppressed by the experiences that forced exile from their native lands, and to whom all hope lies in acceptance by this country. It is, therefore, essential that the agency receiving these children shall be prepared to stand in the place of their parents, and guide them through their first contact with America. This can be accomplished by assigning staff members of accredited agencies to the task of handling the reception of these children.

Temporary shelter in the ports of entry will be necessary because

Temporary shelter in the ports of entry will be necessary because of the unpredictable time of arrival of steamers and the unavoidof the imprenetable time of arrival of sceamers and the unavoidable delays in the official procedure for admission. The proper allocation of the children to the various agencies throughout the country that have signified their willingness to accept them, will take place during the shelter stay. This period should also be used to provide the children with days of rest and relaxation and an opportunity for some reorientation prior to their departure for the

areas to which they have been allocated for care.

Since the children are to be placed on the basis of their religious affiliations, every effort must be made to secure accurate information as to the religious affiliations of their parents and their wishes as to the religious training of their children, and where that is not possible, the preference of the child. Such information must determine the choice of agency, foster home, or institution.

GEOGRAPHICAL DISTRIBUTION

Thousands of families in more than 40 States have offered to open their homes to these children. The investigation of these homes prior to the arrival of the children would enable the committee to expedite their distribution throughout the country, so that they would never be concentrated in large numbers at the ports of entry.

In order to perform this task and ensure sound placement and adequate supervision, it will be necessary to enlist and coordinate the facilities of accredited child-welfare agencies throughout the country. When needed, these existing facilities should be expanded through the allocation of funds by the nonsectarian committee for additional personnel rather than by the creation of new agencies.

PLACEMENT PROCEDURE

The first general principle for the treatment of children, now considered as a fundamental right, is the provision of normal home life. Proclaimed by the White House Conference of 1909, this principle has been reaffirmed by every subsequent White House conference, and is the first of the standards set by the Children's Bureau for such care.

This standard should be met wherever possible in regard to This standard should be met wherever possible in regard to refugee children who, in every instance, have been forced to leave their own homes and country. Its application must not be rigid or mechanical. Where careful observation reveals that certain children are in need of the special benefits that can best be secured through group life special schools or institutions should be available. In every case the decision as to the placement must be based on case-work findings during the period of temporary shelter. Modification of the original decision as to placement will rest with the agencies to which the children have been allocated.

The selection of qualified responsible agencies by the non-sectarian committee will guarantee proper standards of care and

obviate the necessity for working out a special schedule of standards. Certain essential requirements must be met by every cooperating agency:

(1) A competent case-work staff and adequate supervisory staffs, that will ensure the careful study and selection of foster homes; a skillful placement procedure, and supervision after placement in accordance with accepted case-work practices.

(2) Provision of thorough medical examinations and continuing

(a) Provision of norough medical examinations and continuing medical care in accordance with accepted standards.

(3) Provision of psychological and psychiatric services either through their own staffs or through cooperating agencies in the community when the need for such service is indicated.

(4) Supervision of school placement and attendance in accordance with least large.

(4) Supervision of school placement and attendance in accordance with local laws.

(5) Responsibility for keeping individual case records including:
(a) Report of original information and investigation.
(b) Report of period of observation in temporary shelter.
(c) Report on placement, including foster home application, investigation, and periodic evaluations of home.

(d) Petalled report on supervision including dates of all visits.

(d) Detailed report on supervision, including dates of all visits to foster homes, and comments by visitor.
(e) Reports on child's progress including complete medical rec-

ord, psychological and psychiatric examinations, reports on adjustment in foster homes and school.

(f) Facts pertaining to child's own family received after allocation of child.

(g) Record of replacements.

FINANCIAL RESPONSIBILITY

The Non-Sectarian Committee has assumed the financial responsibility for the care of these children. It will, therefore, provide the guaranties required by the United States Government. It will also serve as the central organization for the allocation of funds to lead organization.

funds to local agencies that require assistance in order to provide adequate care and supervision for the children entrusted to them. The total cost of the care for these children cannot be exactly determined at this time. Some of the children will undoubtedly be placed in free foster homes. Others at some future date may rejoin their own parents in other countries.

In order to safeguard the rights of parents and children the non-sectarian committee must maintain a central index so that at any time accurate information is available as to what agency is responsible for the care of each child. This central index should contain at least a minimum of identifying information, such as the names and addresses of living relatives, the child's residence at time of immigration, his religion, and such social data as is available.

SUMMARY

By requiring the careful selection of children abroad, maximum By requiring the careful selection of children abroad, maximum assurance can be secured that only potentially good citizens are brought to this country. By the supervision of their passage and reception in this country the hardship of separation from parents can be lessened, and the children prepared for their new homes. The careful selection and classification of homes together with adequate follow-up care will contribute much to the adjustment of the children. And the maintenance of proper records and a central index will make it possible for parents to locate their children and keep in touch with them.

Although this plan seeks to meet a unique emergency to it is best

Although this plan seeks to meet a unique emergency, it is based on American experience in the child-welfare field and seeks to apply American standards.

Among those who have cooperated in drawing up this plan are the following:

Paul T. Beisser, president, Child Welfare League of America.

Mary Boretz, executive director, home bureau, Hebrew Sheltering Guardian Society.

C. C. Carstens, executive director, Child Welfare League of

America.

Jessie P. Condit, executive secretary, Children's Aid Society,

Newark, N. J.
Gertrude M. Dubinsky, executive director, Juvenile Aid Society, Philadelphia.

Sybil Foster, field secretary, Child Welfare League of America. Mary Godley, executive director, Catholic Home Bureau, New

Katherine E. Griffith, director, Diocesan Bureau of Social Service, Hartford, Conn

Byron T. Hacker, executive director, Children's Center, New Ha-

ven, Conn.
Dr. Stephanie Herz, Committee for Catholic Refugees from Ger-

Sidney Hollander, Maryland Board of State Aid and Charities. Dr. Marion E. Kenworthy, director, Department of Mental Hygiene, New York School of Social Work.

Jacob Kepecs, superintendent, Jewish Children's Bureau, Chi-

cago. Dr. Hertha Krauss, American Friends Service Committee, Phila-

Edith L. Lauer, executive director, Jewish Family and Children's Bureau, Baltimore.
Harry Lurie, Council of Jewish Federations and Welfare Funds.

Lotte Marcuse, director of placements, German Jewish Children's Ruth Taylor, commissioner of public welfare, Westchester

County, N. Y.
Sophie Van S. Theis, assistant secretary, State Charities Aid
Association, New York.

Whitman executive secretary, Children's Aid Associa-

Alfred F. Whitman, executive secretary, Children's Aid Association, Boston.

[From the Yonkers Herald Statesman, March 18, 1939] FOR HELPLESS, HOMELESS, HOPELESS CHILDREN

Today, on the eve of "Refugee Sunday," which will be observed in all Catholic churches of the city, it is timely to consider the plight of those millions who are being driven about, homeless and helpless, without hope of refuge.

The civilized world is in tears for these unfortunate victims of

renascent barbarism—for the doddering aged, the stricken middle-aged, the bewildered young people, and especially the innocent children, too young to realize the horror of it all.

But tears are of no avail against the monstrosities of fascism in full stride. Never in history, perhaps, has there been such a grave need and so great an opportunity to extend a helping hand

in full stride. Never in history, pernaps, has there been such a grave need and so great an opportunity to extend a helping hand as at present.

That is what lends powerful significance and importance to the Wagner-Rogers bill, now before Congress, which would permit 10,000 children under 14 to be brought into this country from Germany in 1939, and another 10,000 in 1940. The children would come here under the protection of the Nonsectarian Committee for German Refugees. About half would be taken from German families practicing the Jewish faith and half of Catholic and Protestant faiths. All would be placed in American families of their own faith, distributed throughout the country.

Great Britain already has made strides in this direction and it is interesting to note a pronouncement by Sir Samuel Hoare, Home Secretary in that Government, that among German and Austrian refugees who sought asylum in England some time ago, 11,000 are prospering and have, so far, provided employment for 15,000 Britons. Far from being a handicap to British industrial recovery, they are furthering it, he said.

The joint resolution before Congress expresses similar confidence that "the admission into the United States of a limited number of these children can be accomplished without any danger of their becoming public charges, or dislocating American industry, or displacing American labor."

It is heart-warming that America is alert to her opportunity and her duty in an hour when humanity cries out for action.

and her duty in an hour when humanity cries out for action.

[From the Charleston (W. Va.) Daily Mail of March 22, 1939] FOR YOUNG REFUGEES

To alleviate one of the more tragic of the appalling problems of oppressed humanity in so-called greater Germany a joint resolution has been introduced in Congress to modify the immigration laws as they apply to children of the age of 14 or younger. The proposal would permit an additional 10,000 children of those ages to enter the United States during each of the calendar years of 1939 and 1940.

1939 and 1940.

The resolution states that children who have since January 1, 1933, resided "in any territory now incorporated in Germany" and for whom "satisfactory assurances are given that [they] will be supported and properly cared for through the action of responsible citizens or responsible private organizations * * * and * * * will not become public charges" will be eligible. Those provisions are designed to preclude any unfortunate experience with refugee children such as England suffered when thousands were removed from war territories in Spain.

are designed to preclude any unfortunate experience with rerugee children such as England suffered when thousands were removed from war territories in Spain.

To assist in carrying out the terms of the joint resolution, the resettlement division of the National Coordinating Committee, composed of leading members of all churches (Protestant, Catholic, and Hebrew) and professions, has begun to operate.

The committee informs us that there will be no dislocation of the employment of American citizens, a restriction that will remove a serious possible criticism. The C. I. O. and the A. F. of L. have placed their enthusiastic approval upon the provisions of the joint resolution and the committee's work. Every possible precaution will be taken to prevent refugees from depriving Americans of their employment.

The provisions in the resolution concerning eligibility of refugee children should insure the elimination of any undesirables or those who would become public charges. Some of the most loyal and patriotic citizens we have today in this country are of foreign birth who escaped to this country from oppressive governments and who therefore more fully appreciate what our form of government means to humanity.

The local organization of the resettlement division already has started to work, and first reports indicate that splendid accomplishments have been made. To support the joint resolution and the work of the National Coordinating Committee is to give concrete evidence of America's determination to keep alive the principles of civilization and enlightened humanity.

ciples of civilization and enlightened humanity.

[From the Boston Globe of March 23, 1939] LET THEM IN

The saddest sight in this disordered world is the child seeking refuge from totalitarian tyranny. Appreciating the plight of these helpless little ones Senator Wagner has introduced a bill to make it possible for 10,000 refugee minors to be received outside the quota limits in each of the next 2 years.

There is nothing sectarian about this proposal. These boys and girls, all below the age of 14, would be Catholics, Protestants, and Jews. They would be distributed to families or individuals who would care for them and bring them up, guaranteeing that they would not become public charges.

Recently Mrs. Calvin Coolidge joined with a group of women in Northampton who agreed to be responsible for 25 of the young refugees. Great Britain has offered homes for 7,800. Crowded little Holland has accepted 1,700 and is receiving more. What Senator Wagner asks Congress to permit is trifling in comparison. There should be no disposition to do less and the action should be prompt.

The Louisiana Purchase and One of Its First Explorers, Zebulon Montgomery Pike

EXTENSION OF REMARKS

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Twesday, April 4, 1939

ADDRESS BY THE LATE HONORABLE ALVA ADAMS, OF PUEBLO, COLO., BEFORE THE STUDENTS AND FACULTY OF COLORADO COLLEGE, COLORADO SPRINGS, COLO.

Mr. LEWIS of Colorado. Mr. Speaker, nearly everyone in America has heard of Pike's Peak and tens of millions have seen it, but comparatively few know much of the man whose name it bears or of the inspiring story of the expedition in the course of which a young officer of the United States Army "discovered" this majestic mountain which dominates the middle of the "front range" of the Continental Divide in

Lt. Zebulon Montgomery Pike (1779-1813), of New Jersey, commanded two exploring expeditions into the Louisiana Purchase shortly after its acquisition from Napoleon in 1803. The first (August 9, 1805, to April 30, 1806) was north from St. Louis, up the Mississippi River to what Pike mistakenly believed to be its source, and back again by the same route. The second and more important expedition (July 15, 1806, to July 1, 1807) was westward from St. Louis, across what is now Missouri, Kansas, eastern Colorado, New Mexico, northern Mexico, and Texas, ending, after many hardships and adventures, at Natchitoches, on the Red River which then marked the boundary between the territory of Spain and that of the United States.

The celebrated Lewis and Clark expedition (May 14, 1804, to September 23, 1806) up the Missouri to its source, across the Continental Divide and down the Columbia to the Pacific Ocean and back again to St. Louis, had been undertaken under personal orders of President Thomas Jefferson, who, long before, had planned an exploration to find a land route to the Pacific and active preparations for which, under the President's personal supervision, were in progress even before the acquisition of the Louisiana Purchase.

Pike's two expeditions were undertaken under orders of Brig. Gen. James Wilkinson, Civil Governor of Louisiana Territory and commander of the military forces in that region. Although doubtless Pike's expeditions were reported to the War Department and known to the Commander in Chief soon after they were under way, there is nothing to indicate that they were initiated or planned by President Jefferson.

Pike's journal of his second or western expedition, written day by day in a soldier's matter-of-fact style, without literary embellishment, tells an inspiring story of indomitable will, of self-reliance, of iron discipline, of solicitude for the men under his command-all of whose hardships he shared equally with them-of calm fortitude in the face of every conceivable privation and danger, and of dauntless courage. It is a story with which every American should become familiar so that he might more fully realize how dearly was won the heritage of which many of us are now the unappreciative or indifferent, if not the querulously complaining, heirs.

One of the most interesting popular summaries of Pike's western expedition is the following address, delivered, a number of years ago, before the faculty and students of Colorado

College in Colorado Springs, by the late Honorable Alva Adams, three times elected Governor of Colorado—the father of the present senior United States Senator from Colorado. It is a fitting tribute by a distinguished citizen and Governor of our State to a really great national hero, whose name is so closely identified with Colorado.

The address is as follows:

At the opening of the nineteenth century Europe was one vast military camp. Upon the crimson crest of revolution Napoleon had ridden into power. The destinies of France were placed in his hands, and he led the devoted nation where he willed. The ambitious Corsican aimed not alone to control the nations of the Old World, but he dreamed as well of empire in the new land that lay beyond the western sea.

The gateway to the interior of the American Continent was

guarded by a French city. Over two centuries before, French explorers had driven the prows of their adventurous ships upon the coast of Louisiana and in her soil planted a mighty cross and to it nailed the arms of France. Until 1762 the lilies of France guided the infant destinies of the forest empire. In that year, defeated by England in their rivalry for dominion in America, France, with the art of a tricky bankrupt, sought out a preferred creditor, and by secret treaty ceded Louisiana to Spain. For 38 years the new land languished under the blight of Spanish rule. Then, in return for Tuscany, Spain gave back to France the title deeds of Louisiana.

THE LOUISIANA PURCHASE

The Louisiana Purchase

Three years later, when preparing for war with England, need of money and the danger of Louisiana's falling a prize to the naval supremacy of England forced Napoleon to give up his dream of a great Mississippi colony, and Louisiana was sold to Jefferson. No one, not even Jefferson, realized as fully as did the French Emperor the value of that which he sold. The price was sixteen millions, twelve millions cash and four millions to pay claims of American citizens for French spollation. It was, as Napoleon said, "a magnificent bargain; an empire for a trifle." He also said: "A day may come when the cession of Louisiana to the United States shall render the Americans too powerful for the continent of Europe."

"I have given to England a rival that will humble her pride."

How different the voice of American statesmanship. Seldom has the tongue of an American been touched with the spirit of prophecy when casting the horoscope of the west. Napoleon could better read the stars that told the destiny of western greatness.

Jefferson realized that the nation that held the mouth of the Mississippi must be the enemy of the United States. He wanted freedom of the great river; but the empire to which his purchase led cast no rays upon his horizon. After the treaty was made, Jefferson said of Louisiana that "it was a barren sand; individuals will not buy; we gain nothing but peace."

JEFFERSON DENOUNCED BY PARTISAN OPPONENTS FOR LOUSIANA PURCHASE

JEFFERSON DENOUNCED BY PARTISAN OPPONENTS FOR LOUSIANA PURCHASE

The Federalists denounced the purchase as corrupt and unconstitutional, and voted against the ratification of the treaty. New England denounced it as an illegal interference with the future balance of power of New England. When a Tennessee Member of Congress proposed a survey of some portions of the new purchase, a Member from New England made it the text for the following bitter assault: "No act of Jefferson's administration presents such a variety of disgraceful features as this shameful purchase of a colony of Frenchmen. In its origin it was corrupt; in its principles hostile to Constitution and republican habits. It has swallowed up millions aside from the vast sums required to explore its unknown frontier. The origin of this monstrous purchase, the effect of which will be felt to our latest posterity, was to give free navigation of the Mississippi to the backwoodsmen of the Western States." The Federalists denounced the purchase as corrupt and uncon-

This spirit did not die. When, on January 15, 1811, the bill for the admission of Louisiana as a State was being considered, Josiah Quincy, who 2 years later left Congress to become president of Harvard College, opposed the admission of the new State in these picturesque sentiments:

"The illeral purphese of Voylding Louisian and the sentiments."

picturesque sentiments:

"The illegal purchase of Louisiana had unsettled the foundations of the Government, and no State formed from illegal territory could enter the Union or become equal with the original States. I am compelled to declare it as my deliberate opinion that if this bill admitting Louisiana as a State passes, the bonds of the Union are virtually dissolved; and that, as it will be the right of all, so it will be the duty of some to prepare definitely for a separation—amicably if they can; violently if they must. We have no right to throw the rights, liberties, and property of original States into hotchpot with wild men of Missouri, nor with the mixed though more respectable race of Anglo-Spanish Americans. It was not for these men our fathers fought; it was not for them this Constitution was adopted."

From these quotations we can see that South Carolina was not the first State to preach the gospel of secession.

Years later, when the Oregon question was before the people, William Sturgiss, in a lecture before the Mercantile Library Asso-

¹The United States paid 60,000,000 francs (\$11,250,000) outright and assumed the claims of her citizens against France to the extent of 20,000,000 francs (\$3,750,000) additional; the interest payments incidental to the final settlement raising the total eventually to \$27,267,622, or about 4 cents an acre (Encyclopedia Britannica, vol. 14,0,432). 14, p. 432).

ciation of Boston, said: "Better the Pacific extend to the Rocky Mountains than to have the Oregon country converted into new States."

In the light of the present, these assaults upon and evil predictions concerning the West are as full of humor as the fight of Cervantes' hero with the windmills. They show the pessimist of our day that angelic wings were as short and rare on the shoulders of our noble ancestors as with the statesmen of today. Our Nation has grown in breadth and power, but human nature has changed has grown in breadth and power, but human nature has changed but little. Distance has wreathed the past with all the charms of its enchantment, so that to our gaze every actor on the early stage of our history bears the character and proportions of a demigod and a hero, and their deeds in the political arena stampling their times as the golden age of statesmanship. Yet, in truth, men were as bitter, partisan, selfish, and narrow then as now. Time and tombstones are ever kind.

In the history of American progress there are but one or two events as important as the purchase of Louisiana. In the annals of mankind there have been few triumphs of warrior or statesman that have been so pregnant with the seeds of a great and a beneficent destiny. Yet was it attained with no stain of blood or crash of battle.

At midday in New Orleans, on December 20, 1803, the French and American flags passed each other, as the one was lowered and the other raised. There was no other ceremony to mark the great event. No cheering multitude. No cannon awoke the echoes of the surrounding solitude. No orator indulged in patriotic prophecy. There was no comment, no music, no emotion. Thus simply an empire passed from the dominion of France and became a part of the glory and grandeur of the American Republic.

By this transfer the public domain was widely extended—almost beyond known limits.

PIKE'S TWO EXPLORING EXPEDITIONS

In order to learn more of the new land, Lt. Zebulon Montgomery In order to learn more of the new land, Lt. Zebulon Montgomery Pike was placed in charge of an exploring party to explore the headwaters of the Mississippi River. So satisfactorily did Pike perform this service that upon his return from the north he was selected by General Wilkinson to command a party that should explore the Arkansas and Red Rivers—the intent being to ascend the Arkansas to its source, and then pass over to the Red River and return home by that stream. It is with this last expedition that we will travel that we will travel.

PIKE'S WESTWARD EXPEDITION

On July 15, 1806, Lieutenant Pike started from Belle Fontaine, a On July 15, 1806, Lieutenant Pike started from Belle Fontaine, a village a few miles above St. Louis. The expedition comprised 23 men, officers and soldiers. Their equipment consisted of the ordinary effects of a company of infantry. General Wilkinson issued \$600 in value of merchandise, which was to be an expense and trading fund for this company of explorers. Pike was admonished to be careful in spending his supplies, as he would be held to a strict accountability for every farthing expended. Wilkinson evidently expected Pike to have the financial wisdom and business qualities of a Methodist histon scide from his attainments as soldier. qualities of a Methodist bishop aside from his attainments as soldier and explorer. The contrast between Government supplies then and now is vivid. Today when a committee from Congress is sent out on a visit of friendly inspection to some western agency or post the liquors, cigars, and luxuries that are loaded on their Pullman car cost more than the entire expense of this band of explorers, who were to travel an indefinite time in an unknown and savage wilderness. The effects of the company were loaded into two crude boats, When ready to start, 51 Osage Indians were placed in Pike's charge. These he was to escort to their homes on the headwaters of the Osage River. The Indians walked along the banks of the river, as These he was to escort to their homes on the headwards of the river, as Osage River. The Indians walked along the banks of the river, as did some of the men, hunting as they went to supply food for the party. The party passed up the Missouri and Osage Rivers, and in due time arrived at the Indian village where they delivered the Indians to their friends. After trading for horses, supplies, and arranging for guides, they left the boats and crossed the country to the Arkansas

Pike kept a daily record, noting the country, weather, and all incidents he considered valuable or interesting. As a literary work, Pike's diary may not rank very high; but as the narration of a sincere and patriotic soldier it will ever hold a place in the esteem of those who admire the straightforward story of a simple and brave man.

As the record of Colorado's discoverer, the journal of the man who built the first house and raised the first American flag upon the domain of our present State, I commend the perusal of his book to every citizen that loves his State.

PIKE TREATS WITH THE INDIANS

Aside from his duty as explorer, Pike was instructed to visit the Pawnee and other Indian tribes and to make treaties of peace and alliance with them. This was not always easy to accomplish. Not long before a splendid troop of Spanish cavalry, coming from Santa Fe, had passed through this same region upon a similar errand. In anticipation of boundary disputes arising between Spain and the United States, the Spaniards made an effort to form friendly alliances with the Indians. This troop was a magnificent body of men, 500 strong. Every soldier was mounted on a milk-white steed, while the commander and his two aides rode jet-black stallions. This cavalcade of Spaniards had been lavish in presents to the chiefs. They left medals and flags of the Spanish King. The Indians had been much impressed with the superb uniforms, with the glitter and the boast of the Spanish officers. They were, indeed, in strange contrast with the sorry

equipments and number of the American soldiers. It required much diplomacy to induce them to surrender the Spanish emblem and receive the Stars and Stripes. Often the small troop was in imminent danger, but the wonderful coolness, courage, and decision of their leader saved them. With the Indians Pike was exacting, but just. As he wrote, "His experience had taught him that if you have justice on your side and do not enforce it, the Indians will universally despise you."

the Indians will universally despise you."

The Pawnees he found very reluctant to accept his tenders of peace and protection. They had been fascinated and flattered with the attention and magnificence of the Spaniards, and they sought no alliance with any power less splendid. Like most primitive people, the Indians judged the king by his ambassador; the sender of a message by the display of the messenger that brought it. They looked with contempt upon this American captain, who wore the dress of a hunter; who carried packs and pioneered the trail. Like the Jews of old, they were disappointed in appearances and scoffed at Pike as being the representative of a mighty power, whose ambassador he claimed to be. Proud of their many hundred warriors, these Pawnees refused to treat or their many hundred warriors, these Pawnees refused to treat or smoke. They gathered their warriors in battle array and threatened to sweep the little band of whites from the earth. But when they saw no fear or signs of retreat, but instead the most cool and determined preparations to meet their assaults, they changed their minds, and, under a flag of truce, offered the calumet. In writing of this event Pike writes as though he was a little disapwriting of this event, Pike writes as though he was a little disappointed that the Pawnees did not carry out their intention to fight, "as he had arranged his small troop so as to kill at least 100 of the Indians before they could have been exterminated."

UP THE ARKANSAS RIVER, ACROSS THE GREAT PLAINS

Day by day they press up the Arkansas. At first on either hand great rolling prairies, and then the oceanlike plains. He is amazed at the vast herds of buffalo, deer, elk, and other game. A single hunter could supply a small army with food; but as a matter of humanity he forbids the killing of more game than required. Were it not that some of our living citizens have seen on the same plains herds of buffalo that were limited only by the horizon's line, and had felt the earth shake beneath their myriad tread, we might question the estimate Pike gives of the game he saw.

As Pike enters the buffalo country, he comments freely upon the barrenness and desolation. He forgets that game could not be so plentiful if the land were so desolate. So impressed was he with the worthlessness of the plains, that when, reviewing his travels across them, he said: "The plains may in time become equally celebrated with the deserts of Africa. From these immense prairies may arise one great advantage to the United States by the restricting of our population to some certain limits, and thereby insuring a continuation of the Union. Our citizens through necessity will be constrained to limit their extent on the west to the Mississippi and Missouri, leaving the prairies—incapable of cultivation—to the and Missouri, leaving the prairies-incapable of cultivation-to the

uncivilized aborigines."

Pike. Quincy, Webster, and other of our famed ancestors were great explorers and statesmen, but as prophets they were failures. FIRST VIEW OF THE ROCKIES, WHICH PIKE REFERRED TO AS "THE MEXICAN

MOUNTAINS"

After many days the mountains burst upon the vision of the explorers. To the left a pair of twin peaks cut the horizon; to the right a mighty single mountain stood like a sentinel upon the boundary of plain and mountain.

From the first sight of the grand peak it became the pole star—the compass of the explorer. During all his wanderings over plain and mountain he was seldom out of sight of the great mountain which he called his friend and guide, and a grateful people have made it his monument—one that will carry the name of Pike down the stream of time. Seldom have peaks been so royally named; seldom have heroes been worthy of so lofty a commemoration.

PIKE TRIES BUT FAILS TO CLIMB "THE GRAND PEAK"

When Pike reached the mouth of the Fountaine, and where Pueblo now stands, he established camp, built a rude temporary stockade, and over it raised the first American flag that had ever been kissed by the radiant sun and floated upon the crystal air of been kissed by the radiant sun and floated upon the crystal air of the Rocky Mountains. Considering it his duty as an explorer to ascend a peak that was such a prominent feature of the landscape, Pike, with several soldiers, took an early start one morning from his Pueblo camp, so that he might reach and climb the peak and return to camp in reasonable time. To their infinite surprise, the second day had well near passed before they came to the south end of Cheyenne Mountain. In this incident you will find the germ of that ancient story that is told to and about every tenderfoot that has visited this region since the days of Pike. It was near the first of December, and a winter of deep snow and intense cold. that has visited this region since the days of Pike. It was near the first of December, and a winter of deep snow and intense cold. They had no blankets and little food, but they determined to attempt the ascent. After the best part of 2 days' struggling through the snow they found themselves upon the top of the great ridge which, west of Cheyenne, leads up to the peak. They were in snow to their waists, and the mercury below zero.² Still the peak, in its soaring grandeur, seemed as distant as ever. This led Pike to say that it seemed impossible that human foot could ever press its summit. To him it was as though the Almighty had marked "no thoroughfare" upon its rugged heights and eternal snows. As his men were without food, and dressed only in Army overalls, shoes without stockings, no blankets or overcoats, he decided it folly to go further, and ordered a return. Two days later

they were in camp at Pueblo.

This was the first attempt to scale Pike's Peak, and that was as near as Pike ever came to its summit. Sixteen years later, Dr. James and others of Long's exploring party ascended the Peak in midsummer. It is a different task climbing Colorado mountains in

August than in December.

August than in December.

In honor of this first ascent Long gave the name of James to the peak, and that is the name it bears in early Government maps and reports. Pike gave it no specific name, and just when the name of James was dropped and it was christened Pike is one of the historical mysteries. I question whether it was ever legally baptized Pike. Trappers, traders, and early voyagers across the plains resented the apparent slight to Pike and persisted in speaking of the mountain as Pike's Peak, in defiance of Government reports and the envy of rival explorers. The name of Pike's Peak begins to appear in the literature of the prairies and mountains about the middle of the century, but it was not irrevocably christened until the Pike's Peak gold excitement, when the name was fixed to remain as long as men love to listen to stories of valor; as long as history is written. valor; as long as history is written.

UP THE ARKANSAS TO THE GRAND CANYON, OR ROYAL GORGE, AND INTO SOUTH PARK

From Pueblo, Pike passed up to the soda springs at Canon. The walls of the Grand Canyon prevented his following the course of the Arkansas. From here he drifted over the divide into South Park and upon the waters of the Platte. He recognized the streams Park and upon the waters of the Platte. He recognized the streams as tributary to the Platte. He came into the Arkansas Valley again near Buena Vista. He wandered west over routes we cannot identify until he must have found the Tomichi, a tributary of the Gunnison, and the only time Pike touched Pacific waters. He near Buena Vista. He wandered west over routes we cannot identify until he must have found the Tomichi, a tributary of the Gunnison, and the only time Pike touched Pacific waters. He recognized that this stream running west could not be the Red he sought, and turned east and south. After a month of incredible exposure, hardship, and suffering, he came back to his camp at Canon. His horses had been killed or disabled; his men were worn and frozen, weak and faint from exposure and starvation; his supplies exhausted; guns injured and broken. During this terrible month of wandering in the wintry mountains the Christmas holidays and Pike's twenty-eighth birthday were passed. Christmas they spent in the heart of the mountains. They were almost starving and in a strange and wintry land. Yet this heroic man writes in his journal on that Christmas Day "that food and diet were beneath the serious consideration of men who explore new countries." So often were their rations scant that "his men thought themselves fortunate with having plenty of buffalo meat without salt or any other thing whatever." As he was in camp celebrating this holiday he writes of the condition of his men: "Not one person was properly clothed for winter; many without blankets, having been obliged to cut them up for socks and other articles; laying down at night upon the snow or wet ground, one side burning, the other pierced with the wind, the men making a miserable substitute for shoes and other covering out of raw buffalo hide." buffalo hide."

HORSES WORN OUT AND ABANDONED

At Canon camp they remained 5 days to recruit the strength of their men, and to make other necessary preparations for an assault against the mountains to the west, which was the barrier that they supposed hid the river they sought. When leaving Canon, the party was on foot, the horses living being in no condition to travel. The luggage was divided, giving 70 pounds to each man.

FOUR DAYS WITHOUT SLEEP OR FOOD

FOUR DAYS WITHOUT SLEEP OR FOOD

From Canon they started up Grape Creek. After 2 or 3 days they entered Wet Mountain Valley. Snow fell, covering the country to a depth of 2 to 3 feet. Most of the game had been driven out of the mountains, and the party was soon in a desperate condition, frost and hunger making sad havoc. On January 17 nine of the men had their feet frozen, among them the hunters. They had been 2 days without food, so a camp was made, and Pike and Dr. Robinson—his friend and companion—went out to hunt. The first day they killed nothing. Night came on and they thought it useless to go to camp and add to the general gloom, so took shelter under some rocks, where they remained all night, hungry and without cover or rest, as the cold was too intense to permit sleep. Next day they got eight shots at a buffalo, but failed to kill. Here, for the first time in his career, Pike weakened in courage. They had been 4 days without food, and the helpless men depending upon them. All these 4 days without sleep and tramping the ing upon them. All these 4 days without sleep and tramping the deep snow, they were weak and faint, and it looked as though fate had decreed that the expedition should end in tragedy. They sought a small grove, determined to remain absent and die by themselves rather than return to camp and witness the misery of their companions. Just as they had made this resolution of depart that discovered at a distance several buffels. Here at once spair, they discovered at a distance several buffalo. Hope at once took command, and with great exertion they crept through the snow and succeeded in killing a buffalo. At midnight they returned to camp with the food that saved the lives of the men and the exploration from tragic failure.

CROSSING THE SANGRE DE CRISTO MOUNTAINS IN JANUARY

On January 21 two men-Thomas Dougherty and John Sparkswere so badly frozen that they could not travel. A cruel alternative was forced upon the leader. For all to remain with the poor cripples was almost equivalent to deciding that all must perish. The two were left. They gathered wood and left what meat remained with the poor men. After bidding them show their fortitude and

 $^{^24^\}circ$ below zero, according to the Reaumur thermometer which Pike carried, or 23° above zero Fahrenheit.

bear up until help could be sent back, the party pushed on. A day or so later another man—Menaugh—became helpless, and he was left alone—not even the consolation of a comrade.

In all the danger and risk of exploration, be it in mountain land

In all the danger and risk of exploration, be it in mountain land or polar ice, I know of nothing more terrible and desperate than the condition of these poor men left to fight the awful perils of a severe winter in the unknown mountain land. They were helpless; they could not hunt or fight; they could not retreat or go on. Their agony and suspense cannot be measured by words. I know of no parallel, unless it be in the solitary leper camps in the wintry solitude of the Siberian forests.

DAYS WITHOUT FOOD, FLOUNDERING THROUGH 3 FEET OF SNOW, EACH MAN CARRYING 70 POUNDS OF BAGGAGE

On January 24 the condition of the party again became desperate—no food, and heavy snow through which they beat their slow and painful march. On this day Pike heard the first complaint that had ever fallen from the lips of his men. To illustrate the man as a soldier and a disciplinarian, I will give this incident. Floundering through the snow, famished from want of food, Private Brown scolded and said, "that it was more than human nature could bear to march 3 days without food through snows 3 feet deep and carry burdens only fit for horses."

PIKE'S REPRIMAND FOR THE ONLY MUTINOUS REMARK ON THE EXPEDITION

Pike passed over the sedition at the moment, but that evening, after the company had broken their long fast and eaten their fill of game the doctor had been so fortunate as to kill, Pike called

Brown and addressed him as follows:

Brown and addressed him as follows:

"Brown, you this day presumed to make use of language that was seditious and mutinous. I then passed it over, pitying your condition and attributing your conduct to your distress. Had I reserved provisions for ourselves, whilst you were starving; had we been marching along light and at our ease, whilst you were weighed down with your burden, then you would have some pretext for your observations. But when we were equally hungry, weary, emaciated, and charged with burdens which, I believe, my natural strength is less able to bear than any man's in the party; when we are always foremost in breaking the road, reconnoitering, and enduring the fatigues of the chase, it was the height of ingratitude for you to indicate discontent. Your ready compliance and firm perserverance I had reason to expect, as the leader of men who are my companions in misery and danger. But your duty as a soldier called on your obedience to your officer and a prohibition of such language, which, for this time, I will pardon; but assure you, should it ever be repeated, by instant death I will revenge your ingratitude and punish your disobedience."

PIKE REACHES THE CONEJOS, A TRIBUTARY OF THE RIO GRANDE, AND

PIKE REACHES THE CONEJOS, A TRIBUTARY OF THE RIO GRANDE, AND BUILDS A SMALL FORT

Two days later Pike stood upon the summit of Medano or Music Pass and looked out upon the San Luis Valley. After his experience it is no marvel that it seemed to him to be "a terrestrial paradise shut in from the sight of man." They hastened down the pass, dise shut in from the sight of man." They hastened down the pass, skirted the range of sand hills, crossed the valley, arriving at the Rio Grande near where Alamosa stands, passed down the river a few miles to the mouth of the Conejos, up which stream they went a short distance to the warm springs, near where Judge McIntire now has his ranch and home. Here Pike determined to establish a camp and build a fort. As soon as his camp was located he sent a corporal and men to bring in the frozen men that had been cached in the mountains. in the mountains.

In the mountains.

In due time they returned, bringing in Menaugh, the man left alone on January 27. Dougherty and Sparks were still unable to travel and could not be brought. As the corporal was leaving them they gave him a handful of bones (taken from their frozen feet) to be delivered to Pike as silent messages of appeal that he would not force to a shouldon them.

forget or abandon them.

Pike explored the surrounding valley and kept his men busy building the stockade.

On February 16 two Spanish scouts appeared. They went direct to Santa Fe to report the presence of American soldiers on Spanish

ONE HUNDRED SPANISH TROOPS "INVITE" PIKE AND HIS PARTY TO "VISIT"
THE GOVERNOR AT SANTA FE

Ten days later 100 Spanish or Mexican soldiers presented their remainments to the American captain. They bore an invitation to visit Governor Alencaster at Santa Fe. Pike was reluctant, but they were persistent in their offer of hospitality, offering money, horses, supplies, everything, but insisting upon Pike visiting the Governor, giving as an excuse for insisting the clumsy fable that they had learned of the intention of the Utah Indians to surprise and capture. Pike and that they could not permit a provention of the unit of the could not permit a provention of the unit of the could not permit a provention of the unit of the unit of the unit permit a provention of the unit of the unit permit are provention. ture Pike, and that they could not permit a representative of the United States to submit himself to so great danger.

PIKE SURPRISED TO LEARN HE WAS IN SPANISH TERRITORY

In discussing the matter, the Spanish captain informed Pike that he was upon the Rio Grande and not upon the Red. Pike then pulled down his flag and realized that he was a prisoner, no matter how they might cushion the fact with offers of friendly hospitality. Pike said he would visit the Governor, but that he must wait until he could bring in his invalid men. This was adjusted by leaving 50 of the Spanish soldiers to wait, while the balance of the troop escorted Pike to Santa Fe.

LIEUTENANT PIKE BEFORE GOVERNOR ALENCASTER IN SANTA FE

He was entertained by Governor Alencaster and maintained himself with becoming dignity. In fact, he never forgot that he represented the United States, and always insisted that the Spanish officials recognize in him the power of his Government. When presented at the little court at Santa Fe, Pike was much chagrined at the appearance of himself and men. As he described their clothes, Pike was dressed in a pair of blue trousers, moccasins, coat made out of a blanket, and a red cap made of scarlet cloth and lined with fox skins; the men in raw buffalo moccasins and leggings, breech cloths, leather coats, and not a hat in the party. A native, looking upon their motley raiment, asked if the people in the United States did not wear hats and regular clothes. Under such conditions it would take a keen eye to see the hero.

people in the United States did not wear hats and regular clothes. Under such conditions it would take a keen eye to see the hero. After entertaining the American, the Governor said Pike must go into the interior until he could receive instructions from higher authorities. The leader and men were allowed their arms and, though carefully guarded, they were treated with consideration. Pike seemed rather pleased at the new orders, as it gave him an opportunity to see the Spanish territory. In case he was ill-treated, he had determined to drive off the guards and then go into the Apache country and defy the Spaniards.

UNDER MILITARY ESCORT TO CHIHUAHUA AND BACK TO THE AMERICAN

FRONTIER ON THE RED RIVER

They passed through Albuquerque and El Paso and across the Rio Grande into Old Mexico to Chihuahua, south along the great table land, until May 21, when, under new instructions, they turned east and north, crossed the country to Monterey, Laredo, and to San Antonio, the capital of the Spanish Province of Texas. Here Pike was entertained in the most friendly manner by two courtly Spanish Governors. An escort was provided, which accom-panied him across Texas and delivered him to the American frontier on the Red River.

Here ended the memorable expedition of Pike to the Rocky Mountains.

Connected with this exploration were several incidents that are not free from mystery, and may well serve as hooks upon which the ambitious historian may hang his romantic theories.

PIKE CERTAINLY NOT IMPLICATED IN THE BURR CONSPIRACY

About the time this expedition was organized the Burr conspiracy was in the minds of the people. There was much feeling between the settlers west of the Allegheny Mountains and the States east. Nearly all of the prominent men of the West were under suspicion. General Wilkinson, then in command of the western army, has been proven by recently discovered documents to have been a "rascal through and through." He was in sympathy and perhaps in the confidence of Burr. Wearing the uniform and sword of an American officer, he was in the pay of Spain, and conspired to create out of the Colonies west of the mountains a Spanish empire. It was Wilkinson who sent Pike west; but no matter how guilty may have been his superior in command. Pike certainly had no knowledge of his schemes. Pike About the time this expedition was organized the Burr con-

west; but no matter how guilty may have been his superior in command, Pike certainly had no knowledge of his schemes. Pike was innocent of any stain. He was a patriot as pure and sincere as Wilkinson was a traitor base and ungrateful.

When Pike returned to his country, the Burr conspiracy had exploded, and its leader was on trial for his life at Richmond. The relations between the United States and Spain were very much strained. Our Nation was a growing power; Spain in its decadence. Any accident that might lead to a conflict that would drive Spain from the continent would not have been regarded by Americans as an unmixed evil.

Americans as an unmixed evil.

Americans as an unmixed evil.

Some careful students of American history entertain the theory that Pike had secret instructions to spy out the land and not to be too particular in recognizing the territorial claims of Spain. It is not entirely clear that Pike was as innocent as he professed of his whereabouts when captured in the San Luis Valley. Some believe that he knew he was upon the Rio Grande and not upon the Red, as he pretended to believe. But had it been the Red instead of the Rio Grande, what right had he to be on the south side of the river, his rude fort being several miles south of the stream and under an abeyance treaty upon forbidden ground? The Spaniards believed that Pike carried secret orders to intrude upon their territory. However, they could not trick him into any admissions, and though they secretly searched his baggage and clothing, they found nothing. Certainly his conduct was well poised for an accidental invader. When building his fort he was apparently as much expecting the Spaniards as surprised when apparently as much expecting the Spaniards as surprised when they did come. He was a very willing prisoner, and his attitude was always that of a man who was sure of the endorsement of his country. If the Spaniards were right and Pike did have secret instructions, they came from Washington, and the secret is buried with the authority that gave them and the faithful soldier that received them. The Spaniards could get no hint, though they led Pike a prisoner-guest through their country, and finally delivered him upon his own frontier without apology or explanation. nation.

PIKE A GREAT PATRIOT AND SOLDIER

The Government never had a more discreet or patriotic representative—a man of indomitable will and of rare personal courage. In nearly every man there is a strain of barbarism, a lingering hint of a bygone ancestry, that sometimes, when remote from civilization, will assert itself. Pike was ever proof against the charms of savagery. He was ever a soldier, whether in camp, in wilderness or city. No El Dorado, no Spring of Youth, no dream of wealth, led him into the unknown. He had no idol but his country. Patriotic duty was the polar star that guided his career. Amid our surroundings, touched upon every side with comfort and luxury, it is not possible to paint a true picture of this region as it was when these brave men came to explore and

With the courage, strength, and endurance weakened-if suffer. With the courage, strength, and endurance weakened—if not civilized and cultured out of the present generation—we cannot realize how men could willingly face the hazard of an expedition so far from settlement or help. There was no certainty but of hardship and danger; no reward, but the miserable pittance of a soldier's pay; no hope of glory or fame—800 miles from outposts of their country, and that distance peopled with all the danger that could assail the fears, comfort, and life. Their numbers few, equipments scanty, commissary their own skill as hunters; no refuge from savage assaults; no friends in reach; no help in danger; no shelter in storm; no medicine in illness; never men more dependent upon themselves; never men more competent to care for themselves. suffer. care for themselves.

Poetry and romance never wove a more pathetic and pitiable story of exposure and misery, of hunger and frozen limbs, than the sufferings of Pike and his little band in the Rocky Mountains. It

is a rare lesson of courage and patriotic sacrifice.

The biography of our hero remains unwritten. The biography of our hero remains unwritten. A land is rich in heroism that can afford to let such lives go unmarked. Edward Everett Hale has half promised that he will weave the life and deeds of Pike into one of his brilliant books. The subject is worthy even of Dr. Hale's genius. Pike was not one of those characters designated by Irving as "Sinbads of the wilderness," but a man of high purpose and exalted character. Courage so undaunted, a patriotism so lofty, adventures so wild and strange need no color of romance. of romance.

PIKE KILLED WHILE LEADING THE SUCCESSFUL ATTACK UPON YORK, NOW TORONTO, CANADA

His years were few but full of achievement. He died a brigadier eneral at 34. He was killed while in command at the siege of York—now Toronto—April 27, 1813. As he fell mortally wounded, the enemy sounded a retreat. Their flag was captured and brought to the dying general. He grasped the captured banner, placed it beneath his head, and, like Wolfe, died the death of a soldier. The last sound that broke upon his fading senses was the song of

When he fell upon the Canadian battlefield his notebook was When he fell upon the Canadian battlefield his notebook was crimsoned with his life blood. That book contained his inheritance to his young son. It was not wealth, it was not title deeds to vast estates, but it was more precious than either. It was two rules for the guidance of his son's life. They were, first, "Preserve your honor from blemish"; second, "To be ready at all times to die for your country." Typical were they of the life of the father—a worthy inheritance to every American youth.

May each of you, as morning and evening you look upon the magnificent mountain that guards your beautiful city and crowns our land not only drink in the scenic beauty and grandeur, but

our land, not only drink in the scenic beauty and grandeur, but think as well of the brave soldier, pure patriot, and noble man whose name it bears, remembering that—

"His life was his country's; His deeds were all his own."

Old-Age Security

EXTENSION OF REMARKS

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 4, 1939

Mr. LANDIS. Mr. Speaker, I love the old people, every last one of them, and I shall always stand for liberal old-age pensions. I believe that when a man or woman has lived 60 years in our good old United States, the richest country in the world in natural resources, that the least the Government can do to repay them for being good citizens, good taxpayers, and good parents, is to see that they have peace, security, and the necessities of life during their remaining years.

The old-age pension is here to stay. Public opinion has decreed that. Under our old-age assistance system there are too many clerks, case work supervisors, junior and senior visitors. Let us give the old people, all of them, a uniform, liberal pension without any strings to it, at no more cost to the taxpayer. Let us do away with the hundreds of thousands of dollars we are spending for useless help and give that money to the old folks instead. The old people want security and peace. They do not want to be upset every 6 months by a Government reinvestigation to see whether or not they have gotten rich off their allowance during the last 6 months.

Let us stop the Government from going any further into the real-estate business.

Everyone in America is entitled to life, liberty, and the pursuit of happiness. How can our people have happiness when we have 11,000,000 unemployed and one-third of our population is undernourished, ill-clad, and ill-housed in a land of plenty?

Under our present system, with our crop control with millions hungry, surplus cotton and millions in rags, American markets are still flooded with cheap foreign-made goods, prison-made goods, and cheap agricultural products.

I believe in a pay-as-you-go plan for old-age security. A 2-percent transaction tax given to our old people over 60 years of age will increase and distribute buying power which will employ our idle millions. These people must be American citizens; they must spend their money every 30 days; they must spend it for American-made products; and they must retire from their jobs.

I do not contend this is a \$200 per month pension. It may only bring \$50 to \$75 per month at first. I know it will

increase, because our buying power will increase.

The 1-percent gross income tax in Indiana provides \$700 per teacher in salaries of nearly 20,000 teachers. It permits the State of Indiana to match the county units of Government dollar for dollar on welfare costs. It has reduced the property tax one-third in the State of Indiana. The gross income tax in Indiana is not passed on to the consumer.

It is my sincere belief that a transaction tax would be willingly borne by the American people because every American is for a decent old-age pension for our old folks. The recent Gallup poll in connection with old-age pensions conclusively proved this fact.

We can see the need for a program of plenty. Certainly in a country abounding in unlimited natural resources, and with an efficient production system, there must be some sensible way to solve our problem. We must find a balance between production and consumption and enable every individual who is willing to work to have an opportunity to earn a decent living. We have the customers. There are millions of them, but they lack buying power. We can retire the old people and put the young people to work at real jobs.

We owe a duty to our old folks, and I believe we can perform this duty by enacting the Townsend plan into law. This plan will establish better markets for our farmers: eliminate a large percent of the crime in our Nation; abolish poorhouses; strengthen religious organizations; do away with much unemployment; and will give to our youth a brighter future to which to look forward.

The Deportation of Communist Aliens

EXTENSION OF REMARKS

HON. J. PARNELL THOMAS OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Monday, April 3, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the red network of the National Broadcasting Co., from Washington, D. C., Wednesday, March 29:

As early as 1903 the Congress of the United States provided for the exclusion from admission into the United States of "anarchists." In 1920 the Congress provided for the deportation of aliens who are anarchists.

The purpose of these enactments is to protect the citizens of our country from contaminating influences and to insure the perpetuity of our form of government against the revolutionary and destructive philosophies of aliens indoctrinated with anarchistic ideas. The law clearly provides that all such aliens shall be deported but in the enforcement it grants to the Secretary of Labor tremendous discretionary power. The immigration laws have granted such unlimited discretionary powers to the Secretary of Labor, and Frances Perkins, our present Secretary of Labor, has abused these powers to such an extent as to create not only an economic burden upon our people, but also a dangerous menace to our national

To understand the conduct of our Secretary of Labor, it is neces-To understand the conduct of our Secretary of Labor, it is necessary to go back to a memorandum which was submitted on January 3, 1934, and published on page 24 of the appropriation bill, Department of Labor, 1939 (hearings of House subcommittee), wherein Charles E. Wyzanski, Jr., then Solicitor of the Department of Labor, said: "At this particular time, when the Government is giving to workers the right to organize and bargain collectively through representatives of their own choosing, regardless of the radical character of the representatives, when it is encouraging left-wing labor leaders to present their radical views before deputy administrators charged with the formulation of codes of fair competition, it is only consistent for the Department of Labor to leave unmolested members of a left-wing labor union * * *."

Following this memorandum it was decided by the Commissioner

Following this memorandum it was decided by the Commissioner of Immigration and Naturalization, and by Turner W. Battle, Assistant to the Secretary of Labor, and obviously with the consent of Frances Ferkins, that, "in view of the definite assurances that the Trade Union Unity League has severed any affiliation it may have had with the "red" international labor union, I hereby direct that hereafter no grant for the deportation of any ellien shell be

have had with the "red" international labor union, I hereby direct that hereafter no warrant for the deportation of any alien shall be issued or executed if the sole ground for the warrant is his membership in any of the following organizations." The organizations referred to were allied to the "red" international labor union.

In other words, Frances Perkins accepts as true the statement of an organization which admittedly was connected with the "red" international labor union, and from thenceforth governs her decisions as Secretary of Labor upon the word of that organization; and, obviously, if the word given by this union was false, upon that falsehood refuses to enforce the immigration laws of the United States against the membership of all of its allied organizations. With this background. I offer the following condensed facts relat-

With this background, I offer the following condensed facts relating to the deportation case of Harry Bridges, for many years symbol of thousands of radical aliens illegally within our borders:

Alfred Renton Bryant Bridges, alias Harry Renton Bridges, alias Harry Dorgan, alias Canfield, alias Rossi, is an alien, a native of Australia, and a British subject. He was admitted to the United States at the port of San Francisco, Calif., on April 12, 1920.

In 1934 he became an active radical agitator on the west coast

of the United States. At that time he believed in, advised, advo-cated, and taught the overthrow by force or violence of the Gov-ernment of the United States, and the unlawful damage, injury, and destruction of property, and sabotage.

In 1934 complaints were made against him with the Department of Labor, but nothing was done toward deporting him.

In 1937 additional complaints were filed with the Department of Labor showing that he not only personally believed in these un-American principles but that he was affiliated with and a member of the Communist Party. Thereafter the Department of Labor investigated these charges and amassed several files full of testimony showing that Bridges was deportable under the law.

showing that Bridges was deportable under the law.

On September 22, 1937, R. J. Norene, divisional director, and R. P. Bonham, district director of the Immigration and Naturalization Service of Seattle, Wash., made an application for a warrant of arrest of Harry Bridges. Under date of September 23, 1937, in the covering letter sent by Bonham to his superior in Washington, was this sentence, "submitted herewith please find application for warrant of arrest, with most unusual supporting evidence in the matter of Harry Renton Bridges." Yet on October 18, 1937, Harry Bridges was purposely examined by the Labor Department in the absence of R. P. Bonham, the agent who had followed the case from its inception and who was more familiar with it than any one other man in the Federal Government. In my opinion, it was no mere coincidence that Bonham, a veteran of 30 years' service, was overlooked. was overlooked.

Thereafter no definite action was taken against Bridges until February 1938, when the Solicitor of the Department of Labor requested Mr. Bonham to forward to him the Seattle copy of the application for a warrant. In other words, after several months had transpired, still no warrant had been issued against Harry Bridges, and in the meantime the application for the original warrant had been mislaid or stolen from the files of the Department of Lebor.

On March 5, 1938, Harry Bridges was on the east coast and a warrant of arrest was served upon him at Baltimore. On the face of this warrant were instructions that Bridges was to be permitted to be released on his own recognizance, that is, without any bond—an extraordinary procedure, for ordinarily a bond is required by the agent making the arrest, but in Bridges' case the central office at Washington ordered that Bridges be released without bond.

In the application for the arrest of Bridges a warrant was requested for his deportation on nine grounds, including as the ninth ground that Harry Bridges believed in and advocated the overthrow of the Government of the United States by force or violence. When the warrant was issued on March 5, 1938, it was issued on only four grounds, and it omitted the charge that Bridges, personally, believed in and advocated the overthrow of

the Government of the United States. It omitted the most

important charge.

As the date of the Bridges hearing approached, a decision was made in the Circuit Court of Appeals for the Fifth Circuit, at New Orleans, in what is known as the Strecker case, wherein Judge Hutcheson held that the Government had failed to show Judge Hutcheson held that the Government had failed to show that the Communist Party, in 1932, still believed in the overthrow of the Government of the United States by force and violence, and that mere membership in the Communist Party, standing alone, without proof that the Communist Party did believe in the overthrow of the Government by force and violence, was insufficient to justify the deportation of the alien Strecker. In the Strecker case the Government had failed to offer the usual "stock" exhibits, showing what the Communist Party actually believed in. The court ordered that the Strecker case should be "stock" exhibits, showing what the Communist Party actually believed in. The court ordered that the Strecker case should be remanded for a new trial. Frances Perkins, Secretary of Labor, immediately seized upon the situation to postpone the deportation hearing of Harry Bridges and other Communist aliens on the ground that the opinion of Judge Hutcheson of the fifth circuit was at variance with the opinion of other circuit judges throughout the United States. the United States.

out the United States.

When R. P. Bonham, the veteran in the Immigration and Naturalization Service of the Department of Labor, heard of this, he immediately wired James L. Houghteling, Commissioner at Washington, D. C., that the Strecker case was weak and devoid of proper

ington, D. C., that the Strecker case was weak and devoid of proper proof. In confirmation of this telegram, he further stated in a letter to Mr. Houghteling that the Strecker case was very weak and that an appeal will not cure the situation but complicate it. These were the words used by the Department of Labor's trusted district director, yet in the face of them Frances Perkins appealed the Strecker case to the Supreme Court of the United States and thereby indefinitely postponed all deportation of Communist aliens. Further it is a well-known fact that the opinion in the fifth circuit was not controlling in the Bridges case. in the fifth circuit was not controlling in the Bridges case.

Who is this alien who has risen to such preeminence that he receives such unusual favors from the Department of Labor?

The records of the Labor Department show that ever since 1934 Harry Bridges has successfully preached class hatred and industrial warfare until he has become the most powerful radical agitator on the west coast

The records of the Labor Department show that in 1934 and since Harry Bridges has been a member of and affiliated with the Com-Harry Bridges has been a member of and amilated with the Communist Party, and collaborated with the Communist leaders in carrying on lawless enterprises, such as the effort to discredit the State's attorney who prosecuted and convicted of murder the Communist Earl King and his associates.

This is the alien whose influence with Frances Perkins and the New Deal administration is more powerful than that of the American Legion, the Veterans of Foreign Wars, and other patriotic prescriptions.

organizations.

Why, may I ask? Could it be the \$500,000 received by the New Deal Party in 1936 from a certain labor organization? Did they then become 500,000 reasons why the laws of the United States should not be enforced against Harry Bridges, the western chief of the organization which contributed the \$500,000? I leave that

question to be answered by you.

In addition to the widely publicized Bridges case there are many others equally bad but not as well known. The Labor Department has time after time either falled to take appropriate action or has permitted radical aliens to escape after action had been started. In some instances the most radical of agitators have been admitted within our borders. Further, aliens of all classes admitted under the statutes of 1934 have increased from 163,904 in the year ending. June 1934 to 231,884 in the year ending June 1937. On the other hand, deportation of alien criminals and undesirables has decreased from 19,865 in the year ending June 1933 to 8,829 in the year end-

from 19,865 in the year ending June 1933 to 8,829 in the year enging June 1937.

It was because of these and many other facts and circumstances that I introduced a resolution in the House of Representatives of the United States calling for the impeachment of Frances Perkins and certain of her subordinate officials for falling, neglecting, and refusing to enforce the immigration laws of the United States, and for conspiring together to violate said laws and for defrauding the United States by coddling and protecting from deportation certain aliens illegally within our country. My resolution also called for a complete investigation of the Department of Labor.

For 2 months the Judiciary Committee of the House of Representatives considered the resolution and finally, when the committee reported its findings, then 10 members submitted minority

sentatives considered the resolution and finally, when the committee reported its findings, then 10 members submitted minority views of censure, which are, and I quote: "It is apparent that the Secretary of Labor, the Commissioner of Immigration and Naturalization Service, and the Solicitor of the Labor Department have been lenient and indulgent to Harry Bridges in the conduct of his deportation case to an unprecedented extent.

"The record before us lacks proof of any kind as to the motion

"The record before us lacks proof of any kind as to the motive actuating such lenience and indulgence. It cannot escape our severe condemnation and censure. Bridges' record as a sympasevere condemnation and censure. Bridges' record as a sympathizer with radical and communistic movements, if not his active participation therein, is an open book. He should have been dealt with firmly and his case should have been disposed of with all possible speed. The confidence of the people in the proper administration of the laws governing the deportation of allens, particularly those associated with extreme radical and communistic elements by the present Secretary of Labor and her subordinates, has been profoundly shaken by the failure promptly, vigorously, and impartially to proceed to a final determination of his case. "This course of conduct which we condemn does not justify impeachment, but it does call for the official and public disapproval of this committee."

This strong censure was made by a large number of the members of the Judiciary Committee of the House of Representatives and by this censure the official acts of the Secretary of Labor and

her associates have at least been officially condemned.

It is regrettable that the Secretary of Labor should have appealed the Strecker case, for if the Supreme Court's opinion should be unfavorable, it will necessitate the further indefinite postponement of deportation proceedings against all Communist aliens. Such an unfavorable opinion might completely nullify the mandates of Congress relating to the deportation of undesirable anarchistic aliens.

Irrespective of the outcome of the Strecker case it is hoped that the Department of Labor will, in the future, more fully understand the will of the people in the United States in the matter of immi-gration and deportation. It is my bellef that the Department of Labor has been far too lenient in immigration and deportation matters. Further, I am firmly of the opinion that the Secretary of Labor is endeavoring to replace our immigration statutes with some sort of idealistic philosophy peculiar to the Secretary of Labor

Labor.

In conclusion, I urge my listeners tonight to aid in safeguarding our American institutions by taking a more active interest in the problems of immigration and deportation. I urge you to insist that our immigration laws be more stringently enforced. I urge you to demand that a thorough and impartial investigation be made of both the Department of Labor and of the reasons for the large increase in immigration and for the sharp decrease in deportations. I thank you.

Live Turkeys and the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1939

Mr. REED of New York. Mr. Speaker, until recent years the production of turkeys has been a small part of the regular farm enterprise, but as the value of turkeys in adding to the general farm income became apparent, production expanded with such increasing rapidity that turkeys are now referred to as a \$50,000,000 industry. In 1929, 16,794,000 birds were raised and there was a steady increase from this figure to a high of more than 20,000,000 birds in 1936. Thus it can be seen that it was absolutely necessary to keep the demestic market intact until the thousands of turkey raisers in the country could solve the marketing problem. The Republican Party realized this and in 1930 the duty was raised from 3 cents a pound to 8 cents a pound, with the result that the volume of imports declined 86 percent from 1932 to 1935.

Under the present administration the wisdom of this policy was disregarded. In the trade agreement signed with Canada, the duty on live turkeys was reduced from 8 cents to 4 cents a pound, effective on January 1, 1936. An immediate effect on imports was noticeable. Canadian exports were a little over four times greater in 1936, the first year the new rate went into effect, over 1935, and seven times greater in 1937 than in 1935. However, the total imports were almost five times greater in 1936 than in 1935 and approximately nine and a half times greater in 1937 over 1935. This is due to our most-favored-nation policy, which extends the new reduced rate to every country in the world except Germany. This has resulted in our imports from all other countries rising to a figure 40 times greater in 1936 than in 1935, and 138 times greater in 1937 than in 1935.

The administration has shown that it is more anxious to open our markets to other countries than to aid our domestic producers. There is every reason to believe that, given an intact market, the turkey raisers could have solved their marketing problem as adequately as they did the production problem; but by the reciprocal trade agreement policy of the present administration this problem has been accentuated rather than aided.

Development of Natural Resources of Idaho

EXTENSION OF REMARKS

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 4, 1939

LETTER FROM E. T. TAYLOR, MASTER OF IDAHO ST...E GRANGE, AND REPLY THERETO

Mr. DWORSHAK. Mr. Speaker, during the past few years huge sums have been appropriated by the Federal Government for the development of water and power resources of the great West. Naturally, the people of Idaho have been greatly interested in these projects because our State possesses almost unlimited natural resources, and we recognize that such development is essential to promote the growth of the State. Because of this interest, widespread inquiry has been made by various groups and individuals as to what part Idaho is to play in this development. Being typical of such expressions, I desire to insert in the RECORD a letter which I have received from E. T. Taylor, master of the Idaho State Grange, and my reply thereto, and under leave to extend my remarks I submit the following:

IDAHO STATE GRANGE, COEUR D'ALENE, IDAHO,

March 16, 1939.

Hon. HENRY C. DWORSHAK, M. C.,

Washington, D. C.
DEAR MR. DWORSHAK: Recent news dispatches from Washington DEAR MR. DWORSHAK: Recent news dispatches from Washington have carried the stories that irrigation projects in Idaho that have been set up, with electricity as a part of the project, are not going ahead because they conflict with Bonneville or Grand Coulee power-expansion plans. In other words, the Idaho plans are stalled because a market has not yet been found for all of the power to be produced by Bonneville or Grand Coulee.

Two projects specifically are the Twin Springs project on the Boise River and the Rathdrum Prairie project to be watered from Cabinet Gorge in Bonner County.

Boise River and the Rathdrum Prairie project to be watered from Cabinet Gorge in Bonner County.

Noting that you are on the Irrigation and Reclamation Committee, and in close contact with the situation, I would like to ask just what the status of Idaho is under the present set-up.

Take Twin Springs. As I understand the situation, the cost for the project will be about \$9,900,000 of which \$5,400,000 is a charge to power and \$4,500,000 a charge to supplemental water for lands under the Boise project.

If the whole charge of \$9,900,000 must be charged up to the settlers for water, the cost is prohibitive, and they will never get the added needed water supplies. That they urgently need the water is beyond question.

water is beyond question.

If the power end of the development is to be cut out from the fact that Bonneville must be given a chance to supply all of Idaho's power needs before Idaho develops its own resources, then

Idaho must wait a long time.

The same situation applies to Rathdrum Prairie. The press The same situation applies to Rathdrum Prairie. The press dispatches carry the story that irrigation for that project must await Grand Coulee finding a market for all of its power before we can expect water. In north Idaho we have a number of irrigation districts now operating without sufficient water, namely, Hayden Lake, Avondale, Dalton Gardens, Post Falls, and East Greenacres projects. They were to be given supplemental water from the same development that waters Rathdrum Prairie. The present water supply for these projects is wholly inadequate. By a set-up of power and irrigation on the Clark Fork River at Cabinet, the charge for water will be at a cost the lands can bear. If no power is to be developed as an adjunct to the irrigation development, then the cost will be prohibitive and Idaho will again have to stand back and suffer. have to stand back and suffer.

The question that is uppermost in the minds of Idaho citizens is, Must Idaho develop or must it stagnate?

As I understand it, Idaho has power possibilities sufficient within its own borders to supply all of its power needs for all time. Idaho lands need all the water that is possible to obtain to bring

these lands to fruitful use.

We have the water. We have the power. Yet if the press dispatches are correct, we will not get the water and the power will

run to waste.

Idaho should and must be given a chance to make itself a real State. If these big power developments are to lock up our lands for years to come, it is a great injustice to Idaho. Would appreciate hearing from you as to just where Idaho is at, and what can be done to avert the danger of shutting off the development of integration to Idaho.

development of irrigation in Idaho. Very sincerely yours,

E. T. TAYLOR, Master, Idaho State Grange. CONGRESS OF THE UNITED STATES, House of Representatives, Washington, D. C., March 21, 1939.

Mr. E. T. TAYLOR, Master, Idaho State Grange,

Master, Idano State Grange,
Coeur d'Alene, Idaho.

Dear Mr. Taylor: I am grateful for your letter of March 16, in which you refer to the development of the water and power resources of the Northwestern States and make inquiry as to the consideration Idaho is receiving as an integral part of this vast

In attempting to answer your inquiry, I want particularly to stress the fact that we must disregard partisanship and analyze the facts which can be adduced from the vast sums which have been appropriated and expended during the past 6 years on power and reclamation.

and reclamation.

You specifically inquire whether Idaho must be compelled to rely upon the development of Bonneville and Grand Coulee projects and wait until such time as their output of power is consumed. You also refer to the fact that various proposed projects in Idaho, designed to utilize and conserve water resources, have been deferred, and that it will be almost impossible to plan the utilization of Idaho's water resources unless we are able to develop power as a part of these projects.

a part of these projects.

a part of these projects.

Since arriving at the National Capital in December, I have given considerable study to the problems you have outlined. I conferred with the late J. D. Ross, administrator of Bonneville project, in January, and requested that Idaho be given some consideration in the development of the so-called Columbia Basin Authority. He was unable to give me any definite information, and simply suggested that Idaho take advantage of any power which might be transmitted from Bonneville and Grand Coulee, and that later it is possible that some power development would take place in our State.

state.

As you probably know, the Idaho State Planning Commission, during the past 2 years, has attempted to formulate a program of water and power development which could be integrated with the Bonneville and Grand Coulee developments. However, there has been little inclination on the part of certain administration officials to cooperate in any way with the representatives of Idaho agricultural and mining industries.

I direct your attention to what has taken place in the West during the past 6 years. A total of \$28,500,000 already has been provided for the construction of the all-American canal in connection with the Boulder Canyon project.

Under the Central Valley project in California it is proposed to provide a supplemental water supply for approximately 800,000 acres of land, the cost of which is estimated at \$170,000,000. A total of \$43,600,000 already has been provided for this project.

Since 1933 a total of \$53,188,800 has been expended by the Federal Government on the construction of Bonneville Dam in western Oregon. While this was originally constructed as a navigation project, it is proposed to generate 504,000 kilowatts of power, and at the present time a total of \$27,250,000 has been provided for the construction of power transmission lines from Bonneville through eastern Oregon. eastern Oregon.

eastern Oregon.

The Grand Coulee Dam project in the State of Washington was authorized on June 30, 1935, and a total of \$93,805,000 already has been appropriated for this project. It is reported that approximately 1,500,000 kilowatts of power will be generated at Grand Coulee, and 1,200,000 acres of new land irrigated by its stored water. During the coming fiscal year there will be available a total of \$23,000,000 for the continuation of work at Grand Coulee

Various other projects have been initiated in Colorado, Utah, Wyoming, and Montana, and huge sums are being appropriated by the Federal Government to develop the water and power resources

of the various Western States.

During the current fiscal year a total of \$40,544,600 was appropriated for the use of the Reclamation Service, and the Interior Department bill, approved this week by the lower House, appropriates \$50,622,600 for the various reclamation projects in the West.

priates \$50,622,600 for the various reclamation projects in the West. If you will carefully scrutinize this program you will find that Idaho is receiving very little; in fact, the Twin Springs project in the Boise Valley was given an appropriation of \$750,000 this year, which has not yet been utilized. Small sums also have been made available for the Black Canyon project.

Authorities admit that Idaho today has the greatest undeveloped potential water power of any State in the Union, and accurate reports indicate that during each of the past few years more than a million acre-feet of water has wasted down the Snake River without being used for any beneficial purpose. Surveys have been under way for several years to determine the feasibility of providing additional reservoir storage on the Snake River, but it seems extremely difficult to get official approval for any of these projects.

projects.

projects.

In your letter you ask whether Idaho shall be given a chance to develop or whether the State's vast water and power resources are to be "locked up" for years to come. I must agree with you that if we are to judge by the developments of the past few years, Idaho is facing a crisis insofar as its own future is concerned. As you point out, it is almost economically impossible to build storage reservoirs in our State to provide supplemental water without also developing power to absorb part of the original construction costs. If our State is forced to consume power generated at Bonneville and Grand Coulee, there will be little necessity for the generation of power in Idaho. Consequently, it will be

almost prohibitive to consider new reclamation projects, and I

believe your inquiry is most timely.

During the past 6 years extensive development has taken place in the West, and, according to those close to the administration, plans are being made now for the early initiation of the Columbia Basin Authority. It is pointed out that Idaho will become an Basin Authority. It is pointed out that Idaho will become an important link in this Authority; but I am inclined to agree with you that there are few advantages available for Idaho through the vast development of a proposed Columbia Basin Authority so long as millions of dollars of Federal funds are allocated to the various power and reclamation projects while an infinitesimal amount is being appropriated for the development of the resources of the great Gem State. Must an area of 83,500 square miles be doomed to isolation, although its water and power resources are comparable to those of any other State in the Union?

Very truly yours,

HENRY C. DWORSHAK, M. C.

HENRY C. DWORSHAK, M. C.

Use of Copper on Government Projects

EXTENSION OF REMARKS

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 4, 1939

STATEMENT BY GREAT FALLS (MONT.) MILL AND SMELTER-MEN'S UNION, NO. 16

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following compilation and statement by John Clark, secretary-treasurer of the Great Falls Mill and Smeltermen's Union, of Great Falls. Mont., advocating the use of copper, a 100-percent American product, on Government projects, and particularly on Rural Electrification Administration projects:

How many American citizens pause and think about the rural-How many American citizens pause and think about the rural-electrification program that the administration has launched, its benefits to the farmer and other industries that can use this much-needed and cheap source of energy. It was inaugurated as part of the great move to stimulate the decline in business, to put the unemployed back to work, in their own words to prime the pump. We believe the main thought in this program was to use domestic materials and labor. Is this being done in the R. E. A. program?

All copper consumed in this country is mined, refined, and fabricated into wire and cable here. What this means to American labor is as follows, based on the 1937 production:

ican labor is as follows, based on the 1937 production:
For every ton of copper produced in America (United States of America) \$96.50 goes into wages, \$79.57 in supplies purchased from other industries, \$8.29 in Federal taxes, \$10.39 in State and local taxes, \$27.99 in freight to railroads (approximately \$37.79 in indirect labor to produce materials in the cycle of production of copper)—(and \$12.32 in indirect railroad labor, based on the railroads' estimate that 44 percent of income goes to labor). A total of \$222.74 spent directly and indirectly among American people in the production of one ton of copper, labor receiving \$148.61 for their share in this production.

In man-days of labor for every ton of copper produced, basing the average wage at \$5 per day, requires 29.7 man-days. For the total consumption of the 1937 production it required 25,031,754 man-days of labor to produce and transport, equivalent of 100,000 men working a full year. (Total consumption of copper declined

men working a full year. (Total consumption of copper declined in the first quarter of 1938 against the first quarter of 1937, 56,008 tons—a loss to labor of 1,663,438 man-days.)

Taking all the Government agencies building transmission lines, such as T. V. A., R. E. A., etc., their requirements should run to 100,000,000 pounds of conductor. The mining, refining, and transportation of this metal alone would mean 1,485,000 man-days of labor. This is not including fabricating it into the finished conductor. ductor. From a true American standpoint, and from what we be-lieve is the real intent of the R. E. A., to use American material and labor, the above is the benefits that domestic labor and industry should be receiving from this program. Instead what is happening? Aluminum has entered this field as a competitor—a metal that is over 50 percent foreign produced, an alien product depriving American citizens of their jobs.

Aluminum is manufactured from bauxite ores of which 54.8 per-Aluminum is manufactured from bauxite ores of which 54.8 percent in the year 1937 was imported from British Guiana and Surinam (507,423 long tons). The value of this ore at the point of entry was \$3,609,063, or \$0.003175 per pound. It takes 4 pounds of bauxite to make 1 pound of aluminum. The cost of this imported ore in 1 pound of aluminum would be \$0.0127 per pound, 0.446 mill import tax included in this figure. Exploitation of coolie labor in these foreign bauxite mines, to whom a few cents a day is their wages, is the reason for this cheap ore entering this country. This

842, 820

exploitation of cheap coolie labor is displacing American workmen in the bauxite fields of Arkansas and Tennessee, to say nothing of the unfair competition against the American copper miner.

Imports of foreign bauxite ore have increased from 3,653 tons in 1918 to 507,423 tons in 1937, because of the high standard of living in our own United States of America bauxite cannot be mined for 0.3175 cent per pound, therefore the aluminum monopoly through this exploitation of foreign labor is not only able to underbid American industry but also able to keep American bauxite and copper miners out of work. Added to the above figures on imported ore is miners out of work. Added to the above figures on imported ore is the fact that importations of aluminum in various forms in 1937 totaled 47,901,633 pounds, or totaled with the imported bauxite ores approximately 166,000 short tons. There are three points to consider in this, without the imports of bauxite and aluminum the bauxite mines in this country would have to operate in order to take care of the domestic consumption. Or copper would have to be solely used on these Government projects, for undoubtedly the domestic-produced aluminum is freed for Government use by the use of foreign metal in domestic consumption. And finally if domestic materials are supposed to be used on the R. E. A. projects, then basically aluminum should not be used, for it is more foreign

then basically aluminum should not be used, for it is more foreign than domestic.

We find in the bids for these R. E. A. projects that aluminum is invariably the lowest; the answer to this can only be one, monopoly. For instance, even if copper is sold from 5 to 15 cents per pound, the price of aluminum conductor is adjusted to be lower than copper conductor. To accomplish this aluminum conductor has been sold at less than the quoted price of the aluminum from this monopoly and sell the finished conductor at a lower price. It is not monopoly and sell the finished conductor at a lower price. It is not feasible for any industry to sell a fabricated article for a less price

than the raw material.

The spread between the copper-wire bar and the finished cable The spread between the copper-wire bar and the finished cable has been consistent over a table of years, giving what we believe the competitive fabricators a fair margin for his cost and profit. The copper firms in this competitive field cannot buy aluminum ingot, manufacture it into conductor, and place it on the market against the competition of this monopoly. Thus the copper-wire and cable industry reaches a point in which it is unable to manufacture American-mined copper and bid in the same field as aluminum. Following are charts showing the relative spread between the copper-wire bar and the finished conductor and the aluminum ingot and the finished product. the finished product

and the finished product.

The use of copper conductor should be demanded. Its cycle from the mines to fabrication employs more men, buys more goods from other American industries, has more freight costs to the American railroads, and is a 100-percent American product, and the little extra cost between the two materials goes into the pockets of American workmen.

Take a glance at the States producing and fabricating copper and the men employed and the pay roll directly connected with it:

Arizona	
ALLOHO	284, 250
Utah	205, 770
Montana	143, 765
Nevada	76, 885
Michigan	46, 800
New Mexico	31, 280
Alaska	23, 485
Colorado	10,835
California	5, 240
Idaho	2, 150
Other States	12,360

(From the U.S. Bureau of Mines.)

	Mining and smelting	Fabricating	Total
Men employed	44, 679	45, 446	90, 125
Expenditures: Pay roll Material and supplies Freight.	\$81, 327, 710, 41 67, 065, 575, 68 23, 587, 747, 10	\$67, 735, 902. 29 51, 034, 463, 62 10, 104, 062, 17	\$149, 063, 612. 70 118, 100, 039. 30 33, 691, 909. 27

Number of men employed and the pay roll in nine of the copperproducing and fabricating States:

Arizona	11,917	\$20, 780, 446. 81
Connecticut	19,040	26, 145, 606, 68
Maryland	2, 576	3, 810, 280. 29
Montana	11,909	22, 789, 278. 23
Michigan		8, 802, 173. 88
New Jersey	7,312	11, 307, 907. 81
Nevada		4, 834, 856. 68
Utah	5, 220	10, 021, 231. 97
Washington	1,330	2, 900, 918. 80

Note.—The total pay roll in the mining, smelting, and fabricating in all the States, including Alaska, in 1937 was \$149,063,612.70. Taxes paid by the copper industry are as follows:

State and local

E

Mining, smelting, and refining	\$8, 759, 984, 50
Fabricating	3, 897, 801, 51
Total	12, 657, 786. 01

Federal:	A. C.
Mining, smelting, and refining	6, 990, 432, 39
Fabricating	3, 423, 192.30

Total . 10 413 624 69

Note.—Freight costs for mining, smelting, and fabricating total \$33,691,909.27.

Material and supplies used in the cycle of mining, smelting, refining, and fabricating (gas, oil, lumber, etc.), \$118,100,039.30.

Miscellaneous items in production and fabrication, \$36,606,255.89.
The total expenditures of 80 percent or more of the producers and fabricators of copper for the year 1937 were approximately \$360,633,fabricators of copper for the year 1937 were approximately \$360,633,-127.86. This was spent among American workmen and the American public. Every organization, in fact, every citizen, should advocate the use of copper on all Government projects. We have no fight with domestic aluminum produced by American workers, but are definitely in the field to support American products and are asking all organizations, both labor and civic, especially where the copper industry predominates, to help us out in this program. A united appeal to the Rural Electrification Administration will bring results. Copper has many advantages over eluminum both in consequent results. Copper has many advantages over aluminum both in conductivity and maintenance. This organization has received communications from rural boards all over the United States in which munications from rural boards all over the United States in which they show a preference and recommend that copper be specified on their particular project. In many cases this is granted even with the difference in price of the two conductors. In other cases the local boards are notified that they must take the lowest bid. If a stand is made for copper, the project is delayed. Boards have sent men to Washington to confer with the Administrator at their own expense. This procedure we believe is unnecessary, for the people subscribing to these projects must ultimately pay the bill, and certainly should have the say as to the material used in these projects, especially if they feel that a certain metal is better suited to their needs, and with the knowledge that the possibilities in the maintenance costs in the upkeep of their transmission lines will be brought down to a minimum.

nance costs in the upkeep of their transmission lines will be brought down to a minimum.

If you are subscribing to an R. E. A. project or contemplating building one or have knowledge of one being planned in your vicinity, make a request that copper be used, look into the amount of produce shipped into the mining and smelting centers to be consumed by the people dependent on this industry. The materials that you produce in your State that are used by the producer and fabricator—this use and consumption is not possible unless the mines, mills, and smelters are operating. By helping to keep them in operation you are selling your own produce and goods. Buy American goods produced by American workmen. Demand of John M. Carmody, the R. E. A. Administrator in Washington, that copper be specified when the local boards request it on all R. E. A. projects.

Great Falls Mill & Smeltermen's Union, No. 16,
By John Clark, Secretary-Treasurer, Great Falls, Mont.

By John Clark, Secretary-Treasurer, Great Falls, Mont.

Wonders of Science—Great Inventions and Progress in the Twentieth Century-Economic and Social Changes-Employment

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 4, 1939

RADIO ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, APRIL 3, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio speech which I delivered over the national network of the Mutual Broadcasting System from station WOL, Washington, D. C., on Monday evening, April 3, 1939:

Friends of the radio audience, I am again indebted to the Mutual network for making it possible for me to address you this evening. This is my second radio discussion in relation to mechanical in-This is my second radio discussion in relation to mechanical invention, scientific discovery, and resultant present and prospective economic and social changes in this country. This is a subject of added interest due to the fact that it is being strongly emphasized by the World's Fair in New York which will present the world of tomorrow and exhibit many of the inventions and scientific discoveries which I am discussing. I desire to refer further to the comprehensive report on technological trends and their social implications presented by the Nettonal Possures Committee of the implications prepared by the National Resources Committee of the United States Government. This report states that there are 50,000 patents a year, and some of them of far-reaching influence. The significance of this fact is more fully appreciated when we consider the unparalleled technological development of the past 39 years and since the beginning of the twentieth century.

There were only a million telephones in use in 1900 and today it is the third largest public utility in the United States with an investment of nearly \$5,000,000,000 and employing hundreds of thousands of citizens. The automobile was just coming into use in 1900 and today there is one automobile to every five persons in the United States. There were no movies in 1900 but today the motionpicture theaters draw every 10 days patrons equivalent to the entire population of the United States. The airplane was not taken seriously in 1900 and today it is becoming a frequent mode of transportation and is a vital factor in warfare. Rayon is a comparatively recent chemical product which has wrought an industrial revolutional control of the co recent chemical product which has wrought an industrial revolution in the cotton and textile industries. The development of the radio, unheraided in 1900, has been equally miraculous. These six major industries—the telephone, automobile, airplane, motion picture, rayon, and the radio—represent vast investments of capital and furnish employment to millions and are responsible for incalculable social influences. The question occurs, Will the second third of the twentieth century witness the development of such great industries based on new inventions as was seen in the first third? The expert evidence available strongly indicates that there will be equally significant inventions during the next phase of our national progress. progress

All scientists are agreed that one such invention is the electron tube, declared to be the greatest invention of the twentieth century. Its most brilliant form is the photoelectric cell, popularly known as the electric eye. This eye sees everything that the human eye can see and more. It is even said to be able to detect certain types of counterfeit money. It will distinguish colors better than human counterfeit money. It will distinguish colors better than human beings can do. When it is joined with another form of the electron tube, the vacuum tube, it becomes able to act on what it sees. Thus it sees a waitress approaching a door with trays in both hands and at once swings the door open for her to pass. Unlike a human being, it does not suffer from fatigue. For instance, in a factory it can watch the tin cans go by on a belt, pick out the defective ones, letting only the good ones go by. This monotonous work can be done without strain for as long hours as the manager wishes. That it will cause unemployment is obvious, but it will also lighten the it will cause unemployment is obvious, but it will also lighten the tasks of the workmen. Indeed, it brings the automatic factory and the automatic man one step closer. It may be used to regulate automobile traffic, to measure the density of smoke, to time horse racing, to read, to perform mathematical calculations. Hardly a month passes without some new use of the photoelectric cell being reported. Indeed, it will require decades to learn the many things this versatile instrument can do.

Will teletypesetters be used to set up the type for an indefinite number of newspapers?

Will the cotton-picking machines be put to practical use?
Will synthetic rubber be placed on the market?
Will sugar be made from sawdust and newsprint from cornstalks?

Will clocks and watches be kept accurate by radio waves? Will wool be made from cellulose (wood pulp) and gasoline from

coal or alcohol?

How many uses will be found for the X-ray, originally designed only for purposes of diagnosis in medicine and dentistry, and since used in therapy, as in the treatment of endocrine glands? It is already being used in industry to detect minute flaws in the interior of steel castings or other solid objects. It is estimated that there are 60 possible uses for the X-ray, most of them as yet manufied.

How about the radio? Radio waves are already used in guiding ships to port, as danger signals when a navigator is in distress, in flying airplanes, in program broadcasting, in point-to-point telephoning, in medicine, and in exterminating parasites. Indeed, it is estimated that the radio possesses 150 different possible uses, its uses being practically unlimited.

An instrument has been perfected which will record a telephone message whether the ring is answered or not; the teletype is another device already in use in some offices. Facsimile transmission can print news bulletins, stock-market quotations, and weather reports; and they may also be had by radio broadcast. The possibilities of television, now about to appear on the market, are unlimited.

Will oil be made from coal?

Will plastics take the place of wood? Will alcohol be used as a motor fuel?

Will more foodstuffs be produced chemically?
What are the social implications and the likely economic influences of these prospective technological and chemical develop-

ments?

How far reaching will be the effects of the mechanical cotton picker? Will the surplus labor of the South flood the northern and western cities? Will the Government plan and act in time once the spread of this invention is certain? The influence on Negroes may be catastrophic. Farm tenancy will be affected. The political system of the Southern States may be greatly altered.

In another field science has gone far on the road to producing patificial climate in all its cenerty which was been effect on the

artificial climate in all its aspects, which may have effects on the distribution of population, upon health, upon production, and upon the transformation of the night into day.

Then again television may become widely distributed, placing theaters into millions of homes and increasing even more the already astounding possibilities of propaganda to be imposed on a none too, critical human race. none too critical human race.

Talking books may come as a boon to the blind, but with revo-lutionary effects upon libraries and which, together with the talk-ing picture and television, may affect radically schools and the educational process.

The variety of alloys gives to metal amazing adaptabilities to

The variety of alloys gives to heral amazing adaptabilities to the purposes of man.

The use of chemistry in the production of new objects in contrast to the use of mechanical fabrication on the basis of power continues to develop with remarkable rapidity, in the production of oil, of woolen-like fibers, of plywood and of substitutes for ordinary wood, and of agencies of destruction.

It is the opinion of these who are familiar with the situation that

of oil, of woolen-like fibers, of plywood and of substitutes for ordinary wood, and of agencies of destruction.

It is the opinion of those who are familiar with the situation that our present industrial structure is inadequate to benefit from recent scientific and mechanical advancement, indeed, that the structure is outmoded and should be largely scrapped. Alfred P. Sloan, Jr., chairman of the board of General Motors, made the statement last December in testifying before a Senate committee that the Nation's "production plant is obsolete" and that the old machinery should be scrapped. He also pointed out that because of greater efficiency of up-to-date machinery, a substantial and general increase in productivity of the entire economic system would inevitably result from plant modernization.

In 1934 the trade journal Power made a study of 454 "better than average" industrial power plants constituting nearly 10 percent of industrial prime mover capacity and found 62 percent of the equipment was over 10 years old, while 25 percent was over 20 years. Some of the older equipment was presumably used as standby plant for emergencies, but the bulk of the older equipment was regarded as obsolete to such an extent that, by replacing it by facilities of the most advanced design, 50 cents could be saved, on the average, out of each dollar spent in the older plants for industrial power. In 1935 the American Machinist made a study of the obsolescence of metal-working equipment, concluding that, because of the rapid improvement in machine design, metal-working equipment was as a rule obsolete if not produced within the last 10 years. It took an inventory of the age of such machinery and found that 65 percent of all the metal-working equipment in the country was over 10 years old and presumably obsolete. The Interstate Commerce Commission records indicate that 61 percent of the steam locomotives in the country were built over 20 years ago. These figures suggest the magnitude of capital obsolescence.

Further light on the ma

Further light on the magnitude of capital obsolescence is thrown on the estimates of the potential machinery requirements of all industry made in 1935 by the Machinery and Allied Products Instindustry made in 1935 by the Machinery and Allied Products Institute. This institute made an extensive survey, sampling the requirements of industries covering over 85 percent of all industry, and on the basis of this survey, estimated that the potential machinery requirements of all industry amounted to over \$18,000,000,000 worth. Of this amount over ten billion consisted of new equipment to replace old equipment which was for the most part obsolete.

Who can begin to evaluate and measure the appring in the

Who can begin to evaluate and measure the upswing in the

Who can begin to evaluate and measure the upswing in the lagging heavy and durable goods industries which would result, and how many millions of men would be employed, directly and indirectly, to carry out the program required to bring our industrial plants up to date?

This leads me to repeat the statement made in concluding my previous radio address, which I will elaborate further in future broadcasts, that the new frontiers provided by science and invention will furnish illimitable opportunities for the employment, prosperity, and happiness of our people. Thank you and good night.

Accomplishments of Works Progress Administration on 200,000 Projects

EXTENSION OF REMARKS

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1939

Mr. CANNON of Missouri. Mr. Speaker, in view of pending legislation providing for the support of the W. P. A., and the general interest in its program just at this time. I am including as a part of my remarks a summary of physical accomplishments of the W. P. A. just released by the Works Progress Administration.

The report covers work completed from the start of the program in July 1935 through June 30, 1938. According to the report, W. P. A. built or improved highways, roads, and streets equal in aggregate length to 100 separate roads, each reaching across the continent from sea to sea. The new buildings constructed by W. P. A. workers would provide approximately six buildings for each of the 3,000 counties of the United States. The educational buildings repaired or improved would supply practically all of the 25,000 school districts in the Nation with at least one of these improved educational facilities; and yet, out of all these thousands of

miles of roads and thousands of buildings and improvements, which could not have been secured without W. P. A. aid, the recent debate on the work-relief bill could find only one build-

ing to criticize.

Of course, this summary does not include benefits incident to the employment of millions of workers for whom private employment was not to be had; the maintenance of families for whom food, clothing, and shelter could not otherwise have been provided; the preservation of national order and stability which otherwise might have been seriously impaired. It includes only the additions to the permanent wealth of the Nation which will contribute to the economic, educational, and spiritual progress of our people for years to come.

Outstanding among W. P. A.'s contributions to the wealth

of the Nation in these 3 years were:

Seventeen thousand six hundred new public buildings for cities, counties, and States; repairs and improvements to 46,300 and additions to 1,700.

Two hundred and eighty thousand miles of highways, roads, and streets constructed or repaired; 29,100 new bridges and 23,500 repaired or improved.

Twenty-six thousand seven hundred new dams for conservation purposes; 4,100 new storage dams.

Six thousand one hundred miles of new water mains, aqueducts, and distribution lines; 8,900 miles of new storm and sanitary sewers.

One thousand eight hundred new athletic fields, 1,500 improved; 1,100 new parks, 4,200 improved or enlarged; 1,600

new playgrounds, 5,000 improved.

Eight thousand seven hundred miles of new and 5,000 miles of improved ditches for mosquito control; 11,500 miles of other types of ditches excavated or improved, exclusive of roadside drainage in connection with road projects.

Col. C. F. Harrington, Works Progress Administrator, in commenting on the report, said:

For full appraisal of the program it is necessary to consider not only the permanent contributions to communities in the form of physical assets but also the health, educational, cultural, and service programs conducted through W. P. A. nonconstruction projects.

It is just as important in evaluating the program to consider the benefits afforded workers who have come to W. P. A. as heads of destitute families. They have been helped, as only a constructive job could help them, to retain the morale of independent citizens and the work habits necessary for obtaining reemployment in private industry.

Construction projects have made up the bulk of the W. P. A. program from the start and at the present account for more than 80 percent of W. P. A. employment. The largest part of construction has been in highway, road, and street building and repair. Forty-five percent of all W. P. A. workers are engaged on this type

of work.

The work of W. P. A. employees has helped to keep our roads and streets abreast of automobile traffic requirements, to bring rural areas in closer touch with markets, schools, and other vital services, as well as to make necessary improvements in public property of all types which otherwise could not have been provided.

Of the total mileage of highways, roads, and streets constructed or repaired during the 3-year period, about 30,500 miles, or 11 percent, were within the limits of cities and villages, and 23,600 miles, or more than 8 percent of the total. were paved with concrete, brick, block, or bituminous surface.

The bulk of the road work was in rural areas, where stability and draining unpaved roads for year-around use has contributed directly to the evolution of the public-school system by facilitating the consolidation of schools and the closing of hundreds of one-teacher schools each year. The bulk of W. P. A.'s school construction, moreover, has been of buildings with two or more rooms, and much of the school modernization program has made existing buildings of greater community service in the increasingly motorized rural areas.

The public building construction program, second largest in point of employment, accounted for the building of 2,300 new schools, 5,500 recreational buildings, 800 courthouses, city halls, and other administrative buildings, 100 hospitals, and a large number of other types of buildings, including 800 warehouses, 150 firehouses, and 100 airplane hangars.

W. P. A. activities in the interest of public health fell in both construction and service categories. Besides the thousands of miles of sewers and water lines laid or improved, there were constructed 400 pumping stations, 300 sewagetreatment plants, 80 water-purification plants, and 35 garbage incinerators. In rural areas no fewer than 1,144,000 sanitary toilets were erected in the Government's campaign against disease. More than 1,640,000 acres of lowlands and swamp were drained by the excavation of 8,730 miles of mosquito-control ditches, a large percentage of them to destroy the breeding places of malaria-bearing mosquitoes.

Drainage work along roads involved, in addition to bridges, 313,000 new culverts, 22,250 miles of new ditches, 44,250 miles of improved ditches, and more than 1,400 miles of drainage

W. P. A. nonconstruction projects devoted to production of goods for distribution to needy families provided more than 180,000,000 garments and household articles and repairs to 1,300,000 pairs of worn shoes. Services of medical, dental, nursing, and household-assistance nature accounted for 15,000,000 examinations, immunizations, and treatments in families who might otherwise have been denied them, and 7,000,000 visits to 1,000,000 families in need of household assistance.

Community health and welfare has further been advanced by the construction of thousands of recreational facilities ranging from athletic fields and swimming pools to tennis and badminton courts.

Under the extensive W. P. A. conservation activities, thousands of acres of watersheds have been protected for future utility by tree-planting and erosion-control projects. Hundreds of abandoned mines were sealed to prevent stream pollution. Underground fires were isolated to preserve valuable natural resources. Flood-control propects have protected thousands of miles of stream valleys. In addition, W. P. A. recreation and education projects have reached millions of persons.

Projects operated by other Federal agencies and financed by funds transferred from W. P. A., taking their workers from relief rolls, account for additional physical accomplishments not included in this inventory. Still other contributions to the public assets and welfare were made prior to W. P. A. by the Civil Works Administration and the Federal Emergency Relief Administration.

The detailed summary of physical accomplishments is as follows:

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary) [Preliminary-Subject to revision]

Number or amount Unit of Repairs and im-Type New con-struc-Additions tion prove ments Number_ 17, 562 Public buildings, total 46, 318 1,663 Educational buildings, total do 2,362 22, 162 790 2, 289 73 758 32 ------Libraries Recreational buildings, total..... do 5, 486 3, 546 296 247 337 Auditoriums. _do_. 215 69 Stadiums, grandstands, etc.... 974 104 80 38 497 297 3, 800 101 2, 665 1, 422 er (pavilion, bathhouses, etc.) ___ Hospitals Penal institutions... Courthouses, offices, and other adminis-_do____ 92 321 17 126 792 trative buildings. 1, 403 547 96 1, 179 __do____ __do____ __do____ 1, 141 102 805 23 66 5 59 Garages
Aircraft hangars
Warehouses Armories. do 169 270 _do___ 6, 363 12, 373 240 12, 312

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

Туре	Unit of measurement	Number or amount
Highways, roads, streets, and related facilities: Highways, roads, and streets, total	Miles	279, 804
Rural roads, total	do	245, 280
Paved, total	do	11, 567
NewRepair		5, 933 5, 634
Unpaved	do	233, 713
Urban streets, total	do	30, 483
Paved, total	do	11, 290
NewRepair		5, 001 6, 289
Unpaved	do	19, 193
Other (parks, cemeteries, etc.), total	do	4, 041
Paved, total	do	790
NewRepair		456 334
Unpaved	do	3, 251

		Number	or amount
Туре	Unit of measurement	New con- struction	Repairs and improve- ments
Highways, roads, streets, and re-			
lated facilities: Road shoulders (not including	Miles	4, 369	26, 508
above).		29, 084	1 1
Bridges, total	Number Length in feet	932, 648	23, 521 916, 137
Wood	Number	20, 825	14, 244
Steel	Length in feet Number	622, 258 2, 516	402, 219
	Length in feet	135, 360 5, 743	437, 655
Masonry	Number Length in feet	5, 743 175, 030	7, 071 437, 655 2, 206 76, 263
Culverts	Number	313, 204	50, 908
	Length in feet	313, 204 8, 362, 554	1,306 783
Grade-crossing elimination	Number of cross- ing eliminations.	41	
Sidewalks and paths, total	Miles	7, 429	4, 040
Paved	do	5, 883	2,839
Unpaved	do	1,546	1, 201
Curbs	Length in miles	6, 554 2, 266	1, 569 492
Guard rails and guard walls	do	904	550
Lights for roads and streets	Number	11, 855 429	53, 632
	Miles of road equipped.	2000	1, 483
Roadside drainage	Miles of ditch Miles of pipe	22, 247 1, 382	44, 255
Roadside landscaping	Miles		17, 584
Street signs	Miles of line painted.	3, 112	
	Number of signs made.	961, 000	
	Number of signs	420,000	
Removal of car and railroad	erected. Miles of single-		682
track. Airperts and airway equipment (excluding buildings):	line track.		
Landing fields	Number	153 19, 472	204
Runways	Acres Length in feet	1, 483, 695	35, 779 604, 817
Air beacons	Number	49	41
Air markers. Recreational facilities (excluding buildings):	do	10, 223	
Athletic fields	Number	1, 787 10, 012	1, 504
Parks	Acres Number	10, 012	1, 504 10, 628 4, 232
	Acres	32, 559	246, 684
Additions to parks	Number	110 1,665	
Fairgrounds	Number	28	125
Playgrounds, total	AcresNumber	1, 519 1, 594	6, 799 5, 010
	-		
School Other	do	896 698	4, 042 968

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

		Number	r or amount
Туре	Unit of measurement	New con- struction	Repairs and improvements
Recreational facilities (excluding			
buildings)—Continued. Swimming pools	Number Surface area in	8, 251, 000	3, 640, 000
Wading pools	square feet. Number Surface area in	1, 490, 000	216, 000
Golf courses	square feet. Number Number of holes.	143 1,602	214 2, 857
Tennis courts	Number	4, 582	21, 211 1, 851
Handball courts Horseshoe courts	do	728 1, 142	62
Ice-skating rinks	square feet. Number Number of holes. Acres. Number do do Surface area in square feet. Number	1, 037 41, 519, 000	18, 473, 000
Ski jumpsSki trails	Number	41 62	13
Outdoor theaters	MilesNumber	73	12
Band shells Water supply, sanitation, and drainage systems: Water mains, aqueducts, or dis-	do	116	33
tribution lines.	Miles	6, 086 148, 000	2, 204 201, 000
Storage tanks, reservoirs, and cisterns,	Number Gallons capacity	1, 342	358 16, 269, 946, 000
Storage dams Wells	Numberdo	4, 091 2, 059	469 2, 022
Treatment plants: Sewage (excluding cesspools and septic tanks).	The same of the sa	100	229
Water Garbage incinerators	do	79 35	91 26
Pumping stations	Miles.	386	179
Storm and sanitary sewers	Number of service	8, 855 222, 000	2, 600 28, 000
Manholes and catch basins Sanitary toilets	Number	237, 000 1, 144, 000	126, 000 15, 000
Septic tanks Mine sealing	Number of open-	5, 570	69
And the second s	ings sealed	15, 591	
Mosquito control	Miles of ditch Acres drained Gallons of spray	8, 732 1, 642, 000	4, 960 784, 000
Drainage (other than roadside and mosquite eradication).	Miles of ditch Miles of pipe	1, 422, 000 2, 018 986	9, 490
Flood and erosion control, naviga-	Acres drained	2, 891, 000	8, 728, 000
tion aids, irrigation: Docks, wharves, and piers	Number Feet of usable	154 59, 000	177 158, 000
Commercial	water front. Area in square feet.	1,849,000	7, 976, 000
Jetties and breakwaters Bulkheads	Miles Linear feet	331, 000	126,000
Canals and channels	Miles	59	197
River-bank improvements	do do Number		1, 407 4, 417
power).	Number	26, 663	365
Riprap (other than river bank)	Square yards sur- faced.	6, 859, 000	1, 467, 000
Retaining walls and revetments_ Levees and embankments	Linear feet	3, 725, 000 1, 352, 000	3, 641, 000
Irrigation	Cubic yards placed_ Acres	1, 352, 000 13, 748, 000 169, 000	14, 345, 000 2, 726, 000
Grounds improvements:	Miles of flume or canal.	379	463,000 3,641,000 14,345,000 2,726,000 3,035
Landscaping around public buildings.	Number of buildings.		13, 308 34, 100
Miscellaneous landscapingLighting airports, parking lots, athletic fields, etc.	Number of places lighted.	410	7, 800 57
Fencing.	Acres lighted	10, 566 7, 959	3, 127 10, 490
Cemetery improvements Miscellaneous: Police and fire alarm signals	AcresLinear miles of	932	4, 500
Tunnels:	line strung.	10	5
	Length in feet	1, 244	5,408
Pedestrian	Number Length in feet	71 10, 986	3, 220
Other	Number Length in feet	208 111, 184	35 20, 962
Fish hatcheries	Number	131	113
	capacity.	471, 136, 000	446, 980, 000
Monuments and historic mark-	Number	517	100

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

Type Unit of measurement		Type Unit of measurement Number or amount	
Conservation activities (not elsewhere			
classified): Reforestation	Acres Number of trees planted	54, 300 24, 026, 000	
Firebreaks	Miles	2, 186 3, 344	
Fire and forest trails Spray treatments, disease, and in-	Acres sprayed	3, 445, 000	
sect-pest eradication (except mosquito control).	Tons of poisoned food used.	18, 484, 000	
Rodent destruction	NumberBushels planted	83, 407 31, 532, 000 4, 941, 000	
Planting oysters Work in libraries:			
Cataloging for existing libraries	Number of volumes catalogued.	27, 553, 000	
Renovation of books, total		56, 191, 000	
Public-school volumes Public-library volumes	do	20, 151, 000 26, 714, 000	
Other volumes	do	9, 326, 000	
Sewing rooms: Articles made, total	do	181, 209, 000	
Garments, total	do	139, 642, 000	
Men's	do	26, 846, 000	
Women's	do	35, 809, 000 23, 019, 000	
Girls'	do	30, 440, 000	
Infants'	do	23, 528, 00	
Other articles	do	41, 567, 00	
Canning and preserving	Net pounds	48, 061, 00 238, 330, 00	
Medical dental, and nursing assistance: Medical and dental clinics conducted or assisted.	Number of persons exam-	4, 211, 00	
Medical examinations other than at	ined. Number of persons treated Number of adults examined	3, 537, 00 230, 00	
clinics.	Number of children examined.	1, 674, 00	
Nursing visits	Number of group inspec- tions made.	215, 00	
A" and a standard section	Number of persons in- spected.	3, 960, 00	
Nursing aid at immunizations	Number of home visits made. Number of immunizations.	4, 737, 00 893, 00	
Art: Federal community art centers	Number established	5	
Drawings, easel paintings, murals, and sculptured works.	Aggregate attendance Number	4, 000, 00 96, 60	
Etchings, lithographs, woodblocks,	Number of originals	15, 75	
etc. Arts and crafts	Number of prints Number of objects made	76, 00 43, 00	
Index of American design plates Stage sets, dioramas, and models for	Number of plates made Number	7, 94 10, 61	
visual education. Music:			
Music classes (January 1938 through	Average monthly attend-	530, 00	
June 1938). Music performances (month of June	ance. Number	4, 35	
1938). Theater:	Aggregate audience	3, 030, 00	
Theatrical productions	Number	1, 81	
Theatrical performances (January 1938 through June 1938).	Average number per month. Average monthly attend- ance.	1, 07 476, 00	
Writing	Number of books and pam-	29	
	phlets published. Number of copies distrib- uted.	3, 550, 00	
Historical surveys: Historic American building survey	Number of structures meas-	2, 30	
	Number of drawings made	16, 24	
	Number of photographs made.	17, 48	
Historic American merchant marine	Number of vessels surveyed_	29 77	
surveys.	Number of drawings made Number of photographs made.	54	
Historic records survey	Number of States whose records have been listed.		
	Number of counties whose	2,05	
	records have been listed. Number of county invento-	16	
	ries published. Number of towns whose	1, 55	
	records have been listed. Number of town invento-	1	
	ries published. Number of churches whose	50, 35	
	records have been listed.	10/00/5/1/2	
Federal archives survey	Number of agencies whose records were surveyed.	29, 14	
Planning surveys conducted	Linear feet of files surveyed Number	4, 918, 00	
Research and statistical studies con-	do	1, 28	
ducted.	Number of maps drawn	116,00	

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

Type	Unit of measurement	Number or amount
Braille	Number of Braille pages transcribed.	2, 136, 000
Housekeeping aides	Number of visits made	7, 047, 000
	Number of families aided	1,076,000
Museum activities	Number of articles con- structed or renovated.	4, 745, 000
	Number of articles cataloged.	9, 498, 000

Accomplishments of the C. C. C .- Need for Its Continuance

EXTENSION OF REMARKS

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 4, 1939

RADIO ADDRESS BY COL. ROBERT FECHNER

Mr. LEAVY. Mr. Speaker, last night Col. Robert Fechner, Director of the Civilian Conservation Corps, delivered a radio address to the Nation relative to the C. C. C., its history, its accomplishments, its cost, and the need for continuing its activities through future years.

This address of Colonel Fechner is one of the most complete and concise factual statements concerning this great governmental activity, that has won almost the universal applause of Americans everywhere, that I have ever heard. I feel it a privilege to make it available to the membership of Congress and to the general public through the medium of the Congressional Record.

The address follows:

So much of a general nature has been said and written about the Civilian Conservation Corps that I shall limit myself largely to telling in rather definite terms what it is, what it is trying to do, and how it operates. In just 2 more days the Civilian Conservation Corps will celebrate its sixth anniversary.

The present organization exists through authority of an act of Congress approved June 28, 1937. This act was a modification of a precision act approved in 1922.

Congress approved June 28, 1937. This act was a modification of a previous act approved in 1933.

Right now there are 1,500 C. C. C. camps in operation throughout all the States of the Nation and the District of Columbia. Each of these camps, at peak strength, has 200 enrolled men, plus the necessary administrative and technical personnel. This makes a total of 300,000 enrolled men. About 90 percent of these are young men between the ages of 17 and 23, unmarried, citizens of the United States. The other 10 percent are war veterans. All enrollees must be unemployed and in need of employment before they can be selected for service in the corps. selected for service in the corps.

selected for service in the corps.

An enrollee makes a contract with the Government to serve for a period of 6 months. Junior enrollees may serve a total of not to exceed 2 years—through reenrollment. As its part of the contract, the Government agrees to do certain things for the enrollees. Among the things the Government does is to pay a basic cash allowance of \$30 to every enrollee. About 9 percent of these boys are paid a cash allowance of \$36 per month as assistant leaders and about 5½ percent are paid \$45 per month as leaders. Every man with dependents must allot \$22 per month to those dependents. Men who are without dependents must deposit \$22 per month, which will be paid to them upon completion of their terms of enrollment. enrollment.

In addition to the cash allowance, the Government furnishes the enrollees with food, shelter, clothing, transportation, medical care,

and recreational facilities.

and recreational facilities.

To fulfill his part of the contract the enrollee is expected to furnish hard work. These enrollees may be sent to a considerable variety of camps. Among the camps are those engaged on work in the national forests, State forests, private forests, soil-conservation projects, national parks, State parks, reclamation areas, grazing areas, wild-game and wild-fowl refuges, and one or two others. In these camps the boys carry on more than 150 major types of jobs, ranging all the way from the construction of works designed to protect our forests from fire to the building of great dams calculated to avert flood damage. There is a popular misconception that the work of the corps is rather largely confined to the planting of trees. It is true that the enrollees have planted perhaps the greatest number of trees ever planted in this country

during a similar length of time, namely, more than 1,500,000,000; but this is, after all, simply one of the many jobs carried on.

The whole work program of the Civilian Conservation Corps is an attempt to restore and preserve the natural resources of the United States. Of course, this is not the first attempt that has been made to deal with this great problem, but I think the work of the corps has constituted the most successful development in protecting and reclaiming our natural wealth from carelessness and wasteful use. The great majority of the enrollees are, as I have stated, between 17 and 23. Most of this group is aged 21, and younger, and C. C. C. enrollees are from families which are economically the least fortunate.

and younger, and C. C. C. enrollees are from families which are economically the least fortunate.

By and large, these boys who come into the C. C. are young men who have tried to get jobs and failed because employers demand work experience before hiring them. A very high percentage of all enrollees entering the C. C. C. have never had any regular jobs prior to their enrollment in the corps. Through hard work on a great variety of projects all over the Nation the C. C. C. gives these boys work experience. They learn by doing, and, in my opinion, there is no more practical way of learning anything than by constantly doing it.

Some of the special skills which will be developed on the part of these young men will include motor mechanics, bridge construction, masonry work, road building, forestry, soil-conservation practices, clerical work, drafting, surveying—in fact, hundreds of skills that are needed in the workaday world.

Our whole thought in operating the C. C. C. is to take men who need jobs badly, give them the jobs, teach them how to work, receive an adequate return from that work on the part of the Federal Government, and return these boys to private life better qualified to make a living than they were when they entered the corps.

I think the C. C. C. is unique in one of its methods of operating in that it is a vast cooperative organization. The office of the diin that it is a vast cooperative organization. The office of the director functions as a coordinating and policy-making office and has the very close cooperation and fine administrative and technical assistance of the Departments of War, Interior, Agriculture, Labor, and the Veterans' Administration. Each of these cooperating agencies extends many skilled services which contribute very materially to the successful operation of the corps.

I could give you instance after instance of work which has been done by all of these agencies and by the enrollees, but I believe it would be very much more graphic and impressive for you to see for yourself just what the C. C. C. is doing.

Between April 5 and April 12 the camps all over the country are holding open house and every citizen is cordially invited to get in

Between April 5 and April 12 the camps all over the country are holding open house and every citizen is cordially invited to get in touch with a nearby C. C. camp and find out the exact date the camp is holding its open house. You will be welcome at the camp and you will be given the opportunity to see how these boys work, how they play, how they live, and how they learn.

Since the beginning of the corps in April 1933 nearly 2,200,000 enrollees have served in the camps for varying periods of time. I think this has had and will continue to have a very considerable effect upon our national life. For the most part, these enrollees came to the corps discouraged, without skill, often undernourished and in many cases without hope. Life in the C. C. C. is conducive to a radical change, in these thought patterns and in correcting physical shortcomings. The men in the camps follow a regular living schedule. In general, they will arise between 6:30 and 7, have breakfast a half to three-quarters of an hour later, go to work at about 8 o'clock in the morning, and return from work at 4. When they return from work there is often a little personal or camp When they return from work there is often a little personal or camp clean-up work to be done. Then there is free time for sports, reading, or just simple loafing. At about 5:30 or 6 supper is served and when supper is over about 90 percent of the boys participate in the after-hours educational program which is offered in every

camp.

The courses vary all the way from the elimination of illiteracy to technical and academic courses of college difficulty. In these classes young men can make up educational deficiencies if they so desire and they can obtain technical instruction on subjects related to the jobs they are doing and related to the jobs they hope to do. During the past 6 years more than 60,000 young men have been taught to read and write in these after-working hours classes. Classes will generally stop about 9 o'clock and lights will be turned off between 10 and 11.

In addition to the regular hours, which in themselves tend to

off between 10 and 11.

In addition to the regular hours, which in themselves tend to produce healthier men, the enrollees are given good, wholesome food, and plenty of it. I think it is interesting to note that the gross weight of the ration for one man for 1 day is about 5 pounds. Nearly all of the enrollees gain between 10 and 20 pounds during their periods of enrollment. It is, of course, most important that these boys have strong healthy bodies. Equally important, or perhaps more important, is the changed outlook on life which most of these young men acquire. When they get out of the corps they have confidence in themselves because they have learned how to work. They have proved it to themselves, to their superiors, and they know that they can prove it to private employers. Hundreds of thousands of enrollees have done exactly that. The jobs they have obtained vary all the way from filling-station attendant to of thousands of enrollees have done exactly that. The jobs they have obtained vary all the way from filling-station attendant to highly paid technical and professional men in almost every line of human endeavor. I have received many communications from both large and small employers expressing their preference for young men who have served in the C. C. C. because these employers have a reasonable assurance that former C. C. C. enrollees have been taught how to work, how to take care of themselves, how to accept orders, and how to give orders. Right here I may add parenthetically to employers who have not yet hired any former C. C. C. men that, in justice to themselves, they give a job to a former C. C. C. enrollee when the next vacancy exists. As I have said, letters have come to me from all sections of the country, from all types of businesses, both large and small, indicating the desirability of C. C. enrolless as employees. of C. C. c. enrollees as employees.

of C. C. C. enrollees as employees.

As time passes we can do even a better job than we are doing today to assist young men to become self-supporting. I am not, nor have I ever been, a believer in coddling youngsters, and so long as I am director of this organization I intend to do everything I can to help young men to develop self-reliance and pride in their ability to make their own way in the world. I shall insist that C. C. c. enrollees be given every possible educational and training opportunity that can be given without sacrifice to the work program. I do not think it is practical to shorten the workweek of 40 hours to provide additional time for school or any other activity, as I believe young men obtaining their first work experience must learn believe young men obtaining their first work experience must learn at the beginning that they must do an honest day's work and do it every day when they are employed if they are to be worth their salt.

There is no doubt but that the five cooperating departments and agencies—War. Interior, Agriculture, Labor, and the Veterans' Administration—have done a splendid job. The Labor Department, with little expense, selects enrollees through State financed selection organizations. The Veterans' Administration selects the warveteran enrollees. State selection officials have put forth remarkable efforts to choose men who will get the most out of the corps and who will put the most into it. The War Department is justly proud in the record it has made in the administration of the camps. The Department of the Interior and the Department of Agriculture The Department of the Interior and the Department of Agriculture deserve great credit for the fine technical direction that they have given to the vast number of work projects. The C. C. C. offers en-rollees leadership and technical direction of high quality. Experi-enced Reserve officers—men of fine character—are in charge of the camps to provide good leadership for the enrollees, better camp morale, better standards, and better living conditions. Carefully trained and experienced work superintendents, technicians, and foremen are employed to supervise worth-while and carefully planned work programs and to insure a reasonable work output and the better job training of enrollees.

Seasoned and able camp educational advisers are employed to insure that camp educational programs are practical in addition to being well organized. We have been fortunate in attracting good

camp officials, but we want and shall continually seek better ones.

The Civilian Conservation Corps has also felt a great responsibility for the bodily and spiritual needs of the enrollees. A physician is in attendance at every camp every day. As one example of public-health work I may state that the venereal-disease rate in the C. C. C. is about one-half the rate experienced by the Regular Army—and the Army rate has been dropping rapidly during the past few years. Improved immunization or treatments for spotted fever, meningitis, pneumonia, and malaria have also been especially worked out for initial use with the C. C. C. Some of these developments appear to hold great promise.

I think that one very important, though difficult to measure, aspect of the C. C. C. has been the stress we have regularly placed on religious guidance. We have employed full-time chaplains of all denominations to furnish this guidance—hundreds of others have been given part-time employment, and thousands of priests, ministers, and rabbis have donated their fine services to make available adequate religious training for the young men in the control

able adequate religious training for the young men in the camps. I say in all reverence that only the Almighty can measure the effect of the splendid work which these spiritual leaders have been able to accomplish with young men whose need for practical spiritual aid has been very great.

The beginning of the Civilian Conservation Corps marked the first time this Nation ever really got around to doing something practical and successful about its complex conservation problems. Prior to the Civilian Conservation Corps, many men had struggled to make us aware that we could not long continue to break Nature's laws without paying a penalty.

Early conservationists were generally regarded as a species of rather harmless cranks. As time went along there was more and more talk about conservation and citizens began to realize that there were some pretty definite limits to our natural resources. But, prior to the inauguration of the Civilian Conservation Corps, conservation of resources was allied with the weather, in that there was plenty of talk about both and not much done about either.

Over a long period of years a large, but unknown, number of men had thoughtlessly and wastefully ripped our forests from the face of the earth and had denuded vast areas of protective vegetation, only to move on and repeat the cycle of destruction. Such actions over a long period of years needed more than just talk and more than just good plans to repair the damage. Manpower, enthusiastic manpower, and plenty of it, was needed—and that is what the Civilian Conservation Corps furnished.

Civilian Conservation Corps furnished.

If a disaster can ever be said to produce a blessing, I think the Civilian Conservation Corps may qualify as such a blessing because this organization, born of a depression, took men who needed jobs desperately and put them to work at jobs which desperately needed doing. During the past 6 years an average of approximately 300,000 men—largely young men—who were unwanted elsewhere have launched this Nation on a program of good resources management which pays immediate and future dividends to every citizen through the labors of these young men. A good start has been made toward correcting gigantic losses which have been going on for 150 years.

I say now—as I have said before—and as I will say again—that the Civilian Conservation Corps should be a permanent part of our American Government. Never, prior to the Civilian Conservation Corps, did we give real attention to the preservation and increase of our natural resources.

The hegipping of the Civilian Conservation Company of the Civilian Conservation and increase of our natural resources.

The beginning of the Civilian Conservation Corps changed this picture and many valuable jobs began to be done which were calculated to restore and preserve resources. However, it might well happen that if the Civilian Conservation Corps were discontinued we would again lapse into a partial coma with regard to these

resources.

That we cannot afford to do, because the prime, basic wealth of this Nation is in great part represented by the very resources the Civilian Conservation Corps is conserving and increasing. Our treasures of forests, agricultural lands, grazing areas, minerals, waters, and recreation areas are the foundations upon which our national and international life and well-being exist. The past 6 years of experience have proved conclusively that these resources are conclusively and effectively concerned through the efforts of the are carefully and effectively conserved through the efforts of the

Civilian Conservation Corps.

Yet I acknowledge frankly that only a worth-while beginning has been made. The job is a continuing one. In fact, it is never-ending. We must always be alert to guard and increase the re-sources upon which our very existence depends. I think it entirely fitting and proper that the organization which began the first mass attack against heedless destruction of resources should carry on the battle. While much has been done of which we are proud, there are many ways in which the Civilian Conservation Corps can become a more useful agency to the Nation-and we are steadily acquiring new skills and improving methods in order to do a better job. God willing, the Civilian Conservation Corps will never be content to admit that it has done or is doing a perfect job.

content to admit that it has done or is doing a perfect job.

Those who have cooperated in this vast conservation program have been unanimous in saying that a good craftsmanlike job has been done, and they are all in agreement that the Civilian Conservation Corps method is a tried and thoroughly practical method to use in attacking the great natural-resources problems which lie before us. Therefore, I again express the hope that Congress will see fit to make the corps a permanent agency of the Federal Government.

Let me tell briefly of jobs already completed, as an indication of the usefulness with which the corps has operated and also as an indication of the tremendous amount of work remaining to be done in the future. I have already mentioned the 1500 000 trees

indication of the tremendous amount of work remaining to be done
in the future. I have already mentioned the 1,500,000,000 trees
planted. Forest stands have been improved on more than 3,100,000
acres. Protection has been afforded to our forest reserves by campaigns against tree and insect diseases over an area embracing
17,200,000 acres. Forest-fire protection systems have been greatly
strengthened by the construction of over 98,000 miles of truck trails
and miles reads the huilding of 86,000 miles of telephone lines. and minor roads, the building of 66,000 miles of telephone lines, the eradication of fire hazards along 66,000 miles of roads and trails, the erection of 3,500 fire and lookout houses and towers, and the construction of 41,000 bridges.

A vast but undetermined amount of damage has been averted by

enrollees living in the camps in forest areas because these enrollees could quickly get to and fight forest fires. During the past 6 years more than 8,000,000 man-days have been spent on forest-fire fight-

more than 8,000,000 man-days have been spent on forest-life lighting duty and on fire-prevention and presuppression work.

We have constructed well over 4,100,000 check dams to control the ravages of erosion and planted close to 200,000,000 quick-growing types of trees on agricultural lands to reduce erosion.

Recreation opportunities in parks over the country have been greatly improved and expanded.

For the first time in a great number of years our valuable wild-

For the first time in a great number of years our valuable wild-life resources seem to be showing an increase instead of a decrease

life resources seem to be showing an increase instead of a decrease due to the efforts of the C. C. C.

At the present time work lies before the C. C. C. which, very conservatively estimated, will take 35 to 50 years in the doing with a group of men as large as the present organization. Specifically the tasks involved are as follows:

Protective, cultural, and improvement work on more than 176,000,000 acres of national forest land, 11,000,000 acres of State forest land, and 300,000,000 acres of private forest land. In the erosion-control program about 350,000,000 acres require some type of conservation treatment to prevent our rich, productive soil from being destroyed forever. About 84,000,000 acres of our best agricultural land are in need of drainage rehabilitation and there are nine and one-half million acres in 238 wild-fowl and game refuges upon which work must be done. On various parks, reclamation districts, which work must be done. On various parks, reclamation districts, grazing districts, Indian lands, and certain other special types of lands an additional 222,000,000 acres of land are in need of some sort of conservation treatment.

This makes a total of close to 1,152,500,000 acres on which there

is very real need for conservation work of the types heretofore successfully prosecuted by the C. C. C.

Although I have said 35 to 50 years of work lie ahead, a considerable group of the best informed conservation men in the country say that this estimate is very conservative and emphasize the important fact that conservation is a never-ending process.

The total cost of the civilian Conservation conservation dura-

The total cost of the Civilian Conservation Corps operation during the past 6 years has been \$2,180,000,000. Entirely aside from any social accomplishments which this large expenditure has produced, I believe that the increased value of our resources due to Civilian Conservation Corps labors will more than offset the cost of the operation. of the operation.

Then there is another dollars-and-cents consideration which

should be mentioned. Nearly anyone will admit the social desirability of turning out men who are better equipped to take care of

themselves and their dependents. This worth-while objective is accomplished by the Civilian Conservation Corps. From a very cold accomplished by the Civilian Conservation Corps. From a very cold dollars-and-cents standpoint such an accomplishment would seem to be a good investment. This follows because the Civilian Conservation Corps enrollee who goes into private industry and supports himself (and contributes to the support of others) automatically becomes a source from which national wealth is created rather than an object upon which tax dollars are expended. If the Civilian Conservation Corps has been able to increase the employability of its enrollees even slightly, which will give to them a foundation for slightly increased earnings in private industry, it may well be that the increased national wealth to be derived from this over a period of years will far more than offset the entire cost of running the corps.

of years will far more than onset the entire cost of raining corps.

So it is that the C. C. C. attacks a dual problem existing in this Nation today: First, the problem of unemployment, particularly among younger men; and, second, the problem of conserving our natural resources. Both problems are of great importance, but I think that it is not only my own, but also a typically American attitude, to regard the training of 2,000,000 young men as of even greater importance than the material benefits to our resources. And these young men, while helping themselves and earning their own living, have contributed close to \$500,000,000 of their earnings to assist in supporting their dependent families.

to assist in supporting their dependent families.

Regarding the C. C. from another angle, I feel that it is a Regarding the C. C. C. from another angle, I feel that it is a splendid democratic institution which teaches our young men practical and workable lessons in democracy. In view of world political developments during the past few years, I feel that an organization of the type of the C. C. C. which does demonstrate the usefulness of our democratic processes as opposed to those found in the dictator countries is an extremely valuable institution for this country to preserve and make permanent.

National Labor Relations Act

EXTENSION OF REMARKS OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 4, 1939

EDITORIAL FROM COLLIER'S OF APRIL 1, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from Collier's magazine pertaining to the National Labor Relations Act.

The editorial is as follows:

[From Collier's of April 1, 1939] LOPSIDED LAW

Everybody except John L. Lewis and his C. I. O. enthusiasts seem to have become anxious some time ago to amend the Wagner Labor Relations Act.

The procapital amendments have been offered to Congress by Senator Burke, of Nebraska; the A. F. L. amendments by Senator Walsh, of Massachusetts. By the time this appears in print the expected middle-of-the-road amendments may have been offered by

Senator Wagner, of New York, himself, author of the original act.

So the question naturally comes up like a boil: Why the reluctance on the part of John L. Lewis and his C. I. O. cohorts to see so

much as a jot or a tittle in the Wagner Act changed?
We think the future of the country, for better or for worse, is pretty intimately bound up with the future of the Wagner Act.
We believe we have an answer to that question about the hostility of Mr. Lewis and his friends to any change in the act.

The Wagner Act itself gags employers to this extent: They may not express an opinion to their employees, even if asked, on the merits or otherwise of any labor organization their employees may be thinking of joining. That seems to us a plain denial of the constitutional guaranty of free speech.

The National Labor Relations Board, created by the Wagner Act, has interpreted the act to hold that when two or more labor organirations are trying to unionize the workers in one shop, the employer may not ask the N. L. R. B. to hold an election to settle the dispute. Only the workers can ask for such an election—or the labor leaders trying to unionize the workers. Senator Wagner thought his law granted equal rights to both sides to ask for these elections, but the N. L. R. B. in its wisdom thinks otherwise, and the N. L. R. B. administers the act.

These two aspects of the Wagner Act would seem to reveal why Mr. Lewis and the more eager hot shots in his C. I. O. are so fond of the Wagner Act as is and have fought any proposed changes in it.

Simply the dice are loaded in their favor.

The gag on free speech for employers enables labor organizers to agitate anywhere in the country, with employers forbidden to open their traps to state their side of the case. The provision re-

garding elections, as interpreted by the N. L. R. B., throws the door open to jurisdictional strikes and at the same time ties the employer's hands.

A new militant organization such as the C. I. O. naturally finds

its best fishing in troubled waters.

The Wagner Act as now written and interpreted lets the C. I. O. stir up previously calm waters anywhere it pleases and keep them troubled practically as long as it wants to fish in them.

That is fine for Mr. Lewis and his friends. They are smart to try to fend off any changes in this set-up.

But it is not so fine for several other groups of people, all of whom are supposed to have some rights too, namely, the employers, the heavy non-C. I. O. majority of working people, and the general public that consumes the products of labor and capital.

These groups have been taking it on the chin, nose, breadbasket,

and elsewhere ever since the Wagner Act took effect. There have been waves of sit-down strikes and jurisdictional strikes. Now there seems to be starting a wave of split-ups and split-offs inside single labor organizations, as in the C. I. O.'s United Auto Workers of America

These things cut down production and boost costs, thereby cut-ting into consumption of what is produced, thereby in turn cutting down the number of jobs available—the well-known downward

spiral.

The whole trouble goes back, we believe, to the fact that the Wagner Act is or has been made the hammer and anvil for the C. I. O.'s exclusive use in forging its destiny. The Wagner Act should be a law under which bosses and workers, with the friendly which posses and workers, with the Iriendily help of the Government as umpire, could iron out their differences with the least possible friction, cost, loss of time, loss of temper, and loss to the consuming public.

We believe that was the kind of law Senator Wagner thought he was putting together. Its basic principle—legal recognition and assurance of labor's right to collective bargaining—is in tune with these times, and should on no account, we believe he amended or

these times, and should on no account, we believe, be amended or

But we think that experience has now shown that the Wagner Act needs to be restored to what it started out to be. And one job for this Congress seems to us to be to rip out that overzealous ban on freedom of speech for the employer, and to clear up all doubt about the employers' as well as the workers' or organizers' right to ask the N. L. R. B. for a plant election in case of a battle to sign up the boys and girls with this union or that.

The American people have an ancient way of smacking down special groups that get too grabby and spoil babyish. That can happen to labor groups, too. It already has happened in Oregon, whose new strait-jacket State labor law was recently described in

Collier's.

Looked at calmly, the Oregon law is a bad one; it goes too far. For all that, a plurality of Oregon's voters, annoyed by the super-dizzy didos of various Pacific Northwest labor leaders and labor units, batted that law onto Oregon's statute books. Which ought to be a warning, you would think, to laborites who are trying to make a fetish of the Wagner Act as now written. The fetish may turn on them some day, surprise-surprise, and kick their teeth down their throats.

Aged Relief

EXTENSION OF REMARKS

HON. WILLIAM M. COLMER OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 5, 1939

STATEMENT BY HON. WILLIAM M. COLMER, OF MISSISSIPPI, BEFORE THE WAYS AND MEANS COMMITTEE

Mr. COLMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit herewith a statement which I made a few days ago before the Ways and Means Committee of the House of Representatives. The Committee on Ways and Means is considering the question of amending the Social Security Act, and, Mr. Speaker, I know of no more just amendment that could be enacted than that of granting the full \$15 by the Federal Government, which the Government is now authorized to pay to all needy aged who qualify, without the necessity of the States matching it dollar for

In the event that the Ways and Means Committee does not see fit to recognize this principle and to recommend to the House the principle of the legislation embodied in my bill-H. R. 1814—it is my purpose to offer an amendment to that effect on the floor of the House at the first opportunity when the bill is considered on the floor.

My statement follows:

Mr. Chairman and gentlemen of the committee, I am grateful to you for this opportunity to appear before you in behalf of my bill, H. R. 1814, which seeks to amend the present Social Security Act so as to recognize the problem of pensions for the needy aged as a national one, at least to the extent of a pension of \$15. The purpose of the bill is simply to authorize the Federal payment of the full \$15 as now provided by existing statutes to those needy aged who come within the purview of the present act without the necessity of State contribution.

I hope that I may be pardoned if I refer to the fact that I have been advocating this proposition from the very inception of this legislation. In fact, Mr. Chairman, I made a statement to this committee on the 8th of February 1935, when the committee was considering the original legislation, requesting that this principle

be recognized.

I called the attention of this committee to the fact that the less wealthy States, such as my own State of Mississippi, could not match dollar for dollar the money which was to be appropriated by the Federal Government for the needy aged. At that time I pointed out that the total revenue of receipts for the general fund in Mississippi for the year 1934 was only \$14,000,000, and that assuming that 75 percent of the aged over 65 years to become eligible for such a pension and Mississippi were to attempt to match the \$15 contributed by the Federal Government it would cost the State \$15 contributed by the Federal Government it would cost the State \$10,500,000 per annum. I endeavored to impress most earnestly upon the committee my views to the effect that the care for the needy aged and the crippled children should be recognized as a

needy aged and the crippied children should be recognized as a national problem.

After this distinguished committee, in its wisdom, had seen fit not to incorporate such an amendment as I offered for consideration into the legislation, I offered an amendment to the bill when it was under consideration in the House which would have at least

partly met the situation.

After the committee had not seen fit to adopt this policy, which I advocated, I offered an amendment on the floor of the House which would have provided for an 80-20 division. In other words, the State would put up \$1 for every \$4 that the Federal Government appropriated. Under this plan, for every dollar the State was able to put up, the Federal Government would match it with \$4 up to the \$15 maximum provided in the bill.

the \$15 maximum provided in the bill.

Having failed to incorporate this policy in the legislation on the floor, at the next session of Congress I introduced a bill on the 1st day of February 1937—H. R. 4068—which was referred to your committee, and which undertook to amend the law for the same purpose, namely, of granting the full \$15 per month, regardless of State contribution. Not having gotten any action on this legislation, I am before your body today in the interest of H. R. 1814, which I introduced at the beginning of the Seventy-sixth Congress. Having failed in obtaining approval of this legislation, I arranged

Having failed in obtaining approval of this legislation, I arranged a conference with the President sometime ago and sought his approval of this legislation, pointing out to him the justice and

That our position was well taken with respect to these less wealthy States has been demonstrated in the 3 years that the Social Security Act has been in operation. While some of the more wealthy States have been able to match the Federal contribution, the less wealthy States have not. For instance, the average pension per recipient paid to the aged in California for the fiscal year 1937–38 was \$31.46; Connecticut, \$26.41; Massachusetts, \$27.07; New York, \$22.16; while, on the other hand, Georgia paid \$11.30; South Carolina paid \$10.94; Arkansas paid \$9.08; South Dakota paid \$9.26; and Mississippi paid

These figures, of course, represent the total of the State and Federal contribution. This means that for the aged in California the Federal Government is contributing \$15 per month, while for the same class of aged the Federal Government is contributing \$4.54 in Arkansas. In other words, an aged person of 65 years under the present law who lives in Arkansas receives only \$4.54 at the hands of the Federal Government, while that citizen, if he moves to California, would receive \$15 from the Federal Government, plus whatever the State contributed.

I realize Mr. Chairman, that there is an element to be considered.

ment, plus whatever the State contributed.

I realize, Mr. Chairman, that there is an element to be considered of the difference in the cost of living, generally speaking. However, I am sure that the gentlemen on the committee from California would not be willing to admit that there was any such difference in the cost of living as compared with Arkansas. In fact, I am not so sure that, exclusive of the larger cities, the cost of living in California is not as cheap as it is in Arkansas.

I may say to the committee in passing that I realize the stupendous task with which it is confronted in working out a program that would be satisfactory to the entire country. I am

pendous task with which it is confronted in working out a program that would be satisfactory to the entire country. I am also not unfamiliar with the many schemes and propositions, some of them fanciful in their aspects, which are being urged upon the committee. But I am appearing before you in the interest of a plan which I think is not only practical but one that is just and fair. Like most Members who are advocating plans for old-age assistance, I am desirous of seeing the needy aged cared for to the full, practical limit of the Government. I should like very much to see a pension of \$60 per month paid to these defor to the full, practical limit of the Government. I should like very much to see a pension of \$60 per month paid to these deserving old people, but I realize, as does this committee, that the question of pensions for the aged is a comparatively new field of legislative endeavor, and I realize also that it must, of necessity, progress more slowly than many of us would like to see it progress. I realize that there are limitations upon the extent to which we can go in this very highly desirous and coveted field. And realizing as I do that there is no chance of any such utopian legislation being enacted into law, I am appearing before you for something that is within reason and that is practical and

attainable

Moreover, Mr. Chairman, I might call the attention of the committee to the fact that the Senate Committee on Unemployment and Relief recognized the justice of the cause which I am advocating in its report, No. 2, part 1, submitted by Senator Byrensa on January 14, 1939. In there it is pointed out, after commenting upon the disparity in the pensions granted in the various States

"In certain of the States the grant is so inadequate as to be of little value.

And, again:
"It is recommended that the contribution of the United States for public assistance to the aged, the blind, and dependent children be 50 percent of the amount paid, but that in those States where the average per capita income is less than the average per capita income of the United States, the Federal contribution be increased income of the United States, the Federal contribution be increased in proportion to such differences, and that a provision of the grant should be the guaranty of certain minimum payments, as follows: To the aged, \$15; to the blind, \$15; to the dependent children, \$20." Again may I call your attention to the fact that on January 16, 1939, the President of the United States, the pioneer in this most humane legislation, recognized the principle which I am now advocating. In commenting upon this question in his message, he said:

"One way is to begin the payment of monthly old-age insurance benefits sooner, and to liberalize the benefits to be paid in the early years. The other way is to make proportionately larger Federal grants-in-aid to those States with limited fiscal capacities, so that they may provide more adequate assistance to those in need."

The Social Security Board, in its report to the President on December 30, 1938, which report was made a part of the President's message to which I have just referred, also recognized the justice of this principle which we are advocating when it said to the

President:

"The Board believes that it is essential to change the system of uniform percentage grants to a system whereby the per-centage of the total cost in each State met through a Federal grant

would vary in accordance with the relative economic capacity of the State."

Mr. Chairman and members of the committee, there is no more pressing problem or live issue in the United States today than the pressing problem or live issue in the United States today than the question of old-age pensions, in my opinion. I realize that there are numerous difficulties to this problem. I realize the impossibility of ever attaining some of the fanciful schemes which have been suggested as a monthly pension to the aged. I am also not oblivious of the fact that there are those in this country who are inhuman enough to prey upon these old people in a most inhumane way in an effort to lead them to believe that there is a pot of gold in reality at the end of the ethereal rainbow, at the same time preying upon them like wolves of old them like wolves of old.

I am genuinely and sincerely interested in seeing the needy aged of my section receive something like an adequate old-age pension. I wish that your time would permit my dwelling upon it more at length, but I most earnestly and conscientiously urge this practical, if partial, solution of the problem insofar as the aged needy of the less wealthy States are concerned. Certainly, Mr. Chairman, I realize that if I cannot obtain for them at the hands of this Concress this practical legislation. I cannot obtain an impreciated gress this practical legislation, I cannot obtain an impractical

amount.

Let me say in conclusion that I hope that you will see fit, in your wisdom, to amend the present law by adopting H. R. 1814, which is an amendment to the existing statute. However, I have no pride of opinion about this. If the committee

cannot see fit to recommend this, then I wish that you would include in the bill the other provision of an 80-20 contribution, 80 percent to be contributed by the Federal Government up to \$15, to be matched by 20 percent by State contribution. If I can see something like this written into the law I believe that the aged of my section of the country, as well as in sections similarly affected, will be largely benefited and deeply grateful.

I thank you, Mr. Chairman.

Mr. Reed. I didn't get the sentence just before your last one.
Mr. Reed. I didn't get the sentence just before your last one.
Mr. Colmer. We are asking, first, that you incorporate our latest bill on this subject, H. R. 1814, into whatever legislation is reported.
That, of course, provides for the full \$15 contribution, regardless of the State's ability to match dollar for dollar. Failing in that, we ask that you meet us on the 80-20 proposition.
Mr. Reed. Will you just explain that?
Mr. Colmer. That is the whole thing in a nutshell, what we are driving at here. We are asking that the Federal Government con-

driving at here. We are asking that the Federal Government contribute the full \$15 regardless of the ability of the States to

Mr. Reed. That was Dr. Epstein's position also.
Mr. Colmer. I am not sure about that.
Mr. Cooper. As I recall, Dr. Epstein's suggestion was that the average of the last 3 months be taken as their proportionate share.
Mr. Reed. That is right, and that the Government be committed to \$15.

Mr. Colmer. What we want to accomplish by this resolution is to have the Federal Government go to the full extent of paying

\$15, regardless of where the aged needy reside and regardless of State contribution. Failing in that, we ask that you make it more easy than it is now for these States to meet it by putting it on an 80-20 basis. In other words, if the State would put up \$1, the Government would put up \$4—up to the limit of the \$15 Federal contribution

I think there is justice in this cause, Mr. Chairman and members of the committee, and I ask your earnest consideration of it; and

I thank the committee.

I thank the committee.

Mr. DISNEY. You wouldn't have it go so far, Congressman, as to require the Federal Government in every State to contribute \$15 without a State contribution of any kind?

Mr. COLMER. Yes, sir; the bill provides for that.

Mr. DISNEY. In other words, a State might accept the \$15 and not do anything on her own account?

Mr. COLMER. Quite so. Of course, it would be to the interest of the States to match as much of it as they could. If in Mississippi, for instance, the Federal Government contributed the full \$15 to match the State's \$3, the recipient, who was entitled to it under the provisions of the legislation, would get \$18.

Mr. DISNEY. You will agree the State ought to accept some responsibility?

sibility?
Mr. Colmer. I agree that the State should accept responsibility

Mr. Colmer. I agree that the State should accept responsibility up to its ability to do so.

Mr. Disney. But a good many States are claiming that they can't do a thing these days, and they want the Federal Government to do it all. That is getting to be too much of a habit, it seems to me.

Mr. Colmer. I think we are going a long way along those lines; yes. But you have propositions here, Mr. Disney, where they are asking for \$200, and \$60, and \$100. I am asking for a small consideration compared to that.

Mr. Disney. I am directing my inquiry to the responsibility that the States should accept.

Mr. Colmer. I think the States should accept responsibility up to their economic ability to do so, and I think that most of them are doing that under the pressure that is being brought upon them. But may I point out to my friend that the State of Mississippi, using that each as an illustrative collaboration. using that again as an illustration, only had \$14,000,000 collected in 1937 for general revenue purposes; that if the State of Mississippi were to match dollar for dollar up to \$15, it would cost the State something like half that amount to match it, and they couldn't

What we want here is some relief, and we want it as far as it will go. If we can get the full \$15, we would like to have it; if we can't get that, we would like to have an 80-20 proposition.

Mr. CROWTHER. In other words, you would have this act administered as if there were not 48 States but just one big State?

Mr. COLMER. No, sir; under this bill that would not apply, Doctor. The States would have to come under the provisions of this legislation. lation.

Mr. Crowther. I realize that, but the general policy advocated by you, of the Government putting up \$15 anyway, no matter what proportion a State could afford to put up, would be just like treating the whole United States as one body, with no demarcation as to State lines.

Mr. Colmer. Yes; I think that is a fair statement as to these

pensions.

Mr. Crowther. Do you think the Federal Government ought to be very liberal with those States that have limited economic resources—less-wealthy States, you have described them?

Mr. Colmer. Yes, sir; I certainly do on the question of pensions.

Mr. Crowther. Don't you think the Government has been pretty liberal to Mississippi Appears and some of the other States?

liberal to Mississippi, Arkansas, and some of the other States?

Mr. Colmer. Yes, sir; but I would say not as liberal as it has been to some of the more wealthy States.

Mr. CROWTHER. I mean in proportion to the revenue derived from the States.

Mr. Colmer. Well, that is a question of accounting, sir. I doubt if that is true.

Mr. CROWTHER. When I started out to study this social-security legislation, when we first had a bill, I thought the States would have to match Federal contributions. That is the way I would like to see it. I think a lot of us had that idea for some considerable time. That is not the modus operandi, but I would like to see, if the Government supplies \$15, the States compelled to match it.

Mr. COLMER. So would I, sir, if the State were capable of matching it.

Mr. CROWTHER. It has been suggested that the Federal contribu-Mr. CROWTHER. It has been suggested that the rederal contribution be raised from \$15 to \$20 or \$25, and the idea has been generally disseminated, among the people who do not study it, that that would allow a pension of \$50. Well, it wouldn't. Apparently only one State—California—is using the \$15. I think that is the only State in the Union that is using the \$15 now.

Mr. COLMER. I think that is true.

Mr. CROWTHER. So that to raise the Federal contribution will be a mere gesture.

Mr. Colmer. I am in accord with the gentleman's views on that. Mr. McCormack. We thank you for your appearance and statement to the committee, Mr. Colmer.

Mr. College. Thank you, Mr. Chairman and members of the committee, for your most courteous hearing.

Department of Public Works

EXTENSION OF REMARKS

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1939

LETTER FROM A CONSTITUENT

Mr. SHANLEY. Mr. Speaker and my colleagues, there has been such marked interest and intelligent opposition to S. 1265 that I am taking the liberty of including a very splendid letter from one of my constituents, who is director of the Catholic Social Service Bureau of New Haven, Conn., and one of the foremost authorities on underprivileged aid and assistance. The letter goes to the heart of the danger of the Byrnes bill and presents in a few words the most intelligent dissection of the bill that I have received. The letter is as follows:

March 25, 1939.

Hon. James A. Shanley,

House of Representatives, Washington, D. C.

Dear Mr. Shanley: I beg to call to your attention a feeling that is quite general among many of us who have to do with youth—that Senate bill 1265, introduced by Senator Byrnes, establishing a Department of Public Works, and including in said department the National Youth Administration, does not make for the welfare

the National Youth Administration, does not make for the welfare of our young people.

Furthermore the elimination of the aid our schools and colleges are receiving through the program at the present time would work a great handicap on all youth taking advantage of the same.

Under present conditions the current type of work program which the N. Y. A. has been making available emphasizes jobs that offer training facilities; and, relating the same to future work, has been able to secure the collaboration of the unions, as well as employers, and seems to be the best answer for this group at this time.

As far as our own State is concerned, you know that Senate bill 1265, for the distribution of funds within the States, would not be

Our people believe that we have a sound and constructive program in the current N. Y. A. We are anxious to see it continued, and we urge you to give careful consideration to the implications of Senate bill 1265 if you would assist our adolescents.

Sincerely yours,

WILLIAM J. DALY, Director.

The Air Mail—Canada and the British Empire

EXTENSION OF REMARKS

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1939

Mr. PLUMLEY. Mr. Speaker, on last Saturday, April 1, I flew from Newark, N. J., with Mayor LaGuardia, to Burlington. Vt., on the occasion of the inauguration of air service between Vermont's Queen City and the world's largest metropolis, when the Canadian Colonial Airways passenger and air mail plane made its first regularly scheduled stop at Burlington's municipal airport en route from New York to Montreal.

To me the occasion was most significant. I took occasion to say:

In the fact that the representative of the mayor of the Dominion of Canada's greatest city, the largest inland port on this continent, is here, as is also the mayor of the metropolis of the world, representatives of their two countries, to celebrate this occasion, is found the suggestion that in the expedition of communication, in the enlargement of transportation facilities, and in the increased co-operation between the people of these two countries lies the guar-

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anty of the safety, security, and perpetuity of free government and of civilization itself on this hemisphere. The warning of the President this morning should put us all on notice that this Government is fearful that Hitler will not stop with Europe but will carry his program of national aggrandizement to other continents the Far East, Near East, Africa, and the Americas—extending his depredations and undertaking to attain world domination and to bring under his heel and into Germany's realm many subject races.

Whether we like it or not, and whether we shall have to bear the burden or not, it is inescapably true that in one way or another the totalitarian states of Europe and the East will continue to undertake to impose their form and system of government on us, directly or indirectly, and on the countries of Central and South America.

When it comes to a show-down, I know that there will be but one voice heard from this continent, if not from choice, then from necessity, for self-preservation is the first law of nature. We shall unite to defend our mutual borders. Beyond the dead line which

necessity, for self-preservation is the first law of nature. We shall unite to defend our mutual borders. Beyond the dead line which marks the boundary of our continental domains they shall not pass. To love liberty passively is not enough. Even to safeguard it zealously from encroachment is not enough. Men will keep it only so long as they have the courage and the capacity to accept the responsibilities of self-government, to solve their problems as free men through voluntary cooperation for the common good. The old slogan is still and will continue to be true, "United we stand; divided we fall."

I have referred to the foregoing in order to call your attention to the fact that while we were meeting at Burlington the Montreal Daily Herald was being distributed in Montreal containing the following editorial:

CANADA AND THE BRITISH EMPIRE

This has been a week of definitive announcements.
Yesterday in the British House of Commons Prime Minister
Chamberlain outlined definitely, without hedging or leaving a way
for convenient withdrawal, the things Britain would fight for and told how she would fight.

He said Britain would fight for Poland, not for the Polish Corridor, but for the main body of Poland as it stands. He said that in either case Britain would send armed aid and that France would do like-

A day before in the Canadian House of Commons Prime Minister King outlined very clearly and definitely what Canada would do in a similar emergency.

He said clearly and definitely that Canada under his regime would

not conscript men for service overseas, that Canada would not declare war without the consent of Parliament; that Canada would not blindly and in advance commit herself to any hard and fast stand on international affairs. He said also:

"The idea that every 20 years this country should automatically and as a matter of course take part in a war overseas for democracy or self-determination of other small nations, that a country which has all it can do to run itself should feel called upon to save, periodically, a continent that cannot run itself, and to these ends risk the lives of its people, risk bankruptcy and political disunion, seems to many a nightmare and sheer madness."

So there we have two statements very opposite in tone. Contrasting statements, you might say, but we prefer to regard them as complementary.

as complementary.

Consider the very different positions of the two Prime Ministers. Great Britain is no longer an island, has not been since war took wings. She has a part, and a very large and necessary part, to play in the affairs of the European Continent. She has a watching brief for some 40,000,000 people who are shareholders in the future of that continent, and she has definite commitments to France and other powers.

Obviously, it is to her interest, and to her very urgent and vital interest, to keep Europe from complete anarchy whether that anarchy calls itself Fascist imperialism or takes some other form.

If Britain fails to keep the peace or to win her battles for order, the obvious alternative, already recognized and advocated by many distinguished public men in the old country, is the reorientation of the British Empire, with a gradual or even a swift transfer of the mass of British interests, institutions, and men to this Dominion of Canada.

This is not a mere dream. It is something which may have to be done, and the very fact of it imposes a certain responsibility and duty on Canadians.

That duty is not to send troops rushing overseas at the drop of a hat or the beat of a drum, not to make threatening gestures to other powers, but to keep Canada intact, to protect it from broad or subtle attacks on its institutions and its freedom, from attacks from within and without.

In other words, if Canada is some day to be the center of empire

we must keep it clean and get it ready.

That is our largest duty. By our peace and order, by our good relations with our neighbor (which could swallow us overnight, but won't), and by our great transport systems which were planned for military purposes and are themselves the greatest single contribution to empire defense any dominion has made, we are doing that duty. We are on the job. Flexing our muscles, shaking our fists at European powers, and invoking the might of our tiny defense forces is not part of our present duty.

And before the youth of this country is shipped abroad again to the great weakening of the next few generations, we shall want to have good and sufficient reason.

Mr. King has said so as Prime Minister. Dr. Manion, as leader of the opposition, has agreed with him in principle.

We cannot see how any Canadian statesman who understands Canada's feelings or Canada's place in world affairs can think otherwise.

It does not mean that we would ever let Britain down or consort with her enemies

It does not mean that we should remain even nominally neutral

if Britain were at war tomorrow.

It merely means that Canada knows she has a first duty and at last realizes what that first duty is.

The fact is that the informed public of both countries appears to realize that it is our bounden duty and our great privilege to maintain not only the cordial and cooperative relations coexistent, but that it is our responsibility to defend the Americas for our mutual protection.

Hon. T. Alan Goldsborough, Member of Congress, of Maryland, Who Resigned to Become United States District Judge for the District of Columbia

EXTENSION OF REMARKS

HON. BRENT SPENCE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1939

Mr. SPENCE. Mr. Speaker, today the distinguished legislative career of the gentleman from Maryland, T. Alan GOLDSBOROUGH, will close. For more than 18 years he has served his constituents and his country in the National House of Representatives. For 10 successive terms he has been elected. He has served with great distinction. He has demonstrated not only a high order of intellect but a passionate regard for the welfare of the people of his district and of the entire Nation. Men attain their position in the Congress of the United States after long service, not by reason of superficial qualities, but by a force as unvarying as that which causes water to seek its level, because of their intrinsic worth, their ability, their sincerity, and sound judgment.

The position of influence and respect the gentleman from Maryland has attained in this body is due to his moral courage, his splendid ability, his unswerving loyalty. To these qualities may also be added his companionable nature and his good fellowship, which have endeared him to his colleagues. He resigns to take his place as judge of the District Court of the United States for the District of Columbia.

Here another career of great usefulness and distinction awaits him. The same qualities which made a great and useful legislator will make an able, upright, and just judge. While Alan Goldsborough is a man of strong convictions and impulsive nature, he has a passion for truth and justice which will assure "the cold neutrality of an impartial judge" in the discharge of the important duties of his new position.

I know I speak for all the members of the Banking and Currency Committee of the House when I say that we feel a profound regret that we will no longer have the sound advice, the broad knowledge, and the delightful companionship of the gentleman from Maryland. We know that those qualities which produced the friendship and the respect of his colleagues in the House will endear him to his colleagues on the bench who will labor with him and will bring him the affectionate regard of the members of the bar of his court.

National Labor Relations Act

EXTENSION OF REMARKS OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 5, 1939

LETTER WRITTEN BY WILLIAM GREEN, PRESIDENT OF THE AMERICAN FEDERATION OF LABOR

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the National Labor Relations Act and to include therein a letter written by William Green, president of the American Federation of Labor.

The following is the text of Mr. Green's letter:

To the Officers of National and International Unions, State Federations of Labor, City Central Labor Unions, and Directly Affiliated Local Trade and Federal Labor Unions.

DEAR SIRS AND BROTHERS: The Fifty-eighth Annual Convention of the American Federation of Labor, which was held at Houston, Tex., last October, unanimously instructed the officers of the American Federation of Labor to prepare and submit to Congress certain amendments to the National Labor Relations Act. This action was taken because the National Labor Relations Roard had shown was taken because the National Labor Relations Board had shown itself to be pro-C. I. O. and anti-American Federation of Labor in the administration of the law.

CARRYING OUT MANDATE OF 1938 CONVENTION

Mark you, each and every delegate in attendance at the Houston convention, representing national and international unions, State federations of labor, city central bodies, and affiliated local unions voted to instruct the officers of the American Federation of Labor to prevail upon Congress to adopt amendments to the National Labor Relations Act. This action was taken by the highest authority within the American Federation of Labor.

to prevail upon Congress to adopt amendments to the National Labor Relations Act. This action was taken by the highest authority within the American Federation of Labor.

Now it becomes the solemn duty of the officers of the American Federation of Labor to carry out the instructions given them by this convention. All affiliated organizations and all members of the American Federation of Labor are under obligation to give support to the officers of the American Federation of Labor in carrying out these instructions.

Unfortunately some local unions and individual members of the American Federation of Labor have become confused because of missepresentation and false propaganda which has been circulated by representatives of the C. I. O. They have been told that the American Federation of Labor is trying to destroy the National Labor Relations Act. This is false and without any basis what-

FRIEND OF LABOR ACT

The American Federation of Labor is the friend of the National Labor Relations Act. We sponsored it in the beginning; we helped dator Relations Act. We sponsored it in the beginning; we helped draft it; we contributed largely toward its enactment into law. It was really an American Federation of Labor measure, a primary part of our legislative program. Therefore it is we, the friends of the Labor Act, who are trying to amend it, to perfect it, to preserve it, and to make it a better law.

We have found from experience that such action is necessary in order to preserve and protect the national and international unions affiliated with the American Federation of Labor and the local

unions chartered by said international unions.

BOARD FAVORS C. I. O., OPPOSES A. F. OF L.

Can the American Federation of Labor remain passive and inactive Can the American Federation of Labor remain passive and inactive when the Labor Board, through decisions clearly in favor of the C. I. O. and against the American Federation of Labor; is working out the destruction of the American Federation of Labor? Would local unions and members of the American Federation of Labor have us remain inactive while they themselves were being destroyed through the maladministration of the Labor Act?

Naturally the C. I. O. is violently opposed to any change; its opposition is based upon the fact that it has been favored, while the Board has struck blow after blow at the American Federation of Labor. We do not ask the Board to favor the American Federation of Labor in any decisions rendered; all we have asked is that the fair and just in its administration of the act and that it

it be fair and just in its administration of the act and that it apply the act in a judicious way.

BARGAINING RIGHTS OF CRAFT UNIONS MUST BE PROTECTED

The American Federation of Labor is seeking to amend the act so that craft unions may select themselves as collective-bargaining

Under the existing law the Board exercises discretion as to whether craft unions may elect to be their own collective-bargaining agents. In many instances the Labor Relations Board has merged the craft unions with production workers and thus wiped

out the craft unions as collective-bargaining agencies.

Do the craft unions of the Nation desire that such administration of the law shall continue? Would you have the law remain as it is, and the administration of the act by the existing Board continue, and thus permit the wiping out of craft unions; or would you have the law amended so that the power to destroy craft unions by decisions on the part of the Board would be taken

A number of decisions of the Board show that craft unions were struck a vital blow in that they were denied the right to collectively bargain for themselves. The machinists' unions, electrical workers, and other metal trades, and miscellaneous organizations, have suffered very greatly through the biased decisions of the Board in fewer of industrial priority and the CLE. favor of industrial unionism and the C. I. O.

BOARD'S INVALIDATION OF A. F. OF L. CONTRACTS ATTACKED

In addition, the Houston convention directed that amendments be prepared so as to prevent the Board from destroying and abrogating contracts entered into between bona fide American Federa-

tion of Labor unions and employers.

No one ever dreamed that the National Labor Relations Board was vested with authority to invalidate contracts negotiated by independent, democratic, American Federation of Labor unions. The Board, however, did so when it invalidated contracts made by a local electrical workers' union with the Consolidated Edison Co., by another electrical workers' union with the National Electrical Products Co. at Ambridge, Pa. In the Copper Hill (Tenn.) Mining Co. case it invalidated an election won by the American Federation of Labor on the same basis. cf Labor on the same basis.

The Supreme Court saved the American Federation of Labor in

the Consolidated Edison Co. case; it cost the electrical workers and the American Federation of Labor many thousands of dollars in order to save the contract which had been entered into by the electrical workers' union with the management of the Consolidated

Edison Co.

We hold that a contract lawfully negotiated between an American Federation of Labor union and the employers is a valid, sacred contract. No board has a right to invalidate such a contract. It is

contract. No board has a right to invalidate such a contract. It is significant and most striking that American Federation of Labor contracts were invalidated by the National Labor Relations Board.

Would you prefer that the Board shall continue to exercise its power to invalidate contracts lawfully made by American Federation of Labor unions with employers through collective bargaining, or do you favor protecting American Federation of Labor unions by making it impossible for the National Labor Relations Board to invalidate outpersonates proceedings through collecting bearening with date our contracts negotiated through collective bargaining with employers?

CLASSIFYING A. F. OF L. AFFILIATES AS COMPANY UNIONS CONDEMNED

Furthermore, the Houston convention instructed us to secure amendments to the Labor Relations Act which would prevent the National Labor Relations Board from classifying an American Fed-eration of Labor union as a company union. In order to accomplish this purpose we have defined a company union and have made it clear in the act that the existence of the company union is an unfair labor practice. We have made it clear that a contract negotiated by any employer with a company union is invalid and cannot be sustained. We have, however, endeavored to prevent the Board from classifying, either directly or by implication, a bona fide independent American Federation of Labor union as a company union.

American Federation of Labor union as a company union.

And supplementary to all this, we have, in accordance with the instructions of the Houston convention, prepared amendments to the act which would simplify procedure. This will all be to the interests of labor and particularly American Federation of Labor unions. This has to do with the issuance of subpenas, the securing of records in cases where appeals are taken, so that the cost to our American Federation of Labor unions will not be prohibitive.

A pamphlet giving each and all of you a detailed explanation of the amendments ordered by the Houston convention and prepared

the amendments ordered by the Houston convention and prepared by the officers of the American Federation of Labor will be forwarded to you within the near future.

SEEKS FAIR ADMINISTRATION OF LABOR ACT

We are determined to protect and preserve the National Labor Relations Act. We shall stand opposed to any attempt to change its fundamentals or its principles. We are seeking only as the real friends of the act to require the Board to administer the law in accordance with its original purpose, its spirit, and its letter.

We are seeking to make it impossible for this Board or for any other Board to interpret the law or to administer it in favor of one organization as against the other. Instead, we are determined that all organizations shall be dealt with on a basis of equality, fairness, and justice by any Board appointed to administer the Labor Relations Act. Labor Relations Act.

COOPERATION OF UNIONS ASKED

It is one thing for the supreme authority within the American Federation of Labor to instruct its officers to secure amendments to the National Labor Relations Act; it is another thing for the officers to carry out the instructions. They cannot do so unless

they have the support of the membership of the American Federation of Labor. They are entitled to that support, because the membership, through their own chosen representatives, instructed the officers of the American Federation of Labor to prevail upon Con-

gress to amend the labor relations law.

Now we, the officers of the American Federation of Labor, are engaged in carrying out the instructions of the Houston convention. We accepted these instructions in good faith. We are willing to carry out the orders given us, but we must appeal to the member-ship of the American Federation of Labor to help us, to stand with

us, and to support us.

WARNS AGAINST FALSE PROPAGANDA

Do not be deceived by false propaganda; have faith in the officers and members of the American Federation of Labor; stand by the delegates who attended the Houston convention and give them your wholehearted support. Let the Members of Congress know you are standing with the American Federation of Labor; that you are supporting your officers, who are endeavoring to carry out orders and instructions.

Please be assured that it is the fixed and determined purpose of the officers of the American Federation of Labor to protect and preserve the Wagner Labor Relations Act; to stand unalterably opposed to any attempts to weaken it or destroy it. Instead, we shall endeavor to make it a better law and to so amend it as to require the National Labor Relations Board to administer it impartially, fairly, and in conformity with both the letter and spirit of the act.

Fraternally yours,

WM. GREEN President, American Federation of Labor.

Claims Against Cotton Producers

EXTENSION OF REMARKS

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 5, 1939

ADDRESS BY J. ROY JONES

Mr. HARE. Mr. Speaker under leave to extend my remarks in the RECORD, I include the following address by J. Roy Jones, commissioner of agriculture, before Carolinas Cotton Warehouse Association, March 30, 1939, Columbia, S. C.:

Mr. President, members of the Carolinas Association, and distinguished guests, I appreciate very much your giving me an opportunity to talk to your association for a few minutes, and I expect to confine my remarks to the claims that are now being filed against the producers, due to the fact that one of the classing offices of the Bureau of Agricultural Economics has reclassed some of the cotton pledged in 1937-38, and it is my understanding that they will eventually reclass all cotton that was pledged to the Government during 1937-38. Up to the present time approximately 21,000 bales have been reclassed by one of the classing offices of the Bureau of Agricultural Economics, and over 90 percent of the cotton pledged and stored in these warehouses have had claims filed against the producers and werehousemen.

and stored in these warehouses have had claims filed against the producers and warehousemen.

In order that the warehousemen may understand their responsibility, I would like to read to you the warehouseman's certificate and waiver, which reads, in part, as follows:

"All cotton listed in the above or attached schedule is guaranteed to be of the grade and staple eligible for a loan of the amount per pound set forth in the above or attached schedule, determined in accordance with the provisions of paragraph 3 of the printed instructions (1937–38 CCC Cotton Form 1).

"In consideration of the benefits accruing from the storage of said cotton, the undersigned warehouseman hereby agrees, in the event said cotton is subsequently determined by the Bureau of Agricultural Economics, United States Department of Agriculture, to be below the grade and staple eligible for a loan of the amount per pound stated in the above or attached schedule, to reimburse Commodity Credit Corporation for any loss on account of said loan to the extent of the difference per pound between the value of the to the extent of the difference per pound between the value of the lowest grade eligible for the loan made, as set forth in the above or attached schedule, and the actual value of said cotton determined by said Bureau of Agricultural Economics."

You will see from this that the warehouseman is equally responsible for having the proper class put on the receipt, as well as the producer, but it is the policy of the Commodity Credit Corporation to file claim against the producer and at the same time

they file claim against the warehouseman. It is my understanding that they will collect from the producer, if he will pay it; in event he doesn't pay it, they will take it out of his subsidy check; and in event he hasn't a subsidy check, the warehouseman will have to pay it, if the producer fails to pay it.

In South Carolina there are two warehouse systems—the Federal and State. Although the State warehouse system pays the licensed elegence pays of finds collected from the State warehouse care decrease.

classers out of funds collected from the State warehouses, our department cooperates with the Federal warehouses and serves them whenever possible, and has classed several thousand bales for them. In several investigations held during the past few years it has been brought out that classing cotton is not an exact science, and

also brought out that there would be slight variations; but taking it as a whole, the "ups will take care of the downs." It was also brought out during these investigations that different samples were drawn at different times from the same bales that showed slight variations

The Commodity Credit Corporation has adopted a policy where if 1 bale out of a lot of cotton pledged on a loan should fall one-half grade below the grade as placed on the receipt, that they would file a claim against the entire lot; in other words, gentlemen.

would file a claim against the entire lot; in other words, gentlemen, if a lot of 26 bales was reclassed by the Bureau of Agricultural Economics and they raised the class on a good many bales, yet lowered the class one-half grade on only 1 bale, a claim would be filed, and the entire lot of cotton would be sold.

Frankly, I don't believe there is a man within the sound of my voice that believes this method to be a fair method to the producer. When I found out the policy that the Commodity Credit Corporation was going to use in handling these claims I immediately went to Washington and conferred with Senator SMITH and Senator BANKHEAD, and they assured me that they would have the Commodity Credit Corporation change its policy or they would introduce legislation to protect the producer and the warehouseman. I would like for this association to go on record recommending to Congress that where there is any question about the class which was placed on the receipt by the warehouseman for the producer

was placed on the receipt by the warehouseman for the producer that the producer be allowed to repossess his note in the same way that the Commodity Credit Corporation has allowed the producer to repossess his note in the past. For example, the producer be allowed to repossess his note at 25 points under the 10 designation. nated spot markets, and in event the producer falls to repossess his cotton, the Commodity Credit Corporation can then sell the cotton in question and bill the producer for its losses.

I would like to call your special attention to the following

points:

First. That the cotton placed in the State warehouse system was sampled; the samples were sent to Columbia and classed by a Federal licensed classer, who classed this cotton under the supervision of the Bureau of Agricultural Economics, then a year later new samples were drawn and sent to the Bureau of Agricultural new samples were drawn and sent to the Bureau of Agricultural Economics classing office in Charleston. Since that time samples have been drawn and our Federal licensed classers in the Department of Agriculture have reclassed this cotton, and we find that in practically every instance the cotton is better than the class placed on the receipt. Not being satisfied with this, I had these samples forwarded to the Memphis office of the Bureau of Agricultural Economics (which is the head office of the Bureau of Agricultural Economics in the Cotton Belt), and they have upheld our classers, and in some instances have raised their class.

our classers, and in some instances have raised their class.

Now, in order that you might get a clear picture of the entire matter, I am going to have handed to you exhibits covering all cotton that we have had an opportunity to check up to the

present time.

First, I am going to take up with you exhibit No. 1, which is a lot of 26 bales, pledged by J. V. Herlong, State warehouse No. 2180, Trenton, S. C. This cotton was first classed by Mr. J. D. Mathis, Trenton, S. C. This cotton was first classed by Mr. J. D. Mathis, Jr., who held a Federal license and who at that time was employed by the American Cotton Cooperative Association. When the Commodity Credit Corporation notified Mr. Herlong that his cotton was to be sold, Mr. Mathis requested of the Palmetto Compress Co. samples from this lot of cotton and brought them to our classing department. Mr. Gist, Federal cotton classer, classed this cotton in the presence of Mr. B. W. Walker, Mr. J. D. Mathis, Jr., and myself, and these samples were then wrapped and sealed and sent to the Memphis office of the Bureau of Agricultural Economics (which is the head office at Memphis), and who sustained the original class as placed on the receipt in every instance, exthe original class as placed on the receipt in every instance, except where they raised the class on several bales.

Now, gentlemen, this cotton has been classed three times, twice by men under the supervision of the Bureau of Agricultural Economics, once by the head office of the Bureau of Agricultural Economics, and in these three classes all of the cotton was eligible for the loan and was also classed by the classing office in Charleston, and they found one bale ineligible, or one grade below what the receipt called for

receipt called for.

I am sure you will agree with me that it is unfair and unjust for the Commodity Credit Corporation to sell the producers' cotton when three separate licensed classers, under the supervision of the Bureau of Agricultural Economics, say that the cotton is eligible and one branch of the Bureau of Agricultural Economics shows that the

In conclusion, gentlemen, I feel that the various loans which have been placed on cotton by the Government has been done for the purpose of assisting the farmer, and I agree with President Roosevelt that the farming problem of the South is the Nation's No. 1 economic problem, and I feel that it is the duty of everyone, and especially the warehousemen, who have benefited by the various loans, to do everything within their power to assist the farmer in seeing that he gets a square deal. I would appreciate it very much if this association would go on record as endorsing some form of legislation that will be helpful to the farmer in the handling of his claims.

Tax Problem in Counties Where the United States Forest Service Acquires Lands Privately Owned

EXTENSION OF REMARKS

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1939

Mr. PITTENGER. Mr. Speaker, in connection with the policy of the United States Forest Service of acquiring lands in the various States in order to enlarge the national forests, the question of taxation is becoming more and more important. At the present time the United States Forest Service purchases additional lands from private owners, and those lands are removed from the tax rolls in the various counties where the forests are located. This means, of course, that the revenue of these municipal subdivisions is substantially decreased and the tax rate for property that remains subject to taxation is correspondingly increased. Further the counties, school districts, and so forth, that are affected by this program, even with the practice of all possible economy, still have to carry on their municipal functions. They have to build and maintain roads, schools, and so forth, and unless Congress takes notice of the serious situation that has been created, continued hardship will come to these communities. In the district I represent we find the Superior National Forest which lies wholly within the district. The Chippewa National Forest lies partly within the district.

It is true that by existing law the municipal subdivisions are supposed to obtain certain revenue from the sales of timber located in the national forests within the various counties. Up to date this revenue has been inconsequential and in no way at all takes care of the obligations of the Government of the United States to these localities.

In my opinion, it will only be fair in every case where the Government acquires a tract of land for United States forest purposes for the Government to make contributions to the counties and municipalities in an amount equal to the tax revenue which the counties would lose by taking such a tract of land off the tax rolls. I am glad to note that the United States Forest Service recognizes certain obligations along these lines, or at least that the United States Government should do its share in the building of roads and in the building of schools and in meeting the expenses of government in those counties where United States forests are located. Several bills are now pending in Congress which have for their purpose the correction of this problem of taxation.

My attention has been directed to H. R. 4883, introduced by the gentleman from Mississippi [Mr. Colmer], which has for its purpose contributions to the localities, roughly in an amount equal to 3 percent each year of the value of the lands acquired. This bill is of interest to every locality where the United States Government maintains and operates national forests. Practically every county in the Eighth Minnesota Congressional District is interested in proposed legislation of this type. There are other bills pending before Congress which have for their purpose to reimburse counties for loss of tax receipts on account of land acquired by the United States Government. I do not here discuss all of those bills, but I do urge upon Congress the serious situation which is developing and which requires legislation along the lines indicated.

I am very glad to submit herewith some figures which illustrate very clearly the problem so far as it affects the district I represent.

I have before me a resolution from the Board of County Commissioners of Cook County, Minn., wherein they set forth the facts regarding Federal land within the county, its acquisition, and the results. They state that:

Steady removal from the acreage taxable confronts the county commissioners in the year 1939 with a situation wherein a decline in total taxable acreage in the county from the original area within its boundaries of 1,158,263.47 to 243,350 acres taxed in 1939, and a decrease in taxable valuation from \$1,908,158 in 1920 to \$492,388 in the taxable year 1938; a current tax collection declining from \$186,325 in 1925 to \$61,121 current collections from the taxable year 1937 vear 1937.

I also have before me figures submitted by Lake County, Minn., showing that the decrease in assessed valuation of property in Lake County dropped from \$3,928,212 in 1926 to \$1,765,919 in 1938. On some other occasion I expect to submit figures showing that this serious financial condition has been due in large part to acquisition of lands by the United States Forest Service from private individuals and that taking these lands from tax rolls has resulted in this constantly decreasing revenue for the county. I also plan to submit figures from other counties showing the need for legislation to correct the discrimination which the Government is now carrying on against its own citizens.

I trust, Mr. Speaker, that the committees will be able to have hearings on these various legislative proposals and that legislation may be enacted at this session of Congress for the relief of counties throughout the country where the tax problem has become a difficult one. The problems in Cook County, Minn., as I have indicated above, exist in other counties, although probably not to the same degree.

Army Day, 1939

EXTENSION OF REMARKS

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 5, 1939

PROCLAMATION BY THE PRESIDENT

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following proclamation declaring April 6, 1939, as Army Day:

ARMY DAY-1939

By the President of the United States of America A PROCLAMATION

Whereas Senate Concurrent Resolution 5, Seventy-fifth Congress, first session (50 Stat. 1108), provides:
"That April 6 of each year be recognized by the Senate and House

of Representatives of the United States of America as Army Day, and that the President of the United States be requested, as Commander in Chief, to order military units throughout the United

mander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable; to issue a proclamation each year declaring April 6 as Army Day, and in such proclamations to invite the Governors of the various States to issue Army Day proclamations: Provided, That in the event April 6 falls on Sunday, the following Monday shall be recognized as Army Day."

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, pursuant to the aforesaid concurrent resolution, do hereby declare April 6, 1939, as Army Day, and I hereby invite the Governors of the several States to issue Army Day proclamations; and, acting under the authority vested in me as Commander in Chief, I hereby order military units throughout the United States, its Territories and possessions, to assist civic bodies in the appropriate observance of that day.

In witness whereof I have hereunto set my hand and caused the

In witness whereof I have hereunto set my hand and caused the

seal of the United States of America to be affixed.

Done at the city of Washington this 15th day of March A. D. 1939, and of the independence of the United States of America the one hundred and sixty-third.

[SEAL]
By the President:
SUMNER WELLES,
Acting Secretary of State. FRANKLIN D. ROOSEVELT.

National Youth Administration

EXTENSION OF REMARKS

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 5, 1939

LETTER FROM RT. REV. MSGR. THOMAS J. O'DWYER

Mr. THOMAS F. FORD. Mr. Speaker, the following letter from the Right Reverend Monsignor Thomas J. O'Dwyer, general director of the Catholic Welfare Bureau of the Archdiocese of Los Angeles, Inc., vividly portrays the splendid work being done by the National Youth Administration. The Right Reverend Monsignor O'Dwyer is one of the outstanding welfare workers in California, and I am sure that his views on this vital activity are worth insertion in the CONGRESSIONAL RECORD.

> THE CATHOLIC WELFARE BUREAU OF THE ARCHDIOCESE OF LOS ANGELES, INC. Los Angeles, Calif., March 30, 1939.

Hon. Thomas J. Ford,

House of Representatives, Washington, D. C.

Dear Mr. Ford: I am writing to call your attention to Senate bill No. 1265, which provides for bringing together into one department the present Works Progress Administration, the Federal Emergency Administration of Public Works, the National Youth Administration, and the Civilian Conservation Corps.

I would like to call to your attention particularly the difficulty of having the N. Y. A. function effectively under the provisions of the proposed bill.

the proposed bill.

The N. Y. A. has developed its program in the light of nearly 4 years of experience. I would like to summarize its objectives for

you very briefly.

The Student Aid Division of the N. Y. A. of California is enabling approximately 16,000 students to continue their education. If it were not for this assistance, these students would be forced to drop their education and seek employment, thus glutting the already overcrowded labor market.

There are applications on file with schools and colleges in Los Angeles County for additional assistance approximately equivalent in numbers to those receiving aid from the N. Y. A. This would

definitely indicate the advisability of an increased appropriation to this division of the N. Y. A.

The work program of the N. Y. A. gives youths the opportunity of securing work experience and knowledge in many fields of endeavor, allowing them at the same time to earn sufficient money to assist in their own maintenance at home, and to permit them to assist in their own maintenance at nome, and to permit them to take additional related education. The work program in Calfornia is serving approximately 6,300 youths. Here, again, we have a large waiting list anxious to obtain this type of training to the end that they may be rapidly equipped to secure employment in private industry.

In Los Angeles County alone during the past year there were placed in the neighborhood of 3,700 youths from the N. Y. A. work program directly into private employment. The advantage of such a program cannot be minimized. It may be safely stated that if it had not been for the training and assistance of the N. Y. A. most of these youths would still be dependent upon the State or local relief agencies, and still unequipped to secure positions in private employment.

For the following reasons I feel that it would be a great handicap to the N. Y. A. to be placed in a general work program designed to

care for unemployed adult workers.

The needs of the two classes of workers are entirely different. The youths need (1) additional education, (2) careful counseling and guidance, and (3) especially designed projects that will permit of a maximum of training and most careful supervision. This is now being accomplished through the cooperation of all the public and private properties agencies not only throughout this area but and private nonprofit agencies not only throughout this area but throughout the entire State, who have made available to the N. Y. A. their facilities, their trained employees, and have given an oppor-tunity of training that could not be secured on a typical construc-tion or work program designed for adult workers.

In my opinion, if the N. Y. A. were completely tied into an adult work and construction program, with limitations as proposed for such a program, 90 percent of the value of the present training program would be lost.

With kindest regards. Sincerely yours,

Rt. Rev. THOMAS J. O'DWYER. General Director. Electrical Machinery and Equipment and the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1939

Mr. REED of New York. Mr. Speaker, any legislation which affects the electrical machinery and equipment industry affects a large group of the wage earners of the country. This industry ranks seventh among all the industries in the country in the number of wage earners, and third in value added by manufacture. The New England States, particularly Massachusetts and Connecticut, New York, New Jersey, Pennsylvania, Ohio, Illinois, Indiana, Minnesota, Wisconsin, and Missouri, all number electrical machinery and equipment among the first 10 industries in the State.

Under the Reciprocal Trade Agreement Act of 1934, which empowered President Roosevelt and Secretary of State Hull to enter into agreements with the other countries of the world for the purpose of a mutual exchange of benefits in foreign trade, 16 agreements were concluded and became effective before January 1, 1938. In 14 of the 16 agreements the United States received concessions on electrical machinery and equipment.

In spite of these concessions, in 1937 our exports to agreement countries which gave this country concessions were 25.3 percent below the 1929 level, while exports to the two agreement countries which made no concessions and to nonagreement countries were 9.1 percent above the 1929 level.

This is another bit of evidence that the New Deal agreement negotiators are more interested in lowering our tariffs than in getting trade concessions of value to American agriculture and industry.

Save Democracy at Home

EXTENSION OF REMARKS

HON. GERALD P. NYE OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Thursday, April 6, 1939

RADIO ADDRESS BY HON. HENRIK SHIPSTEAD, OF MINNE-SOTA, ON APRIL 2, 1939

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject Save the Democracy at Home, delivered by the senior Senator from Minnesota [Mr. Shipstead] on Sunday, April 2, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good afternoon, folks, I appreciate the privilege of speaking to you this afternoon and I am grateful to station WCCO for invit-ing me to do so. The subject that seems to be most discussed in the news, on the radio, and the press for some time has been conditions of foreign countries and the press for some time has been we hear a good deal about our own responsibility. The democracies, it is said, are ready to fight for democracy, and dictatorships are ready to defend their rights to be under a dictator.

In my opinion the form of government is not what their quarrel is about. The quarrels of Europe here to do with land of falls.

In my opinion the form of government is not what their quarrel is about. The quarrels of Europe have to do with land, oil fields, food, and trade. Those who have large and rich territorial possessions want to keep them, and those who have not want to obtain more than they have. That is what I see in the picture. The real reason for a nation going to war is seldom ever told to the people who have to do the fighting. Usually some very high, altruistic reason is given, and as a rule, people do not find out what the real reason for a war is until long after the war is over.

After the last World War was over we found out what the fight was about. We were told that we entered the war for democracy

and that we wanted a peace without victory. Instead, we got victory without peace. Instead of making a world safe for democracy we made it highly unsafe. Instead of making the world a better place to live in, we assisted in lowering the standard of living everywhere—our own country included. Instead of protecting minorities by self-determination or otherwise, we seem to have made some footballs for dictators.

In other words, the whole Wilsonian program was frustrated, and when he came to Versailles to help make a treaty of peace, he discovered that the Allied Governments had had many secret treaties dividing the rest of the world up among themselves.

Only a year or two ago we learned that these secret treaties had been brought to Washington before we entered this war and given to our Secretary of State by Mr. Balfour. But when

and given to our Secretary of State by Mr. Balfour. But when Wilson came to Paris he claimed that he did not know anything about them.

When the Versailles Treaty and the other treaties subsequent thereto that ended the World War were signed, not a vestige was left of international morality and sanity and the law of nations. It was a case of "woe to the vanquished and to the victor belongs the spoils." The law of the "tooth and the claw" was

shown to be supreme.

This, despite the fact that the solemn covenant of the armistice under which the Central Powers laid down their arms, promised them an entirely different peace. In signing that treaty all nations, the Allies as well as Germany and Austria, agreed to disarm. Neither one kept that agreement. While the war ceased on the battlefield, it has continued ever since along the trade and economic lines. The conquered nations were stripped of territory of home and abroad and impossible reportations imposed. ritory at home and abroad and impossible reparations imposed. Three empires were dismantled and the fragments fed to the wolves. When the several treaties that ended the World War had wolves. When the several treaties that ended the World War had been signed, the world had been divided amongst the victors and they arranged for a league of nations to keep the world in a strait jacket. This cannot be done. The law of change is a fundamental law of life and that law statesmen cannot repeal. There is nothing in the record to show that if the Central Powers had won the war that the world would have been in any better condition. The treaty that was made with Russia at Brest-Litovsk would indicate they would have been as ruthless as were the nations who won the war.

The most dangerous treaties in the world are so-called "peace treaties." They are usually written by the conquering nation and the conquered nation signs under coercion and duress. Any contract signed in municipal law under coercion and duress is ipso facto held to be null and void.

facto held to be null and void.

facto held to be null and void.

In international law, however, he who has the power to take, and has the power to keep, has the right to keep. Any nation that signs a so-called peace treaty under coercion and duress will keep that agreement only until it has the power to break it. There is nothing sanctified about treaties of this character. They have no standing in municipal law, morals, or in equity. They are only legal in international law, and international law has nothing sanctified or sacred about it. It is the law of the "wolf pack" and the law of the jungle. Pious resolutions and treaties are made such as renouncing war as a national policy. These proclamations and treaties mean very little, if anything at all. There are few nations in Europe who are signatories to the peace treaty on either side who have not engaged in international banditry since the treaty was signed.

So when good people would try to divide nations, we do not have to go back far in history to show the fallacy of the contentions that you can divide nations into good and bad. But statesmen failed to realize that life is just one continual change. It

men failed to realize that life is just one continual change. It would be well for statesmen to learn that fact as well as the people for whom they speak, and who have the responsibility of

people for whom they speak, and who have the responsibility of conducting government.

Last fall I had the privilege of visiting several countries in Europe, as a matter of fact six. I did not find people excited about war. I did not find anyone in any responsible position who thought there was going to be war at the time in Europe. They all said that their troubles over territory were due to the Treaty of Versailles. They said they realized now that the Treaty of Versailles was a mistake. They said that adjustment would have to be made. They said that you cannot keep the world in a strait jacket. They said that adjustments and revisions may cost something. If it is done peacefully, they said it may cost something and be worth it, but it won't cost anything near so much as war will cost in destruction of property and human misery. miserv.

We must not overlook the fact that the present conditions in Europe and much of the world elsewhere, are distinctly the product of the war and peace treaties, so-called, that ended the World War. The conditions in Germany to which so many object were conceived at the Treaty of Versailles and were finally developed in the hard treatment given the prematurely born Weimar

Republic.

Republic.

Had common sense ruled at Versailles, all mankind would have been spared much trouble. Billions spent for armament after a war that was to end war, would have been put to better use. This world indeed would have been a better place in which to live. Democracies instead of being now beset by many powerful enemies would have gained in the German Republic, a fine pillar of support. The hateful persecution of minorities now going on in Europe is undoubtedly the fruit of the seeds of hate planted by the majority at Versailles and spread in the fertile soil of the oppressed minority by the administration of the treaty.

These cruel persecutions we now abhor in others and rightly so. We do abhor these things as emphatically as the American people

and their representatives in the Senate abhored and repudiated an effort to make us a party to a treaty of oppression that would threaten western civilization and jeopardize the sovereignty of the United States. We abhor no less the present dictators in control of government that make these purges and persecutions possible and are determined that such ideas shall not find root on American

The question forced upon us is how shall we keep these ideas of government from finding root in American soil? Many people in this country, speaking over the radio and through the press, would have us believe that the way to save democracy is to go to war again to save democracy. The propaganda to get us into the next war, if and when it comes, has been carefully prepared and as war again to save democracy. The propaganda to get us into the next war, if and when it comes, has been carefully prepared and as ably executed in the last few years as it was during the period of 1915, 1916, and 1917. I cannot see how our going into that war saved democracy. There is less democracy in the world now than before the war. It is true we got rid of the Kaiser, who was supposed to be an autocrat, and in getting rid of the Kaiser we had the help of the Russian Czar and the Emperor of Japan. We were told they were fighting for democracy, too. The dictators we got in place of the Czar of Russia and Kaiser Wilhelm II, I do not think are an improvement over those we got rid of.

In my opinion another world war would destroy whatever democracy there is left in the world. I found that to be the opinion of many statesmen in Europe, and therefore they are trying to solve some of their problems by peaceful means. In so doing injustice will be done. Persecution of minorities will occur. But a world war will multiply these by a million times more.

Many good people say we must do something to stop dictators. Very well; but how are we going to do it without going to war? We ask these people what they will have when the war is over? Will everything then be peaceful and serene?

In my opinion we will then have more dictators than now, and a thousand times more debt than now. Millions of young men dead, and more persecution of minorities than now. The present troubles of the world are due to the last war. The problems following the next war will be much more difficult and human suffering far worse.

Of course these people tell you they don't want war. They say

Of course these people tell you they don't want war. they want peace but they are so anxious for peace they want war to prevent a future war. That is the kind of war we had last time. That is the kind of a war they would get us into now. Every day on the radio we have these peace people stirring up emotions of the people preparing them to accept the theory of necessity of war—in order to have peace.

Europe has its own peculiar problems that only Europe can solve. We hope they can solve these problems without war.

We, too, have our own peculiar problems. We do not ask Europeans to come over here and settle our troubles. We must do this ourselves. We have plenty to do here. We have ten or eleven million people out of work. In the neighborhood of 20,000,000, received and directly or indirectly or relief. million people out of work. In the heighborhood of 20,000,000 young and old, directly, or indirectly, on relief. Our debts are increasing by the billions. Farmers are, generally speaking, going bankrupt. Business houses are being supported by customers on relief rolls. This has all to be paid for, so taxes are eating like a cancer on the body politic.

Haven't we enough to think about and do here? I think we have.

Nevertheless, the war propaganda persists. Our own troubles are no longer regarded as of first importance. Our first duty is said to be to save democracy in Europe. To do this they say we must

go to war.

I believe the best way to save democracy abroad is to save it first at home. That the best way to discourage the dictators is to make our own democracy secure by solving our own problems—to show the world how well democracy can be made to work. And so by force of example, as well as by the power a sound prosperity builds, to discourage dictators by demonstrating a better way of life to the unfortunate people who suffer under tyranny. And, to some of us, it seems further that unless we do this and do it without waste of time, we can be of but little service to democracy or civil and religious liberty. I believe that by putting our own house in order we can best discharge our responsibility and duty to ourselves, to democracy and to world peace.

Let Those Who Challenge Take the Responsibility

EXTENSION OF REMARKS

HON. ERNEST LUNDEEN

OF MINNESOTA IN THE SENATE OF THE UNITED STATES

Thursday, April 6, 1939

RADIO ADDRESS BY HON. GERALD P. NYE, OF NORTH DAKOTA, ON APRIL 4, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to insert in the RECORD an able address delivered on the 4th of the present month by the junior Senator from North Dakota

[Mr. NyE] on the subject Let Those Who Challenge Take the Responsibility.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On day after tomorrow, Thursday of this week, occurs an anniversary which has had a profound effect on the United States—an effect which no one of us has been able to escape. On Thursday, effect which no one of us has been able to escape. On Thursday, 22 years ago, the United States entered the World War. It was a sorry day for the entire Nation, and it will be noted that the Nation does not celebrate the day, as it does the day which saw the war ended. There is no reason now to mark its anniversary, except to keep before our eyes and minds the great mistake we made. If we fully realize the mistaken policies from 1914 to 1917, which landed us in the World War, we may avoid the devastating cost and anguish of again being involved in a foreign conflict.

There is no need tonight to recall to you what this Nation has suffered as a result of its participation in the World War. You know that only too well. You have not forgotten those American boys who left these shores never to return. You have not forgotten those who came home maimed, blinded, or with their minds impaired. All about us today is evidence of the havoc wrought on our economic life by our participation in that conflict. The plight of American agriculture, industry, and labor today is directly traceable back to our experience then.

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of American agriculture, industry, and labor today is directly traceable back to our experience then.

Nor is it necessary, as we approach the twenty-second anniversary of our entry into that war, to call on you to be resolute and determined that this country never again shall participate in one of Europe's wars. That is and has been your resolution now for 2 decades. There is no doubt that the American people do not want war. They never have. But now, with the scourge of the last World War on them, they are more firmly resolved than ever that the United States keep out of war.

But such resolution and determination will avail us nothing unless we guard against and oppose the taking of those steps, perhaps well-intentioned in themselves in the beginning, which inevitably lead to war. From 1914 to 1917 we, for the most part unconsciously, took those steps down the road which led us into war. But with the experience of those fateful years before us we are, or at least we should be, a wiser people. At least we are now aware of the dangers inherent in sentimental policies predicated on contentions that Europe's troubles are our troubles.

Losing sight of the lessons taught us from 1914 to 1918, many of our people today have come to the conclusion that if there is a

Losing sight of the lessons taught us from 1914 to 1918, many of our people today have come to the conclusion that if there is a general war in Europe this country inevitably would be drawn into it. I do not believe it. I say that is a counsel of despair. It is an argument advanced by those who would frighten us into support of fanciful schemes and undertakings to keep the peace of Europe, but which, if they fail, would surely involve us in that conflict. If this country insists on taking sides in the quarrels of Europe; if we, forgetting the protection which a kindly Providence has given to us through our geographic situation, meddle in foreign affairs of no direct concern to us; if, in brief, we make ourselves participants in Europe's controversies, then our involvement in another world war is inevitable. There can be no denying that fact.

pants in Europe's controversies, then our involvement in another world war is inevitable. There can be no denying that fact.
But we can keep out of war by keeping aloof from the hatreds, greed, and ambitions now rocking Europe. We can isolate ourselves from war, not by burying our heads in the sand but by pursuing a course based solely on what is for the best interests of America and spurning pleas to become the moral policeman of the world and to save democracy in other lands. The job of saving democracy in this country is task enough for this generation of Americans. It is a task which we now should be about instead of using the situation abroad as a red herring to cover the trail of major failures in domestic policies. in domestic policies.

We can keep out of war if we realistically acknowledge

frontier and our first line of defense to be the boundaries of this Nation instead of talking about a frontier in France. We can keep out of war if we take those steps which calm, reasonable men and women would take to isolate themselves from a street brawl or fight in their own neighborhood.

This thought causes me to call your attention to the fact that this year's anniversary of our entry into the World War is doubly significant, for tomorrow the Senate Foreign Affairs Committee commences hearings on legislation dealing directly with the ques-

tion of America's neutrality in the event of war abroad. These hearings will afford a large airing on the question of what shall be America's relationship to the European and Asiatic seats of trouble. There appears to be frightful misconception on the part of many people concerning the issues and proposals which are pending before this hearing. I should like to take just a moment to clarify the picture.

For nearly 2 years we have entertained what is commonly referred to as the neutrality law, which might more properly be called the law to help keep America out of other people's wars. This law was written as a result of the revelation of the selfish steps that led us into the World War, when we declared high purposes and discovered too late that we had won no purpose for thick we fourth even though we won the were

poses and discovered too late that we had won no purpose for which we fought, even though we won the war.

In a word, the neutrality law provided that when a state of war was found to exist in the world the President should so proclaim and then automatically invoke the steps of law therein written. Those steps provided that nations at war should be denied access to American money or credit or to American supplies of what are defined as being munitions or instruments of war. The law also forbids Americans to sail upon the vessels of belligerent nations, as Americans once sailed upon the Lusitania,

provided for a munitions control board with powers, determined the extent to which American ports might not be used by belliger-ent nations, and generally undertook to write the rules which would be pursued by our country when other nations were at war.

A leading provision of the law was what is referred to as the "cash-and-carry" section. This section recognized that there was much commerce that would not be forbidden under the arms-embargo commerce that would not be forbidden under the arms-embarge section of the law and undertook to prevent such commercial rela-tionship from dragging us into war. The cash-and-carry provi-sion of the law mcrely required nations at war that wanted such nonarmament supplies to come pay for it, and carry it away in their own ships and at their own risk. The effect of this would be to keep own ships and at their own risk. The effect of this would be to keep american ships and traders from getting the country into trouble by engaging in this risky business in time of war. The weakness of this section lies in the fact that the law left with the President the power to determine when the section should be made effective and what commodities were to be covered by the cash-and-carry provisions. This was at once a power to the President to play favorites, invoke the provision only at such time and upon such commodities as would be helpful to one side and injurious to the other side, which would definitely not be a step of neutrality. In brief, side, which would definitely not be a step of neutrality. In brief, I have stated the provisions of the neutrality law.

Since its enactment 2 years ago there has been criticism of it. But that criticism never took on serious proportions until last fall and winter when the administration began to chafe under this harness of neutrality law. There came announced desire to have our country operate in a way that would punish the alleged aggressor in war, to invoke quarantines and sanctions upon the alleged aggressor. These wardlike steps could not be leavilly token by the Presisors. These warlike steps could not be lawfully taken by the President with the neutrality law upon the statute books. Then came the proposals to change the law, amend it, and repeal it. It is these proposals that are now pending before the committee, starting

Two bills, one by Senator Lewis and one by Senator King, propose outright repeal of the Neutrality Act. One bill, that by Senator Thomas of Utah, proposes to amend the act in such way as would give the President and Congress power to invoke the act only against nations at war which are found to have violated treaties in going to war. But the proposal that is in the forefront for consideration of the committee and the Congress is that offered by Senator PITTMAN and known as S. J. 97. This is comoffered by Senator Pittman and known as S. J. 97. This is commonly referred to as the cash-and-carry proposal, but it should be carefully noted that it is in no wise the kind of cash-and-carry plan about which people have been talking all these years. Nor is it the kind of cash-and-carry plan that is now the law.

The Pittman proposal is that all commodities, including arms, ammunition, and implements of war which are now barred to export in time of war under the existing law, shall be placed on

a cash-and-carry basis. It is easy to see the result of success for that proposal. That plan in law would open our doors to any nation at war that wanted to buy anything from us.

What is the purpose of this Pittman proposal? I do not want to ascribe any unfair motives to its sponsors, but the truth remains that it is generally conceded that the proposal has in mind American help for England and France especially. They, it is felt, are the only European countries which, in time of war, could hope to be able to pay for what they wanted and carry it away in their own ships. However true that may be, the fact remains that it would in no sense be a neutral act.

The great hue and cry by those who criticize the existing neutrality law is that the law has been proven a failure. When pressed for a demonstration of its failure, the critics invariably like to point to how the law has not worked in the case of the

like to point to how the law has not worked in the case of the conflict in China. Japan is helped by our law, they say.

I agree that the United States has been of large help to Japan in its conquest of China. But it hasn't been because of the Neutrality Act. Rather it has been because the President has denied that a state of war exists in China. If he were to acknowledge it, then the neutrality law would of necessity have to be invoked by him. If it were invoked, it would have crippled Japan seriously, perhaps have made impossible Japan's tremendous progress in China. Why hasn't the President invoked the law? His Secretary of Commerce once declared that to invoke it would cost the United States much foreign trade. In other words, in order to keep the profits available from the conflict in Asia the President would simply ignore that there was a war. So we see profits from war once again playing the same part that they played 22 years ago in wearing down our resolution to stay out of other people's wars.

The neutrality law is not proven a failure because of the ex-

The neutrality law is not proven a fallure because of the experience in Japan and China. It hasn't been used there. If there perience in Japan and China. It hasn't been used there. If there is any failure of ours to which Japan's success is traceable, that failure is the President's failure to do what the law tells him to do. And incidentally, if it be said that the neutrality law is a failure and ought to be amended, how would the Pittman cash-and-carry plan afford the remedy? Under the Pittman plan, in the event of war between Japan and China, obviously Japan would be the only one able to come and pay for what they wanted and furnish the ships in which to carry their supplies away. So let no one look upon the Pittman proposal as one that would in any way improve American relationship toward China. The truth is that under the Pittman bill, the Chinese would be in far more desperate position than they are today, without the neutrality law invoked, or far worse off than they would be if the Neutrality Act in its present form were invoked. form were invoked.

The neutrality law is a failure! So they say. Why is it a failure? Wherein has it failed? The truth is that it has not failed. It cannot have failed until its great and primary purpose has been lost. What is that purpose? To keep the United States out of other people's wars. Can anyone point to where that purpose has been lost? Will someone please explain how existence of the neutrality

lost? Will someone please explain how existence of the neutrality law is going to get us into war?

The truth of the whole controversy is that the Neutrality Act, even with its present shortcomings, is the only bulwark which the American people have been able to build and maintain that helps them fortify their resolve to stay out of other people's wars. And they had better be waking up to what is being undertaken at this hour or they will less that

hour or they will lose that.

I have spoken of shortcomings in the present law. Some of us I have spoken of shortcomings in the present law. Some of us pointed to them when they were written into the law. They can be corrected by congressional amendment, and Senators Clark of Missouri, Bone, and myself have proposed the amendments. They are incorporated in Senate Joint Resolution 106, which is pending before the Foreign Affairs Committee along with the other proposals to which I have referred. This resolution would not leave it to the President alone to find when a state of war exists, but provides that Congress may find by resolution a state of war to exist, whereupon the President would have to obey and administer the provisions of the Neutrality Act. Our resolution provides also for the abandonment of the discretion which is left with the President to determine when to invoke the cash-and-carry section of the law. Under our proposed amendment he would have to President to determine when to invoke the cash-and-carry section of the law. Under our proposed amendment he would have to invoke the cash-and-carry provision at the same time he invoked the arms embargo, and he would have to make the cash-and-carry provision cover all commodities not covered by the section forbidding any arms to nations at war. One or two other elements of Presidential discretion are removed by our amendment. On the whole, it is the purpose and wish of Senator Clark of Missouri, Senator Bone, and myself, through our amendment, to tighten the neutrality laws—to improve upon the provisions which are to help keep our country out of other people's wars.

Let there be no mistaking the present challenge and the issue involved in that challenge. The line is clearly drawn. The decision must be for a policy of law that will fortify America against being drawn into other people's wars, or for abandonment of such fortifying steps as have been taken and their replacement by a policy that leaves the Executive free to pursue a course of seeing how near he can get to the fires and hates of Europe without burning his fingers and because of the burn, inviting an insult to all the people of America that would take us to war.

burning his fingers and because of the burn, inviting an insult to all the people of America that would take us to war.

Let us not close our eyes to a fateful disastrous experience which found us in 1914, 1915, and 1916 determined to stay out of Europe's war. Let us not forget that that European war, even while we were neutral, paid tremendous profits to some Americans and that every time, without one exception, when those profits came in conflict with American desire to remain neutral, that desire for neutrality was set aside to make room for further profits. Our appetite for those profits got us into constantly deeper water until we came to that inevitable day that Ambassador Page best described when he said in a cablegram to President Wilson: "The pressure of this approaching crisis has gone beyond the ability pressure of this approaching crisis has gone beyond the ability of the Morgan financial agency, for the British and French Governments. * * * Perhaps our going to war is the only way in which our present preeminent trade position can be maintained and a panic averted."

and a panic averted."

If we are really going to succeed in staying out of other people's wars, we are going to have to divorce ourselves from the profits available from other people's wars. A cash-and-carry basis on all commodities in time of war is not going to help us materially, and it certainly cheapens America to put herself on a basis of cash and carry in the name of peace. If we are going to stay out of other people's wars, we are going to have to learn to mind our own business and to keep minding our own business however much the President or anyone else may want to meddle in foreign affairs or lead the hosts in splendid sounding causes.

Surely I would like to see a world peace accomplished and made

foreign affairs or lead the hosts in splendid sounding causes. Surely I would like to see a world peace accomplished and made permanent. But by what right do we Americans today assume that those we are choosing as allies, England and France, for example, are wanting the same thing when we know full well that nothing would please them more than to see Russia and Germany, for example, at each other's throat?

Assuredly, like millions of other Americans, I should like to see democracy safeguarded. But wouldn't it be well to know what kind of democracy our allies would like to help save? Wouldn't it be well for we, ourselves, to know what kind of democracy we wanted to save? Whether it was the Chinese kind, the Ethiopian kind, the sort that Austria had, the kind that Czechoslovakia entertained, the Polish kind, the Rumanian kind, or the Jersey City kind. City kind.

Heaven forbid that day when America finds herself entangled with other foreign nations in war until we can have two definite assurances:

First, that we are not simply fighting to maintain a status that was afforded by the terribly unjust treaty that grew out of the last war to make the world safe for democracy; second, that we have some reasonable assurance that another time when we go to the defense of great causes, we are going to win the causes as

well as the war.

Until we can have that kind of assurance, until we can know clearly and definitely what we are doing, let us with determination.

maintain the strictest kind of law which will help us to avoid the pitfalls that took us into the war in spite of our resolve, and let us be more largely devoting ourselves to the saving of our real democracy by proving that we are capable of solving the problems which are so threatening to our own people. Mind our own business is splendid policy right now, and there ought to be readiness in acknowledging that we've got a large degree of it to tend to if we care about our own future.

While I think I know the mind of the American people as one

While I think I know the mind of the American people as one determined to stay out of other people's wars, I cannot too energetically warn them tonight that if they would best save their purpose, they will make their determination known to those who represent them in Washington, and they will protest against the wrecking of the Nation's neutrality law which, I repeat, would more properly be called the law to help America stay out of other receivable week.

people's wars.

people's wars.

There are those who will be inclined to attack anyone who criticizes the direction which his country pursues in foreign relations in critical times like these. They will follow by saying that to oppose the administration effort now to amend the neutrality law is to lend aid and comfort to European dictators. I hesitate, law is to lend aid and comfort to European dictators. I hesitate, and others hesitate, to do and say those things that might lend such comfort. But if men choose now to destroy the American fortification against being drawn into other people's wars, there is no alternative left than that of standing up and fighting back whether or no it gives comfort to dictators. And if it does give such comfort, let it be definitely asserted here and now that the responsibility for it rests with those who would tinker with, weaken, and change the neutrality law.

Freight Rates

EXTENSION OF REMARKS

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES Thursday, April 6, 1939

RADIO ADDRESS BY HON. TOM STEWART, OF TENNESSEE, ON APRIL 4, 1939

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD the very able address on the subject of Freight Rates delivered by the distinguished junior Senator from Tennessee [Mr. Stewart] last Tuesday over the Columbia Broadcasting System.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There are many things about which I might talk during the few minutes given to me on this radio hook-up-things of interest

few minutes given to me on this radio hook-up—things of interest to me here in Washington and things that I believe might be of interest to those who happen to be listening in. However, I have chosen but one subject—a subject which is somewhat controversial and which is of especial concern to the South and much of the West; that is freight rates, charges that are made for shipping commodities throughout our country.

It is a fact that has not always been generally known among laymen that freight carrying charges are not uniform throughout the United States. I mean that we do not have a national freight-rate structure, but regional structures, which are the outgrowth of an indifference in the beginning and later a helplessness on the part of those who a few years ago began the fight seeking a correction, to accomplish anything because a too powerful influence had grown up and alined itself against a change.

By regional freight structures, I mean that the United States

By regional freight structures, I mean that the United States was divided into major zones or territories and that freight hauling charges are different in the different zones. We have the eastern zone, the southern zone, the southwestern zone, the western trunkline zone, and the mountain Pacific zone as the five major zones, and in some cases we find the major zone itself divided into sub-

zones.

The rate in one zone or territory does not always match that of another zone or territory, even on the same commodity for the same mileage haul. It is my belief that this situation which pre-vents the free flow of commerce within our United States hampers vents the free flow of commerce within our United States hampers the development of the Nation as a whole, and that a uniform principle of rate making should be adopted and an equality of rates established to the end that all sections of our Nation might develop commercially. There no longer seems to be any real reason why freight rates should be different in any section of the United States; nor does the erection of such rates seem to have followed any predetermined and orderly plan. Like Topsy, they "just grew up," and really existed before the people knew much about it.

We do find that in the last few years there is more harmony in the rates than once existed, but the situation is still incomprehensible to the man who pays the freight. I want to give you some illustrations or comparative figures which will actually show to you the absolute unfairness of these man-made barriers—for to you the absolute unfairness of these man-made barriers—for instance, a shipment of first-class freight from Chattanooga, Tenn. (in the southern territory or zone), to Chicago, Ill. (in the eastern territory or zone), a distance of 592 miles, bears a rate of \$1.70 per 100 pounds—while a shipment from Philadelphia, Pa., to Toledo, Ohio (both cities within the eastern territory or zone), bears a rate of \$1.23 per 100 pounds and the distance is only 3 miles more than from Chattanooga to Chicago, or 595 miles. The Chattanooga shipment costs 47 cents more on each 100 pounds of freight. The same general figures and differences apply throughout the southern territory. Take these figures—a shipment of firstfreight. The same general figures and differences apply throughout the southern territory. Take these figures—a shipment of first-class freight from Austin, Tex., to Cincinnati, Ohio, bears a rate of \$2.70 per 100 pounds, while from Cincinnati, Ohio, to Bangor, Maine, it costs only \$1.67 per 100 pounds—actually a difference of \$1.03 per 100, while the distances are almost the same. That is to say Austin to Cincinnati is 1,097 miles, while Cincinnati to Bangor is 1,098 miles. Look at the figures of a first-class shipment of freight from Wichita, Kans., to Youngstown, Ohio, a distance of 914 miles—the rate is \$2.20 per 100 pounds. Yet Dayton, Ohio, can ship to Portland, Maine, 911 miles at \$1.49 per 100 pounds, a difference of 71 cents per 100 against Kansas. A shipment from Fargo, N. Dak., to Indianapolis, Ind., costs 51 cents more than it costs to ship from Indianapolis to Providence, R. I. Again tell me why it is that Cheyenne, Wyo., and Denver, Colo., must pay nearly \$1 more on the 100 pounds of first-class freight going to Chicago, than Chicago pays moving the same freight an equal distance eastward? eastward?

I wonder what the people of Minnesota, Iowa, Arkansas, Nebraska, Missouri, Louisiana, and other Midwestern and Southern States think about these unfair and oppressive rates? I wonder why they have this long tolerated such unfair discriminations?

It is the purpose of a group of Members of the United States Senate to bring about a correction of this situation if such is possible, at this session of the Congress, but we are being met

by a powerful resistance, as might be expected.

It so happens that I come from a Southern State, a State in that section recently referred to as the "Nation's economic problem No. 1." Like certain other sections of the Nation, we have paid freight tributes for many years—our growth has been hampered and actually we have become a "No. 1" problem. We of the South do not want a preference over other sections and we do not want to see any section have unfair advantage over another section—this is a national problem and should be dealt with as such and all sections put upon an equal basis.

In the eastern zone or territory, lower freight rates are enjoyed than in any other territory. The States within this zone are actually enjoying rates so low that no other section of the United States can compete. The shackles of discrimination in the making of freight rates have been forged so fast about the ankles of southern industry that economic progress is impossible in that section. Economically, the South is held in chattle slavery and no avenue of escape is seen so long as these discriminatory freight rates exist. We are treated as might be colonial possessions.

I believe that when the Nation as a whole knows of these in-

rates exist. We are treated as might be colonial possessions.

I believe that when the Nation as a whole knows of these inequalities they will not continue to tolerate them. More wars have been won by starving the enemy than by the use of lead and steel to slaughter soldiers. There is no substitute for bread and education; these things are necessary to the well-being of any people; deprived of them, men do not make good citizens. It is a terrible thing to think that one section of our great country would force upon other sections a thing that strangles economic existence, an arbitrary structure designed to prevent competition in the field of arbitrary structure designed to prevent competition in the field of industry—structures that are relics of a punitive policy which should have been buried long ago.

The argument is advanced that the South and other less-favored rate sections can afford to pay larger sums for transportation because of their lower wage scale. I can see no merit to this argument, for I believe that higher freight rates have had more to do ment, for I believe that higher freight rates have had more to do with the low industrial wage scale in the South than any other one factor. Certainly the southern manufacturer, who must pay a higher freight-rate bill than his competitor in the eastern zone, cannot be expected to pay his labor a rate comparable with the eastern manufacturer and long remain in business. It is too much to expect when the hard dollar-and-cents facts are considered. My belief is that a leading of territorial freely protect with restar will result in belief is that a leveling of territorial freight rates will result in an equalization of wages. I know that southern industry wants to pay its labor more money and I know that freight rates have prevented it. The will is there. All southern industry asks is a way. I am certain that the establishment of a national freight-rate structure will point the way.

Surely the people of America won't let such unjust discrimination continue. I know that as a Member of the United States Senate I would not support or vote for any measure which had for its purpose imposing on any section of the country an unjust, unfair, and discriminatory measure which would place that section in a position unequal to the rest of America. Place all sections on an equal basis and eliminate territorial discriminations, the American way.

Unemployment, Alien Registration, and Immigra-

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, April 6, 1939

ARTICLES FROM THE WASHINGTON TIMES-HERALD AND THE GREENSBORO (N. C.) DAILY NEWS

Mr. REYNOLDS. Mr. President, I respectfully request unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD three clippings, all of which interest themselves, certainly to an extent, with the distressful unemployment situation existing in the United States today, and with national defense.

The first is from the columns of the Times-Herald, of Washington, D. C., of today, which is an endorsement—by the local Civitans Club-of my bill calling for the registra-

tion and fingerprinting of all aliens.

The other two clippings are from the "Public Pulse" columns of the Daily News, of Greensboro, N. C., by the pens of Mr. Grant Shepard, of Hillsboro, N. C., and Mr. Harry Daniels, a North Carolinian now residing in Washing-

These two latter clippings are particularly pertinent at this time when we are engaged in the discussion of the subject of unemployment in relation to the W. P. A. And further, these letters by Messrs. Shepard and Daniels are worthy now of note at a time-this hour-when some are advocating the letting down of our immigration bars and admitting millions of refugees from European shores to compete with the unfortunate unemployed of America. I avail myself, therefore, of this opportunity to thank both Mr. Shepard and Mr. Daniels for their letters to the Greensboro Daily News.

There being no objection, the clippings were ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald, April 6, 1939]

CIVITANS ENDORSE ALIEN REGISTRATION

Endorsement of the bills now before Congress to provide for the national defense by the registration of aliens in the United States was voted by the Civitan Club of Washington at a meeting yesterday at the home of Dr. Grant S. Barnhart, 1434 Rhode Island Avenue NW.

> [From the Daily News, Greensboro, N. C.] VINDICATOR

EDITOR OF THE DAILY NEWS:

This past week I experienced very considerable pleasure from reading the first number of The Vindicator, and also the speech of Senator ROBERT R. REYNOLDS delivered on the floor of the Senate

of the United States of America on March 22.

As a very humble member of the citizenship of this country who does not believe in "hair splitting" when confronted by a crisis, I immediately became a member of the Vindicators and wrote to Senator Reynolds offering my poor services in any way they might

be useful.

Having a very limited income, my usefulness is, naturally, greatly handicapped. However, by cutting out cigarettes and the one drink of whisky which I have been taking before supper, I can save a few dollars each month which can be devoted to this purpose.

Objection has been made to the shutting off of immigration for 10 years on the grounds that when the Constitution was written and adopted this highly creditable, altruistic idea was that this country should be a haven for all oppressed peoples, irrespective of color, race, or creed. This attitude is laudible. But when the situation reaches a point * * * like the existing situation * * * it becomes more laudable yet to temper altruism with a proportionate amount of practicality.

It is unreasonable to expect that those eminent gentlemen who drafted and enacted our Constitution could have imagined a condition such as the one which confronts us today. Those men who traveled to Congress on horseback, because the state of the roads

made wheel transport too difficult, could not possibly have visualized our section of the continent as it is with a population of 125,000,000 people. It would have been exactly as credible to them as to tell them that into a 10-gallon bucket, already filled with water, you could add more water and not have the excess over 10 gallons spill over the sides of the container. You probably would not have been given serious attention if you had told them that in 150 years there would be more men out of work in this country than was the entire population when they enacted the Constitution. And they would have called the doorkeeper to put you out had you And they would have called the doorkeeper to put you out had you suggested that it was possible to find in all the world the number of billions of dollars to feed these unemployed which have been found and distributed by the Roosevelt administration in the past

The man who maintains that within the next 100 years we will be looking for a place for our surplus population is far from a fool.

Unfortunately there has been a considerable number of the im-

be looking for a place for our surplus population is far from a fool. Unfortunately there has been a considerable number of the immigrant population of later years which can be very truly designated as undesirable.

The fact is that since their arrival here they have done all in their power to cause discord and revolt against the very form of government which has given them refuge from the danger of being penalized for precisely the ideas which they are endeavoring to cram down our own throats. A frank exposition of the absurd position that fool impractical ideas more than occasionally lead us into, we ignore if possible.

I recall once on an evening in 1920, I called upon on old comrade who had commanded H Company of the Twenty-third Infantry, when I had E Company. He lived in a large apartment house in New York City and had only just been discharged from Walter Reed Hospital, badly crippled as a result of wounds received in October 1918 at Blanc Mount Ridge. The doorman, the telephone operator, and the two elevator men were ex-German soldiers, healthy and strong. Endeavor, if you can, to understand my feelings, when all that day and for many preceding days, I had been working hard and with no success to find jobs for men who had been good soldiers in the Second Division, A. E. F.

That is just one experience, an incident of many. And, in the rough language of wartime infantry, it was being just a bloody plenty too altruistic. As I understand the situation, we have a lawmaking body and an executive department, both National and State. It is my profound belief, based on no little research, that had the executives done what was necessary to enforce the laws already available it would not have been necessary for Senator Refynolds and his associates in Senate and House to take the position they have been forced into taking.

It is my belief that the President, the governors, the mayors,

position they have been forced into taking.

It is my belief that the President, the governors, the mayors, et al., have a very grave and just accusation coming to them in this particular connection at least.

GRANT SHEPARD.

HILLSBORO.

TELLS OUR BOB TO GO TO IT

EDITOR OF THE DAILY NEWS:

Go right ahead, Senator REYNOLDS, and "bang" away in the Senate, and keep on "banging" until such time as it may take to have passed your bills to make the United States free of "isms," Communists, Bolsheviks, and all activities conducted by aliens which go for the destruction of our American standards of

You will be bitterly attacked from time to time by the enemies of our democracy, and obstacles towering like mountains will be drawn in front of your efforts, and many will call you by different "handles," but your's is a good fight and will withstand anything directed against the accomplishment of it.

There are some so-called experts on the subject of immigration who would have us believe that the admission of immigrants go to make prosperity and decline unemployment. These expert advisers have, I believe, overstuffed themselves on "baloney." They say that "common sense" should tell us that for every one immigrant admitted to this country two or three jobs are created by the needs of the immigrant.

If this is common sense then the New Deal and all its programs have been entirely wrong to rid us of unemployment. I for one would hate like the devil to see our doors open to 12,000,000 immigrants for the purpose of stimulating business to solve the unemployment situation. If this is common sense, "I am from Missouri." Never mind about bringing in the 12,000,000 immi-

Missouri." Never mind about bringing in the 12,000,000 miningrants to prove it.

Again, if the claim of some experts is true, then we are not suffering from unemployment, but decidedly from a decline in our population. The conservatives and the anti-liberals on Capitol Hill tell us that they are getting rather tired of voting large sums of money to feed the hungry and the needy. Why not then stop the influx of immigrants?

the influx of immigrants?

The New Deal has studied the unemployment situation from all slopes and treated the unemployment generously with unlimited funds with the hope of reaching the cause of it. Never for one moment would I believe that the New Deal saw unemployment as due to the need of a larger population.

I don't think there is the slightest modicum of common sense in the idea of admitting immigrants to decline unemployment.

I would say to close the doors to immigrants for the next 10 years would do us no harm, despite the claim by some that immigrants add a stimulus to business in which decline and increase of unemployment works out its own problems.

WASHINGTON, D. C.

HARRY DANIELS.

The Silver-Purchase Program

EXTENSION OF REMARKS

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES Thursday, April 6, 1939

VARIOUS EDITORIALS ON THE SUBJECT OF SILVER

Mr. TOWNSEND. Mr. President, with further reference to editorial opinion on silver, I ask leave to have printed in the RECORD six editorials on this subject.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Los Angeles (Calif.) Times] SILVER SILLINESS

The Secretary of the Treasury is now quoted as saying that ne does not believe the administration's policy of unlimited buying of silver, even at a price 50 percent above the world quotation, can ever raise our stock of the metal to one-fourth our gold holdings. Nor does he see any prospect of getting the price of silver up to

\$1.29 an ounce.
Since the two objectives constitute the whole purpose of the Silver Purchase Act, and there is no hope of ever attaining them, or either of them, why persist in it? Mr. Morgenthau's sole remaining defense is that it increases the buying power of silver-

Suppose it does; why should we make them a present of the money wherewith to buy our goods and the goods of rival countries as well? What we pay for every addition from domestic sources to our vast and useless stock of silver penalizes 97 out of every 100 of our own citizens for the benefit of the remaining 3, who happen to be in the silver-producing business. The rest of it helps, among other things, to promote Mexican seizures of American property.

[From the Jackson (Miss.) News]

The United States has continued to purchase Mexican silver, despite the expropriations and the increase in tariffs on American goods. * * * It might be well to remind Mexico, quietly but firmly, that this Nation will find itself unable to purchase silver after June unless the good-neighbor overtures find some practical response.

[From the Clarendon (Tex.) News] WHEN GOOD NEIGHBORLINESS PROMOTES BAD

Texans are more interested in the Mexican situation than most Texans are more interested in the Mexican situation than most other States by reason of our border line with that Republic. Texans have been outstanding in their support of a "good neighbor" policy toward our neighbor to the south, but continued acts of ill-faith and downright banditry on the part of the Cardenas administration have about exhausted the patience of citizens of the Lone Star State. Star State.

Star State.

Mexico has stolen hundreds of millions of dollars worth of American-owned properties at different times—principally American oil properties. Mexico takes these products and barters them with enemies of democracy in Europe. What are we doing about it?

We have a remedy. The United States has no reason left to buy Mexican silver. We don't need it. Still Mexico sells us her silver at prices that have been inflated so high above the world market through taxation and other processes that it costs as much as domestic silver. Why continue this folly just "to help them out"? All the United States needs to do to bad neighbor Mexico is to stop soft soaping her. And one way to quit soft soaping her is to quit buying her silver. That's a practical way to reform a bad neighbor.

[From the New London (Conn.) Herald]

The administration continues to pay 64.64 cents an ounce for sliver, against the world price of 43 cents. This gives the western silver-producing States a bounty of about 50 percent. The Government now has 2,500,000,000 ounces in storage. A profit of about \$1,000,000,000 so far has been handed to the silver producers in the small group of silver States.

The silver trick was supposed to raise domestic commodity prices. If it had done so, millions of Americans would have been paying much more for what they eat. But the farmers have been suffering from lowered prices instead, and were it not for the Government checks they would have even less income. So we pay the billion profit to the silver producers and the billions to help the farmers. And in spite of everything the boys show signs of not voting right

[From the Lockport (N. Y.) Union Sun and Journal] TREASURY'S FOREIGN POLICY

Events move rapidly in Washington. In its jittery atmosphere a calm Senator warns that our Government is cultivating a "holy war spirit"—a remark that deserves to be hung on the time copy hook for future reference.

Secretary of the Treasury Morgenthau appearing before a special Senate committee failed to give definite data concerning the purchases of silver from Mexico and other nations. "Under the direction of Congress," Mr. Morgenthau said, "the Treasury buys each day all the silver offered to it. We have no way of knowing the origin of that silver."

Naturally the United States keeps books and those books must Naturally the United States keeps books and those books must show how much silver the United States bought from Mexico. Also how much Chinese silver, and the reduced amounts as the area of China is diminished by warfare. But it is now said that we are still being flooded with China's silver, although through another medium, Japan, mowing its way through North China, has seized the remaining silver supplies of that country, and it is Japan, an eastern totalitarian state, not China, that is now reaping the benefits of our silver-purchase policy.

Mexico confiscated American and British-owned oil and bartered it to the western world's totalitarian states. Our silver purchases

Mexico confiscated American and British-owned oil and bartered it to the western world's totalitarian states. Our silver purchases are a great aid in making this possible, as it furnishes much needed revenue to bolster Mexico's shaky financial structure.

The whole silver policy is based upon unsound economic theories. It is an expensive luxury to load on the backs of the already overburdened taxpayers. The justification for the continuance is a domestic subsidy. Certainly there is none for the continuance of the foreign silver buying, particularly as it is not only driving the world off the silver standard, but also giving aid and comfort to the totalitarian nations at the expense of the democratic nations. democratic nations.

Secretary Morgenthau would perform a service to his country if he would explain the Treasury's inconsistencies of silver purchases and leave the determination of the foreign policy of our Govern-ment with the State Department, where it belongs.

[From the Savannah (Ga.) News] SILVER SUBSIDY ILLEGAL?

The whole 6-year \$60,000,000 silver-subsidy program is without legal authorization, according to Neil Carothers, dean of the college of business administration, Lehigh University, in the last of six articles on silver in the current issue of the Annalist.

articles on silver in the current issue of the Annalist.

The domestic subsidy and the general silver-purchase program are two entirely different things, according to Professor Carothers, and a suit by some harried taxpayers to stop the subsidy might have some exciting consequences. Congress never has passed a subsidy law, he points out. It has never specifically approved the subsidy. It has never at any time given any indication that it would in sober judgment have the hardihood to pass a law making cash presents year after year to a group of corporations. In the murky obscurity of the monetary hysteria of 1933 and 1934 it was possible to "get away with anything." The general public, after 6 long years, is gradually coming to understand the character of our monetary measures, and any Member of Congress who votes for a continuance of this subsidy will very likely find himself before the bar of public opinion. bar of public opinion.

bar of public opinion.

Undesirable as the subsidy to domestic producers is, the general silver policy under the Silver Purchase Act is far more vital to the Nation's welfare. A leading newspaper has recently taken the position that the whole silver program belongs "essentially in the category of cheap political chiseling." It is far more than that. It may wreck the finances of the Nation before it is done. The flood of gold pouring into this country from the distressed nations of Europe has waxed and waned from month to month, but the vast purchases of silver bullion have failed to establish the 1-to-3 proportion required by the Silver Purchase Act. The Treasury kitten is still chasing its tail.

The silver Senators demanded that the country "do something"

The silver Senators demanded that the country "do something" for silver, "do something" for China, "do something" for Mexico. We did something for silver and got a millstone around our necks. We did something for China and that unhappy country had its financial system wrecked just at the time when a relentless enemy mancial system wrecked just at the time when a relentless enemy was attacking her. Having wrecked the finances of China, we have been buying her silver since to keep her alive while she fights a war. We did something for Mexico and the result would fit well into a Gilbert and Sullivan opera if it did not belong in a tragedy. The New York Times recently reported that the leading newspaper of Mexico has declared that our large Treasury purchases of silver from Mexico provided the funds which enabled that country to seize and hold oil properties of American citizens. Let Us Have Economic Justice for Our Rural People

EXTENSION OF REMARKS

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

Mr. MURRAY. Mr. Speaker, I wish to call your attention and the attention of the Members of this House to the serious. deplorable, and chaotic condition of the unorganized and poorly protected farmers of America. These people are more disheartened, gloomy, and more at sea than they have been any time the past 20 years. For 10 years this unorganized, unprotected group of farmers has been contributing from 25 percent to 35 percent of the cost of feeding this Nation, and that includes the general public as well as the people on relief. History records that in times of political or economic upheavals the rural people carry more than their share of the load, and in recent times the Russian peasants and the farm people of our own country are striking examples.

I trust my remarks will be economically sound and as non-

political as possible.

For over 2 months I have been constantly hearing of the problems of the world, and I would like to begin to hear something of the problems of the farm people of Wisconsin, Minnesota, Iowa, and the rest of the United States. In fact, I believe the time has come when we should more fully realize that "charity begins at home."

OUR ECONOMIC LIFE

Our economic life, although deeply interwoven, is usually divided into labor, agriculture, and capital, and our every effort should be to obtain a fair relationship between the three. In these three groups we have organized and unorganized labor, organized and unorganized capital, organized or protected agriculture, and unorganized and weakly protected agriculture.

Organized capital, such as stock exchanges, banks, mortgage companies, finance companies, and tax-exempt bonds, is in a position to exact its fair share from society. Unorganized capital, like the small investor who may not be able to find a very remunerative place to invest his funds, is not of my particular interest today. Organized labor and organized agriculture—where they have bargaining powers with laws to help enforce them-are not of my discussion today.

UNORGANIZED LABOR

I wish, Mr. Speaker, to call your attention and the attention of the Members of this House to the serious problems of the unorganized group of labor and its relation to unorganized agriculture.

To me, the W. P. A. is simply a subsidy to unorganized labor. I think every normal man should have learned in the past 10 years that he is, and should be more or less,

"his brother's keeper."

I have been living in close contact with these men on W. P. A. and I appreciate many of their problems. This subsidy to unorganized labor of the W. P. A. compares favorably with corn-hog and soil-subsidy checks to farmers and tax-exempt-bonds subsidy to capital. New jobs through improved agricultural and business conditions will work for gradual reduction of the W. P. A.

I believe that if the American laborer and the American farmer had produced and processed the 86,000,000 bushels of corn, the 371,000,000 pounds of barley malt, the 494,000 head of livestock, and other enormous agricultural imports of 1937, both labor and agriculture would have profited thereby. If W. P. A. labor had produced and processed this \$868,000,000 worth of imported, competitive agricultural products, the relief rolls would have automatically been reduced.

Let us abolish the \$10,000 soil-subsidy checks to big corporation farmers and stop issuing tax-exempt bonds to capitalists while we are working out this problem of the unorganized labor people on W. P. A.

I think everyone of us can have a little more sympathy with the view of the W. P. A. worker getting \$12 a week, when he knows that corporation farmers are getting up to \$10,000 per year from the Federal Treasury and when he views the subsidies that are being enjoyed by capital in its many phases.

UNORGANIZED AGRICULTURE

It is not my intention to give a rehearsal of all of the ills of agriculture, but it is surely fair that we take a little time to

get a picture of this-our greatest industry.

Fifty million additional acres of land were put under cultivation at the time of the World War and this has hung as a millstone around the necks of the farmers of America ever since that time. These are more or less floating acres and by floating acres I mean acreage that can be shifted into most agricultural crops that can ruin the market for almost any crop. We must always remember that we have sufficient land in this country on which to raise enough food to feed at least three times our present population and that this food will be produced any time there is a price incentive or satisfactory market to justify its production. Let us at least see what these 50,000,000 wartime additional acres and other influences have done to the national farm income of this country. Chart 1 shows:

Year	Total real- ized national income (million dollars)	Realized income from agri- culture (million dollars)	Percent
1920	68, 434	10, 569	15. 44
	70, 051	9, 048	12. 90
	72, 398	6, 761	9. 33
	56, 254	5, 517	9. 80

Source: National income in the United States 1799-1938, National Industrial Conference Board, pp. 7 and 65.

Figures also show that the rural people of America, representing over 25 percent of the population of this country, have for many years been receiving from 6.2 percent to 9.8 percent of the national income. This same group of people have, or should have, over 50 percent of the buying power of this country and it is only fair and reasonable to assume that this great group of people must have their share of the national income if they are going to buy the products of industry.

RELATIONSHIP OF INDUSTRIAL WAGES TO FARM PRICES

We all know that industrial wages must be sufficient to buy agricultural products and we know that this is particularly true of dairy products.

Chart 2, giving data from the United States Bureau of Labor Statistics, shows the dependence of factory pay rolls on farm income. "All primary purchasing power originates in the soil, except that obtained from fisheries and mines. When farm income goes up, factory pay rolls invariably follow, but they do not lead the procession. One is cause, the other effect. It is high time for American industry to forge an alliance with American agriculture, using the tools of modern science."

Chart 3 shows that since 1920 farm prices have been way below industrial wages, and also, that farm prices have been below the level of living costs.

I am not so interested in talking today of the relation between this scale of industrial wages and farm prices as I am interested in raising the farm prices for the 25 percent of the people of this country who live on our farms. This is not to say, mark you, that I want to bring industrial wages down, but I know and I think you know, we must lift agricultural prices up.

PROTECTED AND UNPROTECTED MILK

Chart 4 shows that protected milk brings twice as much as unprotected milk. It also shows the difference between the prices that the protected dairyman gets for his product that goes as fluid milk to the cities, in comparison with the

price paid the unprotected farmer whose milk finds its way to the manufactured dairy products such as condensed milk, cheese, and butter.

Another concrete example is better found in our grocery stores right here in Washington, D. C., where it costs 14 cents to buy a quart of milk and where a pound of good Wisconsin cheese can be bought for 14 cents, and please remember that it takes about 5 quarts of milk to make a pound of cheese.

Mr. Speaker, what are the constructive things to do to give economic justice to our rural people?

First. Let us quit boasting of our agricultural greatness and give more attention to the justice of the individual who is trying to make a living on his farm. I am not so much interested in telling you that Wisconsin produces a billion pounds of condensed milk a year, 175,000,000 pounds of butter, or nearly one-half a million pounds per day, or nearly a million pounds of cheese a day, as I am to have you know that this butter and cheese is being sold at less than two-thirds of what it costs to produce it. I am not so interested in telling you that 1 cow out of every 100 in the United States is in my district—286,000 cows in my district and 25,000,000 cows in the United States—as I am that the milk from this one cow is bringing less than two-thirds of what it costs to produce it.

Please remember that we have more dairy cattle than we have people in my district, so you can readily see what this loss of income means to the business and economic life of this region.

Second. Let us lower direct and indirect taxes so that business can improve and buy the products of our farms. Many farm leaders think that the best method of helping agriculture is by helping industry and business so that they can in turn employ labor and labor can buy the farmers' produce.

Chart 5 shows the comparison of Wisconsin farm taxes, gross income, and land values from 1910 to 1938, and the conditions in Wisconsin are typical of all agricultural States. This chart points out that, while high taxes have steadily been maintained during this period, gross income and farm values, as everyone knows, are at a very low level.

Let us remember that we have 58 hidden taxes on a loaf of bread, 32 hidden taxes on a can of peaches, 45 hidden taxes on sugar, 38 hidden taxes on a pound of bacon, and $1\frac{1}{2}$ -cent hidden taxes on every quart of milk, and that 23 cents of every dollar that we spend goes for taxes.

If taxes are paid by the sweat of the worker's brow, the present low farm prices are surely doing worse than that—they are sweating out the lifeblood of the unorganized rural people of America at this time. The result is that thousands of them do not now have a standard of living comparable with the low standard of W.P. A. workers today, and in many areas 30 to 40 percent of the farm loans are delinquent.

Third. Let us put farm interest rates in keeping with the value of money. I contend that if the banks cannot pay over 2 percent for money, farmers are entitled to lower interest rates at this time, as farm loans are by far the best security in America today. Up to the present time Federal land-bank loans have been made to farmers with interest rates ranging from 4 to 6½ percent, and I believe that a definite policy should be established as to these loans, because after June 30, 1940, a new program will of necessity have to be set up.

Chart 6 shows the negligible drop in interest rates on farm mortgages from the prosperity year of 1928 and the depression year of 1937. It shows that in 1928 interest rates were slightly more than $5\frac{1}{2}$ percent, while in 1937 the rates continue to range well over 5 percent.

Fourth. Let us be frank enough to say that the so-called reciprocal-trade treaties have worked, and are working, an injustice to the American farmer and the American laborer, and that the farmer and the laborer are being "crucified on the altar of world commerce" today. These so-called trade treaties have been a stumbling block to every constructive farm program presented for the welfare of the farming and laboring people of this Nation for the past number of years, and I include the present farm program.

The time has come when we must face the consequences as to the effect of these trade treaties. When Congress delegated the power to make these treaties it assumed a grave responsibility. While there is considerable doubts as to the legality of these treaties, as they were never ratified by the Senate, there is one thing certain about them and that is that the Congress did not have the moral right to extend the power and authority of these treaties to any one man to have control of the milk checks of every farmer in America and the grocery bill of every citizen of our country.

Chart 7, covering the years from 1935 to 1937, inclusive, shows a normal price fluctuation of cheese. The chart should also convince the most skeptical person that there is something to farm prices except "supply and demand."

The price of cheese went from 17 cents per pound to 12½ cents per pound when the renewed reciprocal treaty went into effect and at the same time the storage was reduced from 99,572,000 January 1 to 85,798,000 pounds on July 1, 1936.

It is generally known that when a cargo of butter arrives at one of our ports it is easy for it to have a very depressing effect upon the millions of pounds of butter that are being produced and that are in storage in the entire country.

We must recognize that the psychological effect of supply and demand can be, and is, just as effective and deadly as actual supply and demand. It has often been said, "if you scare a man to death by threatening to shoot him, he is just as dead as if you had shot him."

If this is to be only an industrial country and not an agricultural one, let us be honest enough with the farmer to tell him so in order that he may farm accordingly.

Let us convince the industrialist that he cannot trade part of his wares for South American beef and expect the livestock raisers of this country to be able to buy the rest of his products.

Let us let the people know that our total exports in 1937 were \$3,345,158,000 and our imports \$3,084,061,000, or a favorable balance of \$261,097,000—but in 1937 we exported \$776,084,094 worth of war supplies. Deducting these war supplies we had an unfavorable trade balance of \$514,987,094. Who wants a favorable trade balance on the basis of war materials?

Let us realize that our big markets, our big business, is right here at home and that foreign markets absorb less than 10 percent of our production.

America is the richest market in the world, otherwise all the producers in the other countries would not be fighting to invade it under cover of the trade treaties.

Let us realize that the American farmer is entitled to the rich home American market. This is not his privilege—it is his vested right.

Let us follow the leadership of our colleague the gentleman from Michigan [Mr. Crawford] and raise more of our own sugar in the splendid sugar-beet fields of Wisconsin, Montana, Minnesota, Iowa, Michigan, California, and other States. Let us work and plan to raise more sugarcane in Florida and Louisiana, and let us realize that our imported sugar is coming from where maximum labor costs are 12½ cents per hour.

Let us give the American laborer American pay. Let us give the American laborer the American standard of living in producing this sugar.

Let us investigate and find out what the trade treaties have done to the glass and pottery workers in the factories of America.

Fifth. Let us abolish noneconomic artificial trade barriers between States. Inspected milk is selling for 3 cents a quart on the farms in my home county in Wisconsin. The freight rate from there to Washington, D. C., is \$1.30 per hundred when shipped in cans. The railroads do not have any tank-car rates, as no milk is being shipped that way, but I think I would be safe in saying it would not be over \$1 per hundred, or 2 cents per quart. Why 14-cent milk when we have a national surplus is surely a fair question to ask?

I wondered the other day when we had the local milk question up and we heard about the health problem if the Congressmen who voted to extend the power to make the trade treaties forgot to insist on a health chart on the cattle that produce the imported butter and cheese. We surely should demand that these imported dairy products come from cows as clean as our own. We have spent millions of dollars of the taxpayers' money of this country in eradicating livestock diseases and the dairymen of this country can well ask that imported dairy products meet the requirements of their own.

There is just one thing I must mention in connection with the so-called reciprocal-trade treaty with Great Britain. The duty on wool rags was cut in half, being reduced from 18 to 9 cents per pound. It seems that the State Department thinks it will "meet a demand in this country not filled by domestic production." I do not know exactly how to interpret this statement or the significance of the import, but I know one thing for sure, and that is, if the present farm prices prevail much longer, there will not be any need of importing rags as our farmers will have an ample supply of their own.

Sixth. Let us quit subsidizing people and influencing them to start farming as long as the present low prices prevail. There are no doubt lawyers in our midst and I have often wondered what their reaction would be if the Government would subsidize lawyers in their home towns and furnish them lawbooks and offices, as has been done for new farmers in our rural areas the last few years. I think you know the answer.

Seventh. Let us quit appropriating money to put large new acreages under irrigation, and then subsidize millions of acres in our older farm sections to take them out of production, and then turn around and import products of millions of foreign acres.

Eighth. Let us quit subsidizing big corporation farms. If we are going to subsidize any farmers, let it be farmers that own, operate, and live on their own farms or only the familysized farms, the real agricultural people.

Ninth. Let us educate the general public to realize that if a pound of cotton or a certain amount of cheese, butter, wheat, or any other farm produce requires 1 hour of labor, that this farm labor and the farmers are entitled to a minimum wage as well as any other citizen in this country, and I doubt if any honest man will deny it.

Tenth. Let us educate the public that the time has come when the farmer is entitled to domestic allotment price, parity price, or cost of production for all products that are consumed in this country. Let us bring home to the people that the farmer is entitled to a floor under his agricultural prices, which will act as a ceiling for his hours as well as anyone else. Let us educate the public that the cost of production or parity price of farm products is just as easy to compute as is a fair wage for labor or a proper return for capital.

On January 11, 1939, on this floor, you will remember, it was brought up that a certain class of labor on W. P. A. was getting 18 cents an hour in Tennessee, and a comparatively few miles away in Illinois \$1.02½ per hour was being paid for the same class of labor. This differential is based, it is claimed, upon so-called living wage ratios of the two localities. Which one is the living wage ratio—the 18 cents per hour or the \$1.02½ per hour?

What is a fair return for capital—is it seven-eighths percent call money; 2 percent paid by the banks, or the 20 percent of the finance companies?

In my mind, Mr. Chairman, it is just as easy to ascertain agricultural production costs as it is industrial production costs.

CONCLUSIONS

Let us not be unfair to previous farm programs because we at least have had a farm program.

Let us all try and look at this problem constructively and appreciate the fact that it is fundamental to the economic safety of this Nation. Thus it utterly transcends party considerations or partisan prejudices.

I think it would be far from reasonable if we do not frankly admit the beneficial points and the constructive lessons we have had and enjoyed from our farm programs.

Let us begin to realize that due to the generosity of the past Congresses agricultural colleges and agricultural high schools have been established all over the country and the country is honeycombed with men who have had high-school and university agricultural training and these men have a broad view of the interpretation of the needs of agriculture.

Let us be careful not to have our farm organizations have too much controversy as to whether domestic allotment, cost of production, or parity is the right term to use in order to obtain our goal; if we do, farm people will be divided as our organized labor groups are today. I am not so much interested in the name of this agricultural "child" as I am the welfare of this agricultural "child."

Let us note that the American farmer has begun to dissect the "weasel words" of the professional office seeker and that he is getting analytical of the "bedtime stories" of the professional politician.

Let us realize that we cannot subsidize five crops with a national farm value of less than one-half of the farm value of the many other farm crops, and expect to have a worthwhile program.

Let us keep all of the good things developed so far in these previous programs and put our energy to work for a plan that will be equitable to all branches of agriculture and to society.

Let us all, who can through our agricultural experiences, give constructive thought and suggestions to the gentleman from Texas [Mr. Jones], the gentleman from North Dakota [Mr. Lemke], the gentleman from Nebraska [Mr. Coffee], the gentleman from Kansas [Mr. Hope], and other agricultural leaders in this House to the end that the farmer can have a greater and deserved share of the national income, so our farmer can enjoy the benefits equally with the rest of the people of our Nation, and at the same time fulfill this vitally necessary function of being a successful consumer in the economic scheme of life.

Let us remember that Wisconsin is an agriculturally conscious, forward-looking State, where parity and cost-ofproduction theory has been in practice in the Wisconsin city milk supplies. Where somewhere near decent, honest, fair prices have been given the dairyman whose product has had this protective legislation. Whether our Wisconsin colleagues are from a metropolitan area, like Mr. Schafer and Mr. THILL, or a prominent lawyer like Mr. KEEFE, or a leading newspaperman like Mr. Bolles, or men with a lifetime of agricultural experience like Mr. Griswold and Mr. Gehrmann. or businessman and farmer like Mr. Hawks, or businessman, lawyer, and farmer like Mr. Johns, or lawyer, businessman, farmer, and newspaperman like Mr. Hull—and although I have no authority to speak for any one of them-I am certain you can be well assured each and every one of them will be found working for economic justice for our rural people.

In conclusion, Mr. Speaker, with the right leadership, I think this agricultural problem will in time be solved as nearly as well as we ever can expect to solve any of the problems of our economic life.

Let us make a start and give the American market back to the American farmer and bring the Government back to the people, and wholeheartedly devote ourselves to the economic justice of our rural people.

The Public Interest in Transportation

EXTENSION OF REMARKS

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 5, 1939

RADIO ADDRESS BY HON. FRANCIS D. CULKIN, OF NEW YORK, MONDAY, APRIL 3, 1939

Mr. CULKIN. Mr. Speaker, under leave to extend my remarks, I insert the following radio address which I made over

the red network of the National Broadcasting Co. Monday evening, April 3, on The Public Interest in Transportation:

Good evening friends: There are now pending in the Congress three bills which would seriously affect the economic well-being of every man, woman, and child in these United States. They are the Lea bill, the so-called Fletcher bill, and the Wheeler bill, and have to do with transportation. These bills were written by the railroads and will create a railroad monopoly of transportation in America by placing the complete control of all types of common carriers under the Interstate Commerce Commission.

the Interstate Commerce Commission.

The railroads, in their palmiest days, when they controlled whole States and were powerful at the seat of Federal Government, never enjoyed such power as they are given by these bills. The effect of this legislation is to make the international bankers—Kuhn, Loeb & Co. and J. P. Morgan & Co.—the actual managers of the class I railroads, the masters of American transportation.

I wish to state preliminarily that I make no war on the rail-

railroads, the masters of American transportation.

I wish to state, preliminarily, that I make no war on the railroads. They have played an important part in the development of America and are essential to our national life and progress. I will vote for any legislation which will enable the railroads to put their house in order, even to the extent of further loans from the R. F. C. But I am unalterably opposed to the creation of a transportation monopoly which will certainly slow our country down, if it does not destroy us nationally.

Distances are so great in the United States that adequate low-cost transportation is essential to the well-being of our people. In some sections of our country we have great surpluses of the products of agriculture and industry for which there are no sale. In other sections there is suffering because of the unsatisfied demand for these products which cannot be carried to the sections where they are needed because of the excessive costs of transportation. No relief for these groups can be had through this proposed legislation. On the contrary, it will put the American people in an economic strait jacket. strait jacket.

strait jacket.

The Interstate Commerce Commission is railroad minded, and bitter experience has shown that it is not concerned with the transportation problems of the farmer or the industrialists. The chief concern of the Commission, as is apparent from its written record, is to enable the railroads to continue to pay interest and dividends on their bonds, stocks, and other alleged assets, which theoretically represent the railroads' swollen and watered capitalization, much of which is obsolescent.

BOGUS VALUATION

DOGUS VALUATION

One fact will make this clear. The Commission's appraisal of the value of the railroads, made largely by railroad employees, is over \$26,000,000,000. The face value of the bonds and the par value of the stocks of the railroads are \$18,000,000,000. The present market value of the stocks and bonds of the railroads is \$9,180,000,000. It is a far cry from nine billion to \$26,000,000,000, but this fact has not deterred this railroaded-minded Commission from endeavoring to make the American people pay dividends on \$18,000,000,000 worth of value, which market reports show does not exist. I exempt from my condemnation of the Commission several members of that body who have, times without number, protested against this outrageous procedure.

Due to the demand of the National Grange that the farmers of the West be protected from the rapacity of the railroads, the Interstate Commerce Commission was born in 1887. It was supposed to be a rate-making body that would stand between the farmer, consuming public, and oppressive freight charges. It had simple beginnings, and for a time was true to its mandate from the Congress. Lawyers will tell you, however, that today it is easier to get into the Supreme Court of the United States than the Interstate Commerce Commission, and an average of 3 years to get a decision on one.

The RAILROADS RUN THE COMMISSION

THE RAILROADS RUN THE COMMISSION

The fact is that at the turn of the century the railroads took over the Interstate Commerce Commission, and since that time have completely controlled a majority of its members. From 1900 on the railroads have written their own ticket. Year after year freight rates have been increased by leaps and bounds by the Commission at the direction of the railroads; and the farmer, in many instances, has to let his crops remain in the ground and his fruit on the trees because he could not meet these ever-increasing rates and get his product to the consumer in the cities. During this period the Commission has not regulated the railroads—the railroads have regulated the Commission. When men in public life say the railroads are being regulated, I do not doubt their sincerity but question their serious study of this problem.

For the past several years the American public has been deluged with propaganda in behalf of the railroads, the cost of which is said to run over \$10,000,000 a year. They have flooded the country with false and lying statements concerning the economics of truck and water transportation. The average American is a kindly soul and

water transportation. The average American is a kindly soul and has more or less been taken into camp by this artful and skillful propaganda carried on through paid advertising, oft-times reflected

in the editorial pages of our newspapers.

TRUCKS SAVED THE PEOPLE

The railroad lobby says that trucks pay no taxes. As a matter of fact, they pay annually \$417,000,000 in taxes. This is 47 percent of the value of truck property and \$89,000,000 more than the rail-

roads pay in taxes annually. The trucks serve 50,000 communities in the United States which at present are without railroad transportation. Approximately 8,000,000 people live in the areas where there is no rail service. It is estimated that there are another 25,000,000 of our citizens who live in areas where the railroad service is marginal, a train a day being the usual procedure. These people have been getting conveniences and necessities by daily service from the trucks at reasonable cost. These trucks employ 3,545,000 men, over three times the employment given by the railroads. The trucks carry but 5 percent of the national tonnage. They have been a godsend as an employment agency in these troublesome days. They have been a godsend because they bring the conveniences and necessities of life to our people everywhere.

READ THIS HISTORY

In an evil hour the Congress placed trucks under the charge of the Interstate Commerce Commission. The Interstate Commerce Commission permitted the rates to be raised to within 90 percent of the rail rates. The Commission had no thought of the convenience. the rail rates. The Commission had no thought of the convenience, the comfort, and the necessity of the American people but only of the convenience, the comfort, and the necessity of the railroads. Throughout the length and breadth of the land trucking outfits have urged the Commission to lower rates. Their applications were in vain. The Commission in many cases is now compelling trucks to charge an average of 40 percent more than the trucks feel justified in asking. This is the Commission which in legal theory represents the public interest. It is, in fact, bureaucracy at its very worst. worst.

WATER TRANSPORTATION

Now a word about water transportation. Water transportation is the first and last line of defense of our people in this field. The latest figures available show that in 1937 there were 583,100,000 The latest figures available show that in 1937 there were 583,100,000 tons carried over our coastal and internal waterways. This tonnage was carried largely at one-tenth of the railroad rates. This low-cost transportation is one of the principal factors in the upbuilding of America. Our waterways are in charge of the United States Army engineers, who are the greatest body of public servants in the history of popular or any other type of government. Their findings are supreme in the field. They have no masters, political or financial. I have been on the Rivers and Harbors Committee of the House for 10 years and can say to you that the propaganda set forth by the railroads in regard to the economics of waterways is entirely untrue and unsound. Every waterway or harbor that has been improved has been authorized only after the United States Army engineers have found that the economic savings to the American people have justified the cost. Let me emphasize again that the savings by water transportation are always reflected again that the savings by water transportation are always reflected back to the people in decreased cost of living.

I wish I had time tonight to discuss fully these savings. One

or two illustrations will suffice:

TREMENDOUS SAVINGS TO THE PUBLIC

Due to the intervention of water transportation of petroleum products, from the oil fields to the filling stations, every citizen of America saves 20 cents on a gallon of gasoline at the pump. (See p. 138, pt. 1, hearings before Merchant Marine and Fisheries Committee of the House on H. R. 3615 of the 75th Cong.; also p. 1079, pt. 2, hearings before the Senate Committee on Interstate Commerce on the Water Carrier Act of 1935.) Except for water transportation, you would be paying 38, instead of 18, cents for a gallon of gasoline. This finding is based on a thorough examination of the subject, and has never been disputed by the railroads. Another example: Fifty years ago, England, France, and Germany said we couldn't make steel in America because the iron ore and coal were so far apart. Lake transportation bridged this gap. This costs a mill per ton-mile, and the steel mills around Pittsburgh were brought into being. In that area, the railroads have had one of their greatest and most profitable developments.

My hearers know that railroad development has always been the Due to the intervention of water transportation of petroleum

My hearers know that railroad development has always been the My hearers know that failroad development has always been the greatest where the rails and waters meet. For example, \$12,000,000,000 worth of freight in normal years is moved over the improved harbor of New York. This fact applies in a lesser degree to all the harbors on the Pacific, Atlantic, and Gulf coasts. The fact is that railroads and their employees have been the chief beneficiaries of waterways. Waterways, be it said, carry only 20 percent of the national tonnage. national tonnage.

The American people should stand as a rampart of steel against the attempts of the railroad lobby to place their water transporta-tion system under the murderous jurisdiction of the Interstate Commerce Commisson.

THE PEOPLE SHOULD ACT NOW

The American people should guard themselves against the vast,

far-flung, amply financed propaganda which has for its purpose the creation of a monopoly of transportation in America.

Eternal vigilance is the price not only of personal but economic liberty. Make your protest heard. Tell your representatives in the House and Senate that if water, trucks, and air transport are to be subject to bureaucratic supervision, that they should be regulated by an impartial body, and not by a hand-picked, railroad-minded commission.

Write your Senator and Representative tonight. You will thus render an important service to the cause of low-cost transportation so vital to the welfare of all our people.

Good night.

Social and Economic Problems of Puerto Rico

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1939

Mr. IGLESIAS. Mr. Speaker, for many years past, honest and free elections were impossible in Puerto Rico. We had suffered under the domination of so-called traditional political education of the old time. This procedure was observed for a very long period of years. Fortunately for us, in keeping faith with the American institutions we could hold elections in the year 1932, which undoubtedly was the best treatment under the most wise law, and that was accorded to all the people. Freedom and respect for the masses of laborers were held all over the polls. Frauds and abuses diminished by 95 percent. Some of our citizens that were continually defeated for years have become now responsible leaders in the legislature and the government, elected by the will of the majority of the people.

All leaders of parties saw by themselves that a new era of reconstruction had come to the island to perfect and maintain our democratic American institutions proclaiming the gospel of social, economic, and political rehabilitation.

Free and guaranteed rights to vote granted to the people have given the island a better conception of progressive thoughts and more opportunity to acquire greater capacity to pave the way for more progress.

I have been informed that some representatives, political or otherwise, of the island have expressed the idea to some functionaries of the Federal administration in Washington, that, when a new machinery for rehabilitation and relief be reorganized in Puerto Rico, that it should be placed in the hands of a responsible representation of the insular government under the authority of the Governor.

Few of our young "ilustrados" and business "ilustrados" appeared to have a clear understanding of just where the people of Puerto Rico stand, or where they are heading, and it is only natural to hope that the visiting of a commission composed of higher university mentalities, economists, and sociologists that are going to the island, will meet them and certainly could obtain an adequate picture of affairs over there, provided the commission will act with open brains.

REPRESENTATION IN THE ISLAND

Puerto Rico is an organized Territory of the United States, founded on a democratic constitution formulated by the Congress of the United States. In the 1936 elections the Coalition cast 298,059 votes for the Resident Commissioner, while the opposition, the Liberal Party, polled 254,470, thus giving the Resident Commissioner a majority of 46,563. Of the 39 members comprising the lower house of the legislature, 26 were elected by the Coalition Parties as compared with 13 elected by the Liberal Party, and for the senate membership, the Coalition elected 14 as compared with 5 for the Liberals. The legislature of the island was elected by the people and entrusted to maintain our loyalty and preserve our American institutions to the United States. Labor has a substantial representation in the administrative affairs of the insular government, very properly representing the aspirations and ideals of the masses of workers of Puerto Rico. Violent factions did not exist in Puerto Rico. The insular government have about 7,500 officeholders of which less than 200 are continental Americans, the others are Puerto Rican-American citizens.

CONDITIONS IN PUERTO RICO AS REPORTED

As soon as the island of Puerto Rico became a part of the United States in 1898, and particularly since the Puerto Rican people became citizens of the United States, unprecedented progress has been made along almost every conceivable line. To realize and believe that statement, one must have lived on the island in the old days.

We always have had a serious unemployment problem and will continue to have one until new sources of employment can be created. Wages for agricultural laborers are low, but they are higher than those prevailing in many of the independent countries in the Caribbean area and in Central America.

SOCIAL AND ECONOMIC PROBLEMS TO BE INVESTIGATED

Some time ago we had a very lengthy conference with a great man in authority, a true friend of Puerto Rico and of the humanity, and we discussed a sweeping 25-year program for economic, social, and educational rehabilitation of Puerto Rico. Our true friend indicated a very sympathetic attitude toward the future needs of the island and the reform of its present economic and social plight.

The program tentatively outlined would call for a big program of study, investigation, and rehabilitation to be carried on by Congress, with the view to solve the present and future conditions of labor, education, and sanitation. income tax in the island which was almost a half of that imposed in the mainland could be extended in proportion to match the cooperation and help from the Federal Government.

Our good friend manifested his greatest interest with the suggestion that a joint committee of higher capability should be appointed by the President of the United States or by Congress to study the possible ways and means to have this constructive program suggested carried on.

The Senator from Maryland [Mr. Typings] once expressed similar thoughts. The Senator was eager for a thorough and complete study of all social and economic angles of the life of the Puerto Rican people to serve the purpose of guiding Congress in giving the nearest best solution to the actual problems of the island. A big program to be done is what the Senator from Maryland had in mind. As a matter of fact. Congress has never appointed a joint commission of this character.

Every problem affecting Puerto Rico should be studied and discussed in a scientific and practical way in the island. The great questions should be dealt with by experts in Puerto Rico at some length, mainly in connection with the constant requests received by the Members of Congress relative to the conditions that prevail in the island on account of overpopulation, unemployment, agriculture, and industrial fields.

Our friends in the mainland are giving the impression that they want to carry on this work to try to solve once and forever the plight of the people of the island, and to extricate the people from depressing conditions.

CABLES OF PROTEST

SAN JUAN, P. R., March 29, 1939.

Hon. SANTIAGO IGLESIAS,

Resident Commissioner from Puerto, Rico, House Office Building, Washington, D. C.: The Senate of Puerto Rico wishes to make its most urgent protest against the hasty approval by the Senate of the United States or the Reurtel-Ellender Act (S. 69), which discriminates against Puerto Rico by diminishing still further the sugar quota allotted to Puerto Rico and respectfully requests that before said bill is reported to the House of Representatives by Committee on Agriculture, public hearings be held, since the Senate of Puerto Rico feels that American citizens residing in this island have a right to be heard before the approval by Congress as it has been approving of laws greatly prejudicial to the interests of this Territory of Puerto Rico.

BOLIVAR PAGAN President pro tempore, Senate.

New York, N. Y., March 24, 1939.

Hon. SANTIATO IGLESIAS,

Resident Commissioner from Puerto Rico, House Office Building:

Very much surprised about the way Sugar Act revised in Senate without public hearing. Hope you will do everything possible to stop this bill from passing the House, as same is highly discriminatory against Americans in Puerto Rico.

JOHN BASS, President, Fajardo Sugar Co. of Puerto Rico.

SAN JUAN, P. R., March 27, 1939.

Hon. MARVIN JONES,

Chairman, Agriculture Committee,
House of Representatives, Washington, D. C.:
Further curtailment our sugar production, mainstay island's economy, precisely at time when Puerto Rico is being choked by

worst economic crisis in its history and faces unprecedented, really tragic, unemployment situation growing out of drastic reduction, its production imposed by Federal legislation and fiscal measures, is causing greatest concern and anxiety. It seems inconceivable that Congress would so forget its responsibility toward island's nearly 2,000,000 American citizens that it would completely destroy their faith in its sense of justice and create here a conflict of gravest nature and consequences. As American citizens, proud of Nation's

democratic traditions, and ideals we cannot remain indifferent to the absurdity of a situation which persists in drastically reduc-ing our production and employment, and lays Nation open to charge that it is pursuing here despotic economic colonial policy. Earnestly urge for opportunity to appear and be heard by your

FILIPO L. DEHOSTOS,
President, Chamber of Commerce of Puerto Rico.

COMPARATIVE TABLE-Sugar Act of 1937 and S. 69, as passed by Senate, Mar. 23, 1939, showing quota for each area and increase or decrease therein

		Sugar Act of 1937		S. 69 as passed by Senate				1000
Area	Percent of total, domestic	Percent of total, quota	Tons	Percent of total, domestic	Percent of total, quota	Tons	Increase	Decrease
Beet Mainland cane Hawaii Puerto Rico Virgin Islands	41, 72 11, 31 22, 25 21, 48 , 24	23. 19 6. 29 14. 04 11. 94 . 13	1, 566, 719 424, 727 948, 218 806, 642 9, 013	44. 72 12. 31 23. 25 19. 48 . 24	26. 83 7. 39 13. 95 11. 69 . 14	1, 812, 605 498, 953 942, 376 789, 570 9, 728	245, 886 74, 226	5, 842 17, 072
Total, domestic.	100.00	55. 59	3, 755, 319	100.00	60.00	4, 053, 232	320, 827	1 22, 914
Philippine IslandsOther foreign	34. 70 64. 41 . 89	15. 41 28. 60 . 40	1, 041, 023 1, 932, 343 26, 701	34. 70 64. 41 . 89	13. 88 25. 76 . 36	937, 647 1, 740, 458 24, 049		103, 376 191, 885 2, 652
Total foreign	100.00	44. 41	3, 000, 067	100.00	40.00	2, 702, 154		297, 913
Grand total		100.00	6, 755, 386		100.00	6, 755, 386	320, 827	320, 827

1 Net increase, total domestic, 297,913 tons,

Domestic Minerals and National Defense

EXTENSION OF REMARKS

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

LETTER FROM J. CARSON ADKERSON, PRESIDENT OF AMERICAN MANGANESE PRODUCERS ASSOCIATION

Mr. CASE of South Dakota. Mr. Speaker, under permission granted by the House, I offer the following letter from J. Carson Adkerson, president of the American Manganese Producers Association, to the Honorable Andrew J. May, chairman of the Military Affairs Committee, pertaining to the strategic minerals bill (H. R. 5191), recently reported to the House. I offer the letter in behalf of Mr. May, who as chairman of the Military Affairs Committee is reviewing the Army Day parade this afternoon. I hope the letter will be read by every Member of the House, as it deals with an important matter, the development of domestic reserves both for industry and for national defense.

> AMERICAN MANGANESE PRODUCERS ASSOCIATION, Washington, D. C., March 28, 1939.

Washington, D. C., March 28, 1939.

Hon. Andrew J. May,
Chairman, Military Affairs Committee,
House of Representatives, Washington, D. C.

Re: Strategic minerals (Faddis) bill, H. R. 5191, approved by House
Military Affairs Committee.
My Dear Congressman: The expenditure of \$100,000,000 for
strategic minerals should accomplish a twofold purpose. 1. Build
up a stock pile. 2. Develop American resources. The Faddis bill,
H. R. 5191, will not do this.

MANGANESE

If the bill, in its present form, becomes a law, it is most likely that at the end of the first year the United States Government will be out \$100,000,000 and still there will be no larger stock pile of manganese in the United States than now exists.

manganese in the United States than now exists.

Testimony before your committee shows that stocks of manganese ore in United States Government bonded warehouse yards on November 30, 1938, amounted to 851,879 long tons, and that privately owned stocks, on which the duty had previously been paid, would bring the total tonnage of foreign manganese, now within the United States, to well over 1,000,000 tons. This is the largest stock pile of manganese in the history of the United States. If \$100,000,000 is made available the first year, it would simply mean the transfer to the Government of 554,000 tons of manganese ore already in the United States and now owned by steel commanies.

ore already in the United States and now owned by steel companies, and at the end of the year the net result would be no actual in-

crease of stocks of manganese in the United States; the steel companies would have the American taxpayers' money; American manganese mines would continue idle; the United States Government would carry the bag for American steel companies, and still there would be no adequate national defense.

ROTATION

With reference to the rotation provision carried in the bill, witness for the Navy Department testified before your committee that the purpose of this was to replace manganese in stock pile to avoid deterioration. The net result of this provision would be to permit the same steel companies, from time to time, to buy back from the Government this same manganese, presumably at greatly reduced prices, to avoid this so-called deterioration.

It might be added that manganese does deteriorate, but just the same as iron ore and pig iron, or building brick and building stone, will deteriorate.

will deteriorate.

WAR DEPARTMENT WILL ADMINISTER

Your report says that the War Department may be depended upon to administer the act fairly. However, the bill itself provides for the joint administration by six Government departments. The War Department's hands are therefore tied. Evidence before your committee will show that several of these Government departments are permeated with members and followers of an "international control of minerals" group, who are definitely on record as seeking development of manganese resources in foreign countries and suppressing developments in the United States. and suppressing developments in the United States.

CONGRESS SHOULD OUTLINE POLICY

CONGRESS SHOULD OUTLINE POLICY

This same dependency on policy was left by Congress to the administrative departments of the Government in passage of reciprocal-trade-agreements legislation.

The President, Franklin D. Roosevelt, in his message to Congress March 2, 1934, asking for this legislation, said: "You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advantage."

In testimony before congressional committee, Francis B. Sayre, Assistant Secretary of State, said:

"The whole purpose of this program of trade bargaining is this: to restrict the commodities covered in the agreement with any specific country to commodities of which that country furnishes the chief source of supply of importation into the United States."

In spite of this, the duty on manganese, the No. 1 strategic mineral, was among the first items cut through the trade agreement with Brazil, although Brazil supplies only minor quantities of manganese to the United States, Soviet Russia being the major shipper. In the year 1933 Brazil shipped no manganese at all to the United States.

shipper. In the y

In testimony before your committee, it was repeatedly stated, in effect, that no one could doubt the patriotism of the administrative departments of the Government and that Congress could depend upon them to protect the domestic manganese industry. Likewise, it might be said that no one could doubt the patriotism Likewise, it might be said that no one could doubt the patriotism of the President of the United States or the Assistant Secretary of State, but unfortunately there are other agencies at work within the administrative departments of our Government.

Furthermore, the administrative departments of the Government have consistently refused to enforce the Buy American Act and require the use of domestic manganese in steel purchased for Government contracts, as provided in the law.

LXXXIV-App--84 I quote from a letter dated June 12, 1935, from the Acting Secretary of the Navy, H. L. Roosevelt, to Senator James E. Murray, with special reference to the use of domestic manganese under the

American law:

It seems that the State Department is endeavoring to carry out the purpose of the law enacted by the Congress to promote for-eign trade, and any attempt on the part of the Navy Department to exclude foreign manganese ore admitted under this trade agreement might be held to be in conflict with the action of the State Department."

EDUCATIONAL ORDERS FOR MANGANESE

Report No. 283 of the House Military Affairs Committee, accompanying H. R. 5191 to the floor, says:

"The committee has written into the bill a declaration of congressional policy, the effect of which is to encourage as far as consistent to do so, the discovery and development of the sources

consistent to do so, the discovery and development of the sources of raw material in this country, and it is felt that the situation is similar to that which requires the placing of what is known as 'educational orders' with dormant and inactive factories."

Under other national-defense bills, "educational orders" provide for the purchase of manufactured products, without the usual competitive bidding against imported products, without bond, and under the law there is no specified price limit. Under the strategic minerals bill there are no such provisions to cover the purchase of manganese or other raw materials. In the case of manganese, discoveries have already been made, developments have already been carried forward, and what the producers now want is a market and an opportunity to ship on a parity basis with steel prodket and an opportunity to ship on a parity basis with steel products and under the terms of laws already passed and which should now be fully in effect.

EXCHANGE OF GOVERNMENT-OWNED COTTON AND WHEAT

This provision might serve to deny American farmers that por-This provision might serve to deny American farmers that portion of a foreign market for their privately owned cotton and wheat which they otherwise might enjoy. Particularly, if sold to Soviet Russia, it is possible the Soviets may resell these agricultural products in the world's market at any price they would bring in order to obtain foreign cash or credits, just the same as they have done many times in the past. This would serve to lower the world price of these farm products and thereby injure the American farmer. Most certainly the American farmer has little to gain by this proposed trade.

FOREIGN DEBTS

Although World War debts are not specifically mentioned, they are included in the provisions of this bill.

Domestic manganese producers, as well as producers of other raw materials listed in the hearings and subject to purchase under this bill, will ask why they are being specifically called upon to shoulder the World War debts. Certainly, manganese, the No. 1 strategic mineral, should not be loaded with this burden during this emergency.

Manganese producers, as the producers of one raw material slope feel that this burden should be shouldered by all including

alone, feel that this burden should be shouldered by all, including domestic producers of manufactured products.

This provision, if allowed to hang over the domestic manganese industry, would tend to discourage further investments and developments within the industry and retard the national-defense

LOOK AHEAD

The expenditure of \$100,000,000 for strategic materials of foreign origin will hardly be a drop in the bucket toward adequate national defense. There were 38 raw-material items submitted by representatives of the War Department in testimony before your committee as essential to our national defense, necessary to be imported from foreign countries, and subject to purchase under this bill.

Even should the entire \$100,000,000 be spent for manganese alone, it would still not mean adequate national defense in manganese, as It would still not mean adequate national defense in manganese, as no one can foretell how long an emergency may last. Domestic manganese deposits would still have to be developed and mines put into operation, at emergency costs; and it may not be done in time. So why not, during peacetime, encourage developments of these available materials within the United States when producers are ready to go and, one by one, remove such items from the strategic materials list?

CONCLUSION

Domestic producers of manganese ore have expended years of work and many hundreds of thousands of dollars in the developwork and many hundreds of thousands of dollars in the develop-ment of domestic manganese and have contributed more toward the solution of the problem of manganese for national defense than all other groups and agencies combined, including the entire steel industry of the United States and all the administrative departments of the Government. This has been done by domestic manganese producers with private funds and not with the tax-payers' money. We justly feel that domestic manganese producers are entitled to proper consideration and encouragement at the hands of our Government in the national-defense program. hands of our Government in the national-defense program.

RECOMMENDATIONS

To carry out the purposes of the act and the will and intent of Congress "to encourage the development of these resources within the United States," as expressed in the bill, may we recommend that the language of sections 5 and 6 in Faddis bill, H. R. 5191, be eliminated and in its place insert the language contained in sections 5 and 6 of the Thomas bill, S. 572, as approved by the Military Affairs Committee of the Senate.
Yours sincerely,

J. CARSON ADKERSON, President.

Shall We Monetize Surplus?

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ARTICLE BY O. M. THOMASON

Mr. VOORHIS of California. Mr. Speaker, the following article by Mr. O. M. Thomason, of Willernie, Minn., in the March issue of Money, is worth studying and thinking about. It deals with a proposal which has the virtue of simplicity and may help us to understand the relationship that should exist, but does not now exist, between money and wealth.

> HOW ABOUT COTTON CURRENCY? (By O. M. Thomason, Willernie, Minn.)

Since trying to limit goods production to buying capacity has not proved very satisfactory, why not reverse the procedure? Why not make the power to consume match the capacity to produce? I mean try it on a limited scale with reference to a single product,

just as an experiment.

Just as an experiment.

Why not try it on cotton? While it primarily affects the South, yet cotton is acutely a national problem. In 1936 we exported 57 percent of our cotton crop. We might easily have consumed 70 percent of it at home. And the export market is getting progressively more contracted, thanks to Egypt, Russia, and Brazil. Another reason for foreign market contraction is the dearness of American dollars. American dollars are dearer than the English equivalents. When an Englishman comes here to buy cotton he must first buy dollars. Since our dollars are higher than his money, he naturally goes to Mexico, Brazil, Egypt, or Russia, where money is cheaper.

The longer this continues the more muddled we become. We fight boll weevils with airplanes and plow up cotton with tractors (since the mule's conscience will not permit him to walk on the cotton plants). We cut down acreage with one hand and add fertilizer to the soil with the other. In the end, like the man riding the merry-go-round, we get off at the same place we got on.

In spite of all our efforts at "regulation," production goes up and consumption goes down; and a surplus, like the sword of Damocles, hangs over the head of the cotton farmer. We scan the horizon for fortunes while at our feet is uncounted gold.

We have a vast potential market at home. Counting reliefers, part-time workers, W. P. A.'ers—all those in the lower income groups—we have some twenty-odd million families in need of cotton products. The average annual incomes of the lowest income groups in 1936 was \$941 per family. This, totaling some 75,000,000 people. constitutes our greatest potential market. Why not try it on cotton? While it primarily affects the South,

groups in 1936 was \$941 per family. This, totaling some 75,000,000 people, constitutes our greatest potential market.

Each family in that group needs at least two new mattresses, four

Each family in that group needs at least two new mattresses, four comforters, six bedsheets, four pairs of overalls, six shirts, six pairs of B. V. D.'s, six house dresses, to say nothing of tablecloths, pillow slips, hand and bath towels, diapers, handkerchiefs, and what not. Even the millions, both blacks and whites, who plant, tend, and pick the cotton are in desperate need of all those items. If you had seen, as I have, their patches upon patches, their lumpy straw beds, their gunny-sack towels, you would agree they need them.

Meanwhile, the Nation is flooded with "plans," "solutions," blabla, and political hokum. Everybody's talking about it and nobody's doing anything. Why not become reckless and make a little experiment?

Let's forget about exports and tariffs. Let's forget about battle-

Let's forget about exports and tariffs. Let's forget about battleships to keep open our foreign markets. Let's supply our home
needs first. All we need to do is work a little bank magic of
financing. Since the Government (and all the rest of us) is
"sold" on the idea of bonds, let's estimate our cotton surplus and
print large denomination, non-interest-bearing bonds, equaling the
aggregate value of our surplus cotton at its retail price to the ultimate consumer. This ultimate price should include costs plus a
reasonable profit for all, from the grower to the retailer. Let a
ceiling of prices be fixed to prevent inflation.

Let the bonds be deposited with the Federal Reserve banks
against which the Treasury could issue to private and postal banks
demand deposits. Then let the Government announce that within
a given time, say, 90 days, there would be in the hands of twentyodd million families enough buying power to purchase one billion
or two billion dollars' worth of cotton goods, such as described
above. This can be done simply by monetizing the cotton, as
symbolized by the bonds. Let's forget about exports and tariffs. Let's forget about battle-

above. This can be done simply by monetizing the cotton, as symbolized by the bonds.

What would happen? Immediately cotton mills would start at full capacity. Cotton warehouses would disgorge their storage. Garment workers would be working full time. Dealers would start stocking against the day when the money would be released. No need to put money in at the top. With a market like that just around the corner ample finances for industry would be available. This new money—cotton currency—would be good, in the initial purchase, for cotton goods only. Checks supplied to such pensioners would be especially designed and would not be legal tender

for any other than cotton goods. It would be credit money, the same kind banks loan, and would be paid to the pensioner on the account of over-paid taxes, social heritage dividends, or even on a fletitious account. The account is immaterial. Some of the cotton currency would be issued in money as a matter of reflation.

Once the money had passed from the original pensioner it could be held as bank credit or drawn out as currency the same as any money. From there on it would be legal tender for all debts, money. From ther public and private.

If at the end of 6 months the South, indeed the whole country, had not experienced an upsurge of recovery—if it was found that the plan was destroying civilization faster than it is now being destroyed, then it could be discontinued. Nothing would be lost by the experiment.

If the total monetization amounted to only \$10,000,000,000 in 6 months that would be just that much extra business. It would come out of no man's pocket as taxes—any kind of taxes. It would be just like finding it in the road, or in a glass jar buried in the peach orchard.

The Government, since it acted only as referee, would be out of pocket merely the cost of printing the currency—about seventenths of a cent a bill. The bonds would still be lying there in the vaults, as a symbol of habit.

But—and this ought to be worth something—some 10 billion dollars' worth of goods would have been used and enjoyed. And

maybe, incidentally, we would have learned something. Even if we had learned that it wouldn't work, that would be something. Let's quit talking so much and try just one thing.

P. W. A. Projects in Fifth Congressional District of Louisiana

EXTENSION OF REMARKS

HON. NEWT V. MILLS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1939

Mr. MILLS of Louisiana. Mr. Speaker, under permission granted me to extend my remarks, I include a list of pending non-Federal P. W. A. projects in the following parishes of the Fifth Congressional District of Louisiana, the district I represent. The list is as follows:

Docket No.		Location Type of project	Loan	Grant	Total	Total esti-	
Main	Sub.	Location	Type of project				mated cost
X1339 X1359		Caldwell Parish: Columbia	School	\$11,000	\$7, 363 9, 000	\$7, 363 20, 000	\$16, 36; 20, 000
		Total		11,000	16, 363	27, 363	36, 36
X1341 X1180		Catahoula Parish: Jonesville		20,000	16, 363 49, 478	36, 363 49, 478	36, 363 109, 950
X1284_ X1387 X1387	1 2	East Carroll Parish: Lake Providencedodo	Power improvement		14, 318 60, 282 53, 902	14, 318 60, 282 53, 902	31, 818 133, 960 119, 783
	1	Total			128, 502	128, 502	285, 561
X1229 X1278 X1283 X1338		Frankling Parish: Winnsborodo LiddievilleWinnsboro	Waterworks improvement School addition		134, 936 6, 525 3, 150 7, 019	134, 936 6, 525 3, 150 7, 019	299, 857 14, 500 7, 000 15, 598
X1320 X1264 X1298		Total Jackson Parish: Jonesboro Lincoln Parish: Ruston Morehouse Parish: Beekman	City hall, jail Electric plant	13, 500	151, 630 11, 045 58, 500 32, 727	151, 630 24, 545 58, 500 32, 727	336, 955 24, 545 130, 000 72, 727
X1195 X1196 X1197 X1360		Ouachita Parish: Monroedododododododo	Water mains Power improvement	120, 000 355, 000	474, 545 98, 182 290, 454 2, 924	1, 054, 545 218, 182 645, 454 2, 924	1, 054, 545 218, 182 645, 450 6, 498
X1232		TotalRichland Parish: Rayville	Courthouse		866, 105 90, 000	1, 921, 105 90, 000	1, 924, 675 200, 000
W1035 X1271 X1300		West Carroll Parish: Oak Grove West Carroll Oak Grove	Schools		12, 150 119, 753 11, 863	12, 150 119, 753 11, 863	27, 000 266, 118 26, 363
		Total			143, 766	143, 766	319, 481

These applications for projects pending before the Public Works Administration as of January 18, 1939, are eligible for allotment if an additional appropriation of funds is made.

Overcoming Difficulties Under Adverse Conditions

EXTENSION OF REMARKS

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1939

FOUNDER'S DAY ADDRESS DELIVERED BY HON. ARTHUR W. MITCHELL, OF ILLINOIS, AT TUSKEGEE INSTITUTE, ALABAMA, APRIL 2, 1939

Mr. MITCHELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address,

which I delivered at Tuskegee Institute, Alabama, on April 2, 1939:

Four weeks ago I sat in a joint session of the Senate and House of Representatives in the Nation's Capitol and participated in the celebration of the one hundred and fiftieth anniversary of the of Representatives in the Nation's Capitol and participated in the celebration of the one hundred and fiftieth anniversary of the establishment of the Government of the United States of America. The speakers on this occasion were the most outstanding to be found in the nation: The President of the United States, the Chief Justice of the Supreme Court of the United States, the Speaker of the House of Representatives, and the President of the United States Senate. One of the most noticeable things which characterized every speech delivered on this occasion was the effort made by each speaker to give credit to everyone who had played a part in the founding of our Government.

In my speech today, while I shall of necessity place major emphasis upon the outstanding work of that great leader of men, our lamented Booker T. Washington, I must not neglect to speak a word of commendation in behalf of those men who persuaded the Legislature of the State of Alabama to make an appropriation for the beginning of this institution; nor must I forget to commend those who were not members of the legislature and who were not members of the committee that brought Dr. Washington to this section, but who gave liberally of their talent and their ability to make this institution what it is today.

The picture that I have in my mind at the moment is first that of an ex-slave, Lewis Adams by name, who, after he became a freedman, devoted his energies to doing some substantial work

to help his race get on its feet and start its march toward success. In the same picture I see a white man, an ex-slave owner, George Campbell by name, lining up with the ex-slave, Lewis Adams, and together making the fight to secure funds to build a school at Tuskegee, for the training of the newly emancipated slave and his

As I look at another section of the picture I see them seeking a teacher for this school, a person to head this new educational movement. It is my humble opinion that in this matter, as in all the other early moves leading to the establishment of Tuskegee Institute, God directed the activities of those entrusted with that important duty of finding a teacher for the proposed school. They used the good judgment to appeal to Hampton Institute for a man, and in response to that appeal comes our here, whose life and work and in response to that appeal comes our hero, whose life and work I shall talk about today, along with the problems which still confront us in the South—yes, confront black and white alike, and which must be met by men of vision and patriotism like Lewis Adams, George Campbell, your State legislature, and Booker Wash-

I have said we must remember in grateful reverence all who made this great institution possible. Then let us spend a moment at least in sincere and heartfelt thanks to those members of the State least in sincere and heartfelt thanks to those members of the State Legislature of Alabama who had the foresight in 1880-81 to appropriate money to make the starting of such an institution as this possible. I wish I knew and could call the name of every member of the legislature who voted for the bill appropriating the first money which went into this great temple of human uplift. The of the legislature who voted for the bill appropriating the first money which went into this great temple of human uplift. The two most prominent members of the legislature at that time who took the deepest interest in this work were Hon. W. F. Foster and Hon A. J. Brooks. Can we not say of them they truly wrought

Hon. A. L. Brooks. Can we not say of them they truly wrought more nobly than they knew?

It was my privilege to hear from the lips of Dr. Washington himself a thrilling story of how the people of Tuskegee, and scores of others, contributed of their meager means at the very outset to make the founding of this school possible. To them we owe a deep make the founding of this school possible. To them we owe a deep and lasting debt of gratitude. There were scores of persons who were fellow teachers with Dr. Washington, members of the trustee board, and interested philanthropists, such as Olivia Davidson, Warren Logan, Robert Taylor, George W. Carver, Emmett J. Scott, C. W. Hare, R. O. Simpson, R. C. Bedford, William Baldwin, Jr., Robert Ogden, Andrew Carnegie, John D. Rockefeller, Julius Rosenwald, Gen. S. D. Armstrong, Dr. R. R. Moton, and hundreds of others whose names cannot be called during this brief address who others whose names cannot be canted during this orier address who manifested unusual interest in the welfare and the growth of Tuskegee Institute. Most of these saintly persons, like Dr. Washington, have already passed to their reward. At this point I pause to say to those still living, and to the departed spirits of those who have passed on, a truly grateful race, yes, a truly grateful Nation, pauses in its work today to honor you and the noble work you did

for your fellow man.

pauses in its work today to honor you and the noble work you did for your fellow man.

To those I have named, and to those whose names I have not called, every Tuskegee man and woman—yes, every true American—feels in his heart a debt of lasting gratitude for the service you rendered and for the lasting contribution you made for humanity. There are stories about many of these persons whose names I have called if told on this occasion would thrill your very hearts and souls, but the occasion will not permit me to dwell overlong on the contributions coming from these thousands of persons singularly. At the same time it is important that mention be made of them and the part they played here. Over and above the Legislature of Alabama, the work of Lewis Adams, that of George Campbell, John D. Rockefeller, Julius Rosenwald, Robert Ogden, and all the others to whom mention has been made, stands written in letters of gold, the name of that humble but prophetic and matchless leader, the first president of this school, Dr. Booker T. Washington. His contribution is so large and lasting that I must speak at some length about him and his achievements. And while I shall not only endeavor to talk to you about him, his work, his struggles, his achievements, his opposition, the handicaps he overcame, and his ultimate triumph, I feel that I must say something about the unfinished task which remains for us to carry on. No speech on this occasion would be complete if something was not said about the duties and responsibilities of this present-day generation; a generation which has in so large a measure inherited this school and its unsurpassed bilities of this present-day generation; a generation which has in so large a measure inherited this school and its unsurpassed opportunities.

It is perhaps difficult for you to draw a picture of Tuskegee Institute 58 years ago, consisting of nothing more than a few acres of ground, one or two simple buildings, less than 100 pupils, two or three teachers, and with the influence confined to the Tuskegee or three teachers, and with the innuence commed to the Tuskegee community. As you look about the spacious grounds now consisting of thousands of acres, you see scores of magnificent buildings, hundreds of instructors and teachers, representing the best to be found anywhere in the world, thousands of earnest, hardto be found anywhere in the world, thousands of earnest, hard-working students; in fact, a great university with the equipment and endowment causing it to rank among the best and most favored in the country. The improvements in the physical plant are small indeed in comparison with what has been done through and by this institution in educating people, young and old, white and black, in a truer realization of what life really means in the Southland and in our country.

But I am not to talk to you only about the grounds and the buildings and the teachers, and the students, and those who have been lifted through the powerful and far-reaching influence of this great university; I think it is not out of place to say a word

about the hardships, the struggles, the handicaps, yes, the down-right opposition that the founders met as they sought to build. Keep in mind the fact that Booker Washington came upon the scene early in the life of the freedman preaching a new doctrine of education. The newly emancipated slave, for the most part, of education. The newly emancipated slave, for the most part, was seeking the type of education which promised to free him from toil and labor. He had the bitterest feeling toward any training called education which would cause him to labor in the field, or in the workshop. In other words, his early conception of education was that it was a kind of training that fitted one for white coller these and that type of inh only. To set up an for white collar jobs, and that type of job only. To set up an institution calculated to meet and combat such ideas in the minds of the people was no easy or pleasant job.

When this strange prophet came into the wilderness, crying that there must be a trained head, a trained hand, and a trained heart, opposition was manifested against him from every corner of the South where Negro schools were being built, or being contemplated. Many so-called educators of that day, differed with him so bitterly that he was branded a race traitor. Not infrequently so bitterly that he was branded a race traitor. Not infrequently was his school, with its magnificent workshops and well-equipped classrooms, and its great opportunity for the development of manhood and womanhood, referred to by the populace as a prison. Many of those who attended his school in those days were looked upon with scorn and even hatred by those who attended the so-called higher institutions of learning. It was for Booker Washington, the true leader of his people, to change sentiment, and to popularize practical and realistic education. This task had to be performed along with the equally arduous one of raising funds with which to equip his institution, and carry forward the work. The struggle and burden of defending this so-called new type of education in those early days of Negro freedom was so tre-

of education in those early days of Negro freedom was so tre-mendous and overwhelming that most men would have refused the task or fallen under the load; but to these man-killing strug-gles and the equally arduous burden of raising many thousands of dollars annually with which to develop and equip the physical plant, and to pay the meager salaries of teachers and instructors Rocker Weshington refused to be desurted in his effort and be use Booker Washington refused to be daunted in his effort, and he succeeded despite all opposition.

Picture, if you can, those stormy days when Mr. Washington was walking the cold New England shores, going from door to door, seeking funds with which to keep this institution going. I have seen him in New York, and in Boston, and other cities, when he had walked for hours seeking conferences with people, begging for funds that Negro boys and girls might have an opportunity to get at least the fundamentals of an elementary training, both in books, and in industry. He did this work and met the hardships attendant thereto without complaining or grumbling. I have seen him at the close of a day's work in the East when he appeared to be at the point of physical exhaustion, but I do not recall ever having heard a single word of complaint fall from his lips. Early in the life of this school, those who visited Tuskegee and those who came to know Mr. Washington by meeting him, or by hearing him speak, realized that Booker Washington was no ordinary man. He was proclaimed a leader sent from God. I think it could truly be said of him as Shakespeare said of Julius Caesar:

"His life was gentle and the elements So mixed in him that nature might stand up And say to all the world, "This was a man."

Two years ago, through special request of mine, the Congress of the United States paid special homage to the life and work of Dr. Washington by giving me 30 minutes to address the Congress on the occasion of Founders' Day. I think it is not out of place for me here to repeat one or two short paragraphs of the speech which I delivered on that occasion. Speaking to the Congress of the United States of America, I said:

"Mr. Speaker and Members of the House, no greater honor has "Mr. Speaker and Members of the House, no greater honor has ever come to me than this privilege which I now enjoy, standing as I am before this great body of lawmakers in an humble effort to honor the name and memory of that great American, Booker T. Washington. I had the privilege and rare honor of knowing him personally and intimately. He was my teacher, my benefactor, and my ideal of real manhood and Christian citizenship. At the outset I desire to warmly thank our able and beloved Speaker, the majority leader, and every Member of this House for giving me this opportunity to deliver a eulogy on the life of that great teacher, patriot, statesman, and matchless leader of men.
"I regard this as a most unusual occasion fraught with good will

teacher, patriot, statesman, and matchless leader of men.

"I regard this as a most unusual occasion fraught with good will
and recognition of an humble people who have for three centuries
borne their burdens in making America the great country it is,
but who have in a large measure been neglected by this country
when honors were to be distributed. For a century and a half this
Nation, through its Congressmen, has paid special honor to its
white illustrious sons who gave largely of their lives and abilities
to the building and maintenance of the Nation. Such great Virginians as George Washington, Patrick Henry, Thomas Jefferson,
Madison, Marshall, Randolph, Lee, and many others whose names
are household words with school children, have been eulogized
from this Well time and again: but today we are doing honor to a

are notisened works with school children, have been entigized from this Well time and again; but today we are doing honor to a great colored American.

"George Washington fitly bears the name of 'Father of his Country.' Booker Washington might as fitly bear the name of 'Father of his race in America.' Take from American history the part played in its making by the patriots and statesmen who were

born in the State of Virginia, and you take from the Nation its brightest lights and most outstanding guideposts. Take from the history of this country the part played in its making by Booker T. Washington, and the great school which he founded, and you leave a blank which not only greatly impoverishes American history, but you rob a deserving race of the largest single contribution it has made to those great leaders whose names adorn the walls of the world's hall of fame."

The conditions under which I now appear are different from those under which I appeared in the Congress of the United States 2 years ago, when I stood in the Well of the House where thousands of great statesmen of this Nation have stood, including many of our Presidents, and talked largely to lawmakers about the work of our great leader. Today I stand on the spot where Booker Washington, himself, stood many, many times, and for more than 30 years preached the doctrine of thrift, honesty, and citizenship building, along with that of racial good will. It was on this very spot that many of his most effective addresses were delivered to the world. It was inspiring to me to talk in the Nation's Capitol about the life and work of Booker Washington, but it is far more inspiring to me to stand here where Mr. Washington stood, and by his forceful eloquence lifted a people from the lowest depths of serfdom to self-support and respectability.

It has been said that when Mr. Washington assumed the leadership at Tuskegee, he found his race a group of discouraged people, unsettled in their determination and their future; he left them a well-organized race, having increased their numbers from six millions to ten millions, and under the severest handicaps had thrown off more than 50 percent of their illiteracy, had acquired property in the form of homes, churches, and businesses worth hundreds of millions of dollars. They had organized and established families, and were building respectable family life, coming into real citizenship, sharing with white Amer

of this country.

Many books have been written about the marvelous achievement of the Negro educationally, economically, and spiritually, during the first 75 years of his freedom. About this I shall have little to say. For the remainder of time allotted to me on this occasion, I prefer to talk to you about the unfinished task which now stands before us, and which he, if he could speak from this rostrum, would ask you to engage in carrying out. But first, I want to see if we cannot get for ourselves and our posterity a very practical lesson from what I have said about the manner in which the founders of Tuskegee worked together.

Inasmuch as Adams, the ex-slave, and George Campbell, the ex-slave owner, with their associates and comrades were able to form a human association strong enough to influence a legislative body to appropriate money to start such an enterprise as this, and inasmuch as they were able, by their mutual interest and confidence, to bring the proper person here to lead their movement, and since this combination of individuals was able to secure the cooperation of thousands of men and women in all parts of the world, and to secure millions of dollars with which to carry forward this work, do you not think the whole story suggests to you and me this simple truth, viz: "If black men and white men of Alabama wish to accomplish the best that the State offers and affords they must learn to work together, as did Lewis Adams and George Campbell, with the lawmaking body of this State seeking to render the proper aid."

What would be accomplished all over this State, and all over the

Southland, if the races would cease to hate each other and work untiringly for the best interests of humanity? While thousands of students are mastering the courses of the curriculum of this school, let us learn more perfectly that larger and more important lesson of race cooperation. What are the conditions which we are facing today? What does this age demand of us now, and what is

facing today? What does this age demand of us now, and what is our attitude toward the unfinished task, and what are our capabilities to perform the duties now enjoined upon us?

Notwithstanding the fact that we have been able to erase a very large percentage of our illiteracy, increase our numbers from 6,000,000 to 15,000,000, increase our wealth from a few thousand dollars to more than a billion, we are still a dependent people, largely wrapped up in poverty, and helpless in a large degree in the matter of self-support. And what is perhaps worse than anything I have pointed out, there is too great a tendency among us to cling to the old idea that the purpose of our education is to free thing I have pointed out, there is too great a tendency among us to cling to the old idea that the purpose of our education is to free us from what we term "unpleasant toil," and to set us up in an environment where there will be little or no occasion for real struggle, and where the desirable things of life will be so accessible and easily reached that the days of real struggle will practically be over. Many of us still think that once we can graduate from some accredited school our problem will be solved. Such is not

Let me give you some facts which should appeal to you—I am no pessimist, but I do not ignore facts: A few days ago I called the office of Colonel Harrington, Administrator of the Works Progress Administration, and was told by a statistician in his office that more than 400,000 (13.3 percent) Negroes are on relief at this very moment. That is, they are holding W. P. A. jobs; and should those jobs be taken from them, there is no other place that they know about to which they could turn for employment. I am also informed that there are more than one-half million Negroes whose formed that there are more than one-half million Negroes whose applications are now on file for W. P. A. work. I was further informed that of all the racial groups in the United States, the Negro

race has the largest ratio of its people on relief today. serious problem and must be faced by Negro leaders and by those who are responsible for the government of our Nation and States. I believe, like Booker Washington, that the Negro's largest and best opportunity is in the South, and on the farms of the South.

Last Tuesday I spent 15 minutes in conference with the President

of the United States, discussing with him the advisability of enlarging our resettlement-project program so as to make it possible for large groups of Negroes in the South to definitely settle on the farm and to become owners of this soil so that they would not drift to our cities, as they are doing, where no jobs await them, and where they are soon swallowed up, and in most cases destroyed, by the

contaminating influence of city life.

This age demands that we think seriously of our own problem; that we take into account the fact that the educated Negro must not only be a consumer, but must be a producer. It seems to me that we ought to take special delight in the wonderful record made by our own Dr. Carver here at this school who, by his scientific research, experiments, and work has added materially to the scientific accomplishments of our country. It must not be thought of young Negroes that they are to be educated in such an atmosphere and in such an environment that they will become despisers of work rather than effective workers, making contribu-tions to the welfare of this Nation and the country. Does any-one deny that our economic condition is such that it requires the most serious thought and most drastic action on the part of our educators and our leaders? Why has Dr. Carter Woodson written a book entitled "The Miseducation of the Negro?" Is it not because he has watched the manner in which thousands of so-called educated Negroes are spending their lives and has become disgusted with their manner of living, and justly so?

Fifty-eight years ago when this institution was founded, we were traveling largely by the ox cart and the horse-and-buggy method. Then it required 2 or 3 days to make a business trip to Montgomery and return. Now the trip can be made within 2 or 3 hours. This means that we live in a machine age. We drive motor cars and vehicles which do not tire. We make our living largely by the aid of these machines, and we are likely to lose sight of the part that our fellow human beings play in the process of our daily living. Living under such influence as now surrounds us, is there any wonder that we become less and less patient? These machines, as wonderful and helpful as they are must not Fifty-eight years ago when this institution was founded, we were These machines, as wonderful and helpful as they are, must not These machines, as wonderful and helpful as they are, must not be allowed to crush to the death those virtues out of which real manhood and womanhood are made. There may be a substitute for the out-lived ox cart, the stage coach, yes, the horse and buggy, but there can be no substitute for honesty, thrift, industry, and racial good will, which Booker T. Washington pioneered in bringing to the South through his work at Tuskegee, and through out the nation. I am calling upon you to recultivate the old-fashioned patience, tolerance, honesty, industry, and brotherly love which he lived and taught.

Booker T. Washington was no heliever in bothque methods

Booker T. Washington was no believer in hothouse methods when it comes to molding character and building citizenship. His method was that of patience, tolerance, brotherly love, and racial good will. We must acquire that patience and endurance which sustained John Milton until understanding broke upon his blinded eyes; that patience, fortitude, and courage which kept Columbus sailing against all counsels until the New World loomed over the horizon. In his method of education Mr. Washington believed that men and women should be taught how to live and should be able to live of their own effort. In other words, he believed that the salvation of a people, like the salvation of an individual, is to be worked out by that people. He shaped the curriculum of his school so that it met, in a large measure, perhaps more than that of any other institution, the demands of that day, as his great wisdom enabled him to interpret the needs of

It is fair for me to ask you on founder's day how well are we following in the footsteps of Booker Washington today? Is the program which he worked out for a newly emancipated and poverty-stricken people being carried through by those of us on whose shoulders his mantle fell when he passed on in 1915? What whose shoulders his mantle fell when he passed on in 1915? What more solemn and deep meaning question can I address to our present-day leaders? Are our institutions seeking now to prepare the youth to meet the demands of this age, and not only to take care of themselves but to make a contribution to the growth and welfare of this Nation? Let me bring the question closer home to you: Are we preparing to meet the actual demands of our day? Rural electrification is spreading over our land. Powerful dams are being built across our rivers and streams. The water power is being harnessed just as Franklin and Edison tamed the lightning. By the use of our inventions we no longer have to send up kites into the skies to bring down the electricity. We are manufac-

his people and the South.

into the skies to bring down the electricity. We are manufacturing it all over our country. This is enabling us to have electric power in the most isolated country home. Where we formerly had the old victrola we now have the radio. Country dwellers, by the use of rural electrification, have frigidaires, and modern machinery of every kind and description. Are our boys in our schools mastering such subjects that they will be able to install this modern electric machinery and keep it in running condition? It is the duty of those of us who still live and enjoy the fruits of Dr. Washington's labor to make our contribution. labor to make our contribution to a program of development in the South that will bring about a larger realization of the dreams of the founders of this school.

If Booker Washington's program of education had been carried out on a large scale in our schools, do you think there would have been any occasion for Dr. Carter Woodson, the great historian, to write his now famous book, The Miseducation of the Negro? If that large group of Negro educators, who lived in the days of Booker Washington but who spent the major portion of their time fighting him and his program, had joined hands and hearts in helping him put over the realistic educational program which he gave this country and the world, perhaps the late James Weldon Johnson. nim put over the realistic educational program which he gave this country and the world, perhaps the late James Weldon Johnson, in disappointment and disgust, never would have written his book Negro-Americans, What Now? In the name of Booker Washington, in the name of the founders of this school; yes, in the name of this great nation and humanity itself, I call upon everyone of you to rededicate your lives to service, to mandkind, and to a thorough friendship for your fellow man, be he white or black, Jew or gentile, Protestant or Catholic.

Jew or gentile, Protestant or Catholic.

All that I have tried to say about the founders of this great institution, and about the institution itself, has but one purpose; that purpose is to help you prepare for the emergency which is yours, and to inspire you to be baptized anew in the spirit and enthusiasm of Booker Washington so that you may go forth to make your contribution to your race, to your nation, and to the world.

world

In these fantastic times you are likely to forget and to put too much stress upon the latest things of life rather than upon the lasting things of life. I have been terribly disturbed at times because of the uproarious approval I have seen even the so-called educated people of my race engage in over the fistic victory of some man with small brain capacity, when these same so-called educated people have been rather cold and indifferent toward the worth and achievements of such men as George W. Carver, Carter G. Woodson, Robert Russa Moton, F. D. Patterson, and other men who understand that men are measured by brain and not brawn. Here let me remind you of the words I heard uttered by Mr. Washington so many times while addressing the student body from this very rostrum:

"Were I so tall to reach the pole,
Or grasp the ocean with my span,
I must be measured by my soul:
The mind's the standard of the man."

I know our lot is hard, and there are moments of discouragement when those who do not think seriously and deeply are likely ment when those who do not think seriously and deeply are likely to give up. But these discouragements and hardships and handicaps should have but one purpose, and that is to drive you forward to do your best and to overcome whatever impediments beset your pathway. Has it ever occurred to you that Joe Louis, the Negro heavyweight champion of the world, while working his way up was discriminated against in the use of the best gymnasiums and places for training? No doubt much of his training was done out of doors, in back alleys, and on street corners, while those that he had to fight in his career upward were provided with the best gymnasiums and the best training facilities known to mankind. But when they met Louis in the crucial moment they went down because he had learned in the world of hard knocks to overcome difficulties which these men had not been permitted to encounter. The same might be said of Jesse Owens, knocks to overcome difficulties which these men had not been permitted to encounter. The same might be said of Jesse Owens, the great runner. Doubtless he was not permitted to train on the best cinder paths at our high-class universities and schools where those were trained against whom he had to compete. He had to come the rough way; but when the test came the very fact that he came the rough way gave him the stamina and grit which caused him to triumph over those who did not know the hardships which he had already learned to conquer.

A veer or two ago when I was making a tour through the South

A year or two ago, when I was making a tour through the South, I stopped to visit the battlefield at Vicksburg, Miss. Near the entrance to the battlefield were parked scores of school busses. The trance to the battlefield were parked scores of school busses. The old colored gentleman who served as my guide pointed these busses out to me and remarked that they were all used by whites and there were no school busses for colored children, although many of the colored children had to walk 3 or 4 miles to reach the high school in the city of Vicksburg. He was much disturbed because of this inequitable distribution of accommodations for school children in his section. I reminded him that many of these accommodations of recent years have not served to strengthen human beings but have rether weakened them. Soft treatment has never hear known. have rather weakened them. Soft treatment has never been known to develop one to the point where he can sustain hard knocks. Have you not observed in families where there are large numbers of children that often most of the hardships of the family and the strenuous errands fall upon the shoulders of one or two, while the others are permitted to escape these burdens and hardships? But have you watched them in later years, after they had all reached the age of maturity, and when years of adversity with the real struggles of life came upon them? Were not those who had been forced to carry the burden in the heat of the day the ones who were able to rally to the rescue, not only of themselves but of those

who thought that they were the more fortunate because they had been able to escape much of the drudgery and hardship of life?

Who knows but that this race of which you are members is being trained now through this world of hardships and drudgery and discrimination for the purpose of preserving civilization when the

crucial moment comes?

Finally, I call upon every one of you to be up and doing. Make sure to build your house by the side of the road and be a friend to man. Take with you the immortal words of Carlyle:

"The poorest day that passes over us is the conflux of two eternities; it is made up of currents that issue from the remotest past and flow onwards to the remotest future."

President Slaps Wisconsin

EXTENSION OF REMARKS

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1939

EDITORIAL BY M. H. KNIGHT

Mr. KEEFE. Mr. Speaker, under leave to extend my remarks, I am putting into the RECORD an editorial written by Mr. M. H. Knight, associate editor of the Janesville Daily Gazette of Janesville, Wis., entitled "President Slaps Wisconsin." as follows:

PRESIDENT SLAPS WISCONSIN

Milk trains from Wisconsin used to rumble through Warm Springs, Ga., en route to Florida vacation lands where for economic reasons the region could not maintain a large dairy industry 12 months in the year to support a 4 months' boom season. It seems that those trains made considerable noise as they sped through the resort city, and that one Franklin D. Roosevelt, a light sleeper, was awakened frequently by the noise.

Now, a man awakened from a deep sleep is likely to set his mind to making the cubic which disturbed himself Mr. Rocsevelt.

was no exception. He probed the cause of the disturbance, and then on future wakeful nights wondered just why it was that Florida had to go all the way to Wisconsin for dairy products when there were so many good Democratic States intervening. So, said the President, last week in a talk to an Alabama audience: "That gave me, feeling that something was wrong with the agricultural. gave me a feeling that something was wrong with the agricultural economy of these States of the lower South, because you and I know from what we have been taught and from the experiments that have been made that these States can produce perfectly good milk and cream."

The trains which kept Mr. Roosevelt awake were operating 16 years ago. But when this insomnia victim became President of the United States things began to change. In his own words, "I think that we have done more in those 6 years |since his election than in the previous 60 years to make Southern States self-supporting. * * * It means, incidentally, getting the South out of hock to the North."

It is quite all right for the South to work toward as great a degree of self-sufficiency as possible. It is another matter for the President of the United States to encourage overproduction in a farm commodity, without thought of the eventual outcome. It does, however, exemplify the meddling tactics which have disturbed the equilibrium of normal supply and demand in this Nation to the greatest extent in its history.

Nation to the greatest extent in its history.

The fact is, as nearly as we can determine it, that 6 years ago there were sufficient cows in the United States to supply the demand for dairy products, with considerable to spare. These cows were in the hands of farmers trained through generations in the dairy industry. They represented a huge investment, and any interference with the marketability of their product would run the danger of eventually ruining a great industry, and with the economic fortunes of large numbers of the Nation's Spare. it the economic fortunes of large numbers of the Nation's finest people

while the Government is encouraging the South to produce its own dairy products, what is it doing to take care of the problem created thereby in the North? Nothing, of course. It sounds a lot like promulgation of the self-sufficiency idea for every locality. Wisconsin is adapted to dairying. Its people know the dairy business and they have millions upon millions of dollars invested in it. There isn't a State between Illinois (in the Wisconsin dairy care), and the South where that holds true. Competition from area) and the South where that holds true. Competition from that source likely would never become serious without Govern-ment encouragement because neither the climate, the soil, nor the people of the South is adapted to dairying.

people of the South is adapted to darying.

In a nation already possessing a dairy products surplus that can be handled only by a nation-wide advertising campaign, bankers wouldn't think of encouraging the industry in new localities, excepting at the urgency of a paternalistic government.

We have no fear but that Wisconsin dairy interests will take care of themselves, perhaps with some painful interludes, in fair competition. If the Federal Government decides to throw its economic resources behind a wrecking crew, however, the outcome will not be so certain.

The Progress of the Farm Security Administration in Rehabilitation of Farm Families of the Fifth Congressional District of Kansas

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

LETTER FROM HON. C. B. BALDWIN

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD. I include the following letter from the Honorable C. B. Baldwin, Acting Administrator, Farm Security Administration:

United States Department of Agriculture, FARM Security Administration, Washington, April 4, 1939.

Hon. John M. Houston,

Hon. John M. Houston,

House of Representatives.

Dear Mr. Houston: We have just received a report on the progress of the Farm Security Administration borrowers throughout the country, and we felt that the figures for your district might be of particular interest to you.

As you no doubt know, our major activity is the rehabilitation of needy and low-income farm families through small loans, accompanied by guidance in sound farming methods to insure the best possible use of the money.

possible use of the money.

Most of these families are extremely poor credit risks, judged by normal standards. None of them can obtain adequate credit on reasonable terms elsewhere. Many have been on relief. Our program is designed to make them independent of further assistance, by providing them with the equipment and the training necessary for successful farming.

From the beginning of the program in 1935 until January 1, 339, a total of \$232,410,369 had been loaned to approximately 50,000 farm families in the United States. These borrowers 1939, a 650,000 already have repaid approximately \$72,000,000 into the Federal

already have repaid approximately \$72,000,000 into the Federal Treasury.

The Farm Security Administration has made such loans to 389 farmers in your district since the inception of the program in July 1935. The loans from emergency-relief funds have totaled \$258,537.02, an average of \$664.62 per family.

These farmers have repaid \$40,959.30 up to January 1, 1939, although much of the money will not be due for 4 or 5 years.

We have just completed a survey of the progress made by a group of typical rehabilitation borrowers as of January 1. This survey, covering 237 families in your district, showed they had increased their total net worth since coming into the program from \$122,860 to \$155,400 at the end of the 1938 crop year—over and above all debts.

These families, therefore, had added a total of \$32,540 to the

from \$122,860 to \$155,400 at the end of the 1938 crop year—over and above all debts.

These families, therefore, had added a total of \$32,540 to the wealth of their communities, or an average of \$137,29 per family. We consider these net-worth figures, which reflect the difference between total assets and total liabilities of each family, an even better indication of progress than repayment figures, because they show the actual progress made by the family.

During the past crop year alone, these families increased their total net worth by \$23,800, or an average of \$100.42 for each family. One of the primary aims of the rehabilitation program is to enable borrowers to raise their own food supplies and livestock feed, so they will be less dependent upon cash crops. Their progress is indicated by the fact that the 237 typical F. S. A. families who reported in your district had stored away 21,100 quarts of fruits and vegetables last year to tide them through the winter. The average family has increased its annual production of homeanned food by 60 quarts since it first received an F. S. A. loan.

Moreover, the production of meat for home use has risen a total of 44,320 pounds annually, or 187 pounds per family; and the average increase in egg production for home consumption was 53 dozen per family.

So dozen per family.

Relatively few families owned milk cows when they first sought F. S. A. aid, and this lack often was reflected in the health of their children. By the end of the 1938 crop year, however, the borrowers in your district reported that they had increased their milk production by an average of 233 gallons annually, or a total of 55 160 gallons.

of 55,160 gallons.

This increase in the production of foodstuffs does not mean additional competition with farmers in other areas, since virtually additional competition with farmers in other areas, since virtually additional competition with farmers and the competition of the the entire output was consumed at home. It represents improved diet, based on foodstuffs which previously were not available, usually accompanied by a marked improvement in health.

One of the most frequent causes of distress among farmers is the fact that they are overburdened with debts. Consequently the Farm Security Administration has set up local farm debt adjustment committees to bring the debtor and his creditors together for a friendly discussion of their mutual problems. These committees have no legal authority to compel adjustments; but usually they find it possible to reach agreements for extending the time of payment, reducing interest rates, or scaling down the obligations. As a result, the farmer is saved from foreclosure and his creditors obtain substantial payments on what might otherwise have been uncellettible debts.

creditors obtain substantial payments on what might otherwise have been uncollectible debts.

In your district 136 farm families had been helped through such debt adjustments up to January 1939. Their obligations were scaled down from \$733,750 to \$518,650, a total reduction of \$215,100 or 29.3 percent. As a direct result of these adjustments, a total of \$8,543 in back taxes was paid to local governmental agencies.

Another main object of the rehabilitation program is to get better land tenure for borrowers who are tenants or sharecroppers. While many of the borrowing families are owners, the report showed that among the tenants, 134 had obtained written instead of oral leases. Moreover, 49 had advanced from a sharecropper to a tenant status during the year.

In your part of the country, one of the most general causes of rural distress has been inadequate acreage for sound farming operations. In helping borrowers to a new start, we have tried to help them obtain sufficient land. As a result, borrowers studied in your district increased their total land operated by 7,920 acres, or an average of 33 acres per family since acceptance on the program.

or an average of 33 acres per family since acceptance program.

There are three other measures of the progress made by these rehabilitation borrowers. The report showed that 30 families were getting medical attention, through participation in group medical care programs; six were practicing definite erosion control measures; and 211 children of school age were enabled to attend school as a direct result of the rehabilitation program.

Our field workers reported that they knew personally of 321 families in your district who were eligible and in need of rehabilitation loans, but were unable to obtain them because of lack of funds.

Next to the rehabilitation program, the Farm Security Administration's chief function is to make loans to tenants, sharecroppers, and farm laborers for the purchase of family-size farms under the terms of the Bankhead-Jones Farm Tenant Act.

While loans have been confined to certain counties in each State, we will have made approximately 10 such loans in your district, aggregating \$96,415 by the end of this fiscal year.

Last year, the first in which the tenant purchase program was in operation, five loans, totaling \$44,635, were made in your district. This year we estimate we will be able to make five loans aggregating about \$51,780.

If you would like any further information on the Farm Security Administration program, please let us know.

Sincerely yours,

C. B. BALDWIN, Acting Administrator.

Address Before League of Republican Women

EXTENSION OF REMARKS

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ADDRESS OF HON. JOHN C. KUNKEL, OF PENNSYLVANIA, ON APRIL 3, 1939

Mr. KUNKEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered before the meeting of the League of Republican Women at the Mayflower Hotel April 3, 1939:

It is always a great pleasure for me to have the privilege of addressing any gathering of Republican ladies, because it is my firm conviction that the increased activity, organization, and enthusiasm of the ladies of our party was a main reason for the emergence of the Republicans in 1938. There isn't anyone in Congress today who owes the fact of his presence here to the ladies' councils and organizations to a greater degree than I do, nor is there anyone who is more appreciative of that fact. In the Nineteenth Congressional District of Pennsylvania your organizations not only work right through the year to develop sentiment for the aims and ideals of the party but then they see to it at election time and on election day that those ideals and aims are made effective by marshaling the vote and by having it registered at the polls. When you consider that in Dauphin County alone, one of the three counties in my district, the Dauphin County councils have a membership of about 5,000, you can realize their vast importance and their vast influence on election day. The ladies in Cumberland and Lebanon Counties are also most active and effective. dressing any gathering of Republican ladies, because it is my firm

This afternoon I would like to give you some indication as to my conception of one phase of our Government and then to correlate that conception with the issues of today, particularly the issue of unrestricted governmental regulation which Congressman MUNDET

when you first read English history, the natural tendency is to have a great deal of sympathy in most instances for the King in his struggles with Parliament. This is no doubt because the King is a vivid personality. The historians tell us his personality and relate anecdotes about him and we acquire a certain familiarity with him as an individual through these sources. Later, when we are more mature and study this same history with a view to analyzing its development, particularly in relation to our present conditions and our present form of government, we find that the most important political factor in that history is the struggle between the Parliament, an institution representing the people of England, and the King, an institution representing the execu-tive branch of the Government. In other words, the King changes from a personality into an institution and we view kings in our roun a personality into an institution and we view kings in our study not so much as personalities but as symbols of an institution. And it is at this point that we realize that the struggle between Parliament and the King is the most important political phase of English history and that this struggle to a very great extent recapitulates the development of democracy and of those institutions which guarantee us our individual liberties today, at least it recentified as the history up to the time of the formation least it recapitulates that history up to the time of the formation

Now, what was the essence of this struggle? The real nub of it was that it was a real continuing battle between two forces each of which wanted all the power and all the privileges they could get at all times. Sometimes one was weak and the other transport of the property of the proper could get at all times. Sometimes one was weak and the other strong and then the strong one gained. Sometimes Parliament gained its ends by refusing to vote funds. Sometimes the King gained his way by refusing to call Parliament. At times there was war and bloodshed when neither would give in to the other. But by and large it was just a knock-down, drag-out fight by two institutions represented by personalities, both of whom were extremely eager to increase their prerogatives at the expense of the other whenever they had the chance.

When the fathers of this country came to the time of its founding, they had the above fact firmly in mind not only through their

they had the above fact firmly in mind not only through their knowledge of and associations with the mother country but also from previous experience in the Colonies themselves. It is my belief that their evaluation of this fact—this necessary jealous struggle between two institutions whose interests would always to a major degree be opposed—was a most important concept in their minds at the time they drew up our Constitution. They distributed the powers of government between the legislative branches with three main ideas in mind: (1) The then existing political set-up in England and the Colonies, (2) their ideas of what that set-up should be, and (3) the belief that future conditions might make certain changes necessary. But always with the fact firmly in mind that those branches of government would continue that jealous struggle, since it had existed historically from time immemorial and because it was theorem; in the situation

struggle, since it had existed historically from time immemorial and because it was inherent in the situation.

The Supreme Court, as it has functioned since the Court under Chief Justice Marshall first stated that a Federal law was unconstitutional, is a peculiarly American institution. I want to confine my remarks to a discussion of the relation between the executive and legislative branches of our Government. But it is important to notice that courts in other countries do not have the power to declare legislative enactments unconstitutional. Also that this power was not explicit in the Constitution but was only implicit in its. was not explicit in the Constitution but was only implicit in it, and that its exercise by the Court was attained in the last analysis by the Court actually reaching out and using this power. In other by the Court actually reaching out and using this power. In other words, the more dominant position of our courts as compared to courts in other countries is mainly due to the assumption by our courts of this power because of the Court's desire to participate in this struggle and to establish its institutional importance more firmly. Courts as an institution must be in the main impartial, both as to their own powers as well as in respect to the rights, duties, and powers of others. But it is interesting during this discussion to note the source of what we are all glad to concede today is one of the Court's most important functions.

is one of the Court's most important functions.

My conception of the whole theory of our Government is that the various branches should continue to insist on their powers and should strive to get more unless checked by the people themselves. It is that constant interplay that insures that the checks and balances established in the Constitution should have that relation which conditions existing from time to time demand that they which conditions existing from time to time demand that they have. There is no reason to criticize an Executive unduly for seeking to expand his sphere of Executive influence. Naturally there is a great deal of reason to criticize a legislative body that abrogates its powers and turns them over to an Executive as the past few Congresses have done. The framers of our Constitution contemplated an Executive who would desire to be more influential and provided for it; but I do not believe they ever contemplated and provided for it, but I to not believe they ever contemplated a Congress that would willingly turn over the exercise of the rights granted to it. And so I believe it to be the duty of Congress and the duty of an individual Congressman to hold on firmly to every iota of power that Congress now has, to struggle to regain powers and influence that have been lost or loaned. That is the way in which Congress can at least begin to lessen the unre-stricted Government monopoly and power, now ever increasing, whose dangers are so evident and so all embracing. This is only one phase of the problem but it is one toward which all of us on Capitol Hill can work for right now.

Our present Chief Executive has a very strong and vivid personality, and it seems to me that this fact has very frequently beclouded the really serious questions under discussion. Too many times Congressmen and citizens ardently espouse a measure because they like and admire our President, while others too frequently strenuously oppose a measure because they do not like our President or are against his general ideas. This is really a return to that immature stage of our development in which we were interested in kings as individuals and before we more maturely began to analyze the king as the symbol of an institution. Naturally, decisions made on the basis of feeling and emotions held as to a person-

ality are apt to be made in derogation of the real issues involved.

But the Congress at present can make slight headway in this direction—in fact, can scarcely hold its own against the tide, and that is where you and your workers can do the work that will really count. You can start now to show the dangers of this unrestricted governmental control and to point out that one means of combating it is to secure this spirit in future Congresses. When you show that the American people desire this, then the Executive will know that it is necessary to yield, and very probably our next President— or symbol of executive power—will be one who sees that such a or symbol of executive power—will be one who sees that such a yielding back is the part of wisdom and necessity and of the spirit of the times; and the result of your efforts and of the efforts of thousands of those working with you for the same results will be a swing back, under our system of checks and balances, to that more perfect equilibrium that will secure the greatest freedom of individual action, initiative, and opportunity to the citizens of this country that existing conditions will permit of this country that existing conditions will permit.

The Mexican Problem—Expropriation by Mexico of Foreign-Owned Oil Properties

EXTENSION OF REMARKS

HON. JOHN KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1939

Mr. KEE. Mr. Speaker, the old saying that the poor are always with us aptly applies to our problem in Mexico. From the earliest days of our country's history down to the present time the people and the Government of the United States have been continuously faced with serious questions of policy in our relations with our temperamental neighbors to the south and with their even more temperamental and usually undependable and unstable government.

Regardless of all argument to the contrary, it must be conceded that the Government of the United States, in dealing with the many serious questions which have arisen between the two countries during the past century, has exercised to a remarkable degree a spirit of patience and restraint. Considering the situation frankly and uninfluenced by either bias or prejudice, let us see what the record shows and what every

informed person knows to be true.

Whether it be because our people have felt that it would be shameful for us to use our superior strength and resources to crush a smaller and weaker nation; whether because we have a natural contempt for those who exhibit a disregard of their pledged word and solemn treaties; whether it be because of our natural horror of war and bloodshed, or for whatever reason, the fact remains that this country through many years has calmly and without any effort at retaliation, accepted and ignored more carefully calculated and deliberate insults from the Mexican Government, more open violations of international law and ethics, more oppressive acts toward our nationals and a more callous and insolent disregard of our rights than we would have borne, without recourse to arms, from any other nation on earth. True, at one time, a matter of 90 years ago, we were a party to the writing in blood of a chapter in the history of our Mexican relations, but that chapter seemingly taught no lessons to our neighbors, and engendered in them a spirit of resentment that has deepened in bitterness with the passing of the years.

Our past experience with Mexico and with what, in charity, may be called Mexican diplomacy, has been such as to accustom us to the uncertainty of Mexican action. We know that the southern Republic seems never to have followed a dependable property doctrine as to "mine and thine," that confiscation of the property of others evidently seems to that nation to be a meet and proper action under both their civil and moral code, and that, as to reparation, restitution, or compensation, one who expects either must find comfort in a new beautitude expressed in the words "Blessed is he who expecteth nothing, for he shall not be disappointed." These salient features of Mexico's standard policy in her dealings with foreigners-and especially with Americans-have become so familiar to us that announcement of initiation of new refinements in this policy causes but little excitement or comment. Like David Harum's dog, we evidently feel that a certain number of fleas are good for us, therefore we give but slight notice to the addition, now and then, of an additional parasite. However, it seems that our most recent insectivorous infliction is so overgrown as to demand our attention. Especially is this true in light of the fact that, receiving the same dose of grief as ourselves, the British lion has emitted a roar as audible as the shot fired at Lexington.

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For many years the Government of Mexico has pursued a policy involving the expropriation of agrarian properties owned by American citizens in that country. For these properties no adequate compensation was awarded the owners either at the time of the expropriation or thereafter. Repeated representation and protests were made by our Government in respect to the action of the Mexican Government, but without avail. Recognizing the right of Mexico to expropriate property for public use, as we would recognize that right as fundamental to every government, we have insisted only that any such expropriation must be followed by adequate, effective, and prompt compensation for the property so expropriated. There is nothing new or strange in this position. That private property may not be taken for public use without adequate compensation to the owner is a principle of law more widely recognized, perhaps, than any other. The requirement is in the Constitution of Mexico as well as in our own Constitution. It is a recognized principle of international law. No other rule would be either just, fair, ethical, or honest.

The controversy in respect to the expropriation of agrarian properties has now reached the point where a basis or plan of settlement has practically been agreed upon between the two countries. As to these properties, Mexico has agreed that compensation shall be made in accordance with a valuation to be fixed by commissioners to be selected by our respective Governments. It is not my intention at the present time to discuss the matter of agrarian properties, except insofar as the questions raised thereby are tied in with and are a part of the problem raised by the recent expropriation by the Government of Mexico of foreign-owned oil properties. It is the expropriation—or confiscation—of these last-mentioned properties that will be here discussed.

In March 1938 President Lazaro Cardenas of Mexico made public announcement that his Government had expropriated the properties of all the foreign oil companies engaged in business in that country. By properties is meant not only the lands and leases owned by these foreign countries, but also, included in this order, was the oil wells, rigging, power plants, pipe lines, barges, boats, and other transportation facilities; refineries, storage tanks, sumps, pump stations, motors, engines and boilers, camps, camp sites, club houses, dwellings, office buildings, warehouses, railways, rolling stock, and other equipment; receiving tanks, tank farms, wharves, piers, and sea lines; in fact, the entire assets and tangible property of the oil industry in the Republic of Mexico. At a fairly conservative estimate, the property so, by one stroke of the pen of Señor Cardenas, taken over from its legitimate owners, has a value of over \$400,000,000; and, in my humble judgment, the Government expropriating this property, not having paid for it at the time of its taking, will not pay for it and, though it had the disposition to do so-which it has not-cannot pay for it.

As heretofore stated, our difficulties with Mexico, arising out of the seemingly chronic disposition of that country to appropriate for its own use the property of foreigners who, by invitation or otherwise, have invested money for the development of that country and its resources, have been al-

most continuous since the early years of that Government. It is well known, of course, that these troubles have not been confined to the oil business. The same trouble has been encountered in the mining business, railway operations, agricultural enterprises, forestry development, and many other branches of industry. The oil controversy, however, has perhaps been and is the one of greatest importance, and has from time to time caused the greatest crises in our relations; it is not by any means the oldest of the unsettled questions nor is it of recent origin.

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For many years prior to the drilling of the first productive oil well in Mexico the presence of this important commodity in the coastal region of that country was, or should have been. known to the most casual investigator. Throughout the entire region lying mostly between the Panuco and the Tuxpan Rivers there have existed from time immemorial numerous small lakes or beds of asphalt similar to the larger deposits found on the island of Trinidad or in Nicaragua. Many years ago these deposits were investigated by American interests engaged in the asphalt industry; these interests had in view the exploitation and marketing of the natural asphalt of which the deposits consisted. The deposits were found, however, to be either too limited in extent or too far distant from the coast to be of commercial value or to make their exploitation practical or remunerative. At that time it does not seem to have occurred to the asphalt explorers that the surface deposits were merely seepages from an unlimited supply of petroleum confined far down beneath the earth's surface. There is a record, however, of one attempt by the Mexicans to drill for the hidden wealth; this attempt was made as far back as 1869, but like most Mexican trials at development, it was a failure and was never repeated. The British also drilled a number of wells in 1898 and 1899 but without success. It required American experience, determination, and courage to find and develop this field.

A majority of the deposits or seepages, above mentioned, scattered all over the area afterwards developed, were what is known as "live" seepages; that is, the crude oil, which has an asphalt base, was continually bubbling up from the subterranean depths. One may yet stand upon the thin crust covering one of these seepages and watch the evidence that clearly indicates its nature and origin. A small bubble will slowly take form, gradually expanding into a perfect globe, first a dark brown in hue, then a bright yellow, and now with the iridescence of a soap bubble it will suddenly break and a film of oil spread out over the surface. With the steadiness of clockwork these bubbles continue to rise and fall and break, even as they have continued for who can say how many thousands of years. These seepages, found throughout the section I have indicated, are usually located near what is known as a basaltic uplift, a wedge basalt thrust up by volcanic action through the great oil-bearing limestone strata lying far below the surface.

It was these seepages, correctly interpreted in the year 1900 by Edward L. Doheny, an American, which finally led to the drilling of the first oil well in Mexico, and to the consequent discovery of one of the greatest oil fields the world has ever known. As stated, the field was well defined by these surface indications, the first well drilled confirmed Doheny's judgment as to the meaning of the seepages, and just as clearly indicated the extent of the territory likely to be productive. Therefore, any claim made by Mexico that her citizens sold and disposed of their oil interests in ignorance of the value of the property is untenable.

The fact that this was destined to be a great oil field was apparent from the beginning. The Mexican Government was undoubtedly well advised from the time of the drilling of the discovery well that it had within its borders this tremendous reservoir of wealth. All that was needed to turn this potential wealth into actual gold was development and exploitation. All that was needed to bring about this development was the expenditure of money. These truths were elementary. It would seem, however, that our southern neighbors were not willing to risk their own money in the effort at development, and therefore the expenditure of

foreign, especially American, capital was invited and welcomed. The slogan apparently was "Let the gringoes take the chances."

The lands under which were situated these vast underground pools of oil were owned by Mexican citizens, and these citizens, like the citizens of any other country faced with the same situation and opportunity, were ready to sell or lease. Did the Mexican Government, immediately following the discovery of oil under these properties or at any time during the ensuing exploration and development period, make claim that the ownership of the subsoil wealth was vested in the nation? It did not.

Did the Mexican Government during this time make any objection to the alienation on the part of its citizen-owners to foreign purchasers for cash of their land or of their oil rights? It did not. Did the Mexican Government then propose to place in its constitution the declaration that the Government claimed an inherent right to the ownership of everything below the surface of the land? It did not. Did the Mexican Government, at any time during the development period and while foreign capital was flowing in, expropriate anything or announce any intention of doing so? It did not.

On the contrary, from the time of the drilling of the discovery well, down through the ensuing years, the Mexican Government continued its policy of inviting and welcoming the investment of foreign capital in the continued development of this new-found source of national wealth. As long as the foreign oil companies poured a steady flow of gold into the country for exploration and development, as long as they continued to develop new productive fields, as long as they continued to pay the native landowners for their oil lands and oil rights in good American and British money, as long as they continued to build tanks, warehouses, piers, sea lines, railways, refineries, and permanent improvements, just that long the Mexican Government applauded and encouraged.

It is true that the Mexican Government was, during this time of development, continuously insisting on a more than generous "rake-off" as a governmental prerequisite. This took the form of outrageous fees for so-called permits, inspections, recording, and registering of titles—since declared void—and property and production taxes averaging over \$25,000,000 per year. As a matter of fact, in 1922 the production and export taxes paid by the oil companies to the Mexican Government amounted in that one year to the sum of \$43,990,070.25.

As the investments of the various foreign oil companies grew greater, so did the demands of the Mexican Government grow greater, more numerous, more onerous, and exacting. These demands were always met by the investor; not without protest, it is true, but the uselessness of protests to a Mexican Government has been so well demonstrated by the diplomatic experience of our Government that the fact they are useless is elementary. Therefore, as stated, the increasing demands were met and the charges paid simply because there was no alternative. From 1912 until the close of 1927, marking the period of greatest production, the Mexican Government collected in taxes alone from the oil companies, upon a total production of 1,443,239,366 barrels, the sum of \$224,-052,042.43. By the year 1916-and I am using this year as representing an average one in the period prior to the falling off of production—the pay rolls of the oil companies had reached the sum of \$37,500,000 per year. The greater portion of this sum went to Mexican laborers, who were better fed, better clothed, better housed, and better paid than they had ever known before and far better than any other class of labor in the country. Approximately 50,000 oil workers, a majority of them Mexicans, were being given steady, regular employment, and, as shown, the Mexican Government was receiving in taxes from this one industry a steady income unequaled in amount by that of any other industry in the entire country. But this did not satisfy a government that believes in taking what it wants and which has the power to take. Not contented with the golden eggs, the Government longed for possession of the goose.

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Early in the year 1915 Venustiano Carranza, having won the Presidency of the Mexican Republic after a four-cornered fight with Villa, Zapata, and Huerta, looked with longing and covetous eyes to the oil fields, and perhaps also to other valuable properties owned by foreign interests. The oil fields were probably the richest and most promising area for the production of wealth ever discovered in the Mexican Republic. Foreign enterprise through the course of many years, and at tremendous cost, had explored the territory, defined the limits of the fields, drilled the wells, built highways and railways through the jungles, erected storage tanks and warehouses, built refineries, sea lines and piers, laid pipe lines to transport the products, completed everything necessary for reaching the markets of the world, and set the stage for a drama of prosperous business. Here before the eyes of El Presidente was a source of undreamed-of income, and it did not belong to El Presidente. Then and there, no doubt, was born in his mind the idea of adopting some scheme or device through which as much of this property as possible might be taken over by the Mexican Government without, of course, any necessity of compensating the owners. No need to say that no such intent was announced, but, on the contrary, all rumors or suggestions of intended confiscation or expropriation were instantly denied.

On January 7, 1915, the first steps for carrying out Carranza's scheme were taken. On that day he issued a decree in which he ordered that "all development and operation of oil wells must cease immediately and remain suspended until the completion of specific laws governing the exploration, production, transportation, and marketing of this product." What these "specific laws" were intended to be was not indicated; any intent to nationalize the oil industry was denied; and yet the great industry was ordered to be closed down until such indefinite and undetermined laws could be formulated and enacted.

This decree brought an immediate protest from William J. Bryan, then Secretary of State of our Government, who expressed to the Carranza government the fear that this decree was but the forerunner of an intended act of confiscation. To this protest Aredondo, then the agent of the Carranza government in Washington, replied on January 22, 1915, that he had been directed by Carranza to advise our Government that "no confiscation is menacing oil properties." This was but the first of many similar assurances to come to our State Department from the Mexican Government. The keynote of Mexican diplomacy seemed then and seems now to be "not to let your right hand know what your left hand does," with the result that while one hand signs a note of assurance that all foreign rights will be protected the other hand affixes a signature to an order or a decree directly to the contrary.

At the time of the Bryan protest, to wit, early in 1915, Carranza evidently had in contemplation the new constitution, which was afterward promulgated, and under the terms of which he hoped to accomplish his undoubted purpose to confiscate all foreign-owned oil properties. The puzzling question to him was how he could give this extreme measure the guise of legality. The oil companies were not operating under concessions from the Mexican Government. On the contrary, they were operating upon properties which they had purchased outright or leased from the native Mexican owners. These owners had been paid in cash for their property and had executed deeds, leases, or contracts to the purchasers. These transactions had been approved by the Mexican Government, and the writings showing transfer of the titles and property rights to the various companies had been duly recorded in accordance with the provisions of the Mexican laws. The Government therefore could not cancel these deeds or contracts as it would a "concession."

And right here it might be well to correct a misunderstanding that is prevalent as to the rights of the oil companies in the Mexican properties. It has been frequently said, and without any foundation in fact, that the oil companies operating in Mexico acquired their properties through "concessions" from one or the other of the various unstable governments that came and went during the many revolutionary years in that country. Coupled with this statement, the idea has been conveyed that in many instances these supposed concessions were acquired fraudulently or through bribes to officials, and in total disregard of the rights and the interests of the Mexican people. This is not true.

I do not know and have never heard of any foreign oil company operating in Mexico under a contract or concession secured from the Mexican Government or from any of its representatives. I never heard of but one concession being made, and this was to a Mexican company, and I will speak of that later. To the contrary of the erroneous idea of concessions, every foreign company doing business in Mexico secured its properties and rights in the same manner as similar companies operate in the United States, to wit, by lease or purchase of the lands or oil rights from the individual owners. I can testify to the fact that these individual owners were never ignorant as to the value of their holdings and that the considerations and royalties paid by the purchasers of these properties measured up to the standard of prices that would have been paid in the United States for the same properties had they been located here and owned by shrewd, hard-fisted American landowners.

At the time the various foreign oil companies entered the Mexican field it was necessary for them to trade with the individual landowners and not with the Mexican Government for the simple and very good reason that the Mexican Government then made no claim whatsoever to any interest or right in the subsoil deposits under Mexican lands, other than to certain minerals having no connection with petroleum. At that time the Government, under its constitution and its statutes, recognized and admitted without question that the title to the petroleum under all privately owned lands was vested in the owners of the surface. Therefore the oil companies dealt with the surface owners direct, paid them for their properties, secured conveyances therefor, and placed these writings to record, all with the knowledge, consent, and approval of the Mexican Government. No company claims title under any "concession," and, as stated, the Mexican Government itself at that time made no claim of any rights whatsoever in the property which could be subject to

As evidence, however, of what the Mexican Government would have undoubtedly done had the oil companies been operating under concessions instead of purchase, I need only point to the case of the Maritime Oil Co. On June 10, 1912, Madero, then President of Mexico, through his Minister of Promotion, Colonization, and Industry, granted to three Mexican citizens and their assigns the right to explore for and market the petroleum from the subsoil of certain sections of what is known as the maritime zone, and margins, banks, and beds of rivers, esteros, and marshes in the State of Veracruz and Tamaulipas. The areas included were indisputably under Federal jurisdiction and therefore properly subject to concessions. This concession was assigned by the three concessionaires to the Compania Petrolera Mexicana-Mexican Oil Company-which, in turn, in August 1913, assigned it to the Maritime Oil Co., also a Mexican corporation, but with American stockholders. This assignment was approved by the Minister of Fomento of the then de facto government. The Maritime Oil Co. started a well on an island in the Panuco River and spent \$100,000 United States money in getting it down about 2,000 feet, or within an estimated 100 to 200 feet of the producing strata. Meanwhile, Carranza came into power, captured Mexico City, and immediately declared all acts of his predecessor, President Huerta-under whom the concession owned by the Maritime Co. had been grantednull and void. In January 1915 Carranza ordered all work on the Maritime Oil Co.'s well suspended, and, on August 7 following, his Minister of Fomento declared the original concession forfeited and canceled it. A protest by our Government in behalf of the Maritime Oil Co. availed nothing. Illustrative of the character of redress usually received from the Mexican Government is the following reply addressed by Carranza to a communication from the Maritime Oil Co.'s attorney. I quote:

QUERETARO, MEXICO, January 6, 1916.

Senor Lic. D. J. Hoff, Kansas City, Mo.:

Replying to your message dated yesterday, Compania Petrolero Maritima, which you represent, can apply to the Department of Fomento soliciting a new contract in the matter to which you refer. I salute you.

V. CARRANZA.

In other words, "we have confiscated your concession and \$100,000 worth of your property, and you can now commence all over again. I salute you." This being a concession, Carranza knew that he could cancel it without technically violating international law. The fact that he broke one of the Ten Commandments and violated the moral code did not trouble him. No moral question could either burden the soul or lay heavy upon the conscience of Mexico's V. Carranza.

VI

On January 19, 1916, aroused, no doubt, by Carranza's decree of January 7, ordering suspension of all oil operations in Mexico, our then Secretary of State Lansing wired to Special Agent Silliman, at that time representing the United States Government at Queretaro that he [Lansing] had been reliably informed that the defacto authorities of Mexico "contemplated issuing a decree for the nationalization of petroleum." The Secretary requested that Carranza be seen and asked to delay such decree until our State Department could have an opportunity to examine its proposed terms. He requested Silliman to point out to Carranza "in unequivocal terms the dangerous situation which might result from the issuance of any decree of a confiscatory character." To this telegram Silliman made answer on January 21 that the secretary of the department-presumably of Fomento, and so forth-advised him "that the Government is not contemplating such a decree."

Here was another one of the "right-hand" assurances carefully calculated to allay suspicion and camouflage the contemplated "left-hand" action. Secretary Lansing was apparently not satisfied with the assurance, for on January 22 he wired Silliman that "Department officials have had personal knowledge that for more than a year such a measure was contemplated." Lansing evidently knew what value to give to Mexican assurances. The apprehension of the Secretary was well founded. Thirty-seven days thereafter, to wit, on February 28, 1916, Carranza again issued a decree ordering "suspension of all drilling and works of exploitation in the oil fields, and all dealings in oil lands until the Secretary of Fomento presents the project of the new law regarding the This decree, calling a halt upon a great industry which had not yet been nationalized, was certainly incompatible with the assurance just previously given to Lansing that the Mexican Government did not have the nationalization of the industry in contemplation. It will be also noted that the decree warned that a new law was in the offing, but no hint was given as to the nature of the contemplated new measure. As a matter of fact, no such hint was necessary. Every word and action of the Mexican Government clearly pointed to its intention to grasp, if possible, the great business that had been developed and built up by foreign capital under the Mexican Government's encouragement.

At this time, and while Carranza was busy with his undertaking to formulate laws authorizing an expropriation or confiscation of the entire oil industry, the individual Mexican States in which the oil fields were located suddenly commenced, in common parlance, to "horn in" to the situation with attempts to get control of the industry and of the wealth it represented. The method of making laws by decree, which Carranza had brought to a state of perfection, having been popularized and proven to be effective, General Aguilar, then the Governor of the State of Veracruz, concluded to get into the decree business as a profitable sideline. On January 15, 1916, this enterprising and thrifty Governor issued a decree which declared that the State government of Veracruz had and would exercise complete jurisdiction over all oil properties.

The decree (1) forbade any contracts, sales, conveyances, or leases without the consent of the State government of Veracruz; (2) forbade any transfers of stocks, bonds, or rights, either corporate or individual, without consent of such State government; (3) declared all contracts or transactions made without such consent null and void; (4) decreed that all contractual parties, including purchasers, lessees, and grantees, shall in all cases renounce their rights as citizens of a foreign government and their right to appeal to their own government for protection or redress.

This decree brought a protest from Secretary of State Lansing; and, inasmuch as by this decree the Governor of Veracruz was poaching on Carranza's preserves and was in a fair way to wax rich and fat upon the fees charged for his licenses and permits, Carranza, on August 31, 1916, issued a counter decree denying to the various States any jurisdiction over oil exploitation and production and invalidating all prior acts of the various Governors in reference thereto. Carranza was not disposed to stand idly by and let an ordinary State Governor invade his private pastures and grow fat on the

grazing.

In the meanwhile, the Carranza government was making it as difficult for the oil industry as possible. It was collecting from twenty-five to forty million dollars per year in taxes from the oil companies, supplemented by fees for permits, licenses, recording, registering, inspections, protection, and every other imaginable and supposed service forced upon the companies at the Government's price and paid for by the companies upon the alternative of being closed down at a moment's notice. These measures, while profitable, were not accomplishing the Government's objective. They were all, however, part of the series of steps that led up to the final event precipitating a controversy that has raged between the American and the Mexican Governments for over 21 years, and into which the British, Dutch, and other Governments have been drawn, finally resulting—

(1) In the nationalization of petroleum by the Mexican Government, from which act subsequently resulted:

(2) (a) The loss by all foreign investors, with no hope of any compensation therefor, of all petroleum interests purchased by them since May 1, 1917.

(b) The loss by all foreign investors, with no hope of compensation, of all petroleum interests purchased by them prior to May 1, 1917, in lands upon which they had performed no positive acts of development, as such positive acts are defined by the Mexican Government.

(3) The expropriation by the Government of Mexico without, up to this day, any payment of compensation to the owners of all oil properties and interests of all foreign investors in the Republic, and in its final analysis this expropriation actually amounts to—

(4) Confiscation by the Mexican Government of all oil properties owned by foreign investors in the Republic of Mexico, and which properties have an actual value of ap-

proximately \$400,000,000.

VI

The event precipitating these drastic changes and finally bringing the result at which there is no doubt the Government of Mexico was aiming during all the years, to wit, confiscation, was the formulation and adoption of the new constitution of Mexico which went into effect on the 1st day of May 1917. Into article 27 of this constitution was written this declaration:

In the nation is vested the direct ownership of * * petro-leum, and all solid, liquid, or gaseous hydrocarbons.

This article completely changed and reversed the attitude which the Mexican Republic has held since its formation as a Government upon the question of ownership of the petroleum under the surface of lands. It takes the ownership of this substance away from the owners of the surface, where it had always been, and vests it in the Government. And not only this, the interpretation of the provision insisted upon by the Mexican Government, and which will still be maintained if foreign governments, including our own, permit the

Mexican officials to "get away" with such an interpretation, will give the provision a retroactive effect, thus entirely voiding all titles of foreign owners to oil interests, however or whenever acquired, and entirely releasing the Government of Mexico from any obligation to pay for these expropriated properties. But of this later,

The new constitution was the brain child of Carranza and his coterie of advisers. It was adopted by a "constitutional assembly" held in January 1917, was promulgated or made public on February 5 following, but did not become effective until May 1 of the same year. Immediately after the adoption of this constitution it became apparent that the Mexican Government intended to give the petroleum provision a retroactive interpretation. Protests immediately flowed in from foreign governments whose citizens had made legitimate and supposedly secure investments in Mexican oil properties.

On June 6, 1917, Secretary of State Lansing of the United States Government sent a telegram to Ambassador Fletcher in Mexico City asking him to obtain from the Mexican Government a clarification of the situation, to wit, an expression of the intention of the latter government with reference to giving a retroactive effect to the new constitutional provision upon the ownership of petroleum. In this telegram Lansing said:

The Government of the United States has noted with grave concern evidence of an intention on the part of the Mexican Government to give certain provisions of the constitution * * * retroactive application to the rights of foreign owners of property in Mexico to the extent of destroying or impairing their rights. This amounts to confiscation, and to this the Government of the United States cannot consent because, as the Mexican Government has already been informed by the Government of the United States, it cannot acquiesce in the direct or indirect confiscation of American-owned properties or discrimination against American citizens with reference to their legally acquired rights and interests in Mexico

As might readily be anticipated from past experiences, this telegram from Secretary Lansing, together with other similar earnest and emphatic communications evidencing the firm stand of the American Government, brought the usual Mexican "assurance." Ambassador Fletcher on August 2, 1917, wired Secretary Lansing as follows:

In interview with President Carranza * * * he assured me that it was not the intention of the Mexican Government to take over properties now in exploitation, and distinctly stated that there would be no confiscation of these properties

Subsequent events prove this assurance to be worthy of just as much faith and credit as the former ones in reference to the Government's intention touching the matter of nationalization of the petroleum industry; in other words, it was worthy of none.

VIII

For the past 22 years—the years ensuing since the incorporation of article 27 in the Mexican Constitution—the controversy has continued. Upon the one side—the side of the investors—of the men who, upon invitation and trusting in the laws then upon the statute books of Mexico, gave of their time, their ability, their experience, and their money to develop the rich but hidden and almost inaccessible resources of an impoverished country, there has been patience and restraint under most intolerable and provocative conditions. Upon the other side there has been arrayed the forces of a government seemingly motivated by a desire to acquire something for nothing and operating without any apparent regard for the most elementary rules of human conduct.

During these 22 years the Mexican Government has never for a moment relinquished its evident purpose to confiscate the oil properties of foreign owners by any means within its power without, if possible, laying itself open to liability for payment under international law. Moral law was evidently not considered, and, of course, no such liability could ever accrue under Mexican law; if it did, the law would certainly have been immediately revised to meet any such contingency and relieve the Government from the obligation. The Mexican Government during these years has tried to achieve confiscation indirectly by the imposition of impossible operating

conditions such as have heretofore been mentioned. In later years these conditions have been made more burdensome by adding to them extreme labor exactions fomented and supported by governmental force. All these obstacles and burdens having been met by the oil industry, the Mexican Government has ever been forced back to a reliance upon its strained, illegal, and illogical interpretation of article 27 of its new constitution. The Mexican Government saw clearly that to achieve its objective of confiscation without admitting the confiscatorial nature of the act it was imperative that article 27 be enforced retroactively without admitting it to be retroactive. It must be made to operate to deprive in an apparently legal manner the landowners of all right and title to the petroleum thereunder without regard to the date of acquisition of the property. In this respect the interpretation of article 27 by the Mexican Government and its reasoning through its official mouthpiece is something strange and

In March 1918, Pastor Rouaix, who possibly above all others was responsible for the incorporation of article 27 in the Mexican Constitution, offered a most ingenious interpretation of the article. He asserted, in effect, that the article was not retroactive even though it operated to invalidate titles which had been legally acquired and were valid prior to the adoption of the constitution. In a letter published March 16, 1918, in El Nationale, a Mexico City newspaper, he reasoned that inasmuch as the new constitution declared that the petroleum had always belonged to the Government, therefore that declaration alone made this an absolute fact; and, consequently, regardless of who claimed the property or of the title under which it was claimed, there was nothing retroactive in the Government walking right in and taking over a property which the constitution said had always belonged to the government.

It is interesting to note the basis for the Mexican claim that the government always owned the petroleum under all the lands of the country and had never—and in fact could never have—parted with the title to it. Here is the argument.

In the year 1784 the King of Spain issued certain ordinances pertaining to "New Spain" or Spanish possessions in America, of which possessions Mexico was then a part. In one of these ordinances—the Mexican decree would seem to be a lineal descendant—the King claimed the lands of Mexico to be his "royal patrimony" and claimed ownership of the minerals in the subsoil; but the King granted to his subjects:

The right to have and hold * * * sell, transfer, rent, give, or leave them under testament on an inheritance, or in any other manner transmit the rights to them which they possess to persons who can acquire the same, under the same terms as those under which they are held.

The terms are set forth to be the payment of taxes to the royal treasury and the obligation to work the mines.

It will be noted that this royal decree or ordinance refers to minerals only and says nothing whatever about petroleum nor employs any term even remotely implying an intention to include this substance; and, indeed, the intention to include petroleum could not be read into the document, for at the time of the promulgation of this ordinance, petroleum as a thing within the subsoil and as the world knows it now, was undiscovered, undisclosed, and unknown. In addition to this, that the King, in his use of the term "minerals," actually intended it to apply to metals and metallic substances alone, is demonstrated by the wording of another ordinance issued subsequently and supplemental to the first one. The status of coal having been left uncertain in the first ordinance, the King in 1789 issued a second ordinance declaring that coal "not being a metal or semimetal" belonged not to the Crown but to the surface owners of the land in which it is found. And in later years-nearly 140 years later-the Academy of Jurisprudence in Mexico determined that petroleum was nonmetalliferous and therefore belonged to and had always been the property of the owners of the land.

Yet, strange to say, it is upon this 1784 ordinance of the King of Spain, promulgated before the achievement of Mexico's independence and before petroleum was known to the world except, perhaps, as "pitch" for Noah's Ark, that the Mexican Government bases its argument that the petroleum in the subsurface of Mexican lands belongs to the Government, always belonged to the Government, and will continue to belong to the Government, notwithstanding any laws to the contrary enacted at any time by any legislative body of the Government.

Brushing aside the fact that petroleum was unknown at the time of the issuance of the ordinance by the King of Spain reserving to himself the minerals under the lands in New Spain, or Mexico, as his royal patrimony, the Mexican Government claims that these minerals included petroleum; that with the achievement of Mexico's independence in 1821 the royal patrimony became the Mexican patrimony; that the King's ordinance must rightly be interpreted to mean that his subjects upon their acquisition of the lands never acquired the minerals thereunder, including petroleum, and that, therefore, no Mexican landowner ever acquired the minerals, including petroleum; that, in view of this situation, the Mexican Government, having taken over the rights of the King, has always owned the subsurface valuables, including, of course, petroleum, and never lost that ownership, regardless of all grants, contracts, statutory laws, or even constitutional provisions, to the contrary. The further claim is asserted, as I have already stated, that there is nothing retroactive in the action of the Mexican Government after the lapse of nearly 100 years in bridging this gap with its new constitutional plank which declared "in the nation is vested the direct ownership of petroleum" and walking over this plank into a recovery of its lost "patrimony."

IX

Now, let us look for a moment at the other side of the picture as disclosed by recorded history. No laws were enacted in Mexico with reference to mining rights from the time the country achieved its independence in 1821 until after an amendment to the Mexican Constitution adopted on December 14, 1833. This amendment clothed the Mexican Congress with the power to "promulgate laws obligatory throughout the Republic relative to mining and commerce." Pursuant to this authority, a mining code was enacted in 1884, in which ownership of both coal and petroleum was established in the owners of the surface of the lands. In plain terms, the statute asserts—

The following substances are of the exclusive property of the owners of the land, who may, therefore, develop them without the formality of any denouncement or special adjudication.

And then the statute lists the substances, and among these so listed is petroleum. This statute in no wise established a new principle; it merely confirmed what had always been understood in Mexico, to wit, that the owners of the surface of lands were also the exclusive owners of any petroleum that might lie beneath the surface. Thus the fact was recognized in Mexico's first mining code, written into the country's laws years before the existence in the country of petroleum in any quantity was known.

The law of 1884 was superseded by a similar one placed on Mexico's statute books in 1892, which was also declaratory of the respective rights of the nation and of individual landowners in mineral deposits, and this later law recognized the ownership of petroleum to be the owner of the surface of the land. And, again, the law of 1892 was superseded by a third act adopted in 1909, which, likewise, declared the petroleum in the subsoil to be the exclusive property of the landowner and not of the nation.

These laws, established by the sovereign legislative power of Mexico, pointed out to foreign investors the owners of petroleum rights, to wit, the persons from whom petroleum rights must be acquired by those designed either to purchase or lease such rights. It was under these laws, guaranteeing as they do the validity of the landowner's title to the petroleum in the subsoil, that American and other foreign investors acted in purchasing and leasing the lands and rights which have since been expropriated by the Mexican Government.

The laws above mentioned remained upon the statute books as part of Mexico's laws of the land, unrepealed and never legally questioned until the new constitution was proclaimed on May 1, 1917, with its article 27, which declares that complete ownership of all petroleum is vested in the nation itself to the exclusion of the landowner. It may be presumed that, by implication at least, this provision of the constitution repealed the former petroleum laws, for the constitutional provision and such former laws are certainly inconsistent. And yet it was not until December 1925 that Mexico undertook to promulgate a petroleum law in conformity with the declaration respecting the ownership of petroleum contained in the new constitution. The constitutional change and the laws later enacted thereunder, in their effect, both actual and contemplated, were, we now realize, but heralds of the closing act in the tragedy; to wit, the confiscation under Lazaro Cardenas.

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The stage had been set by Mexico's successive rulers prior to the entrance of Cardenas upon the scene. Each new President brought into the play a change in script and players, new rules, and new methods of approach. For years after the adoption of the new constitution, the successive Presidents fought the American and other foreign property owners with the weapons of decrees and Presidential orders. Under Obregon there was instituted the doctrine of "positive acts," which brought on a serious crisis and in 1923 led to what was known as the Bucareli Conference, to which each country appointed a commission. The agreement arrived at by this commission in August 1923, not only in respect to the matter of expropriation but also upon the question of what constituted "positive acts" such as would preserve to foreign owners their title to the lands and rights acquired prior to 1917, not only became the basis for our recognition of the Obregon government, but was hailed by our Government as a satisfactory adjustment of a controversy. Under this agreement between the commissioners it was determined that the Americanowned properties in Mexico could not be expropriated without payment of "the just value thereof at the time of taking," and, furthermore, "on the basis of immediate compensation in cash."

This agreement, to which the Mexican Government was pledged, lasted only through the Obregon regime. Immediately upon the accession to power of President Calles, who followed Obregon, a new method of attack on the property owners was initiated; this was in the form of the petroleum law of 1925 and the alien land law of 1926. Both of these laws invaded the past, destroyed transactions long years complete, functioned retroactively, and served to deprive all foreign oil producers and investors of their oil rights and properties which had been bought, paid for, and title acquired under Mexican laws in force of the time of acquisition.

Under these laws the Government of Mexico went back to its plan of giving retroactive effect to the constitutional provision of 1917. Legal titles were attempted to be turned into 50-year concessions and most of the agreement of the Bucareli Conference was repudiated. Again our Government protested, and it was then that Dwight Morrow was sent down to Mexico to make an effort to settle the controversy. A compromise was effected. Calles, enlisting the aid of his supreme court, confirmed the titles of the foreign landholders, in part at least, without a time limitation, and restored the Bucareli Conference's definition of "positive acts." It looked like a satisfactory settlement—but was it?

On March 27, 1928, our Department of State enthusiastically and optimistically issued the following press release:

Together these steps voluntarily taken by the Mexican Government would appear to bring to a practical conclusion the discussions which began 10 years ago with reference to the effect of the Mexican Constitution and laws upon foreign oil companies. The Department feels, as does Ambassador Morrow, that such questions, if any, as may after arise can be settled through the due operation of the Mexican administrative departments and the Mexican courts.

As a matter of fact, since clearly demonstrated, the State Department, in its claim that these steps voluntarily taken by the Mexican Government would appear to bring to a practical conclusion the 10-year controversy, was grievously in error. Even if it had been true, the fact is that the "practical conclusion" so reached was a practical retreat upon our part. In the first place, anyone at all familiar with Mexican procedure can fully appreciate what it would mean for American claimants to leave the settlement of their disputes with Mexico to the "due operation of the Mexican administrative departments and the Mexican courts." ondly, by this compromise agreement we acquiesced in the Mexican contention: (1) That the Mexican Nation and not the private owner holds the legal title to all the petroleum rights under all lands whereon no positive acts of development had been performed prior to May 1, 1917. (2) That petroleum rights in lands acquired before May 1, 1917, on which such positive acts had actually been performed, would have to be brought within the terms of Mexican law, and the exercise of these rights after January 11, 1929, would be conditioned upon the holders thereof making application before that date for what is called "confirmatory concessions."

Thus the so-called compromise engineered by Morrow, in effect recognized Mexico's nationalization of the oil industry in a manner against which we have been continuously protesting since the first telegram sent by Secretary Lansing to the United States consul at Queretaro on January 19, 1916, which has heretofore been quoted. By recognizing Mexico's doctrine of "positive acts," and other regulations, and especially in recognizing Mexico's claim to any interest in the petroleum prior to 1917, we acquiesced in a procedure which deprived not only American, but other foreign investors, of petroleum rights for which these investors had paid enormous sums to individual landowners.

At the same time we admitted the right of Mexico to take over these rights without the use of any process and with no obligation to pay any compensation whatever therefor. The Mexican Government was not even required to perform any act of expropriation, and, therefore, those who lost under the compromise agreement made by Mr. Morrow were not only never compensated but are without hope of ever receiving any compensation, even though Mexico should be required to pay for the property later expropriated under the orders of President Cardenas. In my opinion, the Morrow compromise is bound to figure largely as a weapon in the hands of Mexico when the time comes, if ever, for a settlement by Mexico of our claims on account of the expropriation of the oil properties.

XII

For 10 years, following the Morrow accomplishment of 1928, more or less of a truce seems to have been established between the oil companies and the Mexican Government. Of course, both the large and petty persecutions of the operators, including all the old and with many modern refinements, continued. There was increased taxation, additional costs, and added regulations. Labor difficulties increased under governmental encouragement and support. Year-after-year production was curtailed because of the hampering of operations. Then in March 1938 the newspapers of the country suddenly blazed forth the announcement that President Lazaro Cardenas, with a denunciation of "foreign meddlers," had seized all of the foreign oil properties—expropriated them—taken them over bag and baggage.

Following the announcement of the expropriation of these properties, Secretary of State Hull promptly issued a statement in which he rightly recognized the right of the Mexican Government to expropriate the properties if the same were needed for the purpose of advancing the public welfare. The Secretary just as promptly and correctly pointed out the obligation devolving upon the Mexican Government to pay for the properties so taken. Secretary Hull said:

This Government has not undertaken and does not undertake to question the right of the Government of Mexico in the exercise of its sovereign power to expropriate properties within its jurisdiction. This Government has, however, on numerous occasions and in the most friendly manner pointed out to the Government of Mexico that in accordance with every principle of international

law, of comity between nations, and of equity, the property of its nationals so expropriated are required to be paid for by compensa-tion representing fair, assured, and effective value to the nationals from whom these properties were taken.

The United States Government has always reserved to itself the right of expropriation of private property for public use. This is accomplished here in proceedings in our courts for the exercise in due form of the right of eminent domain, but the act of taking is governed by our constitutional provision which provides "nor shall private property be taken for public use without just compensation." An almost identical provision is found in the Mexican Constitution, which provides that "private property shall not be expropriated except for reasons of public utility and by means of indemnification."

It would seem, therefore, that there should be no question in dispute between Mexico and the United States Government as to our right to insist that American owners of oil properties which have been expropriated shall be compensated. Even under the Mexican Constitution the term "expropriate" carries with it the obligation to pay for that which is expropriated.

In a note handed to Dr. Don Francisco Castillo Najera, Mexican Ambassador at Washington on July 21, 1938, referring to the matter of the expropriation of agrarian properties, and answering the Mexican Government's contention that it had the right to do practically as it pleased in order to carry forward a policy for the improvement of internal conditions, Secretary of State Hull said:

The issue is not whether Mexico should pursue social and economic policies designed to improve the standard of living of its people. The issue is whether in pursuing them the property of nomic poincies designed to improve the standard of living of the people. The issue is whether in pursuing them the property of American nationals may be taken by the Mexican Government without making prompt payment of just compensation to the owner in accordance with the universally recognized rules of law and equity.

The logic of the position of the American Government as to the agrarian properties expropriated by Mexico, applies equally to the oil properties which have been taken over in the same manner. The position of the Government of Mexico upon the issue seems to be most concisely expressed by Eduardo Hay, Mexican Minister of Foreign Relations, in his note of August 3, 1938, to Ambassador Daniels, wherein, referring to the expropriation of the agrarian properties, Hay said:

My Government maintains, on the contrary, that there is in international law no rule universally accepted in theory nor carried out in practice, which makes obligatory the payment of immediate compensation nor even a deferred compensation for expropriations of a general and impersonal character like those which Mexico has carried out for the purpose of redistribution

This being the view of the Mexican Government upon the question of its obligation to pay for agrarian lands expropriated by it, there is no reason to assume other than that it is also the view of that Government in respect to the expropriation of all other properties. If lands can be seized for the purpose of redistribution, without compensation to the owners, then, by the same token, all other properties-all wealth-can be seized and redistributed without incurring any obligation of payment.

XIII

Regardless, however, of the declarations of Secretary Hay. the Government of Mexico, as has heretofore been stated, has agreed to compensate American owners for the agrarian lands expropriated. Commissioners have been selected by the respective countries to whom has been delegated the duty of determining the value of such lands, and the agreement between the two countries provides that when the value has been determined Mexico shall discharge its liability by payment of at least \$1,000,000 per year. While the settlement has no connection with the matter of the expropriation of the oil properties, it is interesting in its bearing upon the question of what the oil-property owners may expect in the way of a settlement of their claims-if such settlement should ever be reached.

It is interesting to speculate upon the length of time that will probably elapse before the owners of the agrarian properties will receive payment of the amounts due them. At the present time it seems to be impossible to secure any accurate information upon the total value of the agrarian properties expropriated and payment for which is to be made under the terms of the settlement. In the note addressed by Secretary of State Hull to Señor Najera, the Mexican Ambassador, on August 22 last, the Secretary said:

Agrarian expropriations began in Mexico in 1915. Up to August 30, 1927, 161 moderate-size properties of American citizens had been taken. * * Not a single claim has been adjusted and none have been paid. The owners of these properties * * * lost their property, its use, and proceeds from 11 years to more than 20 years and are still seeking redress.

The value of the 161 properties is not stated. In the same note Secretary Hull states:

Subsequent to 1927, additional properties, chiefly farms of moderate size, with a value claimed by the owners of \$10,132,388, have been expropriated by the Mexican Government. This figure does not include the large land grants frequently mentioned in the press. It refers only to the moderate-sized holdings which rendered only a modest living. None of them as yet has been paid

The State Department advises that an accurate valuation cannot be made of the expropriated agrarian lands until all American claims have been filed. But if "a number of small properties" expropriated within the last 11 years-properties which, as stated by the Secretary of State, are "only modestsized holdings which rendered only a modest living" have a claimed value of over \$10,000,000, what must be the value of the 161 holdings expropriated since 1927 and of all the combined large land grants which have also been taken. As a matter of fact, it is generally understood that it is the larger land grants which carry the greater value. As an example, one of these large grants taken over from an American citizen has a reported valuation in excess of \$4,500,000. We can readily see, therefore, that in the matter of the expropriation of agrarian properties alone the Government of Mexico has created for itself a tremendous debt-an obligation which it admits. In securing, however, from the American Government an agreement that this obligation can be liquidated at the rate of only \$1,000,000 per year, it would seem that Mexico has driven a splendid bargain for herself at the expense of the American landowners, and that necessarily these landowners may not expect to receive full payment until the lapse of many, many years.

Notwithstanding, however, the fact that the terms of this settlement are favorable to Mexico, yet the settlement is no doubt the best that could be had under present conditions. It was really a notable accomplishment to secure from the Government of Mexico an acknowledgment that any obligation whatever rested upon that Government. Also, a payment of \$1,000,000 each year is better than nothing, and Mexico's ability to pay more, under present conditions, is doubtful.

The above statement can be more fully appreciated when it is understood that it is estimated Mexico's potential liability for agrarian properties, including those of British, American, and all other foreign ownership, expropriated up to the end of 1933 was 956,000,000 pesos, or at the rate of exchange then current over \$340,000,000. It is also estimated that, adding to the above sum the value of agrarian properties expropriated since 1933, Mexico's probable total bill for seized landsagrarian properties only-will amount to approximately \$700,000,000. Whether or not this estimate is even approximately correct, no one is in position to say. It may be beyond reason; it may be otherwise. Accurate information is not available. Neither can we say how much of the total amount will be owing to American owners, but it certainly will be a substantial sum, and it would appear certain that these American owners are assuredly facing a long period of patient waiting.

Assuming that, as indicated by acceptance of the obligation to pay for the expropriated agrarian properties, the Mexican Government intends to recognize the same obligation in the matter of the oil properties, the question immediately presenting itself concerns Mexico's ability to pay.

It is certain that in event of any attempt at arranging a settlement, it will be the intention of the Government of Mexico to depress the value of the oil properties by the exercise of all the subterfuges initiated and advanced by that Government throughout years of controversy, and to force the acceptance of a valuation so nominal that the owners of the confiscated properties will at the conclusion of such settlement still be the victims of confiscation. Furthermore, we have no evidence that there will be forthcoming any assurance of payment of any valuation, however fixed.

As has been stated, the confiscated oil properties have an estimated value of approximately \$400,000,000. In advised circles this valuation is considered a moderate estimate. Let us see for a moment whether or not the Government of

Mexico possesses the means of payment.

In the third diplomatic note from the British Government to the Mexican Government sent to the latter Government immediately before the withdrawal of the Mexican Minister from London, the British Government took occasion to review the financial condition of the Mexican Government. From this note we obtained the following facts which may be accepted as correct, inasmuch as no denial of the statement has ever been made by Mexican authorities.

Mexico's external debt, including all foreign claims not represented by Mexican Government securities, amounts to approximately \$243,000,000 of principal and \$267,000,000 accrued interest, making a total of \$510,000,000. Mexico's foreign debt on account of the expropriation of the national railways is approximately \$240,000,000 principal and \$226,-000,000 accrued interest, a total of \$466,000,000. There are additional foreign claims, represented by outstanding evidence of indebtedness amounting to approximately \$50,000,-000, an internal debt of approximately \$90,000,000. debtedness of the Mexican Government arising out of the expropriation of the agrarian lands has been estimated to amount to \$700,000,000. To the latter amount must be added the obligation of the Government for the oil properties at the estimate heretofore given, to wit, \$400,000,000. Summing up, we find that the Government of Mexico is today burdened with an indebtedness of \$2,222,000,000. This is a most impressive indebtedness and is entirely beyond the ability of the Mexican Government to pay. We are, therefore, confronted with the very vital question, How can the nationals of our country and those of other countries whose properties have been taken receive any redress for the wrongs which they

To sum the matter up upon the whole case as presented by the record, we can reach no other than the following conclusions:

- (1) The expropriation by Mexico of the foreign-owned oil properties without prompt and adequate compensation amounts to confiscation, and is in violation of international
- (2) Even if the Government of Mexico had any intention of paying for the confiscated oil properties, the financial condition of that Government is such as to render such payment at an adequate value impossible.
- (3) Any effort to arrive at a solution to the problem such as was reached in the case of agrarian properties will be futile.
- (4) It is the right and duty of the Government of the United States to demand from the Government of Mexico redress for the injuries suffered by our nationals.
- (5) It being impossible for Mexico to make payment to the owners of the oil properties of an adequate compensation therefor, the only recourse that can possibly be pursued by our Government is to demand and require that the confiscated American-owned properties be restored to their owners, and that payment be made by the Government of Mexico to the owners for damages for such time as the properties have been detained.

In other words, a settlement of the problem created by the Government of Mexico by the confiscation of the oil properties of foreign owners, is found in the one word "restitution."

Keep America Out of Foreign Wars

EXTENSION OF REMARKS

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1939

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, APRIL 5, 1939

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio speech delivered by me over the National Broadcasting Co.'s red network on Wednesday evening, April 5, 1939:

Tomorrow, April 6, will usher in the twenty-second anniversary of our entrance into the World War. At a time when the American public should be calm it is continually being excited into a frenzy by President Roosevelt and his New Deal spokesmen. The

renzy by President Roosevelt and his New Deal spokesmen. The youth of America are again being prepared for another blood bath in Europe in order to make the world safe for democracy.

Twenty-two years ago we went to war avowedly for the same purpose. Although we turned the tide of defeat into victory, the nations of Europe have since then gone to the right or the left into fascism, nazi-ism, or communism. Once again we have those in high places urging us to police and quarantine the world with American blood and treasure.

If Hitler and the Nazi government regain Memel or Danzig.

If Hitler and the Nazi government regain Memel or Danzig, taken away from Germany by the Versailles Treaty, and where the population is 90 percent German, why is it necessary to issue threats and denunciations and incite our people to war? I would not sacrifice the life of one American soldier for a half dozen Memels or Danzigs. We repudiated the Versailles Treaty because it was based on greed and hatred, and as long as its inequalities and injustices exist there are bound to be wars of liberation.

The Versailles Treaty sowed innumerable dragon teeth of future wars, and it is not surprising that after 20 years fully armed war-riors are springing up all over Europe. The sooner certain pro-visions of the Versailles Treaty are scrapped the better for the peace of the world.

I believe that if the areas that are distinctly German in popula-There will be no war in western Europe. There may be a war between the Nazis and the Communists, but if there is that is not our war or that of Great Britain or France or any of the democracies.

The time to wage war on war is in time of peace. If we do not speak out now it will be too late after war is declared. I call on all American citizens to participate in a campaign to keep us out of all foreign wars, unless we are attacked. We are willing to spend millions for national defense, but not a single dollar to send American soldiers to foreign lands to fight other peoples' battles, or repeat the folly of trying to make the world safe for democracy. If we do we will lose our own free institutions and come out a Feecist or Communist nation.

Fascist or Communist nation.

I call upon all would-be Republican candidates for President in 1940 to make their position known, without evasion or reservation, on this vital issue of keeping out of foreign wars. The people have a right to know how every candidate stands on collective security, entangling alliances, military and naval pacts, armed intervention seared dislowers war commitments and delegating to intervention, secret diplomacy, war commitments, and delegating to the President discretionary war-making powers. There should be no compromise or quibbling on this greatest of issues, and the people should have an opportunity of a clear-cut referendum on this question in the general election in 1940, as they did on the League of Nations in 1920.

We know where the New Deal administration stands. for internationalism, intervention, secret diplomacy, military alliances, and against our traditional American foreign policy of neutrality, nonintervention, peace, and no entangling alliances.

New Deal spokesmen have stirred up war hysteria into a veritable

renzy. The New Deal propaganda machine is working overtime to prepare the minds of our people for war, who are already suffering from a bad case of war jitters.

What is behind this far-reaching and continuous campaign of hate, emanating from New Deal sources, that discovers daily a new crisis? The time has come to call a spade a spade, and to stop pusylfocting and shadow-hoxing on the war issue that affects stop pussyfooting and shadow-boxing on the war issue that affects the lives and welfare of the American people. We are still a free people, and have a right to discuss in detail the administration's war-hysteria policy.

One word from the White House would stop the talk of war and the inevitableness of war, but not only is there no such word but instead there is a steady flow of alarming and provocative statements that add fuel to the war flames.

The American people should understand the deliberate purpose of the recent absurd statement from the White House spokesman, that Germany was planning to attack the Americas. If a young schoolboy had made such a remark he would have been spanked and put to bed. President Roosevelt, ashamed or afraid to make such a false and vicious statement, uses the camouflage of a White House spokesman to incite the passions and hatreds of our people.

such a false and vicious statement, uses the camouflage of a White House spokesman to incite the passions and hatreds of our people and spread his war propaganda.

President Roosevelt is the No. 1 warmonger in America, and is largely responsible for the fear that pervades the Nation which has given the stock market and the American people a bad case of jitters. If the people want to they can keep us out of foreign entanglements, military alliances, and war, and I believe they propage to do se.

ropose to do so.

It is the duty of all those Americans who desire to keep out of foreign entanglements and the rotten mess and war madness of Europe and Asia to openly expose the war hysteria and propaganda that is impelling us to armed conflict. We have as much right to criticize the dangerous foreign policies of the New Deal as we have any of its disastrous domestic policies. Actually, I believe it is far more important to oppose our entrance into any secret naval or military alliances or war commitments than any other issue before the people.

secret naval or military alliances or war commitments than any other issue before the people.

Why all this propaganda and war psychology about Germany, Italy, and Japan? Not one of these totalitarian states has the slightest idea or capacity of attacking or invading America, President Roosevelt, his mysterious spokesman, and Mr. Stimson to the contrary notwithstanding. It is true that we deplore the racial and religious persecution in Germany, but we never thought of making war on Soviet Russia when the Communists were butchering millions of Christians, Kulaks, conservatives, and even social democrats. We never considered attacking Turkey for slaughtering Armenian Christians at any time during the last 50 years. We never thought of going to war with czarist Russia for the pogroms against the Jews, far more bloody than the concentration camps of Germany. Germany.
What are the underlying motives behind the New Deal hymns of

What are the ductrying motives beind the New Deal Hymns of hate and threats of war against the totalitarian states?

I accuse the administration of instigating war propaganda and hysteria to cover up the failure and collapse of the New Deal policies, with 12,000,000 unemployed and business confidence destroved.

I accuse the administration of deliberately scrapping our traditional foreign policies for internationalism, collective security, economic sanctions, naval alliances, and war commitments without

nomic sanctions, naval alliances, and war commitments without the consent of the Congress or of the American people.

I accuse the administration of conducting a childish and un-American campaign of name calling, hatred, and abuse that inflames the war passions of foreign nations and our own people.

I accuse the administration of leading the American people to a rendezvous with war, death, and bankruptcy. The American people want no rendezvous with that kind of destiny.

What we need in America is a stop-war and a stop-Roosevelt crusade before we are forced into a foreign war by internationalists and interventionists at Washington, who seem to be more interested in solving world problems rather than our own.

The answer to the dictatorships is not force, compulsion, threats, abuse, and hatred, but to make democracy work in our own country by keeping out of the eternal wars of Europe and Asia, putting our

by keeping out of the eternal wars of Europe and Asia, putting our own house in order, restoring confidence, and putting our own wage earners back to work.

wage earners back to work.

I am opposed to the 25-percent levy on German imports as a measure that incites hatred and retaliation between nations and promotes war. It is inconsistent with the avowed theory of the administration that commercial restrictions constitute a menace to peace. The delegation by Congress of tariff-making powers to the President was unwarranted and proves the danger of placing such enormous discretionary powers in the hands of any one man.

The German and Italian Governments are confronted with such fundamental problems as overpopulation, insufficient foodstuffs, and lack of raw materials. The solution of their problems is not armaments but an assured supply of food, oil, cotton, and raw

and lack of raw materials. The solution of their problems is not armaments but an assured supply of food, oil, cotton, and raw materials. Unless the German and Italian Governments can obtain sufficient foodstuffs for their people and supplies for their factories they will be driven by desperation into war. If European nations are to avert another world war they ought to arrange immediately for an economic conference and put their cards down face up. The old-fashioned balance of power and military and economic encirclement system is useless under modern methods of warfare including airplanes and submarines. No one is more opposed to dictatorships and armed might than I am, but it is no concern of ours what form of government exists in any contern in any contents. concern of ours what form of government exists in any country in

the world.
I believe I believe we have far more to fear from our enemies from within than we have from without. All the Communists are united in urging us to go to war against Germany and Japan for the benefit

of Soviet Russia.

Great Britain still expects every American to do her duty, by preserving the British Empire and her colonies. The war profiteers, munitions makers, and international bankers are all set for our participation in a new world war. The American people have been burned once; they remember that Sweden, Norway, Holland, and Switzerland managed to keep out of the World War. They must

determine whether we will maintain our policies of peace or be dragged into another bloody foreign conflict.

To that end I introduced a few days ago a neutrality bill, known as "The Keep America Out of Foreign Wars Act," which prohibits the sale and shipment of arms, ammunition, and implements of war to all belligerent nations. This bill also includes the provisions in the present Neutrality Act that American citizens travel on belligerent ships at their own risk, and prohibits the extending of loans or credits to warring nations. In place of the cash-and-carry pro-vision, expiring in May, I have provided that American ships carryvision, expiring in May, I have provided that American ships carrying contraband, such as cotton, scrap iron, and even foodstuffs to belligerent nations may do so at the risk of the owners. The present cash-and-carry provision discriminates in an intolerable and unfair manner against American shipping and in favor of those nations which control the seas, such as Great Britain and Japan. The Republican Party, as a general principle, is opposed to delegating the constitutional power vested in the Congress to the President to declare war, whether he is a Democrat or a Republican. It is opposed to granting unwarranted discretionary power to the President in any neutrality bill that might involve us in foreign wars.

President in any neutrality bill that might involve us in foreign wars.

Former Secretary of State Henry L. Stimson, who testified today before the Senate Foreign Relations Committee in favor of intervention, economic sanctions, and collective security, does not represent the Republican Party, which is definitely opposed to intervention, entangling alliances, and interference in European feuds and conflicts. Every suggestion of Mr. Stimson has been repudiated by former President Hoover in his recent speeches on the administration's foreign policies. I doubt if there are more than one or two Republicans in either the House or Senate who favor the Stimson doctrine of having our armed forces police the world.

Let's have an end to all this war talk and hysteria, provocation, and flirting with war, and try to solve some of our own problems back home for the best interest and welfare of our people in the American way, and by keeping out of foreign wars.

In conclusion, I urge the radio audience, in view of the possible danger from a huge armament program, to write to their Representatives in Congress to sign discharge petition No. 7, to bring to a vote in the House my proposed constitutional amendment giving the American people the sole power, by a national referendum, to determine whether their sons shall be conscripted to serve in our armed forces outside of the Western Hemisphere. This in no way interferes with our national defense. I believe that the men and women of America who are opposed to sending their sons to die on foreign battlefields should have the right and power to voice their views in a national referendum. I am convinced that this is a proper issue to submit to the people in a free country through a free ballot, and that it would tend to preserve and promote peace proper issue to submit to the people in a free country through a free ballot, and that it would tend to preserve and promote peace and keep us out of foreign wars.

Riders on Legislative Bills

EXTENSION OF REMARKS

HON. FRANK CROWTHER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ARTICLE BY ARTHUR KROCK

Mr. CROWTHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mr. Arthur Krock.

IN THE NATION

TAX REVISION BLOCKING STRATEGY IS SUSPECTED (By Arthur Krock)

Washington, April 5.—Advocates of realistic tax revision at this session of Congress read with greater interest than any others the President's denunciation at Warm Springs yesterday of "so-called riders" added to bills "which have no relation whatsoever to the title or the purpose of the bill." They could not help but wonder whether he had made such a point of "riders" at this time in anticipation of an attempt to add effective tax relief to the routine tax extension bill which must be passed before the end of this fiscal year.

The corporation tax structure containing the regular corporate.

The corporation tax structure containing the regular corporate income levy and the stump of the undistributed-profits tax, and treating capital gains as income with only a meager allowance for capital losses, expires this year. So do the "nuisance" taxes. Congress must renew them in some form, of which the simplest would be continuance by resolution. Secretary Morgenthau and Under Secretary Hanes of the Treasury, with the public blessing of Secretary of Commerce Hopkins, have—except for the "nuisance" taxes—prepared a complete substitute program with a graduated corporation levy and other encouragements to "venturesome investment." The corporation tax structure containing the regular corporate

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The President's inner New Deal circle has opposed this program as desertion of the social-economic theories hitherto expressed in taxation during Mr. Roosevelt's two terms. The President himself has several times publicly retreated from leadership in offering the program to Congress. Since the House committee, where revenue measures are required by the Constitution to "originate," is under administration control, this plan is being formulated by the realistic revisionists: To attach the Treasury program to the simple House renewal bill through action of the Senate Finance Committee and the Senate, both of which are much more independent of the White House.

TAX REVISION WOULD BE RIDER

This would be a rider. It would be added to the bill. It could This would be a rider. It would be added to the bill. It could not be said to "have no relation whatsoever" to the title and purposes of the renewal legislation because it would be germane. But it certainly would call for a change in the title and would wholly alter the purposes. Advocates of this course believe the President laid the groundwork for stronger opposition to their plan of procedure by denouncing all riders. They fear that Democratic Senators, looking for an "out" to avert Presidential or constituent wrath over support or nonsupport of effective tax revision, may find one in the Warm Springs statement. They see an attempt to hold congressional revision to very slight units of the Treasury plan as may be agreed on by the administration and the House committee.

This suspicion and this apprehension may find basis in developments of the next few weeks. The President has been very mysterious about the Treasury program. Everything he has said has been damaging to its consideration at this session, though he has left the door ajar for his reentrance if he decides to make it.

Whether or not the President's attack or riders is proved to have been another maneuver against the Treasury program, the statement has further elements of deep interest, for it was through the device of the "rider" that the President obtained his great monetary powers, which recently he has asked Congress to renew. Another the come method that the administration sought it was through the same method that the administration sought, in 1935, to jam through Congress in 5 days a "share the wealth" or "share the burden" plan which represented a complete reversal or "share the burden plan of American tax philosophy.

FAMOUS "RIDERS" OF 1933 AND 1935

The President's powers over money flow from what is known as the Thomas amendment. It "had no relation whatsoever to the title or the purpose of the bill" to which it was attached in the Senate. This was in April 1933. The House had passed a three-way farm relief bill, the original A. A. A. When this reached the Senate Mr. Thomas added the "amendment" which gave the President authority to devalue the dollar as much as 50 percent, to issue \$3,000,000,000 in greenbacks, to expand Federal Reserve credits by \$3,000,000,000, and to accept silver in payment of the war debts. The President's accredited agents lobbled successfully for this over the opposition of Senator Glass and others. It was added to the farm bill, to which it was not germane.

The "rider" attempt of 1935 was a most remarkable episode indeed. After a White House conference that lasted 2 hours and 40 minutes, June 24, 1935, the Democratic leader, Senator Robinson, standing on the portico of the Executive Mansion, announced "a drive for immediate action on the wealth-sharing tax program, proposing to attach it" to the "nuisance" levies extension within 5 days thereafter.

Senator Harrison, who had opposed the suggestion, went to the Senator Harrison, who had opposed the suggestion, went to the Capitol and told colleagues the President wanted this done. The outcry from press and public became so great that 2 days later the President denied at a press conference "any record" of his approval of the scheme, and it was dropped. Senators Harrison and Robinson took the rap in silence, though Mr. Harrison expressed incredulity when told of the press conference. This, too, was a "rider" if there ever was one.

Federal Bureau of Investigation Is Congratulated on Its Program to Aid Law Enforcement Agencies Throughout the Nation

EXTENSION OF REMARKS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA. APRIL 1, 1939

Mr. RANDOLPH. Mr. Speaker, it was my privilege on a recent morning to be present and participate in the graduation exercises of the Federal Bureau of Investigation National Police Academy. The addresses of Attorney General Murphy, Director J. Edgar Hoover, Senator Pepper, and others were splendid contributions in a discussion of law enforcement in this country. The ceremonies were among the most impressive that I have ever witnessed. I shall not soon forget the scene in the great hall of the Justice Department.

My address on that occasion follows:

Mr. Clegg, Rev. Montgomery, Mr. Woods, Mr. Attorney General, Mr. Hoover, Senator Pepper, distinguished guests, members of the tenth session of the F. B. I. National Police Academy, ladies, and gentlemen, it is indeed a pleasure for me to be present this morning at the graduation exercises of the tenth session of the F. B. I. National Police Academy, for this occasion marks another milestone in the advancement of the profession of law enforcement. With pardonable pride I have always considered myself a real friend of law enforcement, and for many years it has been my genuine pleasure to observe the remarkable progress which has been made in the field of scientific crime detection. As a legislator, it is a source of satisfaction to know that you men of law enforcement are constantly seeking to insure a greater measure

of, it is a source of satisfaction to know that you men of law enforcement are constantly seeking to insure a greater measure of security to the citizens you serve.

One is either for law and order or against law and order; and those who stand for law and order demand effective law enforcement. Thus it was with intense interest and admiration that I ment. Thus it was with intense interest and admiration that I have noted the recent statements of Attorney General Murphy in the public press supporting the administration of the Federal Bureau of Investigation by J. Edgar Hoover, for the ideals of Director Hoover are symbolic of law and order. He has crusaded for more effective law enforcement for the past 22 years. He has done much to elevate the standards and ethics of modern law enforcement to a higher plane, and there can be no question in the minds of our citizens of the preeminent place which he occupies in the law-enforcement profession today. I am glad that with ples in the law-enforcement profession today. I am glad that with the wholehearted and enthusiastic support and cooperation of the Attorney General of the United States, he will be able to continue his splendid career and tireless efforts to curtail the activities of the kidnapers, bank robbers, extortionists, and other vicious criminals who are a menace to the honest law-abiding

citizens of our Nation.

Less than 4 years ago the F. B. I. National Police Academy did not even exist except in the minds of Mr. Hoover and his associates. At that time there was a real need for the intelligent, systematic, and practical training of peace officers in modern law-enforcement methods. The necessity of thorough and intensive training had long been recognized as a prerequisite to success in the older professions of law and medicine, but in the field of law enforcement, this had appreently been entirely overleaded. law enforcement, this had apparently been entirely overlooked and neglected. Great strides had been made in the adaptation of various branches of physical science and chemistry to scientific crime detection, but the average police officer was totally unaware of what the scientist could do for him in the detection of crime and the apprehension of criminals. The ultraviolet ray, spectro-

and the apprehension of criminals. The ultraviolet ray, spectrograph, microscope, the infra red ray, moulage, and high-precision apparatus—all these modern aids to law enforcement were as yet not comprehended by the man on the beat.

The science of fingerprint identification which had been known for centuries was still quite novel to most of our police officers. As a matter of fact, the few individuals who knew how to classify fingerprints and develop latent fingerprints at the scene of a crime, guarded this knowledge most jealously for fear that some bright young officer would take his job away from him. Indeed, fingerprinting had been surrounded by an air of mystery, and the fingerprint expert had become a sort of "medicine man" in many of our police departments.

Then, too, during the years prior to 1935, there had developed in this country a strong sentiment in favor of a national police force

this country a strong sentiment in favor of a national police force similar to those maintained in certain foreign countries. The proponents of this scheme urged that a national organization proponents of this scheme urged that a national organization could much better cope with the dangerous criminals roving about the country in high-speed automobiles than the numerous local police departments and law-enforcement agencies, many of which were not equipped with adequate personnel properly trained in modern scientific crime-detection methods. Mr. Hoover was vigorously opposed to such a program, for he realized the first line of defense against the attacks of the criminal was in each local community. The Federal Government, however, could aid and assist in the solution of those crimes perpetrated by roving bands of marauders who operated on a Nation-wide basis. It was with this idea in mind that new legislation was enacted and the F. B. I. National Police Academy was established to assist those local law-enforcement authorities who were anxious and desirous of improving their facilities and activities in the field of modern

local law-enforcement authorities who were anxious and desirous of improving their facilities and activities in the field of modern law enforcement. Truly, today we are developing the best possible system of national policing with local, county, State, and Federal officers working shoulder to shoulder for a common cause.

It was realized at the outset that it would be a practical impossibility to bring all of the law-enforcement officers in the country to Washington and to train each one individually. Accordingly, a plan was formulated to instruct each representative in the F. B. I. National Police Academy in order that he might be able to return to his department and pass on to his brother officers the same training which he had received in Washington. In this manner thousands of police officers in every State in the union have been instructed in the best known police techniques by graduates of the academy. The great majority of the 297 officers who have previously graduated from the academy have established training programs in their respective communities, and

there can be no doubt but what the F. B. I. National Police Academy is the most potent force in furthering modern police training in the world today.

You members of the tenth session of the F. B. I. National Police Academy represent a total of 4,678 police officers who are looking to you for training in the various phases of scientific crime detection upon your return to your departments. You have made great personal sacrifices to come here to Washington and receive 3 months of intensive training in a great variety of subjects. You are to be congratulated on the successful completion of this strenuous course of instruction. Many of you will encounter difficulties upon your of intensive training in a great variety of subjects. You are to be congratulated on the successful completion of this strenuous course of instruction. Many of you will encounter difficulties upon your return home due to jealousies on the part of some of your superiors and fellow officers. As Mr. Hoover has said, you must overcome these obstacles. This will require tact, diplomacy, and courage on your part, and I am sure that your departments will benefit greatly in efficiency and reputation by your attendance at the academy.

I know from my own personal observations that law enforcement in my own State of West Virginia has benefited considerably by the attendance of five officers in the previous sessions of the academy, and I am delighted that a citizen and police officer from my State is a member of the graduating class this morning. I am looking forward to the time when every law-enforcement organization in the State of West Virginia will be represented by a graduate of the F. B. I. National Police Academy.

I want to wish each member of the graduating class of the tenth session of the F. B. I. National Police Academy the greatest possible success in your future careers as law-enforcement officers and in your training activities. You are our peacetime heroes. May each of your departments and the citizens of your communities benefit to the fullest extent from the training you have received during your stay in Washington.

May the influence of your zeal and honesty of effort be extended through the departments you represent in furthering the cause of law and order. As "home-town G-men," I know you will have the courageous, energetic, enthusiastic, and capable support of the chief law-enforcement officer of the Nation, Attorney General Murphy, and of J. Edgar Hoover, his Director of the Federal Bureau of Investigation.

Investigation.

American Foreign Policy

EXTENSION OF REMARKS

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ARTICLE BY FELIX HINKLE

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by the Honorable Felix Hinkle, editor of the Canton Economist:

> EENIE-MEENIE-MEINIE-MO (By Felix Hinkle)

Of all the independent major nations in the world today, the

Of all the independent major nations in the world today, the United States has the cleanest record.

If our "theft" from the Indians can be justified on the grounds of "civilized progress"; if we can continue the myth about Sam Houston's "avenge of the Alamo;" if we can remain undisturbed in our hero-worship of Admiral Dewey; if the "trick" the American marines played in our "sister" state of Colombia can be offset by the engineering achievement in the Panama; yes, if we can shuffle these comparatively small skeletons around without too much rattling, we can look the balance of the world in the eye and maintain a straight face.

maintain a straight face.

But, compared to the out-right avarice and trickery which has characterized the shaping and reshaping of the Old World for generation upon generation, our "land of the free" is a veritable Garden of Eden.

Garden of Eden.

However, this very fact places a tremendous responsibility upon our shoulders. We Americans are out in the open, so to speak, where we can see clearly. We have enormous economic and psychological weight. What we say and do counts heavily. The big question is, How shall we exercise this potent influence?

Opinion is divided upon this point but I take the position that we should leave the quarrels in Europe entirely alone. I think we should leave them alone even to the point of neglecting our nationals and relinquishing all responsibility for the foreign holdings of American citizens.

of American citizens.

of American citizens.

As far as our nationals are concerned, they can clear out whenever they want to. They do not have to stay. And foreign investments were made by businessmen who had, or should have had, their eyes open to all eventualities.

At any rate, I do not see why the farmer's son should be required to drop his plow and grab a gun because an oil tank of an American company is being threatened in Rumania. Furthermore, I see no justice in becoming compromised because some

adventurous citizen insisted on riding a truck of nitroglycerin into the mouth of hell. There is not much sense in sacrificing a shipload of innocent boys in order to save one fool nor in spending a billion dollars to salvage a fleet of commercial trucks.

Then there is another notion based upon our so-called "duty" toward one country or the other. To me this surge of pseudo patriotism is either the product of inexcusable ignorance or it reppatriotism is either the product of inexcusable ignorance or it represents a genuine trait of sheer quixotism. All the barking and growling you hear in Europe is nothing more or less than "The pot calling the kettle black." The present "crisis" is just one period of "pay-off" in the "set game" which has been in progress over there for hundreds of years.

Take this argument between Italy and France as an illustration. This scrap antedates the World War—in fact, it antedates Mussolini himself. It is an inherited quarrel like the Kentucky feuds. Italy wants control of Tunisia because of its strategic importance, but also in order to avenge a deep-seated national wrong.

Italy wants control of Tunisia because of its strategic importance, but also in order to avenge a deep-seated national wrong. The narrow stretch of water which separates Tunisia and Sicily forms an impregnable gateway between the eastern and western Mediterranean. The country which holds the key to this gate controls the Mediterranean itself. Even ancient Carthage owed its greatness to this geographical accident.

This matter is of vital importance to Italy. Most of her holdings front upon the waters of this great ocean. Furthermore, she is required to reach her East African territories through the Suez Canal. As a consequence, Italy frets under an arrangement which places the control of Tunisia in the hands of some other European power.

But there is still something deeper than the strategical elements aggravating this cancerous problem of Tunisia. Its roots reach

back into the nineteenth century.
In 1869 Tunisia went bankrupt while under native control. England, France, and Italy formed a triple protectorate. Subsequently, Italy began the development of the country. She built a railroad. France became concerned over this activity and arranged

raincad. France became concerned over this activity and arrange a secret treaty with Lord Salisbury, of England, whereby France got exclusive control and Italy was squeezed out.

It happened that there were many more Italians in Tunisia at this time than there were French. This situation brought on political difficulties so France met the problem by passing a law which automatically made a French citizen of every child born in

which automatically made a French citizen of every child born in the second generation regardless of its actual nationality.

It is not hard to imagine how the Italians responded to this political finesse—what they thought of the idea of becoming a Frenchman by mandate. And up to this day that old sore has not been satisfactorily healed.

Then there is the matter of the Suez Canal with Italy playing third fiddle to England and France and the port of Djoubiti and scores of other smouldering volcanoes which space will not permit me to enumerate—all of which are part and parcel of one great chain of intrigue and racial batreds chain of intrigue and racial hatreds.

And it is from this point of view that I conclude America should

And it is from this point of view that I conclude America should stay out of the European dog fights. Our ambassadors are mere "babes in the woods" when they enter the jungles of European diplomacy, and this is not to their discredit. They simply have been "brought up" in a different atmosphere.

In my opinion, Europe cannot possibly solve its problems through the instruments now being used. Some of these days one of these "shoulder chips" is going to be knocked off and then all hell will break loose. If we are on one side or the other, we will go down with them. But if we stay out, we will have a chance of doing something really helpful.

As I see it, our job is to keep on keeping on the best we know how—always in the spirit of "malice toward none and charity toward all." The most effective thing we can do is to set a good

example.

W. Arthur Simpson, Director of Vermont Old-Age Assistance Commission, Declares Old-Age Aid Here to Stay Unless Abused—Says Vermont's Policy Sound Regarding Public Assistance

EXTENSION OF REMARKS

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ARTICLE FROM BURLINGTON (VT.) FREE PRESS OF APRIL 4, 1939

Mr. PLUMLEY. Mr. Speaker, the Honorable W. Arthur Simpson, of Vermont, is nationally recognized as an authority with respect to, and one of the most efficient administrators of old-age assistance laws. What he has to say will be read with interest and profit by many people, including

those in administrative and executive positions having to do with the problems he so ably discusses. I am inserting a newspaper article which appeared in the Burlington Free Press of date April 4, 1939.

The article is as follows:

[From the Burlington (Vt.) Free Press of April 4, 1939]

Four years ago this month the legislature passed and the Governor signed the original old-age assistance act in Vermont. Since then the Vermont old-age assistance department set up by the act has made more than 8,000 grants to needy persons over 65 years of age, spent a little over two and a half million dollars and had requests for assistance from almost 12,000 aged persons.

After 4 years of operation what conclusions can be arrived at? W. Arthur Simpson, director of the department and chairman of the Vermont old-age assistance commission, has reached these

The principle of aid to the aged is wise and just, and old-age assistance is here to stay unless it is betrayed by its own friends

in wanton mishandling.

In adopting categorical assistance to the aged, the State has definitely assumed the obligation to provide financial assistance to aged persons who are in need. Those citizens who meet requirements within the limitations of the State policy are entitled to receive payments from the State.

In the opinion of the State agency, based on its experience in administering a humanitarian policy on the basis of demonstrated need and within the ability of the taxpayers to finance, the Vermont law should not be liberalized. Financial provision should, however, be made to permit adequate grants under the State program to all persons definitely in need of assistance.

APPROVED APRIL 11, 1935

"The original Old Age Assistance Act in Vermont," Mr. Simpson explained, "was passed by both houses and approved by the Governor on April 11, 1935. This act provided for complete State responsibility and supervision without financial participation by the towns or cities and provided that the operation of the plan should be dependent upon Federal participation. A special session of the general assembly passed an act which was signed by the Governor on December 14, 1935, authorizing the payment of old-age assistance grants in full for 3 months without participation and for one-half on December 14, 1935, authorizing the payment of old-age assistance grants in full for 3 months without participation and for one-half payments thereafter if Federal participation was not effective. The Vermont plan for old-age assistance was approved by the Social Security Board on December 31, 1935, being one of 15 State plans first approved by the Board. Federal participation in grants became effective for February 1936.

"Prior to the passage of the Vermont law, no one had ever made even the most superficial study of the problems of old-age dependency in the State. It was recognized at the outset, however, that a universal noncontributory pension of some fixed amount for all those who reached a given age was neither fitting nor financially sound. There are in the State approximately 37,000 persons 65 years of age and over, Vermont having as large a proportion of its population over 65 as any other State in the Union.

"An equal payment of \$30 per month would cost \$13,320,000 a year and would have a potential increase of as much as 3 percent a year because the number of aged in the population has been

year and would have a potential increase of as much as 3 percent a year because the number of aged in the population has been increasing at that rate. It is recognized that under present conditions \$13,320,000 a year could not be paid in Vermont exclusively for one-tenth of the population. The remaining 90 percent of our people, from whom the money would ultimately have to be taken, could not be expected to produce it, remembering that they not only have to support themselves and their own families in decency, but also the many other functions of government that are necessary to the well-being of the community. to the well-being of the community.

SOUND PHILOSOPHY

"There has been an alarming tendency in many States to initiate programs of pensions for the aged with little reference to the adjustment of grants to individual needs. Dramatized from a humanitarian standpoint and exploited as a vote catcher, old-age humanitarian standpoint and exploited as a vote catcher, old-age assistance pension movements promise to headline unsound fiscal policies of the Nation. It is conceivable that they will force a break-down of the entire system of aid to the needy aged. We are fortunate that Vermonters have developed a sound philosophy in regard to public assistance and its relation to the public interests, and that it has not been politically expedient to capitalize the need of old folks or to advocate liberalization of policies in an effort to get votes. Because of its significance to the taxpayer and to the general public, as well as to those who receive aid from public sources, sound factual information is necessary for an understanding of State services and their relations to existing needs."

PAID FOR 300 BURIALS

Of the slightly over two and a half million dollars spent by the department to date, more than 96 percent went for grants and funerals and only 3.7 percent for administration and expenses, Mr. Simpson stated. Approximately 50 percent of those on the rolls who die are buried by the State. Last year the department paid for more than 300 burials in cases where relatives were not able to do it. For this purpose only State money is used, as Federal money is not available, he said. The State has been reimbursed about \$23,000 from estates, by recipients themselves, or from sale of property. of property.

The average grant for a recipient in Vermont is \$15 per month as against a national average of \$19.55. However, the per capita expenditure for old-age assistance in this State is \$2.36 as against \$2.64 for Connecticut. \$2.58 for Maine, \$5.35 for Massachusetts, \$2.02 for New Hampshire, and \$2.04 for Rhode Island.

PER CAPITA EXPENDITURE

For all types of public assistance and general relief in Vermont the per capita expenditure is \$4.79 compared to \$7.15 in Connecticut, \$7.36 in Maine, \$12.25 in Massachusetts, \$8.06 in New Hampshire, and \$7.58 in Rhode Island. Of the \$4.79 spent by Vermont, \$2.12 is for general relief and \$2.67 for public assistance, which includes old-age assistance, aid to dependent children and state of the same of th dren, and aid to blind. One-half of this sum is supplied by the Federal Government. Vermont's figure of \$2.12 for general relief compares with the average for the Nation of \$3.07 and the State's \$2.36 for old age compares with \$3.04 nationally.

Hay and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1939

Mr. REED of New York. Mr. Speaker, the tariff reduction on hay effected through the reciprocal-trade agreements has been detrimental to American producers who have been forced to compete with Canadian imports. Hay is one of the five most important agricultural crops raised in this country, both as to acreage and value of production. The decrease in the demand for hay for work animals has been offset by the increasing number of dairy cattle and a decided commercial demand for this product in certain areas of the country. Because of the competition between American and Canadian hays in New England and in the North Central States, the Hawley-Smoot Tariff Act raised the tariff on hay to \$5 per short ton to discourage increasing importations.

Under the Reciprocal Trade Agreements Act of 1934 a treaty was negotiated with Canada, reducing the tariff on hay from \$5 to \$3 per short ton. This reduction in tariff has materially increased our imports from Canada, our principal source of this commodity. This hay very definitely competes with domestic hays and prevents farmers who are producing hay for commercial market from receiving an

adequate price for this product.

By virtue of authority granted under the Tariff Act of 1930, President Roosevelt on August 10, 1934, declared that an emergency existed because of the drought and admitted hay into this country free of duty. Although imports of hay for 1932 and 1933 were relatively small, there was a marked increase in 1934 and in the early part of 1935, due to the demand caused by the drought. However, the Canadian agreement became effective on January 1, 1936, and that year shows a substantial increase in imports of hay. Although we did not have a drought in this country in 1937, the imports of hay were over four times the amount they were in 1929 and practically all of these imports came from Canada.

All through the thirties our exports of hay have been very materially reduced to approximately 20 to 25 percent of the 1929 level. Although in 1937 we find a very large increase in our exports to Canada, this increase is temporary in nature and is due entirely to the crop failure in certain areas of Canada in the crop year 1936-37.

This is another example of how the State Department has reduced tariffs without giving adequate consideration to the problems of the domestic producer.

PAPER AND MANUFACTURES UNDER THE RECIPROCAL-TRADE AGREEMENTS

It is difficult to understand how anyone can say that the paper industry has benefited from concessions received under the Reciprocal Trade Agreements Act. The term "paper and manufactures" is a broad one covering printing paper, cover paper, wrapping paper, tissue paper, pulp, wallboard,

papeteries, and many other kinds of paper. It is almost impossible to estimate just how important this industry is to the workers of the country, but paper, alone, ranks seventeenth among all the industries of the country in the number of wage earners and this is not quite half of all the workers

engaged in the industry.

Eighteen trade agreements have been concluded, 16 of which became effective before January 1, 1938. In these 16 agreements the United States received concessions from 7 countries on various types of paper and products. The records of the Bureau of Foreign and Domestic Commerce show that total exports in 1937 were 83.5 percent of 1929, while exports to trade-agreement countries which gave us concessions were but 72.3 percent of 1929. Of equal significance is the fact that exports to all other countries were 92.6 percent of 1929. Can anyone say that the paper industry benefited from these concessions?

On the import side of the picture we get a different story. Of the 16 agreements completed and in operation before January 1, 1938, the United States gave six concessions, which had a decided effect on our import trade. imports in 1937 were but 71.0 percent of 1929, but imports from concession trade-agreement countries were 90.3 percent while imports from all other countries were but 50.7 percent of 1929. Certainly no one can deny that these concessions

aided the countries which received them.

Valuable as these import concessions may be to foreign producers, they work a definite hardship on our domestic producers. It seems rather incredible that the present administration can give such valuable concessions on a product and receive concessions on the same product that have little or no value. It leads one to suspect that President Roosevelt and Secretary Hull are more interested in lowering our tariff schedule than in promoting and enlarging our foreign market for domestic producers.

President Roosevelt's Foreign Policy

EXTENSION OF REMARKS

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ARTICLE BY HON. HERBERT HOOVER IN LIBERTY MAGAZINE

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following article by the Honorable Herbert Hoover, appearing in Liberty Magazine of April 15, 1939, entitled "President Roosevelt's Foreign Policy":

There is no subject more difficult to discuss rightly than foreign policies. They compound our affections and dislikes as well as our interests and ideals. Few of us will agree upon the weights we attach to every argument or fact. The indignation of everyone of us at the ravishing of Czechoslovakia adds difficulty to sober discussion. But we simply must have conclusions on national policy. That cannot be side-stepped.

The United States cannot pursue a policy of isolation in the world. We have too many dangers, too many interests, and we have enormous responsibilities. The Monroe Doctrine, with its requirements on our part to defend South America against any Old World invasions, is in itself a negation of any policy of isolation. That area of our international relations was settled for us many years ago, and we have confirmed it repeatedly.

The other large immediate question is our attitudes toward the

The other large immediate question is our attitudes toward the area of Europe, Asia, and Africa. There are two widely divergent directions which we can take in respect to them at the present time. Neither is isolation. But their destiny is as far apart as the two poles. The one makes for peace in the world, the other envisages force or war.

The first of these is to hold to broad neutrality and thereby exert the moral influence of the United States to lessen the causes of controversy and war in Europe and Asia. That method proceeds through peace treaties; through diplomatic effort; through encouragement to meet at the council table; through arbitration; through promotion of international law; through the establish-

ment of such agreements as the Kellogg Pact, the Hague Tribunal, a properly reorganized Court of International Justice; through promotion of land disarmament, limitation of navies, and through control of aircraft and submarine misuse; through dignified procontrol of aircraft and submarine misuse; through dignified protest at persecutions; through moral refusal to recognize gains of wrongdoing; through mobilization of world public opinion against transgressors. And especially through economic cooperation can world strains be reduced. All these are the constructive processes of peace. They build for peace and good will. They may not always succeed or hold for long at a time, but while they do hold they prevent war and they uphold the standards of international conduct.

The second direction that we could take is to depart from neutrality in the controversies between other nations and to exert the physical force of the United States on one side of a conflict. That method proceeds through declarations of support, through alliances which shift the balances of power in the Old World, or through threats, or through economic pressures, such as punitive

tariffs, or through economic sanctions, or through military force, and finally through war. None of these are processes of peace.

All in this category of actions are provocative actions. They have hitherto always cracked up in war itself. They make also for division of the world by hate and friction. They solve nothing. They render any service through the first category almost

impossible.

It is my belief that the first category of relations represents the long view and the realistic view; that the second category represents the short view and the emotional view. For if civilization is to be preserved and to prosper, it will be through the first category of international relations, not by wars and threats of

The League of Nations was a heroic attempt to build peace by associating all nations, whether democracies, kingdoms, or dictatorassociating all nations, whether democracies, kingdoms, or dictatorships. Its purpose was to replace the theory of balances of power and military alliances which had invariably plunged the world into war. It was wrecked on several rocks. The first was the prompt building of balances of power and military alliances by certain nations—ideas utterly antagonistic to the whole concept of the League. The second was that it attempted to combine these two categories of international relations; that is, force and the processes of making peace. There were other reasons for failure, but these two are pertinent to the situation today. The League also proved to have great values where it exerted itself in making peace and not attempting force.

During the whole history of our country, except that period of 3 years between entering into the Great War and up to our rejection of the League of Nations, our policies have been of the first category in our relations to European and Asiatic nations.

Beginning a period of 14 months ago, Mr. Roosevelt has shown a certain sequence of steps in the development of a change in these traditional American policies in respect to Europe and Asia. The

a certain sequence of steps in the development of a change in these traditional American policies in respect to Europe and Asia. The full extent of the President's proposed change in policies has not been made public. His private statements to the General Staff and to the Senate Military Affairs Committee are naturally not officially available. He has given some public indication of them in his proposal "to quarantine dictators"; his message to Congress proposing that America should determine who are aggressors against other nations in Europe and Asia and apply to them methods stronger than words and short of war; and the reported statement to the Senate Military Committee that the American frontiers were some place in Europe. The expressions of Ambassador Bullitt certainly Senate Military Committee that the American frontiers were some place in Europe. The expressions of Ambassador Bullitt certainly warrant the European democracies in the belief that they may look to the United States for some sort of aid. These expressions are vague enough, but at least indicate a radical departure from the categories of peaceful processes into the categories of force.

The Baltimore Sun sums it up as "the prospect of revolutionary change in the role played by the United States on the world stage." Any such change in policies should be frankly submitted to and confirmed by the American people.

The time to debate a momentous change which involves peace

The time to debate a momentous change which involves peace and war is before we enter the paths of force. After we have traveled that path for a while debate is silenced as moral treason, I have seen too much of international life and friction not to

that the world changes and that the scene shifts, and that other policies may be necessary. But our job is to examine the situation with which we are faced now. And this is an appraisal of the outlook now and the policies which should be pursued by America.

Before we examine the reasons for adopting one course or the other, let me clear some underbrush as to some conclusions that

we generally agree upon.

We all agree that we must have adequate defense to hold the 1. We all agree that we must have adequate defense to hold the Western Hemisphere against military attack from overseas in accombination. Whatever our Army and Navy say is necessary for this purpose we will make any sacrifice to provide. We have no quarrel with proper defense programs for this purpose.

quarrel with proper defense programs for this purpose.

2. Most of us intensely dislike every color of nazi-ism, fascism, socialism, and communism. They are the negation of every ideal that we hold. They are the suppression of all liberty. In Germany the persecution of the Jews, the attitudes toward the Christian faiths; in Russia the wholesale executions, the destruction of Hebrew as well as Christian worship, the ruthless starvation of millions of peasants when resources were available to save them—all of them outrage our every sense of justice. While we stand it in the name of free speech, we resent the Bund, the Communist, and Socialist Parties in the United States taking advantage of our

liberties of free speech and free assembly to preach doctrines which

liberties of free speech and free assembly to preach doctrines which would destroy these very liberties.

It is not with any approval of these un-American activities that we reserve the question as to whether America should send her sons to Europe to die in a war against these ideologies, or that we should enter into measures that may lead to that end.

3. There is no objection or any legal prohibition against England or France buying airplanes or munitions in the United States. What we are concerned with are what changes in our foreign relations have surrounded these otherwise purely commercial transactions transactions.

Those who advocate that we should depart from neutrality and on nations in Europe and Asia with processes of force base it on one or all of three different grounds:

First They claim that we have an obligation and a duty to maintain liberty throughout the world.

Second. They insist specifically that if the democracies of Eng-

land and France are attacked we must come to their support, not only to maintain liberty but in fear that were they overcome we would be the next victim.

Third. They insist that if we throw or threaten to throw our weight now with France and England, they will not be attacked

The problem is not so simple or the conclusions so certain as this description would assume. At this moment most of the proponents of these policies deny that they want us to go to war. Maybe not, but they want us to act warlike, and we need to look down this alley to see where it ends. Propaganda is build up that way. As it goes along, sometime we may get to the stage where our emotions will be forced by the cry that we are quitters and cowards or have let down those who have relied upon our vague expressions.

Most of us are sympathetic with these countries, but a vast and

resolute majority of us are against being drawn into war.

Before we start on these departures from the processes of peace

Before we start on these departures from the processes of peace into the path of force there are several major questions to consider.

1. The basic premise of many of these assertions about the situation in Europe is open to question.

The American people are deluged with propaganda and unreliable reports. Despite all contrary appearances the forces pressing to war which would necessarily involve the western European democracies are at the date of this writing not as strong as the forces pressing to avoid war. No one is so foolish as to say that there is not an immensity of combustible materials in Europe. But the universal knowledge of them and the experience of the last war make men far more cautious than they were in the last war make men far more cautious than they were in the year 1914.

Furthermore, most competent observers agree that Germany and Italy have no present notion of making military attack upon

the British and French.

Moreover, England and France can, in the belief of competent observers, amply defend themselves against attack. No one can deny that the superiority in land fortifications of the French and British make them impregnable from any land force that can be brought to bear against them. They have three times the naval strength of the dictators. They have the industrial resources, the men and the money either to buy or to build superior air fleets if they wish to organize themselves for these purposes. Their populations, their empires, and their natural resources give them ample man power and far greater reserves of manufacturing capacity and of war materials.

and of war materials.

The relative positions of England and France to their possible opponents are far stronger today than they were in 1914.

No competent observer believes that the dictatorships, singly or in combination, could successfully attack the Western Hemisphere even if they were inclined to try it, which they are not. And this applies both before and after the next European war, if any. They would be far weaker after the next war than today, no matter what the outcome.

Altogether while the situation in Europe requires watching as

Altogether, while the situation in Europe requires watching as to its effects upon us, yet those who are promoting American entanglements in Europe are ringing the alarm bells of American

entanglements in Europe are ringing the alarm bells of American dangers entirely too hard.

2. From an American point of view, the reason we would enter into these paths of force is purely ideological. We want no economic advantages. We have no territorial expansion. There need be no fear that we cannot defeat any attempt of foreign dictatorships in encroachment upon the Western Hemisphere. The appeal is solely on the grounds of saving liberty, either abroad or at home. Thus it becomes an appeal to idealism pure and simple. While England and France are countries of stanch idealism for home. Thus it becomes an appeal to idealism pure and simple. While England and France are countries of stanch idealism for liberty, they are naturally long-established imperialistic democracies, controlling millions of subject races. Germany and Italy are imperialistic states also seeking possessions for trade and raw materials. Italy obviously never received the territorial possessions promised her by England and France under the treaty of 1915 by which she entered the Great War. England and France, on the other hand, do not wish to surrender any of their possessions. In other words, there is here a conflict between "haves" and "have-nots."

Without taking any position on the right or wrong of these controversies, we can at least conclude that their differences are not wholly ones of idealism for liberty alone.

3. Particularly is the case of Italy a good example of where right and wrong are beyond our determination. Americans should be slow to deny the justice of her claims under the war treaties. We were not a party to them, but we do become a party to this controversy if we line up to support France against Italy. As a matter of fact, the equitable settlement of that controversy would contribute more to the world's peace than any other step that could be taken this day. In any event, it all emphasizes that it is not

iliberty alone which is at stake.

4. These exponents of vague use of force in association with European democracies would be much more logical, much more European democracies would be much more logical, much more frank and open, and, in fact, much more effective in their purpose if they would straightforwardly advocate a formal military alliance right away. That would need have the approval of Congress, and our people could have something to say about it. Their purpose is, either ignorantly or in fact, to get us so involved that we would have to join in war if it came. If we had a frank and open military alliance we would possibly have something to say about controversies in Europe which might lead us into war. We have no such voice under these vague proposals.

A test that these exponents of abandonment of processes of peace for processes of force might apply to their own thinking is just this:

just this:

Are they prepared to openly advocate military alliance with

European democracies?

European democracies?

5. Those who propose even a vague alliance of force with England and France should inform the American people how they are going to avoid marrying the alliance of France with Communist Russia. France is committed lock, stock, and barrel to Communist Russia. They should also explain fully why the United States should assume, for instance, that Italy is our enemy. For 20 years Russia has tried to undermine our Government; Italy has done no such thing. Italy has been a firm friend of the United States ever since our country was born. Moreover, they should explain how far the United States will go to guarantee the possessions and policies of England and France in respect to their subjective people in every part of the world. That is what it would mean. It is not necessary to go into the merits or demerits of these important phases to at least indicate the labyrinth of commitment we may be venturing at least indicate the labyrinth of commitment we may be venturing into.

6. Another question enters into this problem, and that is, how long these destructive ideologies, especially the most aggressive ones in Germany and Russia, can last. It is my belief that they

have reached their high point.

have reached their high point.

The common people in both Germany and Italy are equally as terrified at being drawn into war as are the people of other countries. Their economic systems are showing signs of degenerating weakness. Having enjoyed liberal institutions, the vast majority of their people have constant desire and hope for return of greater liberty. Public opinion is making itself felt despite the restraints. Communism in Russia is rapidly disclosing itself as a purely gangster government. And the gangsters are quarreling.

Patience on the part of the democracies might well see a considerable part of these dangers decrease from these internal pressures.

pressures.

7. It is proposed that we take upon ourselves the job of determining and aiding to stop aggressors in the world. The theory and practice of stopping aggression is a difficult and costly role. That was to be one of the functions of the League of Nations. But the League was supposed to combine the intelligence of all nations outside the controversy and to make judgment. The League split repeatedly upon the facts of who was the aggressor. It seems a difficult role for America to undertake alone, and for many reasons. One of them is that warlike acts are the result of long antecedent history of mixed rights and wrongs. Another of our difficulties would be that we are composed of all nationalities, some of whom will be clamoring for their fatherlands on both 7. It is proposed that we take upon ourselves the job of deterities, some of whom will be clamoring for their fatherlands on both sides of every single case that comes up. It would add sadly to the divisions of an already divided people. We would also become even more than today, the battleground of every foreign propaganda on earth.

Moreover, the whole theory of stopping aggression is in fact an attempt to maintain the status quo in national boundaries all over the world. We need only to look back even 100 years of history

the world. We need only to look back even 100 years of history to see how many fights we could get into. In fact we have been aggressive in our time. Otherwise parts of the Rocky Mountains and California would belong to Mexico today.

We will be told that the job of determining the aggressor is easy because we know today who the world's aggressors are. And we are told we can stop them with more than words and less than war. There is no other nation in the world who would believe that this can be done and keep from provoking war for long. It is certain that the highly realistic democracies in Europe will make no such declarations of national policy.

But over it all is something more important. We cannot become

But over it all is something more important. We cannot become

But over it all is something more important. We cannot become the world's policeman unless we are prepared to sacrifice millions of American lives—and probably some day see all the world against us. In time they would envisage us as the world's greatest bully, not as the world's greatest idealist.

8 We ought, in coming to conclusions, to recollect our own experience with the Great War. We went into that war for many reasons, including direct war upon American citizens and ships. Above all, we hoped and believed that we were going to "make the world safe for democracy." It was to be a "war to end war." No one will deny that we failed in these latter hopes. The violence of the peace treaties and the destruction of war created these brutal dictatorships. Many students of European affairs, including those of our former allies, hold that political action by some of our former allies in Europe greatly contributed to the death of the peace-loving democracies, such as Germany which sprang up after the war. Whether this be true or not it must be obvious

that America has not the power to impose a course of action upon the nations of Europe which would end war for the future or would make the world safe for democracy. All European history is a treadmill of readjusting boundaries among mixed populations. It is a treadmill of war for power and mastery. It is certain that we engage ourselves in these age-old controversies the moment

we throw our might into European balances of power.

9. We should also examine the question of where we will be after even another world war to save democracy. We should consider what would likely happen to us if we become engaged in another such war, whether we win or lose. I recently stated:

"Our first purpose is to maintain liberty in America. If civiliza-tion based on liberty falls in the United States, it is gone from the We must safeguard that, not only in our own interest but

in the interest of the world.

"Personal liberty and free economic life are not built for modern war. A great war today is a mobilization of the whole people. That means democracy must temporarily surrender to dictatorship, no matter what one may call it, in order that we may bend our

full energies to war.

"It means that our country must be mobilized into practically a Fascist state. It would be so organized. It went some distance in the last Great War, although we did not use that term at the time. It would have gone much further if the war had extended longer. "I speak of this not from hearsay but as one who participated in the economic organization of the Great War. I saw the rise of opposition to demobilization of the interests which benefited, and I have seen the attempts to restore these measures ever since. "Today the lowered vitality of free enterprise, the necessity to

I have seen the attempts to restore these measures ever since.

"Today the lowered vitality of free enterprise, the necessity to subordinate or repudiate our enormous peacetime national debt to make way for finance of a new war together with the ideas of economic power which impregnate our Government all drive to the improbability of after-war demobilization of centralized power.

"If it were that or the loss of our national independence it would not be too great a price. But let us at least recognize that a war to save liberty would probably destroy liberty. In my view another great war will make dictatorship universal.

"Even if we escaped this result yet the sacrifice of our sons and the moral and economic destruction are a bitter prospect to

and the moral and economic destruction are a bitter prospect to contemplate. Surely we learned this from the last war."

These are but a part of the reasons which can be advanced for our keeping neutral on European controversies.

In conclusion, the question of our foreign relationships rises far above partisanship. And those citizens who hold views on either side should not be charged with politics, pacifism, or militarism. We are discussing the sacrifice of life of millions of our sons and we are discussing the lives of women and children. We are discussing the future of our Republic and the future of liberty.

What have not been stated yet are sound reasons which at the present time warrant us from departure from our traditional policies. One thing is certain: This Nation should be taken into full confidence as to what Washington is doing and proposing. And we will then debate it further.

Beyond all this is an even greater question: What can the United States do within the processes of peace in contribution to

peace today?

The world has many staggering problems. One is reduction of the armament which is impoverishing people everywhere and which builds only toward disaster. Another is to secure immunity of women and children from hideous attack by blockade and from of women and children from hideous attack by blockade and from the air. The witness of that might indeed enrage us into war. Another is to secure relief of millions from religious and racial persecution. That persecution, most dreadfully directed against the Jews, results not only in their sufferings but it brutalizes the people of any country where this cry is raised. Another problem is to end the present economic war and secure economic progress for the world. Economic suffering drives nations to exploitation of others and to war.

Is not contribution to solution of these and many other prob-

Is not contribution to solution of these and many other problems a larger purpose for America in the field of foreign relations? There are great things we could do to bring peace and tolerance and prosperity to the world—to add to humanity and to lessen brutality. But that is possible only if we hold to our neutrality. And that question must be settled before we can begin upon constructive processes of pages.

structive processes of peace.

J. D. Ross

EXTENSION OF REMARKS

HON. JOHN M. COFFEE OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

EDITORIALS EULOGIZING J. D. ROSS

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein three

editorials dealing with the life and achievements of the late J. D. Ross, administrator of the Bonneville Authority. Mr. Ross was much loved and highly respected throughout the country, but especially in the Pacific Northwest, with which he was identified for more than a third of a century. The late Mr. Ross was a man of congeniality and versatile attainments and interests. His record in connection with Seattle's municipally owned light system is one of the outstanding examples of what can be done with publicly owned operations in America. In his passing, Seattle, the State of Washington, and the Nation, have sustained an almost irreparable

Mr. Ross' life and career served as an inspiring example worthy of emulation by the newer generation. To those of us who reside in Washington State, the gracious act of President Roosevelt in honoring Mr. Ross by appointment as engineer with the P. W. A., then as a commissioner of the Securities Exchange Commission, and finally as Administrator of the Bonneville development, was ineffably pleasing. We will all miss Jim Ross. He has gone from us in the flesh but his accomplishments will live through the generations to come. As Edwin M. Stanton said at the deathbed of Lincoln, "Now he belongs to the ages." The Bible contains this phrase: "By their fruits ye shall know them." By the fruits and results of an active, splendid, and inspiring life our posterity will grow increasingly aware of the late J. D. Ross.

The editorials are as follows:

[From the Seattle Post-Intelligencer of March 15, 1939] J. D. ROSS

J. D. ROSS

If you have sailed on the Alice Ross on the man-made lake above Diablo Dam, and have suddenly heard over the lap of the waves, seemingly coming from nowhere, the soft strains of Beautiful Isle of Somewhere, you will appreciate one trait of that great man who has just left us, J. D. Ross.

If you have seen the bewitching gardens, a veritable tropical paradise, which have been nurtured by his hands at the dam site, and which have filled thousands of visitors with wonderment, you have come into contact with still another facet of J. D. Ross.

J. D. Ross.

If you have beheld the dam itself, and the great house of turbines which feed power into the maw of our metropolis, you have sensed the mechanical genius of J. D. Ross.

If you have read of his plans to transmit the power of harnessed rivers over this whole land of ours; if you have heard of his learned discussion of Einstein's theory of relativity; if you know of his researches in the chemist's laboratory, then you comprehend

a bit of his renown as a scientist.

But if you have not sat in the presence of J. D. Ross, if you have not learned from his lips his love of his fellow man, if you

have not learned from his lips his love of his fellow man, if you have not witnessed his gentle, persuasive way with a child, then you have forever missed that part of J. D. Ross which was his strength and his comfort and his real greatness.

What a pity it is that "J. D." had to turn the last page of life at the very time that his greatest dream was being realized.

He sought above all else to transmit the blessings of natural power into the service of mankind. He had found joy in the building of Bonneville and Coulee Dams on the Columbia, and he grasped with utmost eagerness the task given him by President.

bower into the service of mankind. He had found joy in the building of Bonneville and Coulee Dams on the Columbia, and he grasped with utmost eagerness the task given him by President Roosevelt to perfect the grid system by which the power of those projects will be delivered at low cost to homes and farms and factories over this whole Pacific Northwest.

He visioned also the routing of the power of our rivers into the fiatlands of the Middle West, and confidently projected the distribution of cheap water power to the whole Nation.

Seattle's "City Light" was his infant; he nurtured it with the same zealous care that he bestowed upon his beloved plants and flowers on the Skagit. In the face of heavy odds and strenuous opposition he carried City Light over the foundling stage to an efficient success, and in late years he guarded its fine progress all the while he gave of his precious hours to the chores which the President put upon him, first as a commissioner of the S. E. C. and then as administrator of the Bonneville project.

The work will go on, and the imprint of the genius of "J. D." will be on it. Let those who carry on for him be inspired by the honesty of his purpose and make full use of the heritage of wisdom he has bestowed.

We who loved "J. D." as a man, we whose children loved him, will share the deep sorrow of Alice Ross, his widow, who toiled and heat death heated beside him avers without of the power of the progress in the progress in the card heated beside him avers without of the power of the powe

will share the deep sorrow of Alice Ross, his widow, who toiled and battled beside him every inch of the way, a personage in her own right who chose to remain in the shadow of his greatness.

But we will also share the memories of his kindly ways, his homely humanities, his devotion to the real values of life. Seattle has lost a loyal son who gave without stint and asked naught. The President has lost one of his most valued and trusted aides. Science has lost a genius.

And the "beautiful isle of somewhere" has gained a dauntless spirit.—John Boettiger.

spirit.-John Boettiger.

[From the People's World, March 21, 1939] NORTHWEST LAMENTS DEATH OF J. D. ROSS

The death of J. D. Ross, superintendent of Seattle's city power, and administrator of the great Bonneville project, robs the Northwest and the Nation of an outstanding fighter for public power and leaves a gap which President Roosevelt's tribute to him says "will be almost impossible to fill."

"will be almost impossible to fill."

His career was interwoven with Washington's 50 years of statehood, and always it was "J. D." who could be counted on to fight the maneuvers of the Power Trust to block public power.

He envisioned a national pool of power to extend the benefits of public power throughout the United States, and he held the expansion of transmission lines should be determined by the needs of the people, not by the profits or lack of profits of the few.

The ashes of "J. D." will rest in an urn on Ross Mountain in the Skagit. But the fighting spirit of the famed engineer will inspire the people of the Northwest to batter down all Power Trust attacks on public power.

Trust attacks on public power.

[From the Seattle Daily Times of March 15, 1939] "J. D."

Still in the strong uptake of a career which had become nationally important, James Delmage Ross has surrendered his great engagements and prospects in response to the summons of death. To his associates of years in City Light, at Bonneville, and to thousands of friends in public and private life, he was affectionately known as "J. D." His story is that of one who dreamed in large dimensions, and by force of an indomitable spirit, made dreams come true. In times of controversy it has been said of him that he had no regard for the cost to others of his dreaming, planning, and executing. But it is known that he cared little or nothing about money for himself; criticism of his expenditures on public projects has never raised question of his honesty and sincerity. No man of his time has been held in such confidence and warm exteen by the receive of his home city.

man of his time has been held in such confidence and warm esteem by the people of his home city.

City Light was ever closest to the heart of "J. D." The huge Skagit project, now nearing completion just as he planned it, was his pride and joy. The battles he fought for it make lively chapters in local history; and how expressive it is of his genius both as engineer and artist has been sensed by every visitor. It is sad that he could not have lived to see and enjoy fulfillment of this, his most cherished dream. Though called to places of highest responsibility by the President of the United States, he retained his superintendency of City Light, without salary, by official appointment and common consent. To the very last he was actually in the service of Seattle; more nearly than any other the indispensable man. The work he left unfinished will be carried on as it must be; but his peculiar abilities and qualifications are rarely combined in one man. He will be sorely missed. We may not have another quite like "J. D."

Cotton Export Subsidy

EXTENSION OF REMARKS

HON. CHARLES HAWKS, JR. OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 6, 1939

ARTICLE BY PAUL MALLON

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Paul Mallon:

BEHIND THE NEWS (By Paul Mallon)

SPONSORS OUTWITTED EVEN THEMSELVES ON COTTON SUBSIDY PLAN

The administration outwitted everyone, including itself, on the

cotton-export-subsidy plan.

As shrewd a maneuver as ever went wrong was concocted be-tween Agriculture Secretary Wallace and House Agriculture Chair-man Marvin Jones. The export-subsidy plan was to have been planted invisibly in the Agriculture Department appropriation bill. But they planted it so deep they lost it and now are sunk in a hole of their own making.

The cotton subsidy—latest of the President's proposals—seems buried beyond retrieve.

How the snarers ensnared themselves is as rare an inside piece as

you will run across in a month of Congresses.

Mr. Wallace first sold the cotton-subsidy idea to the President and the White House publicly espoused it. They figured they would need \$15,000,000 to start it. So last Monday, Wallace went

up to Congress, saw House Floor Boss RAYBURN and Jones, told

them his need.

In their private conference in RAYBURN's office Jones thought it would be foolish and fatal to ask the House for \$15,000,000 for cotton alone. The wheat, dairy, tobacco, and other blocs would start complaining again that cotton was getting everything and they nothing.

So the plan was worked out whereby Jones would ask for \$60,-000,000, without identifying specifically what it was to be used for, thus to corral the hopes of all the blocs. Next day Jones got his amendment unanimously approved by his committee and presented

amendment unanimously approved by his committee and presented it to the House, appropriating \$60,000,000 and providing that no more than 25 percent could be used for any one cfop.

Dairy blocers jumped up, explaining some of the money was intended for the dairy farmer and implying (erroneously) that none of it would go for staple crops. The leaders did not clarify the situation, let it go to a vote, and found themselves unexpectedly defeated by the astounding margin of 195 to 98. Seldom does a House turn down a farm chairman on one of his own amendments, even when the purpose is not generally understood.

even when the purpose is not generally understood.

Now the administration is trying to redeem the lost cause in the Senate, but their cotton kitten is out of the bag, their opposition is much stronger in the Senate than in the House, and their hopes are in the hole with them.

Keynote Address Before the Young Democratic Clubs of Missouri Convention

EXTENSION OF REMARKS

HON, HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

ADDRESS BY DAVID A. McMULLAN AT JOPLIN, MO., FEBRUARY 24, 1939

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD the keynote address delivered by Hon. David A. McMullan, chairman of the Eleventh Congressional District of the Young Democratic Clubs of Missouri, before the Young Democratic Clubs of Missouri Convention at Joplin, Mo., on February 24, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There being no objection, the address was ordered to be printed in the Record, as follows:

Fellow Young Democrats, at this, our seventh annual convention, I thought it would be well for us to counsel with one another about the position of our party at this time compared to the time of the formation of our Young Democratic Club.

It is not necessary to review the economic, moral, and political chaos that existed in our country in 1932. Young people demanded relief from those conditions—demanded security—demanded united action—demanded leadership! We saw in the principles and leadership of the Democratic Party an answer to what we were seeking.

About 7 years ago a group of young people, believing in the principles of the Democratic Party, met and formed the Young Democratic Clubs of Missouri. In every State of the Union young people were spontaneously and enthusiastically organizing because this Nation lacked leadership and those in power were overcome by the terrible problem which confronted them. An uninspired and medicore Republican Party had fallen into confusion and weakness. We organized, I quote from our preamble, "to stimulate in the young people of Missouri an active interest in governmental affairs, to increase the efficiency of popular government, to foster and perpetuate the ideals and principles of the Democratic Party. Our organization was sustained by the party organization. We became a party organization. We were given an active and important part in campaigns and we gave a good account of ourselves. Young people from all over the State swelled our ranks. The higher percent of young people who supported us and who support our party now is a matter of common knowledge.

We played a large and important part in the Democratic Victory of 1932 and in the successive Democratic victories since. What has happened since the formation of our organization? Under the leadership of our President, Franklin D. Roosevelt, and with the aid of a militant united Democratic Congress, the financial house was put in

of a militant united Democratic Congress, the financial house was put in order—great social reforms were enacted, the Government was changed from one whose chief concern was for the few to one whose sole concern was for the many. While in the short space of 6 years our party has solved, or is well on the way to solving, some of our Nation's problems, many serious ones still confront us. We must especially bend our efforts

well on the way to solving, some of our Nation's problems, many serious ones still confront us. We must especially bend our efforts toward the problem of unemployment and to the preservation of our principles of government. To do this we must stand united and continue to develop leadership. We must function as a responsible and reasonably coherent unit. We must not permit a breakdown in the Democratic majority, with an attendant result of inaction and confusion. A solution of the problems of the moment does not permit a stalemate between the various branches of government and their component parts. This applies to State and local governments as well as to our National Government.

As the party in power, our primary duty is to govern. Our primary obligation is the welfare of the people. To meet these obligations we must draw from that which is most fundamental in the tradition of our country to see clearly and act resolutely.

Our founders first decided upon the destination of our Government; and when this had been determined, they chose appropriate methods for reaching that destination. The language that charts the course of American Government is found in the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal."

As regards our Government, the interest of all, whether high or low, are equal. The working classes are, by nature, members of the State equally with the rich and are very largely in the majority. Therefore, the public administration must provide for the welfare of the working classes. Action along this line will not be harmful to any interest but on the contrary it will be to the advantage of all. A great step has been taken by our party in this direction by the wage and hour bill. It is a recognition of the principle that it is the duty of the State to secure the working people from the cruelty of men of greed who use human beings as mere instruments for money-making, and to protect the working people from being made the victims of force and injustic

the public authority.

Every man has by nature the right to possess property as his own, and while the State has by no means the right to abolish it, it should control its use and bring it into harmony with the interests of the public good so that it ministers to the needs of all. Every of the public good so that it limits to the needs of an. Level effort must be made that at least in the future a just share only of the fruits of production be permitted to accumulate in the hands of the wealthy, and that an ample sufficiency be applied to the workingman. It is a reproach to our methods and principles when the heads of our great corporations can obtain hundreds of thousands of dollars in salaries or bonuses when not a cent is paid to the investor and means were see and to the employed and to the investor and meager wages are paid to the employee and

to the investor and meager wages are paid to the employee and thousands of workers laid off.

There is an individual side to private property. It is, after all, the only safeguard of human and individual liberty. The aim of social legislation should be to make private property more widely held, not restrict it or destroy it altogether. Private property must not be administered solely at the pleasure of him who happens to own it, not for selfish and exclusive private interests. Society can be destroyed by too much individualism or by too much socialism. It can be saved only by a combination of the two.

We must be liberal but not radical. The agencies created to carry out social reforms must be placed in the hands of those in sympathy with their purpose. Enactments in the past 6 years have created agencies to administer great social reforms. These were democratic measures. They embody democratic ideas. Caution should be taken that they are not placed in the hands of radicals or reactionary individualists who are not in sympathy with their real purpose—radicals or reactionary individualists who will by sabotage destroy their effectiveness and popularity and use them for their own ends.

With all of the confusion despetiem, otherwise for and town. for their own ends.

With all of the confusion, despotism, atheism, fear, and terror that beset the governments of the earth, we hear the question, "Is there danger that democracy in the United States may succumb to either fascism, nazi-ism, or communism? Some may laugh it off, but sensible men have experienced many shocks in recent years. Lenin and Hitler could not have foretold their triumph, although both demanded it, and their dreams came true.

When we organized 7 years ago, we believed and have added large numbers to our ranks who believe that our country is best served

numbers to our ranks who believe that our country is best served by the application of the great political principles upon which our party was founded and which were adopted by our country's founders as the guiding principles of a government to protect the rights and liberties of the people.

We have all heard men in all walks of life plead for the preservation of our American form of government without a single reference to the substance without which that form would be an empty shell. The form of our government is about all we teach. As a result, the idea how American government works is fairly well

known to the average American pupil, but we should teach and preach why it was called upon to work in the first place. Americans should have a reverence for the Declaration of Inde-

pendence. It is as important as the Constitution, for the reason that the Constitution did not create American government and state its purpose. The Declaration of Independence embodies the whole story of American political philosophy. It is the one clear-cut repudiation of communism, the ringing refutation of nazi-ism, fascism, and every other form of the arbitrary, all-powerful, God-denying totalitarian state.

The Constitution sets up a system or form of government to carry out the object and purpose of government. Unde wrong in the social and economical fields can be righted. Under it every

Wrong in the social and economical fields can be righted.

Keeping in mind the principles of our party and using the instruments of government, our party must stand united to approach the problems confronting our Nation. If Democrats were banded together as are the enemies of democracy, we could easily check the onslaught of foreign powers.

Every Democrat should join with all other Democrats in keeping the enemy out of the entire field of the State and preserve for his country the American ideals which were written into its basic law by the constitutional fathers. In order to do this we must give

country the American ideals which were written into its basic law by the constitutional fathers. In order to do this, we must give our attention to youth. We must not look upon politics as a racket and upon young people trying to voice an opinion as one trying to "muscle in." There is and must continue to be a place in our party for a youth organization. Our leaders must continue to recognize that these youths of today are to be the politicians of the future and will take over the Government of this country. The majorities who will have to defend Democracy are being cradled now; and if our party leaders are far-sighted, they will make sure that those future majorities are grateful to our party for united action, leadership, and constructive reform.

In 1932 the Republican Party was in the exclusive control of a

for united action, leadership, and constructive reform.

In 1932 the Republican Party was in the exclusive control of a few who shaped its policies for their own selfish interests. In my city, St. Louis, the Republican Party organization was a closed corporation. Young people who attempted to actively participate in its political affairs were looked upon with suspicion, and, if they disagreed in any one particular with Republican leaders, they were given the cold shoulder. As a result many young people associated themselves with the Democratic Party where they were welcomed, encouraged, and aided in their work. Many of these young people have performed outstanding service to the community and hence have reflected credit and honor to our party.

young people have performed outstanding service to the community and, hence, have reflected credit and honor to our party.

In my ward we organized a young Democratic Club in February 1932 and attracted many young persons to our party by providing the light relitiest instruction and entertainment. We were enintelligent political instruction and entertainment. We wer couraged and received assistance from the ward organization. couraged and received assistance from the ward organization. And what was the result? These young people became interested in politics, became interested in our party, joined the ward organization and began working for our party with all the pep and enthusiasm of practical youth. As chairman of the ward organization, I often look over the list of its officers, precinct captains, and workers and see the splendid young men and women brought to our ranks through that Young Democratic Club. Our party, our community, our organization has been enriched by their work; our ward leaders have gained by their efforts. The policy of supporting the Young Democratic Clubs must be pursued by our party organizations—national, State, and local.

the Young Democratic Clubs must be pursued by our party organizations—national, State, and local.

Every young person will follow some leader. Hence, our party leaders must be very careful that they not follow leaders who would sovietize or nazi-ize our government. If our party leaders wish to remain in power, if they wish to see the principles of our party promulgated and handed down, it is necessary that they continue to recognize, instruct, and encourage youth.

Young people are interested in governmental affairs. Young people are interested in the policies of government. Young people have a larger stake in the welfare of our country than any other group because their future is at stake and the policies which are

have a larger stake in the welfare of our country than any other group because their future is at stake and the policies which are shaped now will affect them and the long term obligations now being incurred must be met by them. Therefore, youth must be consulted, heard, instructed, and encouraged.

We are the official youth organization of the Democratic Party. We, the Young Democratic Club of Missouri, do not demand patronage. We were organized "to foster and perpetuate the ideals and principles of the Democratic Party and to provide for our people through its administration the highest degree of justice and social welfare." We call upon the leaders of our party for renewed recognition, assistance, and encouragement. We offer our organization and services to our party to deliver the message of democracy to youth and to train and educate youth in the science of democrate government. Our party leaders have not falled us in the past; they Our party leaders have not failed us in the past; they must not fail us in the future.

It is the work of our party to see that the present state of man be

not worse than the former, and this can be done by the united effort of our party leaders in applying the principles of our party to present-day problems. It is the work of our party to see that the future be better than the present, and here is a youth organization

that is the answer.

We pray that our officers, who are appointed to guard our political welfare, may be enabled, with God's help, to discharge the duties of their respective stations with honesty and ability, so that they may carry out the purpose of our Government, encourage and teach youth in the ways of true democracy, so that the social welfare be secured and future generations be spared the advance of the mortal enemies of democracy.

Civil Liberties

EXTENSION OF REMARKS

HON. ROBERT M. LA FOLLETTE, Jr. OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

ADDRESS BY HON. FRANK MURPHY, MARCH 27, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an eloquent and illuminating address delivered by Attorney General Murphy on the National Radio Forum on March 27, 1939, his subject being Civil Liberties.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Democracy today is in a fight for its life. Wherever we look we see determined efforts to tear down the things that the masses of mankind have been painfully struggling to achieve all through the ages. The right of self-government, the right of every man to speak his thoughts freely, the opportunity to express his individual nature in his daily life and work, the privilege of believing in the religion that his own conscience tells him is right—all these precious things that men have won through blood and anguish are hanging in the balance

in the balance.

We must not let the scales drop the other way. If we do, we betray civilization itself. We must fight to keep these treasures just as bravely and vigorously as those who have gone before us fought to gain them. Democracy will not save itself. It isn't something automatic that will go on and on by its own power. We can't just be dreamy and sentimental about it. We must bestir ourselves and see that it works smoothly and efficiently in every respect. We must actually apply the principles of democracy to the world we live in—give them life and substance and meaning.

It will not be enough to do just half the job. We will have to be thorough and conscientious, because those who would like to destroy democracy are doing a thorough job of it wherever and whenever they have the chance. They are giving no quarter—

whenever they have the chance. They are giving no quarter-

whenever they have the chance. They are giving no quarterneither must we.

The phase of democracy that I have in mind particularly tonight is civil liberty. But I want to emphasize once more that our fight will not be won by halfway measures. Not only must we make civil liberty a living reality, but the democratic ideal must be applied in every part of our life—social, political, and economic.

Perhaps it would be helpful to start at the beginning and ask, "Why have civil liberties at all?" Generally speaking, we believe in them, because we are convinced they represent the best possible compromise between the governmental regulation that is necessary for an orderly society and the absolute freedom that has no limits except the laws of nature. But there is another reason that comes closer home. We who are devotees of democracy believe in civil liberties, because we know that without such rights as freedom of religion, freedom of speech and press, freedom to assemble peacefully, and to petition our Government for the correction of wrongs, democracy cannot possibly exist.

If this, in brief, is the reason for our faith in civil liberties, what is our present situation?

It is common for orators on patriotic occasions to point to the

It is common for orators on patriotic occasions to point to the early years of our Union as the period in which love of civil libearly years of our Union as the period in which love of civil liberty was at its height. They remind us that it was the denial of liberty that drove the fathers into violent revolution. They point out that the colonies refused to ratify the Constitution until they were assured that a bill of rights would be added. From such good evidence they picture the period surrounding the Revolution as a "golden age" of liberty from which, for one reason or another, we have steadily declined.

we have steadily declined.

There is another view—which, I suspect, is held by a considerable number of people today—that seems to take civil liberty pretty much for granted. Those who subscribe to it look back over 150 years of political democracy in this country and conclude that what has existed so long will continue to exist. If they see any present danger to their liberties, it is at best a long way off.

There is a good deal to be said for both these attitudes, and particularly the first. Certainly none of us can forget or ever cease to revere the spirit of those who wrote and embraced the Declaration of Independence. We cannot forget how bravely they took up Patrick Henry's challenge of "liberty or death" and fought their way to liberty at such terrific cost.

But if we examine these attitudes closely, we will find that

But if we examine these attitudes closely, we will find that neither of them is entirely accurate. The first, which views the present with alarm, is unrealistic because actually we have made progress in public tolerance since those early days. As evidence, we need only to recall the notorious alien and sedition acts, legislated, and enforced by the last Federalist administration which

preceded the term of Thomas Jefferson. Under the alien act, non-citizens could be deported or could be imprisoned for 3 years withcitizens could be deported or could be imprisoned for 3 years without trial or hearing. Under the sedition act, a newspaper editor or public speaker or, for that matter, a person in private conversation, could not utter any word which might be interpreted as a reflection on the administration. Violation of this law could be punished by Presidential order without trial, hearing, or the right of appeal. Unbelievable as it may seem today, the proprietors and editors of the four leading anti-Federalist newspapers of the day were prosecuted under this statute for sedition. One man was given a sentence of 2 years for erecting a sign which read, "Downfall to the traitors of America."

In 1800 public feeling against the Alien and Sedition Acts re-

In 1800 public feeling against the Alien and Sedition Acts resulted in the election of a new administration. But political persecution was by no means at end. From time to time in the history of the succeeding years we find strong evidence that the group in power or in the majority was actively intolerant of those whose political views differed from their own.

In those days, as now, it needed a broad mind and a great heart to be tolerant of a political philosophy utterly opposed to one's own. Here was an infant Nation embarking on a political experiment without equal in the history of the human race. The priment

to be tolerant of a political philosophy utterly opposed to one's own. Here was an infant Nation embarking on a political experiment without equal in the history of the human race. The principle of government by the people was on trial before a world committed almost entirely to government by kings. What could be more natural than that men of strong convictions, each convinced that his way was the best and each one determined that the new experiment must succeed, should come to disagreement over policies and methods? In fact, every ingredient of a period of great stress in the national life was at hand. And it is a time like that when men are most sorely tempted to look upon civil liberty as a protection only to themselves and not to those with whom they disagree.

Obviously, we are in a period of that kind today. The danger of class consciousness—something for which the vast majority of Americans have little sympathy in normal times—has been increased by unemployment and insecurity. The danger is not a theoretical one. It is not something invented in the mind of the social psychologist. It is an actual condition evidenced by happenings that come almost daily to my attention.

Only recently I received a letter from a wife and mother complaining that the small business conducted by her husband and son had been ruined because they opposed the political principles of the city administration. Intimidation had driven their customers away. Here is a form of persecution without benefit of an Alien and Sedition Act.

In another community a young man who actively opposed the

away. Here is a and Sedition Act.

In another community a young man who actively opposed the boss of the local political machine was indicted on a false charge. He was tried and convicted by a jury consisting entirely of persons connected politically with the leader of the machine. He was denied bail on appeal. After several postponements the case came to the appellate court but not until after the defendant had served his term.

Reports have come to the Department of Justice that persons who have testified before congressional committees have been beaten or discharged from their employment. In other words, for exercising the elementary right of conveying their views to their Government, they were subjected to physical cruelty or loss of their jobs.

I believe most of you will remember the recent Harlan County

prosecution which brought to light widespread denial of the rights of workmen to organize and bargain collectively. That unfortunate condition is steadily being corrected, and I believe that as time goes on there will be less and less of it.

Events such as these are the reason for my earlier statement that the casual attitude which takes civil liberties for granted and recognizes no danger to them is just as unrealistic as the view that the American people are steadily leaving their love of liberty behind them.

I do not wish to appear to you as an alarmist. I have the greatest confidence that the American people will ride through this storm with their liberties and their faith in these liberties unharmed.

I only want to repeat and to stress as strongly as I can that warning which John Curran uttered 150 years ago for his generation, for our own, and for all that are to follow: "The condition upon which God has given liberty to man is eternal vigilance." My purpose is to emphasize that if we wish to keep what we have gained and so long held, we must be alert. We must be on guard against those tendencies and attitude, in ourselves as well as others, that open the door to one denial of liberty and then another.

The Government, of course, can help us keep watch. It can take the initiative and lead the way. But we must remember—and this is important—that Government cannot do the whole

I am afraid that a great deal of the present apathy toward civil rights traces back to the notion that their protection is the sole responsibility of the Federal Government. I am afraid there is considerable misunderstanding as to the meaning and effect of the Federal Bill of Rights which includes the first 10 amendments

of the Federal Constitution.

Students of law know, of course, that the Bill of Rights in the Federal Constitution is a prohibition on the Federal Government. In other words, it forbids the Federal Government to deny to the people those liberties of speech and assembly, of religion and the

press, that are so vital to our freedom. Each State having its own constitution and bill of rights, it was assumed by the authors of the Federal Constitution that the State governments would protect their own citizens from infringement of these liberties not caused by the Federal Government.

not caused by the Federal Government.

Since the Federal Constitution was adopted, however, another amendment—the fourteenth—has been added, which provides that no State shall make any law abridging the privileges and immunities of United States citizens, or deprive any person of life, liberty, or property without due process, or deny to him the equal protection of the laws. Under this amendment it has been held that a citizen may invoke the aid of the Federal courts when he is denied full protection by the courts of his State.

I do not wish to give the impression that the Federal Government is powerless to protect civil liberty. For although most of a citizen's rights are created and protected by the constitution and laws of his State, there are certain rights which he obtains not from his State but because he is a citizen of the United States. The distinction should be kept in mind, however, when the Federal Govern-

State but because he is a citizen of the United States. The distinction should be kept in mind, however, when the Federal Government fails to act in situations that seem to call for its intervention. It serves to explain why it does not take action in every situation where some liberty has been abused.

The Federal Government today is determined, nevertheless, to protect civil liberties by all means available to it. It will not be for this faction or that, this class or that class, this nationality or that one, but for all the people. We propose to protect civil liberties for the businessman and the laborer alike, for the Jew and the Gentile, and the people of all races and creeds, whatever their origin. We believe it must be done consistently and with a fine impartiality—otherwise it cannot be truly democratic.

In this determination we have recently created a separate unit on

In this determination we have recently created a separate unit on civil rights in the Criminal Division of the Department of Justice. One of the first duties of this unit has been to consider and determine just where the Federal Government can act and to define the limits of its jurisdiction. Within those limits it will exercise its second duty of ordering investigation and prosecuting for violations of rights which the United States Government is charged with protecting.

The unit is now at work under my supervision. The complaints of citizens which have already reached me have been given careful consideration. In many cases, we have had to reply that the matters complained of were so completely outside of the Federal Government's jurisdiction that we could do nothing. In other cases, we have proceeded to obtain the facts and to determine whether or not a Federal law has been violated.

Yet, when all this is done, when the Federal Government has done its part, and when the State has given all the protection it can, something more is required. The courts cannot review every denial of civil rights that may occur in our midst. Year by year since the Constitution was adopted, it has become more and more obvious that tolerance cannot be enforced by law. No government, however strong, can guarantee complete observance of the spirit of the Bill of Rights. The golden rule canot be made effective by United States marshals. The great protector of civil liberty, the final source of its enforcement, now and always, is the invincible power of public opinion.

No court or law can make wholly inviolate the right of freedom of speech. Once it is denied by ordinance or some arbitrary exercise of power, what decree or court award can restore to the citizen denied, his right to speak on that occasion? Only the insistent will of a tolerant and democratic and informed people can insure freedom at all times to the voice that utters an unpopular

The courts can provide a remedy for lawlessness, but for its complete prevention there is only one place to look, and that is to an overwhelming public determination that it must not happen here.

It is anything but an easy job, this task of protecting civil liberty, and it is made twice burdensome by the fact that there is little pleasure in enforcing liberty for those who would deny liberty to others if they were in power. It is not easy to detest an extremist philosophy and yet insist on the right of any man to advocate it freely.

Yet, apparently we must do just this if we are to practice our Yet, apparently we must do just this if we are to practice our faith in democracy. We must remember that America was founded by men who came to these shores to escape intolerance in other lands. We must remember that the political system which they advocated, fought for, and established under the Constitution was heresy in the eyes of the government that ruled them. We must never forget that the democratic way is not to crush the alien view, but to let it be heard and to defeat it by demonstrating that our own way of living contributes the most to human happiness.

human happiness.

Only in this way, through the vigilance of a citizen body thoroughly schooled in the meaning and purpose of civil liberty, will we achieve the general enjoyment of civil liberty. Government, by precept and example, and by providing remedies in individual cases of denial of liberty, can make a large contribution. But in the last analysis, the American tradition of individual freedom, handed down to us by Roger Williams, Thomas Jefferson, Abraham Lincoln, and many another devotee of liberty, will be carried forward only if each of us practices every day that faith in which Voltaire declared to his adversary, "I do not agree with a word that you say, but I will defend to the death your right to say it."

W. P. A. or Private Employment

EXTENSION OF REMARKS

HON, HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

ADDRESS BY HON. T. J. COOLIDGE, MARCH 20, 1939

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the Congressional Record a very able address delivered by the former Under Secretary of the Treasury, Hon. Thomas Jefferson Coolidge, on March 20, 1939, in Boston, at the New England town hall meeting.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

This problem should be approached from the point of view that unemployment and care of the needy is a vital problem of society and the question is how and by what agencies should this problem be handled.

be handled.

When I think of the W. P. A. I visualize our Federal Government raising vast sums of money from the taxpayers and spending this money to give work to millions of men on local projects.

We must, of course, recognize that taxes are paid by everyone—so much of our earnings is taken for purposes of government. The result therefore of W. P. A. is that vast sums of money are taken from all of us and spent by a Federal agency. I raise the question, Does this process increase employment? I think not, and I am confident it decreases useful employment and national income.

If our more than 40,000,000 workers were left with their money, they would spend it as they desired for more food, more clothes.

If our more than 40,000,000 workers were left with their money, they would spend it as they desired for more food, more clothes, better housing, and other purposes. In so spending they would give employment just as certainly as by the Federal Government spending, and work for millions of men would be directed to produce what the people want. I am confident that greater general prosperity will result in permitting the workers to spend their own earnings rather than by taxation and spending by the Government. When we speak of private business we just mean everyone. If everyone were taxed less, of course, they would have more and spend more and private business would expand and employ more. There is no great magic in the Federal Government through the W. P. A. taking the people's money and spending it the way some official decides.

official decides.

The less the Government spends the more the people have to spend and the more private business will expand to take care of the wants of the people. Heavy taxation, coupled with restrictions of many sorts laid down from a distant Government, will impoverish the workers and, far from curing unemployment, will actually create it.

One most unfortunate result of Federal spending by W. P. A. for local needs is that it necessarily breaks down responsible State and local government. A power is created superior to our elected representatives before which they must bow down and beg. The success of a mayor depends on his ability to obtain funds from a cess of a mayor depends on his ability to obtain funds from a Presidential appointee without responsibility to the people of his city. For effective local rule a mayor should be responsible to those who vote for him, and his chief job should be spending wisely the money raised from them. Now, his concern is to obtain someone else's money, and no one cares how wisely other people's money is spent. The foundation stone of our democracy is responsible local government. W. P. A. means a bureaucracy, armed with billions of our own money, destroying this foundation and deciding our local problems. Little is left of our State sovereignty when the State does not perform its duty to care for its citizens. It must be recognized that to have both Federal and State Governments spending for welfare purposes is destructive of efficiency and responsibility.

ments spending for welfare purposes is destructive of emicles, and responsibility.

The bureaucratic spenders in Washington necessarily receive enormous power which can and has been used to coerce our elected representatives and our voters. Undue power is surrendered to the Executive which some day may be instrumental in destroying our

form of government.

It was Jefferson who wrote, "We are endeavoring to reduce the Government to the practice of a rigorous economy to avoid burdening the people and arming the magistrate with a patronage of money, which might be used to corrupt and undermine the principles of our Government." This danger he foresaw is still with us. The belief that our elected State and local officials are not competent to be problem.

tent to handle our local affairs is a belief that democracy and free enterprise will fail, and is not worthy of a great and free people who believe in self-government. Remember it is only the wealth of the 48 States that can be reached by Washington.

It may be that it would be somewhat more convenient to have

the Federal Treasury a central tax-collecting agent for certain taxes that could be distributed pro rata to the States.

It may be that it would benefit the States to have a Federal auditor make public the methods used by the States to promote

auditor make public the methods used by the States to promote the well-being of their citizens.

However, never should money be given or withheld from a sovereign State at the whim of appointed officials, nor should the methods of spending be dictated. That is the road to destruction of responsible representative government. Our country is too large, the interests and conditions to diversified, for the people to govern from Weshington in domestic officers. Fither the people must govern from Weshington in domestic officers.

the interests and conditions to diversified, for the people to govern from Washington in domestic affairs. Either the people must govern locally or they must be ruled from Washington.

Let us not forget that our Nation of 48 States became the wealthiest and mightlest Nation the world has ever known, with the standard of living the highest yet seen and unbounded individual opportunity. Our pride of accomplishment was immense, and we were the envy of the world. All this was accomplished without the Federal Government spending our money in countless billions to take care of us. We can, with our skilled workers, competent management, and ample capital, become more prosperous than ever and enjoy a yet higher standard of living for all. However, if this is to be done, we, the people, must do it ourselves. It never was and never can be done by a Washington bureaucracy.

bureaucracy

Those in need should be helped. The question is how and by

whom.

I believe that our local and State governments are the ones who should care for the needs of their people as their people decide; that is the liberal doctrine of home rule and the basis of our representative government. A distant government should not take our money to spend for local purposes in distant parts. The local people know best the needs of their neighborhood and will spend their own funds more wisely. Our form of government requires that the States be sovereign as respects their citizens; our State and local representatives must not be pawns for Washington bureaus to move.

State and local representatives must not be pawns for Washington bureaus to move.

W. P. A. means vast Federal spending. Remember that less Federal spending leaves more for the workers and the local governments and greater prosperity for all.

Many years ago the fear of this type of spending made Jefferson, the founder of the Democratic Party, plead: "If we can prevent the Government from wasting the labors of the people under the pretense of taking care of them, they must become happy."

Under present conditions what do we see? In 6 years of peace a deficit of \$20,000,000,000. We look forward to nothing but a continuation. This is the road to monetary chaos. It is an appalling situation and must be corrected. Yet next year we may see perhaps four or five billions of our dollars taken from us pouring out in great streams, of which W. P. A. is the largest. Great minority groups are formed to bring pressure on our Congress to spend our money. Our Federal Government was not founded or formed for money. Our Federal Government was not founded or formed for these purposes, nor can it cope with the pressure of these groups. We must retrace our steps to an underlying principle of our Con--that the States be sovereign as respects the welfare of their citizens.

What would happen if this entire four billion spending were canceled and in its place one-half the amount—two billion—were voted to be distributed in proportion to population to the States to spend as they decide? The Federal Budget would be under control. spend as they decide? The rederal Budget would be under control.

Responsible local and State government would be reestablished, local credit restored. Under these conditions I feel certain that private enterprise would greatly reduce the load of unemployment, while funds would be readily available locally to care for the reduced number of unfortunate people.

Our great democracy, restored to its underlying constitutional principles, would move forward to greater heights of achievement

and prosperity.

Buying Union-Label Goods

EXTENSION OF REMARKS

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

RADIO ADDRESS BY I. M. ORNBURN, SECRETARY-TREASURER, UNION LABEL TRADES DEPARTMENT, AMERICAN FEDERA-TION OF LABOR

Mr. FRAZIER. Mr. President, I ask unanimous consent to insert in the RECORD a radio address on the subject, Buying Union Label Goods, recently delivered by I. M. Ornburn, secretary-treasurer, union label trades department, American Federation of Labor, over the blue network of the National Broadcasting Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This year marks the thirtieth anniversary of the union label trades department of the American Federation of Labor. Through the united action of one-half of the affiliated national and international labor unions of the American Federation of Labor, this department has a long list of achievements during the past 3 decades.

The union label, shop card, and service button are the trademarks of union workers who have made steady progress during this period. The unions that have adopted insignia have greatly increased their membership and also the demand for union-made

products and union services

The union label is a symbol which is displayed by means of a cloth or paper label, stamp, or other imprint upon products to assure consumers that the merchandise is made in unionized shops or factories.

The shop card is a printed sign which is displayed in a window or on the wall of all shops and other business establishments whose employees are unionized.

The service or working buttons are similar to the insignia of

The service or working buttons are similar to the insignia of lodges or fraternal orders and are worn in the same manner. The working button gives assurance that services are rendered by a member of a labor union.

All of these emblems stand for American labor standards, including higher wages, shorter hours, and better working conditions. They are a continual boycott against sweatshops and unsanitary conditions. They are a perpetual strike against child labor and low-paid women as well as men workers. And, finally, they are the emblems of a union crusade for higher American standards of living.

living.

For the past 58 years the American Federation of Labor has consistently advocated the three basic principles which are now generally accepted as a foundation for permanent prosperity. Through labor unions, hours of labor have been reduced from an average of 72 hours a week to an average of 40½ hours a week. By decreasing hours more jobs are created. This is the best method through which America can reemploy its millions of job-

method through which America can reemploy its millions of job-less men and women workers.

The second great principle advocated by the American Federa-tion of Labor is a wage adequate to raise a family according to American standards. It includes not only the necessities of life, but also the educational, cultural, recreational values that go with our modern civilization. From an economic standpoint, higher wages for all willing workers would create a purchasing power that would guarantee industrial stability.

Recently, before the Temporary National Economic Committee of the United States Senate, noted economists brought out the startling statement, that since 1929 because of the depression, wage and

statement that since 1929, because of the depression, wage and salary earners have lost \$120,000,000,000, farmers have lost \$38,000,-000,000, and stockholders have lost \$20,000,000,000. In other words, these three groups of society would have had a total of \$178,000,000,000 more income if the economic machine had continued to

nese three groups of society would have had a total of \$178,000,000,000 more income if the economic machine had continued to produce each year as much as it did in 1929.

To create more jobs and to pay more wages, it is necessary at the same time to create a demand for those goods which the new hands produce. In order to increase consumer demand, which is conceded to be the principal factor in our recovery program, it is also necessary that all workers receive an income higher than so-called prevailing wage scales. They must receive union wages. When consumers buy goods made by organized workers who receive higher pay they automatically increase buying power in the same degree, and that in turn creates better times.

Not only does the American Federation of Labor advocate the purchase of union-made goods by American consumers, but we also urge the buying of American-made products. We have approved the campaign of economic boycotts as a protest against the racial and religious persecution in Germany and the atrocious bombing of innocent women and children by Japan in China.

The union label is the best guaranty that products are manufactured in America. The purchase of American-made goods is not only a patriotic duty, but it will greatly help business recovery of American industries.

The consumer can greatly assist in this campaign by patronician.

of American industries.

The consumer can greatly assist in this campaign by patronizing only those firms that sell union-label goods. They are always

American made.

A good illustration of what buying American can do to help our A good illustration of what buying American can do to help our own workers and industries is found in the recent action of our Government in raising the tariff 25 percent on all German goods, including Czechoslovakia. When the importation of shoes from Czechoslovakia stops thousands of American shoe workers will find employment in our boot and shoe industries. This will create purchasing power and increase employment in other lines. It is one of the solutions of our economic difficulties. The sooner America discovers this fact the quicker we shall emerge from this disastrous depression. disastrous depression.

disastrous depression.

A potential market for more than \$30,000,000 worth of American manufactured goods, providing employment for more than 75,000 workers has been opened in the United States through the cancelation of the Czech trade treaty and this withdrawal of trade concessions extended to other countries under that pact. America can now obtain a firmer hold on the domestic sale of glassware, pottery, gloves, textile, and other products as well as shoes. It will help the producers of raw materials. This is an example of what it means when the American Federation of Labor urges our consumers to buy American products.

The best way to prevent America's being drawn into another world war is for the Western Hemisphere to become economically

independent. We have all the products in the new world to become self-sufficient and if we develop our domestic trade among pan-American countries there will be less possibility of our becoming engaged in Old World entanglements.

The union label trades department recently issued a union label catalog-directory for the purpose of increasing the sale of union-made products. This catalog-directory is a 48-page book containing a complete list of names of nationally known manufacturers of union-made products. It also contains a full-page letter from President Roosevelt, who endorsed the principle of union-label buying. Facsimiles of all union labels, shop cards, and service buttons with the names of officials of the respective national and international labor unions affiliated with our department are included in this booklet.

ment are included in this booklet.

A free copy of this union label catalog-directory will be sent to interested parties. Address all requests to the Union Label Trades Department, American Federation of Labor, Washington,

D. C.

The 1939 Union Label Catalog Directory will be issued on July 1 of this year. The chief purpose of this annual buyers' guide is to give to fair manufacturers the reward of a union market of 25,000,000 consumers with a purchasing power of over \$6,000,000,000

The support of women's auxiliaries has become an important factor in our union-label campaign. In the struggle for human rights, economic freedom, and social justice, women are playing a more and more important part. Through enfranchisement they are exerting a greater and greater influence upon State and national legislation. Women play an important part in the educational activities of every locality. Their efforts are becoming much more effective through the collective buying of union label products.

Men require the cooperation of women in domestic, social, educational, political, and economic problems. With the advent of women's suffrage the voters of labor unionists' families began to ballot collectively. By patronizing union firms, they buy

In conclusion, I desire to appeal to all Americans to buy union-made and American-made products. If you would like to know how to create more jobs for American workers; if you would like to aid in raising wage levels of union workers; and if you would like to assist in bringing back better times to America, then buy union label, union-made products and use union services.

By the Rio Grande

EXTENSION OF REMARKS

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

EDITORIAL FROM THE BOSTON POST OF APRIL 2, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Boston Post of the issue of April 2, entitled "By the Rio Grande."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [Editorial from the Boston Post of April 2, 1939] BY THE RIO GRANDE

Putting the matter mildly, it is certain that the United States is nursing a hotbed of radical communism in Mexico, and is footing the bills because of our good-neighbor policy.

The Mexican Government for a long time has picked up enough petty cash to keep the Cardenas government in the saddle by selling silver to this country.

We found that this Government, so strengthened and nurtured,

grew more ambitious for foreign money, and expropriated oil lands discovered and exploited by American capital.

We can readily see that Mexican peons, groaning under crushing taxes, might well look askance upon the wells draining vital oil from the pools under their own native land.

They, however, know little and care less about contractual obligations assumed by their Government. Few peons ever were in sympathy with any Mexican Government, and at least this one has given them physical evidence that it is doing something, even at the expense of the foreigners.

But the fact remains that foreign investments have kept alive more than one Mexican Government, and this one is no exception.

The danger, as we see it on the northern rim of the country, is not so much an economic one at the present time, but a political one. We prate officially of Latin-American democracies, when few of them really exist.

Mexico certainly is not a democracy, and at the present time is the Russia of the Western Hemisphere. To think that we actually created this Russia is one of the things that are unsettling and disturbing.

Mexico opened her doors to Leon Trotsky and established this arch plotter in security and comfort. The expropriation was advocated by Trotsky from the moment he set foot on Mexican soil.

Now, within the past few days, we are witnessing preparations for an influx of the people which supported the red government of Spain. A handsome yacht has appeared off the Mexican coast, making advance arrangements.

of Spain. A nanosome yacht has appeared on the lackean coasy, making advance arrangements.

Flying the American flag, it was greeted by emissaries of President Cardenas. There is no secret that the officials who fled the coming of General Franco in Spain—Juan Negrin and Julio Alvarez del Vayo—are about to settle in Mexico, with plenty of treasure from the looted churches and coffers of that unhappy land, and hundreds of active followers. of active followers.

It will only take a few months for this nest of revolutionaries to

get in their work in Mexico.

The red state will naturally welcome their funds and support. Meanwhile, north of the Rio Grande, we will probably continue to be good neighbors and extend the protection of the American flag, through the Monroe Doctrine, over the most dangerous and disturbing elements in the modern world.

New Deal and the Republican Program

EXTENSION OF REMARKS

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, MARCH 18, 1939

Mr. McNARY. Mr. President, on Saturday, March 18, the distinguished Senator from Ohio [Mr. TAFT] delivered an appealing address over the National Broadcasting System. which I ask unanimous consent to have printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Republican Party today is still the minority party, but the general impression in Washington and throughout the country is that the New Deal tide is rapidly receding and that the people are again looking to the Republican Party for leadership. It is most important that the Republicans, even though they are still in the opposition, formulate their program on which to appeal to the people for a change of administration, and the Frank committee has been marking an adelucation of Republican principles.

opposition, formulate their program on which to appeal to the people for a change of administration, and the Frank committee has been working on a declaration of Republican principles.

We find an overwhelmingly difficult problem before us. After 6 years of New Deal rule, after every kind of experiment, and the addition of \$20,000,000,000 to the national debt the fundamental problems are still unsolved. More than 10,000,000 people are unemployed in the United States today, about 3,000,000 of them receiving a bare subsistence from W. P. A. Twenty million people are looking to the Government for food. Millions more are receiving inadequate wages and fall in that underprivileged class for whom the New Dealers have shed tears in every speech, and to whom they have repeatedly promised prosperity and security. And yet there are more people underprivileged today, more people who have barely enough to live on, or not enough to live on, than there have been at any time except at the very bottom of the depression.

The national income in 1938 was not much more than \$60,000,000,000. If we go back 10 years, we find a national income of \$80,000,000,000 and 10,000,000 fewer people among whom to divide it. The average income per individual is 30 percent less than it was in 1928. Of course, times are hard.

There can be no absolute proof that this condition has been created or prolonged by the policies of the present administration, but we have come out of every past depression more quickly, to a higher standard of income, and to greater employment, without measures of the New Deal character. Certainly there is no doubt that the New Deal character. Certainly there is no doubt that the New Deal character. Certainly there is no doubt that the New Deal character. Certainly there is no doubt that the New Deal character. Certainly there is no doubt that the New Deal character. Certainly there is no doubt that the New Deal character.

objectives.

objectives.

There can be only one main purpose in any intelligent program today—that is to improve the condition of the millions of unemployed and the other millions who are below a reasonable standard of life. If that problem cannot be solved, our whole republican form of government must admit itself a failure. When we see the conditions which exist in some of our cities, and I have seen them in Ohio as you have seen them in New York, we very quickly lose our pride in the statistics which show a higher average standard of living in the United States than elsewhere. When

you see the conditions which social workers see every day you cannot be surprised that they are eager to adopt any measure which seems to furnish direct assistance to the bitter conditions their charges face, no matter what the other consequences of those

It is a problem which challenges the Yankee ingenuity of the

It is a problem which challenges the Yankee ingenuity of the American people, and, of course, we Republicans claim a little more of that Yankee ingenuity, particularly from Maine and Vermont, than is possessed by the Democrats. The New Deal must have credit for trying every possible remedy which anyone suggested, sound or unsound, and through experimentation they have eliminated a considerable number of their favorite panaceas; at least they have eliminated them in the minds of all reasonable men, even if they themselves are unwilling to abandon them.

The New Deal is such a conglomeration of all kinds of measures that it is interesting for a moment to try to analyze just what it really is. Its objectives undoubtedly were to help the Nation, and particularly the lower-income groups, but from the beginning it has been motivated apparently by a complete distrust of our entire economic and business system, extending almost to every individual businessman. The assumption was that because a great depression occurred all of the former principles accepted as the cause for American leadership in the world should be discarded, and this in spite of the fact that the depression was world-wide and affected many other nations where an entirely different business system many other nations where an entirely different business system existed. There has been no real interest in trying to restore private industry, and the assumption has been that the Government

could do everything better than it was done before.

This critical attitude extended to the most accepted fiscal principles, such as the belief (which has inspired every past President, Republican and Democrat) that there is a moral obligation to hold Government expenses down to revenues and conduct the United States Government on the same sound business principles which are necessary to avoid bankruptcy in private industry and ultimate repudiation by Government.

The President even abandoned the sound currency ideas which have always guided the United States, devalued the dollar under the almost childish Warren theory that this would increase domestic prices, and flirted with the idea of an inflation of the currency. There is no doubt that the New Dealers have a deep-seated distrust of the entire system of individual initiative, free competition, and reward for hard work, ingenuity, and daring which have made America what it is.

They have relied on three types of Government activity. The first type consists of direct relief, in different forms, to the lower-income groups. Beginning with assistance to the States, which were building up a very satisfactory method of handling relief, a combination of direct and work relief under public-spirited citizen boards cooperating with private agencies, the New Deal suddenly decided that no one could do the job as well as they could, and, as a condition of the financial assistance which was necessary, inas a condition of the financial assistance which was necessary, in-sisted on complete administrative control. Finding this too much of a job, they returned the unemployables to the States and under-took to provide work relief for all employables. That job has never been completely done, and the expense is so tremendous that it probably never will be. The attempt to administer from Wash-ington a great work-relief program throughout the entire United States has resulted in inefficiency politics and a vast average States has resulted in inefficiency, politics, and a vast expense which threatens a complete bankruptcy of the Federal Government. Other relief measures are the C. C. C., the N. Y. A., the Farm Security Administration, and other minor agencies.

The second type of New Deal activity includes the Government

regulatory measures, which attempt to raise the income of this group or that group by controlling prices, wages, hours, and practices throughout the United States. Such were the N. R. A. and tices throughout the United States. Such were the N. R. A. and the A. A. A. Such are the laws regulating agriculture today, the Guffey Coal Act, the wage-hour law. This type of law has completely failed in its purpose. Farm prices are as low today as they were 5½ years ago, before the agricultural control measures began. The administration of the Guffey Coal Act for 2 years has done no more than impose expense on the industry. The wage-hour law threatens to drive hundreds of people out of small business, and may do more harm than good. Attempts to fix prices have been frequent in history throughout the world. Without questioning the wisdom of the purposes sought, experience has shown, as in the case of the Brazil coffee control and the East Indian rubber control, that such attempts are doomed to failure. Our own

control, that such attempts are doomed to failure. Our own experience does not contradict that conclusion.

Furthermore, this type of law is one of the most discouraging to private enterprise. No man can tell when the Government may step into his business and nullify all of the effort and energy and ingenuity he may have shown in developing that business. Mounded by inspectors, excessive regulation, reports, and red tape. Many have gone out of business and many have stayed out of business because they could not feel certain that with all this Government regulation they might not be utterly wasting their time and their money.

their money.

The other type of New Deal experiment is direct Government business activity in fields where the Government thinks that private enterprise has fallen down on its job. Of this character are the T. V. A., the Rural Pectrification Administration, the lending agencies extending Government credit to home owners and farm owners, the building of canals and other self-liquidating public works. Unquestionably some of this activity is justified, though usually the reason that private capital has failed to enter the field is because the enterprise is unprofitable in spite of the glowing prospectus of some Government department.

But there are some unprofitable things which a government should start, and governments always have done something of this kind. It is a question of degree. It is very doubtful in my mind whether the T. V. A, ever was justified in view of the development of public utilities in the Tennessee Valley, but now we have it and have to operate it to the best advantage. Private capital could not undertake the building of canals, but neither should the Government unless they are economically sound and justified by the tolls which can be collected.

The lending of funds to stimulate the building industry under the F. H. A. seems to me justified as an emergency matter. And so also the Federal farm-loan banks fill a need which for one reason or another private capital could not reach. In this lending field, however, the Government, as far as possible, should create a set-up which can be taken over by private lending agencies under Government supervision, and in general, there should be no further extension of Government activity and competition unless it is

absolutely necessary.

I have pointed out that the New Deal seemed to be inspired with a hostility to the entire preexisting American economic system. The result is that these three types of measures which I have described have not been administered with any special care to preserve the best features of private industry and encourage it to bring about recovery. The relief measures have been inefficient and expensive. They have resulted in a tremendous burden of taxation, which bears down on the man who is trying to make his own living. There has been no effort to preserve conditions under which a man, striving for a private job and doing his job well, shall be encouraged and preferred to the man on W. P. A. The other two types of measures, Government regulation and Government competition, have directly discouraged private activity of every kind. More men have gone out of business in the last 5 years than have gone into business because of the complete uncertainty

have gone into business because of the complete uncertainty whether they can survive a constant Government interference. Now we are told that everything has changed and the administration is going to treat business like human beings. The very adoption of a so-called policy of appeasement admits that American businessmen and men who would like to go into business have been badgered and discouraged to an extent which requires an absolute reversal of Government policy. Secretary Hopkins made a speech in Des Moines and Secretary Morgenthau is having mottoes hung in the offices of the Treasury Department with the legend toes hung in the offices of the Treasury Department with the legend "Does it help recovery?"

"Does it help recovery?"

But, as the old saying goes, "Fine words butter no parsnips."

The appeasement policy is like the famous "breathing spell for business," only a smoke screen to conceal the real policies of the administration. It cannot be sincere. Whenever any question of action arises, the President is just as determined in his previous policies as he ever has been before.

Within the left for days Secretary Moreonthan and Secretary

policies as he ever has been before.

Within the last few days Secretary Morgenthau and Secretary Wallace have argued for a continuation of the President's power to devalue the dollar, although a stable currency is one of the greatest necessities for mental reassurance to American business. The President himself has indicated that he wishes a continuation of his power to issue \$3,000,000,000 in greenbacks, a power which he says is a convenient club in his closet. A club against whom? Against Congress? Against the economic royalists, in case the President chooses to blame them for depressed prices? Nothing would be more calamitous to business revival than the sudden decision of the President to issue billions of paper greenbacks with cision of the President to issue billions of paper greenbacks with no property whatever behind them. How easy for the President to give up these monetary powers, which hang over the business world like the sword of Damocles.

world like the sword of Damocles.

Businessmen are agreed that the amendment of the National Labor Relations Act would do much to reassure manufacturers, and stimulate additional investment in plants. The American Federation of Labor has demanded an immediate hearing on its amendments. Yet up to this time the President and the C. I. O. have successfully prevented the setting of any date even for hearings on the amendments already introduced before the Committee on Education and Labor in the Senate.

If taxes cannot be reduced at least an increase can be prevented

Education and Labor in the Senate.

If taxes cannot be reduced, at least an increase can be prevented. The pay-roll tax is today the most burdensome tax on business, and incidentally a bonus to get rid of labor and install machinery and increase unemployment. The tax is already 5 percent of the pay roll, and goes up to 6 percent the 1st of next January. This increase is wholly unnecessary except to build up an imaginary reserve to astronomical figures, and provide the New Deal with cash to pay deficits. Senator Vandenberg has introduced an amendment to suspend the going into effect of this increase, but the administration is definitely opposed.

The S. E. C. still takes the attitude that businessmen are pre-

The S. E. C. still takes the attitude that businessmen are presumptively crooks. Only this week a committee suggesting minor modifications in the securities law, the merit of which I do not modifications in the securities law, the merit of which I do not know, was met by a blast from Mr. Douglas, characterizing their plan as a "phoney," and implying that their only interest was to line their own pockets at the expense of the investors. The S. E. C. is still pressing for a bill giving it additional regulatory powers over the drafting of trust indentures and the private business negotiations involved in such indentures. The appeasement policy is completely insincere. The present administration has no confidence in the efficacy of private business activity. While their policy continues, it is impossible to achieve any real progress toward the elimination of unemployment.

What then should be the Republican program? It must combine a policy of encouragement to private industry, which can put millions of men to work, with sincere and effective administration

of relief measures to assist directly the lower-income groups. It must recognize the absolute necessity of relief measures in this country for many years to come. Before the great depression it was reasonable to hope that our economic system had reached a was reasonable to hope that our economic system had reached a point where Government help was unnecessary except in cases of misfortune. It was reasonable to hope that a man who worked diligently during his active life could provide a home and an income for his old age. But the depression of 1929–32 showed us that our system had not reached that point. Even if we eliminated unemployment, the fact remains that many people must work at poor jobs, the product of which is of so little value that the rest of the population will not pay them an adequate living. And so we must assist the lower-income groups by direct relief, by work relief, by old-age pensions, by unemployment insurance, and by some form of housing subsidy and by some form of housing subsidy.

But the administration of this relief must be carried on with the

But the administration of this relief must be carried on with the greatest care that it may not destroy our entire American system and put the whole population on relief. It must be carried on with economy, because the cost of supporting those who do not work is undoubtedly borne by those who are working. The return from capital will never support but a small proportion of the population. The greatest part of the cost of relief can only come from the income of those who are actually working, and if we impose too heavy a burden on that income there will no longer be any incentive to work and certainly no incentive to put other men to work

burden on that income there will no longer be any incentive to work, and certainly no incentive to put other men to work. I think we must recognize, after all, that relief will never do more than provide a bare living and will never be a satisfactory substitute for real work in private industry. Old-age pensions can never be so high as to be a satisfactory substitute for a house and a reasonable income, saved by the effort of the family which has worked successfully. We see today that we have reached the limit of popular appropriate of further appropriatives for W.P.A. and if we were able income, saved by the effort of the family which has worked successfully. We see today that we have reached the limit of popular approval of further expenditures for W. P. A., and if we were raising by taxation our entire budget we would find the popular opposition even stronger. And it is right that it should be so, because the burden of supporting those who do not work cannot be allowed to grow to a point at which it will discourage all initiative and all effort on the part of the other two-thirds of the population. For the same reason the relief agencies must be administered so that those on relief are not better off than the people who are working. A man who has saved and built his home should certainly be better off than the man who has saved nothing. He should be better off than the man who has the good fortune to live in a subsidized apartment house built by the Government.

in a subsidized apartment house built by the Government.

In short, in administering relief, we must recognize that it is only a palliative, only a stopgap, and that it is not an end in itself, as many of our New Deal friends seem to think.

as many of our New Deal friends seem to think.

In the second place, we must take every possible measure to cure the unemployment problem. It can only be cured by more jobs in private industry. We must, therefore, take every possible measure to encourage people to put their time and money again into the development of private industry. We must see that there is an incentive and a reward for initiative, hard work, and persistence. The problem is partly psychological and partly practical. The people must feel again that the making of a deserved profit is not a crime, but a merit. They must feel again that the Government is interested in the prosperity of the businessman. They must feel again that the Government does not regard every businessman as a potential crook.

again that the Government does not regard every businessman as a potential crook.

But there must be more than mental reassurance. There must be an abandonment as far as possible of Government fixing of prices, wages, and business practices. Americans must be assured that they will not be met by Government competition in their field of business activity. They must feel that Government activity will be confined to keeping their markets open, free, and comby will be confined to keeping their markets open, free, and competitive, so that they will have an equal chance with their little neighbor or their big neighbor. They must feel that Government expenses will be held down as far as possible, so that the tax burdens may not deprive them of the fruits of their most successful efforts. They would like to know that the currency is stable, the Government's fiscal policy sound, and all danger of inflation of the currency removed. of the currency removed.

If we can restore business activity to the conditions which existed in 1928 we would have a national income of \$90,000,000,000, nearly 50 percent more than we have today. If it could be done then, why can't it be done now? If there were any such increase in income in this country millions of men would be employed, not only in manufacture, but in transportation, in distribution, in agriculture, and in mining. Certainly the greater part of those unemployed today would reach the goal of real jobs. Taxes can be reduced. We can reduce the pay-roll tax today and still take care of all present requirements. We can cut down the cost of every Government deportment and climinate agreements. present requirements. We can cut down the cost of every Government department and eliminate a reasonable number or make them self-supporting. The return of relief to local administration, with a liberal Federal grant, will still cost the Federal Government much less than the present W. P. A. expenditure, amounting to more than \$2,000,000,000 this year. I do not underestimate the difficulty of doing it, and it is almost impossible for Congress to do it against the opposition of an extravagant Executive, whose party still controls both branches of Congress and is opposed to cutting down the present expanded functions of the opposed to cutting down the present expanded functions of the Federal Government. Its cost can certainly be reduced to \$7,000,-000,000, twice what it was in the days of Hoover, and a reasonable increase of prosperity would provide the taxes to balance the Budget.

But prosperity can only be brought about by increased production. This country was built up by millions of men, starting new enterprises, putting their time and money into some machine

shop, or store, or farm, or any one of a thousand commercial activities. Perhaps they could employ 2 men, then 10 men, then hundreds, and in the case of the great industries, finally thousands or hundreds of thousands. Employment increased steadily for 150 years, not by arbitrary building up of consumers' purchasing power, but by encouraging production and putting men to work. The theory that relief payments stimulate production is disproved by our own experience.

We hear a good deal today about the necessity of lending more money to little business and railroads and other enterprises; but it isn't loans that are needed by any business enterprise I know of. If they are entitled to borrow, they can borrow today from the banks. What they need is more capital, more people willing to put their money into stocks, more people willing to put their time and energy and money into building up new enterprises and developing new products; more people willing to abandon the low fixed return from Government bonds for the chance of a material profit

from business enterprise.

This was the way America was built up, and the only way to resume it is to assure people again that Government will not interfere with their normal and reasonable efforts to make a living, and raise themselves and their families to a condition a little better than that of their neighbors; that Government will not take away from them the profit which they may make; that reasonable success will receive the recognition it deserves, at least from their

friends and neighbors.

If we can stop spending money now, if we can stop the tremendous expansion of Government activity, regulation, and taxation, it is not too late to resume the progress which made this country the envy of the world; but if we continue for 6 years more the course which we have pursued, he is a bold man who will say that we can then restore prosperity under a democratic form of government.

Anti-Semitism

EXTENSION OF REMARKS

HON. W. WARREN BARBOUR

OF NEW JERSEY IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

ADDRESS BY REV. DR. MAURICE S. SHEEHY

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Reverend Dr. Maurice S. Sheehy, head of the department of religious education at the Catholic University of America, on Tuesday, March 14, over the national network of the Columbia Broadcasting System, together with my introduction of the speaker.

There being no objection, the introduction and address were ordered to be printed in the RECORD, as follows:

INTRODUCTION

(By Hon. W. WARREN BARBOUR, United States Senator from New Jersey)

Jersey)

The growing unrest and intolerance taking place in Europe and Asia today probably have done more than anything else to closely coordinate and unite all religious activity in the United States, and to bring forth a greater and truer feeling of brotherhood and understanding among members of the Catholic, Protestant, and Jewish faiths. At a time when all human tolerance is fast disappearing from so large a part of the world, the great fundamentals upon which this Nation of ours was founded take on increasing significance and new value. An evidence of this awakening is seen in widespread movements already under way in our country to protect and preserve the fundamentals of our representative form of democracy. One of these organizations is the Council Against Intolerance in America, of which I have the honor to be a member of the executive committee—a council composed of leaders throughout the Nation embracing all religious faiths and political throughout the Nation embracing all religious faiths and political affiliations banded together to preserve those rights for which humanity has struggled through the ages—rights which still remain

humanity has struggled through the ages—rights which still remain in this country of ours and must at all costs be forever preserved.

It is of special significance tonight that we are to have the pleasure and privilege of hearing from the Reverend Father Sheehy, head of the department of religious education of the Catholic University in Washington. Father Sheehy, who has devoted his life to the broad and enlightening field of education and religion, has as his topic tonight, The Popes Condemn Anti-Semitism. His mes-sage is especially appropriate at this time.

THE POPES CONDEMN ANTISEMITISM (By Rev. Dr. Maurice S. Sheehy)

It is a source of great happiness for me to avail myself of the invitation of the Council Against Intolerance in America to trace

in brief outline the role that the papacy has played in opposing that victous form of intolerance known as anti-Semitism. This talk, I believe, is opportune, since during the past 2 months 12 pieces of scurrilous anti-Semitic literature have come to my desk from anonymous sources. We Catholics have during the past few weeks witnessed an outpouring of sympathy and good will on the part of our non-Catholic neighbors in America on the occasion of the death of Pope Pius XI, the Pope of Peace. One might hope that the death knell for religious intolerance might be sounded in this country, but as long as one small religious group is misrepresented by vicious and irresponsible forces religious liberty is not fully assured our country.

assured our country.

The first Popes said nothing about anti-Semitism, since they themselves, like their Master, Christ, were Jews and subject to all the injustices heaped upon Jews. As early as the sixth century—in the year 538—Pope Gregory the Great wrote: "We forbid you to molest the Jews or to lay upon them restrictions not imposed by the established laws; we further permit them to live as Romans and to dispose of their property as they will." Sad to relate, Pope Gregory, in his Christlike attitude, had to oppose some fanatical bishops of his time.

A later papal document, very probably from the pen of Calixtus II, was a charter of protection to the Jews. It contained these four propositions:

 The Jews are not to be coerced into Christianity.
 No one is to injure them in life or limb or to take away their property or to interfere with such customary rights as they have enjoyed in the places where they live.

enjoyed in the places where they live.

3. They are not to be attacked on festival occasions nor compelled to render feudal services beyond what is customary.

4. The cemeteries of the Jews must be zealously protected. This charter was reissued and confirmed by some 20 or 30 pontiffs over a period of 400 years. And yet there were occasionally documents concerning the Jews which seem to reflect more the prejudices of their times than the traditional attitude of the Papacy. The bull "Cum Nimis Absurdumi" of Paul IV, constraining the Jews to live in ghettoes is a case in point. Yet a defense of that particular procedure might be urged as a protective measure in a time of great unrest. Heinrich Graetz, Jewish historian and author of a monumental work, History of the Jews, writes: "It is remarkable that the Bishops of Rome, the recognized champions of Christianity, treated the Jews with the utmost toleration and liberality. The occupants of the Papal throne shielded the Jews and exhorted the clergy and the princes against the use of force in converting them to Christianity."

them to Christianity."

Too few historians of medieval times recognize the fact that the Popes had a twofold responsibility—one as spiritual and the other as political leaders. The Holy See never looked upon those unbaptized as its spiritual subjects. The Popes as sovereigns of a temporal state had an official relationship with the Jews who were

temporal state had an official relationship with the Jews who were citizens of that state.

In the Middle Ages Jews of all Christian countries looked to the Holy See for protection. More than one of the Popes, beginning with Innocent IV, issued decrees exonerating the Jews from the calumny of ritual murder—a lie comparable only in viciousness to that alleged against the Christians in the first ages of Christianity. At the time of the worst excesses of the Spanish Inquisition Sixtus IV and Clement VII exerted themselves to check the severities exercised against convert Jews. In 1255 Gregory IX issued a Bull reproving the false accusations against the Jews. This was addressed to the clergy, nobles, and lords of France. This document is so significant as a portrayal of the attitude of the Popes that I beg leave to quote it at some length:

quote it at some length:

quote it at some length:

"Certain of the clergy and princes, nobles, and great lords of your cities and dioceses have falsely devised certain godless plans against the Jews, unjustly depriving them by force of their property and appropriating it themselves. * * * In their malice they ascribe every murder, wherever it chance to occur, to the Jews. And on the ground of these and other fabrications they are filled with rage against them, rob them of their possessions without any formal accusation, without confession, without legal trial and conviction contrary to the privilege granted them by the Apostolic See. They oppress the Jews by starvation, imprisonment, and by tortures and sufferings; they afflict them with all kinds of punishments, and sometimes even condemn them to death, so that the Jews, although living under Christian princes, are in a worse plight than were their Iiving under Christian princes, are in a worse plight than were their ancestors in the land of the Pharaohs. * * We ordain that you behave toward them in a friendly and kind manner. Whenever any

behave toward them in a friendly and kind manner. Whenever any unjust attacks upon them come under your notice redress their injuries and do not suffer them to be visited in the future by similar tributations." (So far the words of Pope Gregory IX.)

In 1273 the scene of outrages against the Jews shifted to England, then, of course, a Catholic country, and Gregory X took up their defense, ordering that no injury be inflicted upon their persons or their property. In 1389 a strong protest against persecution of the Jewish people came from Boniface IX. One of the outrageous things attempted was to coerce the Jews into giving up their faith, and almost every form of compulsion seems to have been employed. This impelled Pope Martin V, in the beginning of the fifteenth century, to decree as follows:

"Whereas the Jews are made to the image and likeness of God and a portion of them one day will be saved, and whereas they

and a portion of them one day will be saved, and whereas they have besought our protection, following in the footsteps of our predecessors we command that they be not molested in their syn-

agogs; that their laws, rights, and customs be not assailed; that they be not baptized by force, constrained to observe Christian festivals, nor to wear badges; and they be not hindered in their business relations with Christians."

Sad to relate, the plea of the Holy Father was ignored then, even as allegedly civilized rulers chose to ignore the pleas of Pope Pius

as allegedly civilized rulers chose to ignore the pleas of Pope Plus in our own day.

A fact of more than passing significance is that many of the Popes had Jewish physicians, particularly at a time when poisoning was a fine art, and, as an eminent Catholic scholar, Father James Gillis, has pointed out, "It would almost seem that certain Popes like Alexander VI, Julius II, Leo X (the Medici of the Renaissance), and Clement VII felt themselves safer in the hands of Jews than of Catholics."

After the division of Christondom in the sixteenth century, the

After the division of Christendom in the sixteenth century, the Popes were more concerned with the struggle to preserve the unity of the Christian religion than with the challenge to Christian toler-

of the Christian religion than with the challenge to Christian tolerance presented in occasional outbreaks against the Jews.

Shortly after his coronation, Pope Pius IX was riding through Rome when his carriage was held up by a crowd surrounding a man who had fallen to the ground in a fit. "What is it?" asked the Pope. "Only a Jew," answered a bystander. "Is he not a man and your brother?" asked the Pope sharply and, stepping from his carriage, he drove the sick Jew to his home, leaving him with a present and his blessing. The story does not end there. A delegation of Jewish people called later on Pope Pius IX to thank him and gave him as a momento a heautiful chalice. him as a momento a beautiful chalice.

In our day intolerance toward Jews has either masked itself under the guise of racism or it has been uncamouflaged religious bigotry. In regard to the former, Pope Pius XI declared on July 30, 1938, referring to the unscientific (if not demented) racial theories of

"It is forgotten that humankind, the whole of humankind, is a single, great universal human race. All men are, above all, members of the same great kind. They all belong to the single great family of the living. Humankind is therefore a single universal race.

few weeks previously Pope Pius XI had denounced another

manifestation of racism in these words:

"There has appeared in the Italian press in recent days an Italian racial credo prepared by a group of university professors under Government auspices. The proclamations of this credo include: That great races and small races exist; that the concept of a race is a partly biological one; that the majority of the Italian population are of Aryan origin; that movements of races in history are purely legendary; that a pure Italian race now exists; that it is necessary to make a definite distinction between European Mediterraneans and Orientals and Africans; that Jews do not belong to the

raneans and Orientals and Africans; that Jews do not belong to the Italian race; that the purely physical and psychological European qualities of Italians must not be altered in any way."

Under the direction of Plus XI, who assumed to himself the office of Prefect of the Congregation of Seminaries and Universities, went instructions in which all Catholic teachers were urged "diligently to arm themselves from biology, history, philosophy, apologetics, and jurisprudence to refute stoutly and skillfully these doctrines:

"1. Vigor of race and purity of blood must be conserved and forstered at any cost; and whatever leads to this end is by that very fact justifiable.

"2 It is from blood wherein the centure of the race is contained."

"2. It is from blood, wherein the genius of the race is contained, that all intellectual and moral qualities flow as from their most potent source.

"3. Religion is subservient to race and must be adapted to it.

"4. The prime source and supreme rule of the whole order of justice is race instinct."

Sad indeed is the fact that never has the sight of intolerance more grieved the Papacy than in our day, but happy the circumstance that we have until recently enjoyed the dauntless leadership of Pope Pius XI. Time and again he condemned anti-Semitism. In September 1938, addressing a group of Belgian pilgrims, our Holy Father said:

"Aprehen is called our patriarch, our appearer." Anti-Semitism is

"Abraham is called our patriarch, our ancestor. Anti-Semitism is not compatible with the sublime reality of this text; it is a movement which we Christians cannot share. * * * No, it is not possible for Christians to take part in anti-Semitism. We are Semites spiritually."

Certainly no clearer statement could be expected from the head of the Catholic Church. Pope Pius XI states in the simplest possible terms that to be a Christian and to be anti-Jewish are incompatible terms. "Master, which is the great commandment of the law?" Jesus was once asked. And He replied: "Thou shalt love the Lord thy God with thy whole heart and thy whole mind and thy whole soul; and thou shalt love thy neighbor as thyself."

The essence of the Christian religion is love, even though some nominally Christian are subtle agents of anti-Jewish propaganda.

On September 25, 1938, the church through the Congregation of the Holy Office, issued this declaration:

"The Catholic Church habitually prays for the Jewish people who were the bearers of the divine revelations up to the time of Christ.

* * Actuated by this love, the Apostolic See has protected this people against unjust oppression, and, just as every kind of envy and jealousy among the nations must be disapproved of, so in an especial manner must be that hatred which is generally termed anti-Semitism."

"We are Semites spiritually." What did the recently deceased Pope mean by these words? Perhaps from my own priestly experience of today I can suggest an answer. The essence of Catholic worship is the mass. In the mass there are readings from the law of Moses, the psalms, the prophecies. The divine office which every priest is obligated to say daily contains all the psalms and excerpts from every book of the Old Testament. Catholic life is enriched by and flows out of the heritage of Jewish religious culture. As a Catholic I salute the Jew as my spiritual ancestor, who preserved belief in one God in hard, cruel times, who worshipped and still worships the true God.

Only 2 days have elapsed since Pope Pius XII has taken over the chair of Peter. But I know—and the anti-Semitic leaders of Europe know—that the former secretary of state of Pope Pius XI will spare no effort to rid the world of a hatred that shakes the foundations of

civilization.

civilization.

In America we all—Catholic, Protestant, and Jewish—have learned to live side by side in peace and understanding. There are forces operating in our day to arouse racial and religious animosities. The Council Against Intolerance, under the auspices of which I speak this evening, is striving diligently to get at the causes of this intolerance and to eradicate them, since they have no place in the American way of life. Won't you help us? Perhaps a first step should be an examination of conscience by every American to determine whether or no ill will finds a resting place in his heart, and then we might all ponder these words in the Book of Proverbs:

"Six things there are which the Lord hateth, and the seventh his soul detesteth; haughty eyes, a lying tongue, hands that shed innocent blood, a heart that deviseth wicked plots, feet that are swift to run to mischief, a deceitful witness that uttereth lies, and him that soweth discord among brethren."

soweth discord among brethren."

The Score at the End of 7 Years

EXTENSION OF REMARKS OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Friday, April 7 (legislative day of Thursday, April 6), 1939

ARTICLE FROM THE HARDWARE WORLD FOR MARCH 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the RECORD an article entitled "The Score at the End of 7 Years," which was reprinted from the Hardware World for March 1939 by the National Small Business Men's Association of Akron, Ohio.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Reprinted from Hardware World for March 1939 by the National Small-Business Men's Association, Akron, Ohio]

THE SCORE AT THE END OF 7 YEARS

	National income	The Budget	
United States England	49 percent recovery	\$20,400,000,000 in the hole. \$400,000,000 to the good.	

The population of the United States is 130,000,000. the population of the United States is 15,000,000. The population of the United Kingdom, which we shall call England, is 45,000,000. Therefore, on a population basis, the national income of the United States should be three times that of England. In 1929 it was four times that of England. From the low point of the determinant of the dependent o two-fifths times that of England. From the low point of the depression, 1932, England's national income had increased 101 percent at the end of 1937. The national income of the United States, from the low of 1933, had increased only 49 percent at the 1937 high. National tax receipts in England have increased 11 percent since 1932. In the United States they have increased 193 percent. England did not attempt to spend itself out of the depression. From 1932 to 1938 the British budget shows a surplus of about \$400,000,000, which means that that sum was the amount of tax

revenues which remained after Government spending.

The United States did attempt to spend itself out of the depression. From 1932 to 1938 the United States Budget shows a deficit of \$20,400,000,000, which means that that sum was the amount of money spent over revenue collected.

The income per person in England has caught up to that in the United States. The per-person figure, \$500, is the same.

LXXXIV-App----86

Year	National income		The Budget	
	England	United States	England	United States
1929	\$19, 029, 000, 000 18, 792, 000, 000 15, 564, 000, 000 11, 759, 000, 000 14, 689, 000, 000 18, 802, 000, 000 19, 597, 000, 000 21, 514, 000, 000 23, 672, 000, 000	\$79, 395, 000, 000 72, 269, 000, 000 59, 941, 000, 000 46, 339, 000, 000 48, 703, 000, 000 58, 021, 000, 000 59, 076, 000, 000 64, 664, 000, 000	+\$380,000,000 +165,000,000 +200,000,000 +160,000,000 -30,000,000 +190,000,000 +100,000,000 +75,000,000 +40,000,000 1-125,000,000	+\$734, 000, 000 +738, 000, 000 -463, 000, 000 -2, 740, 000, 000 -2, 607, 000, 000 -3, 606, 000, 000 -2, 938, 000, 000 -4, 327, 000, 000 -2, 685, 000, 000 -1, 464, 000, 000

¹ Including and because of defense loan of \$320,000,000.

This article is based upon information in the bulletin, Depression and Recovery in the United Kingdom and the United States, issued by the National Industrial Conference Board.

"W. P. A. Guidebook Arouses Fuss"

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Saturday, April 8 (legislative day of Thursday, April 6), 1939

ARTICLE FROM THE BALTIMORE SUN

Mr. REYNOLDS. Mr. President, I ask unanimous consent for publication in the Appendix of the Congressional RECORD of an article from the columns of the Baltimore Sun, issue of Saturday, April 8, 1939, without comment, at this

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of April 8, 1939.]

W. P. A. GUIDEBOOK AROUSES FUSS, LINKING WASHINGTON AND NEGRO—ALLUSION TO "COLORED DAUGHTER" OF ADOPTED SON IS BLASTED AS LIBEL IN HOUSE DEBATE

(By C. P. Trussell)

(By C. P. Trussell)

Washington, April 7.—New hot water for the W. P. A's Federal writers' project was being stored up on Capitol Hill today because of what that agency views as an "incidental reference" in its guidebook of Washington to George Washington Parke Custis.

The reference, apparently unnoticed outside the project until recently, was to the effect that the stepgrandson of George Washington—who later became his adopted son—and father-in-law of Gen. Robert E. Lee, was the father of Maria Syphax, a Negro.

First to blast the assertion as "a libel" and "an attempt to stimulate a feeling of class hatred" was Representative Keffe (Republican, Wisconsin), who, after conducting his own investigation, took the issue to the floor of the House yesterday.

Today his speech in the Congressional Record caused a rumbling on the Senate side to supplement the fighting going on there over

on the Senate side to supplement the fighting going on there over the W. P. A.'s supplemental appropriation. Several Senators threatened to take the matter to the Senate floor before the debate is ended.

is ended.

Tucked away in the middle of a chapter captioned "the Negro in Washington," and telling of the disposition of a large body of freed slaves, the guidebook relates:

"They were settled in Arlington in a place known as 'Freedman's Village, very near a tract left by George Washington Parke Custis to his colored daughter, Maria Syphax."

Admittedly, directors of the writers' project had questioned this before permitting its publication for Nation-wide distribution nearly two years ago. Convinced, however, that it was written on "competent authority," they let it pass.

The authority, Mr. Kefff countered, was the "mere assertion of a young Negro student trained at Howard University.

"And the fact disputed by tremendous evidence to the contrary to be found in the Congressional Library," he added, "is but another evidence of the insidious influence that communism has prompted in cultivating racial prejudice.

"Here in a Government-sponsored publication, with no authority

"Here in a Government-sponsored publication, with no authority other than the word of E. D. Preston, Jr., is a gross libel upon the character and reputation of one of our first citizens. This

libel has been achieved and is being disseminated by the Works Progress Administration through the instrumentality of a project that has cost the taxpayers of the Nation since the summer of 1935 through February 28, 1939, \$15,016,632."

CITES CONTRADICTING AUTHORITY

Citing as his own authority the Congressional Globe, Mr. KEEFE

added:
"This young woman, Maria Syphax, was the daughter of two
old retainers who had served his (Custis') grandmother (Martha
Washington) and George Washington for many, many years.
When she passed to him as part of his inheritance he manumitted
her, or freed her, and upon her marriage he gave her a little
17-acre tract of land upon which she lived at or near the present Arlington."

Arlington."
A former three-term prosecuting attorney for Winnebago County, Wis., Mr. Keefe, a newcomer to Congress, did not come across the guidebook until February, and when he read the chapter on The Negro in Washington he got busy. Threading through this chapter, he said, was a very obvious attempt on the part of the writer to "portray the oppression of the Negro by the white race, thereby stimulating a feeling of class hatred."

"To me," he observed, "this propaganda, whether it be right or wrong, can only result in stimulating racial intolerance."

POINTS TO DISCRIMINATION CHARGE

In one place, he noted, the chapter read:

"Regardless of qualification, the Negro worker meets with defi-nite discrimination. Many American Federation of Labor unions exclude him, even more than the white worker he remains poorly led and unorganized."

At another point, Mr. Keefe recalled, was:
"From the preservation of the color line in the District grave consequences arise. Educationally, segregation means the maintenance of a dual system—expensive not only in dollars and cents but also in its indoctrination of white children with a belief in their superiority and of Negro children with a belief in their interiority, both equally false.

(Politically it is believed by many that the determination to

"Politically, it is believed by many that the determination to keep the Negro 'in his place' has lessened the agitation for suffrage in the District."

QUOTES CHAPTER'S CONCLUSION

Concluding, the chapter asserts:

"In this border city, southern in so many respects, there is a denial of democracy, at times hypocritical and at times flagrant. Social compulsion forces many who would naturally be on the side of civic fairness into hopelessness and indifference.

"Washington has made steps in the direction of justice, but many steps remain to be taken for the sake of the undernrivileged and

"Washington has made steps in the direction of justice, but many steps remain to be taken for the sake of the underprivileged and for the sake of a greater Washington."

Wanting to know who was the author of the chapter, Mr. Keefe wrote to Henry G. Alsberg, director of the writers' project, and was advised that the "final writing" was done by Prof. Sterling Brown, a member of the history staff at Howard University, the Government-aided Negro institution of higher education here, and a consultant of the W. P. A. project on a part-time basis.

SAYS SEVERAL COLLABORATED

Preparation was under the editorial direction of Joseph Gaer, a

member of Mr. Alsberg's staff. But, the director explained:
"* * It is difficult to designate by name any one person responsible for an article in our book because the work is done collectively. A number of people collaborated in the gathering of the material, the checking of facts, the drafting and writing, and then the final editing."

This came a week after Mr. Keefe had written to Col. F. C. Harrington, W. P. A. Administrator, taking issue with the statement concerning George Washington Parke Custis, and asking for an explanation

explanation.

REFERS TO PRESTON ESSAY

Answering this, Mr. Alsberg wrote:

"The authority for the statement you refer to has been taken from E. Delorus Preston, Jr., who, in his essay on William Syphax, a Pioneer in Negro Education in the District of Columbia, states:

"On his mother's side William Syphax descended not only from a distinguished line but his ancestry savored very definitely of the plantation aristocracy of the South.

"Maria Syphax was the daughter of George Washington Parke Custis and a maid of Martha Washington."

SEARCH FOR ORIGINAL WILL

'Further, the article continued:

"It is stated, however, that Custis recognized Maria as his child and gave her a piece of property on the Arlington estate."
"There are numerous descendants of Maria Syphax living in Washington," the Alsberg letter continued, "also claiming that she was the daughter of George Washington Parke Custis.

"We are instituting a search through the historical records survey for the original will of George Washington Parke Custis in Alexandria, but so far the original will has not been found * * * We have made every effort to check all factual material for accuracy."

PRESTON IDENTIFIED AS TEACHER

Mr. Keefe sought further information concerning Preston. record could be found at the Congressional Library, so he appealed to Mr. Alsberg, and was referred to Dr. W. H. Siebert, professor of history at Ohio State University.

"Mr. Preston," Dr. Siebert answered, "is a colored man whose parents live in Washington. He graduated from Howard Univer-sity in June 1918 and taught in Negro schools in the South for

sty in June 1918 and taught in Negro schools in the South for several years. He entered the graduate school of Ohio State University in September, 1931, his major subject being history. "He wrote a dissertation on the underground railroad for fugitive slaves through a section of Ohio. My recollection is that he has published other articles in the Journal of Negro History. I recommended him to various positions in Negro colleges, etc., since that time, but have no record of the places he may have filled."

NO ANSWER TO LETTER

Mr. Keefe then went after relatives of Preston here, and was told that he now was teaching in a southern school. He wrote also to Professor Brown, asking for the source of his information concerning

Maria Syphax.

"Despite the fact that the institution which he serves is supported in large measure by the taxpayers of the United States," he told the House, "I, as a Member of Congress, have not as yet received a reply to my letter, and, despite repeated telephone calls, I have been unable to contact the gentleman."

In some of the material in the guidebook Mr. Keefe saw evidences of "communistic propaganda."

"Secretly and cleverly throughout the land," he said, "Communists who have wormed their way into high places in the Government are now seeking to aline us as allies of communistic Russia, and to identify Communist ideals as part and parcel of our

Russia, and to identify Communist ideals as part and parcel of our future economy."

Democracy in Action

EXTENSION OF REMARKS

HON. JOSEPH F. GUFFEY OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES Saturday, April 8 (legislative day of Thursday, April 6), 1939

ADDRESS BY HON, FRANCIS B. SAYRE

Mr. GUFFEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an able and eloquent speech delivered by Hon. Francis B. Sayre, Assistant Secretary of State, at the Fourth Conference of the Women's National Democratic Club, held at the Shoreham Hotel, Washington, D. C., on Wednesday evening, March 22, 1939. The address is entitled "Democracy in Action."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a signal pleasure for me to have this opportunity of speaking It is a signal pleasure for me to have this opportunity of speaking to you, representatives of the Democratic women of America. You represent a great and potent force, not only in this country but in the world. The future destiny of untold millions must depend upon the outcome of the profound conflict of ideas and ways of life which are tearing the world apart today.

This struggle is nothing new. In the seventeenth century England was torn with the same elemental struggle between an autocratic group working for arbitrary selfish domination and those who fought for larger rights and greater liberties for the "common" people. In 1688 humanity won against the selfish few, as eventually

people. In 1688 humanity won against the selfish few, as eventually it always will.

In the eighteenth century the struggle blazed out again; once more the desires of a selfish few were pitted against larger human liberties. The fate of Colonial America hung in the balance. The people once more triumphed; and out of the struggle there people once more triumphed; and out of the struggle there emerged in 1776 in the New World a nation founded upon the audacious thesis that all men are created equal, and that therefore all must have equal rights before the law and none must have special privileges. Democracy, thus concretely realized, entered upon a new chapter of its existence. In 1788 this bold conception

was woven into the very fabric of the American Constitution.

In the nineteenth century the struggle between selfish forms of privilege, now taking the form of monarchy, and human rights and liberties, now expressed in the flaming new conception of democracy, broke out afresh. In 1830 and in 1848 Europe was spec-

democracy, broke out afresh. In 1830 and in 1848 Europe was spectacularly shaken and democracy again emerged triumphant.

Today it is essentially that same elemental struggle that shakes the world. In large areas of Europe again there have arisen small determined groups, in control of supreme military power, who to achieve their own purposes would defy human rights and human liberties. Again the eternal conflict rages between narrow and self-willed autocracy and human liberty and democracy. Democracy once more is at stake; and for the people of the United States, which was born of democracy, the issue cuts to the quick.

But at the present moment more than democracy is at stake. The forces of autocracy have thrown to the winds the great principles for which our fathers poured out their blood and upon which

alone human progress can rest. The issue today is not only between autocracy and democracy, but between a way of life based upon faith in the pledged word, the sanctity of law, the restraint of moral principles, and a way of life based upon ruthless force and unrestrained brutality. In a word, our whole civilization, the precious heritage of centuries, is now at stake. Shall it progress or shall it be smashed? The outcome is the vital concern of every civilized nation. The issue has been made burning clear by the events of the past week. events of the past week.

Tonight, however, I want to turn my thoughts in another direc-tion. Democracy may have to be defended from without; but it must be created from within. True democracy is a thing of the

It is true that democratic peoples may be forced to fight against aggression and brutal ruthlessness that would destroy them; but always we must remember that such a war cannot create A war to defend democracy, even victorious, may end democracy.

democracy. A war to defend democracy, even victorious, may end by crushing it.

Democracy is never a negative force. It cannot be created by mere condemnation or resistance of undemocratic governments. It is essentially constructive and creative, and emerges from the hearts and lives of the rank and file of people. It is imperative that nations built upon the great heritage of democracy should continually create and re-create the spirit of democracy in every rights generation. rising generation.

Democracy means more than a form of government. It means belief in a larger freedom for individual men and women, in the equality before the law of all men, in human brotherhood. Liberté, egalité, fraternité. It means a profound faith that the ultimate values in life lie in individual human personalities. You see, it gets down pretty close to the fundamentals of

Christianity.

Christ taught the infinite worth of each individual human personality, the power of love which knows no distinction of class or race or creed, the brotherhood of man under the Fatherclass or race or creed, the brotherhood of man under the Fatherhood of God. And, believe me, if we are to find solutions for the seemingly insoluble national and international problems which beset us on every hand, if we are going to avoid catastrophe and move forward in the great march of human progress, it must be and can only be by a return to the bedrock principles which Christ taught 1,900 years ago. In spite of the scoffing of so-called "practical men," history has proved and is proving that Christ was the most daring and understanding realist that ever lived. The cause of democracy is to be nourished and fortified then.

The cause of democracy is to be nourished and fortified then, not by defense from without, necessary as this may at times prove to be. True democracy can be won only by constructive effort at home and by intelligent support of measures such as make for

democracy.

The theme for this evening's discussion is international cooperation. Well, what does real democracy mean when translated into

terms of international cooperation?
This is a subject so vast that one can attempt within the allotted time only to touch upon one or two outstanding phases of it, and tonight I want to limit myself to the field of commercial and economic cooperation.

Within this field two profoundly conflicting policies are struggling for dominance throughout the world—the one a policy of economic nationalism and the other that of liberalized international trade. Upon the future of this issue will depend much of our future history.

The forces of economic nationalism are of great strength. They are built upon the twofold foundations of protectionism and of economic isolationism. Protectionist forces must always be reckoned with. Strong pressure groups with sectional or sometimes purely selfish ends in view are constantly seeking higher tariff walls or trade embargoes so as to cut off domestic markets from the competition of foreign goods and thus to secure monopolistic profits for themselves without regard to the increased costs to consumers.

To these forces, particularly during the period following 1929, has been added the weight of economic isolationism. The last decade has been a time of collapsing world prices, of depreciating and fluctuating currencies, of sudden and unpredictable shifts in the fluctuating currencies, of sudden and unpredictable shifts in the flow of world trade. No nation, as long as it was obligated to meet debt payments abroad and dependent for a substantial part of its income upon the sale of exports in foreign markets, could feel secure. As long as world prices were like shifting quicksands, as long as foreign currencies were varying widely from month to month and from week to week, as long as international trade was harassed and beset by rapidly increasing difficulties and hindrances, the only sound pathway to security for each nation seemed to many to lie in insolation so far as humanly possible from an ecomany to lie in insolation so far as humanly possible from an economically chaotic world. Economic nationalism won nations not so much by its inherent desirability as through the seeming compulsion of circumstances.

Economic nationalism has always been of popular appeal. It wins the ready support of the man on the street because it appeals to his patriotism to make his country independent of foreign markets and of other nations' policies over which his own nation has no control. It wins powerful industrial and political support because it means freedom from the competition of foreign goods and gives the possibility of monopolistic profits. It wins strong military support because a nation's strength in wartime often has to depend upon its own resources.

But theoretically desirable as economic nationalism may seem, But theoretically desirable as economic nationalism may seem, it cannot be had except at a heavy cost. As every student of the subject knows, no modern industrial country can possibly be 100 percent economically self-sufficient. Germany lacks petroleum and other raw materials; England without imported foodstuffs would face food shortages in a few weeks; Italy has no coal or cotton. Even the United States, the most nearly self-sufficient of any nation today, lacks tin and rubber and coffee and many tropical and other products necessary for modern life. The further our complex civilization progresses the more dependent every industrialized nation becomes on products of other countries and of other climes. The road toward self-sufficiency, therefore, is not easy. It becomes a matter of degree. Germany can produce synthetic fuel, but at heavy cost. England can intensify her agricultural program, but this involves shutting out many competitive foreign

gram, but this involves shutting out many competitive foreign foodstuffs and raising the cost of food to her people by millions of pounds. Italy can displace cotton by substitute materials, but the cost of producing these runs to staggering amounts. The United States could grow coffee plants under glass, but think of the cost

It is self-evident that the further a nation goes in shutting out desirable foreign products and supplanting them with home production of goods which the nation is economically or geographically unfitted to produce, the more staggering become the costs, and the more intense becomes the downward pressure upon the

nation's standard of living.

nation's standard of living.

Germany has probably gone as far in this direction as any industrial nation. The cost today in Germany of lard, of wheat, of synthetic rubber, of motor fuels, and of numerous other commodities is more than two or three times the price for which Germany could buy such commodities in world markets. "Tightening the belt" to create facilities for the production of costly substitutes is thus described by Dr. Hjalmar Schacht:
"I should like to make perfectly clear that autarchy, whether natural or produced artificially, cannot possibly be an ideal. It is opposed to the general principles of civilization. * * * We ought to reject autarchy on principle because it will necessarily

is opposed to the general principles of civilization. * * * We ought to reject autarchy on principle, because it will necessarily lead to a lowering of the standard of life of the German people."

As one studies the gradual effects of the policy of economic self-sufficiency, as one measures the towering costs and watches the standard of living of a great people being forced slowly, inevitably downward to lower and lower levels, one becomes more and more convinced that surely this is not the way toward a fuller and more abundant life for the individual men and women who bear the Nation's burdens.

fuller and more abundant life for the individual men and women who bear the Nation's burdens.

Surely this is not the pathway toward democracy. Economic self-sufficiency requires governmental prohibition or restriction of those imports which can be produced more satisfactorily abroad than at home. The Government must assume to dictate quite arbitrarily what imports shall be allowed to enter the country and what shall not; with no less arbitrary action it must control home production by ordering domestic capital and labor to enter into certain fields of production and to keep out of certain others. In time it necessarily and inevitably involves government dictatorship over the flow of capital, over prices, and over labor. Economic self-sufficiency cannot possibly be had without a degree of regimentation and arbitrary bureaucratic control in utter conflict with every American tradition and ideal of individual freedom. individual freedom.

As contrasted with the policy of economic nationalism, the policy of liberalized international trade makes for increased human liberties and for the progress of civilization. The geographical icy of liberalized international trade makes for increased human liberties and for the progress of civilization. The geographical distribution of raw materials is so uneven throughout the world and the diversity of climates and soils is so great that with the advance of invention and with the demands of modern industry nations must trade if humanity is to go forward. For a nation to cut itself off from various imports simply because they can be produced more cheaply in other parts of the world is manifest folly. folly.

Moreover, without increasing international trade, there can be no lasting world peace. Economic self-sufficiency rests upon heightening trade barriers and increasing measures of trade discrimination. It means economic conflict between nation and nation growing ever more intense and more savage. Nations desperately in need of raw materials and foodstuffs for the maintenance of their populations and of foreign markets for the sale of their surplus production, cut off from these through the break-down of customary processes of orderly trade, may be driven almost irre-sistibly toward methods of conquest and the mailed fist to take by force what they so sorely need. Economic nationalism is the way to war.

As between the two conflicting policies, therefore, of economic nationalism and of liberalized international trade, there can be no question which makes for and which makes against democracy. Indeed, it is no accident that the three dictator nations of the earth who oppose democracy are pursuing policies of more and more extreme economic nationalism.

What is the significance of this to you, representatives of democracy throughout America? Simply this.

If we are to look bare facts in the face, the most practicable, if not, indeed, the only practicable program for opposing economic nationalism and for trade liberalization is the American trade-agreements program. It is based upon the sound method of getting nations to agree reciprocally to reduce excessive trade barriers to their mutual profit and to refrain from all discriminations example. their mutual profit and to refrain from all discriminations against the other's trade. Here is a program for the good of all as opposed to the selfish interests of the few. And here is a program which, judged by the acid test of concrete results has proved itself highly

practicable.

Agreements have already been concluded with 19 countries that account for nearly 60 percent of our total foreign trade. Among them are Great Britain and Canada, respectively, our largest and our second largest customers. No fewer than 3,000 reciprocal concessions are contained in these two agreements. Our total trade with the areas embraced within them amounted in 1937 to over two and a half billion dollars. Of this, about two-thirds is covered

by concessions given and received.

United States exports have approximately doubled since 1933, the year preceding enactment of the Trade Agreements Act. By no means all of the increase can be attributed to the agreements, but it is significant that exports to trade-agreement countries averaged 61.2 percent greater in 1937 and 1938 than our average exports

aged 61.2 percent greater in 1937 and 1938 than our average exports to the same countries in 1934 and 1935, while our exports to non-agreement countries increased by only 37.9 percent.

Both agriculture and industry have profited enormously by the agreements already made and stand to profit still more. By means of the trade-agreements program important foreign markets have been secured for American products and American exports have been protected from foreign discrimination.

Less tangible but more important are the resulting gains which cannot be statistically measured. Policies of retaliation and ill-

Less tangible but more important are the resulting gains which cannot be statistically measured. Policies of retaliation and ill-will toward America and toward American products have been replaced by policies of good will and commercial cooperation. Just as the policy embodied in the Hawley-Smoot Tariff Act stirred resentment and spread a contagion of trade restrictions throughout the world, so today the United States is exerting a profound influence in the direction of trade liberalization. Actual and costly discriminations against American products in such important markets as Canada and France have been eliminated and guaranties have been secured against future discriminations in countries accounting for three-fliths of our total foreign trade. On many important products Empire preferences in favor of On many important products Empire preferences in favor of British goods have been bound against increase, reduced, or elim-inated. In view of the fact that the total foreign trade of the United States and of the countries with which we have concluded trade agreements guaranteeing most-favored-nation treatment constitutes almost three-fifths of the total international trade of

constitutes almost three-fifths of the total international trade of the world, it is evident that the effect of the American program must be worldwide and profound. In the success of this program for the liberalization of trade democracy has much at stake.

Yet at this very time the trade-agreements program is under severe attack in Congress. There are those who would place purely sectional interests above the national welfare. They would cripple the program by raising still higher excessive duties on this or that commodity or by hamstringing the process of negotiation by requirements making for increased delay or uncertainty. Whatever one thinks of the program, there is only one practical alternative. That is the method of the Smoot-Hawley tariff, everincreasing American tariffs and a more intense economic national-

increasing American tariffs and a more intense economic national-ism; and that means heightened trade barriers not only in the United States but throughout the world, increased economic ten-sions and financial strains, conflict reaching an acute and highly dangerous stage.

For those who genuinely believe in democracy now is the time for action. Autocratic and selfish forces are not confined to dictator countries. They are at work in this country as in others. In the field of economics we can effectively fight for democracy through aggressively opposing the crippling of the trade-agree-

ments program.

If democracy is to live again, as it lived in 1776, in this as in other significant ways we must put our faith and our beliefs into action.

One Man's Opinion

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, April 8 (legislative day of Thursday, April 6), 1939

ARTICLE BY GEN. HUGH S. JOHNSON

Mr. REYNOLDS. Mr. President, Gen. Hugh S. Johnson. famed columnist and most interesting writer, who pens informative observations, is right, exactly right, when he says:

Reason could never take us into war in Europe. But emotion

He is eternally right. After having read his One Man's Opinion in the Washington News, issue of March 24, 1939, I ask unanimous consent for the publication of his statement in the Appendix of the Congressional Record.

Mr. President, reports inform us that Italian troops have just invaded Albania. That was not at all surprising to those familiar with the Balkan situation. Italy has for the past several years been engaged in developing the petty Kingdom of Zog. They dredged the harbor of Durazzo, 20 miles from the capital, Tirana, and at the capital they brought about the construction of a magnificent airport, which reclines beneath Albania's lofty peaks. Her prospective oil fields have been probed, some of her swamplands have been reclaimed-all with Italian capital-and I was not surprised when the news, warm from the air, advised of the Italian invasion. Now, instead of merely a financial control, Italy has, in all reality, physical control of the kingdom, which has a population of 1.053,000 souls.

Now, instead of our consuming energy in excitement concerning the daily events of aggression in Europe, we should concentrate our thoughts and devote our energies to America, and confine our activities, mental and physical, to those matters interesting themselves in the welfare of the United

States of America

I am, again I say, in entire accord with my personal friend, General Johnson, gentleman and journalist, when he says:

Reason could never take us into war. But emotion could.

And here is hoping that our emotions will never out-weigh our common "horse sense"; but if ever Hitler or Mussolini should wade Atlanticward and reach for America with fist well-mailed, we could and we would crush the troublemakers of the world, thanks to those of the United States who believe in preparedness.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From the Washington News, March 24, 1939] ONE MAN'S OPINION (By Hugh S. Johnson)

Something sounds fuzzy in the "Stop Hitler" line-up in Europe by agreements among the nations which he threatens. The threatened nations have little reason to trust each other's

word.
Why should either Rumania or Poland, which seem to be in the path of Hitler ambitions and Russian resistance, stick its neck out for or against either in dependence upon promised or neck out for or against either in dependence upon promised or suggested aid from England or France. They have just proved to the small eastern European nations, both at Munich and in Czechoslovakia, that, if they don't like the looks of any war as it approaches, they will probably run out and leave their little partners to the Nazi wolves. It is not even altogether clear that either England or France is content to go to sleep with a thumb in the other fellow's mouth. If France settled with Mussolini by giving up Tunis, where would that leave England? If those nations, the so-called democracies, won't join to defend their own sacred rights and physical hides, who dealt us

fend their own sacred rights and physical hides, who dealt us any hand to sit in at their double-crossing contest? Mr. Walter Lippmann, building his argument on the Gallup

Mr. Walter Lippmann, building his argument on the Gallup and Fortune polls, says that the temper of the American people is so aroused that if Hitler provokes a war in Europe we can't keep out of it. Therefore, he thinks that "the only legislation which can surely be effective (to keep us out of war) is legislation which makes it clear before the fatal decision is taken abroad, that war is too dangerous a gamble to be risked by the dictators."

This seems wrong. These polls have proved pretty accurate in elections where the question is simply "Do you prefer Mr. A or Mr. B?" But on the complexities of European politics and diplomacy, which change from day to day and which not even our State Department, much less our columnists understand, these measures of "public opinion" are worthless because most of the people polled haven't the fogglest notion about what is being asked them. Just before the armistice and before debate had made the them. Just before the armistice and before debate had made the issues clear, you were a pro-German, if not a traitor, if you criticized the proposed League of Nations. The mass of public

criticized the proposed League of Nations. The mass of public opinion switched to the other extreme in a matter of months. I think there is no important public opinion that we should mingle in the European mess and none whatever for getting into war.

As I remember, Mr. Lippmann, himself, once wrote an unanswerable column arguing that you can't bluff in modern diplomacy unless you are able and willing to go through. Legislation by us to make it clear "that war is too dangerous a gamble to be risked by the dictators" must either be a bluff or a sincere preparation for war against dictators with a purpose to prosecute it if they do not comply with our wishes. I think that we have no such intent unless they threaten us. Against that possibility we must rearm. They cannot believe it to be a bluff when we say we will defend ourselves. We must leave no doubt that we are able to do so. There is overwhelming public opinion for that.

But to interpret that as an indication of public opinion in favor

But to interpret that as an indication of public opinion in favor of defending European nations who will not defend themselves is, I think, to misinterpret it.

None of this is said to condone Hitler's insane brutality. But there are forming here pressure groups—mostly of people naturalized or descended from nations threatened by Hitler. They argue quite naturally along the lines of Mr. Lippmann's column. It is argument springing from emotion rather than from any reasoning for our welfare. And that is dangerous. Reason could never take us into war in Europe. But emotion could.

The American Legion

EXTENSION OF REMARKS

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES
Saturday, April 8 (legislative day of Thursday, April 6), 1939

ADDRESS BY STEPHEN CHADWICK, NATIONAL COMMANDER, AMERICAN LEGION

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an interesting and able address by Stephen Chadwick, national commander, American Legion, before the Chamber of Commerce of Kansas City, Mo., February 22, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A man who has been at this work as long as I have, since the 25th day of September, has so many available subjects in his mind which he might discuss on an occasion such as this, that I feel I could, if it were within the powers of my overtaxed voice, keep you here for the rest of the afternoon; but I know that that is not in the realm of courtesy at any rate, and so I am going to direct your attention to only a few thoughts with reference to the American Legion.

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Upon the show of hands which was made here, it is evident that this is predominantly a Legion audience. I think it can also be fairly estimated that a great many of those Legionnaires whose hands were raised are members, likewise, of the chamber of commerce of this city. It is only natural because the American Legion today is not the American Legion that you people saw here in Kansas City in 1921. We were a young organization at that time, both young in years of our organization experience, and young in the years that go to make up the maturity of manhood. Today the American Legion, however, is composed of men and women of an average of 46 years and 8 months. It is but natural, therefore, that they should be among the dominant group in the leadership of the community in which they are located.

natural, therefore, that they should be among the dominant group in the leadership of the community in which they are located.

In 11,300 posts in the communities of the United States, those men, taken out of the cross section of American life some 20 years ago, are endeavoring to give to the Nation the benefit of their composite knowledge and experience. Our fights for rehabilitation for our disabled comrades; our fights for the dependents of those men who died, have been reasonably taken care of through legislation. The fight for the individual who meets with a disaster to his health will always go on, but a grateful nation, such as the American Nation has always been, has provided suitable legislation in accordance with design that the American Legion has taken from time to time to the Congress.

I never have an audience of this kind but that I express the appreciation of the American Legion for the acceptance of this direction in meeting this problem. So long as a free people are

I never have an audience of this kind but that I express the appreciation of the American Legion for the acceptance of this direction in meeting this problem. So long as a free people are grateful and evidence their gratitude toward the men who have served the Nation, so long as they do not forget the wounds and disabilities incurred by those who suffered wounds and disabilities, just so long that free people will not want for defenders. But out of experience we go further with our desires, and we endeavor to counsel the American people for their good and welfare. We discovered out of our experience that America contained values which could be found in no other nation on the face of the earth. We wanted to safeguard and transmit to posterity—not to our children alone but to all of the children of the Nation—the great values that we found in America and in American life.

The generation to which we belong was given the opportunity of travel. It was given the opportunity of observation in substantially every nation on the face of the earth. Whether we were serving there as soldiers or as members of the United States Navy, we contacted practically every known civilization upon the face of the earth. We left the service with one thought in mind, and that was that America offered more of life, and more of opportunity, and more of happiness, and more of liberty, than could be found in any other nation on the face of the earth; that those values were precious; and that the hand of the grasping nations, the hand of greedy individuals, are still to be seen upon the face of the earth.

the earth.

For 20 years now we have watched the development of some of the aggressor peoples, peoples who refuse to accept the philosophy

that underlies our Government. We have seen it ripen in some nations to where with the barbaric tread of aggression they have marched upon defenseless people who have placed themselves as helpless before the movements of an aggression. We look upon the situation in China and Ethiopia. We look upon the dismemberment of a small democracy that was set up as a result of the Versailles Treaty, and we tell America that America must never let itself become defenseless while aggression marches the face of the earth.

We have tried every experiment that could be offered—every expedient that could be offered to accomplish a world in which there is a reasoned peace. We approached the nations of the world with treaties to outlaw war as an instrument of national policy. We approached them with the suggestions of disarmament conference. Our President, who led us into the Great War when it became necessary that we go, gave to the nations a design for a society of nations, but we have seen it impotent to meet with the vast problems that are involved in the peace of the world. We have participated in nine-power pacts in an endeavor to save a people whom we deemed to be defenseless, and we have seen that nine-power pact ruthlessly brushed aside. We have many people who have come to us with suggestions that we should forsake the policies that were given to us by our fathers, telling us that democracy as a system of government is impractical and will never work, capitalizing upon the problems of our economic distress, to foment within the breast of disheartened people the idea that either by the dictatorship of the proletariat, or the dictatorship of an individual, and a voluntary regimentation under their beneficent dictatorship, we can accomplish something better than the system of government that was erected for us by our fathers.

We of the Legion have known throughout the years that that cannot be done. We have known that ours was the only design for a government for free men that has come upon the face of the earth. It is the only thing new or novel in government. Systems that are known as communism and fascism are as old and outmoded as human history because, wherever they have been appar-

We of the Legion have known throughout the years that that cannot be done. We have known that ours was the only design for a government for free men that has come upon the face of the earth. It is the only thing new or novel in government. Systems that are known as communism and fascism are as old and outmoded as human history because, wherever they have been apparent—and they have been apparent throughout the ages—a class government as exemplified in the feudal system; an autocratic government as demonstrated from time to time as individuals seek and take power over men; they have always in time been over-thrown by the thing which was established in our Government—the insurrective impulse which is in the breast of free men.

The man whose birthday we celebrate today, George Washington, had a choice between following the Old World publissorbles of an

The man whose birthday we celebrate today, George Washington, had a choice between following the Old World philosophies of an autocratic class, a class that were born to the purple, or following the much harder and much more difficult course which stands out in his life as the basis of his great contribution to this Nation of ours. He might have gone over to England; he might have been educated, as was the design of members of his family, to a position in the British Navy; but instead of that he elected to pursue a course of self-education, to move out into the frontier as a surveyor. He gained for himself a modicum of military experience by participation in the Braddock affair; and when the oppressions of the mother country, when the problem of taxation without representation and the other grievances which then existed among the American people became vocative and expressed, he was in a position to and did undertake the leadership of a cause which at the time seemed almost hopeless, and at many times throughout its course was to all apparent reason hopeless; and yet, by the force of his own personality, by the strength of his own belief in the rights of men, God-given rights of men, rights which came to them from their Creator, he carried on.

After the war in which he participated had been successfully won, when he saw a nation that was divided and disunited endeavoring to operate under a system that was insufficient for a united, free people, although he did not choose to, he accepted the responsibility of sitting in at the Constitutional Convention, and it was largely out of his magnificent influence that a Constitution was offered to us; and in that Constitution is contained a great deal of human wisdom that is applicable to our conditions today. Primarily our forefathers were engaged, at the time of the adoption of that Constitution, in endeavoring to preserve to posterity the rights of free men; erecting a government not to be a despot or a dictator; a government that could not in the very nature of things be a beneficient government that could provide for its people, but rather they were erecting a government which would protect men in their rights to accomplish their own destiny—to preserve opportunity for free men. Many people had been wooed away from that philosophy believing that government is an omnipotent thing and that it, out of its largess, can always provide for its people. Well, when we sit down to reason we know that cannot be true because the government, in the last analysis, must be its people. Otherwise it is a dictator and oppressor, either a class or an individual. Otherwise it sustains itself in power, not by its applied reason, not by the energies of its people, but by the blood purge in the hands of the dictator destroying the breath of freedom wherever it comes into being, or directing the attention of peoples to the exploitation of other free and defenseless peoples.

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George Washington made a magnificent contribution to the government of men as he sat, and out of that Convention, which at times gave the appearance that it might disintegrate and go to its home without having accomplished its mission, he gave the solemnity of his presence and the strength of his wisdom. He served the Nation throughout its first two terms as President, and when they endeavored to wish upon him the crown he said no. He could not see or understand that philosopy, but out of the richness of his experience he gave to this Nation some of its most solemn and serious advice; he gave to the Nation thoughts which

have been gems and have been applicable to every day of our national life. May I presume to quote you from his Farewell Address and read it against present circumstances?

We went into the World War, if you will remember, thinking we had a mission to make the world safe for democracy. I think that out of our experience in the World War we did make a great contribution toward making democracy safe for America, because we discovered in the pains of battle some of the great truths that are expressed for us in our Constitution. The primary truth we learned was this: That all men are created equal; that they are endowed by their Creator with certain inalienable rights; and that among these are the pursuit of life, liberty, and happiness. And we learned that it did not make much difference where a man bent his knee or bowed his head to worship his Creator; he might be bent his knee or bowed his head to worship his Creator; he might be gentile, or Jew, or Catholic, or Protestant; he might be black, white, red, yellow, or brown; and we did not bother to inquire; but whatred, yellow, or brown; and we did not bother to inquire; but whatever his racial strain might have been, whatever his religious conviction might have been, he walked forward just as we walked forward and took the chance of death to preserve the fine things that are in our American life. We hope out of this generation that it will never be necessary for another generation to go into the same experience that we went into to learn and appreciate those truths. It might not have been necessary for us to have done it, if the advice of our first and great President had at all times been headed, so left's see what his educe was as he left the times been heeded; so let's see what his advice was as he left the Presidency:

'Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots who may resist the intrigues of the favorite are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the

people to surrender their interests.

"The great rule of conduct for us, in regard to foreign nations is in extending our commercial relations to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let

us stop.
"Our detached and distant situation invites and enables us to "Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality, we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly begand the giving up proposition; when we may choose percent

hazard the giving us provocation; when we may choose peace or war as our interest, guided by justice, shall counsel.

"Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest humor or caprica?

est, humor, or caprice?

"The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity toward other

'The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominate motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress without interruption to that degree of strength and consistency, which is necessary to give it, humanely speaking, the command of its own fortunes."

The American Legion has in its every pronouncement accepted the basic tenet of our first President's declared foreign policy. From year to year we have enacted a resolution expressing it as our wish that the United States remain at peace with all nations of the world, and for that reason we have urged that the United States the world, and for that reason we have urged that the United States Government maintain a strict policy of neutrality regarding foreign affairs; and we have further urged that the United States be kept from any alliance which might draw this country into war. We have for 19 years advocated and counseled an adequate national defense for the United States of America and its possessions. We believe that our counsel has been wise. In our suggestions for the sectional defense we have deferred to the information of our payel and national defense we have deferred to the judgment of our naval and military leaders, men who have made the adequate defense of this Nation their life's work. We have not rushed out to accept the ill-considered proposals of the politician or the demagogue, as some have advocated theories of defense which are entirely unbalanced, and others have advocated suggestions for the accom-plishment of peace which meant the prostrating of ourselves as a people before the aggressor nations of the world.

people before the aggressor nations of the world.

Our military defense is outlined in our National Defense Act. It contemplates a modest standing army, a reasonable national guard, and a substantial organized reserve. Our naval recommendations have been always for a navy second to none, competent to meet the possible aggression of any other power or powers in the event they threaten the security of our land. We have never been hysterical in our approach, nor do we want the American people to become hysterical. We know the cost

of war because we were a part of it. The men who sleep today on foreign soil, our dead of the World War, were our schoolmates; we ate with them; we slept with them; we marched with them into the cruel crucible of war. We know the cost of human lives. And again, as we look at our great national debt, a large part of which survives from our involvement in the World War, and as we look at the enormous costs which have come from the depression, which found its genesis in the World War, we know the financial cost of war. This is no time for hysteria in this country of ours. We can only consolidate our victory of a World War and make the world safe for democracy if we establish here in America the practicability of the democratic ideal. Washington suggested that such was our problem, and it is today our problem. Ours is an experiment in democracy; ours is the only substantial world power that exists in the form in which it was established.

It has been the course of all nations that they live to rise to

which it was established.

It has been the course of all nations that they live to rise to glory and, through external force or internal decay, they move on into the limbo of history. It is not necessary that America take this course if the people of America will be wise, will be reasonable, will be considerate, and will look to the protection of their own homes and their own firesides. We cannot make the destiny of other peoples of the world, either by a declaration of force or an imperialistic policy, two things which are not inherent in the democratic ideal. It is time that we go back to the grass roots and drink deep from the fundamental principles that gave this Nation birth.

gave this Nation birth.

Washington also said: "A passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmittee of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justification. It leads also to concessions to the favorite nation of privileges denied to others, which is apt doubly to injure the national making the concessions; by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill-will, and a disposition to retaliate in the parties from whom equal privileges are withheld. And it gives to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite nation), facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity: guilding with the without odium, sometimes even with popularity; guilding with the appearances of a virtuous sense of obligation a commendable deference for public opinion, or a laudable zeal for public good, the base

or foolish compliances of ambition, corruption, or infatuation."

The American Legion was organized to promote peace and good will on earth, and to safeguard and transmit to posterity the principles of justice, freedom, and democracy. We abhor war and for that reason we counsel the American people today to the exercise of sound and solemn common sense. America's destiny is in no other lends, America's destiny is hear at hears of the sense.

other land; America's destiny is here at home.

other land; America's destiny is here at home.

There was a meeting the night before last up in New York where the two alien ideologies seemed to be arrayed against each other. I made the suggestion, and I feel it is a good one, that it would do a great many people, who live on the Island of Manhattan, a great deal of good if they could come as far west as Kansas City or Omaha, and find out what it is that makes this country great. It is not an alien ideology; it is not anything that exists in the Old World today. Our fathers left the Old World to build in this continent a new nation, erected to God, if you please, and believing that men have divine rights. If we fail in the experiment; if we fail in our duty to maintain and sustain it, then within the mind of man there is only one resort, and that is to surrender our rights, our liberties, and, as you do it, the rights and liberties of your children, to some man who has not yet been discovered in human history, who is wise enough to do it for us. That man does not and never will exist. Democracy may be a muddling process, but the men of the World War still believe that it offers more of life, and more of liberty, and more of happiness than any system of government that has ever been conceived upon the face of the earth.

Neutrality and Peace Legislation

EXTENSION OF REMARKS

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES Saturday, April 8 (legislative day of Thursday, April 6), 1939

TESTIMONY OF BERNARD M. BARUCH AND HENRY L. STIMSON BEFORE FOREIGN RELATIONS COMMITTEE

Mr. PITTMAN. Mr. President, the Committee on Foreign Relations has commenced the consideration of five resolutions and two bills dealing with the present neutrality law, and making other suggestions with regard to peace legislation.

A subcommittee consisting of the Senator from Georgia [Mr. George], the Senator from Idaho [Mr. Borah], and myself has been appointed for the purpose of attempting to carry on a program of hearings that will be of value to the Senate. In the selection of the order of the witnesses we are attempting, in the first place, to obtain witnesses whose testimony, based on experience and also on knowledge of history and international law, will be of value. We intend also to have before us representatives of the farm associations of the country, the labor associations, and the veterans' associations, as well as representatives of the great women's organizations of the country, in an attempt to obtain not only opinions with regard to the construction of these acts and their effect, but a general consensus of opinion in this country with regard to peace legislation.

We have already listened to two very distinguished citizens of this country, one a distinguished Democrat, and the other a distinguished Republican. We have heard Mr. Bernard M. Baruch, who gave his services during our period in the World War as Director of the War Industries Board. I think he is one of the most patriotic citizens of the country. His ability, his sincerity, and his disinterestedness are recognized. We also heard Mr. Henry L. Stimson, former Secretary of State, who was connected with our Government before and ever since the war, except for a short period of time since this administration took office. He holds a different view than Mr. Baruch with regard to what should

be our foreign policy.

I ask unanimous consent that there may be published in the Appendix of the RECORD the statement made by Mr. Bernard M. Baruch before our committee, and also the statement made by Col. Henry L. Stimson before our committee.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 7, 1939] TEXT OF BARUCH NEUTRALITY LEGISLATION STATEMENT

WASHINGTON, April 6.-The text of the prepared statement delivered by Bernard M. Baruch before the Senate Foreign Relations Committee's neutrality hearing today was as follows:

"It is easier to proclaim neutrality than to maintain it.

"Its practice is almost as difficult as its definition.

"Since true neutrality is an almost unobtainable ideal, the best

"Since true neutrality is an almost unobtainable ideal, the best course for us to pursue is that which protects us as far as possible from involvement in war; that which preserves fairness in our dealings with belligerents; that which aids in the development of our defense; and that which guards us against economic collapse. "A sound neutrality law will prove a definite aid to peace and at the moment, an aid to the preservation of our method of our life, system of government, and the flow of our trade and commerce. "A neutrality measure, therefore, is an integral part of our protection and preparedness. But neutrality does not mean the certainty of bringing about what we all want—to stay out of war. "Peace is what we all want. Peace is what the world needs. But we get no further toward peace by giving legislation a label that belies itself.

belies itself.

CONCERNING THE PITTMAN BILL

"The essential difference between the so-called "peace act" and the existing legislation is that under the existing law the sale of armament is wholly prohibited with the coming of war, or conditions that are judged to be of war. The Pittman bill will permit the continuing sale of all commodities now dealt in with this restriction; all types of exports, including manufactured war weapons, may be sold, but only if title passes in this country and shipments made only on vessels other than those flying the American flag.

"Neutrality cannot be absolute. It can only be relative. The divergent rights of the neutrals and belligerents cannot be main-

"Neutrainty cannot be absolute. It can only be relative. The di-vergent rights of the neutrals and belligerents cannot be main-tained; they must be compromised. Theoretically, perhaps, neu-trality can be established and preserved under the theories of international law, but international law is, especially today, a minus quantity. Based on experience we find new truth in the phrase of the immortal Justice Oliver Wendell Holmes "that a page of history is worth a volume of logic."
"Before I go further in this expression of my views I think it

"Before I go further in this expression of my views, I think it wise to remind you gentlemen of the fact that wars are not fought wise to remind you gentlemen of the fact that wars are not fought merely for immediate results. Each participant makes an effort to impose his will upon his enemies by military and economic destruction. But, at the same time he keeps in mind the after results—new markets, new trades, and new intercourse, always at the expense of the defeated and frequently of the neutrals. Therefore, it is accurate to say that in every great war the neutrals have a stake in the future almost as great as any of the belligerents. JEFFERSON'S ATTEMPT RECALLED

"We dare not wholly abandon the protection of neutral rights. It is unsound to believe that if we hold no dealings with the actual belligerents we shall avoid the friction which makes for war. That

is a cloistered method that was tried once. Jefferson did it in 1807. He embargoed all ships and shipments. He sought to draw the country into a shell but the result was devastating.

"To prohibit one type of export (war weapons) without prohibit-

ing the other (food) is a legalistic formula that I think is devoid

of real justice.

"To embargo the sale of implements of war, under conditions that now exist, might be the means of cementing into power the stronger nations and reducing weaker nations to slavery or worse.

"We are trying to meet conditions existent at the moment. We are not trying to legislate for all time to come. If, when and as

are not trying to legislate for all time to come. If, when and as the circumstances that now justify this revision should change, the laws can be changed. I see no difference, in time of war, between the sale of life-sustaining wheat and death-dealing guns. Wheat is essential for armies, but were we to keep wheat away for that reason, the deprivation might become a mass-killing, particularly of women and children. I repeat:

"We can have either an absolute embargo, such as Jefferson had, or a war commerce, qualified not as to commodities but as to conditions of sale and shipment.

DOUBTS LAW CAN END FRICTION

"It may be doubted if any law, however wise, can do away with "It may be doubted if any law, however wise, can do away with friction. It is just as easy to engender disputes over wheat, copper or cotton, scrap steel, and pig iron (essential to noncombatants as well as to armed forces) as over sales of ammunition and artillery. What is the difference between selling trucks and tractors but not selling armored cars or tanks? Further, enforced limitations of other goods are ready subjects of several.

limitations of other goods are ready subjects of quarrel.

"In this country we have faced situations, similar in outline to the present, in 1794 under Washington, 1807 under Jefferson, 1818 under Monroe, and during the Great War under Wilson. No secure course was ever found. Such a road may be found, but only through an international agreement, capable of being enforced, which would firmly define the rights of neutrals or abolish those rights altogether.

rights altogether.

"The world's effort toward an international agreement under which neutrals were forbidden to deal with belligerents, that method being called economic sanctions, has failed. Sanctions are acts of war. The opposite—complete neutrality in which efforts are made to preserve the friendship of warring powers by

the neutrals—also has been a failure.

"After all is said and done, neutrality is what you make it or, maybe I had better say, what you can make it. We would only be fooling ourselves if we talk about international law. We must be strong enough to enforce our own theories of neutrality and wise enough to make those theories just. There is no thought of dominance in this idea. America will always be ready to cooperate on principles of equality, but we do not want to do all the cooperation.

STARTED "COME AND GET IT" IDEA

"Both the old law and the new bill carry on the cash-and-carry idea. I think I was the first to suggest that, or its twin, 'come and get it,' which is more descriptive of the plan. It treats all nations alike. Each has an opportunity to get what it needs from us provided it takes title at the port of shipment, and provided further, that the chipment is not made in American craft.

that the shipment is not made in American craft.

"Of course, it is obvious that this will largely limit sales of supplies to those able to pay for them and able to move them; but, after all, the rule holds good in normal commerce. I do not see that we are required to adjust all inequalities of this sort. If that is any intention, we may as well face it and go to war. We discourse the supplies that the same intention, we may as well face it and go to war. is our intention, we may as well face it and go to war. We discharge our obligations, including those to our long-term customers,

charge our obligations, including those to our long-term customers, by making available all of our products, just as we expect them to make available to us those supplies we need.

"As we now suppose, this rule would prejudice Germany and Italy in favor of France and England. Most of our individual sympathies run that way, but when we—not as individuals, but as a nation—let our policies in international trade follow our sympathies, we may be idealistic but we are not neutral.

"Furthermore on the continent of Acia most of our individual

"Furthermore, on the continent of Asia, most of our individual sympathies run to China rather than to Japan; and here the proposed rule works the other way. If we, tomorrow, recognized a fact as obvious as the sun in the sky, that a state of war exists between Japan and China, and so invoked this rule, we would be favoring Japan and prejudicing China. We have avoided that by refusing to recognize an existing ondition of war.

AN UNCOMFORTABLE POSITION

"But it certainly was an uncomfortable position to have recognized undeclared war in Spain, where Germany and Italy were involved, and not to recognize it in Asia, where China was involved. "Those who have not seen it at first hand may not view with

Those who have not seen it at hist hand may not view with sufficient gravity the vast modern change in the methods and principles of war. There was a time when nations risked their destiny on a sort of gladiatorial contest between relatively small trained armies of professional soldiers. Then the military effort was everything, and the economic effort was less important.

"Now, when whole nations have become instruments of war, and war itself an impact of civilizations, all this is changed. as important to supply and sustain the civilian contingent as the military contingent. Continuity of supply of every product in constantly increasing volume is absolutely necessary to maintain a

great nation in war.

"Even the battlefield effort is decided in favor of the nation which can hurl at the other the greatest tonnage of industrial produc-tion—steel, rubber, chemicals, trucks, airplanes, tanks, petroleum,

cotton-e.erything.

EVERYTHING A MUNITION OF WAR

"Everything is a munition of war, if not a lethal weapon. In the "Everything is a munition of war, if not a lethal weapon. In the World War the truth was recognized that not merely weapons, but all commodities, supplied to an enemy were contraband of war. A rusty old tramp steamer rolling up from South America with a cargo of nitrates was frequently as vital as a division of infantry on the fields of France. German defeat was as directly due to economic strangulation as to military assault.

"We have now an absolute prohibition of the export of lethal weapons. Now, on the essential principles we are discussing here—the principles of neutrality or keeping out of war—this has nothing

weapons. Now, on the essential principles we are discussing nere— the principles of neutrality or keeping out of war—this has nothing to do with either. It springs from another high purpose, which is to prevent our country from selling any kind of weapon with which men kill each other. It is a rebuke to war as an institution. It will not prevent war, take us in, or keep us out of war. If we want to make a gesture, let us do so, but let us not do it under any idea that it side neutrality or nesce.

idea that it aids neutrality or peace.

"If we do not supply the weapons other nations will. Such a rule serves to aid a country, such as Italy, which makes at least some of its own weapons, against others, like Ethiopia, which do not. It might even aid one South American nation, like Argentina, for example, which has easy access to other arms-manufacturing nations like England, against another like Chile, for example, which

FINDS ANOTHER LACK OF REALISM

"There is another lack of realism about this well-intentioned proposal. It would be easy to define and embargo some component parts of a lethal weapon—like parts of a howitzer, but not so easy to define other parts like cotton or toluol, which are equally necessary to its operation for propellants and explosives. As I have stated earlier, chemicals, petroleum, steel, and rubber are just as essential to the mass murder of modern war as machine guns or airplanes, or, for that matter, motortrucks, locomotives, and optical

glass.
"It is for this reason that I am now willing to include everything in the cash-and-carry plan. It is also for this reason that I think we should approach this discussion recognizing plainly that any economic restriction or discrimination is harmful to some bel-

ligerant and we should proceed with great caution.

ligerant and we should proceed with great caution.
"I understand that some of the pressure for this legislation is the reverse of a wish to treat all nations alike. It has been suggested that the aggressor nations if not halted will start a European war, that if there is a European war we can't keep out of it, and that therefore the only way to keep out of war is now to engage in economic war against them to prevent their starting a European DOUBTS WAR WOULD DRAW US IN

"On that theory, if our economic war fails we will be in military war, and I think that, if we make economic war, that conclusion is inevitable. I am not sure that even with the utmost economic pressure we could prevent European war if it were determined upon

by the aggressors.

"I also question the theory that we must take part in any European war. I am no military expert, but I do happen to have some experience with many nations in the World War. I venture to believe that this country or this hemisphere can escape involvement in a European conflict and we can do this without burying our head in the sand; we can still raise our voice against faithlessness and

in the sand; we can still raise our voice against faithlessness and brutality.

"You will hear it said that if we do not go in of our own volition our turn will come next. It is true that our barriers of sea water have been narrowed by science and invention. But they are still formidable. It is incredible that without almost complete domination of the water and sky of both the Atlantic and Pacific Oceans, a military attack in truly threatening force could be launched against this hemisphere from either Europe or Asia in the face of such resistance as this and other American, if not European, nations could offer.

could offer.

"Who has the wisdom or the boldness to advocate involvement of our country in any overseas war on the assumption that this apparent axiom is no longer true—and on what known fact or theory? If we believe we can defend this hemisphere then the whole argument for now waging economic war weakens.

CALLS FOR AN ADEQUATE DEFENSE

"Our defeat here certainly can never happen if we maintain a defense adequate to prevent it. It is far easier for us to maintain such a defense than it is for any of the threatening nations to build up an offensive force sufficient to overcome it. It was with exactly this idea that I began advocating our immediate rearmament several years ago.

"Just before the Ethiopian crisis, I learned of the extent of German and Italian rearmament and the unpreparedness of England, France, and ourselves. It was then that I confirmed myself in many of the opinions which I then expressed, some of which I am repeating here today. We must rely upon ourselves to protect this hemisphere. We must be ready to do it. It is not necessary to do

it on the Continent of Europe. If advocating protection of ourselves and our hemisphere is war mongering, then I plead guilty. "It is a pleasure to take up one branch of this argument upon which all seem to be agreed—that we should permit no American financing of foreign conflict. I was among the earliest to advocate that and Senator Johnson's bill not merely as a basis of discussion,

but as a firm conviction.

"We have learned by bitter experience that 'where the treasure is there will the heart be also.' By neither loans nor any kind of credit should we finance a nation at war—no matter how our sympathies may be involved.

WOULD BAR CREDITS TO ALL

"To refuse credit to all impartially is within our rights, as beyond all question it is true neutrality. One nation may become, by practice and location, dependent on another for supplies of one sort or another. But there is nothing in comity or custom that entitles any nation to rely upon another for loans. Refusal to finance foreign wars is clearly a means to keep us out of war. Since I do not understand anybody to disagree with this, I shall not labor the point.
"All of these efforts toward neutrality bear on the future of our

foreign commerce. If we serve notice now on the nations of the foreign commerce. If we serve notice now on the nations of the world—those with ships and those without—that the instant they suffer the misfortune of war—innocently or not—we will cut them off from any trade to the extent here proposed, how many of them will feel wholly confident in relying on us for necessary supplies in peace? Why should they not seek other suppliers, more dependable in both peace and war?

"We must realize that what we mete out, we will get back. From the time we become involved in war, England, adopting our rule, might shut us off from our vital war supplies of tin, rubber, nickel, and tea, except as we would come and get it in our own ships, some of it half way around the world. If she did that, we must not resent it as a treacherous and hostile act.

SAUCE FOR THE GOOSE

SAUCE FOR THE GOOSE

"What's sauce for the goose is sauce for the gander, although, if she threatened it, we might look about us now for more dependable sources or buy and store what we need.

"The bearing of unnecessarily harsh restrictions on the new reciprocal-trade treaties is also plain. If we are to avoid the commerce-destroying bilateral barter system and to attempt to break down trade barriers and restore the flow of free private commerce to a store the ground also avoid all possible new be reciprocal agreements, we should also avoid all possible new barriers to trade, such as any proposal to restrict all exports within unnecessarily narrow and, to some nations, impossible limits.

"There are many more nations now in the area of possible new world conflict than there were in 1914. That war grew partly out of a kind of economic war. But it is as nothing compared with the economic war that has been going on throughout the world with increasing intensity for many years. It reaches now to the

with increasing intensity for many years. It reaches now to the uttermost parts of the earth.

"The commerce of the world, upon which rests both the peace and prosperity of the world, is dying. It is being killed by increasing restrictions of barter, tariffs, quotas, and self-containment. With one hand, through Mr. Secretary Hull's efforts, we are attempting to restore it. With the other, through some of the extremist proposals and attitude on this legislation, we threaten to restrict it further. Such a course I regard as unwise.

OPPOSES RIGID SHIPPING BAN

"While I agree with the cash-and-carry plan, these thoughts lead

"While I agree with the cash-and-carry plan, these thoughts lead me to raise a question on the sanctions in these bills. They make shipment or transportation to belligerents a felony. What we are really trying to say is that we are ready to abandon our old rights as neutrals under international law. But in order to abandon them is it necessary also to abandon our commerce?

"Under the Peace Act it would be a crime to transport to a belligerent under the American flag even in a case where there is no risk at all. We might be abandoning much or even all of our purposes in such cases not absolutely to prohibit such shipments, but to serve notice on our people and the world that the American flag will not protect them?

"Should there be flexibility in these laws which in appropriate circumstances might be determined by the Secretary of State, we could then say, 'Ship at your peril,' rather than to say, 'You can't ship at all.'

ship at all.

"These are my considered views, and I hope the committee will recognize that I speak not as anti-German, anti-English, or anti-anything but only as an American. It is my deep conviction that no other attitude is permissible. The Nation should be controlled by the interests of all the people, not by the sympathies of some."

[From the New York Times of April 6, 1939]

TEXT OF Mr. STIMSON'S STATEMENT TO SENATORS ON NEUTRALITY Washington, April 5.—The text of Henry L. Stimson's statement before the Foreign Relations Committee of the Senate today at the first of its hearings on the Neutrality Act was as follows: "When your chairman honored me with this invitation to come before you, he said that the committee was to consider

come before you, he said that the committee was to consider the general landmarks of foreign policy at the present time and particularly the Neutrality Act.

"But when I came to reflect on it I realized that the problem of the present moment to which he referred is perhaps not so much a problem of normal foreign policy as a problem of national defense of the United States in a novel emergency. That's what it really is We are not sitting down to draft prescription.

defense of the United States in a novel emergency. That's what it really is. We are not sitting down to draft peacefully and philosophically a code of behavior for normal times, but to consider how we can best make the United States safe—or as safe as possible—in a totally novel and critical situation. "When I call it a crisis I do not mean to imply that it is merely a brief emergency. It may last for many long, anxious years or even decades. But its essential characteristic is that it is novel and revolutionary as well as extremely dangerous, and so it has necessarily upset many of the standards and rules by which we have been accustomed in times past to chart our course and guide our conduct in international relations.

INTERNATIONAL LAW IS TRACED

"A very few words can make this clear. For nearly four centuries mankind has been trying to build up a code of behavior within what is called the family of nations. That code has been based upon the foundation stone that every state in the family recognizes and respects the independent sovereignty of every other state. That has been the foundation of what we call international term. law. That has been deemed to be the principle upon which the world had the best chance of living in peace.

"And it is in our Western Hemisphere that that principle and

"And it is in our western Hemisphere that that principle and practice has reached its fullest flower of consummation. In every Pan-American conference from the beginning of their relations over a century ago the smallest and most insignificent state in size and power has been accorded an equal vote with the largest, and the disapproval of any such state is sufficient to protect it from the corporate action of all the rest.

"Of course, throughout the world controversies have periodically arisen which have caused nations to fight with one another. But the underlying principle of their conduct in the absence of war has been this principle of mutual respect. And the code of be-havior for carrying out their relations one with another in normal times has been aptly likened to the code of mutual respect and courtesy which prevails among gentlemen in ordinary life.

"I have only to describe this long existing theory and standard to indicate how it has been shattered by present events. Today three of the seven most powerful nations of the world have rejected this code of behavior with open scorn and contempt. They have adopted as their most conspicuous foreign policy a system of aggressive action against their neighbors. To that end they have developed a very skillful technique which during the past few years they have been practicing with great success.

"Under the name of unitetral action they have also proceeded to

"Under the name of unilateral action they have also proceeded to tear up all the net of promises, treaties, and codes which had been adopted under the old system of mutual respect and which stood in the way of their own aggrandizement and purposes. Threats, aggression, and treaty violation have gone hand in hand as the interlocking elements of this, their system.

CITES SERIES OF ASSAULTS

"In succession the attacks, all in violation of former treaties and of international law, upon Manchuria, North China, South China, Ethiopia, Spain, Austria, Czechoslovakia, and Lithuania, have made clear the revolutionary and widespread nature of the change with which we are now confronted. They have shown to even the most reluctant critic that this new system is not a matter of domestic government among the states which practice it, or ideology, as we now call it, but is a reversal of the whole system of international practice in the world.

"It is thus a matter with which the foreign policy as well as the national defense of almost every nation in the world is immediately concerned. I weigh my words when I say that I believe that our present Caucasian civilization is threatened by the gravest danger with which it has been confronted for 4 centuries.

"The problem is further complicated by the fact that these three powerful nations occupy strategically very favorable positions for their attacks upon most of their peace-loving neighbors. If there were only one of them, the problem for the whole world would not be so serious. But the three are acting skillfully together, and geography has placed them with such relation to the lines of communication and the consequent national defense of the other nations as to make common action in such defense prescrival in imperative if it is to be successful.

the other nations as to make common action in such defense practically imperative if it is to be successful. "This is the novel situation which confronts the world today

"This is the novel situation which confronts the world today and I think the mere statement of it will indicate how it has affected some of our former customs and traditions. For example, take our old attitude toward the question of aggression in war which has been the basis of our attitude toward neutrality.

"In the former world we had a doctrine that in considering the controversies of our neighbors across the Atlantic or the Pacific we could entirely disregard the question of aggression and treat both sides with perfect impartiality without trying to make any inquiry into the rights and wrongs of the origin of their conflict. But today the fact of systematized aggression stares us in the face and we know only too well who the aggressors are. We pick up our newspapers every morning with apprehension to read the most recent evidence of their policy. They boast of it. It is the life and breath of their principal policy to which they have applied the appropriate name of an axis. We also know only too well who their victims are, both present and potential. We only have to read about some of the occurrences to the south of us to realize that even we are within the zone of their orbit.

ISOLATION "A LITTLE SHOPWORN"

ISOLATION "A LITTLE SHOPWORN"

"All this suggests another former tradition which begins to look a little shopworn in the present situation—the isolation, so-called, of the United States. Too many Americans have been brought up to think that in case of trouble in the world it wouldn't be necessary for us to do anything but sit still and let nature take its course. It looks a little differently now. The axis is moving much too rapidly and the world has become far too small and interconnected and interdependent. I have had official occasion to study the protected position of our country; its superb natural resources; its unmatched opportunity for self-containment in the maintenance of its defense. No one is more keenly alive than I am to this great advantage or to the comparative security of this country.

"But the real question before us today is one of method. How shall these great advantages be most effectively used, not only

with regard to our own safety for this present year of our Lord 1939, but for the future, for the protection not only of ourselves but of our children and our children's children and of the institutions of our country? Shall we be content to sit idly in this present security, which may be only momentary, or shall we use these great advantages carefully, moderately, but firmly and above all intelligently to help protect the world, which includes ourselves, from its imminent and continuing danger?

"By reason of our present security we can do this more safely than can any other nation. And the fact that we are known to be ready to do so will not only tend to slow down the axis, the members of which know very well that language, but—what is even more important—will at the same time encourage their intended victims not to make surrenders which will ultimately endanger us.

BACKS PRESIDENT'S DICTUM

BACKS PRESIDENT'S DICTUM

"For myself I agree with the President that there are methods which are 'short of war but stronger and more effective than mere words.' I have taken occasion to study and ponder over such possible methods.

"This country is said to supply about one-third of the known raw meterials of the world and to account for more than one third of the

materials of the world and to account for more than one-third of the known economic and industrial life of the globe. For the past 2

known economic and industrial life of the globe. For the past 2 years we have allowed these matchless resources to be used in very large part to stimulate the activities and aggressions of our potential enemies. That, I am bound to say, does not strike me as a very intelligent behavior.

"I know that it is sometimes said that an economic weapon is a dangerous one. In the case of ourselves I have been rather inclined to doubt its truth. If it is, we are certainly in a safer position to use it than any other country in the world. And when it comes to the danger of irritating aggressor nations, why the very fact that we are a democracy irritates the axis. Economic action would do no more and it has the possibility of most effective restraint for, after all, the chief hope of today lies in the fact that each of the three members of the axis are in a notoriously vulnerable economic condition.

LAG SEEN IN NEUTRALITY LAW

"The foregoing is a very cursory statement of the conditions of today bearing upon our neutrality law and in the light of which it must be considered. The first act was drawn nearly 4 years ago, and events have traveled more rapidly during those 4 years than ever since the Great War. Their rapidity today is greater than ever. On its face that statute was evidently drawn under the influence and traditions of the past rather than to face conditions as they eviet at present.

On its face that statute was evidently drawn under the influence and traditions of the past rather than to face conditions as they exist at present.

"On its face it assumed that it would never be in our own peremptory interest to distinguish between an aggressor and its victim. On its face it assumed that it would never be in our own peremptory interest that an ill-prepared foreign nation should be able to defend its liberties by purchasing arms from us after it had been aggressively attacked. By this assumption the act violated one of the oldest traditions of the United States. On its face it was evidently designed to curb narrowly the discretionary power of the Executive in dealing with foreign conditions by making the operations of some of its chief provisions automatic and inflexible.

"In all these respects it apparently assumed that the Congress in 1935 and 1937 was able to know exactly the course which the people of the United States would wish their Government to follow under the conditions of 1939. Too meticulous foresight is often perilous, particularly in the drafting of unchangeable commitments. Every lawyer is familiar with the fate of a client who insists on having his will drawn as if the Lord Almighty had vested him with exact information as to what the condition of the world and his estate would be at the time of his death. And we all know that the Lord Almighty has an embarrassing habit of bringing to confusion such rigid efforts.

"It is this rigidity of the act which seems to me its chief danger. I believe that in all such laws the President should have more discretion. I am a Republican and the present administration is Democratic, but I have always tried to limit my partisanship in the zone of foreign affairs. I am a strong believer in the system of representative government, and from my observation I have come to the belief that in no sphere of government action is representative action so essential, so effective, or so safe from abuse as in the conduct of foreign relations.

conduct of foreign relations.

HAS FAITH IN MAN AT HELM

"I am not impressed with the fear that in that zone Presidential "I am not impressed with the fear that in that zone Presidential discretion is likely to be abused. It is my observation that in no sphere of political action is the sobering effect of terrific responsibility upon one man so marked as in the sphere of our country's relations with the outside world. Certainly in the case of the two wars in which we have been involved within my lifetime the Presidency was the most cautious and conservative element in the country, clinging to every effort for peace until it was clear either that the people were determined upon war or that no other course than war would preserve our safety.

"Today we find in the light of hindsight that this act has automatically placed in the hands of foreign nations, some of them possibly our future enemies, the decision as to with whom this possibly our future enemies, the decision as to with whom this country shall carry on some of its trade and commerce. Today we find that it compels us to treat alike the peaceful and suffering people of China and the militaristic enemies who by conquest are trying to turn China into a reservoir of potential future aggression against the rest of the world. We find that it compels us to be an effective party to this aggression on the pain of otherwise depriving China of the means for her own defense. "Recently we found that by depriving the loyalist government of Spain of the right to buy arms for defense against the rebels who were being supported by Mussolini and Hitler, it made us a strong factor in the overthrow of the very government which the United States had recognized as legitimate. It seems entirely likely that should a general war come in Europe this spring this Neutrality Act might put us in the position of facilitating a result of that war which would make the United States the next victim of attack.

SAYS LAW PAINTS US AS TIMID

"Finally the psychological effects of such a statute may be even more widespread and disastrous than its physical results. The American people are not insensible to cruelty and aggression. Nor are they so unintelligent that under the conditions of today they cannot distinguish an aggressor nation from its victim. On the contrary, being served with the most free and enterprising press in the world, they are probably better informed of the facts necessary for such a determination than any other people. Moreover, they are not a constitutionally timid people, nor are they smitten with such an inferiority complex as to make them wish their Government to avoid decisions which are really necessary to their own future interest.

"Yet the form of this statute today tends to make the outside world believe each one of these fantastic falsehoods and to guide their own policy in that belief. Without going into the details of any new legislation, I believe that the greatest step to be taken and the one which would do more than anything else to give the American Government a helpful influence in preventing the threatened general war would be to make it clear beyond peradventure that these misconceptions do not represent the real present views of the American people."

Why Not Subsidize Our Cotton for Our Own People, Protect Our Own Markets, and Stop Bellyaching About Lost Foreign Markets? Let's Face the Real Facts

EXTENSION OF REMARKS

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. FULMER. Mr. Speaker, during the past few days much has been said in the press and otherwise about Secretary Wallace's proposal, which, apparently, he has been able to sell to the President, about subsidizing for export 8,000,000 bales of the 11,000,000 bales of cotton that is now in the hands of the Government under the loan program.

The trade-mark argument on the part of the enemies of any kind of a farm program is and has been that because of the farm program and because of the activity on the part of the administration in trying to assist farmers we have lost our foreign cotton markets.

WHY WE ARE LOSING OUR DOMESTIC AND FOREIGN COTTON MARKETS

There are several good reasons why we have lost a great portion of our foreign markets. First, foreign countries have been increasing their production for years, and during the last few years certain Americans have become interested in foreign production, those interested in producing cotton in foreign countries being able to buy farm machinery much cheaper than our people can; they, having improved their cottonseed and their methods of farming, naturally will continue to increase their production until they are able to take care of their needs.

The foreign countries have not only done considerable research and experimental work to improve their quality and production of cotton, but they have profited wonderfully from the millions that we have spent in research and experimental work, having secured the services of many of our experts, who are rendering great assistance along this line in foreign countries.

Perhaps there may come a time when we will have to place a tariff against the importation of foreign cotton.

I make this statement for the reason that Russia and certain other countries are in a position to increase their production rapidly and tremendously. If Japan gets hold of a good slice of the rich lands of China, Japan will not be worried about buying cotton from the United States.

In the next place, exports have fallen off for the reason that a great many of these countries have been using entirely too much money making preparation for war.

Again, one of the main reasons is the operation of the tariff wall that we have built around the United States, which will not permit these countries to export their goods for the purpose of buying our cotton.

Here is another good and valid reason why we are losing our foreign markets. If you will do a little investigating you will find that some of our large cotton factors in this country are investing in Brazil in cotton gins and machinery. In 1933 the value of these investments was \$68,081; in 1934, \$558,305; in 1935, \$847,197; in 1936, \$663,161; in 1937, \$631,942.

I want you to remember that these cotton gins in Brazil, as well as all cotton gins in foreign countries, are equipped with high-density presses, manufactured in the United States, which would mean the saving of millions of dollars annually to cotton farmers in the South, if we had high-density compression in this country.

It is a strange thing to me that I do not hear any of these people, the Secretary, or the enemies of farm legislation, speculators and gamblers on the cotton exchanges, or anyone else deeply interested in cotton saying anything about protecting our own markets or utilizing cotton in the way of new uses for cotton.

WHY NOT SUBSIDIZE FOR OUR OWN MARKETS?

If we are unwilling to protect our own markets; that is, preventing the importation of jute, which comes from India, a large, competitive cotton-growing country, to the United States, to the extent of pound for pound, taking our perfectly good American market to the extent of 2,000,000 bales; and, for instance, the importation of newsprint coming in from Canada to the extent of 2,800,000,000 tons, taking the place of cotton and our own pulp products, as well as other fibers that are coming in in competition to cotton, why not subsidize this cotton, or a large part of it, for the purpose of competing in our own markets with these products, and in the interest of millions of our own people, who are today without sufficient bedding and clothes to take care of their needs?

This would put idle spindles to work in the United States, would give employment to thousands of unemployed, and it would tend to increase purchasing power, because of the actual demand for our cotton, all of which would do more to bring about recovery than perhaps anything that we have attempted up to this time.

Oh, no, you would rather take care of exporters and clothe the rest of the world, while one-third of our people go around half naked and millions are begging for W. P. A. work and relief.

I want you to seriously take into consideration these figures from the Department of Agriculture:

Domestic consumption of cotton

	Dutes
1926	7, 190, 000
1927	6, 834, 000
1928	7, 091, 000
1929	6, 106, 000
1930	5, 263, 000
1931	4, 866, 000
1932	6, 137, 000
1933	5, 700, 000
1934	5, 361, 000
1935	6, 351, 000
1936	7, 950, 000
1937	5, 748, 000
1938	13, 391, 808
16 months and in a Ten 01 1000	

¹6 months ending Jan. 31, 1939.

Foreign consumption

	Butes
1926-27	10, 121, 000
1927–28	9, 709, 000
1928–29	10, 556, 000
1929-30	11,857,000
1930-31	11, 346, 000
1931–32	10, 368, 000
1932-33	10,601,000
1933–34	11, 544, 000
1934-35	14, 149, 000
1935–36	15, 211, 000
1936–37	17, 771, 000
1937–38	16, 042, 000

You will note from these figures that we consumed in the United States in 1926, 7,190,000 bales of cotton, and in 1937, 11 years later, 5,748,000 bales.

Take a second look at these figures and you will note that over the past 11 or 12 years the consumption of American cotton has remained on a steady level. In fact, much less cotton was consumed in the United States in 1937 than in 1926.

What I want to call to your attention is that the consumption of cotton in foreign countries during the same period has increased from 10,000,000 to 16,000,000, an increase of 6,000,000 bales.

However, in the face of these facts it appears, as previously stated, that the Secretary of Agriculture and those who have been blessing out the farm program, are more interested in helping these foreign countries than they are in giving consideration to our own people and to the increasing of the consumption of our own cotton in the United States,

RED CROSS COTTON

Some years ago I had passed a bill in Congress turning over to the National Red Cross 800,000 bales of cotton and 45,000,-000 bushels of wheat to be distributed to the poor and needy.

Why not use, at least during the next 2 years, 2,000,000 bales of our surplus cotton along this line, manufacturing the same into clothing, mattresses, and bedding for our people, millions of whom are living in poverty and misery?

WHY NOT SUBSIDIZE FOR OUR OWN PEOPLE?

I have suggested to my committee, as well as the Department, that we should subsidize at least 3,000,000 bales during the next 2 or 3 years, placing the manufactured goods therefrom on a competitive basis with foreign products and for new uses.

WE SHOULD DEMAND RESULTS

For years and years the Department has been working on new uses for cotton. They found out years ago that considerable cotton can be utilized in road building in the place of jute and in a great many other instances; but some days ago, when I questioned the Secretary about actually doing some of these things, he stated that he did not believe that the time was quite ripe, but that they were working on these important matters.

JUTE REPLACING OUR COTTON

In the case of jute, I am submitting figures which will bear out my statement as to the amount of cotton that we could use if we would consume cotton instead of jute, and I challenge the Secretary of Agriculture or any other citizen of this country to deny the fact that we can use cotton in every instance where jute is now used, unless it is in the manufacture of rugs.

Estimates of the quantities of cotton that would be consumed if jute and hard fibers were replaced entirely by cotton

[Bales of 478 pounds net]

Bags:	
Mill feed	248,000
Fertilizer	74,000
Sugar	62,000
Potatoes (white)	56,000
Wheat (bran and shorts)	50,000
Flour (all kinds)	19,000
Other (for other products and sundry purposes)	111,000
Total	620,000
10001	020,000
Bagging for wrapping bales of cotton (12,000,000	
bales)	135,000
Textile wrappings (bales covering manufactured	
goods)	90,000
Wool carpets and rugs	95,000
Twine and cordage (including tying United States	50 00000
mails)	75,000
Road building	100,000
Rags for U. S. Navy (low-grade cotton)	8,000
Other	85, 000
Other	85,000
Total	588, 000
Grand total	1, 208, 000

IMPORTED HARD FIBERS	
Binder twine and ropeOther (mostly twine and cordage)	550,000 600,000
Grand total, hard fibers	1, 150, 000
Grand total, jute and hard fibers	2, 358, 000 Tons
Newsprint (pulp imported from Canada)	

You will note from the statement that imported jute burlap bags are now being used in the United States for sacking mill feeds, and if we would use cotton bags, we would be able to consume 248,000 bales of cotton.

I consider it a shame and a disgrace to have farmers plow under and cut their production of cotton while in the meantime you are forcing them to buy their fertilizer in jute bags which will equal the amount of 75,000 bales of cotton annually.

JUTE BAGGING

Just think, we have 11,000,000 bales of cotton stored in warehouses under Government loans. In the meantime we are covering our cotton with jute imported from India, a great cotton country, taking the place of our own good American cotton annually to the amount of from one hundred and twenty-five to one-hundred and fifty thousand bales.

JUTE FOR ROAD BUILDING

We appropriate annually Federal funds to match State funds for the purpose of building roads, out of which you are paying for jute burlap to the extent of 100,000 bales of cotton, which can be used instead of jute.

TYING THE MAILS OF THE UNITED STATES WITH JUTE TWINE

Jute twine and jute cordage are used for tying the mails of the United States. Yet almost daily we hear on the floor of the House this statement: "America for Americans."

If we were able to utilize our own perfectly good cotton for twine and cordage purposes, we would consume over onehalf million bales of the very same cotton that Mr. Wallace wants to subsidize in the interest of foreign countries.

NEWSPRINT IMPORTED FROM CANADA

There is just one more item on this list that I want to call your attention to, and that is the newsprint manufactured out of pulp coming in from Canada to the extent of 2,800,000,000 tons.

COTTON PULP

A test was made at the University of North Carolina out of whole cotton, stalks, bolls, leaves, lint, and cottonseed. It produced 52 percent cellulose; lint cotton, it was found, will produce 92 percent. Cotton will make the best paper of any product that has ever been tested up to the present time.

PROPOSING NEW LEGISLATION

If I had my way about it, I would see to it that a certain amount of cotton is mixed with pulp that is now being manufactured into paper and paper bags and for newsprint, which would not only give us a better quality of paper and paper bags, but a much better quality of newsprint than that which is being imported from Canada.

I am now working on a bill along this line. If we could do this, we would be able to consume an additional three to four million bales of cotton.

Give to our cotton farmers their own market and give us an opportunity to consume our own cotton along the line that I have been suggesting, and you will not have to vote millions for subsidy payments to farmers and you will be able to cut your relief rolls millions and millions annually. The thing that is necessary to bring back real recovery is purchasing power in the hands of from thirty to forty million people who are interested in and who are actually producing agricultural products.

THE SECRETARY AND MANY MEMBERS FROM SOUTH NOT INTERESTED

However, apparently, the people that I have been talking about are not interested in increasing the consumption of our own cotton in our own country.

They are perfectly willing to sit idly by and permit the paper interests and rayon to increase their output by leaps and bounds, they having taken our own cotton markets, as stated by Secretary Wallace some days ago, to the extent of four and one-half million bales in the last few years.

MILLIONS INVESTED IN PULP AND PAPER MILLS

Mr. D. G. Moon, consulting engineer, representing the pulp and paper interests of the South, gave out a statement at Savannah, Ga., some days ago, as follows:

The South has already invested and estimated two hundred million in developing its newest industry, making paper from pine trees.

More than twenty-seven million was spent in paper and pulp mill construction last year, and twenty-one million or more will be spent in 1939.

Approximately one hundred million has been spent since 1935. Consumption of paper is increasing annually at the rate of 1,000 tons daily.

It is high time that Members from the South become posted about these matters and demand that something be done to protect our own markets and the utilizing of our own products, all of which will bring about employment, increased purchasing power, and recovery.

SWEETPOTATO AND CORN STARCH

It has been proven by the Department of Agriculture, that if we would put a proper tariff on the importation of potato starch and all other starches, cassava and sago flours, which are being imported into this country, it would mean millions to the farmers of the South, in that we can manufacture out of sweetpotatoes, also out of corn, perfectly good starch, and these other products to take care of the needs of this country.

In the South we can grow millions of bushels of sweet-potatoes. Just think what this would mean as an additional cash crop, selling the No. 1's for food and the No. 2's and culls to starch factories, to that great class of innocent producers of farm products, who are prohibited from becoming independent citizens, financially, and from enjoying the good things of life, to which they are clearly entitled, because we absolutely refuse to give them their own markets for their own products, and refuse to take advantage of what we have already found out in connection with research work, as referred to, in the way of new uses for, especially, our cotton and many other farm products in this country.

The following letter received from the United States Tariff Commission on this subject should prove interesting:

My Dear Mr. Fulmer: I have your letter of January 20, asking us to make some estimate of a tariff to be placed on imported starch so as to enable the manufacturers of domestic potato starch to compete with foreign starches.

to compete with foreign starches.

Under the Tariff Act of 1930 potato starch was made dutiable at 2½ cents per pound, and all other starches not specially provided for, at 1½ cents per pound. Tapioca, sago, and arrowroot starches are duty free. The terms tapioca and sago starches are considered synonymous with cassava and sago flours, respectively. In the trade agreement with the Netherlands, effective February 1, 1936, the duty on potato starch was reduced to 1¾ cents per pound and the duty-free status of tapioca and sago starches was bound. In the trade agreement with the United Kingdom, effective January 1, 1939, arrowroot starch was bound duty free.

The principal starch produced in the United States is that obtained from corn. Production of cornstarch has averaged 2.500.000.000

The principal starch produced in the United States is that obtained from corn. Production of cornstarch has averaged 2,500,000,000 pounds annually during the last 10 years. Approximately two-thirds of it is converted into sirup, sugar, and dextrines, and one-third is sold for use in the food, laundry, textile, paper, and other industries. Potato starch is produced mainly from cull and surplus potatoes in Maine and the output varies from 10,000,000 to 30,000,000 pounds annually. It is used principally in the taytile industry.

Potato starch is produced mainly from cull and surplus potatoes in Maine and the output varies from 10,000,000 to 30,000,000 pounds annually. It is used principally in the textile industry.

The output of sweetpotato starch at Laurel, Miss., has increased from 140,000 pounds in 1934 to over 1,500,000 pounds in 1938. Most of it is used by cotton mills and a small proportion by laundries. A report issued by the National Bureau of Standards March 23, 1935, indicates that it is as satisfactory for use in papermaking as the commercial corn and cassava starches commonly used. Joint tests made by the Bureau of Engraving and Printing and the Bureau of Chemistry and Soils show that dextrine made from sweetpotato starch can be used as an adhesive for postage stamps, labels, and envelopes. Details concerning these uses are obtainable from the bureaus named.

The Tariff Commission is now engaged in the preparation of a survey dealing with the economic and competitive factors pertaining to starches and their derivatives. It is outside the functions of the Commission to state what tariff would be necessary to enable domestic starches to compete with imported starches. It is hoped, however, that the report will throw some light upon these matters.

Sincerely yours, RAYMOND B. STEVENS. Chairman.

ONE MILLION BALES

Instead of subsidizing our cotton to foreign countries, as proposed by the Secretary, I am wondering why the Secretary does not urge the President to put into operation section 22 A of the amended Agricultural Adjustment Act of the Seventy-fourth Congress, Public, 320, page 26, entitled "Imports," which I am inserting in my remarks at this point:

IMPORTS

SEC. 22. (a) Whenever the President has reason to believe that any one or more articles are being imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which an adjustment program is in operation, under this title, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such limitations on the total quantities of any article or articles which may be imported as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which an adjustment program is in operation, under this title: Provided, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from July 1, 1928, to June 30, 1933, both dates inclusive.

(c) No import restriction proclaimed by the President under this section, nor any revocation, suspension, or modification thereof.

(c) No import restriction proclaimed by the President under this section, nor any revocation, suspension, or modification thereof, shall become effective until 15 days after the date of such proclamation, revocation, suspension, or modification.

(d) Any decision of the President as to facts under this section shall be final.

You will note that under this section if the Secretary of Agriculture would become interested in our own markets, and our own people, many of whom, as stated, are absolutely naked today and sleeping on straw mattresses, he should be able to persuade the President to put into execution this splendid provision of law whereby he would be able, in the case of jute, to give to cotton farmers of the South a market for one even million bales of perfectly good American cotton.

Oh, no, when we talk about these imports from Canada, India, and other countries, we are told these people have to live and that it would interfere with our trade treaties.

PROPOSING TO WASTE THOUSANDS OF DOLLARS IN SOUTH AMERICA

Some days ago when we had up for consideration the agricultural appropriation bill, the appropriation subcommittee in charge of this bill offered an amendment carrying \$295,000 to be used by the Department of Agriculture in establishing laboratories in South America, having in mind the spending annually of thousands of dollars in research work in South America.

The statement was made by the committee that this line of work on our part would give us an opportunity of exporting a considerable amount of our farm products to South America.

In other words, this was another amendment and an appropriation in the name of the farmer.

I opposed this amendment at that time for two reasons: First, on account of the fact that we are not getting actual results for the thousands of dollars that we have been spending in the United States for research through the Department of Agriculture and other research activities.

Secondly, because while the amendment was offered in the name of the farmer, this type of research, if worth anything at all to the United States, would be in the interest of the handlers and manufacturers of rubber goods, for instance, the three large, monopolistic, price-fixing automobile-tire manufacturers. According to the information that I have, we need not worry about research work in any line except what

should actually be done for agriculture. Listen to these headlines carried in the Wall Street Journal some days ago:

Rubber. Rubber, a versatile industry, with 3,200 products already in use, expands research program seeking even broader markets.

I am told that out of the thousands of mattresses bought by the Army and Navy, they do not buy cotton mattresses, but I understand that their mattresses contain a considerable amount of rubber.

Listen to these headlines in the Wall Street Journal:

Wool and Cotton. Wool and cotton losing steadily to rayon in

As previously stated, apparently these people who are continually "bellyaching" about our foreign markets, even to the extent that they would subsidize our cotton in the interest of foreign countries at the rate of 2 cents per pound, are not concerned about the real facts, as indicated in these headlines, which are carried in a New York paper.

SOMEONE IN THE DEPARTMENT SHOULD BE INTERESTED

There should be someone in the Department of Agriculture, perhaps the Assistant Secretary, Mr. Brown, of Georgia, coming from a cotton State, who should be willing to stand up and demand in the face of these facts a program in line with that which I have been talking about, which is really the only program that will save the cotton industry for the South.

SOUTHERN MEMBERS OF CONGRESS

It would appear to me that many of the Members of Congress representing the cotton South, with these actual facts staring them in the face, should attempt to do something along these lines, if we ever hope to be able to rehabilitate cotton farmers and save the cotton industry for the South

WARNING TO OTHER SECTIONS OF THE UNITED STATES

I want to warn the Members from other sections of the United States that they should be just as eager to help solve the cotton problems of the South for the reason that if we are to continue to give up our cotton markets for the importation of foreign goods continuing the cutting of cotton production and consumption of paper and rayon, naturally, we will be forced into dairying, producing of wheat and other grains, and the raising of hogs and cattle, all of which will tend to destroy many sections of this country.

JAPAN, ITALY, AND GERMANY

Japan used to buy lots of our cotton. Today Japan is the largest producer of rayon in the world, producing about 550,-000,000 pounds, of which 300,000,000 pounds is cheap, shortstaple rayon, which is used so as not to force Japan to buy our cotton.

Germany and Italy are doing the same thing.

The world makes 925,000,000 pounds of short-staple rayon fiber now, and production is still growing, using wood pulp and cheap labor.

Is there a Member here from the Cotton South that does not know that the pulp interests have bought up thousands of acres of pine areas that are growing into wealth annually protected by Federal aid for fire protection while farmers' pine trees, pulpwood, have been and are now being bought by these pulp interests for less than the cost of cutting and delivering at these pulp mills. The sad story is there is very little being done to assist farmers to do that which they are unable to do themselves, that is, reforesting their cut-over woodlots and their submarginal lands which are being forced out of agricultural production under the farm program.

MANY MANUFACTURERS OF COTTON NOT INTERESTED

Many of the manufacturers of cotton are not worried about the replacement of our cotton with rayon and paper, in that they are now using rayon in mixtures with cotton and a number of cotton mills are changing from cotton to

What about cotton farmers?

As usual, they are working long hours, operating as individuals, unable to organize, producing farm products to feed and clothe the world, and at a price that is bringing poverty and misery to millions of our people.

I TOLD YOU SO

With the present trend of "do nothing" by the Agricultural Department and the Congress in the way of protecting the farmers' markets and the increasing of the consumption of their cotton that is being replaced by foreign imports and by other products, as previously stated, the years may not be many before the few of us who have been fighting the farmers' battles will be in a position to say, "I told you so."

The Natural Resources Bill

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

ANALYSIS AND BRIEF IN SUPPORT OF H. R. 3121 BY HON.
JOHN M. COFFEE OF WASHINGTON

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a systematized explanation of a bill to set up a National Natural Resources Corporation. Because of the widespread interest in the measure, I believe that a careful reading of the analysis I have prepared will be very helpful in assisting the readers to arrive at a full understanding of this very vital and important subject.

In connection with the statement I have prepared I have sought and received assistance from the Peoples' Lobby, Inc., Benjamin C. Marsh, executive secretary. This organization is engaged in a laudable endeavor to acquaint the people of America with governmental problems, and to suggest constructive means by which the conservation cause's problems can most readily be solved.

The statement is as follows:

I. ANALYSIS OF BILL

PURPOSE OF BILL

Section 1: States "that the purpose of this act is to provide for the public operation of the coal, electrical energy, oil, and natural-gas industries in the continental United States, and of their products. It is declared to be in the public interest that these industries be operated as a national unified system."

Section 2: Creates the National Natural Resources Corporation,

to be governed by a board of directors of five, appointed by the President, with the approval of the Senate, "without reference to political affiliation from among the persons best able for the task." Members are to give full time—the chairman receiving a salary of \$15,000 a year, the other four members \$10,000.

Employees are given full power to organize and to bargain collectively.

lectively.

Sections 3 and 4: Define the duties and powers of the Corporation, and the board, which may by resolution, create subsidiary corporations for convenience of operation and management.

PROCEDURE

Section 5: Prescribes procedure of the corporation.

It shall acquire the assets or stock of companies engaged in the production of coal, oil, water power, and natural gas, and of equipment for the use thereof, if possible by negotiation, with the assent of holders of three-fifths of any class of securities, being binding on the entire class, but it is empowered, if negotiations fail, to exercise the power of eminent domain.

It is to use loans made by any Government agency, to any con-cerns affected, "as a means of acquiring title to property involved,

upon equitable terms."

It is stipulated "fair compensation shall be determined on the basis of past and probable future earnings of the private companies, rather than on the basis of valuation of the physical plants and resources thereof."

Holders of securities of private companies are to be compensated by securities of the Corporation, for which the Treasury is to issue bonds at not over 3-percent interest, the income therefrom to be subject to Federal, State, and local taxation.

The capital stock of the Corporation is \$100,000,000. Section 6 prescribes operation of the Corporation.

"The Corporation shall operate coal mines, oil wells, water-power plants, and natural-gas fields, and plants for the manufacture or

distribution of the products thereof, and plants for the manufac-ture of equipment and appliances needed for the use thereof, ac-quired, insofar as shall be necessary, to meet the domestic needs and supply foreign markets."

It is to adjust production, determine prices to be charged, and create agencies for retail distribution.

Section 7 exempts the Corporation from all taxes.

Section 8 ends private operation of concerns affected, after 18

Section 9 creates an Advisory Joint Congressional Committee on Natural Resources to be composed of five Representatives and five

Section 10 requires an annual report to Congress, including a financial statement, and excludes the Corporation from the jurisdiction of the Comptroller General.

II. BRIEF FOR THE BILL

1. THE WASTE OF NATURAL RESOURCES UNDER PRIVATE EXPLOITATION The National Resources Board in its report, December 1, 1934, stated:

"Laws that forbid collective action between competitors have promoted waste, and in the case of the petroleum industry the law of capture has been strongly anticonservational in its effect."

Discussing the general waste in mineral production, it com-

mented:

"Surplus plant capacity has been the chief factor in promoting rulnous competition, which, in turn, has brought on wage reductions, loss of capital, and physical waste of resources."

tions, loss of capital, and physical waste of resources."
It also reports:
"In oil and gas the wastes are proverbial. At the present time in one field enough gas is being blown into the air to supply all domestic consumers in the United States. In bituminous-coal mining the avoidable loss is placed at 20 percent. Such wastes are seldom the fault of the individual operator, who has small choice under existing competitive conditions."

Concerning one of our sickest industries, it stated:
"Bituminous coal has suffered greatly from overexpansion, and some form of stabilization is needed to protect labor and capital and prevent waste of the resource."

The Bituminous Coal Commission reports that in February 1939

The Bituminous Coal Commission reports that in February 1939 there were 11,628 code member producers of bituminous coal.

Government regulation of the development and operation of

these natural resources and of the distribution of their products has failed.

Under N. R. A. the codes governing the four natural resources covered by this bill were largely drafted by the controllers of these industries and were not successful in protecting the consumers of the Nation.

The Bituminous Coal Commission has not succeeded in protecting consumers nor in stabilizing the industry.

2. KNOWN SUPPLIES OF COAL, OIL, WATER POWER, AND GAS

The Energy Resources Committee of the National Resources Committee reported in January 1939:

"No amount of confusing legalistic discussion of limitation of powers can obscure the reality of the choices before us.
"To protect the general welfare in our time, in an industrialized and urban economy, means above all else to build and maintain in good order a sound economic structure.

"In an industrial civilization the energy resources constitute the foundation of that structure."

The committee reports "briefly, our reserves may be stated as

"(a) Coal of all ranks, 3,000,000,000,000 tons, or the equivalent of 2,500,000,000,000 tons of bituminous coal, in comparison with 1937 production of about one-half billion tons and accumulated production through that year of 23,000,000,000 tons.

reduction through that year of 23,000,000,000 tons.

"(b) Petroleum in proven natural reservoirs, 15,000,000,000 barrels, in comparison with 1937 consumption of one and one-fourth billion barrels. These proven reserves are equal to about 4,000,000,000 net tons of equivalent bituminous coal.

"(c) Proven natural-gas reserves, from sixty to one hundred trillion cubic feet, in comparison with 1937 consumption of about two and one-third trillion cubic feet. The reserve is equivalent to three or four billion net tons of bituminous coal.

"(d) Recoverable oil from oil shale has been estimated at 32,000.

three or four billion net tons of bituminous coal.

"(d) Recoverable oil from oil shale has been estimated at 32,000,000,000 barrels, or the equivalent of 21,000,000,000 net tons of bituminous coal. This oil, be it noted, is recoverable only at a cost
far above the present cost of natural reservoir oil. In fact, it is
probable from present techniques that coal will provide liquid fuels
at lower cost than shales.

"(e) Feasible undeveloped.

(e) Feasible undeveloped water-power sites of the United States, when a market for their output exists, are estimated to be capable

when a market for their output exists, are estimated to be capable of producing six times as much energy as those now developed, but only a little more than twice the electric energy produced in 1937 for public use by fuel and water-power plants combined (64 percent by fuel plants and 36 percent by hydro plants).

"All our water power, including both that already developed and that feasible of development, could produce energy annually equivalent to only about one-fourth of the energy contained in all mineral fuels consumed in the country in 1937 for all purposes. Thus it can be seen that water power can supply only a fraction of our energy requirements. The mineral fuels must bear the main burden." burden."

Of coal reserves it states, "More than half is represented by low-grade bituminous coal and lignite."

It reaches the conclusion:
"The fields of remedy in a conservation program seem to lie (1) in promoting greater efficiency in the production of mineral fuels

from the standpoint of recovery; (2) in promoting greater economy in the use of fuels; and (3) in placing a larger share of the energy burden on lower-grade fuels and water power.

"These responsibilities must rest primarily upon the Federal Government, for the Federal Government is the only agency which represents all national interests and the only agency which can effectively cope with interstate problems. The energy resources industries are thoroughly interstate in production as well as in the use of their products."

3. UNIFIED OPERATION OF SOURCES OF ELECTRICAL ENERGY IS ESSENTIAL

Hon. Gifford Pinchot, foremost conservationist, years ago described the efficient type of organization with the name "giant

"Giant power seeks the cheapest sources of power and hence Giant power seeks the cheapest sources of power and hence the cheapest rates. It proposes to create, as it were, a great pool of power into which power from all sources will be poured and out of which power for all uses will be taken."

The National Resources Board, in this report, after citing prodigious wastes, exonerated the individual:

"Such westes are seldom the fault of the individual operator."

"Such wastes are seldom the fault of the individual operator, who has small choice under existing competitive conditions."

They are the fault of the Nation, however, which will suffer from

such wanton waste.

4. CHEAP RAW MATERIALS ARE ESSENTIAL

The National Resources Board, in 1934, stated:
"The future of our industries depends on an abundance of cheap
metal and cheap fuel."
The present bill deals with the Nation's energy resources.
The Bureau of Internal Revenue reports about 852 corporations

extracting and refining petroleum and other mineral-oil products

Gross income____

 Gross income
 \$3,716,885,000

 Deductions
 3,492,258,000

 Net income
 224,627,000

The annual reports of the 20 major oil companies give their total assets December 31, 1936, as \$8,257,557,108, of which the Standard Oil Co. of New Jersey claimed \$1,841,849,697.

On December 31, 1937, the total reported assets of these 20 major oil companies were nearly nine thousand million dollars.

In 1937 their net profits aggregated almost \$566,000,000, of which Standard Oil Co. of New Jersey reported nearly \$148,000,000, or about one-fifth

about one-fifth.

In 1931 these 20 companies had a net loss of \$41,000,000!

There were in all, 19,345 companies in the petroleum industry in 1936, of which 2,450 were producers, 240 pipe-line transporters, 570 refiners, 335 natural gasoline plant operators, and 15,750 marketers—jobbers, etc.

At the hearings on Senate Resolution 295, "High cost of gasoline" (1924), it was testified that these 20 big concerns then had approximately 87 percent of the business; owned or controlled more than 99 percent of the interstate trunk-line pipes, through which nearly four-fifths of the crude oil produced is transported; and owned or produced over half of the production, at that time, of all crude petroleum.

The Interstate Commerce Commission gives the following data about the 59 carriers by pipe line, which it regulates, for 1937: Investment in carrier property_____ \$802, 945, 910

 Operating revenues
 248, 645, 057

 Operating expenses
 99, 641, 087

 Total pipe-line taxes
 38, 562, 724
 Net income_____ 102, 796, 351

This Commission reports that class I railways (all major ones) paid for coal in 1937 (including a small amount for transportation) \$218,176,000, and for fuel oil \$67,401,000.

5. UNIFIED OPERATION AND ECONOMIC PLANNING FOR NATURAL RE-SOURCES ARE IMPOSSIBLE UNDER PRIVATE OR COMPETITIVE OWNERSHIP

Ownership is the essence of planning, and under private ownership of natural resources, particularly, of these four competing natural resources, economic planning, or even attempted control, is impractical.

Under private ownership waste may be prevented through governmental control, but such prevention is almost certain to be merely negative, resulting in nonproduction of electrical energy

Public control can prevent waste, but only public ownership can

provide plenty.
As the energy resources committee state:

As the energy resources committee state:

"Bituminous coal, petroleum, natural gas, anthracite coal, and water power—in descending order of relative contribution to the Nation's energy supply—these are the energy foundation stones of our industrial civilization. A policy for any one of these resources is bound to affect its relative position with respect to the others. It is difficult in the long run, therefore, to envisage a national coal policy or a national petroleum policy or a national water-power policy without also in time a national policy directed toward all these energy producers—that is, a national energy resources policy."

Under private ownership these four God-given sources of energy are competitive and wasteful. Only under public ownership can they be cooperative and coordinated for public service.

The committee reports:

"Of the 1937 production of electricity for public use, 36.1 percent

"Of the 1937 production of electricity for public use, 36.1 percent was derived from water power; 51.3 percent from coal, mainly

bituminous; 7.8 percent from natural gas; and 4.4 percent from oil, with a very small amount from waste fuels such as sawmill refuse. Use of fuel for generating electric energy represented only a small fraction of the total market for coal, oil, and natural gas; a small fraction of the total market for coal, oil, and natural gas; but most of the water-power output was used for this purpose. The proportion of electric energy for public use derived from water power has ranged from 32 to 40 percent since 1920. The proportion derived from natural gas and oil has increased at the expense of the proportion derived from coal, although the actual amount of electric energy generated from coal for public use has steadily increased and in 1937 was more than twice what it was in 1920."

6. CONDITIONS OF PAYMENT FOR NATURAL RESOURCES

The National Resources Board in its 1934 report reminds: "Basically, absolute ownership still resides in the State (either individual Commonwealth or Nation) and under the police power the State may constrain the private use of land within bounds set by the public interest."

The provision in the bill, "fair compensation shall be determined on the besis of past and probable future earnings of the

The provision in the bill, "fair compensation shall be determined on the basis of past and probable future earnings of the private companies, rather than on the basis of valuation of the physical plants and resources thereof," has equity, both legal and in economics.

Bankrupt concerns have no commercial selling price.

Nearly all major concerns in the extractive industries, as well as small ones were on the verge of bankruptcy, or over, in early

The collapse of consuming power of the masses caused the power of these concerns to produce profits to collapse, also.

Consuming power was developed by enormous Government expenditures, largely through borrowings, and is maintained only by Government expenditures.

Government expenditures.

A complete cessation thereof, for even 3 months, would paralyze production and profits of coal, oil, water power, and gas concerns.

How much more than zero is their net worth?

The National Bituminous Coal Commission in its second annual report (1938) states: "The average per-ton costs of the commercial mines during this period—April to December 1937—including only the items specified in the yardstick of costs which Congress has laid down in the act, and exclusive of interest, income taxes, and bad debts, amounted to \$2.077 a ton. The average realization obtained during the same period was \$1.964 per ton.

"At this rate the commercial mines were losing over \$37,000,000 a year."

While some mines then and since, doubtless, showed a profit, this was chiefly due to suspension of antitrust laws under the Guffey Coal Act, which ended wildcat production.

Capitalizing present and prospective losses does not constitute

or create a selling price, even when government seeks acquisitute or treate a selling price, even when government seeks acquisitute. It is not consistent with democratic conceptions of government, either, that corporations should capitalize succor extended to them by government as a basis for permanent exploitation of consumers or for gyping government—that is, the taxpayers of the

consumers or for gyping government—that is, the taxpayers of the Nation—when government takes over.

Public assumption of heavy corporate debt, whether prudently, honestly, or dishonestly incurred, is neither an economic nor legal corollary of public ownership.

Ability to earn a profit without government subsidy or help is essential to prove any net selling price, and few natural-resource concerns, covered by this bill, have recently demonstrated that ability.

Dr. John H. Gray and Jack Levin, in their book, The Valuation and Regulation of Public Utilities, state:
"When the courts insist upon remunerating utilities upon the when the course maste upon remuterating unities upon the basis of fair value or present value, they are inventing a concept unknown to the market place and foreign to economic analysis. Applied as a legalistic concept in the protection of the private-property rights of holders of public monopolies, it circumvents any effective approach to the problem of securing necessary public services at the minimum cost required to induce performance of the services.'

This holds equally true as to acquiring public ownership.

These valuation experts also state:
"The debatable questions of desirable social policy, under a democratic form of government, can best be determined by the legis-

This is preeminently true of the supreme legislative body of this Nation—the Congress—on procedure in acquisition of natural resources.

7. MAKING ELECTRICAL ENERGY AVAILABLE TO CONSUMERS

This bill specifically states that the corporation shall not only acquire and operate coal mines, water-power plants, etc., and "plants for the manufacture or distribution of the products thereof," but also "plants for the manufacture of equipment and appliances needed for the use thereof."

The high prices charged by private manufacturers of refrigerators, separators, and other essential equipment and appliances to permit the fullest domestic utilization of electrical energy has much reduced the usefulness of Federal investment in energy-producing undertakings.

producing undertakings.

Only about one-fifth of the farms of America are electrified now.

This bill seeks, in the only effective way, to meet the further needs of the housewives and the homes of America, and to lighten daily household tasks in millions of American homes, in cities, and on

The Energy Resources Committee concludes:

'Coal, oil, natural gas, and water power must serve our needs, each on, oil, natural gas, and water power must serve our needs, each in its proper place and each contributing its best share to the total of national welfare. But the free play of undirected competition cannot be relied upon to resolve unaided the maladjustments in these industries that have disturbed our national economy. We should begin to use our heritage of abundance more wisely."

The National Natural Resources Corporation, this bill creates, is a vital next step in using "our heritage of abundance."

8. INTERNATIONAL COOPERATION

The bill opens the path to more friendly international relations and cooperation.

Mr. Ludwell Denny in his book, We Fight for Oil (1928), stated:

Mr. Ludwell Denny in his book, We Fight for Oil (1928), stated:
"Rightly or wrongly, we are actively preparing for the AngloAmerican war which our naval men believe will be fought to determine commercial supremacy. The American people are now less
opposed than formerly to such preparedness against Great Britain.
They think—justly or unjustly—that Great Britain at the Coolidge
Geneva Conference tried to trick America into permanent naval
inferiority and refused American pleas for equality.
"To understand this attitude, fostered by United States officials,
one must start with the Washington Arms Conference."

He also pointed out:
"The struggle is not alone between American and British cani-

"The struggle is not alone between American and British capital. It is between American capital and the London Government. Of the two dominant British companies, the London Government has close unofficial relations with one and has direct controlling ownership of the other. That makes oil an international explosive."

While events of the past decade have obscured this conflict, they

have not eliminated it

Peaceful relations between all nations will be much more attainable, with public ownership, not only of oil but of all other natural resources.

resources.

Such resources must be put under international control and made available at fair prices to all nations seeking them for peaceful purposes, and all nations need them for such purposes.

We have learned we cannot achieve peace by exorcising war—

peace must be planned for.

International economic planning is as impractical as national economic planning, with private ownership of basic natural resources.

Senator James Hamilton Lewis

EXTENSION OF REMARKS

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1939

Mr. RANKIN. Mr. Speaker, we are told that "When sorrows come, they come not single spies, but in battalions."

Again we find the flag on the Capitol at half-mast, which reminds us that the Grim Reaper is ever busy at his appointed work.

This time he has hurled his unerring dart at a distinguished Member of the United States Senate, and has entered upon his inexorable scroll the name of James Hamilton Lewis, one of the most lovable, most colorful, and most attractive men it has ever been my privilege to know.

Able, affable, learned, and alert, a master of English, and a genius at repartee, he was one of the most effective debaters who has ever adorned the Senate of the United States.

He was my friend; for the last few years I had been rather intimately associated with him. A year or two ago I had a spell of illness, and during the time of my recovery I spent a good deal of time sunning in the park near the Senate Office Building, and often came in contact with Senator Lewis, who was taking the same treatment. In addition to his many other admirable qualities, I found him to be a profound philosopher. Such men are becoming rare, while the need for them is growing.

Senator Lewis was once referred to by Speaker Thomas B. Reed as "the rainbow" because of his superb eloquence, bubbling humor, sparkling wit, attractive personality, and un-

usual, if not gorgeous, apparel.

He was a gentleman of the old school in both conduct and appearance. He was the last Member of the United States Senate to wear a beard, which helped to attract to him the attention of the Nation-and about which a great deal has been written. It would be interesting to trace the history of

the wearing of beards on Capitol Hill and its association with the various changes in the life of the Nation.

During the Revolutionary War there was not a single general in either army or a single Member of the Continental Congress who wore any beard at all. Their pictures are all displayed in the rotunda of the Capitol. Anyone who desires to do so can verify this statement. Not one of them wore even a mustache.

Soon after the Revolution men began to grow beards, and by the time the Civil War came on it was a common practice. I have been unable to find the picture of a single general in either army during the Civil War who did not wear a beard. The nearest to an exception to that rule I have found was General Beauregard, of the Confederate Army, who wore a moustache and goatee. Some one has said that soldiers in the Civil War wore beards because it was inconvenient for them to shave. But the same conditions prevailed in the Revolutionary War where all the generals were clean shaven.

Men who had not worn beards prior to the Civil War period began to grow them. Neither Jefferson Davis nor Abraham Lincoln wore a beard prior to that time, but when the war came on they both followed the trend and both grew beards, which they wore to the ends of their days. Lincoln was the first bearded President.

Forty years ago practically every man in both House and the Senate wore a beard, as did members of the Supreme Court and large numbers of men in private life who had served as soldiers in the Civil War.

About the turn of the century the custom began to wane. until there were only two disciples of that fashion left in the two Houses-the gentleman from Massachusetts [Mr. TINK-HAM] and the able Senator whose death we mourn today, the Honorable James Hamilton Lewis, of Illinois.

To a man like me, who grew up among Confederate soldiers, there was always something dignified, profound, and patriotic, if not patriarchal, about a flowing beard that inspired reverence and respect. No man ever wore his classical appearances more becomingly than did the distinguished Senator from Illinois.

Time will move on; his place will be taken but not filled by someone else.

Statesman, scholar, gentleman, and friend, his memory will linger in our hearts until time shall be no more. I could not express my estimate of him better than to use the oftrepeated words of Shakespeare:

He was a man, take him for all in all, I shall not look upon his like again.

Colorado to Representative Edward T. Taylor

EXTENSION OF REMARKS

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

RESOLUTION BY THE SENATE OF THE STATE OF COLORADO

Mr. MARTIN of Colorado. Mr. Speaker, the State of Colorado is justly proud of the fact that Representative EDWARD T. TAYLOR, of that State, is now serving his sixteenth consecutive term in the National House of Representatives, a record of continuous service not equaled by more than 7 or 8 of the 8,000 men who have been honored with a seat in Congress since the adoption of the Constitution.

The State also deeply appreciates the fact that her son is chairman of the great Committee on Appropriations, the most powerful and important of all congressional committees, at a time when expenditures of eight to nine billion dollars are being made annually. This remarkable-I may say extraor-

dinary record of service in Congress was immediately preceded by 12 years of service in the State Senate of Colorado. As convincing proof of the industry and prestige of Mr. TAYLOR in the Colorado State Senate is the fact that during his term, Colorado then being a comparatively young State, with its laws still in the formulative process, he was the author of more statutes and constitutional amendments than perhaps any State legislator in the history of the Nation.

Mr. Speaker, as a testimonial to Mr. Taylor's especially long and distinguished public career in both State and Nation, the Colorado State Senate has just done him the honor of unanimously passing a resolution of felicitation, sponsored by all members regardless of party affiliation, to be presented to him here in the city of Washington, together with a gavel, appropriately inscribed, as a further token of the esteem and affection in which he is held by his successors at the State capitol in Colorado. Mr. Taylor has been the recipient of many gavels, but none, I undertake to say, can compare in beauty and historical significance with that accompanying the resolution. It is made of woods and metals from original equipment of the Colorado State Capitol Building.

The resolutions and gavel were also accompanied by a personal greeting signed individually by all the members of the Colorado State Senate.

I deem it an honor to have had these tokens of the very high regard in which Mr. TAYLOR is held in Colorado forwarded to me for presentation to my colleague. This presentation was made this morning in the office of the Speaker of the House of Representatives and in the presence of the Speaker, Mr. BANKHEAD, of Alabama, and the majority leader. Mr. RAYBURN, of Texas, and his Colorado colleagues in Congress, Mr. Lewis, Mr. Cummings, and myself.

All present at the ceremony made fitting responses to Mr. Taylor's acceptance of these tokens and wished him continued health, happiness, and service.

Mr. Speaker, by leave of the House, I submit herewith a true copy of Senate Resolution No. 15, referred to, the original, due to the fact that it is signed by the officers of the Colorado State Senate, having been delivered to Mr. TAYLOR.

Senate Resolution 15

Whereas the Fourth Congressional District of the State of Colorado is represented in the National Congress of the United States

of America by the Honorable Edward T. Taylor, and
Whereas the said Honorable Edward T. Taylor is the present
chairman of the Committee on Appropriations in the National
House of Representatives, and as the chairman of the said Appropriations Committee, the said Congressman Taylor presides over
the meetings of this most important committee of the National

the meetings of this most important committee of the National House of Representatives; and

Whereas the said Honorable Edward T. Taylor is the first Congressman from west of the Mississippi River to hold such important post in the National Government for as long a period of time as the said Congressman Taylor has held such position, and he is one of but two Congressmen from west of the Mississippi to have ever held the chairmanship of said committee; and

Whereas the said Honorable Edward T. Taylor is now serving in his thirty-first consecutive year as a Member of the National

whereas the said honorable Edward T. TAYLOR is now serving in its thirty-first consecutive year as a Member of the National Congress from Colorado; and
Whereas previous to his election to the National Congress of the United States of America, the said Honorable Edward T. TAYLOR served for 12 years as a member of the honorable Senate of the

State of Colorado; and
Whereas the said Edward T. Taylor has a hobby of collecting
gavels which have been presented to him by organizations
throughout the domain of the United States and its continental
and insular possessions; and

Whereas the people of the State of Colorado, and more particularly this honorable senate of the thirty-second general assembly, are appreciative of the public service which the said Congressman EDWARD T. TAYLOR has rendered to his fellow men throughout his

many years of active participation in community, State, and national affairs: Now, therefore, be it

Resolved by the Senate of the Thirty-second General Assembly of the State of Colorado, That the honorable Senate of the Thirty-second General Assembly of the State of Colorado have designed and made an appropriate gavel to present to the said Honorable Edward T. Taylor for his use in presiding over the Appropriations Committee of the House of Representatives of the United States of America; and be it further

Resolved, That the said gavel be so designed that when it is made it will carry the impression of the seal of the State of Colorado; and be it further Resolved, That a copy of this resolution, together with the gavel herein referred to, be forwarded to the said Congressman Edward T. Taylor with the congratulations and felicitations of this headership heddy. honorable body.

The Social Security Act

EXTENSION OF REMARKS

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

Mr. PITTENGER. Mr. Speaker, hearings have been under way before the Ways and Means Committee of the House of Representatives for a period of over 9 weeks in connection with old-age assistance and pensions. They have now been concluded, and announcement has been given publicity to the effect that the committee expects to have a report before Congress by May 1. Over the district I represent there is a feeling that the present Social Security Act is inadequate, cumbersome, and that it should be materially changed. I refer to the old-age assistance and old-age insurance clauses in the act. In my opinion those sections should be abolished and in their place old-age pensions should be provided in accordance with testimony before the Ways and Means Committee. The new pension law should be on a national basis and provide for a removal from gainful occupation at the age of 60 years. A tax should be collected that would make it possible to accomplish these objectives and give to aged people an adequate income, so that younger people can replace them in industry.

The present Social Security Act is complicated and expensive to administer. Its tax features, in my opinion, are handicaps to any recovery from a depression, which many believe to be the worst in all history. I think that the huge reserve funds that are planned to be raised under the existing law are unsound, and while good in theory, they just do not work out in practice. If the Ways and Means Committee should decide not to repeal the present law, then the tax under the present law should be eliminated, and a pay as you go policy substituted. Whatever the policy of the committee, the present payments to old people are inadequate and should be increased. I am not so much interested in the name on a bill, or in the number of the bill, but in the results that it will produce. You may call it No. 2 or No. 11, and I will support it if it provides a substantial pension of \$50 or \$60 per month for elderly people who reach the pension age.

I have before me a letter which is typical of many I have received regarding the national old-age pension legislation. This party is a wide-awake citizen in my district. He, like many other substantial people, recognizes a duty to our aged people. He sees the necessity of change in the existing social security law. This is what he says:

I am writing you in behalf of the elderly people living here

* * * who are now on the relief pension roll receiving a scant
\$15 per month and practically no aid of any other kind to assist
in their livelihood. * * * It is unbelievable and most heartbreaking to think in a Nation as wealthy as this that poverty to
such an extent really exists. I have personally made a survey of
this situation here and find that these elderly people are poorly
clad, half starved, and no money with which to buy fuel to keep
Old Man Winter out of their shacks.

In this connection I have the comment of a businessman who believes in the national old-age pension plan, and in writing me he says:

I believe that a good national pension system without red tape would do a great deal to reduce the crime bill, as it would have a tendency to create more employment for the young people, and I am convinced that the sooner we adopt a system of this kind the sooner we will snap out of the confusion and uncertainty of our eco-We hope you will give this serious consideration.

So, Mr. Speaker, there is real need of legislation along the above lines. You may call it Townsend or general welfare or something better, if possible, but the principle of a national old-age pension is sound and ought to be enacted into law. This will be one step toward recovery from the depression. We have from eleven to twelve million people out of work in the United States. The unemployment problem has not been solved. It is with us now as it was in 1933. There are probably more unemployed now than there were in 1933. Conditions have become worse instead of better under various experiments that have been tried. If you want to call the pension plan an experiment, then I say try it, for it cannot be worse than some of those we have had the past 6 years.

This pension plan alone will not restore prosperity, but it will help. People are beginning to realize that we cannot go on increasing taxes to feed Government bureaus and increase the burdens on business and industry and get anywhere. The money that is now wasted, if properly used, would take care of the old folks.

We need economy in Government; a decrease in tax burdens, so that business can operate at a profit; and when that happens there will be pay rolls and jobs instead of continued unemployment. Some of the very laws that now burden industry and which had for their purpose to help the laboring man are proving a real detriment to him and are retarding recovery. I have before me an editorial from one of the leading newspapers in my district. It says:

Leaders of the national administration are beginning to realize that rigid rules for the benefit of labor can defeat their own pur-pose. They are taking steps now to undo some of the damage that has been done.

I call attention to this editorial, Mr. Speaker, to show if the old-age pension plan is to succeed, there must also be sound Government policies in other directions to create employment in order that this program may work out successfully

Army Day Address

EXTENSION OF REMARKS

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

ADDRESS BY HON. ANDREW J. MAY, OF KENTUCKY, APRIL 6, 1939

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. Andrew J. May at the Army Day banquet of the Military Order of the World War, held in Washington, D. C., April 6, 1939:

Mr. Toastmaster and others, to me it is a great honor to be in-vited here tonight to address this meeting of the Military Order

of the World War, and I deeply appreciate it.

Nearly 25 years ago, a shot rang out and a European crown prince fell a victim of an assassin's bullet and in a few days the armed fell a victim of an assasin's bullet and in a few days the armed forces of militaristic Germany ruthlessly invaded Belgium on the road to Paris. Thank God they never reached it! For more than 2 years thereafter this peace-loving Nation, known around the world as the "land of the free and the home of the brave," tolerated the destruction of our commerce on the high seas, and the sinking of our ships of commerce with the destruction of the lives of thousands of defenseless peaceable American citizens, in a vain effort to keep out of war. Clinging tenaciously to the wise policy and sound advice of the Father of our Country, we hoped in vain for "peace with all nations and entangling alliances with none," but when patience ceased to be a virtue and there was no alternative, we reluctantly went to war, and the world knows the alternative, we reluctantly went to war, and the world knows the result. Brave soldiers, symbolized by this great organization, shouldered arms, went to the front, sacrificed, suffered, fought, and thousands died, in what we then believed to be a world crusade to preserve for us and our children the great blessing of freedom and democracy, and regardless of what we then believed, it seems now almost the irony of fate that these words "freedom and democracy" become more vital as we view the situation throughout the world and behold the approaching storm signals from the four corners of the earth. In matters of peace and the desire of our people for freedom and liberty we are no different today than we were a century and a half ago; with the exception of certain groups of people who have sought refuge here from the persecutions and oppressions of the Old World and yet have been so ungrateful that in many places they are in conspiracy against and are seeking by subversive methods to overthrow our form of government, we are

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just as loyal and patriotic. I, for one, believe that we should stop giving exclusive attention to Old World dictators until we have properly disposed of these enemies within our own gates by depor-

properly disposed of these enemies within our own gates by deportation or other appropriate methods.

Let's get rid of the termites that seek to undermine our Government. They condemn and publicly and openly denounce our country, and yet, if we moved to deport them and send them back to the country whose alien theories they would impose upon us, they would resist to the last inch of ground, and in the end would require the entire police force of the United States and part of the Army to hurdle them on a boat bound for any one of these foreign lands from whence they came. This statement does not refer to the multiplied thousands of immigrants that have come to make their homes with us and live in obedience to our laws and support our homes with us and live in obedience to our laws and support our Government and its institutions, but America has no place for a

When I stood yonder on Constitution Avenue this afternoon with our Secretary of War and his assistant, the Chief of Staff, and other distinguished members of the General Staff and watched go by with matchless precision those highly trained units of the Regular Army and civilian components, it did not impress me as an army of matchiess precision those highly trained units of the Regular Army and civilian components, it did not impress me as an army of aggression or an instrument of forceful conquest, but it did mean to me, and I am sure to all those who saw it, the result of arduous duty well performed by a great Secretary of War and his aides, all of whom have followed his brilliant leadership, a leadership unexcelled in the annals of modern times for effective military achievement, which has been made possible only through well planned and organized coordination of effort and sympathetic cooperation by that matchless soldier and military statesman, Chief of Staff Gen. Malin Craig, and all those distinguished men who have worked with him, forgetting not that great man of peace that occupies the position of Commander in Chief, and a wise and patriotic Congress. It did mean to me that for the future we may know that today (Army Day) American democracy was on the march to higher and nobler achievements and that under God and this sort of leadership and statesmanship, not found elsewhere on this earth except amongst Americans, the shameful and ignoble surrender of Munich shall never occur in the Western Hemisphere. It cannot and will not be permitted here, else America must cease to be the "Land of the free and home of the brave." This is no threat or challenge to any other nation or people on the globe, not even to those who are compelled to live under arrogant and oppressive dictators, but it does mean an admonition to all who would dany to mean and wanner whether them. nation or people on the globe, not even to those who are compensed to live under arrogant and oppressive dictators, but it does mean an admonition to all who would deny to men and women, whether they be black, brown, or white, rich or poor, Protestant, Catholic, gentile, or Jew, the God-given right to life, liberty, and the pursuit of

be black, brown, or white, rich or poor, Protestant, Catholic, gentile, or Jew, the God-given right to life, liberty, and the pursuit of happiness.

It did mean to me peace, tranquillity, and protection of 130,000,000 peace-loving Americans whose right to worship God according to the dictates of their own conscience has not yet been denied them. It was a proclamation to me and to you and the whole world that America stands for the American "good neighbor" policy—a policy that means that a real, genuine neighbor is one who believes and insists that "a good neighbor is one who will do unto him." The good-neighbor policy is equally applicable to nations as to individuals, and the same sacred principles of justice and right underlies both relations. A good neighbor is not one who, because of some advantage he possesses, will cross the division fence and by force and arms, rock or dynamite the neighbor's castle in which his family reposes, or by brute force drive him and his family from their homestead into darkness and despair. Likewise, I do not believe that a nation which goes out to bomb and dynamite helpless women and children of a neighboring nation from the air is playing the part of a good neighbor; nor do I believe, or do you believe, that a nation that by sheer force and desire for the possessions and property of the people of a neighbor nation is engaged in the habits and practices of the good neighbor when he invades or makes conquest of his neighbor nation. Nor is it the act of a good neighbor to forcefully close the doors of a church against the faith and hope of a sin-sick soul, whether he be Catholic, Protestant, or Jew, or whether he acknowledge obedience to the Prince of Peace or bow in humble supplication before a graven image of wood or stone.

But what of the times? Today the whole world is crying "Peace,"

wood or stone

But what of the times? Today the whole world is crying "Peace," and yet nearly every country on the globe is feverishly preparing for war. Under these conditions what is the wise course for us? Our duty is plain. We must provide adequately for our own protection, and to do that we must put our own country in a position to maintain, protect, and foster its own cherished institutions. To do this we must become independent of outside sources and markets for the strategic and vitally necessary raw materials necessary to carry on a prolonged struggle with either a foreign or domestic foe,

carry on a prolonged struggle with either a foreign or domestic foe, or both, if necessary. This can never be done by transforming our system of government from a republic to a collectivist state, nor can it be done if we break down the self-determination of the individual citizen or socialize American industry.

We need not do either, and, on the contrary, we have our national-defense plans all formulated so as to coordinate and unify the efforts of both government and industry, with both harmoniously working together, for everyone knows that no matter how efficient and capable our armies, their efforts are all in vain unless we have that ever necessary second army, industry, in full cooperation with the fighting men at the front. The front army must have not merely arms and ammunitions in abundance, but they must have the patriotic and loyal support of all the people all

the time, and that mighty force of workers and producers back of the lines must and will keep the wheels of privately owned and privately operated industry rolling out the materials and supplies necessary to insure victory for our arms at the front, thus believing the people's Congress has wisely enacted laws to encourage and develop essential facilities for mass production by private industry of our needs in time of war. Other laws are now in process of enactment, and, except for the right of the Senate to debate, will soon be enacted into law. With these new statutes and the necessary appropriations, the sound, conservative, and modest program of our War Department is speeding toward a happy and successful conclusion that will put us in position to promote and preserve peace throughout the Western Hemisphere and insure that the Stars and Stripes shall continue to fly unafraid, at the mast of all our ships of commerce in the market places of all the earth. With this combined effort of government, labor, and industry the roaring factory wheels, the singing dynamos, and the ringing hammers of our millions of expert mechanics and skilled laborers marching peacefully and contentedly to and from the American mines, mills, and factories under the supervision of our wise and capable labor and industrial leaders that never have and never will desert in time of need, I respeat to you and to all the world, "Millions for defense, but not one cent for tribute or conquest." tribute or conquest.'

Status of Puerto Rico

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1939

ADDRESS BY HON. RAFAEL MARTINEZ NADAL, PRESIDENT OF THE SENATE OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, Puerto Rico is an organized territory, an integral part of the United States under the supreme authority of Congress. The Treaty of Paris, between the United States and Spain, of 1899, in article II, provided that-

The civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by Congress.

The treaty contained no promise or declaration regarding the political status of the inhabitants of Puerto Rico affected by the cession, but left the matter entirely to be decided by

Mr. Speaker, under leave to extend my remarks in the RECORD, I include a speech by Hon. Rafael Martinez Nadal. president of the Senate of Puerto Rico, together with the letter of transmittal, as follows:

SENATE OF PUERTO RICO, San Juan, P. R., April 6, 1939.

Hon, SANTIAGO IGLESIAS. Resident Commissioner from Puerto Rico in Washington,

House Office Building, Washington, D. C.

Sir: In compliance with a resolution passed by the Senate of Puerto Rico in the sessions held on March 30, I have the honor to enclose herewith a certified copy of the speech of the Honorable Rafael Martinez Nadal, president of the senate, delivered in the sessions of this body held on the 24th of the aforesaid month, with the request that you ask its reading on the floor of the House of Representatives of the United States and that it be inserted in the CONGRESSIONAL RECORD. CONGRESSIONAL RECORD.

Respectfully yours,

ENRIQUE GONZÁLEZ MENA, Secretary of the Senate.

I, Enrique González Mena, secretary of the Senate of Puerto Rico,

That in the minutes of the session held by the Senate of Puerto That in the minutes of the session held by the Senate of Puerto Rico on the 24th day of March 1939 (the fortieth day of the third regular session of the fourteenth legislature) there appears the following statement made during said session by the president of this upper bouse, the Honorable Rafael Martinez Nadal: "Before proceeding any further I wish to make a few remarks which I want to have spread on the minutes.
"It is high time that I tell you what my real feelings are because of the ill-treatment that we are receiving from the Congress of the United States and from the national administration. Not

from the Congress alone, but from the national administration as

"While they make boastful utterances about democracy in the United States and feel authorized to combat those who they believe threaten democracy in the world, Puerto Rico is being treated not as under a republican form of government, but rather as under a Fascist government. Politically, our liberties have been curtailed for 40-odd years, and we have been unable to rule our own destinies. That is what they do to a people of our culture and our civilization; a people who for 40-odd years have endeavored to assimilate the purest principles of democracy; a people that have governed themselves judiciously, wisely, and prudently. But in spite of all the proofs we have given of having assimilated the principles of democracy and earned the attributes of true citizens of a republic, we are kept in a state of political subjection, and they are reluctant to grant powers to our legislature. It is not permitted to consider any legislative matter which may have the slightest shadow of unconstitutionality, but, on the other hand, we receive ukases from the Department of the Interior of the United States with bills drafted in Washington, ordering us to approve them just as they have been prepared, "While they make boastful utterances about democracy in the ordering us to approve them just as they have been prepared, regardless of whether or not they violate all constitutional principles of the United States or all the constitutional principles of

ciples of the United States or all the constitutional principles of our Organic Act.

"When these bills are sent to us, they come to us with the threat that if we do not pass them just as they have been drafted, there will be no more money for Puerto Rico. In the opinion of the national administration, all that is necessary to promote the happiness of Puerto Rico is to send us a few million dollars every year, so that the administrator of the P. R. R. A. can play politics in the island, and spend a large percentage in cement, roots, etc., and the truth is that almost the entire amount that is so 'generously' sent to us is again returned to the United States for the purchase of palls cement, lumber, rods, and galvanized group and erously sent to us is again returned to the United States for the purchase of nails, cement, lumber, rods, and galvanized iron, and only a small, a very small amount is left here for Puerto Rican labor. And the Congress passes laws which destroy the industrial, agricultural, and commercial wealth of Puerto Rico. Three or four million dollars are sent to us, and ten, fifteen, or twenty million dollars are taken from us.

agricultural, and commercial wealth of Puerto Rico. Three or four million dollars are sent to us, and ten, fifteen, or twenty million dollars are taken from us.

"They enter into trade agreements with Cuba, a foreign nation, an independent republic, not constituted by American citizens.

* * For Cuba are all the advantages, advantages in the tariff on pineapples and on sugar. For Puerto Rico are all the discriminations, all the disadvantages. A new trade agreement is now being prepared—not by the Congress but by the administration—which serves no other purpose than to improve the condition of the sugar producers of Cuba and injure the sugar producers of Puerto Rico. Trade agreements are entered into with Switzerland which help to ruin our industry still more. Trade agreements are entered into with England which destroy the agricultural coconut industry of Puerto Rico. Trade agreements are entered into with Switzerland which bring about lower prices, reduce the revenues from all needlework done in Puerto Rico, and thus cause the destruction of this industry. Even the Philippines are operating their needle industry to a better advantage than we are. The Wage and Hour Act is applied to Puerto Rico, but it is not applied to the Philippines. So that, while we are being oppressed, means are provided to foreigners for their development. The Costigan-Jones Act, passed by the Congress, condemns our people to starvation, condemns our agricultural laborer to failure to find a place to work, and to find what to eat. And the time will come when our agricultural workers will not find a place to work. But there is something which is more serious still. The administration and the Congress, knowing that our major, our greatest problem, is the overpopulation of the United States to promote the happiness of Puerto Rico, instead of making international agreements with Santo Domingo, Venezuela, and other countries of Latin America which have large areas of lands, instead of entering into agreements to enable our surplus population

who fiee from the power of Hitler than for the American citizens living in Puerto Rico, who are starving because of lack of work caused by the laws of the Congress of the United States.

"This is what I have been wanting to say for some time. This is what for months I have kept deep within me upon seeing the ill-treatment that we are receiving from the American Nation.

"From Washington they veto the bills that we pass in our legislature; from Washington they issue orders to the commissioners of the departments of our government. The Director of the Division of Territories of the Department of the Interior governs and directs in Puerto Rico, and our acting Governors cable Washington to find out what they have to do. And even to solve local municipality. to find out what they have to do. And even to solve local municipal conflicts cables are sent to Washington to find out what to do.
"Under these conditions all our struggles here are unnecessary if

"Under these conditions all our struggles here are unnecessary in later we are to come here and suffer the policy of the whip as prac-ticed by the Government of the United States. In my opinion, I consider all this useless. What is the use of killing ourselves in electoral campaigns to come here? It is not worth while to exert ourselves or to make any sacrifice to attain these positions. With a few little millions as red beads they want to win us over as they would the Negroes in the Zulu Islands, while they destroy all our

sources of wealth without providing other sources in their stead, while they destroy our longings to make our people happy, while they render our efforts useless. It is not worth while to come here. It is not worth while to struggle.

"What we ought to do is for all of us Puerto Ricans to get together once and for all and for all of us legislators to say that we

are de trop here. Let them come and take charge and make Puerto Rico happy, because we are unable to do so ourselves. It is only a comedy that we are playing here.

"Politically we have the Governors appointed by the administra-tion, surrounded by continental Americans who like to discredit Puerto Ricans and everything Puerto Rican, and to the shame of Puerto Rico there are Puerto Ricans who also lend themselves to this work of discredit. Really, men like myself, who have been struggling for 30 years in the public life of our country, cannot help but feel bitter discreted and discillusioned.

help but feel bitter, disgusted, and disillusioned.
"We loathe to see so much treachery and we feel disillusioned at having sacrificed so much in these struggles, because all this is not

having sacrificed so much in these struggles, because all this is not worth the sacrifice of the youth and the life of an honest man.

"I have taken advantage of this opportunity to say all this, to unburden myself. I could not keep these things to myself any longer. This is what I had to say to my friends of the senate. This is what I had to say to my country from this chair of the presidency of the senate. If, because I have said this, they want to destroy me, let them do so. That is their established practice; that is how they maneuver; they build up new leaders and destroy the old ones. They will say in Washington, 'Every friend of Martinez Nadal must be put out from every department, from every office.' All right; put them out. They will throw them out. But in the meantime, as long as I continue to fight and to be honest, nobody can put me out of the heart of the Puerto Rican people."

And for transmittal to the Resident Commissioner of Puerto Rico

And for transmittal to the Resident Commissioner of Puerto Rico in Washington, the Honorable Santiago Iglesias, in compliance with a resolution adopted by the Senate of Puerto Rico on the 30th day of March 1939, I issue, sign, and seal this certificate in my

Secretary of the Senate of Puerto Rico.

BUREAU OF TRANSLATIONS,
San Juan, P. R., April 6, 1939.

I, George W. Roberts, chief of the bureau of translations of the
Legislature of Puerto Rico, do hereby certify the foregoing to be a
full, true, and correct English translation of the original Spanish.

GEO. W. ROBERTS,
Chief, Bureau of Translations.

War Propaganda

EXTENSION OF REMARKS

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

STATEMENT BY WALTER WINCHELL

Mr. WOODRUFF of Michigan. Mr. Speaker, under permission to extend my remarks in the RECORD, I submit the following statement from Walter Winchell, the well-known radio news commentator. In view of the fact that the air, the newspapers, and the magazines are filled with insidious war propaganda, I submit this statement from Mr. Winchell in the belief that it should at this time be brought to the attention of every American citizen:

Once again Europe is rolling the loaded dice of destiny. Once again her miserable diplomats are pointing down the one-way street to war—as the only avenue to peace. And once again America is asked to play her role of the great international sucker!

is asked to play her role of the great international sucker!

The time has come for us to pause and consider. If we must have another Unknown Soldier, let us not ask him to die for an unknown reason. And just what will be accomplished by dying in the mud? He will not increase America's resources; the last war nearly ruined the Great Plains. He will not increase America's wealth. In the last war we loaned our gold and were gold-bricked in return. He will not increase our liberties—for no man may protest slaughter after it starts. The truth is that external disaster never solved internal trouble. We must develop our youth—not sacrifice it. America must learn that her sons abroad will bring monuments to her glory, but her sons at home are a monument to America's common sense. The future of American youth is on top of American soil—not underneath European dirt.

Hon. Bertrand H. Snell Honored by New York Delegation

EXTENSION OF REMARKS

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1939

ADDRESS BY HON. DANIEL A. REED OF NEW YORK, EULOGIZ-ING MR. SNELL'S SERVICES TO THE COUNTRY AND THE REPUBLICAN PARTY

Mr. CULKIN. Mr. Speaker, on Wednesday, April 5, 1939, the entire New York delegation, with Minority Leader Joseph W. Martin, of Massachusetts, as guest, gathered in the Speaker's dining room to honor their former beloved colleague the Honorable Bertrand H. Snell, minority leader of the House from the Seventy-second through the Seventy-fifth Congress, and a Member of Congress from November 2, 1915, to December 31, 1938.

The following members of the New York State delegation were present or participated in the tribute and testimonial

which was given to Mr. Snell:

LEONARD W. HALL, First District; BRUCE BARTON, Seventeenth District: Ralph A. Gamble, Twenty-fifth District; Hamilton FISH, Twenty-sixth District; LEWIS K. ROCKEFELLER, Twentyseventh District; E. HAROLD CLUETT, Twenty-ninth District; FRANK CROWTHER, Thirtieth District; WALLACE E. PIERCE. Thirty-first District; Frances D. Culkin, Thirty-second District; Fred J. Douglas, Thirty-third District; Bert Lord, Thirty-fourth District; Clarence E. Hancock, Thirty-fifth District; JOHN TABER, Thirty-sixth District; W. STERLING COLE, Thirty-seventh District; JOSEPH J. O'BRIEN, Thirtyeighth District; James W. Wadsworth, Thirty-ninth District; WALTER G. ANDREWS, Fortieth District; J. Francis Harter, Forty-first District; DANIEL A. REED, Forty-third District.

In a brief but stirring address the distinguished minority leader, Mr. Joseph Martin, of Massachusetts, paid tribute to the high services Congressman Snell rendered the country and the Republican Party. Leader MARTIN made clear that the leadership of Congressman Snell made possible the congressional gains of the Republican Party in 1938. He stated that Mr. Snell had held the line firmly when the Republicans had but 89 Members in the House and were faced with an overwhelming majority on the Democratic side. Mr. MARTIN said that he had served with Mr. Snell as assistant minority leader and knew whereof he spoke.

At the conclusion of Mr. Martin's remarks, Mr. REED, chairman of the New York delegation, presented to Congressman Snell a silver service of exquisite design, suitably inscribed, as a testimonial to the high services of our former

minority leader.

Mr. Snell responded in fitting terms, testifying to the affection with which he held the members of the delegation. He predicted that the people would return the Republican Party to power in 1940, and that the country would then begin to move forward. He stated that the silver service would be one of his most priceless possessions, and would be retained by him and his family forever.

Pursuant to the permission of the House, I append hereto the eloquent tribute of Chairman REED to the character and personality of Congressman Snell and his splendid services

to the cause of popular government:

TRIBUTE OF MR. REED

There is nothing that delights me more than to see just such a gathering of men as we have here at this breakfast. It is an honor for any man to be chosen by a sovereign people to represent them in the Congress of the United States.

This honor, great as it is, becomes more pronounced when in addition to this a representative is the unanimous choice of his colleagues to a position of floor leadership of his party.

Today the New York congressional delegation rejoice to have with us two men who have been so doubly honored. We are delighted

to have with us our former distinguished floor leader. Bert Snell, and to also have with us our present distinguished floor leader, JOE MARTIN.

The position of floor leader in the House of Representatives in normal times is a trying and exacting responsibility, but in times of peril and world-wide unrest and ferment the duties and responsibilities of the office are a challenge to the physical and mental strength and capacity of the best of men. I feel that I express the sentiment of the New York Republican congressional delegation when I say that our party, as well as the Nation, has been fortunate to have had the sound leadership of Bert Snell and to now have the fine leadership which Joe Martin is at present giving us.

Now that we have the unexpected pleasure and honor of having with us our former minority floor leader, Hon. Bertrand H. Snell, I wish to express a few sentiments which his presence inspires.

[Applause.]
I just want to say at this point that Bert Snell served as a Representative in Congress for 24 years. Until he was chosen as our minority leader, he served on the Rules Committee, and finally

as its chairman.

In December 1931 Bert was elected minority floor leader—a position which he filled with ability, courage, and distinction until the expiration of his term in Congress, January 3, 1939.

Twenty-four years as a Member of the Congress of the United States is a long period of public service.

Bert, we as members of the New York Republican delegation, are proud of your long and honorable service to your State and Nation. The edifice we call our Government is the product of the toil, the service of men who such in his time during the sacrifice, and the service of men who, each in his time during the past 150 years, has rendered long, faithful, and unselfish service to his country. History tells us that the men who carved the marble blocks that were used in building the Parthenon, the most beautiful architectural gem in the world, were so blinded by the dust from the stone which they were cutting that they never saw, even in dim outline, the beauty and symmetry of the structure which their labor had reared on the hill in Athens.

labor had reared on the hill in Athens.

The same may be said of those who labor to build a strong and enduring Republic. The country furnishes few cases during the past 150 years where men have contributed 24 of the best years of their lives to national legislative service.

I venture to say, Bert, that when the quality and character of your legislative record is examined by future generations, and the methods you employed, the principles you pursued, and the end you sought to attain by your public acts, your record will place you among those who have nobly won the title American statesman, [Applause.] [Applause.]

I want briefly to call attention to a custom as old as Holy Writ. I refer to trophies. It is a custom that has had a survival value; otherwise we would not see the trophy room in high school, college, and university. There must be a spiritual and inspirational value in trophies, whether won in war or on athletic fields or for other

achievements.

achievements.

There is a most dramatic scene described in Holy Writ that will illustrate what your colleagues, by whom you are now surrounded, have in mind. A great battle impends between two contending armies, the Philistines and the Israelites. Each army occupies a hill and in between them is a narrow valley. The leading warrior of the Philistines is Goliath who dares any man among the Israelites to meet him in single combat. David accepts the challenge. Goliath was the blustering New Deal leader of the Philistines. They enter the valley and approach each other. Thousands await the outcome in breathless suspense. Goliath carries a long and heavy sword. David has only a slingshot, but his aim is accurate. He hurls a small stone into the head of Goliath and the blustering giant falls. the blustering giant falls.

David grasps the sword, severs the head of his opponent, holds it in one hand and with the other lifts high the sword of Goliath. The Philistines, terror stricken, fiee from the pursuing Israelites like leaves before a hurricane.

The sword of Goliath was deposited in an Israelite temple as a trophy to instill courage in those who might see it in the years to come. David grew old and met with reverses and discouragement. Finally he was pursued by hostile forces and had to fiee for his life. He sought refuge in an Israelite temple and asked the priest for some weapon with which to defend himself from his enemies. The some weapon with which to defend himself from his enemies. The priest said, "There is no weapon here except the sword of Goliath." David cried, "Give it me; there is none like that." The priest went to the alter of divination, took it from the protecting robes in which it was wrapped, and handed it to David.

As David grasped the sword he thought of his great victory, of

As David grasped, and handed it to David.

As David grasped the sword he thought of his great victory, of his old friends, of the things he had accomplished in the vigor of his youth. From the moment he touched that old trophy he was a revitalized man. He faced his enemies, he met every obstacle, and conquered every foe. The trophy of his youth became the inspiration and strength of his advancing years.

We, your colleagues from New York State, appreciate the valiant and invaluable public service you have rendered. We love you for your fighting spirit, your strict adherence to sound principles of government. The Republican Party is stronger numerically and spiritually this very day because of the type and character of your leadership. [Applause.]

Today we present to you a trophy, and with it our affection and our appreciation. We hope and we pray that your path may be smooth and your life happy. If by chance a cloud of discouragement should ever disturb your peace of mind, just haul out this trophy, and when you see it, it is our fondest hope that the sight of it and the names engraved upon it may stir memories of old

days, of old friends tried and true, and of battles won, and of worth-while things accomplished; thus will you face life with renewed vigor, determination, and confidence that victory in every fight will be yours. [Applause.]

Strangled Business

EXTENSION OF REMARKS

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

EDITORIAL FROM THE CHICAGO TRIBUNE OF APRIL 8, 1939

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Chicago Tribune of Saturday last:

> [From the Chicago Tribune of April 8, 1939] STRANGLED BUSINESS

The President takes his advice on financial matters from Marriner Eccles, chairman of the Federal Reserve Board. Mr. Eccles believes, in the face of 6 years of failure, that recovery can be achieved through excessive Government spending. He admitted the other day before a Senate committee that most of the people in the country disagree with him and with the President on this point. Nevertheless the New Deal continues to spend at the rate of \$3,000,000,000 a year in excess of its revenues and this in spite of the fact that the tax rates are now so high that business is stagnant.

In Washington there is obviously a will to believe that high taxes have no discouraging effect upon the Nation's prosperity and productivity. The extent to which this fallacy is accepted was indicated recently when 50 Senators signed a bill setting up tax schedules which would come into force with the declaration of war. These taxes are intended to take all personal income above a subsistence level and to take all corporate income in excess of a 6-percent return.

The title of the bill as it was introduced by Senator Bone, of Washington, is a fancy one, containing references to the promotion of peace, the discouragement of war profiteering, and the desire to keep democracy alive; but a better title would be a bill to destroy democracy and assure the defeat of the United States in war. An army without supplies is certain to be routed and this in war. An army without supplies is certain to be routed and this tax proposal would guarantee a minimum of production on the farms and in the factories. The bill would make it imprudent for any business to expand its productive capacity to meet the war need. It would make it impossible to reward speed and efficiency in supplying the Nation's needs in a time of the greatest peril. It would so disorganize the Nation's economy that inevitably a military dictatorship would be imposed on the country from which it might never be freed.

That lunatic bill bears the signature of 50 Senators, 1 more than a majority. While many of the signatories look upon the

that fundic bill bears the signature of 50 Senators, I more than a majority. While many of the signatories look upon the bill as a measure to prevent Mr. Roosevelt from rushing us into war in Europe, others, including the administration Senators, would get us into war to put the law into effect. It is the latter who are guiding the fiscal policies of the Nation today. In the circumstances it may be a miracle that the country is no worse off than it is.

These men have blindly accepted Mr. Roosevelt's spending and taxing program all these years, and it is charitable to believe they did so because they didn't know any better. The abject failure of the pump-priming campaign has not brought them to their senses. The demands of every responsible business organization in the country, whether speaking for big business or little business, have been pigeonholed as idle vaporings.

The President and his followers all this time have been wonderone who has anything to do with business. The stagnation continues because present taxes are so high and the prospect of higher taxes is so clear that nobody with money to invest will risk it in the certainty that if the venture succeeds the Government will hog the profits, and if it fails the investor will suffer all the less all the loss

Today the Federal Government takes nearly a fifth of the profits of business before anybody whose money created the enterprise of business before anybody whose money created the enterprise gets anything. Through the personal income taxes the tax collector takes his fat share of whatever is left. The more money a man has to invest in industry and trade the higher is his tax rate and therefore the greater the discouragement to him to put his idle cash to work. Accordingly, the banks are overloaded with deposits, investors are seeking tax-exempt securities, and there are 10,000,000 unemployed in the land.

The Government which has created all this misery through its fiscal policies now refuses to take even a first step toward remedy-

ing the situation. It demands more expenditures rather than less, and refuses to do anything to lighten the burden. As long as this attitude continues there will be no substantial recovery in this country.

Business Recovery Would Come

EXTENSION OF REMARKS

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

ADDRESS BY E. T. CAUSER, OF CANTON, OHIO

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable E. T. Causer, of Canton, Ohio:

"Let Vice President Garner head the administration for 3 months and business rocovery would come," states the Pittsburgh Post-Gazette in an editorial. We might add, "Let President Roosevelt step down and out of the President's chair and business recovery would be assured," since it seems to be definitely assured that Mr. Roosevelt, under the guidance of his little "brain trust," does not seem to possess any willingness to cooperate or act toward the achievement of recovery.

BRIGE BARTON has remarked that when President Roosevelt leaves

BRUCE BARTON has remarked that when President Roosevelt leaves the White House on a fishing trip or a jount to his Georgia retreat there is always a noticeable improvement in business, but that with his return there is invariably the attendant slump occasioned by new ideas and new "lambastings" for business or commercial groups. "Mr. Roosevelt asks for constructive ideas," continues the Post-Gazette. "We have one. We suggest that he leave on a long fishing trip or take a real rest at Warm Springs, and that during his vacation he turn the powers of the Presidency over to Vice President Garner."

"With this change Mr. Garner would definitely bring us on the road to real recovery before the President returned."

Our suggestion would preclude the possibility of the usual upset upon the President's return, and we believe would mean the end of the influence of the Cohens and the Cochrans, whose ideas for the overhauling of the American form of government meet with such widespread disfavor.

such widespread disfavor.

Outlining the serious situation that brings about its equally serious suggestion, the Post-Gazette says:

"The many assurances made by Secretary of Commerce Harry Hopkins and Secretary of the Treasury Henry Morgenthau, Jr., that the administration would cooperate with business in every way to help recovery seem to have 'gone with the wind,' but we must not blame these men, for they would not have made such promises without Mr. Roosevelt's approval. Washington correspondents say that the White House clique, which is against our form of government, got to work on the President and changed his mind. First, promises were made that taxes on business would be reduced. This would have been most helpful; many industries, especially those of medium and small size, might have been able to expand and employ more people, instead of cutting down the working force, as so many have done and may have to do again.

and employ more people, instead of cutting down the working force, as so many have done and may have to do again.

"Then there were promises that the undistributed-profits tax would be eliminated, and that the capital gains would be revised. This certainly would have helped business materially. But, though nearly all experienced businessmen have urged the administration to make these changes in our tax laws, Mr. Roosevelt objects.

"The only real help the President has agreed to give, at least up to this moment, is to permit the amendment by Congress of the pay-roll tax imposed by the social-security law. This was to have increased next January. The administration is now willing to let the tax remain as it is. This, however, is of no help to a business which is at the present time either losing money or just about breaking even.

"A reduction in this tax would, of course, also reduce the tax which the worker has to pay and which is deducted from his pay each week. Wage earners would then have a chance to save more

each week. Wage earners would then have a chance to save more or to spend more.

"There is no necessity whatever for collecting a huge reserve for social security. And to tax pay rolls means to tax many concerns which are losing money. This invariably means a reduction in the number of employees or the closing of plants.

"What is most unfortunate is that Congress actually wishes to cooperate with industry and to find ways of helping business, since this in turn would help employment. But the President seems to have other views. And so, unless Congress will act independently of Mr. Roosevelt, hardly anything will be done during this session of Congress.

of Congress.

"With war clouds gathering in Europe, it is most important for us to get our house in order. It is tragic, therefore, that the President will not take the advice of those who have had experience and who know that certain changes in our tax laws, certain amendments in

the Wagner Act, and a cessation of Government competition with private business would definitely result in recovery and the reemployment of millions of men and women."

H. R. 2

EXTENSION OF REMARKS

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1939

STATEMENT BY WILLIAM H. McMASTERS, OF CAMBRIDGE, MASS., BEFORE THE WAYS AND MEANS COMMITTEE, APRIL 7, 1939

Mr. CLASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following supplemental statement of William H. McMasters, of Cambridge, Mass., president of National Old Age Pensions, Inc., to the Ways and Means Committee of the House of Representatives, sitting on matters of social-security legislation on April 7, 1939:

Mr. Chairman and gentlemen, in asking your permission to submit a very brief supplemental statement on the basic merits of H. R. 2. now before your committee, I feel that I am not transgressing upon the accepted rules of American debate. Due to the procedure of your committee, I was granted the privilege of opening the arguments for this particular bill after Congressman Hendricks, its sponsor, formally placed it before your committee in hearing. Naturally I would like to meet in final rebuttal any adverse criticism and arguments made against the legislation processed.

may I take the opportunity to commend the members of the committee for the patience and graciousness with which all witnesses were treated. While it is to be expected that citizens shall be given courteous treatment in their contacts with all public officials, I think it is only fair to say that I have never seen a hearing more ably or more courteously conducted. Now that the public hearings are concluded, I am particularly anxious that substantial social and economic advancement worthy of such extended efforts shall be forthcoming in your recommendations.

First, in rebuttal, I feel that the rather curt dismissal of H. R. 2 by Chairman Arthur J. Altmeyer, Chairman of the Social Security Board, as bad legislation, calls for an equally curt reply. His very position as a highly paid public official is the best available answer to his statement that the bill is impracticable and unequitable. Its practical side rests upon the fact that the regular distribution of money is the best method for the distribution of wealth. Dr. Altmeyer's own salary, for example, offers a concrete illustration.

of money is the best method for the distribution of wealth. Dr. Altmeyer's own salary, for example, offers a concrete illustration. It comes from taxation and I assume that he spends it as a member of an orderly social system should spend it. The fact that he serves a useful purpose in his official activities is only incidental. The whole community is taxed in order that Dr. Altmeyer personally can live in comfort and dignity. He produces nothing in material wealth. He does not work at manual labor. The money that he spends, however, is not questioned. It passes current in trade and every dollar of it is of value in accelerating business as it moves from one place to another.

Dr. Altmeyer and the money that he expends because of taxation levied against the wealth producers of our Nation holds exactly the

Dr. Altmeyer and the money that he expends because of taxation levied against the wealth producers of our Nation holds exactly the same place as a member of our democratic scheme as any person 60 years of age, unable to find employment, provided an intelligent government decides to correct the financial status of the latter. My contention is that we still expect to function as a democracy. The only difference between Dr. Altmeyer and some participant under the benefits proposed in H. B. 2 is that his reward for fortunate circumstance furnishes him about 10 times as much per year as is proposed for the beneficiaries under H. B. 2. So much for the

nate circumstance furnishes him about 10 times as much per year as is proposed for the beneficiaries under H. R. 2. So much for the practicability of taxing the whole community for the benefit of others who might not otherwise be able to exist.

Next, as to the equitability of H. R. 2, that Dr. Altmeyer questions so dogmatically. The whole proposal is founded on the rules of equity. We are a democracy. All men are created equal. While democracy does not create them equal, democracy strives to preserve that equality. If equality falls, democracy fails. It is becoming more and more apparent every year that employment for all of our that equality. If equality fails, democracy fails. It is becoming more and more apparent every year that employment for all of our population cannot be found. Employment has been the established means of distribution of wealth. Now that this system is beginning to fail us, there must be some newer method devised through national legislation that will take care of all those who fail of employment or who fail in other ways of getting a reasonable amount of wealth on which to live in dignity and comfort.

This newer method is found in the basic plan of H R 2. It is

This newer method is found in the basic plan of H. R. 2. It is the very essence of equity. It seeks to equalize the mental attitude and to provide for the comforts of all those reaching 60 years of age. No civilized nation ever existed in which every citizen produced his own livelihood. Civilization has created vast communi-

ties in which each citizen is dependent upon others. Under our present social set-up there is a noticeable failure of equity. I doubt whether equity will ever be achieved completely. But for any public official to say that H. R. 2 is inequitable and to maintain that the grants-in-aid provisions of the Social Security Act are founded in equity calls for a direct and vigorous challenge. I trust that I have couched that challenge in temperate language.

In a brief résumé of H. R. 2, I must maintain, after a careful reading of all the arguments and alleged arguments made against it by all types of economists and others, that it offers the only solution to our present problem of old age. It suggests a system of taxation that will take funds out of business monthly for the desirable purpose of putting them back into trade in succeeding months while providing a dignified living to millions of our elderly citizens. It is predicated on the fact that in a highly intricate social structure we can distribute wealth only by distributing money.

While I would not advocate the complete redistribution of money among our entire population by arbitrary law and while H. R. 2 makes no such drastic proposal, I insist that the slight tax H. R. 2 makes no such drastic proposal, I insist that the slight tax requirements to keep our elderly men and women as useful and mentally hopeful members of society, will readily be absorbed in the vast capacity of this Nation of ours to improve the morale and general prosperity of our entire population through increased production. I am resting my final arguments upon the proposition that the United States of America is a government of the people in its highest sense. Only those who question that premise can have any serious fault to find with the proposals contained in H. R. 2.

Works Progress Administration

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

LETTERS CONCERNING W. P. A. APPROPRIATIONS

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include letters from the Governor of the State of Kansas, Board of County Commissioners of Harvey County, and mayors of Sedgwick and Whitewater, Kans., relative to appropriations for the W. P. A., which supplement my remarks in the Appendix of the RECORD, page 1232.

The letters follow:

SEDGWICK, KANS., March 29, 1939.

Hon. JOHN M. HOUSTON.

House of Representatives, Washington, D. C.
DEAR MR. HOUSTON: Your letter of March 23 in regard to relief needs in the vicinity of Sedgwick has been overlooked by me and beg your pardon for not answering sooner.

At the present time I do not see a need for any additional funds in this immediate vicinity. There will be other jobs come up as the hay and harvest season comes on which will take care of the unemployed until late fall.

Yours very truly,

H. E. HICKERSON, Mayor.

WHITEWATER, KANS., March 28, 1939.

Hon. JOHN M. HOUSTON.

Honson, M. Houston,
House of Representatives, Washington, D. C.
Dear Mr. Houston: In reply to yours of the 23d in regard to additional relief funds, it would appear to me in this vicinity the need for relief is going to be greater than in any of the past years at this season.

Due to a big slump in business, low farm income, and an early spring and open weather, business and farms are not going to absorb but very little, if any, of W. P. A. labor in the next 10 weeks or until about the middle of June.

Very truly yours,

FRED BREISING, Mayor.

NEWTON, KANS., March 29, 1939.

Newton, Kans., March 29, 1939.

Hon. John M. Houston,
House of Representatives, Washington, D. C.
Dear Friend Jack: Your letter of March 23 was presented to the board yesterday.

We are at the present time not seriously pressed for work for relief clients in this county.

The shelterbelt program is at the present time taking care of about 46 men and have asked Mr. Thompson, Topeka, Kans., for 50 more, which will take practically all men that are employable in this county that are out of work.

As far as Harvey County is concerned any cut in W. P. A. would not affect us to any great extent. We probably would not lose over 10 men at the most

We expect to have the county park project started by July, and now have at the present time four W. P. A. projects working.

As a matter of fact, Harvey County is in better condition this year than it has been for the past 3 years.

You may use your own judgment as to whether we need an additional appropriation of \$150,000,000 for W. P. A.

Yours respectfully,

HARVEY COUNTY BOARD OF COMMISSIONERS,
By R. B. HOBBLE.

By R. R. HOBBLE.

TOPEKA, KANS., April 5, 1939.

Hon. JOHN M. HOUSTON,

Hon. John M. Houston,

House of Representatives, Washington, D. C.

Dear Congressman Houston: I regret that there has been delay in answering your recent letter, but I am sure you will understand the situation which always attends the closing days of a legislative session. I appreciate your interest in writing me about the problems involved in the additional appropriation by Congress for W. P. A. This is, indeed, a serious problem, requiring careful study, and is, of course, primarily a congressional problem, to which, I feel sure, the present Congress will give adequate consideration.

No doubt Congress believed that some sound economies could be made in W. P. A. expenditures when the President's original recommendations were reduced. The Members, I am confident, did not intend that all the reduction should be taken from the needy unemployed who are on W. P. A.

ployed who are on W. P. A.

There are evidences of excessive administration costs and of political extravagances and waste in some States and communities. Overlapping and duplicating agencies and personnel now admin-ister various phases of relief and assistance to the needy and unemployed. In the same States and the same counties there are Federal agencies, State agencies, and county agencies administering closely related relief activities. Without question, the Congress believed that the duplicate agencies could be consolidated and the

believed that the duplicate agencies could be consolidated and the personnel of high-salaried officials be reduced. Such efforts would greatly relieve the effect of the reduction upon W. P. A. clients. I am confident that the Congress intended the Works Progress Administration to make savings where they should be made. These are some of the questions which Congress must study most carefully in considering the proposed increase in W. P. A. appropriations. I realize that continued relief expenditures are absolutely necessary in order to care for our social-welfare problem in a decent and wholesome manner. At the same time, the general taxpayers, already overburdened, must receive all possible help. The relief problem cannot be solved until private industry begins to reemploy those now out of work. The permanent solution should be our ultimate aim.

Again I want to thank you for asking my opinion about this most

important matter.

Sincerely,

PAYNE RATNER, Governor, State of Kansas.

Agricultural Relief

EXTENSION OF REMARKS

HON. CHARLES HAWKS, Jr. OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

RESOLUTION OF COMMITTEE ON RELIEF AND PUBLIC WELFARE OF THE WISCONSIN COUNTY BOARDS ASSOCIATION

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following resolution recently adopted by the committee on relief and public welfare of the Wisconsin County Boards Association:

Whereas it is apparent that the American farmer cannot continue to operate under conditions as exist at present; and

Whereas such farm legislation as has been passed by Congress has been of assistance to some sections of the country it has placed other sections at a disadvantage through the encouragement of the production of certain commodities in sections where such commodities were not produced heretofore, thereby failing to help agriculture as a whole; and

whereas if the purchasing power of the American farmer is placed at the proper level in accordance with the American standard of living, the problem of industrial depression will automatically be solved by reason of increased purchases of materials and services by the American farmer; and Whereas history bears out the fact that prosperity depends entirely upon the ability of the farmer to purchase and consume the preducts of industry; and

the products of industry; and

Whereas the assurance to the farmer of a minimum price of not less than the cost of production would tend to minimize the spread between producer and consumer, which condition is recog-nized as one of the present evils retarding the return of prosperity to America; and

Whereas it appears that such conditions as exist at present can

Whereas it appears that such conditions as exist at present can best be remedied by securing to the producers a minimum price of not less than the cost of production: Therefore be it Resolved by the committee on relief and public welfare of the Wisconsin County Boards Association, That this committee heartly endorses the cost-of-production bill, H. R. 2372, as introduced by Congressman William Lemke, as well as other identical bills, and urge passage by the Congress of the United States.

Resolved further, That a transcript of this resolution be forwarded to the President of the United States, to the Secretary of Agriculture, and to all Members of the House and Senate representing the State of Wisconsin in Congress.

Cotton-A Roosevelt Contradiction

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

Mr. REED of New York. Mr. Speaker, under the authority of the Reciprocal Trade Agreements Act of 1934 the Roosevelt administration has negotiated 20 agreements for the promotion of foreign trade. If the objectives of this act have been accomplished, it is natural to expect that the volume of our foreign trade has expanded in commodities important to this country.

The largest single item and the most important commodity exported by the United States is cotton and a large area of this country is dependent on its welfare. Therefore, it is interesting to note that there was a sudden drop of 31.1 percent in the volume of our cotton in the year 1934 under 1933. Exports were at approximately the same levels in 1936 and 1937 although a number of agreements were effective in those 2 years. Thus, it is obvious that the trade agreements have not helped the exports of this very important commodity. Was the stabilizing of cotton exports at this lower level due to decreased consumption abroad or to other factors? It is not due to a leveling off of cotton consumption in foreign countries, for consumption increased approximately 3,000,000 bales during this period.

In the 5-year period of 1926-30, of the total cotton consumed in foreign countries 45 percent was of American growth. Foreign consumption of American cotton stayed well over 40 percent of total foreign consumption through the crop year 1933-34, but in the crop year 1934-35 consumption of American cotton abroad dropped to 29.9 percent and continued to decrease until in the crop year 1936-37 American cotton represented but 23.4 percent of total foreign consumption. Furthermore, total cotton consumption in foreign countries increased every year from 1931-32 to 1936-37, and in every year except 1931-32 was above the 1925-30 average. It is also true that consumption of American cotton remained relatively constant until the crop year 1934-35 and that since then it has materially decreased.

Thus we find that foreign cotton consumption in the crop year 1936-37 was 24.9 percent above the 1925-30 level, that consumption of foreign cotton was 73.9 percent above the 1925-30 level, but that consumption of American cotton was 35.2 percent below the 1925-30 level. These conditions are in a large measure due to the Roosevelt policy of scarcity and price pegging. In the 5-year crop period 1933-38 American cotton production averaged 12,891,000 bales or 15.6 percent below the 1925-30 level; foreign production averaged 16,181,-000 bales, or 40.8 percent above it; and world production averaged 29,072,000 bales and increased by 8.6 percent of the 1925-30 level.

The New Deal administration reduced acreage from 35,-891,000 acres in 1932-33 to 29,383,000 acres in 1933-34, but because of the high yield per acre, production was slightly over the year previous. Even with this large American crop, foreign production increased from 10,937,000 bales in 1932–33 to 13,651,000 bales in 1933–34, or by 24.8 percent because of price-pegging operations of the Roosevelt administration.

The American crop for 1934–35 was but 9,636,000 bales, or 26.2 percent below the 1933–34 crop. This was due to a further decrease in acreage of 8.6 percent, but even more to an 18-percent decrease in average yield per acre. During the crop years 1935–36 and 1936–37 there was a slight increase in yield per acre. In the crop year 1937–38 this country had a slight acreage increase and the highest average yield per acre, as well as our largest crop, in history. This enormous American crop with a 9-percent increase in foreign production for the second year in succession brought about the world's record cotton crop.

Thus, after 5 years of cotton-crop control, we find a 42.2-percent increase in foreign production and this country with the largest cotton crop in its history. During this same period cotton consumption abroad has not increased enough to take care of the increased foreign production, and our cotton exports have consequently decreased.

It is impossible to reconcile the contradictory policies of the Roosevelt administration. The State Department is lowering tariffs, which makes it possible for foreign goods produced by labor paid low wages and worked long hours to more readily compete with domestic goods in our own home market. The State Department tells us that they are doing this for the avowed purpose of expanding our foreign market, since these foreign goods create dollar exchange with which foreigners can buy our products, such as cotton, which they need. However, Secretary of Agriculture Wallace, under the direction of President Roosevelt, is pegging cotton prices, restricting acreage, fixing marketing quotas, and doing all in his power to raise cotton prices to the point where foreign users of cotton can buy foreign growths of cotton cheaper than they can American cotton. These actions have increased foreign cotton production by 77.5 percent in the last 5 years, decreased foreign consumption of American cotton by 35.9 percent, and encouraged the importation of cotton textiles to this country from abroad. How does this policy help American agriculture, industry, or labor?

The acreage restrictions create farm unemployment. The higher prices of raw cotton, along with higher wage rates, increase the domestic costs of cotton manufactures. The lower tariffs, with higher costs of production in this country, make it possible for foreign goods to more readily enter our markets and undersell American-made products. The sale of foreign products in the place of American goods creates industrial unemployment. Unemployment means loss of income with which to buy goods of both foreign and domestic

origin, which means more unemployment.

Col. John Francis Hamtramck

EXTENSION OF REMARKS

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1939

Mr. TENEROWICZ. Mr. Speaker, while we are celebrating the one hundred and fiftieth anniversary of the birth of the Congress of the United States, it would seem fitting for us to pause and pay tribute to the memory of one of our patriots and heroes of the American Revolution. It seems important to me that the men, women, and children of our country should review at this time the history of our early struggle for independence and learn for themselves just how dearly we bought and paid for our democratic form of government, and how our pioneer fathers paid with their life's blood for every privilege we have had and are now enjoying in this great country of ours.

April 11, 1939, marks the one hundred and thirty-sixth anniversary of the death of one of these distinguished and noble

patriots, a man who served his adopted country and fought for its freedom and independence for 26 consecutive years at our country's inception and when its days were darkest. Mr. Speaker, I refer to Col. John Francis Hamtramck, for whom my city has been named, and of which I have had the honor to serve as mayor for four terms, resigning the post to become a Member of the Seventy-sixth Congress.

Col. John Francis Hamtramck was born of French parentage in Quebec, Canada, August 14, 1754, and died in Detroit, Mich., April 11, 1803, and is buried there in Mount Elliott Cemetery. His father, Charles David Hamtramck, a native of the Duchy of Luxemburg, settled in Quebec and married Marie Ann Bertin, a French girl of the town. History is very obscure pertaining to records of his personal life, but it does record, however, one son named John Francis born in Fort Wayne in 1798, and at the time of his death, his wife, Rebecca, and two daughters, Julien and Harriet, survived him.

Here was a man whose spirit was fired with a love of freedom. He was aware of the ideals for which the Colonies were fighting, and when a mere boy decided to cast his lot with us in our fight for independence. His role in our early struggle gives him a permanent place in American history and makes us deeply indebted to him. His intense love of independence and zeal for our ideals prompted him to leave his own country when still a lad and enlist with the Revolutionary Forces of the American Colonies under the command of General Washington. He must have shown unusual bravery and leadership, as at the age of 19 years, on November 21, 1776, he was commissioned a captain in the Fifth New York Regiment. He served in other regiments during the Revolutionary War, and it was during this period that he met Gen. Anthony Wayne, with whom he was to see further service for his adopted country in what was then termed the great Northwest Territory.

At the outbreak of the American Revolution England owned Canada and claimed by reason of conquest the great Northwest Territory. This area comprised all of the territory north of the Ohio River and east of the Mississippi River, including

a part of the Allegheny Mountains.

It was the plan of the British to attack and give battle to the Colonies along the Atlantic coast and to carry on warfare from within the interior. General Hamilton, with his British forces, was dispatched from England to accomplish this purpose. He made Detroit his headquarters and base of operations. His mission was to incite the Indians against the Americans and enlist their services in the British cause. General Washington was well aware of this situation and very much concerned, because he depended on some of his supplies of meat, grain, and salt to come from this area. Powder was brought up the Mississippi River for the use of our forces. It was imperative that this action on the part of the British be stopped.

Allow me, Mr. Speaker, to pause here and pay tribute to the patriots who made possible the earlier victory of the Colonies by meeting and overcoming the menace that threatened the Colonies from within. To such men as Gen. George Rogers Clark, who captured General Hamilton by surprise; to men like Brig. Gen. Simon Kenton, Daniel Boone, Benjamin Logan, James Herrod, General McIntosh, Col. Josiah Harmar, General St. Clair, and Gen. Anthony Wayne, under whose command we find Brig. Gen. Zebulon Montgomery Pike, Ensign Meriweather Lewis, Lt. William Clark, brother of George Rogers Clark, Lt. Frederick Claiborne, Maj. Thomas Hunt, afterward commandant at Detroit, Lt. John Whistler, and Col. John Francis Hamtramck. It was their bravery, foresight, endurance, and love of liberty that made them forever honored and revered by patriotic Americans.

Following the close of the American Revolution and the surrender of the British, Colonel Hamtramck continued in the service of his adopted country. History shows that he was commissioned a major and stationed at Fort Pitt in 1786, where he served under Colonel Harmar. His command of the French language and the understanding manner with which he handled the Indians made him a valuable officer. He was assigned the task of making peace with the various Indian tribes, by whom he was admired because of his fair dealing. Early in life and during the Revolution Colonel Ham-

tramck interested himself in surveying and was valuable to the Colonies in acquainting the commanders with local situations. He built and completed Fort Steuben and was its first commanding officer. He next accompanied Colonel Harmar to Vincennes, where he built Fort Knox, and was left there in command.

Whenever the Colonies were in need of a leader experienced in military pursuits and capable of governing a community, Colonel Hamtramck was usually chosen. The new frontiers were without law and order, and in many instances, due to Indian uprisings and the general lawlessness of frontiersmen, he was called upon to decide matters of a judicial nature and also to render and execute orders until his commanding officer arrived.

In December 1790 Hamtramck wrote to General St. Clair suggesting to him that the territory gained by the Colonies could not be held permanently unless the northern posts and Detroit were taken from the British. The English were using Detroit as a supply base for the hostile Indians and kept them furnished with food and ammunition.

General St. Clair suffered defeat in an effort to capture some of the British posts in the Northwest, and in 1792 General Wayne organized his legion and was sent into the Northwest by General Washington to capture the northern posts from the British and to establish order. Hamtramck became a major in General Wayne's first sublegion and 1 year later was promoted to lieutenant colonel. In his official report of the Battle of the Fallen Timbers, General Wayne made special mention of certain officers, as follows: Brig. Gen. James Wilkinson, in charge of the right wing of the legion, and Colonel Hamtramck, in charge of the left wing, "whose brave example inspired the troops." After the battle the army marched to the junction of St. Marys and St. Joseph Rivers, where General Wayne decided to build a fort. The fort was built under the direction of Colonel Hamtramck and called Fort Wayne. He was also placed in command there.

The winters of 1794 and 1795 were extremely harsh and food was scarce. Colonel Hamtramck placed the garrison on half rations in order that the starving neighborbood Indians might be fed. Colonel Hamtramck was sent from Fort Wayne to Fort Miamis in 1796, and on July 11 of the same year he arrived at the city of Detroit to receive its surrender from the British. He was commissioned colonel, placed in command and remained in that capacity until the time of his death, on April 11, 1803.

The life of Colonel Hamtramck was one of strictest discipline and devotion to the cause of liberty. The hardships he endured and the hazards he encountered left no doubt in the minds of his associates that he was a true patriot. His heroism and self-sacrifice made him one of the most illustrious characters in early American history.

The following letters may show in some degree his intellectual versatility and in what degree the Federal Government relied upon his mature judgment. In one letter signed by the Secretary of War, when Colonel Hamtramck was commandant at Detroit, we read:

J. F. HAMTRAMCK.

Sir: You, sir, will consider yourself as having the general direction of all vessels and boats belonging to the United States on the Lakes, and will give the superintendence of them to Mr. Brevort, who is to consider himself in all things relating to his command as acting under your immediate orders. He should regularly report to you every circumstance necessary for you to know relative to freight, public or private.

HENRY DEARBORN.

And again in another letter from the War Department:

J. F. HAMTRAMCK

SIR: I wish you to take the first convenient opportunity for examining the mouth of the Cuyahoga River and the others east of it within 30 or 40 miles with a view of establishing a small post for the purpose of securing a shorter and safer route from Detroit to Pittsburgh through what is called New Connecticut; and a halfway stand between Niagara and Detroit by water, where small vessels and boats might with safety call on their passage from one to the other of the last-mentioned places.

I have been informed that there is better water at all times at the mouth of a river about 30 miles eastward of Cayohoga than there is in that river. Particular regard should be paid to the safe and convenient entrance of the mouth of the river from the lake, and the exact depth of water, also the probable healthiness of the site.

tion I will thank you to make a report of the result thereof to this office together with your opinion on the subject generally.

* * While on this tour it may be well to call at Sandusky and examine the depth of the water at the entrance of that bay. It may probably be convenient for Mr. Jouett to accompany you for the purpose of visiting the Indians about Sandusky.

* * You will also please give me your opinion relative to the establishment of a small post near the mouth of the Miami of the Lakes on one of the tracts of land ceded by the Indians near the mouth of the Miami by the Treaty of Greenville.

* * There are two tracts which join each other, one of about 12 and the other 6 miles square. The principal part of each tract is on the northerly side of the river, but each tract extends across the river and includes land on the southerly side. The depth of the water at the mouth of the Miami and up the same as high as the mouth of the Oglaize should be noted, and also the size and burthen of boats which can pass up and down said river to Fort Wayne or near it. You will also please to inform me whether in your opinion any suitable site can be found for the principal military post near Detroit on the main, which would be preferable to the one now occupied. Although there may be reasons in favor of an island for the site of a post, yet if the island should not be sufficiently out of the reach of an enemy's shore it might not be prudent to place a principal garrison on such a place, unless a communication could be secured by a permanent or temporary bridge with the main. If the island claimed by Mr. McComb or others (Grosse Isle) should ultimately prove to be the property of the United States, it may become a question whether a military post ought not to be established on it. I should like to know the width of the distance of the island from our own shore with the depth of water on each side, together with the probable number of acres of land the island contains, the quality of the soil, the growth of timber, et

Any information you can give me relative to the quantity and quality of the lands in the vicinity of Detroit, belonging to the United States, and what proportion of it is claimed by individuals and the probable number of inhabitants within the county which includes Detroit, will be very acceptable * * and also noting the quality of the soil generally as well in the vicinity of Detroit as that of the cession made by the Indians near the mouth of the Miami before mentioned.

I am, etc.,

HENRY DEARBORN, Secretary of War.

What broad knowledge and understanding he must have had in order to be trusted by his government with such responsibilities. Here was a man who was a soldier, an officer, a pioneer, and frontiersman; a judge and jurist; an engineer and surveyor of land and water; a builder of forts and outposts of civilization; a counselor and conciliator holding the respect of the Indians and his superior officers. His achievements were many, and he was able to accomplish difficult tasks because he possessed the necessary qualifications. What a contrast his life exemplifies in comparison with those who complain that their country is not doing enough for them. Here was a patriot who asked nothing in return except that he be permitted to serve his adopted country.

On this the one hundred and thirty-sixth anniversary of the death of Colonel Hamtramck I think it fitting that we should not only reflect on the sacrifices made by him, his patriotism, and his courage and life spent in devotion to the cause of a free territory, but we need to look inward into our own souls and discern, if we can, what part of ourselves we are contributing to our country so that she may continue to grow for the next 150 years and make as great strides forward in the future as she has in the past.

America was built by patriotic men and women of courage, endurance, and foresight. They entered into our early struggles to build a thriving community. Their eyes overlooked the apparently insurmountable barriers, the hardships, and they kept on fighting for a brighter tomorrow. They did not worry about how little they had—they knew how great the things were they sought, freedom and liberty. Colonel Hamtramck did not dream his life away—he determinedly fought his way through life to realize his ideals.

Little did he dream what wealth the Northwest Territory, which comprised the States of Michigan, Ohio, Indiana, Illinois, Wisconsin, and part of Pennsylvania, would contribute to the Union, wealth in commerce, produce, and wealth of manpower. Little did he know he was clearing the wilderness to make way for the building of one of the greatest industrial areas on the face of the earth; that these waters of the Great Lakes that he was sounding for shoals and recording for depths for the United States War Department would one day be a gateway to the sea for ships laden with steel, automobiles, tractors, airplanes, and produce to be shipped to all corners of the world.

The passing of Col. John Francis Hamtramck, who had served the United States continuously for 26 years, called forth sincere tributes from his fellow officers and superiors. Capt. Thomas Pasteur, then in charge of Fort Wayne, said that his "virtues as a man and military abilities as an officer cannot be read or doubted." He issued orders for the proper observance of the occasion, as follows:

In memory of his name and worth, do order that on the morning of the ensuing day (the 1st of May) that minute guns be fired from 6 until 7 o'clock; that the garrison flag be holsted at half mast each day for 1 week and requests the officers of the garrison to wear the emblem of mourning such as crepe or a substitute for it on their left arm and the hilt of their swords for 2 months.

Henry Dearborn, Secretary of War, regretted "the loss of such an experienced and valuable officer." The officers who served under Hamtramck erected a monument above his grave on which they had inscribed the tribute quoted here:

> Sacred to the Memory of
> John Francis Hamtramck, Esq.,
> Colonel of the U States Regiment of infantry, and

Commandant of Commandant of
Detroit and its Dependencies.

He departed this life on the 11th of Ap' 1803,
Aged 45 Years, 7 Months, & 28 days.
True Patriotism,
And a zealous Attachment to rational Liberty
Joined to a laudable Ambition,
led him into Military Service at an early
period of his life.

He was a Soldier even before he was a man:

He was a Soldier even before he was a man;
He was an active participator
in all the Dangers, Difficulties and Honors
of the Revolutionary War;

And his Heroism and uniform good conduct procured him the Attentions & Personal Thanks of the Immortal Washington.

The United States in him have lost a Valuable Officer & a Good Citizen, And Society an Useful & Pleasant Member: to his Family the Loss is incalculable; And his Friends will never forget the memory of Hamtramck.

This humble Monument is placed over his Remains by the Officers who had the Honor

to serve under his command— a small, but grateful Tribute to his Merit

and his Worth.

Colonel Hamtramck was first buried in the churchyard of St. Anne's on St. Anne's Street, in 1803, a street then only 30 feet wide—later to become what we now know as Jefferson Avenue, the church being located between Larned, Griswold, and Shelby Streets. Rev. Gabriel Richard, vicar general of Detroit, accorded the rites of the church. Hamtramck was buried with full military honors.

When Detroit was destroyed by fire in 1805, the church was swept out of existence and only the cemetery remained. In May 1817 the body was transferred to the new St. Anne's Church grounds, the present property of the Bagley estate on Congress Street. Father Gabriel Richard again officiated, transferring and placing the original marker over the grave.

For 40 years Hamtramck's tomb remained there. The desecrating hand of time loosened the bricks and fearing the doubtful identity of the grave, Mr. Elliott asked and obtained permission from Bishop Lefebre to remove the remains to the present burial plot in Mount Elliott Cemetery.

On July 11, 1866, the grave was officially opened, the remains placed in an oaken casket, deposited in a brick vault, and again surmounted by the massive stone tablet of his brother officers.

In 1897, on October 18, the Sons of the American Revolution held a ceremony marking the grave of Colonel Hamtramck in Mount Elliott Cemetery, Detroit, Mich.

Richard Storrs Willis, who officiated at the dedication for them, spoke in part as follows:

Mr. President and compatriots, we gather over the hallowed dust of Col. John Francis Hamtramck with a blended feeling of pride for his conspicuous services to the Republic, and of patriotic regret

that the community generally is so little informed of the valiant revolutionary soldier who slumbers here.

The name of that soldier to the majority of the heedless many, absorbed only in the present and reckless of the historic past, is the name of the former township to which his own name was given. It is the name of the township, not of the man.

Our grateful office today is to evoke from the ashes of the silent dead the memories of the intrepid spirit which once animated them. The official and touching tribute carved in stone on his grave would seem amply to suffice as a general record of his military career and the distinguished position he held with those among whom he lived and fought.

among whom he lived and fought.

It would, therefore, seem superfluous, on this occasion, to rehearse what is already doubtless known to many here present, and can be known to all.

Let those who pass here pass heedfully and thoughtfully. Let them remember that here lies the man who won the battle of Miami: the intrepid officer of flery courage, who, in the savage conflicts, of constant occurrence in those early days, was a terror to the Indians.

And then let their mind revert to the banks of yonder shining river, where, near the verge of the stream, still stands the once humble home of Hamtramck. Exteriorly, with its more perishable sheathing worn and dilapidated, but interiorly a veritable log cabin, with its heavy timbers still as sound and firm as the fame of its former occupant. Let them read there the mute lesson, the distinctive American lesson, that the lowlest surroundings and conditions debar not from national reputation and the laurels of the Republic.

Colonel Hamtramck, knightly soldier and gentleman, in thy grave with the spirit of Washington and the sentinel souls of the devoted officers haply hovering over thee, and the benediction of the church breathing near, the Sons of the American Revolution

On Memorial Day, 1929, the Catholic Woman's Clubs of Detroit placed a granite replica of the original stone over Colonel Hamtramck's grave. The original stone had become weatherbeaten and the wording very indistinct. At this ceremony the Honorable William Bradley officiated on behalf of the city of Detroit and I officiated as mayor of the city of Hamtramck before a large gathering of citizens from both

In conclusion, Mr. Speaker, on this the one hundred and thirty-sixth anniversary of the death of Col. John Francis Hamtramck, I think it fitting that we rededicate our lives to the service of our country in these troublesome and trying times and try to emulate the life of this great patriot, to the end that our country will remain the most liberal on earth and our Bill of Rights and our Constitution our most cherished possessions

This is the path we have marked out for ourselves. His deeds and accomplishments are our inspiration. He died young in years but rich in service to his country. life serve as an inspiration to all who have their country's welfare at heart, and my sincere hope is that his spirit may live again in the minds and souls of all our people.

> Till the future dare forget the past, His name and fate shall be An echo and a light until eternity.

The Unemployment Problem

Meeting the unemployment problem, with its related economic difficulties, by a broad program of cooperation between government and the public; on a scale large enough to create 9,000,000 jobs in the regular channels of industry, commerce, and agriculjobs in the regular chainless of industry, commerce, and agriculture at once and assuring the continuance of the new jobs for 3 years. The unemployment problem thus would be solved for 3 years, and the income of the Nation would be increased by \$20,000,000,000 a year of primary buying power. Congress would be given 3 years in which a joint congressional committee on permanent recovery could make an exhaustive study of what must be done to bring into balance the essential factors of an economy of abundance; and to shape the necessary legislation accordingly.

EXTENSION OF REMARKS

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

Mr. HOOK. Mr. Speaker, so many proposals for business recovery have been brought forward in recent years that a weary public mind no longer gives willing attention to any. Meanwhile the unemployment problem is slowly crowding to the front and compelling recognition as the central factor in the recession. Until the people are put back at work in the lines where their training and skills can be used efficiently, there will be no basic recovery.

THREE POSSIBLE POLICIES TO BE CONSIDERED

(1) To accept the optimistic prophecies of "early recovery" through the liquidation of present inventories, and the subsequent revival of manufacturing—without stopping to reflect that 7 months of industrial operation at the 1937 rate would build up even larger undigested inventories again; or

(2) To assume that the present level of unemployment is "normal"—that 10,000,000 unemployed need not worry us so long as 30,000,000 are employed; increase the appropriations for W. P. A. accordingly; expand the made work and the dole programs to prevent actual starvation, but leave from 15 to 20 percent of the total population at bare subsistence; or

(3) To adopt a plan that will aim at putting every person who is able to work and wants work, back at regular jobs where their productive capacities will be united with the existing industrial plant and the commercial or agricultural organizations of everyday society; where they will produce goods that have an immediate cash exchange value in the channels of trade; using a Government subsidy to the workers thus employed, instead of appropriating Government funds for unemployment or made work.

THE LOSS TO THE NATION CAUSED BY UNEMPLOYMENT IS COLOSSAL

Compare the present army of 10,000,000 unemployed with the 8,454,918 workers in factories in 1935, when the wage earners were paid \$9,836,044,674. If the 10,000,000 idle persons are worth as much to society today as the eight and a half million who work, then the actual loss in purchasing power is approximately \$10,000,000,000 in this year. This loss is more than the entire Budget of the Federal Government.

To this indirect loss must be added the direct governmental expenditures for W. P. A. and unemployment insurance, as well as a considerable part of the cost of direct relief, which would be met by the relatives of those now on relief, if the family breadwinners were regularly employed.

A fair estimate of the Government's cash outlay arising from unemployment would be two and half billion dollars.

A GOVERNMENT PROGRAM THAT WOULD STOP THE LOSS CAUSED BY UNEMPLOYMENT

The depression of 1930 and the recession of 1938 have reduced the incomes and spendable savings of the masses of people so profoundly that government will have to be the moving force to start all industry and all collateral reemployment at one and the same time. Nothing less than universal teamwork can overcome unemployment as it exists today. What the automotive industry was unable to accomplish in 1936-37 is beyond the power of any other line of employment. It is a delusion to think that a program of public works or a house-building program will solve unemployment. Either program might start boldly enough, but it would be many months before the money thus spent would filter into the channels of commerce far enough to provide employment for domestic workers or professional people or salesmen or the thousands of other occupations only dis-tantly connected with road building or construction. This "lag" would completely absorb the momentum of the original program before action was communicated to the whole economic structure.

The unemployment problem affects so many people of such diverse occupational training or aptitudes that no one industry, no matter how big, will be able to drag the whole industrial, commercial, agricultural, professional, and white-collar occupations along with it. No partial remedy will meet the present need.

The proposed governmental program which follows, if set up for a minimum term of 3 years, is sweeping enough to overcome the entire unemployment problem as it exists. The net cost to society would be far less than any plan of Nationwide relief or made work. This program is logical and defensible from a business or a political standpoint:

First. Exempt from taxation such part of industrial earnings as are used in extensions, improvements, or renewals of the plant. A precise definition of these purposes could be prepared by a committee of businessmen.

Second. Provide means for the extension of credit to finance the increased stocks of raw materials and finished inventories that would arise from the expansion of employment. This would meet the demands of small business and big business. Similarly, the needs of the railroads for betterments that would result in economy of operation or improvements of service would be met. Loans for building construction are in the same category.

Third. Inasmuch as the two planks above would fall short of the goal of creating 3,000,000 new jobs in manufacturing and 6,000,000 new jobs in collateral occupations, the Government should stimulate employment by offering to pay a definite percentage of the wages of persons given new jobs in conformity with quotas set up in each class of industry or service occupation. The grand total of 9,000,000 new jobs would completely absorb all unemployed persons able to work and wanting work. The allocation of new-job quotas among different occupations would be in proportion to the numbers actually employed in such occupations in reasonably healthy times. Payment of the Government contribution would be made direct to the workers on certification of their names through administrative agencies to be prescribed by law. The establishment of an annual wage, with standard hours of employment, would be a part of each contract between the Government and the employer.

Fourth. A comprehensive plan should be instituted for training young workers for industry and retraining older workers who find their skills obsoleted because of new machines. Lack of such vocational training and retraining has kept hundreds of thousands of individuals practically unemployable since the depression started. Complete reemployment is not possible without means of vocational training.

Fifth. As a means of completely "mopping up" unemployment, encouragement should be given to (a) self-help agricultural-industrial cooperatives where marginal workers that cannot meet the demands of industry because of age or physical disability may make a portion of the things they consume, and (b) limited programs of public works, by States with Federal aid, primarily designed to serve regions where industrial or commercial reemployment cannot be had because of the absence of industrial plants.

Sixth. A joint congressional committee should be set up, with a staff of clerks and technical experts, to make a careful study of the industrial, agricultural, and commercial factors which enter into the economic structure, and ascertain what must be done to bring into balance all the essential elements of an economy of abundance. The plan thus evolved should be ready to lay before Congress prior to the expiration of the 3-year term of the temporary plan.

The only way to overcome unemployment is to create enough jobs in enough different lines or occupations to provide chances for every kind of training, ability, or aptitude, to get work.

Furthermore the new jobs must be opened up in all occupations at one and the same time if the necessary balance between increased production and increased purchasing power is to be attained.

NINE MILLION JOBS ENOUGH

Ten or twelve million people being registered in the unemployment census, or indicated by the enumerative count, or estimated by authoritative agencies, does not mean that ten or twelve million jobs are required to take care of them. In thousands of families the younger and older members register for work when they are seeking jobs only until the breadwinner of the family is once more on a regular pay roll. Nine million new jobs, it is believed, would absorb all the people in America who want regular jobs and are able to work.

Nine million new jobs can be created within the horizon of the existing industrial and commercial and agricultural organization in 3 months if the interdependent elements of production and consumption are brought into action at one time and in the right balance. NEW JOBS MUST BALANCE EACH OTHER

The 9,000,000 jobs would have to be distributed among the established occupations in essentially the same ratio as each line of work bears to all other lines in healthy times. Thus there is a definite ratio between the number of people needed on farms to produce the foodstuffs and the industrial or white-collar classes of the cities. Similarly there is a constant ratio between the suppliers of raw materials and the workers who fabricate the finished product. The number of workers engaged in taking ore from the iron range, the crews on the vessels that transport it to Cleveland or Erie docks, the trainmen needed on railroads to haul the ore to the mills or the steel to market must be determined by the activity of the steel mills. In much the same way there is a balance between the automobile factories and the number of truckers employed in hauling away the finished cars, the number of salesmen in garages who find customers, the clerks in finance companies who handle the installments, the insurance agents who write the risks, the lawyers who try the damage suits, and the hospitals that patch up the injured in accidents. In the immediate neighborhood of the factories the number of people employed in making automobiles determines even such seemingly insignificant matters as the number of waitresses hired by the quick-lunch counters on the side

The importance of this relationship between occupations has been underestimated or overestimated repeatedly in the past 8 years when the unemployment problem has been under discussion. Clearly the dominant element in making employment for the army of potential workers in the Nation is the number of people who find work in factories; but the continued employment in factories is impossible unless the goods which are manufactured can be sold.

MASS CONSUMPTION IS NECESSARY TO MASS PRODUCTION

The same mass production which makes mass employment possible must be joined with mass consumption. It is the pay roll of one occupation which makes the bulk of the "effective demand" for the products of other occupations. It is an error. however, to assume that one industry, even though it should be the giant automotive industry, can go into production regardless of the stagnation of other lines, and by its own financial strength and merchandising genius start the entire business world to spinning at top speed. That effort was made gallantly in 1936-37. The sale of cars, however, came to an abrupt halt in 1937, when the reserves of the automobile companies, the capital of the sales agencies, and the credit of ultimate consumers was absorbed. With the textile industry, the building industry, the mining industry, the transportation lines, and industry as a whole paying less wages than in 1929 and employing fewer workers, the market for new cars had to suffer.

If employment in all occupations had been increased in healthy balance, at the same time, so that pay rolls in manufacturing, transportation, mining, building, agriculture, professional and other services had flowed into trade channels simultaneously, the delicately adjusted organism we call business would have carried out its normal function of exchanging goods and services.

The statistical relationship existing between 11 lines of work is shown by the following figures gathered from the 1930 census and the census of manufactures for 1935. The number of persons reported in each occupation is given:

Agriculture	10, 471, 998
Forestry and fishing	
Extraction of minerals	984, 323
Manufacturing (census of manufactures, 1935, including	
salaried workers)	8, 454, 918
Other mechanical and building industries	7, 655, 734
Transportation and communication	3, 843, 147
Trade	6, 081, 467
Public service (not elsewhere classified)	856, 205
Professional service	3, 253, 484
Domestic and personal service	4, 952, 451
Clerical occupations	4, 025, 324

The above figures show how futile it is to expect one factory or one line of work—whether automobiles or home building or railroads or highways—to offer work and wages to enough people to enable them to buy the products and services of the people in all other occupations. New jobs and new pay rolls must be created in all occupations at the same time if one is to provide the "effective demand" for the goods or services of the other.

KEY TO REEMPLOYMENT IS MANUFACTURING INDUSTRY

Undoubtedly the key to the creation of 9,000,000 new jobs rests with the manufacturing industry, because there is where physical goods are fabricated and handled and counted and shipped. In the complex economic organization of today at least three persons are needed to perform services outside of factory walls for each one at work inside. Transportation, sales, and advertising, finance, insurance, legal advice, scientific research, engineering, invention, medical, religious, and educational service, domestic and clerical service call for three times as many workers as the machines in the factories. A parallel situation is found in military affairs where it is said three men are required behind the lines for each man in the trenches.

W. P. A. CANNOT SOLVE THE UNEMPLOYMENT PROBLEM

Although the W. P. A. and its predecessor the E. R. A. relieved human want on a vast scale and managed a tremendous program of made work, it is not designed as a plan to do away with unemployment. Reemployment must come through new jobs in the everyday occupations of society where goods and services that have a cash exchange value are produced.

Nor does any plan of relief protect the industrious and thrifty worker in preserving his hard won savings when a recession strikes him. It is a mistake to assume that everybody out of work immediately goes on relief. The W. P. A. rolls today carry only 2,000,000 workers. Eight million of the ten million unemployed are carrying on without public aid of any kind. When their savings are gone—if economic conditions are allowed to drift—the numbers on direct relief and made work must increase. The self-respecting eight million will resent being forced "on relief." Their resentment may become very important to business and politics.

MADE WORK DOES NOT CREATE COLLATERAL EMPLOYMENT

Although the employment of men and women on made work brings about a distribution of Government money direct to consumers and to that extent stimulates consumer buying and wholesale and retail trade, such made work does not create the maximum of collateral or related occupational employment in the ordinary channels of industry and commerce. It does not restore the balanced occupational relationship that is the basis of healthy prosperity.

As a recovery measure a program of public works falls short because the product has no immediate exchangeability. Highways, sewers, or schoolhouse repairs may be desirable additions to the community equipment but they cannot be dropped into the channels of trade and made to circulate. When Government money goes into a highway it becomes a frozen asset. Although the wage dollar may enter the channels of finance and circulate, the product is static.

On the other hand when a dollar is paid for the manufacture of a pair of gloves or a pair of overalls or an automobile, the goods circulate in trade channels just as surely as the dollar does in money channels. Compared with industrial production, a public-works program has only half the circulating quality of the investment.

Broadly speaking, business cannot return to normal as long as 20 percent of the available working force of the Nation remains unproductive, or engages in work that does not circulate. It is impossible for 80 percent of the workers to carry the unemployed 20 percent on their backs and also meet the entire business overhead.

A RECOVERY PLAN THAT WOULD BE COMMERCIALLY PROFITABLE TO THE PEOPLE AND POLITICALLY POPULAR

Congress could establish by statute a National Reemployment Commission charged with the task of creating 9,000,000 new jobs—3,000,000 in manufacturing and 6,000,000 in related occupations. The Government would agree to pay 40 percent of the wages of each worker in the new jobs, and the payment would be made direct to the workers. The names

of the workers would be certified by the employers to administrative agencies—State or community committees—then relayed to headquarters where checks would be issued.

The National Reemployment Commission would set up State committees to deal with the 169,111 manufacturing industries that report to the census of manufactures the reports, which have been made for years, provide a satisfactory basis for determining the quotas of new jobs for each line of industry and for each individual industry.

County, municipal, or community committees would be set up and charged with the task of enumerating all employers outside of the census of manufactures list. Work in offices, clerking in stores, other kinds of selling, trucking and delivery, garage service, specified kinds of farm work, domestic service, and a thousand and one other kinds of jobs would be cleared through the community committees. These community committees would become the active agencies to stimulate the building of homes and might act as a liaison in obtaining Government loans or guarantees for the purpose.

The community committees, made up of local citizens who would serve without pay or at a modest per diem, would bring the responsibility for reemployment to the doorsteps of the people. Every citizen would have a satisfying part to perform in meeting the most important economic problem that troubles human society. The public would learn that it is responsible for its economic conditions as well as for its political control.

FIGURING THE COST

In 1935 the wage earners, plus the salaried employees in manufacturing (in the 169,111 plants that report to the Census of Manufactures) were paid \$9,836,044,674. There were 8,454,918 employees.

If 3,000,000 new jobs were created in manufacturing, and the Government contributed 40 percent of the wages of the new jobs, it would require approximately \$3,900,000,000 to meet the new pay roll, of which the Government would supply \$1,560,000,000.

If 6,000,000 new jobs were created in collateral occupations (assuming the wages to average the same as in industry) and the Government contributed 40 percent of the wages, it would call for \$3,120,000,000 of Government money to meet its share.

The grand total Government contribution to employment would be somewhat more than four and a half billion dollars a year.

THE PROFIT TO SOCIETY WOULD BE A NET OF FIFTEEN BILLIONS A YEAR

Each 40 cents contributed by the Government for new jobs would bring forth 60 cents from the employer. Thus the total wage fund, in manufacturing, would be increased by approximately \$4,000,000,000 a year, which would be added to the buying power of the masses.

A fair estimate of the value of the goods produced by the new jobs in the factories would be \$18,000,000,000, of which \$8,000,000,000 would represent new value arising from the processes of manufacture. When this eight billion of newgoods value is added to the new pay roll of four billions, it makes a total of \$12,000,000,000 of new buying—and there-

fore new consuming-power for the people.

The new jobs in occupations collateral to manufacturing would produce a pay roll of \$7,800,000,000 at the same average rate of wages as paid in industry. Combining this \$7,800,000,000 with the \$12,000,000,000 arising from manufacturing makes a grand total of approximately \$20,000,000,000 new buying power. This is equal to one-third of the estimated national income in 1936. Even more important is the fact that it is primary buying power in the hands of the masses. If it were treated as economists frequently treat such additions to national buying power, it would be multiplied two and a half times in considering its effect on the business of the Nation.

The effect on every line of human activity that would come from pouring \$20,000,000,000 of new buying power into the current of business cannot be measured in words.

The contribution of four or five billions of Government funds would be a marvelous investment.

TRAINING AND RETRAINING FOR INDUSTRIAL WORK

Every year brings new machines into use which displace workers who thus find themselves with an obsoleted skill or experience. If they find work again, it is lower paid. Frequently they become unemployable. From a different angle young persons without industrial skill or experience find many jobs closed to them. In attacking the unemployment problem in a broad way the training and retraining of workers will prove profitable to individuals and to society. Much of the practical training will have to be done in factories, where machines are available, but where the trainees cannot deliver the output of regular workers. The Government could make an additional contribution to the wages of the trainees. Handling the education of workers in this manner would be a fundamental aid to stability of employment. Functioning through State and community committees, as a part of the general reemployment effort, it would arouse healthy enthusiasm among the citizenship.

SELF-HELP COOPERATIVES FOR AGED OR PHYSICALLY HANDICAPPED WORKERS

If the industrial and commercial forces of the Nation are fully employed, there can be no ground for objecting to the establishment of self-help cooperatives for unemployables. Mr. Ralph Borsodi is blazing a trail that might lead to a tremendous reduction in the money cost to the public of maintaining such persons. The workers can preserve their self-respect, find satisfaction in work that is worth while, and at the same time make many of the necessities of life. The organization of such self-help agricultural-industrial cooperatives could be made a part of the responsibility of community reemployment committees.

HOW WOULD THIS RECOVERY PROGRAM AFFECT THE PRICES OF GOODS?

As industry swung into increasing production the tendency of prices of goods in competitive lines would be downward. When a factory operates at or near capacity the overhead cost per unit of product declines. Prices can be reduced without cutting the customary margin of profit.

HOW WOULD WAGES BE AFFECTED?

Real wages would be raised. Even if the dollar wage remained stationary the cost of living would tend downward as an abundance of goods entered the markets.

The dollar wage could be protected in the contracts which would be executed by the National Reemployment Commission with factories that participated in the recovery plan.

EXPORTS WOULD BE ENCOURAGED

American exporters would find themselves in far better condition to meet competition in neutral markets. German economic aggression directed against American export sales in Europe and South America is a policy of that Government.

FARMERS SHOULD SUPPORT THE RECOVERY PLAN

The goods farmers buy doubtless would be reduced in price, while the market for foodstuffs would expand. It is conceivable that the increased demand would absorb American agricultural production.

In addition to those indirect advantages, farmers are employers of labor, and the new jobs created under this plan would be treated the same as new jobs in industry. Improvements to buildings and fences could be made to great advantage.

WHAT ABOUT OVERPRODUCTION?

There might be surplus production in some lines during the first months of the recovery plan, while the buying power of the masses of people was being built up. Liberal credit arrangements should be made to carry the goods until the market absorbed them.

In the larger sense of surplus production there is no likelihood of making more of the good things of life than the American people would enjoy if they could buy them. So long as one-third of the population has less to eat and wear than the most meager living requires, the bogey of overproduction can be ignored.

The market for any article can be broadened more effectively by increasing the incomes of the masses of consumers than merely by cutting prices. The limits of price cuts are

much narrower than the possibilities of enlarging the incomes of a nation of industrious people located on the richest continent of the globe.

Patriotism

EXTENSION OF REMARKS

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

ARTICLE BY WESLEY S. GOFF IN THE JACKSON (MICH.)
CITIZEN-PATRIOT

Mr. MICHENER. Mr. Speaker, pursuant to the privilege given to me to extend my remarks, and in keeping with a request from a constituent, I include herein an article written by Mr. Wesley S. Goff which appeared recently in the Jackson Citizen-Patriot, Jackson, Mich.

The article is entitled "Patriotism" and is typical of many similar articles appearing in the press throughout the country. The article is as follows:

[From the Jackson (Mich.) Citizen-Patriot]

It was my privilege recently to see a gentleman produce things out of thin air, as it were. He was a magician of no mean ability and he kept his audience wondering how he did some of his tricks. In fact he had us all mystified. This magician, of course, was modern charlatan. We in his audience knew that his performance was only legerdemain and skillful sleight-of-hand.

was only legerdemain and skillful sleight-of-hand.

The thought intrudes from time to time that in the past decade "we the people" have been seeing some high-grade legerdemain in our national life. We as a nation have run the gamut of human emotion. We have charted a course of high idealism only to founder in a sea of defeatism. The sons of their fathers have acquired a futility complex which prevents them from in many cases doing or attempting to do the things that should be done if our Nation is to endure. A great man once said that this Nation counter has

attempting to do the things that should be done if our Nation is to endure. A great man once said that this Nation cannot exist half slave and half free. It is true, and yet at the present time a large group of our citizenry are mental slaves to an ideology so strange and foreign to the principles of the founding fathers that could they but see us today they would perforce turn over in their graves in sheer despair.

We have today a great variety of "isms" from which to choose to light our way. The only "ism" which we may safely choose is patriotism, than which there is no substitute. As a nation we must "pray God and keep our powder dry." We must realize that in its finality, true patriotism is nothing more nor less than good citizenship and a firm determination to keep our country worthy of all the blood and tears that have been shed to preserve for us those things that many value so lightly in this high-pressure age.

No thinking person would want to return to the so-called "horse and buggy" days with their manifold lack of modern comforts to which all are now so accustomed. Those were not the joy and pride of yesteryear. No. The mental and spiritual stratum in which our forefathers lived developed the kind of men and women who were not quitters, who hewed to the line, and who never once thought of the possibility of defeat. It was told a score or so years ago of a great army being trained to go out and win a war and save the world for democracy, and never trained in the technique of retreat. Mayban we need some training now again.

Mayhap we need some training now again.

And so let us each in our small way give our Nation a new birth, rather than a new deal, that we may take up again the cross of service, and with it march triumphantly toward the dawning of a new and better day.

Neutrality, Peace, and Aggression

EXTENSION OF REMARKS

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

ARTICLES FROM THE WASHINGTON POST OF APRIL 8, 1939

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD four articles published in the

Washington Post of Saturday, April 8, 1939. The first appears under the heading "Yellow Light Policy," by Livingston Hartley; the second is by Walter Lippmann and is entitled "Peace in Our Time"; the third is by Mark Sullivan and is entitled "Neutrality—Pro and Con"; and the fourth is by Barnett Nover, entitled "The Latest Victim." There being no objection, the articles were ordered to be

printed in the RECORD, as follows:

[From the Washington Post of April 8, 1939] "YELLOW LIGHT POLICY"-HOW IT WORKS AGAINST WAR (By Livingston Hartley)

(By Livingston Hartley)

The President and Secretary Hull have repeatedly stressed how another great war abroad must damage us even though we escape involvement. More ominous is the Gallup poll finding of January 28 that no less than 57 percent of our people now believe we could not escape involvement. And equally significant is the warning of Mr. Hoover, in a political speech on February 2 attacking the administration's foreign policy, that popular indignation over wholesale air attacks on European cities might well sweep America into the conflict. Few who have observed the rising tide of American feeling against the Hitler regime in recent months would disagree with Mr. Hoover here.

Since we have no political commitments outside this hemisphere.

Since we have no political commitments outside this hemisphere, the whole field of action is open to us to protect our stake in peace beyond the Atlantic. This may be divided into three alternative

lines of policy.

There are some who favor taking a definite stand on this issue and showing a clear red traffic light to the war makers. From a purely theoretical standpoint, a case can be made for such a policy. Due to the great potential strength and the vast resources of the United States, it can be argued that it would be far more likely than not to assure peace at the cheap cost of action confined to words and paper.

IS ISOLATIONISM MAKING FOR WAR?

But from a practical point of view, this policy appears out of the question. Great as is our stake in European peace, it is not as great as the stake of the European powers, and we cannot reasonably be expected to incur risks voluntarily for its preservation as far reaching as those they are compelled to face. And there is little likelihood that American public opinion would be willing to adopt the overseas commitments firm pursuit of this

course would entail.

The extremists of the opposite camp would show a green traffic light to the war makers by passing laws which would assure them that the United States will place no obstacle in their path whatever they might do.

This policy is tempting to some of our people, since it appears This policy is tempting to some of our people, since it appears to set up legal bulwarks around the peace of the United States. But it automatically promotes aggression abroad by clearing the path as far as the United States is concerned, and, by playing into the hands of the war makers, makes it more probable that Europe will be engulfed in war. For this reason, unless a majority of our people are wrong and Mr. Hoover's warning has no valid foundation, this policy gives America a decisive push along the road

Pursuit of this policy under present world conditions tends directly to smear the hands of its sponsors in blood. And we can have no assurance, according to the views of a cross-section of public opinion and the judgment of many of those well qualified to judge, that the blood will not be American as well as European.

HOW OUR PRESENT POLICY AIDS PEACE

Our neutrality legislation has so far followed this green light policy in relation to export of arms and airplanes to belligerents. policy in relation to export of arms and airplanes to beliigerents. It has aided the well-armed aggressors abroad to achieve their aims through force by denying such exports to the less militarized nations who stand in their path. Should this part of the 1937 Neutrality Act be left unchanged by Congress now, it will both make war abroad more probable and assist Hitler to dominate Europe, and perhaps the eastern Atlantic, by reducing the defensive capacity of Britain and France.

Finally there is the yellow traffic light policy which our Govern-Finally there is the yellow traffic light policy which our Government has developed more and more in these recent darkening years. This implies no commitments abroad of any kind, maintaining entire freedom of action for the future. It merely sets up a warning to the war makers that if they cross the road which divides peace from war the American traffic light might change color. It makes the United States a "question mark" in world affairs, a factor upon the quiescence of which no aggressive government can count, and which, because of our great power, must exert a restraining influence upon the most warlike dictator.

Were the United States only another Italy, this policy would have little effect. But since the United States stands preeminent in intrinsic national power, since it is so well endowed with

nent in intrinsic national power, since it is so well endowed with the economic resources the European powers must obtain from outside to wage an extended war, and since the dictators know that the United States could, under most conditions, decide again the issue as it did in 1918, this policy can function as a sturdy

bulwark of peace.

Even in its psychological influence, it is a powerful deterrent to war. The series of pronouncements the President and Secretary Hull have made, setting forth America's belief in peace, law, and decency and her opposition to the use of force, send their influence far and wide. In the overseas democracies they encourage those who favor a firmer stand to halt aggression. In Germany they are

reported on good authority to be read by Hitler in full. Their meaning is brought home to the German people by the violent campaign of the controlled Nazi press against the United States.

UNITED STATES-GERMAN HOSTILITY A DETERRENT TO WAR

Here we find the strange paradox that the international friction

Here we find the strange paradox that the international friction between the United States and Nazi Germany is more of a contribution than a danger to peace. Marked by mutual recriminations and withdrawal of ambassadors, it makes known to the German people the innate antagonism of powerful America and makes them more loath than they otherwise would be to follow their Fuehrer into another World War.

The more this psychological pressure for peace can be supplemented by concrete measures to make successful aggression abroad more difficult, the more effective a deterrent to war it will be. Measures which build up the resisting power of the Atlantic sea powers while peace yet reigns, such as selling them American airplanes, are a direct contribution to this end. And measures which would enhance their resisting power during war are a most practical and valuable means of making war less likely.

Here is where provident neutrality policy can do so much to insure that our yellow traffic light will never be forced by circumstances we cannot control to turn stark red in the midst of overseas hostilities, to insure that the history of 1914 to 1917 will not

seas hostilities, to insure that the history of 1914 to 1917 will not

be repeated.

We have an opportunity now to do a great deal to achieve this purpose by one simple change in our neutrality law. We can place arms and airplanes on "a cash and carry" basis, the same basis on which the President is now empowered to place oil, steel, and other products as essential as armaments for war, as is proposed in the Pittman bill.

TURNING SCALES FOR PEACE

This cannot recreate the neutrality dangers of 1914 and 1917, because such exports would neither be American property nor be carried abroad in American ships, and their sale would take place within our borders, out of reach of belligerent intervention. But it would contribute so directly to the resisting power of the European netting which seek to block aggression as to reduce materially nations which seek to block aggression as to reduce materially the probability that the war makers will subject them to assault.

In the critical condition of Europe today, such a development of our yellow traffic light policy may turn the scale for peace. And that, we must admit, is the only sure and certain safeguard of the peace of America.

PEACE IN OUR OWN TIME (By Walter Lippmann)

During the hearings this week before the Foreign Relations Committee the defenders of the existing neutrality legislation gave the impression that they have given up all hope of averting a world war. Let us hope that this is a false impression. But the fact is that they are talking as if they regarded war as inevitable, as if nothing could be done, as if nothing should be done to prevent war. They talk like men who are hopeless, fatalistic, passive, and resigned before as tupendous and horrible a cotastropha as even threatened the world.

stupendous and horrible a catastrophe as ever threatened the world.

There is no doubt that Senators Borah, Johnson, Clark, and Nyre desire peace. But in the face of a situation which threatens to destroy peace throughout the world, they are, in effect, saying that they think nothing can be done and that, insofar as they can ob-struct it, nothing shall even be attempted which could avert the tragedy. They are brave, honorable, and sincere men. But the fact is that not one of them has as yet suggested a single constructive idea, a single principle, any policy, any program for doing anything now to prevent the outbreak of a world war.

WAR UNAVOIDABLE; IS THAT UNITED STATES' STAND?

NAR UNAVOIDABLE; IS THAT UNITED STATES' STAND?

Can it be that they really feel they represent the will of the American people, or that they are protecting the interests of the American people, when they put the world on notice that they think war unavoidable, when they declare that they will tie the hands of the President if he tries by the means within his power to prevent war? Do they intend to insist that this Nation must sit still and that it can do nothing until hell breaks loose, except try to decide whether the flames of hell will be hotter in one corner of hell than in another?

If this is not what they think, if they care enough about peace to do something to preserve it, if they do not trust the President of the United States to conduct the foreign policy of this Nation, then the very least they can do is to offer some policy of their own which is intended to prevent war. They are denying to the President his constitutional authority and constitutional responsibility in the conduct of foreign relations. If they think that is justifiable, proper, and necessary, though it subverts the American constitutional practice since the foundation of the Republic, then to prove their case they should come forward with a constructive policy of their own. They should say what they would do to prevent a world war. Falling that, they should confess they do not know how to prevent war, or that they have no hope of preventing it, or that they will not try to prevent it.

This is the crucial question from which American opinion cannot afford to let itself be diverted. Senator Borah and his associates talk as if the issue before Congress were whether the United States will go into or stay out of the next war. That is not the issue. The issue is whether there is or is not going to

United States will go into or stay out of the next war. That is not the issue. The issue is whether there is or is not going to

be another world war.

TWO WORLD WARS INVOLVED UNITED STATES

That is the question before us. The question is whether the power and influence of this Nation can be used now, now before

it is too late, to prevent the war, to prevent the hideous conse quences of a war, to prevent our having to make the horrible choice which will confront us if war breaks out—the choice which

will haunt us as long as it lasts.

For let us have no illusions about it. If there is another world war, it will not be fought in Albania alone or in the Polish corridor or in the African desert. It will be fought on every continent and in every ocean and with every weapon of destruction that the ingenuity of man has devised. It may be that Mr. Nye and Mr. Borah can write a law which can keep us out of it, but let them not be too sure.

not be too sure.

There have been two world wars since the American Constitution was adopted. The United States has been involved in both of them. Mr. Nyz seems only to remember the World War of 1914–18, and he remembers that we sold munitions to the Allies and became entangled in the war, and loaned money which has not been repaid, and lost men and got a wretched peace. But if he would remember the other world war, that of Napoleon, he will recall that in that war we adopted his policy. We had an embargo. We had such a strict embargo that it ruined New England and nearly caused secession, and, in spite of the embargo, we were drawn into the war and were invaded and the Capitol in Washington was burned.

It ought, therefore, to be fairly evident to any man that Jefferson's embargo was no more effective against entanglement in a world war than was Wilson's neutrality.

world war than was Wilson's neutrality.

DIPLOMACY NEEDED TO PREVENT CONFLICT

There is no guaranty against entanglement in a world war except successful diplomacy which prevents the war. Fire escapes may be necessary. But the important thing is not to have a fire. Lifeboats are excellent. But it is safer to keep the ship from foundering on the rocks. A bombproof shelter is a good thing if you have to be bombed. But it is better to prevent air raids. No one ever prevented fires, shipwrecks, and bombardments by devoting his whole attention to fire escapes, lifeboats, and dug-outs.

by devoting his whole attention to fire escapes, lifeboats, and dugouts.

There will be time to decide how we shall protect ourselves if and when a world war breaks out. But there may not be much time left to do all that it lies within our power to do in order that a world war shall not take place. There is some time, however, and we have much power. The decision has not yet been taken. The die is not yet cast. And as we have great authority in the world, great resources and great strength, surely it is the part of prudence and wisdom and elementary common sense to do what we can, soberly, resolutely, calmly and unitedly, to save ourselves from the ordeal of living through another world war. We have gone through that ordeal once in our generation. How shall we answer to our own consciences; what shall we say to the youth of the world who stand in mortal jeopardy; what shall we plead at the bar of history, if we do not do what we can to prevent the horror that hangs over us?

NEUTRALITY: PRO AND CON-PITTMAN'S PROPOSAL (By Mark Sullivan)

What America is doing right now—in the Senate committee hearings and generally—is making up its mind whether, in a war in Europe we will be of help to Great Britain or to Germany. That is not what we say we are doing. We say we are deciding how best to be neutral. And we mean that. No one is in bad faith. No one is trying any trick. All the same, we are deciding whether we will be of help to Britain or to Germany. We can see this if we look at the existing neutrality law and then at the changes proposed in it. proposed in it.

The existing neutrality law has several provisions dealing with different subjects. The principal one is the one dealing with arms. This provision is—I condense: No arms made in America shall be sold to any nation at war, under any conditions. From the moment war is on, no arms shall leave America.

That looks like neutrality. It is neutrality. Before any judge it can be defended as neutrality. Righteously we can raise our eyes to heaven and declare that we treat all nations at war absolutely

Nevertheless, that provision is a help to Germany. It is a detriment to Britain. For it deprives Britain of an advantage she

Britain has merchant ships and a navy to protect them. In a war, Britain could send ships to America and buy our arms and carry them home, if our law permitted her. But for our existing neutrality law Britain at war would have access to the enormous supply of arms we could make, the greatest supply any nation could make. But by our neutrality law we deprive Britain of that

Germany, on the other hand, has no merchant ships and no navy that she could use in time of war with Britain. What ships and navy Germany has would be sealed by the British Navy the day war is declared. Our neutrality law deprives Germany of nothing. By our neutrality law Germany is enabled to fight a Britain confined to what arms Britain can make herself (or get from nations having less scruple than us). But if we did not have our existing neutrality law Germany would be obliged to fight a Britain equipped with all the magnificent supply of arms our manufacturers could provide.

(Pause at this point to reflect on the paradox inherent in any neutrality law we can pass. In words, it may be the most neutral law ever penned by the hand of man. But in actuality it will work to the advantage of one nation or another. There is no such

thing as a neutrality law that will bear with absolute equality on

every nation at war.)

Consider now the changes proposed to be made in our neutrality law, upon which the Senate committee is at work. I deal here with only one—the one that has a kind of authoritative standing. It is proposed by the chairman of the Senate Foreign Relations Committee, Mr. Pittman, of Nevada. Senator Pittman would change our existing law so as to make it read, in effect:

"America will sell arms to any nation whatever, provided the purchasing nation pays cash for them and carries them home in her own ships."

"America will sell arms to any nation whatever, provided the purchasing nation pays cash for them and carries them home in her own ships."

This looks like a perfect neutrality law. It treats all nations the same. Besides, it tends to keep America in a neutral state of mind. The provision about paying cash prevents any American seller of arms and America as a whole from becoming a creditor of a nation at war. Hence it prevents us from having an interest in seeing one nation win. Thus it takes away from us any temptation to join the war in order to help our debtor win.

It looks like a perfect neutrality law in every respect. It seems to treat all nations the same. But consider:

Germany could not come to America and buy our arms. She probably has not the cash, and she certainly has not the ships, or would not have them during a war.

Britain, on the other hand, has the cash and the ships, and the navy to protect the ships. Britain at war could rely upon America as an unlimited source of arms.

I have spoken only of the provision of the existing neutrality law that applies to arms. Another provision applies to goods other than arms—to foodstuffs, cotton, steel, and the like.

The existing law permits nations at war to buy this kind of goods on the cash-and-carry basis. In this provision of the existing law, Senator Pittman would make no change.

This provision, both in the existing law and in the proposed one, would work to the advantage of Britain. For, as in the case of the arms provision, Britain alone would have the ships to take advantage of food and other ordinary goods from America.

In all this, we face the question: As between Britain and Germany, which do we prefer to be of help to? The Roosevelt administration wishes to be of help to Britain. Most Americans agree.

We can be of help to Britain and at the same time remain neutral) by saying that any nation at war can buy from us if she pays cash and carries the purchases home in her own ships.

From another point of view, if we wish to be very moral, a

THE LATEST VICTIM-MUSSOLINI AND ALBANIA (By Barnet Nover)

(By Barnet Nover)

In the past few years both Hitler and Mussolini have won spectacular victories in the foreign field. But Mussolini's triumphs have always been achieved the hard way.

The conquest of Ethiopia, intervention in Spain, and now the invasion of Albania have involved actual war measures and have cost Italy much blood and treasure. Hitler's victories have been far less expensive. The reoccupation of the Rhineland, the absorption of Austria, the seizure of Czechoslovakia and Memel, were brought about through intimidation alone.

In each instance, however, Mussolini unwittingly helped clear the path for his partner. It was Europe's preoccupation with the Ethiopian war that made it possible for Germany to militarize the Rhineland. It was the circumstance that Mussolini was kneedeep in his Spanish adventure that permitted Hitler to destroy the independence of Austria. And it was, in part, the existence of the Berlin-Rome axis that paved the way for Munich and its

of the Berlin-Rome axis that paved the way for Munich and its

grim aftermath.

Now Mussolini apparently has no choice but to serve as the trail blazer for the Third Reich. That is the basic significance of his otherwise inexplicable action in suddenly pouncing on Albania to secure through force what he had already won through political,

financial, and economic means.

Nothing more clearly demonstrates, than does this wanton attack on a weak and backward nation, how much Mussolini has

become the prisoner of the axis.

Albania has been for all intents and purposes an Italian protec-Abania has been for an intents and purposes an Italian protectorate since 1926. To be sure, by no means all Albanians relished the role assigned to their nation. Again and again the feud spirit which is strong in that country flared up in opposition to a monarch believed to have become Rome's pawn. But this opposition always managed to be put down and Italy's hold on Albania steedility grow steadily grew

The roads that were built across the trackless mountains of the little Adriatic state were largely designed by Italian military engineers for Italian military purposes. The harbor works built at Durazzo and other Albanian ports with Italian loans far beyond Albania's capacity to repay, had Italian strategic purposes in the

background.

Almost 60 percent of Albania's meager trade was with Italy and its banking system was basically in Italian hands. Moreover, by the 1927 treaty of alliance, Italy was practically given the right to use Albania as a base of operations in the event of war.

ITALIAN PEOPLE DISLIKE THE AXIS

Why, then, has Mussolini gone to the trouble of brutally under-lining the obvious and with so great a flourish seizing what was his already?

The prestige reason cannot be ignored. What Hitler has done, Mussolini must also do. But that cannot be the only reason. No

Mussolini must also do. But that cannot be the only reason. No amount of propaganda has been able to hide from the Italian people the fact that Hitler has played Mussolini for a sucker. The Italian people, by and large, are not enthusiastic about the axis.

The axis has enabled the Third Reich to expand to ominous dimensions. Italy has only casualty lists, a bankrupt treasury, tightened belts, and vague promises of future gains to show for her efforts. And the fact that a very powerful Germany now adjoins the Brenner and is within striking distance of Trieste and the Adriatic has only added to Italian disquiet.

Brenner and is within striking distance of Trieste and the Adriatic has only added to Italian disquiet.

The addition of Albania to the Italian Empire would have a slight strategic value for Italy. In possession of both sides of the narrow Strait of Otranto Italy would seemingly be in a better position than she is now to control the Adriatic. But yet Albania was already in Mussolini's pocket before the attack on Zog's kingdom began. And with modern long-range artillery and modern bombing planes capable of making that strait a very unhealthy place for an enemy, even if Albania were neutral, the transformation of Durazzo, Valona, and other Albanian harbors into Italian ports and naval and seaplane bases should not make any material difference in the situation. situation.

On the other hand, it is doubtful whether Albania can be made On the other hand, it is doubtful whether Albania can be made a base for Italian commercial and political penetration of the Balkans. Such penetration would cut athwart the plans of the other member of the axis. Germany already takes a large part of the exports of the Balkan states and supplies them with a considerable percentage of their imports. Germany's economic situation is hardly such that she can afford to turn over those hard-won markets to Italy as a gesture of amity.

ALBANIA ATTACK AN ANSWER TO BRITAIN

The real reason for the sudden and brutal attack on Albania is to

be found elsewhere.

The real reason has much more to do with the needs of the axis than with the direct needs of Italy. Because of the efforts of Great Britain and France to create an antiaggression combination, Germany finds her plans of further expansion in danger. In the meantime, Italy has run up against formidable French opposition to her plans of dominating the Mediterranean.

For Germany to continue to go forward in Europe Hitler must dispure the slowly developing a system reserves in the slowly developing a system of the slowly developing a system of the second statement of the slowly developing a system of the second statement of the slowly developing and statement of the slowly developing a system of the slowly developing and slowly developing a system of the slow

For Germany to continue to go forward in Europe Hitler must disrupt the slowly developing antiaggression bloc or at least prevent it from growing. For Italy to make any progress in the achievement of her imperial ambitions it is necessary, Mussolini feels, to prevent the encirclement of Germany, through whom alone, he believes, Italy can achieve what she is after.

The attack on Albania is thus a warning to Yugoslavia, Greece, and other nations not to fall in with the plans of Great Britain and France.

and France.

and France.

It is also much more than that. It is also a notice to Neville Chamberlain that Mussolini's attitude regarding appeasement is no more cooperative than Hitler's has proved to be.

To appease Hitler, Chamberlain consented to the partition of Czechoslovakia. We know what happened.

To appease Mussolini, Chamberlain agreed to the destruction of republican Spain. Republican Spain has now been destroyed. But Italy's troops are still in the Iberian peninsula, and the Italian garrison in Libya has been increased, despite treaty pledges to the contrary. Now, also in defiance of the Anglo-Italian Treaty of 1938, Italy is upsetting the status quo in the Mediterranean.

Eden was right.

Eden was right.

F. H. A. and Prosperity

EXTENSION OF REMARKS

HON. JAMES M. MEAD OF NEW YORK

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

EDITORIAL FROM THE CHICAGO DAILY TIMES OF MARCH 27, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "F. H. A. and Prosperity" published in the Chicago Daily Times of March 27, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily Times of March 27, 1939] F. H. A. AND PROSPERITY

If any measure of the Roosevelt administration can be said to enjoy almost universal public approbation, it is the Federal Housing Administration.

F. H. A. is based upon a happy blending of Government and business. Private financial institutions provide the money (and collect the interest) for F. H. A. loans. The Government insures the lending institution against loss. The Government recognizes

both the social desirability of better housing and the economic benefits of an active building industry.

benefits of an active building industry.

Would-be home owners, those who own homes and wish to repair or modernize them, real-estate dealers, property owners whose holdings increase in value by building in the neighborhood, banks with idle capital, building contractors, building tradesmen, building supply dealers, and all the industries feeding them share in the benefits of the F. H. A. inspired construction activity.

Despite this, authorization for an increase of a billion dollars in the total F. H. A. insured loans which can be outstanding at any time squeezed through a House committee in Congress last week by the bare majority of one vote. According to reliable word from Washington, the measure faces a serious fight on the floor.

This apparently incomprehensible circumstance arises primarily from the fact that building and loan institutions throughout the country resent the F. H. A. limitation of 5 percent interest upon such loans and fear that competition for these investments may drive the rates even lower.

drive the rates even lower.

FIVE PERCENT NOT BAD FOR SAFE LOAN

It is beside the point whether 5 percent is a "fair return" upon loans of this nature. Considering that the Federal Government is insuring such loans in a manner as virtually to eliminate any element of risk, 5 percent doesn't seem unreasonable to us.

What is of vital importance, however, is the whole effect of the F. H. A. program. In many ways the whole hope of a deep-rooted recovery of our entire economic system revolves about a sweeping revival of the building industry. In the face of that a temporary 1 or 2 percent difference in the return upon a billion dollars is a ridiculous quibble. ridiculous quibble.

To appreciate the key position held by the construction industry in our hopes for recovery it is necessary to look back over the past a bit. Just to make it a thumbnail sketch, lets stick this side of 1870—about the time the Nation recovered from the effects of the

Civil War.

From 1870 to 1914 was a period of tremendous expansion in merica. The West had been tied to the East by railroads, and all America. its vast mineral and agricultural wealth gave a tremendous stimulus to every type of industry. Our population was increasing at a prodigious rate.

All of our energies were at work in building a nation. Cities doubled and redoubled in size. The railroad and shipping industry expanded enormously. Every cent of our available capital was kept at work providing bigger and bigger industrial establishments.

WORLD WAR GAVE US BIG BOOM

Then came the World War. Our industrial pace, after a few Then came the World War. Our industrial pace, after a few months of slump, again was stepped up to an ever-growing capacity to supply fighting nations with war supplies and the rest of the world with goods normally supplied by those at war. This constantly increasing demand for production capacity, extending several years after the war, until other nations recovered, again kept all our capital at work—and men, too.

The automobile, with its huge stimulus to steel, rubber, and a score of allied industries, the job of building a million miles of highways, and radio, then picked up the task and carried us along until the formula ran its dizzy course in 1929.

Today the job of building our Nation is basically complete.

Today the job of building our Nation is basically complete. opulation is increasing yet but at a crawl compared to prear days. Other nations are industrially self-sufficient or ap-Population is war days. Other nations are industrially self-sufficient or approaching it. Foreign markets are tied up with nationalistic jealousies and monetary exchange difficulties. The markets for automobiles and radios are sharply reduced because so many persons already own them.

sons already own them.

What, then, is to put idle money and idle men to work? The only giant unsatisfied need, offering hopes of pulling all industry with it, is for new housing. Others may come along. The gradual forcing of greater buying power into many more hands eventually may do the trick. But the immediate hope lies in housing. F. H. A. is the spark plug of this recovery movement. In Illinois alone the volume of applications for loans has reached \$70,000,000 monthly. Nationally the demand is for hundreds of millions. It is utterly inconceivable that Congress could let anything now serve to choke off this growing stream of recovery with all that it means to the Nation.

Christopher Columbus and the Dominican Republic

EXTENSION OF REMARKS

HON. HENRY F. ASHURST OF ARIZONA

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

ADDRESSES OF HON. THEODORE F. GREEN, OF RHODE ISLAND, IN THE DOMINICAN REPUBLIC

Mr. ASHURST. Mr. President, the junior Senator from Rhode Island [Mr. Green] recently headed a delegation of LXXXIV-App-88

Members of Congress, as the guests of the Dominican Republic, on the occasion of the opening of the tomb of Christopher Columbus.

While there he delivered a number of addresses. I am asking that two of these be printed in the Appendix to the RECORD. One was delivered in the cathedral where Columbus was buried and the other before a special joint session of the Dominican Congress. The latter Congress comprises the fifth senate of an American republic, including our own, which Senator Green has addressed within 9 months.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. THEODORE F. GREEN, OF RHODE ISLAND, IN THE CATHEDRAL OF CIUDAD TRUJILLO, DOMINICAN REPUBLIC, MARCH 19,

My fellow Americans of North, Central, and South America, it is a thrilling experience to be here in this the first permanent European settlement in the New World—in this city founded by Columbus, where still are to be seen the remains of buildings associated with him, his son, and his brother. It is especially thrilling to stand here in this the oldest cathedral in the Western Hemisphere, by the spot where the great discoverer was buried, and where his mortal remains still lie.

He loved this place so dearly that he named the island after his beloved homeland, and his dying wish was that he might be brought from Spain and buried here.

brought from Spain and buried here.

Could there be a more appropriate place to erect an international, all-American monument to that intrepld soul? Was it not natural that this place should be unanimously chosen for the site of the great tribute of 21 American nations?

Christopher Columbus is to us Americans more than the daring adventurer and more even than the successful discoverer—lovers of adventure and discovery though we still are. He has become in our imagination a mystical figure symbolizing idealism. On one of his long voyages, when he passed sleepless nights on deck, his sailors, fearfully watching him, whispered, "He is drunk with the stars."

And so he was. Such inspiration to dream of great and noble

And so he was. Such inspiration to dream of great and noble things to be achieved and such power to realize them in spite of almost insuperable obstacles are seldom found together, but they were the characteristics we revere in this man. I like to think that they are characteristic of the nations of America today, and they help to bind the American republics together, in spite of overseas efforts to split us apart.

Columbus has become a symbol of the American unity we are striving to achieve—a great and noble cause only to be realized by the persistence he showed in sailing a chartered course in both

This hoped that a fitting monument may be completed here by 1942—the four hundred and fiftieth anniversary of the discovery of this continent. From then on may it serve as a monument not only to Christopher Columbus, but also to lasting pan-American unity and peace.

ADDRESS OF HON. SENATOR THEODORE F. GREEN, OF RHODE ISLAND, BE-FORE A SPECIAL JOINT SESSION OF THE CONGRESS OF THE DOMINICAN REPUBLIC MARCH 20, 1939.

Mr. Vice President, Mr. Speaker, Members of the Senate and Chamber of Deputies, it is with keen appreciation of the honor you have conferred that I accept your invitation to address this joint session of your Congress. Had my colleagues in the Senate of the United States known that I was to have had this privilege, I feel sure that they would have sent you their cordial greetings. The feeling of friendship and of community of interest between my country and her sister republics of the Western Hemisphere has been increasing rapidly in recent years. So I feel justified in bringing you cordial greetings also from the administration and people of the United States.

There has, I know, been a corresponding change of feeling toward us on the part of the governments and peoples of the other coun-

us on the part of the governments and peoples of the other countries on this continent, including the Dominican Republic. This has been due principally to the good-neighbor policy of our great President, Franklin D. Roosevelt. He has expressed not in words, but in acts, the statesmanlike view that all of the 21 nations which trees their bigstructure of the statesman of the stat trace their history back to the common origin of Christopher Co-lumbus founding a permanent settlement here have certain common principles of government and also certain common interests which set them apart from other nations. The New World is separated from the rest of the world not only by the Atlantic and Pacific Oceans but also by this community of principles and interests. Common action should protect these against any threat from across either or both of those oceans. This common action should not be determined by the dictation of any one of them besed on not be determined by the dictation of any one of them based on size or wealth or special interest. It should be the result of the willing help of good neighbors, great and small, rich and poor, each eager to do what she can in the common cause of Pan Americanism—that cause for which the Dominican Republic under the

leadership of General Trujillo has been an ardent advocate.

It is not enough that we should not injure each other. We should help each other. It is not enough that we should forget any past grievances or be at peace with each other. We must plan how best to preserve that peace in a world full of war and threats of war. Most of the American nations, including the Dominican

Republic and the United States, had to fight to win their independence. We must keep it at any cost. Let us all work together and no power or combination of powers overseas can take that

and no power or combination of powers overseas can take that independence from us.

I thank you for this opportunity you have given me of addressing you and for all the many courtesies we have received from the officials and people of your country on this visit of ours to help erect a worthy monument to Columbus. I trust many of you may from time to time visit Washington, where I can assure you a warm welcome. May the Dominican Republic long live and prosper.

Aliens and Employment

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

ARTICLE FROM THE NEW YORK TIMES OF APRIL 9, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Aliens Seen Adding to Job Problems," published in the New York Times of Sunday, April 9, 1939.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From the New York Times of April 9, 1939]

ALIENS SEEN ADDING TO JOB PROBLEMS—THOSE IN UNITED STATES ILLEGALLY KEEP CITIZENS FROM PROCURING WORK, SOMERVELL HEARS—PROPOSED BAN BACKED—IMMIGRATION HEAD HOPES ALBANY WILL PASS BILL ON THE FOREIGN-BORN

Many of the 10,975 W. P. A. workers dismissed in this city last week would be able to find jobs if the legislature passed a bill making it a misdemeanor to employ any person who was in the United States illegally, Rudolph Reimer, commissioner of immigration and naturalization at Ellis Island, declared yesterday in a letter to Lt. Col. Brehon B. Somervell, local Works Progress Administrator. Administrator.

Administrator.

The letter was sent by Mr. Reimer in his personal capacity and not as a Federal official. It pointed out that a bill prohibiting the employment of aliens here illegally had been approved by the assembly and was now awaiting action in the senate at Albany. "Since we require a native-born child to produce working papers before the employer is permitted to place the native-born child on the pay roll, it is not unreasonable to require the alien to show affirmatively that he is not in our country illegally." Mr. Reimer said. "I am convinced that the people of New York State want the looks in our State for those who are legally here or who are its jobs in our State for those who are legally here or who are its citizens

The impossibility of patrolling adequately the Canadian and Mexican borders and the Atlantic and Pacific Oceans and the Gulf of Mexico was cited by Mr. Reimer in support of his contention that "many thousands" had come into the country illegally and

now held jobs here.
"Judging from the inquiries made at Ellis Island for advice how "Judging from the inquiries made at Ellis Island for advice how to purge the alien of illegal entry, the statement that there are many thousands employed is not an exaggeration." Mr. Reimer told Colonel Somervell. "This is further evidenced by the fact that there are 12,664 visitors now in the United States whose departure our department at Ellis Island has been unable to verify. No one knows the exact number."

Certificates of arrival are issued on application at Ellis Island, Mr. Reimer observed, and these could be used by employers to establish the residence status of their employees and to insure against the employment of "bootleg aliens, stowaways, ship jumpers, students, and visitors who have overstayed their allotted time."

Federal Grants-in-Aid To the States

EXTENSION OF REMARKS

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

RADIO ADDRESS BY HON. PETER G. GERRY, OF RHODE ISLAND, APRIL 10, 1939

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject of Federal grants-in-aid to the States, delivered by the Senator from Rhode Island [Mr. GERRY] on April 10, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the first place, I desire to express my thanks to the Evening Star and the National Broadcasting Co. for making possible this broadcast.

The question which I am to discuss is giving serious concern to many of us in Congress. Its importance is not generally recognized, but I believe it should challenge the thought of all of us. In the short time that is allowed, it is my intention to speak of the Federal grants-in-aid to the States.

At the outset it should be made clear that there are some cases where it is quite reasonable that these grants-in-aid should be extended. For example, the depression, at the beginning, dealt such a staggering blow to our people that Federal assistance had to be given promptly if the country and its citizens were to meet the emergency. That is not a part of my discussion tonight. I am endeavoring to confine myself to what should be considered the normal activities for the Federal and State Governments.

It might be well in the beginning to define the term "Federal".

and activities for the Federal and State Governments.

It might be well, in the beginning, to define the term "Federal grant-in-aid." It has been described by a student as "a mechanism to effectuate a national policy or to promote the performance of a service on a Nation-wide scale." A more realistic and descriptive definition might well be that it is a gift or bribe by which the National Government induces the States to do what the States otherwise could not or would not or. wise could not or would not do.

service on a Nation-wide scale." A more realistic and descriptive definition might well be that it is a gift or bribe by which the National Government induces the States to do what the States otherwise could not or would not do.

But it cannot be denied that the practice has grown and is still growing by leaps and bounds. Where in 1920 there were \$47,000,000 paid to the States, in 1936 the amount had exceeded \$334,000,000. This does not take into account the several billions of dollars granted to the States for relief purposes.

Some of these grants are so firmly entrenched that it will be very difficult to uproot them. Perhaps the best hope lies in checking the ever-increasing list of new services.

In addition to the tremendous increase in payments by the Federal Government, two significant changes in practice must be noted. The first is the substitution of the outrigit grants for the old principle of the so-called matching of State funds dollar for dollar with the Federal funds. The second—and it is to be observed that it is incorporated in two extremely important measures pending before Congress—is the proposal to make the grants to the States not on the basis of population or the amount that the State itself is willing to contribute, but upon a formula that seeks to establish the financial need of the States.

Someone may ask, "Isn't the Federal Government much richer than the several States, and isn't it desirable to have it help the States out?" In answer to such a question, it must be said and said again that the Federal Government has no funds of its own; and when Congress decides to make one of its alleged presents it sends the tax collector out to tax its citizens, among them the bridge in the policy under the gift likes the program or not, its people are taxed, and if frills and furbelows are added they are taxed more. Here the remoteness and alcofness of the Washington bureau has its deadly effect. When a city or State is paying directly for a service the voters are quick to ask whether the service

that a tax may be imposed for every mile they may travel on the

State's roads.

These are examples selected at random. They bear witness to the existence of the problem and the efforts the States are being put to in order to solve it.

There is in this program an application of the policy of the redistribution of the wealth of the States. The men and women who work in the mills of my State would be somewhat surprised to learn that more is taken from them in taxes for every dollar that is given back, on the theory that theirs is a wealthier State.

I know that they have always been under the impression that it was never easy to provide the pecessary funds and to pay for the

I know that they have always been under the impression that it was never easy to provide the necessary funds and to pay for the services they desire. It will hurt them more when they find the Federal Government, to provide grants to other States, taxes their industries so heavily that they can no longer give them employment. Nor will the people much longer be misled that they do not pay the taxes when as a matter of fact the food they eat and the clothes they wear are subjects of taxes. Tenant and landlord, employer and employee foot the bill. Hidden though it may be the true situation is bared by the slightest examination. Let advothe true situation is bared by the slightest examination. Let advo-cates of new Federal grants tell us who is to provide the additional aid when increased taxes drive more industries out of existence. And let them be mindful that when the so-called rich States bear burdens that are too heavy, the whole country pays the penalty in diminished prosperity and a weakened Nation.

Examining some of the activities for which grants are made, let us see whether the States themselves could not carry on many of them and whether some could not be eliminated entirely. Here are a few of them: Forest-fire prevention, forest-planting stock, agricultural experiment stations, resident instruction in land-grant colleges, agricultural extension work, vocational education, vocational rehabilitation, State marine schools, public-health services, child and maternal health services, and highways, and this last includes roads in every State on which the mail might ever be

carried.

It is absurd to claim that all of these are so charged with national interest that the Federal Government must take money from one State to hand that money to another State. Every man knows that even the States which want such activities would not want to have so much money spent if their people were paying State taxes for the services. And the most extreme advocate of Exchange transfer would be laughted the score if he claimed that the Federal grants would be laughed to scorn if he claimed that the administration of such services is watched as closely by the people as it would be if the services were paid for and administered on a

purely local basis.

Over and above the existing activities, more is sought. In the last Congress there was a request for a mere fifty millions to aid the States in the eradication of noxious weeds. There were others to aid the States in paying for State tuberculosis hospitals, to help the States pay for State highway controls, to give the States money for kindergartens, to give them money for open-air health camps, to provide for demonstration centers for adult civic education, to provide for the establishment of engineering experiment of engineering experiment. vide for demonstration centers for adult civil education, to provide for the establishment of engineering experiment stations at the land-grant colleges, to aid workers' education, and to aid business and economic research in the schools of business of State universities. There were also proposals for Federal aid for improvement of the treatment of prisoners and supervision of parole and scaling and scaling the spinions of toll probation, and, finally, Federal aid for the elimination of toll bridges.

I do not know how much the individual States would benefit

I do not know how much the individual States would benefit under some of these gifts, but if my State, or any other State, wants them, I think generally it should follow the course of providing for what it wants, and for which it will pay, and not ask the Federal Government for a so-called grant to meet the obligation entailed. The theory behind all of these demands seems to be that they are too expensive for the States but still within the means of a National Government which has been annually in the red for billions of dollars—this last year alone by four billion. Is there no recognition that there are some expenditures which the Federal Government cannot afford? But these demands are pittances in comparison with what would be involved eventually under the

comparison with what would be involved eventually under the national health bill and the Federal education measure.

A Federal education bill has been pending for most of the time since I first came to Congress, more than 25 years ago. I have opposed them all and I shall oppose this one, changed as it is in

form from its predecessors.

Like the bills of former years, this one is supported by the educational associations and some of the more publicized educators. It is to be remembered that the legislation will involve the spending of more money and the creation of more jobs, and so their attitude is not astonishing. Experience has taught legislators not to be astonished when they find a group applauding a program under which that group would benefit financially. It would be surprising, but none the less founded in reason, if the educators stood forth and opposed the bill for the dangers that lurk within it—the menace of Federal control over education, an essentially State function.

We are treading on dangerous ground. Ignoring for the moment all the serious questions of finance and taxation and the dangerous consequences that are entailed therein, the measure itself is fundamentally bad. It is my conviction that if the gates are opened by the Federal Government in the matter of education, there will be no way to prevent it from entering into any purely local enterprise. local enterprise.

There is no more reason for the people of Rhode Island paying for the education system of the people of Florida than there is for that State paying for the costs of the fire departments throughout the State of California. One seems to be justified no more than the other. Each is absolutely contrary to every conception that has existed of the functions of our State and National Governments. To those who suggest that it is of national interest that the people in all the States be given equal educational opportunities and equal fire protection, I say it is decidedly in the national interest that the several States control and pay for their own education, and that the municipalities have fire departments and that they themselves pay for the upkeep.

selves pay for the upkeep.

The present education bill, somewhat like its predecessors, calls for a relatively modest start. The first appropriation would be for \$75,000,000. In the sixth year, however, the cost would be two hundred and eight millions. Does any sensible man think that thereafter the cost will be lowered? Is it not more to be expected that it will be increased and that these increases will continue until all pretense of grants is abandoned, and the Federal Government eventually will take control? This may not be the inevitable consequence, but it is the very probable one.

The sponsors of these education bills, well aware of the hostility in the public mind to Federal control of the schools follow.

tility in the public mind to Federal control of the schools, follow the procedure of making a request for a relatively modest grant, as a start, and minimize all suggestions of Federal supervision. But in the background there is the idea that with Federal aid once given, control eventually must follow. Beware the bureau bearing gifts. To become eligible for the grants the States must make certain commitments, and so even at the beginning, with the sponsors denying Federal control, Washington, holding the purse, is to decide whether the gift is to be made or withheld. purse, is to decide whether the gift is to be made or within the Call this cooperation or call it control; in either case the ultimate power is in Washington and away from the people. If the money is not to be squandered, Federal officials, with reason, feel that they must have a check. Given that check, the Federal Government is exercising control over the fund. There is no alternative conclusion.

Ingrained in the minds of our people is the conviction that education is a purely local function, to be administered by the people in the community with the State exercising general supervision. If this bill is enacted, that principle, little by little, will be destroyed, and the authority will not be in the community but in Washington. So it is, I say, that, apart from all questions of costs and unjust taxation, the adoption of such a proposal is dangerous and vicious.

Let me devote a little time to some of the features of the na-onal health bill. With some of its objectives there is no one not tional health bill. in sympathy—to improve the health of our people, to give better care to mothers and children, and to assist the crippled. All of these have a universal appeal. They were not just thought of by those who have recently joined a social-reform program. But under the bill vast sums are to be spent; and when our Government's expenses each year are exceeding receipts by billions of dellers with no promise for improvement it is essential for us

ment's expenses each year are exceeding receipts by billions of dollars, with no promise for improvement, it is essential for us to examine the costs of the program and find, if we can, where the money is coming from and how it is going to be spent.

In the first year the cost will be \$80,000,000. In the third, assuming what experience gives us no right to assume—that the original cost for some services will not increase—the cost will be some \$225,000,000. Let us repeat the figures. Eighty million in the first year and two hundred and eighty-five millions in the third. Can a government, which even now cannot meet its expenses, pay for such programs? The old principle of the State matching Federal grants, dollar for dollar, is abandoned under the proposal. While there is to be scale participation, outright grants are to be made by a variety of formulas under the various provisions of the measure, and the chief test is to be the financial resources of the State. How will the measuring be done, and who will do it? The State. How will the measuring be done, and who will do it? The bill answers this question by providing that the standard is to be the per capita income of the people of the States, and this will be decided by the Secretaries of Labor and the Treasury and the Chairman of the Social Security Board.

The adoption of such a program will give new scope to a type of

The adoption of such a program will give new scope to a type of lobbying which recently has assumed great importance. Amid demands for statutory making of freight rates, with geographical areas seeking differentials for wages and hours, the sectional lobbyist now plays a prominent role. What man believes that grants for relief were made entirely on the basis of the needs of the State? And who is there who expects that, if this program is adopted, benefits will be conferred purely upon the basis suggested? In determining financial need, is there anyone versed in politics who thinks that as time goes on pressure will not be exerted?

It is all very well to say that we should be an \$80,000,000,000 country, but we must be realistic. The fact remains that we are not such a country now. Assuming that all the services offered by new proposals are good and destrable, we must know where the money is coming from to pay for them. We should likewise determine whether many of the activities suggested should not be handled by the State governments. I say, unhesitatingly, that our State executives and our State legislators should be on guard against the encroachment of the Federal Government. They must be alert and active if they expect to preserve and retain their sovereignties against the steady advance of the Federal power.

Trade Barriers Between States

EXTENSION OF REMARKS

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

ARTICLE FROM THE BENTON COUNTY TRIBUNE, OF FOWLER, IND.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an article from the Benton County Tribune, of Fowler, Ind., entitled "National Union Endangered by Trade Barriers Between States." The article is by Mr. William Bruckart.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Benton County Tribune, Fowler, Ind., of March 24, 1939] NATIONAL UNION ENDANGERED BY TRADE BARRIERS BETWEEN STATES

BOOTLEGGING OF MILK AND CREAM CALLS ATTENTION TO CONDITION
THAT HAS BECOME FLAGRANT—PROPER GOVERNMENT FUNCTIONS
USED TO ACCOMPLISH UNSCRUPULOUS ENDS

(By William Bruckart)

(By William Bruckart)

Washington.—City officials and newspapers of Washington, D. C., have worked themselves into a terrible dither lately over a new kind of bootlegger—a bootlegger of milk and cream. This city, like every other city, has tight regulations concerning milk and cream that enters the National Capital. They are regulations designed to protect the health of those who reside here. Moreover, maintenance of such regulations are an entirely proper function of government, because there can be nothing more important than health.

According to the charges filed and upon which arrests were made, a dairy four or five hundred miles from Washington, inspected and licensed by the State of its location, brought in a truckload of refrigerated cream without first having obtained a permit to do so. The city officials, prodded perhaps by local dairies and nearby milk producers, threw a couple of men into jail and barked and squawked all around the place because of this bootlegger. The local press reports indicated the city officials had made asses of themselves over the whole matter but that is of no particular concern to this discussion. discussion.

The incident is very important as illustrative of a condition that is rapidly endangering the national Union of States and is, therefore, a matter for analysis here. Frequently great national issues lie around or are kicked around for months before somebody inadvertently sets a match to the powder; and it happened to be local officials who struck the match.

BARRIERS TO TRADE BETWEEN STATES HAVE BECOME FLAGRANT

BARRIERS TO TRADE BETWEEN STATES HAVE BECOME FLAGRANT
The thing called to national attention by the cream bootlegger is the existence through the Nation of barriers or obstacles to trade between the States. It has become flagrant. Selfish interests have been operating first in one State, then in another. Laws have been passed utilizing proper Government functions to accomplish unscrupulous ends. These have bred retaliatory measures. Other States have passed laws to "get even" with those acting ahead. State officials, State trade and civic organizations have threatened and have been threatened right back until now we have throughout the United States thousands of people sticking out their tongues in the most childish fashion at other thousands of people. Each group saying in sign language or otherwise, "You're another." "You're another."

It is serious business, and there is no doubt in my mind but

It is serious business, and there is no doubt in my mind but what the condition bodes ill for national unity. It takes no expanded imagination to think of the time when we might have 48 little nations, snarling and frothing at the mouth as crudely and quite as unintelligently as they do throughout Europe.

Now, it is one thing, and a very proper thing, to use regulations for the preservation of health, for the protection of property, for the support of government, or governmental policy. It is quite another, and dastardly, thing to make use of those regulations to prevent the flow of commerce and the products of farm and factory. It is such things as that from which memorally is made. factory. It is such things as that from which monopoly is made. If the now rather ill-famed monopoly investigation is worth its salt (which it has not demonstrated thus far), it could demonstrate its value by examining into trade barriers between States.

PROPER LEGAL POWER USED, BUT IT IS USED SELFISHLY

Representative HALLECK, of Indiana, has been engaged for weeks in digging up facts about these trade barriers. He told me the

other day that he intends to try to break them down, either by constitutional amendment or by national statute. There are plenty of difficulties confronting him, he admits, because all of these things have been done by using entirely proper legal power, but by wings the eldebly. but by using it selfishly.

these things have been done by using entirely proper legal power, but by using it selfishly.

To illustrate, Mr. Halleck referred to that oft-repeated assertion that "the power to tax is the power to destroy." Indeed, it is! The power to tax for government revenue is, and always has been, used. But there are many instances of record where that taxing power was employed to levy such high rates of tax that the tax collector took everything produced. The business was destroyed. And it is the same thinly disguised use of proper power that is getting the Nation into an awful mess, now. This choking of trade is going on despite the constitutional provision which says emphatically that no State may levy tariffs against importations from other States. The bright law makers, and their henchmen, have got around that in the manner mentioned above.

Mr. Halleck supplied some facts to show how widespread the condition has become. He mentioned, moreover, that the Nation is so blanketed with a variance of laws on most subjects that it seems almost a hopeless job to untangle them.

For example, there are 170 different State laws dealing with the labeling and grading of farm products. A good ear of corn in one State won't be recognized as a good ear of corn in another. My friend, the ordinary Irish potato may be accepted as No. 1 in one State and find biverels of the state and force in the state and find biverels of the state and force in the potato may be accepted as hottle of

My friend, the ordinary Irish potato may be accepted as No. 1 in one State, and find himself as No. 3 in another. A bottle of one State, and find himself as No. 3 in another. A bottle of beer in Missouri, tax paid and respectable there, becomes virtually a bottle of slop in an adjoining State. Wines from grapes grown in California cannot possibly be as good as wines grown from grapes in Oregon, because the Oregon law says so and lays a burdensome tax to prevent Oregon citizens from having their stomachs corroded or something. Cement entering Florida, for a time, was not as good as cement produced in Florida and Florida was prepared to tax it—until the case got to the Supreme Court of the United States. of the United States.

STATES DIFFER AS TO WHAT CONSTITUTES A TRUCK LOAD

Take another and less known condition—less known because fewer people come in contact with it, but it enters into the cost of the things you buy, just the same. I refer to State laws about load limits of trucks. I don't have any love for trucks; they are so doggoned big these days that I want to take to the timber when I see one of them coming head-on along the highway. But they have rights. Yet, there are no two States as far as I can learn that have the same regulation about the size of a truck's load. The trucks can be regulated because they use the highways. load. The trucks can be regulated because they use the highways, and yet one State says 120,000 pounds is a load and another State says 18,000 pounds is a load. The others have laws specifying a load at varying sizes in between, and there you are! Just what is a load, anyway?

The truth of the matter is that local interests are to blame in most cases. They are taking advantage of situations to further their own selfish ends. And where are they leading to with this polyglot of legislation?

polyglot of legislation?

The whole thing seems a bit incongruous to me. Here, on the one hand, Mr. Cordell Hull, the very able and valuable Secretary of State, has been moving heaven and earth to get rid of trade barriers between nations. Reciprocal-trade treaties, he calls his method. Some of them seem to work badly and some others appear to be producing results, but no one knows yet whether the whole system should be kept or thrown out. That question does not belong here. It is the national policy of breaking down obstacles, jarring loose log jams, so that our products may move into other nations that is important to be considered when within our own boundaries every known means is being used to block shipments and sales between States. I cannot figure it out unless shipments and sales between States. I cannot figure it out, unless some folks are strict followers of the Biblical injunction not to let the left hand know what the right hand doeth.

NATIONAL GOVERNMENT POLICY TO BLAME FOR CONDITIONS

I have been wondering, therefore, what has actuated the selfish interests of the country to start on this spree of battling among themselves. There must have been some reason behind that. At least, I have come to believe there is. I believe that the condition fundamentally springs from National Government policy which for years now has been in the direction of destroying the rights of individual States. Little by little the Federal Government rights of individual States. Little by little, the Federal Government has torn away the rights of the States—and the States, with pain reduced by Federal money, have permitted it.

Suddenly, however, the States and their citizens have discovered their whole jurisdiction is enveloped in creeping paralysis. We have all noted resentment in the last few years at the encroachment of Federal regulation upon individual rights and freedom. ment of Federal regulation upon individual rights and freedom. When these things were realized by the rank and file of the people, there developed a new disease as a counterirritant, the disease of knocking the other fellow off. It will take more than socialized medicine to correct it. The National Government's policies, having started it, will have to assume the blame and will have to find a way to remedy the condition. I hope Mr. HALLECK, and those he has enlisted to help him, can find the proper prescription for the civic than the civic that the civic the civic the civic than the civic than the civic than the civic the civic than the c

War and Peace

EXTENSION OF REMARKS

HON. ERNEST LUNDEEN OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 11, 1939

RADIO ADDRESS BY HON. HAROLD KNUTSON, OF MINNESOTA, MARCH 30, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to insert in the RECORD a radio address delivered by Hon. HAROLD KNUTSON, a Representative in Congress from the State of Minnesota, on March 30, 1939, on the subject Shall We Repeat 1916-17?

On March 4, 1939, Representative Knutson became the senior Representative of all time for the great State of Minnesota. I am glad he still holds to the policy he followed on April 6, 1917-the Washington, Jefferson, Jackson, and Lincoln policy, a policy of American statesmanship.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Frequently I am asked if I would change the vote cast by me on April 6, 1917, against America's participation in the World War, in view of what has since happened. To one and all my reply is, "A thousand times no.'

thousand times no."

As I view it, nearly all of our present economic and political ills are due to our having participated in that tragic drama. Our participation in the war resulted in an orgy of inflation which was followed by a deflation that was most disastrous to agriculture and to all lines of industry and business. This deflation was later on followed by another spectacular inflation which culminated in the stock-market debacle in October 1929, throwing millions out of work. What has since happened is too painfully vivid in the minds of all Americans to need repetition at this time.

The thousands of bank failures that wiped out the life savings of our people, the many suicides, the tens of thousands of farm and home foreclosures, the innumerable business failures that took place during the decade following the signing of the armistice, all were in a large measure due to the war. Then, too, the staggering national debt that we must carry for the next three or four generations is altogether because of our taking part in that war.

On April 6, 1917, when the resolution to declare war was before

On April 6, 1917, when the resolution to declare war was before the House, I had this to say: "I shall vote against a declaration of war because I feel that we have no business meddling in European war because I feel that we have no business meddling in European affairs; I shall vote against this resolution because it will mean entangling alliances that may at a future date endanger the Monroe Doctrine and embroil us in another holocaust such as they now have in Poland and Flanders; I shall vote against war because it is my understanding that it is the plan of the General Staff to send hundreds of thousands of our boys into the slaughter pens of Europe, many of them to be shot to pieces or rendered incapacitated for life; I shall vote against entering the war because it will impose upon our people a burden of taxes that will weigh down generations yet unborn; lastly, I shall vote against war because I know that a majority of the common people, who will have to do the fighting and pay the bills, do not want it."

At that time those of us who opposed America's entrance into the war were crucified upon the cross of hatred and misunderstanding because we dared to stand for what we conceived to be our plain duty and for the best interest of our people.

I ask, How many realize that 436,065 of our boys have died as a result of their service in that war?

I ask in all sincerity, Was it worth the price?

Back in 1917 we were told that it was to be a war to end all wars. How many wars, big and small, have been fought since the Treaty of Versailles was signed? So many we cannot offhand recall them all.

Back in 1917 we were told that it was to be a war to make the

Back in 1917 we were told that it was to be a war to make the world safe for democracy. Is it not true that democracy is at a lower ebb today than at any time in the past 150 years?

We have been paying the tragic price of the World War for the last 21 years. The direct expense of our actual participation was nearly \$40,000,000,000, but this was not all. In the years following the war we have paid out additional billions in bonuses, pensions, and other items directly or indirectly resulting from the war effort. Now we are launched on another spending spree preparing for a repetition of the last ghastly war epic. Billions are being poured out of the Public Treasury in the name of preparedness.

Preparedness for what?

Preparedness for another foreign war if we follow our present senseless policy of intervention in the affairs of Europe and Asia.

We must remember that the problems of other continents will have to be settled by the peoples there. There is nothing that we as a nation can do to provide a settlement for their problems. To do otherwise means we will entangle ourselves for years to come in foreign conflicts; that we would have to police the world and have an intolerable burden of armaments to support this policy of intervention.

vention.

The time has come for a drastic reorientation of American foreign policy and a reorganization of our defense establishment. We cannot avoid war if we continually inject ourselves in foreign controversies, nor can we avoid war unless we make our military policy one of defense instead of preparedness for another foreign war.

The Army and Navy should be organized in a single department of military defense. The present set-up is based on our World War plans for sending our Army and Navy overseas. We hear a great deal these days about defense, but it is "defense" by fighting a foreign war that we are now spending over \$4,000,000 a day on.

The time has come to declare a new policy of defense which means defense and not foreign wars. No one objects to the expenditure of the necessary sums for defending the Nation against attack, but in the interest of peace and economy we cannot continue our present program.

The present defense set-up means duplication of effort, compe-

The present defense set-up means duplication of effort, competition between the Army and Navy, a huge military and naval machine, a tremendous tax burden, a program which takes us farther and farther from our shores—witness the latest example offered by the Navy's request for a base at Guam—6,800 miles from our west

coast.

Why do we need an Army and Navy establishment based on the idea of foreign war? Who is going to attack us? How can we be attacked? There has been no satisfactory answer given by the Roosevelt administration to any of these questions. Military experts cannot explain away the fact that our geographic position makes us secure so long as we stay this side of the ocean and mind our own business. Indeed many of the admirals and generals have on many occasions frankly stated that the United States is safe from attack either on the Pacific or the Atlantic.

If we want a peace and economy program, if we want to avoid the tragic mistakes of 1917 and 1918, if we want to keep from bankruptcy, I believe that the following policies are necessary:

First. Strict neutrality.

Second. A military defense policy limited to defense and laid down by Congress now.

Third. Putting our own house in order and providing economic security for the American farmer, laborer, businessman and youth.

Fourth, Giving the people the right to vote on foreign war when

Fourth. Giving the people the right to vote on foreign war we are not attacked.

I want to emphasize this last point. The people who are going to bear the burdens of war should have the right to decide whether or not they want to engage in another bloody catastrophe three or seven thousand miles away. They do the fighting, the dying; they will have to pay the bills.

Let's not repeat the mistakes of the past and allow ourselves to drift or be led that one they foreign was

Let's not repeat the mistakes of the past and allow ourselves to drift or be led into another foreign war.

Let the people speak their minds now in support of the program that I have outlined. Let them tell their representatives that they want peace, neutrality, the right to vote on foreign wars, and a new military policy. That is the only way to avoid a repetition of 1917. Let's save our democracy at home.

The danger to our country and its institutions lies not across the seas, but, rather, it is right here in our own midst. This danger has its roots in unemployment, in poverty, in unequal op-

danger has its roots in unemployment, in poverty, in unequal opportunity, in discrimination. These are fertile breeding grounds for a dissatisfaction that may burst into flames that will consume us. Our job is to eradicate these evils before they get beyond control.

World Mission of the United States

EXTENSION OF REMARKS

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

EDITORIAL FROM THE BERGEN EVENING RECORD, HACKEN-SACK, N. J., APRIL 10, 1939

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial by Hon. John Borg, publisher, which appeared in the Bergen Evening Record, Hackensack, N. J., April 10, entitled "Uncle Sam's Real World Mission."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bergen Evening Record, Hackensack, N. J., April 10, 1939] UNCLE SAM'S REAL WORLD MISSION

Revision of Europe's map by the German-Italian axis bullies, reprehensible as their methods are to liberty-loving Americans, goes merrily on its way its wonders to perform. Albania's 1,000,000 hillbillies have now been valorously conquered by Italy's 44,000,000. Britain and France have delivered their innocuous diplomatic protests, and another chapter of history is temporarily closed. The tests, and another chapter of history is temporarily closed. new Roman empire has again expanded.

Where the lightning of Nazi-Fascist superculture will strike next Where the lightning of Nazi-Fascist superculture will strike next in southeastern Europe is still a secret, but a good guess would be Yugoslavia, with its unmiscible population of Serbs, Slovaks, and Croatians totaling 15,000,000. Its comic-opera army could resist a German-Italian mechanized invasion from the north, south, and west for perhaps a day. Neither Britain nor France could effectively prevent that absorption even if they then decided to risk their own empires by going to war over it; so they will probably find it expedient once again to confine themselves to dignified diplomatic protests. Hitler and Mussolini will again reply that they are merely protecting racial minorities from dictatorial oppression, which in both Albania and Yugoslavia would not be entirely untrue.

Rumania's turn would probably come next, for it, too, has racial minorities whom the axis Santa Clauses would want to protect. The restoration of Transylvania to Hungary would be its bait to provide the corridor for Germany's invasion of Rumania, but Hungary would ultimately have to pay the price of her cupidity by becoming a German province like Czechoslovakia. And neither Britain, which has invited both of these prospective victims of German kultur to join the stop-Hitler encirclement, nor France can effectively aid them any more than they did the martyred Czechs. Diplomatic protests would doubtless be presented, but in the meantime more national patients will have died under the axis surgeon's knife.

And so the future map of Europe may be more clearly visualized. Germany in the central-eastern area seems destined ultimately to control 120,000,000 people from the North and Baltic Seas to the Black. Italy is on her way to become again mistress of the Mediterranean, Mare Nostrum. Both have increased vastly their human and material resources for the inevitable imperial show-down. As they have absorbed contiguous lands and nearlies the potntialise.

man and material resources for the inevitable imperial show-down. As they have absorbed contiguous lands and peoples the potentialities of Britain and France have been correspondingly diminished. But a latent danger in a major war will be sabotage or an explosion of their acquired subject minorities from within.

All of this interests the American people but is not realistically their problem. The empire lust of the German-Italian axis is a British-French headache, for they have what the axis partners want. America owes them nothing, but they owe us \$10,000,000,000 cm which they have welshed. We mobilized 4,000,000 American boys, spent \$25,000,000,000, and must spend another twenty-five billions before that altruistic foreign adventure to make their world safe for dymocracy is finally liquidated. They won that war and exfor democracy is finally liquidated. They won that war and expanded their empires at Germany's expense while we held the bag and were called Uncle Shylock when we tried to collect those debts of honor. Uncle Sam did, however, get a liberal education out of that experience with our so-called sister democracies. And if he now fails to profit by it, he should have his head examined.

Americans must not be deluded by propaganda that our national security is directly menaced by the impending Armageddon between the holy havers and the unholy grabbers of Europe. The winners of that international holocaust will be bled so white in human and material resources that they will be glad to lick the hands of the humanitarians who will be called upon to bind up their wounds. Freedom-loving Americans instinctively are opposed to the dictatorial axis partners, but experience and common sense should keep them aloof from alliances with the empire democracies. Realistically they are unsound risks, for as now constituted both the British and the French Empires are facing decline and change.

the British and the French Empires are facing decline and change. Soon or late they must share peacefully their acquisitions of the sword with the menacing swords of Germany and Italy or fight. If they diplomatically surrender a few morsels, they merely feed the hunger of the axis wolves that threaten them and automatically start their empires on the toboggan of dissolution. If they fight and win, they are unlikely to retain their status as democracles in the process; they will be hopelessly bankrupt, and their far-flung pieces will be food for any empire-hungry nation that keeps itself out of the European mess. That's when smart, opportunist Japan will grab, unless Russia is free to checkmate her. If Stalin keeps out until Europe is impotent, he'll have a united Russia and an undivided army to settle the score with Japan for Asiatic supremacy.

united Russia and an undivided army to settle the score with Japan for Asiatic supremacy.

As for the United States, it owes the world nothing and wants nothing from it except a peaceful America in which to work out its manifest destiny. Common sense tells it to mind its own business and prepare for the day when its world mission may be to salvage white civilization. But that mission of altruism and mercy cannot become effective until both the grabbers and the havers are prostrate in the welter of their own lust for power, pelf, and empire. pelf, and empire.

The National Committee to Keep America Out of Foreign Wars

EXTENSION OF REMARKS

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

OUTLINE OF AN ORGANIZATION

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include an outline of an organization sponsored by 50 Members and former Members of the House of Representatives, known as the National Committee to Keep America Out of Foreign Wars. On behalf of the Committee, I extend invitations to all interested individuals or groups who may wish to cooperate and affiliate with the efforts of this Nation-wide committee to keep out of

THE NATIONAL COMMITTEE TO KEEP AMERICA OUT OF FOREIGN WARS INSPIRED BY AMERICAN PRINCIPLES, IDEALS, AND TRADITIONS

The facilities of the President and the New Deal administration to disseminate war propaganda and hysteria and to prepare the youth of America for another blood bath in Europe are so enormous that it is essential to form a national organization to counteract these un-American, provocative, and dangerous policies with every resource available, and to conduct an open and militant campaign of education through organization, the press, and the radio to keep America out of foreign wars unless attacked.

We, 30 Members and former Members of the House of Representatives, have therefore associated ourselves together through the formation of the National Committee to Keep America Out of Foreign Wars, and pledge our best efforts to carry out its aims, purposes, and

objectives.

PURPOSES

1. To provide a national, nonpartisan, nonprofit, and nonsectarian organization through which the American people can express their determination to keep out of foreign wars and to promote

peace and good will toward men.

2. To counteract the inspired propaganda emanating from the White House and spokesmen of the New Deal, which has created mass war hysteria throughout the Nation by inflaming the fears and passions of our people and incited hatreds against foreign pations. nations.

3. To maintain the American policy of nonintervention and peace and against entangling alliances, war commitments, and policing and quarantining the world with American blood and treasure.

4. To uphold adequate national defense and the Monroe Doctrine.

5. To check the propaganda and activities of all foreign nations in this country which seek to entangle us in Old World quarrels and to fight their battles.

and to fight their battles.
6. To expose propaganda emanating from within, such as communism, which seeks to have the United States go to war with Japan and Germany for the benefit of Soviet Russia.
7. To combat the spread of nazi-ism, fascism, and communism in America and be Americans for America, regardless of race, color, creed, or politics.
8. To oppose racial and religious persecution.
9. To take the profit out of war and make public the activities and propaganda of the war profiteers, munitions makers, and other selfish interests.
10. To resist the activities of the internationalists, interventionists, and other groups who would have the United States use

tionists, and other groups who would have the United States use force and compulsion in international disputes; to exert its influence to prevent the Congress from delegating its war-making

powers to the President.

11. To give the right to the American people to vote in a national referendum as to whether American citizens should be conscripted for service outside the Western Hemisphere. (Not to be confused with the Ludlow amendment, providing for a national war referendum.)

12. To preserve our American system and constitutional govern-ment, and to devote our energies to solving our own economic problems, restoring confidence, and providing employment for the American people.

NATIONAL COMMITTEE TO KEEP AMERICA OUT OF FOREIGN WARS.

Officers: Hamilton Fish, New York, chairman; Harold Knutson, Minnesota, first vice chairman; John J. O'Connor, New York, second vice chairman; Samuel B. Pettengill, In-diana, third vice chairman; Royal C. Johnson, South Dakota, secretary; Walter L. Reynolds, treasurer.

Executive committee: Allen T. Treadway, Massachusetts;
J. Will Taylor, Tennessee; Roy O. Woodruff, Michigan;
Albert E. Carter, California; John M. Robsion, Kentucky;
Pehr G. Holmes, Massachusetts; Martin L. Sweeney, Ohio;
Jesse P. Wolcott, Michigan; Leo E. Allen, Illinois; J. William Ditter, Pennsylvania; Charles A. Plumley, Vermont;
Dewey Short, Missouri; Ralph O. Brewster, Maine; Usher
L. Burdick, North Dakota; Frank Carlson, Kansas; Francis
H. Case, South Dakota; Edward H. Rees, Kansas; Paul W.
Shafer, Michigan; John C. Schafer, Wisconsin: Homer D. H. Case, South Dakota; Edward H. Rees, Kansas; Paul W. Shafer, Michigan; John C. Schafer, Wisconsin; Homer D. Angell, Oregon; Robert B. Chiperfield, Illinois; Robert J. Corbett, Pennsylvania; Carl T. Curtis, Nebraska; Henry C. Dworshak, Idaho; Leland M. Ford, California; Robert A. Grant, Indiana; Forest A. Harness, Indiana; Frank O. Horton, Wyoming; Ben F. Jensen, Iowa; Robert W. Kean, New Jersey; Frank B. Keefe, Wisconsin; Earl R. Lewis, Ohio; William J. Miller, Connecticut; Harry Sandager, Rhode Island; Andrew C. Schiffler, West Virginia; James Seccombe, Ohio; Henry O. Talle, Iowa; Oscar Youngdahl, Minnesota; Carl G. Bachman, West Virginia; John M. Baer, North Dakota; Edward Keating, Colorado; Ralph A. Horr, Washington; Fred S. Purnell, Indiana; James Simpson, Jr., Illinois; Bertrand H. Snell, New York.

H. R. 5324-National Housing Act Amendments

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

LETTER FROM NATIONAL RETAIL LUMBER DEALERS ASSOCIATION

Mr. SMITH of Washington. Mr. Speaker, as one of the sponsors of the original Federal Housing Act of 1934 and subsequent reenactments and modifications of the same. I am, of course, supporting the proposed pending amendments offered by the Committee on Banking and Currency. In this connection I append a letter bearing date of April 10, 1939, which I have received from the National Retail Lumber Dealers Association:

> NATIONAL RETAIL LUMBER DEALERS ASSOCIATION, Washington, D. C., April 10, 1939.

Re: National Housing Act amendments. Hon. Martin F. Smith,

HOUSE Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I am informed that the Rules Committee has voted a rule to bring up H. R. 5324, amending the National Housing Act, on the floor of the House Tuesday, April 11.

The building industry generally, including contractors, building-trades men, material supply dealers, and manufacturers of all classes of materials, has acclaimed the National Housing Act as one of the finest pieces of legislation ever written to restore confi-dence in the building industry, and the record of its accomplish-

ments speaks for itself.

In reviewing H. R. 5324, which you are going to be asked to vote on tomorrow, we want to congratulate your Banking and Currency Committee for doing such a good job, and we hope you will follow through on its recommendations.

TITLE I

Of particular interest to us is extension of title I, providing for modernization and repair, and new construction loans up to \$2,500. Title I has been a most important factor in helping to bring back

Title I has been a most important factor in helping to bring back building recovery. Over three-quarters of a billion dollars worth of business has resulted from it, and the committee's decision to extend it should be wholeheartedly approved.

Your committee has decided to allow the Administrator to make a charge of "up to 1 percent" for operating expenses under title I—which would mean that he can establish a charge of 1 percent by regulation if he so desires. A Senate subcommittee has recommended a flat charge of one-half of 1 percent. From our recent canvass of a number of lending institutions, we feel that a flat charge of one-half of 1 percent would be more attractive and would encourage more title I business than a 1-percent charge.

TITLE II

We are glad that your committee has recommended extension of the 25-year amortization period for small homes under title Π . This has been especially beneficial to those in the lower income group because in many cases it has made their payments on a small house less than they would have to pay for rent.

The way the question of increasing the mortgage-insurance fund has been treated certainly has our approval. The additional billion dollars which can be made available on request will give the F. H. A. over \$2,000,000,000, a safe margin of security for some time to come.

While we realize there has been some controversy in regard to refinancing of existing construction, we frankly think your committee has acted wisely in extending this provision of the act. We say this because, as a result of our close contact with the building industry we have come to realize how sensitive the present building demand is, and we believe that nothing in any way should be done to disturb continuation of existing financing arrangements. We are doing everything in our power to encourage building, in the hope that it will gain the momentum of which we are all so hopeful. The public does not have complete knowledge of how the Housing Act works, and any report in the newspapers to the effect that the F. H. A. program had been restricted might have a disastrous effect on the public, regardless of whether there was anything to worry about or not. We are optimistic for a big year, and we know that if building can get a good start, all business will benefit. We should use every effort at our command to prevent a set-back like we experienced in 1937.

If you will help support your committee's recommendations, you will certainly do your part in this program.

Sincerely yours, While we realize there has been some controversy in regard to

Sincerely yours,

FRANK CARNAHAN, Secretary.

Finance and Credit

EXTENSION OF REMARKS

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

ADDRESS BY CHAIRMAN JESSE JONES, RECONSTRUCTION FINANCE CORPORATION

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I present a very able and interesting address made by the Honorable Jesse Jones, Chairman of the Reconstruction Finance Corporation, delivered on Sunday evening, April 9, as follows:

day evening, April 9, as follows:

I appreciate the privilege afforded me by the New York World's Fair Commission to speak to the country on finance and credit. The finance and credit exhibit in the Federal Building at the New York World's Fair illustrates the many phases of our financial system and the many ways in which our Government serves in this field. Time will not allow a discussion of the fundamental principles of our finances, so I will confine my remarks to a brief outline of private credit by and through Government agencies.

The credit resources of our country are mobilized through the Federal Reserve System, established under Woodrow Wilson 25 years ago, and while the Federal Reserve banks are owned by private banks that are members of the System, both national banks and State banks, they are intimately connected with the fiscal policies of the country through close cooperation between the Federal Reserve Board of Governors and the Treasury.

Long-time farm-mortgage loans are made by Federal land banks

Long-time farm-mortgage loans are made by Federal land banks established 22 years ago. Short-time credits for farmers and stockmen are provided through Federal intermediate credit banks, established soon thereafter. These and some other credits for farmers and stockmen are now made under the direction of the Farm Credit Administration, established in 1933.

The Home Loan Bank System, organized in more recent years, aids in financing homes, through loans to or discounts for members of the system, composed largely of building and loan asso-

The Federal Deposit Insurance Corporation, insuring bank deposits, was established in 1933.

These are accepted as permanent agencies for credit and finance. As a result of the depression, which began in 1929 and which still persisted, Congress created the Reconstruction Finance Corporation in January 1932 to provide emergency financing facilities for financial institutions and to aid in financing agriculture, commerce, and industry.

The depression persisting, the R. F. C. law was amended in July 1932 to provide direct unemployment relief to States, and to make loans for self-liquidating projects.

The law has been amended many times under the Roosevelt administration, first on the 9th of March 1933, to enable us to save banks from failure through putting capital in them. This

act of Congress authorized other heroic treatment for our banks and for Government financial assistance to the country.

Many credit agencies have been created under the Roosevelt administration. They include the Home Owners' Loan Corporation, which saved a million homes from foreclosure; Federal savings and loan associations, to encourage savings, and assist in home financing; the Federal Emergency Administration of Public Works, to create employment through loans and grants for construction purposes, principally public projects; the Commodity Credit Corporation, to make loans on farm commodities in cooperation with the R. F. C. and the Department of Agriculture; the Federal Housing Administration, to insure mortgages on residential properties, and to aid in financing the construction of new homes; the Export-Import Bank, to assist in financing the exportation of agricultural and manufactured products; the United States Housing Authority, for rebuilding blighted areas in cities—slum clearance.

clearance.

While these agencies must be administered in conformity with the statutes creating them, their Administrators, nevertheless put as broad an interpretation on the law as possible, where employment and business can be stimulated.

They have authorized probably \$20,000,000,000 in credits to promote the economic stability of the country. There will be very little ultimate loss to the Federal Treasury from this great volume

of credit.

I shall speak particularly of the Reconstruction Finance Corporation, of which I have the honor to be Chairman. It was created by Congress in January 1932 with a capital of \$500,000,000, and authority to borrow with Government guaranty for additional requirements. The original act of Congress limited and specified the classes of enterprises to which loans might be made. They include particularly banks, insurance companies, agriculture, building and loan associations, mortgage loan companies, and railroads. The law has since been broadened to include almost every field of business activity.

The law has since been broadened to include the business activity.

The R. F. C. has authorized more than \$10,000,000,000 in private credits, never having outstanding at any one time as much as \$3,000,000,000. Beneficiaries of these credits have been almost entirely people of relatively small means or business interests. Three billion one hundred million dollars of this amount has been supported to agriculture in one form or another. We have made authorized to agriculture in one form or another. We have made more than 3,000,000 commodity loans to 1,500,000 farmers, averaging

authorized to agriculture in one form or another. We have made more than 3,000,000 commodity loans to 1,500,000 farmers, averaging less than \$400 per loan. These loans have been made on cotton, corn, wheat, tobacco, turpentine, resin, wool, mohair, hops, figs, dates, raisins, prunes, peanuts, butter, and pecans in 39 States. One hundred and fifty thousand stockmen have received loans averaging \$1,600, and 131,000 farmers and landowners have benefited by our loans to drainage, levee, and irrigation districts.

One billion one hundred and thirty-eight million dollars was loaned to banks, principally in 1932 and 1933, to enable them to meet withdrawals occasioned by the fear of depositors for the safety of their deposits. A billion went to pay depositors in over 2,200 banks that failed. One billion one hundred million was invested in the capital of 6,140 banks through the purchase of their preferred stock, capital notes and debentures. All this aid to banks benefited no less than 40,000,000 depositors, and hundreds of thousands of bank stockholders. Eight hundred and twenty-seven million went for loans to railroads, and 742,000,000 for the purchase of securities for self-liquidating projects—bridges, tunnels, aqueducts, dams, and so forth.

We have authorized loans to 632 drainage, levee, and irrigation districts in 32 States. These loans resulted in cutting the taxes and water charges to the landowners in these districts to one-third of what they previously were.

We have aided 10,000 business institutions through loans. Eighty-five percent of these loans have been for \$50,000 or less, 40 percent for \$5,000 or less. We have authorized loans to more than a thousand building and loan associations, to enable them to meet withdrawals without the necessity of foreclosing on their borrowers, and to save some of them from failure. We have aided in the construction of new homes through the purchase of F. H. A. insured mortgages. We have aided more than a hundred thousand home owners in the purchase of electrical applianc

Our loans for mining, milling, and smelting ores and for development of ore bodies and deposits containing gold or silver have furnished employment in this field. Our self-liquidating loans have provided a great deal of employment, both in the construction of the projects, and the production, fabrication, and transportation of materials necessary for them. A large amount of our loans to railroads was translated into work for hundreds of thoughput of workers skilled and workfilled.

sands of workers, skilled and unskilled.

The foregoing recites briefly the many steps taken by our Government to augment credit ordinarily provided by banks, and other private institutions that lend money.

I am reasonably familiar with the operations and problems of each of these agencies, and am glad to be able to say that, in my opinion, upon the whole, they have been administered in a manner comparable to private business.

The R. F. C. occupies the middle ground between Government and private banking, filling the gap when private lending for any

reason is unable to meet the needs of a worthy situation. The R. F. C. is flexible, entering when necessary, and withdrawing when its services are not needed.

when its services are not needed.

Our Nation's banks were never in a stronger position than they are today. They have never had more loanable funds available to deserving borrowers, and they have never been more anxious to lend; so, if you need credit, apply to your bank or to the R. F. C. Although Government owned, we have operated as a private enterprise. Our expenses have been less than 1 percent, which we have paid from earnings. We have also paid interest on the money we have borrowed to lend from earnings, and have accumulated an operating surplus of more than \$200,000,000. In the opinion of our Board this will be sufficient to cover any probable losses

Our experience in this national peacetime emergency has again proven the inherent strength and unity of our great country; that the American people have the resources and the courage to meet any situation that may confront them.

The Sale of Wheat Abroad by Federal Surplus **Commodities Corporation**

EXTENSION OF REMARKS

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

ARTICLE BY PAUL MALLON

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD. I include the following article by Paul Mallon:

BEHIND THE NEWS (By Paul Mallon)

WHEAT AT 381/2 CENTS; AMERICANS PAY 70

After all that has been said and done in Washington about stop-

ping the dictators, listen:
A German ship, the S. S. Donau, is now on the high seas for Bremen with a cargo of American wheat. It was bought by foreign buyers at the equivalent of 38½ cents f. o. b. Portland, Oreg., whence the *Donau* departed last week at a time when wheat was

selling to Americans at 70 cents in Chicago.

The foreign buyers got it for around half what Americans pay because they got it from the American Government—the Federal Surplus Commodities Corporation—which paid far more for it. The loss is taken by the F. S. C. C., which has no funds except those paid into the United States Treasury by taxpayers.

In short, the American taxpayer is paying almost 50 percent of Hitler's purchase price of the wheat, and the transaction was consummated as another branch of the Federal Government, the Treasury, was announcing a 25-percent penalty against imports from Germany in an attempt to curtail trade with that dictatorial

nation.

Listen further:
The F. S. C. C. has sold several cargoes of wheat lately to Shanghai (now controlled by the Japanese) at prices ranging from 39 to 40 cents f. o. b. Portland, whereas it actually purchased this wheat f. o. b. steamer Portland at 72½ cents.
This was a subsidy of 33½ cents a bushel to a foreign buyer paid by the Government of the United States from taxes.
In neither this nor in the German case was the wheat worked into flour in American mills employing American labor. No subsidy was granted to them so they could get the business now to be done in Bremen and Shanghai, although they would use American cotton bags and American railway transportation as well as labor.

Now Agriculture Secretary Wallace wants to institute a similar export subsidy system for cotton, whereby foreign buyers will be able to get it cheaper than Americans, and American taxpayers will pay the difference.

Plain fact behind the matter is that the foreign policy and the

Plain fact behind the matter is that the foreign policy and the Plain fact behind the matter is that the foreign policy and the farm policy conflict. Mr. Wallace and State Secretary Hull are working at cross-purposes. Mr. Wallace wants to get rid of surplus American farm products, while Mr. Hull wants to get rid of the dictators. Mr. Hull wants to promote foreign trade with nondictatorial nations through reciprocal agreements. Mr. Wallace wants to dump his farm surpluses, and the dictator nations happen to be the ones in need of raw materials.

The sacrifice of the taxpayers' money, says Mr. Wallace, is justified because otherwise the farmer would not get a half-decent price. Then the farmer could not buy American manufactured goods and all business would suffer.

Views From the Bench

EXTENSION OF REMARKS

HON. EARL R. LEWIS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

Mr. LEWIS of Ohio. Mr. Speaker, the threatening international situation and certain actions on the part of responsible officials of the Government of the United States have given deep concern to many of us who feel that no vital interest of the United States is being threatened by the events occurring in Europe.

The reaction of the common people of the country to this whole situation seems to me well set forth in an editorial column of Hi Waters, a philosopher of the people, who presents their views regularly in certain newspapers published in eastern Ohio, and I wish to quote from a column which appeared in the Bellaire (Ohio) Daily Leader of Wednesday, April 5, 1939, as follows:

> VIEWS FROM THE BENCH (By Hi Waters) TO CONGRESS

Us common folks back home hear a lot these days about democracy, about dictators, about totalitarian states, and about kings, dukes, premiers, Parliament, Reich, and Congress.

We hear a lot about taxes, incomes, crops, overproduction, underproduction, labor unions, nonunions, unemployment, W. P. A. Budgets, balances, boycotts, and cost of livin'. But do we care a whole lot about it all?

We've been hearin' about all them things * * some under other names * * ever since the Pilgrims landed and cooked their first Thanksgivin' dinner with the Indians. We always will hear about 'em

hear about 'em. No, sir; we live in a country, thank goodness, where we elect men and women to office to do our worryin' for us. Of course, for somethin' better to do, we kinda perk up and get interested about election time, not about the issues particularly, but about whether the gentleman on Front Street is elected instead of the

whether the gentleman on Back Street, or vice versa.

After they get in, we set back and really start worryin' about the real issues of a country.

What we're interested in in America is, basically, jist a few things, like eatin', sleepin', lovin', worshipin', getting entertained, and

All them other things mentioned first, is subissues—kinda adjectives, so to speak, or side dishes for the real dinner. Them first things is jist for Congress to worry about and to fix up if they can and as they see fit.

and as they see fit.

And broadly speakin', every one of us has confidence in our Congress to solve 'em one way or another. If they solve 'em accordin' to a method we don't like, we call 'em nitwits and numskulls

* * * about like we would jump stiff-legged on a shortstop who misses a bounder and let the winnin' score come in.

Then we forget all about it * * * forget, even if we praised or condemned.

or condemned.

Because we're really interested in them lone seven points that I mentioned last.

I mentioned last.

And thank goodness, we live in a country where we have a Congress who, be they good or bad, labor on in the knowledge that they might be retired by a ballot * * * but never by a bayonet.

We thank goodness we live in a country where we are awakened in the mornin' by the nerve ranglin' gong of an alarm clock—not to the blood stirrin' notes of a bugle. We're glad we live in a country where we have to push and shove our way up to a counter for doughnuts and coffee and have the whole thing dribble over shirt fronts—instead of bein' marched up in an orderly mess call for Government—owned paneakes. for Government-owned pancakes.

We thank goodness we live in a country where we can love our bonnie lassie and the Nation's flag * * instead of in a country where we have to love the Nation's flag and a bonnie lassie.

We're glad we live in a country where we are allowed to worship a Supreme Being who we think is responsible for our blessin's * * * * without feer of feelin'; they we're unparticitie to a human

without fear of feelin' that we're unpatriotic to a human

We're glad we live in a country where we cuss when we slice a golf ball * * * instead of in a country where we cheer when we slice an enemy's throat; where we lost at poker * * * instead of winnin' with a parry; where we may sulk when the visitin' halfback crashes through our line on the griding * * * instead of feelin' elated when we wipe out a platoon with a grenade.

And finally, we're glad we live in a country where, when we come to die, we may go quietly while church bells ring instead of gloriously while rifles crack.

Yes, sir; them's the things * * * us common people * * *

Certainly the foregoing editorial is a true reflection of the interest of the average citizen and his reactions to the turmoil in the modern world. While he may not be as learned as some who would involve us in the affairs of Europe his sound common sense instinctively tells him that in that quarrel he has no part, and I believe the philosopher of eastern Ohio, in his homely philosophy, expresses the reaction of the average citizen of America to the turmoil of the present day.

Do Our Trade Agreements Benefit Agriculture?-Yes

EXTENSION OF REMARKS

HON. A. WILLIS ROBERTSON OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

RADIO ADDRESS BY EDGAR W. SMITH, VICE PRESIDENT OF GENERAL MOTORS OVERSEAS CORPORATION

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Edgar W. Smith, vice president, General Motors Overseas Corporation, New York, N. Y., broadcast on Farm Forum program, Schenectady, N. Y., March 10, 1939:

I feel highly complimented at having been asked to speak tonight to a farm audience on a subject which is of great importance
to the farmer and the industrialist alike.

You may well wonder why a representative of the automobile
industry should feel called upon, as I do, to take a stand on the
question of the benefits of the administration's reciprocal trade
agreements program to American agriculture. There was a time,
to so long ago when all of us were supposed to stay in our own not so long ago, when all of us were supposed to stay in our own backyards and tend to our own knitting—the farmer, under this principle, thought exclusively in terms of his crops and his prices;

principle, thought exclusively in terms of his crops and his prices; the big manufacturer thought in terms of the goods he produced and sold; the small merchant kept his eyes fixed very closely on what was going on in his own immediate neighborhood.

That experiment in isolationism worked out very badly indeed, and I think we can safely say that the days of narrow self-interest which gave the idea birth are gone with the big wind of the depression. We recognize today that our economy is an economy which is woven and interwoven not only within our own national boundaries but over the whole feet of the globat that Array is which is woven and interwoven not only within our own national boundaries, but over the whole face of the globe; that America is prosperous when the world is prosperous; that industry and agriculture and labor, to say nothing of the consumer himself, are interrelated and interdependent threads in the great fabric of our national well-being. There is no more hopeful sign on the economic horizon today than the fact that this new recognition of our mutual dependence on each other has arisen.

The automobile industry is deeply concerned, of course, with maintaining and expanding the market it has found for its product abroad. I can say to you quite sincerely, however, that we

uct abroad. I can say to you quite sincerely, however, that we are even more deeply concerned in seeing the market maintained and expanded in foreign lands for the agricultural commodities that the farmer produces. If this statement sounds paradoxical, I have only to remind you that the number of motor vehicles sold in the agricultural areas of the United States is for greater than I have only to remind you that the number of motor vehicles sold in the agricultural areas of the United States is far greater than the number of vehicles sold in all of our export markets combined. We have no illusions, in the last analysis, as to where our greater interest lies. We want to see farm exports increased because we know that our domestic market for motorcars and other manufactured goods is definitely in jeopardy so long as a lack of foreign demand for American farm products keeps the American farmer from a full measure of prespective.

American farmer from a full measure of prosperity.

There are some who will say that there are other solutions to the farmer's problem than an increase in his export sales. I say in reply that these other solutions have been tried and that they have failed, and I urge, therefore, that the farmer throw his whole weight behind the effort to expand his foreign markets as the one approach above all others that holds promise of success without attendant danger.

If any of us are to set about the job of increasing our exports, whether of motorcars or of farm crops, we shall find that the

first necessity is to provide a volume of dollar exchange abroad sufficient to enable us to get paid for the things we want to sell. We shall find that the only way this dollar exchange can be created is by a substantial increase in the volume of foreign goods imported into the United States, and we shall find furthermore that such an increase can occur, from this point on, only if our American tariff structure is revised on a safe, sound, and intelligent basis.

The automobile industry, of all industries in the United States, has given the most consistent and the most vigorous support to has given the most consistent and the most vigorous support to the reciprocal trade agreements program sponsored by the Honorable Cordell Hull. We have given this support because we believe in the principle of a more abundant two-way flow of American trade with the rest of the world, and because we believe that tariff making in the United States is a business problem which ought to be dealt with in a businesslike way. We have supported the Hull program because we believe that tariff making can be dealt with in a businesslike way only if it is taken out of reach of the logrolling and the back scratching that has always gone on in Congress, and put instead into the hands of the executive department. We have supported it because we believe that the executive department can handle the problem, with finality and without risk of a senatorial veto, in the over-all economic interest of the Nation as a whole.

of the Nation as a whole.

The businesslike manner in which the State Department has dealt with the tariff problem has given us, to date, 19 trade agreedealt with the tariff problem has given us, to date, 19 trade agreements which have greatly expanded our exports, without harming, in the instance of the reciprocal imports, a single efficient industry or a single producer of basic commodities in the United States. If these agreements had not been negotiated finally by the State Department, I think it is safe to say that we would have, today, not 19 agreements, but one or two or three; and that these would have been emasculated by the logrolling and back scratching in the Senate to a point where they lacked any potency of real effect.

effect.

Exports of American automobiles have increased under the reciprocal trade agreements program, and that is one of the reasons we are enthusiastic about it; but I want to remind you again of what I said about our greater and more realistic interest in farm exports. If we really thought, in the automobile industry, that Mr. Hull had "sold the American farmer down the river" in the negotiating he has done, I assure you that we would not dare to stand for him as boldly as we do. The accusation that he has betrayed the farmer in the work he has done is incredible, but the accusation has been made, and its very shamelessness demands that it be answered.

I want to cite you, in this connection, three very pertinent ques-

tions and three very pertinent answers.

1. Has there been an unprecedented and ruinous flood of imports of farm products into the United States as a result of the trade-

agreements program?

No. The value of competitive agricultural imports was greater in 7 cut of the 12 years prior to 1932 than the value in 1937. Imports of two types of agricultural products were unusually high in 1937. One type included products such as rubber, silk, tea, coffee, and bananas, which are not produced in the United States

coffee, and bananas, which are not produced in the United States at all.

The other type included food and feed crops of which domestic production was severely curtailed by the drought of 1936 which cut our crops from one-fourth to one-half. Drought shortages of these crops cut down the production of livestock and livestock products such as meat and dairy products, and imports of these products made up the balance of our total agricultural imports—but they never amounted to more than a small fraction of the losses caused by the drought itself the drought itself.

2. Were the increased imports in 1937 due to the general lowering of tariffs on farm products under the trade-agreements pro-

gram?

No. Tariff rates on practically all food and feed products are exactly where they were fixed in the Hawley-Smoot Tariff Act of 1930.

3. How have the trade agreements benefited the American farmer?

3. How have the trade agreements benefited the American farmer? Since 1934 our exports to countries with which we have trade agreements have increased, year by year, more rapidly than our exports to countries with which we do not have agreements. In 1937 exports of American agricultural products to countries with which we had trade agreements were 42 percent greater than they were in 1935 when only one trade agreement was in effect, while exports of farm products to non-trade-agreement countries were 4 percent less than in 1935. In the 12 months ended line 30, 1938 our exports of farm products to trade-agreement. June 30, 1938, our exports of farm products to trade-agreement countries increased in value \$81,000,000, or more than 39 percent over the value for the preceding 12 months, while exports of these products to non-trade-agreement countries in the same period increased only a little more than 14 percent.

In 1932, before the Trade Agreement Act was passed, American farm cash through on dementic and export sales combined was

farm cash income, on domestic and export sales combined, was only \$4,328,000,000. In 1937, when imports were higher, farm cash

income was \$8,600,000,000.

income was \$8,600,000,000.

As far as I can make out from that analysis, the only agriculturists in the United States who have been "sold down the river" by Mr. Hull, are banana growers of Idaho, the rubber planters of Vermont, the coffee planters of New York, and the producers of silk and tea and cocoa in Georgia and Kansas and New Jersey. All the rest of the agriculturists who have been critical of Mr. Hull, have, I am afraid, gotten the Department of State mixed up with the Weather Bureau.

As a last word, I want to express again my conviction that agriculture and industry have a common stake in foreign trade which springs from the stake they hold as one in the domestic welfare. We can help ourselves and help each other best, I think, by giving united support to the cultivation of that "extra business" we are seeking under the liberal principles of give and take for which our great Secretary of State has always stood, and which have served us both so well.

Parity Payments

EXTENSION OF REMARKS OF

HON. MARVIN JONES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1939

RADIO ADDRESS BY HON. CLARENCE CANNON OF MISSOURI ON APRIL 8, 1939

Mr. JONES of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. Clarence Cannon, of Missouri, over N. B. C. Farm and Home Hour, April 8, 1939:

When, in the closing days of the Fifty-fifth Congress, it was announced, that for the first time in the history of the United States, appropriations for all departments of the Government for 2 years had reached a grand total of a billion dollars, headlines flashed the news from coast to coast, and editorials in every metropolitan newspaper in the Nation commented apprehensively

metropolitan newspaper in the Nation commented apprehensively on a billion-dollar Congress.

This session of Congress the Committee on Appropriations reported out a bill carrying an appropriation in excess of a billion dollars for 1 year only, and for one department of the Government alone—the Department of Agriculture. And the newspapers had very little to say about it.

A billion dollars for agriculture, but perhaps that is the explanation of the lack of editorial interest. For, when you come to examine this long bill, with its hundreds of items, and millions of dollars, you discover that the term "agricultural appropriation"

of dollars, you discover that the term "agricultural appropriation bill" is largely a misnomer and highy misleading and that while it is known as the agricultural appropriation bill, as a matter

of fact, a large part of the money it appropriates is for other than agricultural purposes.

For example, the bill carries \$6,000,000 for the Weather Bureau, of only incidental service to agriculture, and now maintained chiefly for the benefit of the civil and military air service; \$7,000,000 for the eradication of tuberculosis and kindred stock diseases, primarily for the protection of the health of consumers; \$5,000,000 for meat inspection, a service for the exclusive benefit

\$5,000,000 for meat inspection, a service for the exclusive benefit of the packers and middlemen, through its guaranty of quality and wholesomeness to the general public.

Approximately \$20,000,000 for the Forestry Service—not even a branch of agriculture, consumed principally in the protection and development of national forests and national resources. Four million dollars for the Bureau of Biological Survey, the conservation of wildlife, a national interest, demand for which comes in greater volume and insistence from the city than the country. Nearly \$200,000,000 for the Bureau of Public Roads—a most laudable activity but one in which the farmer is no more interested. hearly \$200,000,000 for the Bureau of Public Roads—a most laudable activity but one in which the farmer is no more interested than any other citizen; in fact, out of this amount a wholly inadequate sum is provided for farm-to-market roads, connecting the farm with the great system of interurban highways for which most of this money is spent. Two and a half million dollars for the Food and Drug Administration, which deals with food as it leaves the processors and not as it leaves the farm, and with cosmetics are of secondary importance on the farm and et most metics, etc., of secondary importance on the farm, and at most of no more benefit to the farmer than to any other industry. Ten million dollars for forest roads and trails, spent largely in the national forests and of practically no agricultural benefit whatever. And similar items throughout the bill too numerous

So, when prompted to comment on the size of the agricultural appropriation bill and the amount it carries, it is well to remem-

appropriation bill and the amount it carries, it is well to remember that a large part of it is far from being agricultural and is to be charged neither to the farmer nor the farm.

But such items serve to make the bill, already of surpassing importance, probably the most widely discussed of all the supply bills affecting directly and immediately every congressional district, directly or indirectly every interest and industry in the Nation, urban and rural, field and factory, farm and city.

In this connection there is sometimes a tendency to confuse the jurisdiction and functions of two great committees the Hcuse, the Committee on Agriculture, a legislative committee, which cannot report appropriations, and the Committee on Appropriations, exclusively an appropriating committee which cannot report legislation. In other words, the Committee on Agriculture

writes the farm laws, establishes the farm programs. And the Committee on Appropriations furnishes the money to operate those laws and put these farm programs into effect. Without money to run them, farm programs are like guns without ammunition or automobiles without gas. And the Committee on Appropriations, in the agricultural appropriation bill, furnishes the ammunition and the gas, supplies the money, to make the mare go.

Let us take a concrete instance. The Seventy-fifth Congress passed the Farm Act of 1938, directing that the farmers of the ccuntry be paid parity prices for their products. But the law meant nothing, and the farmer's prices were not affected until the Committee on Appropriations put through an appropriation and provided the money to make the law operative.

What is a parity price? I suppose so much has been written and said about parity prices, and there has been such exhaustive debate in Congress on farm parity, for the last 20 years, that

debate in Congress on farm parity, for the last 20 years, that everybody understands that a parity price for wheat, corn, cotton, eggs, and other farm products, is a price which will make the farmer's wheat, corn, cotton, and eggs today buy as much as the same wheat, corn, cotton, and eggs would have bought before the

Everybody will remember that before the war the price of farm products and the price of manufactured products—wages for farm labor and wages for union labor—were fairly adjusted, and under the price schedules of that day agriculture was on a for farm labor and wages for union labor—were fairly adjusted, and under the price schedules of that day agriculture was on a plane of economic equality with labor and industry. Then came the war, and all prices advanced. Farm prices went up. Industrial prices went up. Wage scales went up—went up together—to the highest peak in the economic history of the country. And everybody was satisfied; everybody had purchasing power; everybody had enough and to spare; everybody was prosperous—on the farm and in the city. But with the close of the war a surprising thing happened—a thing as unfair and unjust and inequitable as it was surprising. The bottom fell out of farm prices while the prices of everything the farmer had to buy remained at wartime levels. Hogs fell from \$28 to \$2. Wheat went down from \$2.40 to 30 cents. Eggs dropped from 60 cents to 8 cents. And everything else in proportion. Now that would not have been so bad if the price of everything that went up with farm prices had come down with farm prices. But incredible as it may seem, while agriculture was falling, labor and industry not only maintained wartime levels, but advanced, until today it costs more to ship 45-cent corn than it cost to ship \$1.50 corn in 1920; costs more to ship 9-cent cotton than it cost to ship \$5-cent cotton during the war; takes more to buy a binder to cut 60-cent wheat than it took to buy a binder to cut \$2.40 wheat. And today—when pork is \$7 and eggs are 20 cents—the union wage scale is higher than when pork was \$28 and eggs were 60 cents. Do our friends who wear cotton clothing and who eat ham and eggs approve of that disparity?

Now, do not misunderstand us. The farmer believes in high wages and high prices. He would not take a penny from the

wages and high prices. He would not take a penny from the wages of labor or the profits of industry. But he submits to all fair-minded Americans that if he pays high wages for the products of labor and high prices for the output of industry, he is entitled to an honest wage for his labor and a fair price for his products.

That is what a parity is—as fair a price for what the farmer sells as the farmer must pay for what he buys.

And the justice of that contention is so obvious that all political parites have promised parity in their national platforms. And the Seventy-fifth Congress, at last, wrote into law a provision

And the Seventy-fifth Congress, at last, wrote into law a provision to pay parity prices.

But such laws are of no effect until money is provided to make them operative. They are, as has been said, like guns without ammunition or automobiles without gas. So the Committee on Appropriations last year provided \$212,000,000, and this year reported out \$250,000,000 for parity prices. These amounts are not sufficient to give the farmer full parity, but they are steps in the right direction.

From the \$212,000,000 conpressited last year the former of the farmer full parity and the former full parity is the farmer full parity.

right direction.

From the \$212,000,000 appropriated last year the farmers of the Nation will receive 11 cents a bushel more for wheat than they have already been paid, 6 cents a bushel more for corn, and nearly 2 cents a pound more for cotton on their 1938 crop, payable this coming September and October. And if the \$250,000,000 appropriation is made, they will receive as much or more for their 1939 crop, payable in 1940. We had a hard fight on parity in the House and lost by a vote of 191 to 204. Six votes would have changed it. But if the Senate adds it to the bill, and the country supports us, we have enough votes to pass it—and to spare—when it comes back to the House in conference.

supports us, we have enough votes to pass it—and to spare—when it comes back to the House in conference.

And industry and labor will profit as well as agriculture. The day these checks reach the farm, the cash registers will begin to ring in every business in the community, orders will start flowing to the factories, and labor will be called back on the job. On the other hand—by inverse ratio—when farm prices fall, farm buying power drops, factories close, and labor is out of a job. Agriculture and labor and industry are all in the same boat. We must sink or swim together.

must sink or swim together.

And let it never be forgotten that when hogs were \$28 and eggs were 60 cents, there was not a single hungry child in America; and when hogs were \$2 and eggs were 8 cents famine stalked like a

when hogs were as and eggs were of cents fainthe stated like a grim spectre through alley and lane, and bread lines formed, and soup kitchens opened in every city in the Nation.

My friends, farm parity means business parity. A square deal for agriculture is a square deal for labor and industry. And inevitably, irrevocably, inexorably, farm prosperity is national prosThe Industrial Machinery and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1939

Mr. REED of New York. Mr. Speaker, since the country has for some years enjoyed quite a large export business in industrial machinery, it was natural during the negotiation of the reciprocal-trade agreements that this field should be given consideration. Of the 16 agreements negotiated and in effect prior to January 1, 1938, 9 of them gave this country concessions relative to some types of industrial machines.

The trade statistics classification "industrial machinery" covers the major portion of our exports of machines to produce raw materials and finished consumers' goods, including construction and conveying machinery, metal-working machinery, mining, well, and pumping machinery; textile, sewing, and shoe machinery; and many other types. In most of these fields the American-made product is far superior to the product of any other country.

An analysis of exports of industrial machinery shows clearly that these concessions have not been of any special value. According to figures compiled by the Bureau of Foreign and Domestic Commerce, our total exports of industrial machinery in 1937 were 86.6 percent of the 1929 level. To nonagreement countries the total exports in 1937 were slightly above the 1929 level, while to agreement countries which gave us concessions they were but 55.6 percent of 1929, and to non-concession-agreement countries but 62.7 percent

And, if we analyze the picture honestly, we will find that our increase in these exports is not of a healthy nature, because it is well to remember that in the prosecution of war, minerals of all types are important. There have been very large increases in machinery of this type. It is also essential in the prosecution of war to have metal-working machinery to take these minerals and make them into armament. Thus we find that a great deal of this increase is due to present world unrest, for practically all of the nations of the world are increasing their expenditures for armaments. It is ample evidence of the fallacy of Secretary Hull's claim that these treaties are a force helpful to the maintenance of peace. Thus it will be seen that the agreements have achieved neither of their objectives: To promote our foreign trade and to help maintain the peace of the world.

Problems of the South

EXTENSION OF REMARKS

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

STATEMENT BY ELLIOTT ROOSEVELT

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article from the Washington Post of this morning entitled "Son Doubts President's Aid for South—Roosevelt's Advice Termed 'Vague'; Elliott Criticizes Spending, Taxes.'

I also ask that a similar article from the New York Herald Tribune of April 11 on the same subject be printed in

the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 11, 1939]

Son Doubts President's Aid for South—Roosevelt's Advice Termed "Vague"; Elliott Criticizes Spending, Taxes

FORT WORTH, TEX., April 10.—Elliott Roosevelt, second son of the President, tonight said the South could never "get out of hock" under the administration's "vague" encouragement. He said the

under the administration's "vague" encouragement. He said the New Deal pump priming "and tax structure erected to foot the bill are defeating their purpose of business recovery."

Young Roosevelt, in a regular radio commentary, called his father's assertion that the South could better its position by investing its own capital in its own establishments "vague and distant when one begins to analyze the ills to overcome."

UTOPIAN IDEAL

"Without specific aid and encouragement from the administra-tion," he said, "the South cannot be expected to take its place in the economic sun

"It is the opinion of many, I regret to say, that the New Deal pump-priming methods and the tax structure erected to foot the bill are defeating their purpose of business recovery.
"The New Deal and its leader, the President," he declared, "had a utopian ideal in mind in its recovery program. That ideal is the president," it is the program of the president of the president in the program of the president in the president. a utopian ideal in mind in its recovery program. That ideal was the raising of standards of living of persons in all walks of life.

"The primary aim was business recovery, which would make that goal possible. The pump-priming theory was an abortive means to an end—a hit-or-miss program. * * * The New Deal planners seem to have overlooked the fundamental fact that without healthy competition and adequate return, there can be no healthy trade."

BLAMES FROZEN CAPITAL

He listed four "chief obstacles" to the South's economic rejuvenation—frozen capital, inequitable freight rates, lack of a balanced agricultural program, with resultant denuded soil, and lack of a long-range educational program "to teach the masses the art of better living."

In referring to his father's formula for getting the South "out of hock to the North," Roosevelt said that "the problem of frozen capital" was hindering the South from taking this bit of advice. Frozen capital, he said, "is perhaps more pressing on the South than on any other section, since as a comparatively undeveloped country the South must look to new investments of new capital if it is to become industrialized."

Inequitable freight rates, he said, "make it impossible for industrial production to get its products."

dustry and potential industry of this section to get its products to market and compete with products from the more favored areas."

The abolition of "discriminatory rate differentials," he asserted, is the battle "of greatest importance to the South at this time."

[From the New York Herald Tribune of April 11, 1939]

ELLIOTT ROOSEVELT SAYS NEW DEAL'S HELP IS "VAGUE"—CONTENDS IT WILL NEVER GET SOUTH "OUT OF HOCK"; HITS PUMP PRIMING AND TAXES

FORT WORTH, Tex., April 10.—Elliott Roosevelt, second son of the President, said tonight that the South could never "get out of hock" under the administration's "vague" encouragement. He said the New Deal pump priming "and tax structure erected to foot the bill were defeating their purpose of business recovery."

In a regular radio commentary he called his father's assertion that the South could better its position by investing its own capital in its own establishments "vague and distant when one begins to analyze the ills to overcome.

"Without specific aid and encouragement from the administra-tion," he said, "the South cannot be expected to take its place in the economic sun.

PUMP PRIMING "ABORTIVE"

"It is the opinion of many, I regret to say, that the New Deal pump-priming methods and the tax structure erected to foot the bill are defeating their purpose of business recovery. The New Deal and its leader, the President, we all agree, had a utopian ideal in mind in its recovery program. That ideal was the raising of standards of living of persons in all walks of life.

"The primary aim was business recovery, which would make that goal possible. The pump-priming theory was an abortive means to an end—a hit-or-miss program without precedent, and consequently without thorough planning in advance.

"In constructing their theory the New Deal planners seem to have overlooked the fundamental fact that without healthy competition and adequate returns there can be no healthy trade."

Mr. Roosevelt said that one must look farther than the claim that business was "scared of Government," which he described as a "will-o'-the-wisp" psychology.

LISTS FOUR OBSTACLES

He listed four "chief obstacles" to the South's economic rejuvenation:

Frozen capital.
 Inequitable freight rates.

2. Inequitable Highlitanes.

3. Lack of a balanced agricultural program with resultant denuded soil.

4. Lack of a long-range educational program "to teach the masses the art of better living."

In referring to his father's formula for getting the South "out of hock to the North," he said that "the problem of frozen capital" was hindering the South from taking this bit of advice. Frozen capital, he said, "is perhaps more pressing on the South than on any other section, since as a comparatively undeveloped country the South must look to new investments of new capital if it is to become industrialized."

Inequitable freight rates, he said, "make it impossible for industry and potential industry of this section to get its products to market and compete with products from the more favored areas."

The abolition of "discriminatory rate differentials," he asserted, is the battle "of greatest importance to the South at this time."

Defense Policy

EXTENSION OF REMARKS

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

ARTICLE BY OSWALD GARRISON VILLARD IN APRIL ISSUE OF HARPER'S

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and thought-provoking article by Oswald Garrison Villard entitled "Wanted: A Sane Defense Policy," which appears in the April 1939 issue of Harper's magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From Harper's Magazine for April 1939] WANTED: A SANE DEFENSE POLICY (By Oswald Garrison Villard)

Of all the acts being put upon our national stage there is none to compare with the drama of national defense. Annually the show appears and always on a larger scale, always costing more and more millions, always featuring the pitiful appearance of our two national orphans, the Army and the Navy, who exhibit their rags before the footlights, bewail their absolute indigence, their lack of everything necessary to make them great and powerful and capable of affording 100 persons protection to any potential country. capable of affording 100-percent protection to our entire country.

of everything necessary to make them great and powerful and capable of affording 100-percent protection to cur entire country. Year by year the congressional audience is deeply moved by this distressing picture, and year by year it hands out larger and larger sums to meet those tragic wants. This year, according to The Assistant Secretary of War, there are grave and dangerous "shortages in artillery, tanks, combat cars, airplanes, machine guns, semi-automatic rifles, antitank guns, antiaircraft guns, ammunition, gas masks, searchlights, telescopes, and quadrants," and all gun carriages are of "an old model designed more than 40 years ago."

Yet since 1933 the Army and Navy have received a total of nearly \$5,000,000,000. In 1933-34 these orphans got a beggarly \$540,356.000; in 1934-35, \$709,931,000; in 1936-37, \$935,114,000. In 1937-38 the services rejoiced in gifts of \$1,027,841,000, and perhaps by the time this article appears their last demand for \$1,668,283,000 will have been honored. If so, that joint Army and Navy bill will be \$954,227,000 more than the entire cost (\$734,056,202) of the United States Government in the year before we entered the World War. It would seem as if even in these days of dictators and of alarms of war that might satisfy our military mendicants, but he would be a fool who would prophesy that we shall not reach the two-billion mark within 2 years.

The more we give the fighting services the less they have and the more they want. Only one thing is clear year by year: The fear which pries these vast beneficences out of the national till grows steadily. Each year we are bidden to look upon the tragedies on other stages overseas, and when we do, we open up our purses and count no cost; after which we taxpayers go about our business confident that now we are really protected and that all is well and secure—until the show goes on again.

and count no cost; after which we taxpayers go about our business confident that now we are really protected and that all is well and secure—until the show goes on again.

As a matter of fact no one knows whether the last billion and a half has really advanced our security or not. If we peek behind the defense curtains, we find on the testimony of many of the actors themselves waste, extravagance, incompetence, a babel of contradictory voices, confusion. We discover that there is no established defense policy, that our military and naval objectives have never been defined and adopted. Nor have we decided on the foreign policy by which these may be shaped—has not President Roosevelt just told the Washington correspondents that probably only a newspaper columnist could work out a complete and rigid only a newspaper columnist could work out a complete and rigid foreign policy? Hence the Government is demanding the impossible of Army and Navy, since we ask them to defend us and yet do not tell them what they shall defend. Nobody knows whether Army and Navy are merely to guard our coasts or are to be prepared to fight overseas, as in 1917–18, or are just to defend all the Amer-

icas, or must protect our coasts and also keep open our trade routes to South America. It is not even established whether we shall or shall not fight for the Philippines, independent or otherwise.

One byproduct of this is that there is no single joint defense plan. Moreover, there is no adequate cooperation between Army and Navy—nothing approaching it; the hostility between them is so great that it was announced on January 1 that combined maneuvers would not be carried on in the Caribbean this year because of the bitter feeling engendered by the last joint war games—a situation which must make the dictators hold their sides for laughter for laughter.

Our defense policies change literally from hour to hour as the

Our defense policies change literally from hour to hour as the President is swayed by some gust of emotion or some admirals have bright new ideas about extending our defense lines farther into the Pacific. A year ago the President declared that we must have two huge navies, one in the Pacific and one in the Atlantic, each able to defeat any two adversaries that might together attack us. He did not stop to consider what that would cost or how many years it would take to build such a fleet, even if we had shipyards capable of undertaking it. That was too much even for the admirals. Persuaded to abandon this scheme, the President, profoundly alarmed perhaps by talk of Nazi intervention in South America, turned to aviation. The first trial balloon suggesting a total of 10,000 airplanes having met with a bad reception, he then decided to ask for a mere 8,000, of which 500 are to be manufactured at once.

At one time Mr. Roosevelt assured the Daughters of the American Revolution that we were planning only to defend our coasts and never to send troops abroad—he had previously appealed to all the nations in an address before the Woodrow Wilson Foundation to join him in building no offensive weapons and in pledging themselves never to send troops beyond their boundaries. Next he decided that we must meet and defeat the enemy 500 miles from our shores—500, not 600, or 1,000—so that no single shell might fall upon our shores. Meanwhile Mr. Roosevelt has never himself sat down with the high commands of both services, plus leading Members of Congress, to tell the Army what role its forces shall play if the country is attacked. So far as anybody knows, the part of the Navy in relation to our coast defenses (manned by the Army) and our mine fields, and what is to be the relation of the Army air fleet to the Navy air fleet when the country is attacked have never these defended with the state of the fleet to the Navy air fleet when the country is attacked have flever been defined; a major general recently sarcastically remarked that if war should come a collision in midair of Army and Navy flyers would not be impossible, since neither force would know which way the other was going. Yet the President must recall that it was the long-delayed unity of command under Foch which made pos-sible the allied victory in 1918 and must be aware that unity of purpose and action is the primary requisite for successful defense of any territory. of any territory.

of any territory.

It would seem as if the first requisite for a sound and intelligent defense program would be a most careful consideration of what dangers actually confront us. Who are our potential enemies? Next, we need to know whether such potential enemies can actually invade this country or undertake serious air attacks. The layman believes, as the result of unceasing Army and Navy propaganda as to our defenselessness, that we are liable to attack coming through the oceans or the air, and supposes that all military and naval authorities are in agreement on this. It is for this reason that, according to the Gallup poll, a large majority of the voters consent authorities are in agreement on this. It is for this reason that, according to the Gallup poll, a large majority of the voters consent to the voting of those billions of defense dollars which they or their children, or their children's children, will some day have to pay. As a matter of fact, there is great division of opinion among military and naval experts as to whether this country can be successfully attacked. Since this is the crux of the whole defense problem, it is astounding that only a handful of Senators and Congressmen is really concerned with a serious study of the actual existing world situation in connection with our own safety, and existing world situation in connection with our own safety, and cares enough really to ask whether we are or are not in danger. The rest vote the sums asked, like a flock of sheep.

Now, let us inquire if invasion is possible. Here are some of the outstanding opinions: Speaking to the National Foreign Trade Convention, the late Rear Admiral W. W. Phelps declared on November 18, 1935: "Of course, there is no possibility ever of any hostile attack on either of our coasts." Admiral Yarnell, who has so admirably commanded our fleet in Asia during the war in China, testified in Washington that Japan would need twice as large a fleet as we have in order to attack us—her present fleet is by no means as large as ours; to build a fleet double the size of ours would be beyond the financial possibilities of Japan or any other country, except possibly England. It will be recalled that Admiral William S. Sims, the admirable commander of the American fleet in Europe during the World War, told Congress shortly before his recent death: "No foreign power or group of powers can operate across the ocean and stand in combat with the American Navy and planes operating from home bases."

As for other opinions, Hanson W. Baldwin, the military and naval Now, let us inquire if invasion is possible. Here are some of the

As for other opinions, Hanson W. Baldwin, the military and naval expert of the New York Times, writing in Foreign Affairs in April expert of the New York Times, writing in Foreign Affairs in April 1938, before the huge naval-expansion program of last winter, wrote that: "The Army and Navy are at present prepared to defend both coasts of the United States against simultaneous invasion, and at the same time to protect Hawaii, Panama, Alaska, and probably South America, from any attacks that can reasonably be foreseen." Maj. George Fielding Eliot, author of The Ramparts We Watch, which has attracted so much attention, exclaims that: "We should thank God that today we can pursue our national way, secure as yet from the fear of invasion." Maj. Gen. Johnson Hagood, in his book We Can Defend America (1937), declares that: "Considered from a defensive standpoint, America is the strongest military nation on earth—that is, it is the easiest nation to prepare for defensive warfare. It would not take much to make it invulnerable against any nation or combination of nations that could possibly be brought against it." In another place he says that it is the fashion to discount "the enormous difficulties" that "the trackless seas would impose upon our would-be invaders." Finally Maj. Gen. William C. Rivers, retired another, lifelong soldier, stated after the

seas would impose upon our would-be invaders." Finally Maj. Gen. William C. Rivers, retired, another lifelong soldier, stated after the President's address to Congress in January that an invasion of the United States by any considerable force is out of the question. Major Eliot after most careful computation believes that:

"The full force that might possibly be brought against us" by any other power than England, or combination of two powers in one ocean, "is in the neighborhood of 200,000 combat troops."

Why, then, do we have the persistent public belief that we are in danger, first of all, from an invasion by the Japanese? The only explanation is that from this field reason has fied, and that there is a determined effort to deceive the American people by those who want us to go to war in the east in order to assert our rights and the open door and to rescue China from the Japanese. The most extraordinary about-face is that of Franklin D. Roosevelt The most extraordinary about-face is that of Franklin D. Roosevelt himself. Writing in the magazine Asia in 1923—Asia thought so much of this article that they reprinted it in March 1934—he said:

"If, with a fleet double the size of Japan's and our vastly greater resources, invasion of the western shores of the Pacific was admitted to be probably impossible, certainly impracticable, for us, how much more formidable was the corresponding problem presented to the military strategists of Japan."

Yet the author of these lines now insists on our pouring out hundreds of millions of dollars, presumably for preparations for a war which he here admits is impracticable, probably impossible, war which he here admits is impracticable, probably impossible, and, as he elsewhere says, certain to result in a military deadlock with "Japan and the United States * * * making faces at one another across a no-man's water as broad as the Pacific." If it is urged that this opinion was expressed 16 years ago and that conditions have changed during that time, the reply is that nothing whatever has been altered in the strategic situation of Japan to the United States and vice versa. The ocean is just as large; it is still impossible for a bomber to fly 7,000 miles to the United States with a load of bombs—the longest single flight ever made is 6,295 miles—and, as Major Eliot points out, in wartime "the military radius of action is roughly about one-fourth of the maximum range; that is, the plane must go out from its base and return, which cuts the range in half. * * *." He then affirms that the maximum range of a bombing plane today is only 1,500 miles—750 out and 750 back.

This statement, which is of fundamental importance in the con-

750 out and 750 back.

This statement, which is of fundamental importance in the consideration of American defense, has been confirmed by the highest naval authority, Admiral Leahy, who has just testified before the House Committee on Naval Affairs that the fortifying of Guam would not be a threat to Japan because planes loaded with bombs could not reach Japan proper from Guam, although the distance is only 1,400 miles. This testimony alone should end the ignorant talk that America is in danger of airplane attack not only from Japan but from the other side of the Atlantic. Here Major Eliot has something further to say:

"While it is theoretically possible for single planes to fly across the Atlantic with a very small military load, drop a bomb or two, and return, as a practical operation of war even this is out of the question and will remain so as far as can now be foreseen; a serious

question and will remain so as far as can now be foreseen; a serious attack by a large air unit is still less to be envisaged. Planes which did not expect to return might raid our coasts, but no nation has

did not expect to return might raid our coasts, but no nation has enough long-range bombers and highly trained crews to waste them in enterprises of this nature."

Yet only the other day in Washington a high official told me that Hitler has 1,500 bombers ready for action which could fly across the South Atlantic to Rio Janeiro in 26 hours. I have wondered ever since how there could possibly be sufficient fields in the mountain-surrounded Rio Janeiro to take care of them—there are not; whether there would be hangars for even 50; whether they would bring their trained mechanics with them—for every flyer the German Army details 15 groundmen to keep him in the air.

If reason were applied to this problem, we should recall that the

German Army details 15 groundmen to keep him in the air.

If reason were applied to this problem, we should recall that the making and repairing of aircraft is a highly specialized business requiring special machinery and specially trained mechanics; that the President is asking for millions of dollars in order that airplane factories in this country may be put in readiness for mass production if war should come. Yet one constantly hears the glib assertion that there is nothing to prevent Germany's establishing, more or less secretly, an airplane base in Mexico or Nicaragua or Guatemala or Colombia and then raiding New York City or Washington. Admiral Leahy's testimony is the complete answer to that. That sporadic air raids could be made upon the United States from an airplane carrier lying 500 miles out at sea is quite possible. An Army officer who has been studying this problem for some time tells me that no country can hope to protect itself absolutely from airplane attack. English and French maneuvers have shown that some airplanes are bound to slip through any defensive cordon and airplane attack. English and French maneuvers have shown that some airplanes are bound to slip through any defensive cordon and escape antiaircraft batteries, especially if there is low visibility or fog. This officer laughs at the suggestion that it would be possible to line the coasts of the United States, more than 7,000 miles long, with antiaircraft batteries. Furthermore, it should never be forgotten in considering warfare in the air that, as a French general has put it, it is not the airplanes that one has in hand at the outbreak of war which win a war but the airplanes made after war has begun.

Whether Admiral Leahy and Major Eliot are right or wrong, it would certainly seem as if Congress could profitably inquire into just what the situation is, either through a joint committee of its own or through the appointment of a competent board (two bills for this purpose have been introduced), like the Howell Board authorized by Congress on June 12, 1934. Surely Congress could inquire now whether the President is right in asserting that aviation conditions have undergone so sudden and so radical a change as to demand of us a total air force of 8,000 planes.

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Right here it should be pointed out that if Congress really desired an efficient airplane defense it would have acted immediately upon one recommendation of its own creation, the Howell Board,

upon one recommendation of its own creation, the Howell Board, which was officially known as the Federal Aviation Commission. This was that another board should be constituted immediately to consider "the whole problem of military organization and of interservice relationship," which, it felt, called for "extended examination by some appropriate agency in the near future."

The Howell Board stated that "the present degree of mutual understanding between the Army and Navy is less than might be desired; that the machinery for settling differences in matters of detail lacks something in effectiveness; and that the arrangements for keeping commanders in the field notified of their respective responsibility in joint operations with neighboring units of the sister service are strikingly inadequate." But Congress has not acted. It has paid no attention to the fact that Lieutenant General Bullard has said that "there should be a separate unified air force equal in rank and importance with the Army and Navy, and force equal in rank and importance with the Army and Navy, and the three services should be united under a single department head." The former chairman of the House Military Committee, head." The former chairman of the House Military Committee, John J. McSwain, also told Congress of his conclusion that "all the fighting forces of the Nation, organized solely for the defense of the Nation, in order to accomplish economy, in order to accomplish effective cooperation in training and fighting, must be under a single authority and in a single department."

Nineteen of the principal nations—all except the United States—have a single head for defense. Congress must realize that a war cannot be carried on with three separate air forces, to say nothing of the coordination of the ocean forces and land forces. We now have a Marine Corps of fleet a Navy air fleet, and an Army air

of the coordination of the ocean forces and land forces. We now have a Marine Corps air fleet, a Navy air fleet, and an Army air fleet, and even a small Coast Guard air fleet. Apparently Congress is willing that the coordination of these organizations should be left until the coming of war, if and when one comes. How could that be done efficiently, economically, and wisely in the terrific

stress, turmoil, and confusion of a modern war?

IV

Turning now to the question of invasion by a foreign army, I suppose that someone is thinking of a statement by our former Secretary of War and Secretary of State, Henry L. Stimson, in his letter opposing the Ludlow resolution for a referendum on war. In this letter he stated that "a hostile expedition which had defeated or evaded our Navy and approached within 200 miles of our coast, not only could within 24 hours strike a devastating blow upon one of our great cities and its neighboring industrial centers, but could within a week thereafter land a hostile force of at least 100,000 men upon our shores." With all respect to Mr. Stimson, this statement shows an astounding lack of realistic understanding of the military and navel problems involved. If this son, this statement shows an astounding lack of realistic understanding of the military and naval problems involved. If this hostile armada had merely "evaded" our Navy it would certainly never dare to land at any point on our soil until it had fought and defeated our fleet and so established a safe line of communication with its home territory. If it had defeated our fleet, Mr. Stimson forgets that it would still have to encounter our submarines, our mine fields, our coast defenses, our Navy airplanes, our Army airplanes, thousands in number, and would then have to land its 100,000 men at some place on our shores in the face our Army airplanes, thousands in number, and would then have to land its 100,000 men at some place on our shores in the face of a large part of the 400,000 men of the mobile army which the War Department states it will soon be able to put into the field on the outbreak of war. The mere statement of the above proves the absurdity of the Stimson statement; but if a man of his military experience in France during the World War is capable of writing this it is easy to forgive the ordinary newspaper reader who really thinks that the Japanese could land 50,000 men in San Diego and deprive him of his Hollywood movies.

writing this it is easy to forgive the ordinary newspaper reader who really thinks that the Japanese could land 50,000 men in San Diego and deprive him of his Hollywood movies.

Had Mr. Stimson given a little study to ocean tonnage and the speed of ships he would not only have learned what Major Eliot has pointed out: That 200,000 is the maximum force which the tonnage of any country or pair of countries outside of England could move to our shores, he would never have written that 100,000 men could have been landed in 7 days after its war fleet had dodged our innocent and unsuspecting Navy. Had he taken the list of ships of more than 20,000 tons, for example, he would have found that Germany has only 12, and only a part of these are capable of crossing the ocean in 7 days under the most favorable weather conditions. If one interprets Mr. Stimson's words to mean that the transports containing the 100,000 men would come along with the fleet, then fleet and transports would be kept to the speed of the slowest merchant vessel. Taking Major Eliot's measure of 4 tons to every soldier plus 8 tons for his equipment, medical supplies, gas, tanks, motorcars, head-quarters equipment, etc., Mr. Stimson's force of 100,000 would require 1,200,000 tons of shipping or three-fifths of Germany's entire seagoing shipping of 2,000 tons or over. Such an armada might "evade" the United States Navy, but in that case the Navy would have to be sound asleep indeed, for the assembling of no less than 300 transports plus the entire German Navy and their

leisurely voyage across the ocean would certainly put the Navy Department on notice that something was going to happen in the course of 10 or 12 days.

The same thing would be true if England should undertake to raid our shores. On the 24th of November 1937, 1,545 British cargo vessels of more than 2,000 tons were at sea, and 705 were in harbor, with less than 300 more unaccounted for. The drawing in of enough of these 1,500 ships at sea to make up the necesing in of enough of these 1,500 ships at sea to make up the necessary transport fleet would make any country aware of what was happening, whether ourselves or Italy or Germany, weeks before the event. The Stimson type of alarmist invariably gives the impression that the invaders, whether Japanese or European, could suddenly turn up on our coasts in great numbers without ever having been discovered en route and reported by wireless or naval airplanes. And what would 100,000 men do if landed at Norfolk or Boston or Charleston or Savannah? The smaller the harbor the worse off they would be; for, as Major Eliot also points out, they would have to bring with them lighters, armored barges, movable piers, cranes, base equipment, reserve stores, ammunition, and special landing devices. How fast could a transport fleet move towing all these impedimenta? Major General Hagood declares that there are not more than 5 ports in the United States at which an enemy could find the harbor equipment necessary to unload the huge artillery, the great combat tanks, the vast amount of ammunition for the artillery, etc. Few ships of the merchant type have adequate cranes for any such service. Here the difficulty is that the average American still things in terms of the Civil War or our War with Spain; in the latter we landed Shafter's army upon a beach on a couple in the latter we landed Shafter's army upon a beach on a couple of fine days without a hostile shot being fired, and equipped them with a few antiquated cannon. The army of Shafter bears no relation whatsoever to the army of 1939.

If further proof of this is necessary, the reader should recall some of the facts of our peaceful invasion of France. That required a stupendous effort. We controlled the Atlantic, but it took quired a stupendous effort. We controlled the Atlantic, but it took us from May 1917, to November 1, 1918, to move 2,032,883 troops. Of these only 884,647 crossed under the American flag. Yet we used 599 merchant vessels, 116 captured enemy ships, and 87 forcibly requisitioned Dutch vessels. In addition we gradually put into service some 700 vessels—900 up to July 1, 1919—built after the war began. Yet British ships transported for us 1,095,258 men. In July 1918, alone were we able to transport 300,000 men in a month. General Hagood asserts that not on a single day up to the time of the armistice did we land more than single day up to the time of the armistice did we land more than 25,000 tons of supplies and equipment, although we needed 40,000 tons daily to keep the Army going—the Allies made good the deficiency. This is the more striking because we had only just begun to land airplanes and cannon when the war ended. If this is all we could do with those gigantic efforts, what could Japan do with only 637 ships in its entire merchant fieet, with double the distance to cover going and coming? What Germany, with only 2,321 ships of all kinds and sizes? I have no space to waste on those who assert that if 100,000 soldiers got a foothold in one of our important cities they could maintain themselves and manufacture all the supplies they needed; I refer them to Munchausen. single day up to the time of the armistice did we land more than Munchausen.

Next, let us consider a little bit further Mr. Stimson's hypothetical defeat of the American Fleet. Admiral Sims once stated to me and others that if we went to war with Japan, our fleet could reach the main Japanese island, could fire a few rounds at the coast and kill whoever happened to get in the way of our shells, and then turn round and come back. "But, Admiral," said I, "what would the Japanese Fleet be doing to us during this time?" "If they know their business," he replied, "and I am sure that they do, they would be hiding behind one of their 1,000 islands and waiting for us to go home. They know as well as we do that we could not stay off their coast so why should they risk any of their battleships in a their coast so why should they risk any of their battleships in a combat with a superior force when we should have to retire of our own volition?" I spoke of our having many tankers, colliers, and cargo boats capable of bringing supplies. He waved that aside. "A battleship fleet," he said, "is tied down to its base and has a radius of not over 2.500 miles." He added that in his judgment all the money spent upon the fortification of Hawaii might just as well have been thrown into the Pacific Ocean, and he scoffed at the idea that the Lavancean New could save reach our Collifornia coest and that the Japanese Navy could ever reach our California coast and bring with it fuel enough to get there, to maneuver and fight, and then to return 7,000 miles to its home.

All writers on the offensive range of modern fleets agree that that cannot be put above 2,500 miles. Denlinger and Gary in their War in the Pacific put it at 2,000 miles. In this connection it must be remembered that we do not know today that any of the new German battleships carries sufficient fuel to cross the Atlantic. Secretary of the Navy Daniels after examining the captured German ships before they were sunk at Scapa Flow publicly stated on his return that not a single German cruiser or battleship had bunker capacity to have enabled it to attack any American harbor. Yet the American people were frightened into believing in the propaganda years that Germany was all prepared to rush into one of our harbors and carry off our women and our wealth.

What this chaotic situation calls for is plainly a study of the whole question of national defense, including the effectiveness or ineffectiveness of our present services, the dangers of invasion, and the question of what we are prepared to defend and should be prepared to defend. In this connection Congress might remember that the national-defense plank of the Democratic platform of

1932 called for: "A Navy and Army adequate for national defense based on a survey of all facts affecting the existing establishments that the people in time of peace may not be burdened by an expenditure fast appraching \$1,000,000,000 annually." Others besides the writer have been urging this for some time, among them Raymond Clapper, of the Scripps-Howard newspapers, and Gen. Hugh S. Johnson. Mr. Clapper urges a temporary joint committee of the House and Senate to undertake an intelligent and balanced consideration of a general program. I should prefer and balanced consideration of a general program. I should pleafer
a body constituted like the Howell Commission, representing all
points of view. General Johnson declares that the War Department has been "politicalized" and "demoralized," that "what is
needed here is an independent commission of Congress and outside experts to study this mix-up and suggest a solution before we are too far launched upon spending billions for defense." He has scored General Arnold for his refusal to answer in public the question what specific dangers the General Staff had in mind when it endorsed the great new aviation proposals. "To dub as military secrets conjectures as to just who may attack us, when, where, how, and what strength is pure hokum." He is opposed to keeping secret broad aspects of military plans and policies in a democracy

and what strength is pure howum. He is opposed to keeping secret broad aspects of military plans and policies in a democracy and says that you cannot do it.

In this study of our national defense it is vital to bear in mind the imminent danger that the rising tide of military and naval preparedness will in itself drive us well along the road to fascism. The proposal to subordinate all further expansion of our electrical-power industry to the possible needs of our military machine in wartime speaks for itself. The voting by Congress of \$12,000,000 for "educational" orders last year, which the President asks be increased to \$32,000,000 this year, is a most dangerous precedent. It not only violates for the first time the rule of not awarding Federal contracts save on competitive bidding, but, by inducing corporations to install new machinery and equipment for producing goods for military purposes and to enlarge their plants, will make them yearly supplicants for more and more orders to justify their capital outlays and to keep their additional employees at work. "Education" of this kind may never end.

What will it avail us to arm to the utmost limit, to subordinate our national and industrial life to preparations for war, if thereby we lose our democratic soul—that soul we are supposed to preserve by pouring out armament expenditures without end?

to preserve by pouring out armament expenditures without end?

The Star-Spangled Banner is a Living Heritage Glorifying Sacred Rights of Free Men

EXTENSION OF REMARKS

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

Mr. CRAWFORD. Mr. Speaker, Americans have been blessed with a beautiful and meaningful national anthem. It is recognized as such not only on our own shores but also abroad.

And the Star-Spangled Banner in triumph shall wave O'er the land of the free and the home of the brave.

Those sacred words describe a nation that is the envy of the peoples of the world today.

Born in the midst of a struggle for freedom, they stir the hearts of Americans when they are read or sung. It is a testimony to bravery, a testimony to freedom, and a testimony that in God in heaven do we place our trust.

Henry Ward Beecher said, "Our flag carries American ideas, American history, and American feelings."

The same might be said of our national anthem, The Star-Spangled Banner, which is really our flag song. In describing our flag, we may state that it, too carries American ideas, history, and feelings.

Nationals of other countries are jealous of the liberties gained by the freemen memorialized by Francis Scott Key. Love of flag and love of national anthem are among the keystones of a strong union of people. That is realized by those un-American agitators who are at the moment working with bee-hive industry to reduce the fires of patriotism in America. They seek to remove the flag of the United States from its prominent place in public gatherings. They would likewise remove it from public buildings. This is not done by force, but by intentional oversight. They would eliminate the singing of the national anthem from schools and public gatherings on the excuse that it is difficult to sing and that it is a "war song."

FALSE PROPHETS OF PATRIOTISM BUSY

These movements, which periodically appear, emanate from the cesspools of un-Americanism. Unfortunately, wellmeaning citizens are taken in by these palavering false prophets of patriotism and unconsciously lend their support against those things so dearly purchased by their own

Only recently in the United States, there has been a renewed cry against The Star-Spangled Banner, on the ground that it was difficult to sing. In this futile attempt to cool the ardor of Americans for their beloved anthem, on the basis of its being difficult to sing, these people defeat their own argument by their claim because both English and American historians have shown beyond all doubt that the tune to which we now sing the poem of Francis Scott Key was one of the most popular tunes of the day. Tunes difficult to sing do not gain such great heights of popularity.

Referring to the English use of the tune To Anacreon in Heaven, to which we sing The Star-Spangled Banner, one

writer says,

In England other sets of words were adapted to the air, for the tune became very popular.

The same writer in referring to the popularity of the tune in America said:

Even as early as the eighteenth century, it was known to nearly everyone in the United States.

It is only natural, then, that when Key's inspiring poem made its dramatic appearance after the victory over the British at Baltimore that the words should be adapted to the most popular tune of the day, whether intentionally or unintentionally on the part of Mr. Key. Authorities on music and poetry say, however, it is hardly an accident that the words written by Mr. Key should fit the tune of To Anacreon in Heaven.

There has been much wrangling over the origin of To Anacreon in Heaven. Pages and pages have been written covering the dispute and claims have been made that it was composed by a Frenchman, by an Englishman, by an Irishman, and claim has even been made that it was written by an American.

In these United States, founded by English, German, Irish, and peoples of other descent, there is nothing to be gained by an argument over the composition of the tune. Americans seized the melody and adapted the words of Mr. Key to it and they have kept it for a century and a quarter. The combination of the air and the immortal words written from a small craft in Chesapeake Bay stirs the blood of every American, irrespective of his origin, or the origin of the tune.

SHOULD EXAMINE THE CUP

Perhaps these people who spasmodically raise the cry for the elimination of The Star-Spangled Banner as our national anthem through substitution by some modern concoction should examine the cup from which America had been drinking in the uncertain years of the early 1800's.

We need to go back to 1814 and witness a young nation struggling to maintain its independence of a parent nation. The pendulum of battle had swayed from side to side for 3 years. The British, having landed in the South, were playing havoc with small towns and plantations and swept their way to the Nation's Capital in Washington. The torch was applied to the Capitol Building and the warriors swung toward the President's House, now referred to as the White The heroic deeds of Dolly Madison, who saved for this generation many historic possessions of that building, are another story of patriotism the complaining pesudopatriots of the modern era might do well to study. Having taken the city of Washington, the British determined to set upon Baltimore by land and sea and bring a quick end to their conquest.

The narrative of events leading up to the writing of The Star-Spangled Banner has probably best been furnished by Key's brother-in-law, R. B. Taney, who later became Chief

Justice of the Supreme Court, and these are recorded in the

Library of Congress.

In substance, the narrative is this: After the Battle of Bladensburg, the main body of the British Army passed through Upper Marlborough en route to Baltimore to join in the concerted drive on that city. Plunderers, having left the enemy ranks, were looting homes and stores on the heels of the movement of the army and a Dr. Beanes, previously recognized as hospitable to the British officers, organized a group of vigilantes to pursue the marauders, according to one story, and take them prisoners. This information reached British Army authorities and Dr. Beanes was seized. Another story is that he had them arrested for looting his own home. At any rate, he was taken prisoner.

A FRIEND TO THE RESCUE

History records that the British "did not seem to regard him, and certainly did not treat him, as a prisoner of war, but as one who had deceived and broken his faith to them."

Francis Scott Key was one of Dr. Beanes' closest friends. He was serving as a volunteer in Major Peter's Light Artillery, but prior to the war was an attorney practicing in the Nation's capital.

Friends urged him to obtain the sanction of the Government and go aboard the ship and attempt to secure the release of Dr. Beanes.

Justice Taney wrote:

Mr. Key readily agreed to undertake the mission in his favor and the President (Madison) promptly gave his sanction to it. Orders were immediately issued to the vessel usually employed as a cartel in communications with the fleet in the Chesapeake to be made ready without delay; and Mr. John S. Skinner, who was agent for the Government for flags of truce and exchange of prisoners, and who was well known as such to the officers of the fleet, was directed to accompany Mr. Key. * * * We heard nothing from him until the enemy retreated from Baltimore, which, as well as I can now recollect, was a week or 10 days after he left us; and we were becoming uneasy about him when, to our great joy, he made his appearance at my house on his way to join his family.

What happened between the time Key left the shore off Baltimore until he put in his appearance at the home of

Justice Taney is known to every American.

The British officers, probably as the result of the timely arrival of a letter from wounded British soldiers telling of the kind attention given them previously by Dr. Beanes, turned the doctor over to Key, but, fearing they would carry news of the impending attack on Fort McHenry to the mainland American army, they placed them on another vessel under guard and from that point they witnessed the battle.

SAW STARS AND STRIPES IMPERILED

At the home of Mr. Taney the story of the sight of the battle was vividly described by Key and later recorded by Tanney. Key and Skinner stood on the deck throughout the night, nervously pacing back and forth, again and again watching from the time the British guns spouted out a shell amid flames and billows of smoke to the time the missile crashed on the land—watching breathlessly lest one shot perchance would wreck the powder magazine within the fort. As long as the exchange of cannon fire continued, Key knew the fort had not surrendered. In the glare of fire, recorded in Key's poem, they could see the Stars and Stripes still aloft over the fort.

Suddenly, before morning, firing ceased. Had the fort surrendered, or had the attack been abandoned? Out of contact with the British ships, they had no way of knowing what had caused the cessation of fire. Finally, out of the smoky mist Key's eye caught a beam of early morning light flashing upon the flag, verifying his hopes of victory.

Justice Taney, continuing his narrative of the story told him by Key, wrote:

He told me then that, under the excitement of the time, he had written a song, and handed me a printed copy of The Star-Spangled Banner. When I had read it, and expressed my admiration, I asked how he found time, in the scenes he had

passed through, to compose such a song. He said he commenced it on the deck of their vessel, in the fervor of the moment, when he saw the enemy hastily retreating to their ships, and looked at the flag he had watched for so anxiously as the morning opened; that he had written some lines, or brief notes that would aid him in calling them to mind, upon the back of a letter which he happened to have in his pocket; and for some of the lines, as he proceeded, he was obliged to rely altogether on his memory; and that he finished it in the boat on his way to shore, and wrote it out as it now stands, at the hotel, on the night he reached Baltimore, and immediately after he arrived. He said that on the next morning, he took it to Judge Nicholson, to ask him what he thought of it, that he was so much pleased with it that he immediately sent it to a printer, and directed that copies of it be struck off in hand-bill form.

On September 21, 1814, a week after the battle, The Star-Spangled Banner made its first appearance in the Baltimore American and it was headed by this preface:

DEFENSE OF FORT M'HENRY

The annexed song was composed under the following circumstances. A gentleman had left Baltimore in a flag of truce for the purpose of getting released from the British Fleet a friend of his who had been captured at Marlborough. He went as far as the mouth of the Patuxent and was not permitted to return lest the intended attack on Baltimore should be disclosed. He was, therefore, brought up the bay to the mouth of the Patapsco, where the flag vessel was kept under the guns of a frigate, and he was compelled to witness the bombardment of Fort McHenry, which the admiral had boasted that he would carry in a few hours and that the city must fall. He watched the flag at the fort through the whole day with an anxiety that can be better felt than described, until the night prevented him from seeing it. In the night he watched the bombshells and at early dawn his eye was again greeted by the proudly waving flag of his country.

Authorities generally agree that Ferdinand Durang, a musician, was the first person to take the lead in a group to sing Key's poem. When and where is a matter of dispute. It is important to observe that in both the Baltimore Patriot, which published the poem first on September 20, and in the Baltimore American, which published it the following day, the following notation is made: "Tune—Anacreon in Heaven."

The melody and Key's poem did sweep the east coast, and documents indicate that it reached into the interior States in short order.

Those American citizens who feel impelled to agitate a new anthem should delve into the history of our present national anthem and meditate in silence upon its meaningful words. They should visit the Smithsonian Institution in Washington and pause with bared head before the giant flag—33 feet long and 27 feet wide, with its 15 stars, and view the 11 holes in the emblem which was pierced by shells from the British fleet in Chesapeake Bay. This is the flag that floated over Fort McHenry. This flag, pieced together for our Army by the fingers of Mary Young Pickersgill and her two nieces was the one that inspired Key to write the anthem.

They should then go to Baltimore and stand upon the ramparts of Fort McHenry and, with history book in hand, visualize that great night in American history.

Having gone through this experience, it is not likely any American will further advocate streamlining or tampering with the national anthem. We hope that such persons will be impelled to repeat the invocation contained in the last verse of the poem and thank God in heaven that they stand on American soil where freedom of speech, freedom of worship, and freedom of press are sacred and respected rights of free men, living under The Star-Spangled Banner. They, then, will not eradicate our national anthem.

The Star-Spangled Banner is a living heritage, purchased at an extreme price, and it glorifies those sacred rights of free men rarely found elsewhere on the face of the earth today. The flag it exalts will wave over the land of the free and the home of the brave as long as nations live if we will but revere and respect those principles of government which form the foundation of these great United States.

President Roosevelt's Foreign Policy

EXTENSION OF REMARKS

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

ARTICLE BY FORMER PRESIDENT HERBERT HOOVER

Mr. TAYLOR of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by former President Hoover on the subject of President Roosevelt's foreign policy:

> [From Liberty of April 15, 1939] PRESIDENT ROOSEVELT'S FOREIGN POLICY (By Herbert Hoover)

There is no subject more difficult to discuss rightly than foreign policies. They compound our affections and dislikes as well as our interests and ideals. Few of us will agree upon the weights we attach to every argument or fact. The indignation of every one of us at the ravishing of Czechoslovakia adds difficulty to sober discovery. cussion. But we simply must have conclusions on national policy.

of us at the ravishing of Czechosłovakia adds difficulty to sober discussion. But we simply must have conclusions on national policy. That cannot be side-stepped.

The United States cannot pursue a policy of isolation in the world. We have too many dangers, too many interests, and we have enormous responsibilities. The Monroe Doctrine, with its requirements on our part to defend South America against any Old World invasions, is in itself a negation of any policy of isolation. That area of our international relations was settled for us many years ago, and we have confirmed it repeatedly.

The other large immediate question is our attitudes toward the area of Europe, Asia, and Africa. There are two widely divergent directions which we can take in respect to them at the present time. Neither is isolation. But their destiny is as far apart as the two poles. The one makes for peace in the world, the other envisages force or war.

The first of these is to hold to broad neutrality and thereby exert the moral influence of the United States to lessen the causes of controversy and war in Europe and Asia. That method proceeds through peace treaties; through diplomatic effort; through encouragement to meet at the council table; through arbitration; through promotion of international law; through the establishment of such agreements as the Kellogg Pact, the Hague Tribunal, a properly reorganized Court of International Justice; through promotion of large discrements imprised on the property of a payles; and through promotion of large discrements as the first of a payles; and through promotion of large discrements as the Kellogg Pact, the Hague Tribunal, a properly reorganized Court of International Justice; through promotion of large discrements as the Kellogg Pact, and the promotion of large discrements as the Kellogg Pact, and the promotion of large discrements as the Kellogg Pact, and the promotion of large discrements as the Kellogg Pact, and the promotion of large discrements as the first part of payles; and through cou agreements as the kellogg Fact, the Hague Tribunal, a properly reorganized Court of International Justice; through promotion of land disarmament, limitation of navies; and through control of air-craft and submarine misuse; through dignified protest at persecu-tions; through moral refusal to recognize gains of wrongdoing; through mobilization of world public opinion against transgressors;

through mobilization of world public opinion against transgressors; and especially through economic cooperation can world strains be reduced. All these are the constructive processes of peace. They build for peace and good will. They may not always succeed, or hold for long at a time; but while they do hold they prevent war and they uphold the standards of international conduct.

The second direction that we could take is to depart from neutrality in the controversies between other nations and to exert the physical force of the United States on one side of a conflict. That method proceeds through declarations of support, through alliances which shift the balances of power in the Old World, or through threats, or through economic pressures, such as punitive tariffs, or through economic sanctions, or through military force, and finally through war. None of these are processes of peace.

All in this category of actions are provocative actions. They have hitherto always cracked up in war itself. They make also for division of the world by hate and friction. They solve nothing. They render any service through the first category almost impossible.

It is my belief that the first category of relations represents the

It is my belief that the first category of relations represents the long view and the realistic view; that the second category represents the short view and the emotional view. For if civilization is to be preserved and to prosper, it will be through the first category of international relations, not by wars and threats of

wars.

The League of Nations was a heroic attempt to build peace by associating all nations, whether democracies, kingdoms, or dictatorships. Its purpose was to replace the theory of balances of power and military alliances which had invariably plunged the world into war. It was wrecked on several rocks. The first was the prompt building of balances of power and military alliances by certain nations—ideas utterly antagonistic to the whole concept of the League. The second was that it attempted to combine these two categories of international relations; that is, force and the processes of making peace. There were other reasons for

failure, but these two are pertinent to the situation today. The League also proved to have great values where it exerted itself in making peace and not attempting force.

League also proved to have great values where it exerted itself in making peace and not attempting force.

During the whole history of our country, except that period of 3 years between entering into the Great War and up to our rejection of the League of Nations, our policies have been of the first category in our relations to European and Asiatic nations.

Beginning a period of 14 months ago, Mr. Roosevelt has shown a certain sequence of steps in the development of a change in these traditional American policies in respect to Europe and Asia. The full extent of the President's proposed change in policies has not been made public. His private statements to the General Staff and to the Senate Military Affairs Committee are naturally not officially available. He has given some public indication of them in his proposal "to quarantine dictators"; his message to Congress proposing that America should determine who are aggressors against other nations in Europe and Asia and apply to them methods stronger than words and short of war; and the reported statement to the Senate Military Committee that the American frontiers were some place in Europe. The expressions of Ambassador Bullitt certainly warrant the European democracies in the belief that they may look to the United States for some sort of aid. These expressions are vague enough but at least indicate a radical departure from the categories of peaceful processes into the categories of force.

The Baltimore Sun sums it up as "the prospect of revolutionary change in the role played by the United States on the world stage." Any such change in policies should be frankly submitted to and confirmed by the American people.

The time to debate a momentous change which involves peace and war is before we enter the paths of force. After we have traveled that path for a while debate is silenced as moral treason.

I have seen too much of international life and friction not to

I have seen too much of international life and friction not to I have seen too much of international life and inction not to know that the world changes and that the scene shifts, and that other policies may be necessary. But our job is to examine the situation with which we are faced now. And this is an appraisal of the outlook now and the policies which should be pursued by

Before we examine the reasons for adopting one course or the other, let me clear some underbrush as to some conclusions that

we generally agree upon.

1. We all agree that we must have adequate defense to hold the

1. We all agree that we must have adequate defense to hold the Western Hemisphere against military attack from overseas in any combination. Whatever our Army and Navy say is necessary for this purpose we will make any sacrifice to provide. We have no quarrel with proper defense programs for this purpose.

2. Most of us intensely dislike every color of nazi-ism, fascism, socialism, and communism. They are the negation of every ideal that we hold. They are the suppression of all liberty. In Germany the persecution of the Jews, the attitudes toward the Christian faiths; in Russia the wholesale executions, the destruction of Hebrew as well as Christian worship, the ruthless starvation of millions of peasants when resources were available to save them—all of them outrage our every sense of justice. While we stand it in the name of free speech, we resent the Bund, the Communist and Socialist Parties in the United States taking advantage of our liberties of free speech and free assembly to preach doctrines which would destroy these very liberties.

It is not with any approval of these un-American activities that

would destroy these very liberties.

It is not with any approval of these un-American activities that we reserve the question as to whether America should send her sons to Europe to die in a war against these ideologies, or that we should enter into measures that may lead to that end.

3. There is no objection or any legal prohibition against England or France buying airplanes or munitions in the United States. What we are concerned with are what changes in our foreign relations have surrounded these otherwise purely commercial transactions. mercial transactions

mercial transactions.

Those who advocate that we should depart from neutrality and join nations in Europe and Asia with processes of force base it on one or all of three different grounds:

First. They claim that we have an obligation and a duty to maintain liberty throughout the world.

Second. They insist specifically that if the democracies of England and France are attacked we must come to their support, not only to maintain liberty but in fear that were they overcome we would be the next victim.

Third. They insist that if we throw or threaten to throw our weight now with France and England, they will not be attacked at all.

weight now with France and England, they will not be attacked at all.

The problem is not so simple or the conclusions so certain as this description would assume. At this moment most of the proponents of these policies deny that they want us to go to war. Maybe not, but they want us to act warlike, and we need to look down this alley to see where it ends. Propaganda is built up that way. As it goes along some time we may get to the stage where our emotions will be forced by the cry that we are quitters and cowards or have let down those who have relied upon our vague expressions. expressions.

Most of us are sympathetic with these countries, but a vast and resolute majority of us are against being drawn into war.

Before we start on these departures from the processes of peace into the path of force there are several major questions to consider.

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1. The basic premise of many of these assertions about the situation in Europe is open to question.

The American people are deluged with propaganda and unreliable reports. Despite all contrary appearances the forces pressing to war which would necessarily involve the Western European democracies are at the date of this writing not as strong as the forces pressing to avoid war. No one is so foolish as to say that there is not an immensity of combustible materials in Europe. But the universal knowledge of them and the experience of the last war make men far more cautious than they were in the year 1914. Furthermore, most competent observers agree that Germany and

Italy have no present notion of making military attack upon the

British and French.

Moreover, England and France can, in the belief of competent observers, amply defend themselves against attack. No one can deny that the superiority in land fortifications of the French and British make them impregnable from any land force that can be brought to bear against them. They have three times the naval strength of the dictators. They have the industrial resources, the men, and the money to either buy or to build superior air fleets if they wish to organize themselves for these purposes. Their populations, their empires, and their natural resources give them ample manpower and far greater reserves of manufacturing capacity and of war materials.

The relative positions of England and France to their possible opponents are far stronger today than they were in 1914.

No competent observer believes that the dictatorships, singly or

in combination, could successfully attack the Western Hemisphere even if they were inclined to try it, which they are not. And this applies both before and after the next European war, if any. They ould be far weaker after the next war than today, no matter what the outcome.

Altogether, while the situation in Europe requires watching as to its effects upon us, yet those who are promoting American entanglements in Europe are ringing the alarm bells of American dangers entirely too hard.

dangers entirely too hard.

2. From an American point of view, the reason we would enter into these paths of force is purely ideological. We want no economic advantages. We have no territorial expansion. There need be no fear that we cannot defeat any attempt of foreign dictatorships in encroachment upon the Western Hemisphere. The appeal is solely on the grounds of saving liberty, either abroad or at home. Thus it becomes an appeal to idealism pure and simple. While Frederick and Frederick and Frederick and Frederick of stands idealism. while England and France are countries of stanch idealism for liberty, they are naturally long-established imperialistic democracies, controlling millions of subject races. Germany and Italy are imperialistic states also seeking possessions for trade and raw materials. Italy obviously never received the territorial possessions promised but her by England and Prance and Pr promised her by England and France under the treaty of 1915 by which she entered the Great War. England and France, on the other hand, do not wish to surrender any of their possessions. In other words, there is here a conflict between "haves" and "have nots" nots

without taking any position on the right or wrong of these controversies, we can at least conclude that their differences are not wholly ones of idealism for liberty alone.

3. Particularly is the case of Italy a good example of where right and wrong are beyond our determination. Americans should be slow to deny the justice of her claims under the war treaties. We were not a party to them, but we do become a party to this controversy if we line up to support France against Italy. As a matter of fact, the equitable settlement of that controversy would contribute more to the world's peace than any other step that could be taken this day. In any event, it all emphasizes that it is not liberty alone which is at stake.

be taken this day. In any event, it all emphasizes that it is not liberty alone which is at stake.

4. These exponents of vague use of force in association with European democracies would be much more logical, much more frank and open, and, in fact, much more effective in their purpose, if they would straightforwardly advocate a formal military alliance right away. That would need have the approval of Congress, and our people could have something to say about it. Their purpose is, either ignorantly or in fact, to get us so involved that we would have to join in war if it came. If we had a frank and open military alliance we would possibly have something to say about controversies in Europe which might lead us into war. We have no such voice under these vague proposals.

A test that these exponents of abandonment of processes of peace for processes of force might apply to their own thinking is just this:

Are they prepared to openly advocate military alliance with

Are they prepared to openly advocate military alliance with

European democracies?
5. Those who propose even a vague alliance of force with England and France should inform the American people how they are land and France should inform the American people how they are going to avoid marrying the alliance of France with Communist Russia. France is committed lock, stock, and barrel to Communist Russia. They should also explain fully why the United States should assume, for instance, that Italy is our enemy. For 20 years Russia has tried to undermine our Government; Italy has done no such thing. Italy has been a firm friend of the United States ever since our country was born. Moreover, they should explain how far the United States will go to guarantee the possessions and policies of England and France in respect to their subjective people in every part of the world. That is what it would mean. It is not necessary to go into the merits or demerits of these important phases to at least indicate the labyrinth of commitment we may be venturing into.

6. Another question enters into this problem, and that is, how long these destructive ideologies, especially the most aggressive ones in Germany and Russia, can last. It is my belief that they have reached their high point.

The common people in both Germany and Italy are equally as terrified at being drawn into war as are the people of other countries. Their economic systems are showing signs of degenerating weakness. Having enjoyed liberal institutions, the vast majority of their people have constant desire and hope for return of greater liberty. Public opinion is making itself felt despite the restraints. Communism in Russia is rapidly disclosing itself as a purely gangster government. And the gangsters are quarreling.

Patience on the part of the democracies might well see a considerable part of these dangers decrease from these internal pressures.

siderable part of these dangers decrease from the pressures.

7. It is proposed that we take upon ourselves the job of determining and aiding to stop aggressors in the world. The theory and practice of stopping aggression is a difficult and costly role. That was to be one of the functions of the League of Nations. But the League was supposed to combine the intelligence of all nations outside the controversy and to make judgment. The League split repeatedly upon the facts of who was the aggressor. It seems a difficult role for America to undertake alone, and for many reasons. One of them is that warlike acts are the result of long antecedent history of mixed rights and wrongs. Another of our difficulties would be that we are composed of all nationalities, some of whom will be clamoring for their fatherlands on both our difficulties would be that we are composed of all nationalities, some of whom will be clamoring for their fatherlands on both sides of every single case that comes up. It would add sadly to the divisions of an already divided people. We would also become, even more than today, the battleground of every foreign propa-

ganda on earth. Moreover, the whole theory of stopping aggression is in fact an attempt to maintain the status quo in national boundaries all over the world. We need only to look back even 100 years of history to see how many fights we could get into. In fact, we have been aggressive in our time. Otherwise parts of the Rocky Mountains and California would belong to Mexico today.

We will be told that the told determine the control of the

and California would belong to Mexico today.

We will be told that the job of determining the aggressor is easy because we know today who the world's aggressors are. And we are told we can stop them with more than words and less than war. There is no other nation in the world who would believe that this can be done and keep from provoking war for long. It is certain that the highly realistic democracies in Europe will make no such declarations of national policy.

But over it all is something more important. We cannot become the world's policemen unless we are prepared to sacrifice millions of American lives and probably some day see all the world against us. In time they would envisage us as the world's greatest bully, not as the world's greatest idealist.

not as the world's greatest idealist.

8. We ought, in coming to conclusions, to recollect our own experience with the Great War. We went into that war for many reasons, including direct war upon American citizens and ships. perience with the Great War. We went into that war for many reasons, including direct war upon American citizens and ships. Above all, we hoped and believed that we were going to "make the world safe for democracy." It was to be a "war to end war." No one will deny that we failed in these latter hopes. The violence of the peace treaties and the destruction of war created these brutal dictatorships. Many students of European affairs, including those of our former allies, hold that political action by some of our former allies in Europe greatly contributed to the death of the peace-loving democracies, such as Germany, which sprang up after the war. Whether this be true or not, it must be obvious that America has not the power to impose a course of action upon the nations of Europe which would end war for the future or would make the world safe for democracy. All European history is a treadmill of readjusting boundaries among mixed populations. It is a treadmill of war for power and mastery. It is certain that we engage ourselves in these age-old controversies the moment we throw our might into European balances of power.

9. We should also examine the question of where we will be after even another world war to save democracy. We should consider what would likely happen to us if we become engaged in another such war, whether we win or lose. I recently stated:

"Our first purpose is to maintain liberty in America. If civilization based on liberty fails in the United States, it is gone from the earth. We must safeguard that, not only in our own interest but in the interest of the world.

"Personal liberty and free economic life are not built for modern war. A great war today is a mobilization of the winds.

"Personal liberty and free economic life are not built for modern war. A great war today is a mobilization of the whole people. That means democracy must temporarily surrender to dictatorship, no matter what one may call it, in order that we may bend our full energies to war.

"It means that our country must be mobilized into practically a Fascist state. It would be so organized. It went some distance in the last great war, although we did not use that term at the time. It would have gone much further if the war had extended

"I speak of this not from hearsay but as one who participated in the economic organization of the Great War. I saw the rise of opposition to demobilization of the interests which benefited, and I have seen the attempts to restore these measures ever since. "Today the lowered vitality of free enterprise, the necessity to subordinate or repudiate our enormous peacetime national debt to make way for finance of a new war, together with the ideas of economic power which impregnate our Government, all drive to the improbability of after-war demobilization of centralized power.

"If it were that or the loss of our national independence it would not be too great a price. But let us at least recognize that a war to save liberty would probably destroy liberty. In my view, another great war would make dictatorship universal.

"Even if we escaped this result, yet the sacrifice of our sons and the moral and economic destruction are a bitter prospect to

contemplate. Surely we learned this from the last war."

These are but a part of the reasons which can be advanced for our keeping neutral on European controversies.

our keeping neutral on European controversies.

In conclusion, the question of our foreign relationships rises far above partisanship. And those citizens who hold views on either side should not be charged with politics, pacifism, or militarism. We are discussing the sacrifice of life of millions of our sons and we are discussing the lives of women and children. We are discussing the future of our Republic and the future of liberty.

What have not been stated yet are sound reasons which at the present time warrant us from departure from our traditional policies. On thing is certain: This Nation should be taken into full confidence as to what Washington is doing and proposing. And we will then debate it further.

Beyond all this is an even greater question: What can the United States do within the processes of peace in contribution to peace today?

peace today?

The world has many staggering problems. One is reduction of the armament which is impoverishing people everywhere and which builds only toward disaster. Another is to secure immunity of women and children from hideous attack by blockade and from the air. The witness of that might indeed enrage us into war. Another is to secure relief of millions from religious and racial persecution. That persecution, most dreadfully directed excepts the Jews results not only in their sufferings but it brutaland racial persecution. That persecution, most dreadfully directed against the Jews, results not only in their sufferings but it brutalizes the people of any country where this cry is raised. Another problem is to end the present economic war and secure economic progress for the world. Economic suffering drives nations to exploitation of others and to war.

Is not contribution to solution of these and many other problems a larger purpose for America in the field of foreign relations? There are great things we could do to bring peace and tolerance and prosperity to the world—to add to humanity and to lessen brutality. But that is possible only if we hold to our neutrality. And that question must be settled before we can begin upon constructive processes of peace.

Reconstruction of New England Following Tornado and Floods of 1938

EXTENSION OF REMARKS

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

ARTICLES APPEARING IN THE NEW YORK HERALD TRIBUNE

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from a newspaper account of the tornado and flood which visited New England last September:

[From the New York Herald Tribune, of April 3, 1939]

FIFTY THOUSAND WORK TO SALVAGE TIMBER NEW ENGLAND HURRICANE FELLED—FEDERAL GOVERNMENT, STATES, AND TOWNS, HURL THEIR FORCES INTO BIGGEST LUMBERING JOB IN AREA'S HISTORY TO SAVE WOOD, HALT FIRE HAZARD

(This is the first in a series of articles on the reconstruction of New England, following the floods and hurricane of 1938.)

(By Allen Raymond)

(By Alien Raymond)

The greatest lumbering operation in the history of New England is under way today, and will continue until June 30, as a result of the hurricane of September 21, 1938, which made a shambles of New England's forests. This effort to salvage as much as possible of the fallen timber is being accompanied by an equally ambitious project in the reduction of an acute fire hazard, which is conceded to exist today in many sections of Connecticut, Massachusetts, New Hampshire, and Vermont as a result of the blowing down of millions of trees which used to be a pride of the region. the region.

Into these two operations of recovery the Federal Government, Into these two operations of recovery the Federal Government, the States, and hundreds of local governments have thrown a working force of more than 25,000 men. Timber contractors have added another 25,000. Their log-laden trucks go rumbling over the hills of New Hampshire. New-trimmed timber drops by the millions of feet into ponds for storage. The stream of rotary saws and the shouts of the workmen can be heard today in thousands of woodlots.

Yet nobody who knows the historic economics of the New Eng-Yet nobody who knows the historic economics of the New England farm land, or recalls the dark and silent splendor of piney temples now vanished from the granite mountains of the region, can look at this industry of salvage and safety without a sense of irreparable loss. Nobody knows the monetary value of that loss. Nobody can ever pay for the elms that are gone from the village common and the college campus, and it will take another hundred years to replace them.

Experts from the United States Department of Forestry have figured that there are 2,405,000,000 board feet of lumber that was downed in the disaster in the six New England States. The Northeastern Timber Salvage Administration, a Federal corporation.

downed in the disaster in the six New England States. The North-eastern Timber Salvage Administration, a Federal corporation which is directing the salvage, has placed a price of \$12 to \$22 a 1,000 board feet on what is purchased from woodlot owners, prices ranging according to species and grade.

That might make the worth of the fallen timber something like

That might make the worth of the fallen timber something like \$30,000,000, and the men on the salvage job say about half of it is salvageable. They have obtained a credit of \$15,000,000 from the Reconstruction Finance Corporation, with which to conduct their operation of buying what they can, saving and selling it in such a way as to disrupt price levels within the timber industry as little

operation of buying what they can, saving and selling it in such a way as to disrupt price levels within the timber industry as little as possible.

They do not expect to get nearly one-half of the timber that is technically savable. In Maine the timber downed is estimated at 50,000,000 board feet, in Vermont at 260,000,000, in Rhode Island at 60,000,000 hoard feet, in Vermont at 260,000,000, in Massachusetts at 880,000,000, and in Connecticut at 150,000,000.

The amount of timber estimated as salvageable by States is: Maine, 45,000,000; Vermont, 110,000,000; Rhode Island, 40,000,000; New Hampshire, 620,000,000; Massachusetts, 400,000,000, and Connecticut, 50,000,000, or a total of 1,265,000,000 feet.

On the day the great blow occurred, Congress was not in session, and the job of salvage quickly was shown to be one which no private industry, nor the States and communities themselves could handle. Only a single organization, adequately manned and financed by the Federal Government, with local cooperation could get what lumber was savable off the hills before decay set in, and give to the owners of it what monetary reparation of their loss might be given without disrupting price levels. Ferdinand A. Silcox, Chief of the United States Forest Service, was a leader among the group of men from the Reconstruction Finance Corporation, the Federal Surplus Commodities Corporation and other Federal agencies who worked out the present timber salvage administration.

The Civilian Conservation Corporation the Reconstruction finance

ministration.

The Civilian Conservation Corps, the Works Progress Administration, the forestry services of the States concerned and of the Nation, all cooperated to man the job. The aims of the Northeastern Timber Salvage Administration, or "Netsa," as abbreviated in the woods, have been two from the beginning; first, salvage; second, fire prevention. The mechanics of salvage has been to offer timber owners 90 percent of specified prices on their lumber delivered at receiving points set up by the administration, some of which are called "wet" points—because they are ponds—and others "dry" stations, because they are sawmills.

"Netsa" proposes to process some of the timber and hold the

"Netsa" proposes to process some of the timber and hold the rest in wet storage, and get rid of it on the market gradually over the next 5 years. If the 10 percent of their offered prices to woodland owners does any more than pay the overhead on the operation, the owners will receive the balance. The administration sets itself up in this respect as a hard-boiled business corporation, and hopes to pay out.

poration, and hopes to pay out.

Up to March 11 the N. E. T. S. A. had set up 593 receiving stations for timber in New England, of which 223 were ponds and 370 were sawmills. Distribution by States was as follows:

Maine, 34 wet stations and 3 dry; New Hampshire, 97 wet and 83 dry; Vermont, 8 wet and 32 dry; Massachusetts, 56 wet and 98 dry; Connecticut, 22 wet and 120 dry; Rhode Island, 6 wet and 34 dry. Beyond that the administration was negotiating for 16 more ponds and 79 more sawmills.

Into those receiving stations, as of March 11, the administration had taken the following amounts of timber, weighing and scaling it and paying for it: Maine, 25,000,000 board feet; New Hampshire, 106,000,000; Vermont, 15,000,000; Massachusetts, 36,000,000; Connecticut, 2,000,000, and Rhode Island, 1,000,000.

The amount of timber for which "Netsa" had made contract with

The amount of timber for which "Netsa" had made contract with woodland owners, State by State, on March 11, follows: Maine, 81,000,000; New Hampshire, 627,000,000; Vermont, 114,000,000; Massachusetts, 250,000,000; Connecticut, 29,000,000; and Rhode Island, 11,000,000.

The N. E. T. S. A. has estimated that probably 15 percent of the mature timber of all the States except Maine has been blown down. The area of desolation covers about 15,000,000 acres, or 35 percent of the area of New England, and within that area of destruction the trees are down in such numbers and such tangles over 600,000 acres as to constitute this section a "severe fire hazard." The damage has affected the physical valuation of 904 towns in 51 counties. Tracts completely razed vary in size from a fraction of an acre to 1,000 acres.

Of the wood that is downed, 97.5 percent is softwood and 2.5 percent hardwood. Of the softwoods, spruce, hemlock, and Norway pine constitute the bulk. Of the hardwoods, Vermont and New Hampshire have lost mostly maple, with yellow and white birch and some basswood.

In Vermont it is estimated that 20 percent of the normally tapped maple trees are gone. In the southern States there has been a loss of considerable oak.

According to "Netsa" officials cooperation of local authorities with their work has been "wonderful." Lumber associations, formarized recommentations of the property of the proper ernors' salvage committees, town committees, local banks, farm associations, and the Farm Security Administration have all cooperated. There has been some criticism that the rates paid timber are not such as to pay the owner of a few lost trees to bring them in. New Hampshire has created an advisory council and passed special truck and zoning regulations to aid nonresident contractors in their work. Massachusetts and Vermont have bills before the legislature for similar aid.

Regardless of what is salvaged, the real extent of the loss will not be known for years, if ever, and will be continuing. It is the farm woodlot on the hill in Vermont and New Hampshire that has paid the taxes for many a farmer. When money was scarce these old farm woodlands have enabled hundreds of boys from the Green and White Mountains to go to Dartmouth and Harvard to

get their educations.

Work at reduction of fire hazards has proceeded apace with the timber salvage for the last 5 months and will continue for a long time. The Civilian Conservation Corps has provided about 4,000 men for the job of clearing slash from perilous points, and the W. P. A. forces on similar jobs have varied between 10,000 and 15,000 men in the six States. Plans are now being worked out under a \$5,000,000 W. P. A. deficiency appropriation further to survey the area's problem and decide what areas the C. C. C. camps can most economically cover; what areas the W. P. A. can cover from centers of population; and into what areas the Forest Service

can place 50-man crews under their direct supervision.

Twelve new fire towers, two in Maine, five in New Hampshire, and five in Vermont, are now being built and will be observation and five in Vermont, are now being built and will be observation points before summer. A special forest fire telephone alarm system has been strengthened at strategic points by the addition of more than 100 miles of telephone wire, and all repair work on fire protection telephone lines is said to be completed or nearing completion. State and National foresters, in cooperation with local governments, have worked out an interlocking fire-fighting system covering the entire region of hazard and special training in fighting forest fires has been given to C. C. and W. P. A.

crews in large numbers.

This hazard reduction work, based on the manpower now available from the C. C. C. and W. P. A., will be completed in Maine in 7 months, according to "Netsa" officials. In New Hampshire, even if present forces are maintained, it will take 8 years and 4 months to complete; in Vermont, 15 months; in Massachusetts, 4 months; in

complete; in Vermont, 15 months; in Massachusetts, 4 months; in Rhode Island, 3 months; and Connecticut, 2 years and 10 months. Naturally, the "Netsa" officials hope that the work may be speeded by increase of forces, dependent largely on W. P. A. appropriations. "Netsa" officials are anxious that no undue alarm be spread concerning the nature of what they have called "extreme fire hazard." "To say that a serious potential fire hazard will not exist in the hurricane area of New England during the fast-approaching fire season would be foolish," according to Leslie S. Bean, director of the administration in Boston. "But to say that New England will burn up from the first cigarette tossed carelessly from a car window is equally foolish. Any large metropolitan area constitutes a potential fire hazard, but none of us thinks it is going to be consumed by a conflagration."

What New England communities, in cooperation with the Federa Government, have done to safeguard themselves during the coming fire season against admitted menace is to organize the greatest

ing fire season against admitted menace is to organize the greatest fire-prevention and fire-fighting force in the history of the region, and those in command believe these measures adequate.

[From the New York Herald Tribune of April 5, 1939 NEW ENGLAND DISASTER CLEAN-UP CARRIED ON MAINLY BY W. P. A. THOUSANDS IN STATES STRUCK BY HURRICANE STILL LABOR TO CLEAR Forests and Roads of Debris; Scores of Towns Face Economic

(This is the third in a series of articles on the reconstruction of New England following the floods and hurricane of 1938.)

(By Allen Raymond)

The mobilized man power of the United States Works Progress Administration has carried the major share of the load of reconstruction in New England, following the disaster of September 21, 1938. This has been true not merely in the immediate job which had to be done at the height of the storm, the saving of lives and property, and the limitation of the scope of that misfortune, at times by heroism.

at times by heroism.

It was the W. P. A. that did the bulk of the job of clearing up enough of the debris to make the roads passable and the towns presentable as the floods receded and the winds died down. It has been the W. P. A. to which towns in dire financial straits and State administrations pledged to economy have turned for the continuing job of public repair work in the months that have passed. It is the W. P. A., with its youthful ally, the Civilian Conservation Corps, which has provided brain, brawn, and the necessary funds to do much of the task of forest salvage and fire prevention, in cooperation with other Federal agencies.

Direct and indirect damage caused by the storm to New England's public and private property has been estimated by the

Travelers Insurance Co., of Hartford, Conn., at \$400,000,000. A firm of engineers employed by the Massachusetts Department of Public Works has set down the direct and traceable damage at \$200,000. While the six little States have been rich compared to some sections of the country, they have their depressed areas, and the storm wrought much of its harshest damage in the areas least able to bear it. able to bear it.

MANY TOWNS FACE CRISIS

There is a crisis in local government approaching in many New England communities because of the piling of the hurricane on top of previous adverse economic factors, and the question of who is going to pay for the accustomed community services, if they are to be continued, hangs in the balance. When the storm subsided, there was no question as to who was doing the job of immediate restoration, and which agency was prepared to do it. That agency was the Federal administration. Its major lieutenants were on the job, preparing to fight the floods before they came.

For 48 hours before the disaster the newspapers in western and central Massachusetts had been predicting a flood approaching the high crests of 1936. John J. McDonough, State W. P. A. administrator, since named New England director, was out in the field,

trator, since named New England director, was out in the neid, mobilizing his forces.

When the storm came and Colonel McDonough had to get back by automobile to headquarters in Boston, W. P. A. workers literally sawed a path for his car through the trees that blocked the streets from Fitchburg to Massachusetts Bay. By the following noon the W. P. A. had 80,000 of its 130,000 workers diverted from normal projects to the clean-up of the State. Staff work was done by candlelight. Communications were by amateur wireless, and the round-up of workers was done with the aid of the police.

The Federal Government allotted \$5,000,000 to flood-repair work in Massachusetts, and within a month after the storm 521 projects

in Massachusetts, and within a month after the storm 521 projects had been approved, with a cost to the local governments of about \$1,000,000 and a cost to the Federal Government of \$3,916,000. The greatest damage to public property was to roads and bridges, particularly in the shore areas from Rhode Island to Buzzards Bay, and inland, west of Worcester County, where hundreds of miles of highway were washed out or buried under sand and debris. The roads are in splendid shape today, but work upon these and public parks and buildings will consume a large part of the W. P. A. energies through 1939. There are 6,000 W. P. A. workers in Massachusetts alone engaged in cleaning out woods close to the big towns, where fire hazard is greatest. close to the big towns, where fire hazard is greatest.

The destruction of taxable values in the small towns, particularly along the eastern Connecticut, Rhode Island, and Massachusetts coast, in central Massachusetts and in southern New Hampshire and southern Vermont is one of the outstanding regional problems, visible to anyone traveling through the area who talks to the town officials. There must be reorganization of some communities, more State or Federal aid, or such curtailment of local government services as the people have never seen.

The problem has been recognized to some extent in Massachu-setts, where a bill has been introduced in the legislature to refund setts, where a bill has been introduced in the legislature to retinal \$3,000,000 a year of State taxes to between 50 or 60 Massachusetts towns hardest hit by disaster. Among the towns which suffered the most severe losses are Athol, Ware, Orange, Southbridge, Holden, Gilbertsville, Brookfield, Chicopee, Hadley, Amherst, North Adams, Adams, Lee, and Lenox in the central and western parts of the

State.

On the south shore, severe losses, eating into the capacity of the town governments to give service have been sustained by Westport, Fairhaven, Mattapoisett, Marion, Falmouth, Bourne, and Gay Head. Chilmark, on Martha's Vineyard, is almost wiped out.

In many such places, the work of rehabilitation can hardly be said to have been begun, beyond the immediate W. P. A. or local cleanup of debris. According to Lemuel LeBaron Dexter, town moderator of Mattapoisett, that community has lost \$800,000 or 30 percent of its taxable values. At Crescent Beach, Mass., 188 homes of 210 summer places have vanished. At Wareham, Mass., according to Ralph F. Seaver, assessor, the loss of or severe damage to 675 homes and 295 garages have cut the town's valuation by about \$1,173,000. Fairhaven has lost 500 buildings at an estimated value of about \$2,000,000.

Many of these towns will be able to pull through without State or Federal aid by budgetary belt tightening or the hoisting of local taxation, but in many others repairs must wait, and the continuance of normal services on the basis heretofore known is in jeopardy. State and town planning committees, particularly disjeopardy. State and town planning committees, particularly dis-aster emergency committees, formed throughout New England since the hurricane, have been calling for increased zoning by small towns to take advantage of the destruction of much beach slum property. It has been pointed out that lands which might be made valuable over the course of years to the people as a whole may now be condemned very cheaply, particularly along the Rhode Island and Massachusetts southern shores.

At town meetings in this region, however, since the great destruction, the taxpayers have proved far more conscious of the loss they have received than of any desirability for town improvements. Zoning has been fought back along Buzzards Bay because it might hamper private enterprise in restoring taxable property. Proposals for the acquisition of beach sites have been defeated.

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Flood Control and Hurricane Rehabilitation in New England

EXTENSION OF REMARKS

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1939

ARTICLES APPEARING IN THE NEW YORK HERALD TRIBUNE

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from a newspaper account of the tornado and flood which visited New England last September:

[From the New York Herald Tribune of April 6, 1939]

MASSACHUSETTS IS TAKING LEAD FOR NEW ENGLAND FLOOD CONTROL MOVES FOR FEDERAL GOVERNMENT AGREEMENT AS VERMONT, NEW HAMPSHIRE, AND CONNECTICUT CONTINUE TO BALK ON DAM PROJECTS

(This is the fourth in a series of articles on the reconstruction of New England following the floods and hurricane of 1938.)

(By Allen Raymond)

Spurred to action by the vast losses incurred in the floods of September 1938, the State of Massachusetts has taken the lead among the four New England States most subject to flood menace in reaching an agreement with Federal officials, whereby the United in reaching an agreement with Federal officials, whereby the United States Government may start to work on the long-projected series of control dams for the region. Vermont, New Hampshire, and Connecticut still are balking, just as the Federal Government balked when the four States signed their interstate compacts in 1937 and agreed to do the job by themselves without the aid of Washington. Immediately after the latest flood the department of public works in Massachusetts engaged the engineering firm of Moore & Haller, Inc., in Cambridge, Mass., to conduct a survey of damages from the rising waters, the condition in which their recession had left the streams of the State, and needful remedial measures.

The engineers found that damage by floods in New England and Massachusetts had increased with each succeeding disaster in 1927.

Massachusetts had increased with each succeeding disaster in 1927, 1936, and 1938, and that the condition of the streams was such at the beginning of this year as to present an even more serious peril to Massachusetts this spring, in case the heavy snows to the north were melted by unusually early rainfalls.

FLOOD LOSSES INCREASE

The flood of 1927, they found, caused damage to New England of about \$40,000,000, of which \$6,000,000 was incurred by Massachusetts. In 1936 the damage jumped to \$70,000,000 for New England, with \$36,000,000 losses for Massachusetts. In 1938 they reckoned the flood damage at \$200,000,000 for New England and \$50,000,000 for Massachusetts alone. The high spot of their report was brief but pointed. was brief but pointed.

was brief but pointed.

"The rivers and streams of Massachusetts," they said, "are no longer capable of carrying normal freshets because of damage done in the 1938 flood. Stream clearance and removal of debris are urgent and vital. A central State authority should be vested with all power to exercise control over the location, construction, and operation of all dams. The flood problem can be solved by a total investment of less than the damages of the 1938 flood. Industries in western Massachusetts can no longer operate in a normal way without the elimination of the flood hazard."

What the Massachusetts legislators beneath the sacred codish

what the Massachusetts legislators, beneath the sacred codfish, heard from the experts they had been hearing for some time from the manufacturers and mayors from Worcester to Fitchburg. Governor Leverett Saltonstall was more amenable to conciliation with the Federal Government than some of the other New England Governors. United States Senator David I. Walski, Democrat, who always has been elected by aid of a large Republican block of votes, was an astute and capable mediator.

A formula was devised whereby the Federal Government agreed A formula was devised whereby the Federal Government agreed to give concurrent civil and criminal jurisdiction to the State over lands acquired for flood-control reservoirs, and Governor Saltonstall sent to the legislature the enabling act to let the Federal Government acquire the properties. Senator Walsh informed the legislators that his understanding was that these flood-control dams would be for a single purpose and not for generating power. Leaders of the power industry in Massachusetts, averse to any New England T. V. A., were not objecting to the dams proposed to be built in the Bay State initially, holding the view that the sites themselves are incapable of developing competitive power.

ISSUE BEFORE LEGISLATURE

While the matter is still before the legislature, it is believed that the way is being cleared to build four valuable reservoirs.

They are planned at Birch Hill, on Millers River; Knightville, on the Westfield River; Tully, on Tully Brook; and Naukeag, on Lower Millers River. The legislature also had before it, with the blessing of Governor Saltonstall, an appropriation bill asking expenditure of \$5,000,000 for clearance of streams by the department of public works, so they may carry their usual freshets without overflowing. While that sum is less than the \$7,644,100 sum recommended by the engineers, another \$1,000,000 was made available for this purpose in the first emergency appropriations, made immediately after the disaster during the administration of former Gov. Charles F. Hurley.

The problem of Connecticut flood control is tied up closely to the building of reservoirs in Vermont. At Montpelier, Vt., Gov. George D. Aiken still stands pat, with the support of his legislature, in the decision to fight any acquisition of land for flood control purposes within the State, by the Federal Government, except by agreement between the State and National Governments as to terms. He has charged that the Federal administration's proposals for flood-control dams actually mask an intent to use the dams for the development of power, and though friendly with experiments of municipal-power-plant operation in his State, he insists he is "opposed to having the flood-control program dominated by any agency, Federal or private, which is looking for financial returns from the sale of power."

ENABLING ACT INTRODUCED

Governor Aiken has introduced into the legislature an enabling act to permit the Federal Government to acquire sites for flood-control dams in Vermont by agreement with its Governor, following preliminary authorization of the State board of public works. Such an agreement, he maintains, is necessary to protect the State in maintaining the taxable values of its own lands, and if the Federal Government is sincere in its desire for flood control will raise no obstacle to it. So far, he maintains, the Federal Government has sought to build only one dam, at Union Village, Vt., and Vermont's consent has been given. and Vermont's consent has been given.

Massachusetts got the jump on all other States shortly after the hurricane, when Governor Hurley called a special session of the legislature and authorized the expenditure of more than \$19,000,000. The proposed spending of this money in the closing days of the Hurley administration precipitated a State-wide scandal. So great were the number of complaints, chiefly from the Massachusetts Federation of Taxpayers' Associations, that Attorney General Paul A. Dever in November ordered the State comptroller to halt all payments on 70 contracts authorized by the department of public works calling for the expenditure of more than \$14,000,000.

EXPENDITURES SCHEDULED

The work, however, as expected to continue through much of 1939, will include expenditure of \$8,750,000 for local and county highways and bridges, \$5,500,000 for State highways and bridges, \$1,000,000 for stream clearance, \$3,432,414 for State departments and institutions, and \$750,000 for the metropolitan district commission, in and around Boston.

[From the New York Herald-Tribune of April 7, 1939]

FOUR HUNDRED MILLION DOLLARS STORM DAMAGE EQUALS TOURIST TRADE INCOME—NEW ENGLAND RUSHES TO REPAIR RESORT FACILITIES FOR SUMMER VISITORS; VAST IMPROVEMENTS ARE UNDER WAY AT SEVERAL BEACHES

(This is the fifth in a series of articles on the reconstruction of New England, following the floods and hurricane of 1938.)

(By Allen Raymond)

The recreation industry of New England, providing summer and winter sport for people from all over the United States, is one of the major sources of income for the six little Northeastern States, and the money brought into the territory annually by visitors on vacation and tour has been estimated conservatively at \$400,000,000. That figure is the same as the Travelers Insurance Company's estimate of damages to the region, caused by the floods, hurricane, and tidal ways of 1038

estimate of damages to the region, caused by the floods, hurricane, and tidal wave of 1938.

The losses to summer cottages, hotels, yachting and fishing fleets and summer camps in the woods and mountains, spectacular as they were, hardly have dented the physical plant of this recreation business, which is in the hands of thousands of small operators. Private enterprise, aided here and there by public legislation, financing and subsidy, has been hard at work for months getting ready for the visitors of 1939, and despite some handicaps is looking forward to a prespectus season this summer.

ing forward to a prosperous season this summer.

That optimism hangs on several pegs. New England is experiencing a rising tide of industrial activity, with sales of electricity to industry each month about 5 percent above the corresponding month of 1938. The orders come from other sections of the country, and when these other sections are making money, it is figured, New England travel will absorb its share. The region believes the New York World's Fair will be a fillip to automobile travel in New England. It has heard also that after a slow start the winter recreation season in Florida and other southern towns was a good one. New England's summer resort receipts have tended to follow the winter recreation curve in the South.

[From the New York Herald-Tribune of April 4, 1939] HURRICANE BILL OF UTILITIES PUT AT \$20,000,000—RAPID AID TO NEW ENGLAND AFTER DISASTER CREATED GOOD WILL FOR COMPANIES

(This is the second in a series of articles on the reconstruction of New England following the flood and hurricane of 1938.)

(By Allen Raymond)

(By Allen Raymond)

The repair bills for the public utilities of New England, the railroads, the telephone and telegraph, electric light and power companies, as a result of the floods and hurricane that swept that region on September 21, 1933, amounted to more than \$20,000,000, but officials of the major companies do not believe today that all that was lost. Drawing upon all their resources and all the skills and loyalties of their personnel, these companies set up such records for speed in restoration of service to an afflicted people that thousands of letters and editorials of thanks and congratuation have flowed into their offices since the days of disaster.

The people of New England had a taste of what it was like to be without lights, telephones, radios, refrigeration—heat, in many instances—and transportation, and as they struggled about the wreckage of their communities they had visible evidence of what the utilities were doing in the great common misfortune.

They saw crews of "trouble shooters" dropped by plane into their towns from points as far west as the Mississippi and as far south as Georgia, to be followed by trucks and supplies for repairs as fast as they could be rolled in from outside New England over railroads and roads that never before had been so torn to pieces as they were in that storm. The fight to restore communications was so literally a battle that officers of the United States War Department have gone over the organizational scheme and results with officials of the New England Telephone & Telegraph Co., as part of their studies for coping with war-time conditions. & Telegraph Co., as part of their studies for coping with war-time conditions.

JOB DONE QUICKLY

The job was done quickly. Going over the repairs and checking them for permanency may take another year and a half. But once the services essential were restored all the big companies capitalized on their feats in their advertising, and the story of what they did in the first emergency is far from forgotten.

The rehabilitation of a shattered telephone system was accomplished by the New England Telephone & Telegraph Co. in 28 days. To do that it drew upon the national facilities of the Bell Telephone System and the ready stores of its great provider, the Western Electric Co.

A quick check-up on the morning after the storm revealed that more than 300,000 of the system's 1,223,000 telephones in five of the six New England States—in all but Maine—were out of commission and 350 communities were completely isolated, insofar as telephone service went, from the outside world. That outside world, teeming with people who had New England connections, was trying so hard to telephone into the distress area that demands on the stricken service were 70 percent above normal. A later check-up showed that the number of telephones first put out of service was more than 400,000.

As fast as emergency crews of repairmen could be rushed into the field they were so rushed. There were 398 crews of repairmen, totaling 1,371 men, brought into the region from beyond its borders, provided for the New England Telephone & Telegraph Co. by its affiliates elsewhere. These trouble shooters, with their local allies, found that 31,292 toll and local poles were down, and the writes series which messages had flown were tangled in the wires across which messages had flown were tangled in shattered trees, buried under debris, sunk in swollen and roaring rivers, and caught in the wreckage of thousands of buildings. There were 216 offices of the company temporarily isolated that September 22.

REPAIR CREWS WORK RAPIDLY

The repair crews went to work. Within 9 days every isolated The repair crews went to work. Within 9 days every isolated telephone exchange had been brought back into service. At the end of 10 days individual residence and business telephones were being restored to usage at the rate of 25,000 daily. To do this job, the crews laid 490 miles of new cables, installed 2,189 miles of new copper wire, 7,276 miles of new iron wire, and 6,743 miles of drop wire. They patched up old poles, built up new ones, and in sundry critical situations drew deep on the resources of skill

At Chicopee Falls, Mass., where the main cable route linking up towns in Vermont with regions to the south was disrupted because a bridge had crashed into the Chicopee River—at the time a torrent—the repair crews tried dropping a line across the river from an airplane. The line snapped on a rock in midstream. Then they called in a Coast Guard crew with a Lyle gun, and a line was shot

across the stream. On this line they dragged across a new cable.

The repair bill for the 50 companies of the New England Power
Association, providing light and power to communities from Burlington, Vt., to the Connecticut and Massachusetts shores, has been
set down by company officials at \$3,402,200.

Like the associated telephone companies, the power and light Like the associated telephone companies, the power and light companies drew upon skilled repair forces from companies in New York, New Jersey, Pennsylvania, Ohio, Michigan, Maryland, West Virginia, and Georgia. Men came in by plane in their working clothes, equipped only with hand tools and climbing irons. Their heavier tools followed by truck over the roads. In each truck were two drivers, so the trucks kept rolling when one was sleeping. All hands rolled up overtime in plenty.

At midnight, September 21, 88.4 percent of the system's 607,054 customers, or 536,555, were without electrical service. By mid-

night, September 30, the number without service had shrunk to 117,249, or 19.3 percent of the whole. By October 14, the service was back to normal, with only 150 customers throughout the

region reporting trouble.

To do this job the associated companies used 4,637 men in the field, equipped with 446 trucks and 778 automobiles. They laid 1,228 miles of wire; replaced 9,452 poles, installed 19,972 new crossarms, 254,793 mechanical splicers and connectors, 918 transformers. 5,869 meters, and 56,622 insulators.

The storm cost the Boston Edison Co. alone more than \$1,000,000,

according to Frank D. Comerford, its president. On September 21, 292,000 of the company's 437,000 customers were without service. Within 6 days all but 9.03 percent of the customers had their service back, and the complete repair job was finished October 6. The storm cost the New York, New Haven & Hartford Railroad a

The storm cost the New York, New Haven & Hartford Rallroad a repair bill of \$3,604,000, according to its president, Howard S. Palmer. On the night of September 21, the company found that 75 miles of its track either had been lifted from the roadbed by tidal waves or flood, or twisted, washed out, covered with sand, stone, trees, or other debris. More than 5,000,000 feet of the road's telephone signal system was down. Many freight stations and passenger depots were unroofed, flooded, or demolished. Thirty-one bridges, 200 culverts were washed out, moved from their abutments, and either completely demolished or so hadly damaged as to be unuseither completely demolished or so badly damaged as to be unusable without repairs.

The railroad threw an emergency force of 5,000 men into the task

of restoration. These men, including engineers, linemen, trackmen, pile drivers, divers, skilled and unskilled laborers, worked in three shifts, 24 hours daily, till service could be restored. In 2 days they restored a partial passenger service between Boston and New York, with detours by bus around areas that still were flooded. In 6 days through freight service was restored between New York

and the more important New England centers.

SERVICE RESTORED IN 13 DAYS

In 13 days, through rail-passenger service was restored on the shore line between New York and Boston, which had borne the brunt of the tidal wave, and where a steamboat lay across the tracks of the flooded and burned-out station at New London, Conn.

The Boston & Maine has a similar story of accomplishment in time of disaster, to which its officials point with pride. Emergency repairs cost the road \$2,252,746. They called up an emergency crew of 3,000 men to set the road to rights.

crew of 3,000 men to set the road to rights.

These men went to work on heavily damaged shops at Concord, N. H., on dock properties in Boston, and demolished engine houses in Stoneham and New Bedford, Mass. They found flood damage heavy on the Fitchburg & New Hampshire division and somewhat smaller on the Portland & Terminal division. Damage was done at more than 300 separate points, with 27 bridges or culverts destroyed, 206 major wash-outs, 22 landslides, and 45 "submerged properties." 206 major wash-outs, 22 landslides, and 45 "submerged properties." The main line between Gardner and North Adams, Mass., suffered heavily, with 5 of its major bridges damaged and 3 of them requiring complete rebuilding. The major wash-out was near Millers Falls, Mass., where Millers River changed its course and took out the roadbed for more than 1,400 feet.

A landslide near Zoar, Mass., derailed a freight train.

Reviewing the repair job, the Boston & Maine reports that 977 miles of railroad were closed the first day, including 593 miles of its main line. The road restored 672 miles of track to service in 7 days and 816 miles in 15 days. The main line of the Fitchburg division was reopened October 23, and restoration of all mileage scheduled for repair was complete by December 7.

was reopened October 25, and restoration of an inneage scheduled for repair was complete by December 7.

The reconstruction of bridges for permanency is still going on, though most of the work is completed. It has been a big job, entailing 1,407,000 man-hours of labor through December 31, 1938. Filling and riprap used to repair the roadbeds have totaled 16,884

RAILROAD LINE HARD HIT

The Boston & Albany Railroad, hard hit in the flood of 1927, suffered even more severely in the flood of 1938. An official volunteered \$1,300,000 as a rough estimate of damage. The line was damaged over most of its 118 miles between East Brookfield, Mass., and Chatham Center, N. Y., and on about 92 miles of branch line, totaling about 60 percent of the mileage of the road.

It lost six main-line bridges, at East Brookfield and Huntington,

Mass.; at East Chatham, Chatham Center, and Chatham, N. Y.

It had hundreds of wash-outs. There were 4 at West Brookfield, Mass. The road lost 2 bridges on its Ware River branch, 1 at North Adams, Mass., on the North Adams branch, and at Red Bridge, Mass., where the Quabaug and Swift Rivers enter the Chicopee, the line was completely destroyed. It lost freight houses at South Spencer, North Brookfield, Barre Plains, Coldbrook, Wil-

at South Spencer, North Brookfield, Barre Plains, Coldbrook, Williamsville, and Old Furnace, Mass., and 12 other freight houses were badly damaged. At its piers in East Boston, Mass., the road lost a 148-foot wall, 18 pier doors, and 15,400 square feet of roofing. With temporary trestles put up at some of the bridge sites, service on the road was practically normal after October 10, 1938, but its rebuilding is still going on. Such is the story of the major utilities in New England. Similar damages—sometimes even heavier, in proportion to their means—were suffered by some 50 little telephone companies in the New England towns, which have been independent, though linked with the Bell system. In general, throughout the region, there has been but one political repercussion affecting the telephone and lighting companies as a result of the storm.

In the Massachusetts Legislature a bill was introduced to require them to place more of their lines underground. The com-

Section and Business Section 2

panies estimated that the job could be completed in 9 years at a cost of \$55,000,000, as sought by the sponsors of the bill, but they countered with the argument that floods have proven quite as disastrous to lines in underground conduits as to lines on poles. The bill was believed to be doomed. Officers of the companies seem unanimous in the opinion that public feeling between the communities served and the companies is more cordial than before the disaster, and that speedy restoration of service, at high cost, was a sound investment in goodwill.

Preparation for Industry Through Education

EXTENSION OF REMARKS

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, April 11, 1939

ADDRESS DELIVERED AT THE SUMMER MEETING OF THE SEVENTEENTH ANNUAL CONFERENCE ON PRINTING EDUCATION BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address by the distinguished senior Senator from Pennsylvania (Mr. DAVIS), delivered before the summer meeting of the Seventeenth Annual Conference on Printing Education at the Washington Hotel in Washington last year, entitled "Preparation for Industry Through Education."

I was a member of the same school board with Senator Davis for 20 years, and this message bears out the principles we have discussed over a long period of time. I wish to commend the point of view expressed in the Handbook on Curriculum, a study issued by the Department of Education of the State of Oregon in 1937, from which Senator Davis has quoted at some length. The entire article is informative and in line with progressive educational principles.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

It is an honor which I greatly appreciate to be called in for conference with you. I am always glad to have a part in the development of practical ideals of education. Knowing of the splendid work that you have been doing these many years, I take this opportunity to congratulate you most heartily on your achievements. As one who has been dealing with practical problems all my life, I like to know that you are having great success along the same lines which have engaged my attention.

lems all my life, I like to know that you are having great success along the same lines which have engaged my attention.

My education has been very largely in the school of experience. My matriculation fee was 50 cents a night for night school, my college yell has been "Rah, Rah, Rah! Work, Work, Work!" and my diploma has been one job after another. I landed in a small Pennsylvania town in April 1881 from my native Wales, and by Memorial Day, May 30, I had a job when I was not quite 8 years of age. That job was driving cows from the local hotel to pasture and back again. Early in the morning the cows had to be brought in from the pasture so that they might be milked to provide fresh milk for 6 o'clock breakfast. Those were days when we had the real daylight saving. By getting up with the sun and going to work we found we got quite a bit accomplished. I usually got my breakfast in addition to a couple of dollars a month for my work as a cowherder. Then I got started in the shoe-shining business. My father said it was the Welsh custom for the oldest son to shine his parent's shoes on Saturday so that they might be in good condition when they went to church on Sunday.

I got this job, and having learned how to use the brush and rags I took my services as a bootblack wherever they would bring me work. I kept adding to my trade education by becoming a newsboy. I carried papers and delivered telegrams, and there was scarcely any sort of an errand which I was not called upon to perform, from delivering love notes to death notices. These jobs permitted me to go to school for a while, but in my eleventh year I began my career in the mill in a practical way. My first job in the mill was picking nails. A number of boys were engaged at this task of picking out the headless nails. Often our fingernalls bled at this task, for it was hard on the hands. From our foreman I learned that a nail without a head is as useless as a company without one. I learned that management is absolutely

nails bled at this task, for it was hard on the hands. From our foreman I learned that a nail without a head is as useless as a company without one. I learned that management is absolutely necessary to prevent chaos and confusion and that order is the first law of life. I came to learn that someone must have the final authority, and through these years of experience, together with those that were to follow, I learned that successful community life depends as much on the intelligence of the directing heads of business as on the industry and loyalty of the workers. From these early trades I finally gained the experience necessary to be-

come a puddler's helper, and at last a puddler in my own right and at my own furnace. Always I have had practical work to do, and I admire those who have learned to do practical work successfully.

successfully.

I have tried to carry the practical spirit into the fraternal and governmental activities of my life. Our school at Mooseheart, which is on your accredited list, was conceived with the purpose of bringing practical educational opportunities to orphan children of members of our order. Mooseheart has for 25 years been carrying on in a practical way. It has embodied the ideals which now are coming to such prominence on the educational horizon. For example, I will call your attention to the Handbook on Curriculum study issued by the department of education of the State of Oregon last year. I wish to quote from a part of it:

"The point of view accepted throughout this handbook is that the curriculum comprises the sum total of all the experiences had by the child. The tacit assumption back of this point of view is

by the child. The tacit assumption back of this point of view is that experience does provide the basis for learning. Instead of identifying the educational process with memorization of a number of facts which may or not have significant meaning for the child, learning is now considered to have taken place only when the child has been confronted with these facts in such form and manner that when he reads to them he obtains significant meanings. child has been confronted with these facts in such form and manner that when he reacts to them he obtains significant meanings, understandings, or insights as a consequence of that experience. Many situations and activities outside the usual course of study have been recognized to be fraught with more potential educative experience than were to be found in the formal curriculum of the school. Likewise, the out-of-school activities of the child have become of major educational importance, particularly those in which he express requirements.

which he engages voluntarily."

In the Moose we have been saying for a long time that education should be of the head, hand, and heart. It should be of the whole of the individual and not just a part. It should gather up all of a person's experience and not just a part. Education should help a person find lessons and opportunities for self-improvement

everywhere

I have always believed that our schools would be more efficient if we would quit trying to cram too much into the heads of students, who, in some cases, lack the mental equipment to absorb it all. If students who do not take to books as a fish does to water could be brought into the environment of learning through doing treatient tasks of least way would have more people proceed to could be brought into the environment of learning through doing practical tasks, at least we would have more people prepared to take care of themselves in the world and better able to get a job. I have not come to that rarifed state of mind which some educators are supposed to represent where education for making a living is regarded as beneath the dignity of true scholarship. I say that this country today needs a scholarship which will help put the 14,000,000 unemployed back to work and to train the oncoming generations how to take care of themselves on a basis of abundance rather than that of the now prevailing scarcity. I say this country reeds teachers who think of education in terms of helping their students keep out of bread lines as well as in the educational headlines. I say this country needs students who are thinking about the future as well as about the past and who will not be content with their diplomas until they know that they stand for an opportunity to go out as accredited breadwinners.

There is no problem in this country so desperately pressing as

opportunity to go out as accredited breadwinners.

There is no problem in this country so desperately pressing as that of unemployment and if education and educators have nothing to offer for its solution, we have indeed come to sorry times. Personally, I am glad to be here this evening because as a group I think you have something practical and helpful to offer a distressed world. I believe education and religion come to a high point where they join forces in the prayer of the Master Teacher who taught his disciples to pray: "Give us this day our daily bread."

One of the primary problems of education is to teach our people.

one of the primary problems of education is to teach our people how to share their blessings and opportunities. The man who cannot pass on to others what he has always remains poor. In our modern world material is only wealth when you get rid of it. Neither the Pennsylvania miner nor the Alabama cotton picker can eat the products which their hands bring from the earth. The miner cannot eat the coal; the cotton picker cannot eat the cotton. If coal and cotton are to mean food and clothing they must be passed on to others for money. They must be sold. Wealth in the modern world does not consist in the possession of particular materials. It results from a flow of goods on the commercial highroads of the world. If the traffic on those commercial highroads becomes jammed or blocked, material ceases to be wealth. This means that the Brazilian has to burn his coffee, the Kansan and the Canadian burn their wheat, the Texan turns wealth. This means that the Brazilian has to burn his coffee, the Kansan and the Canadian burn their wheat, the Texan turns under his cotton, the Iowan kills his pigs, and the Pennsylvania coal miner is laid off his job and goes on relief or goes hungry. Our commercial highroads are blocked and jammed today. They have been in a bad way ever since the World War. They are in danger of becoming worse in the threat of a second World War. If we are to keep business going and commerce active, we must rid the world of war and the terrible fear which it brings. Education and religion must combine to teach us the lessons of peace and plenty. peace and plenty

Science, inventive genius, and education have helped us build the machines of our new age; they must now go forward to complete the job and teach us how to live in peace and plenty with the machines which have been created. It has often been said that the machine is both the glory and the scandal of our age. It is the task of education to help men wipe out the scandal and increase the glory and one of its first steps in this will be to bring a common realization that machines by themselves are

neither good nor bad, but the responsibility for their proper use remains with those who use them. This means that our modern problems of technological development are primarily spiritual and social. Our primary duty is to build within us the standards of character and social responsibility which will enable us to use machines so that they will not longer be a scandal but will increasingly be the glory of our age.

Early during my experience in the mill I heard much about the Marxian doctrines. I talked these theories over with my father, who was a practical man. He told me that these theories were impractical because if put into action, they would destroy individual initiative. I have met with these issues all along the way but my observation is that no country has succeeded under this form of government and I am not ready to substitute them for the way of life we have known.

I have had an excellent opportunity to see the harsh conditions

I have had an excellent opportunity to see the harsh conditions which our present system of economics and government permits. I know the forces which are making for radicalism in the United States. I have seen trades wiped out and those who worked in them turned out on the street without any protection whatsoever. I have seen middle-aged men thrown on the scrap heap of indus-I have seen middle-aged men thrown on the scrap heap of industry as though they were so much worn-out furniture or antiquated machinery. I know the hot passion which leaps up in the heart of a man when he has an experience like this. I know how necessary it is that industry and government shall work together to protect workers from the shock of sudden unemployment. Although machines make new jobs they also deprive men of jobs and the man who is caught in the slump of unemployment between one trade which is dying and another being born must have protection while he is in the middle. I have voted for the social legislation which has this purpose. I have voted for every relief and work-relief appropriation. However, I have consistently pointed out that if these appropriations were not used in such a way as to encourage business and reemployment, they would bring no permanent solution of our problem. Moreover, I am utterly opposed to the use of relief money for partisan political purposes. I have repeatedly said that I know of nothing worse than to use relief funds as a political club, compelling a man to abandon his individual party affiliations before he can qualify to receive assistance from his government.

In conclusion I wish to extend my very best wishes to your

In conclusion I wish to extend my very best wishes to your National Graphic Arts Education Guild. You have taken up your work where the memory of man could not any longer bear the burden. Henry Noel Humphreys in his magnificent History of the Art of Printing a half a century ago pointed out how knowledge was transmitted from generation to generation by the priestly caste who treasured in memory all the classical learning of that ancient time. Nothing was handed down which could not be remembered for there were no hieroglyphics no alphabet and no ancient time. Nothing was handed down which could not be re-membered for there were no hieroglyphics, no alphabet, and no printing in that early age. This requirement, that all knowledge to be transmitted must be committed to memory, limited new learning and stultified the mind. The past was honored while the present and the future were largely ignored. It was not until men began to engage in trade and commerce and voyages on the Mediterranean that our western European heritage of printing, first by hand and then by press, was initiated. That was a great day. When man learned to write and to print, it was no longer necessary to limit knowledge to the narrow boundaries of memory, for it could be handed down to the future in permanent records. Thus a great increase of knowledge was permitted and wherever the printed word has gone, from that time to this, mankind has profited from the extension of knowledge and the creation of new mental horizons. I congratulate you on your honorable profession.

You lead the world in learning by doing.

Operation of National Labor Relations Act

EXTENSION OF REMARKS

HON, LEWIS B. SCHWELLENBACH OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Tuesday, April 11, 1939

ARTICLE FROM OCTOBER ISSUE OF FORTUNE AND EDITORIAL FROM THE EMPORIA GAZETTE OF OCTOBER 23, 1938

Mr. SCHWELLENBACH. Mr. President, in view of the continued discussion of the National Labor Relations Act, I ask leave to submit for the RECORD a very carefully prepared article on the operations of the act as administered by the National Labor Relations Board. The article appeared in the last October issue of the magazine Fortune.

Rather than indicate in any detail the nature of the magazine which published the article or the nature of the article itself, I include for publication in the RECORD, at the head of the article, an editorial which appeared October 23, 1938, in

the Emporia Gazette and was written by the editor of that famous paper, William Allen White. Also, along with Mr. White's editorial I include the brief comment of the editors of Fortune in the October number, in which they state the frame of mind in which the facts regarding the Labor Relations Act and its administration were sought by members of the Fortune staff.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Emporia Gazette of October 23, 1938]

AN AMAZING RECORD

Fortune is the highest priced magazine in America, and probably in the world. It is the de luxe publication of our country. It contains the advertising of all the powerful industrialists, the

It contains the advertising of all the powerful industrialists, the big business boys—the swank, important captains of our commerce. Yet, as those things go, Fortune might be called the organ of our benevolent plutocracy. Its class consciousness is tempered by reason and often guided by intelligence.

These remarks are called forth by the record which Fortune published in its October number. It revealed an appalling story—one of cruelty amounting to wickedness, injustice merging to crime—a record which was taken from the findings of the National Labor Relations Board. It is worth untold millions to this land to have that record appear in Fortune. No public service that has been done by any other single newspaper or magazine this year will bring so much genuine good to this country as to have the plutocratic subscribers of Fortune read this amazing record of testimony under oath, set out officially by the National Labor Relations Board.

Labor Relations Board.

Mr. Luce, the owner of Fortune, is entitled to a medal for his distinguished service. The record he has published is fair, is timely, and it must have taken a considerable amount of moral and financial courage to print it in Fortune. That records hould have been always and graduated to Eviture because of and mancial courage to print it in Fortune. That record should be circulated by the millions, and credited to Fortune because of the status of Fortune. For all America should read that Fortune record. It is significant and deeply important that America should know the truth. Only as she knows the truth as set forth in this Fortune article will public opinion be free to march on.

[From the column of editorial comment in the October issue of Fortune]

Fortune]

Of all the varied subjects in this issue of Fortune, the most controversial is certainly the National Labor Relations Board, described on page 52. It is so controversial that it inevitably brings up anew the question of editorial objectivity, which we have talked about on this page before. In assigning itself a subject like the Labor Board, Fortune never knows in advance what its conclusions are going to be. True, we approach all our assignments with a broad general bias (call it a preference for democracy, individual freedom, and the profit system) and we know that this bias will usually land us on one side of the fence or the other. But we don't know which side—until all the facts are in. Facts, in our view, are not inherently controversial, and it is in fact gathering that Fortune lays claim to being as impartial as the facts themselves.

selves.

That's the mood in which we started looking into the Labor Board. And we soon found ourselves holding on for dear life. The facts are there, all right, but they are so obscured by passions that few people have ever managed to get them out whole. Fortune's staff members had hardly stepped out of Rockefeller Center before they heard themselves called Communists from one side and capitalist stooges from the other—on no evidence but their show of curiosity. Wherever their search led them, "heat lay in the very sod." Nevertheless, we got the facts, and our bias (especially that in favor of democracy) has led us to certain conclusions about them, which you may learn of by turning to page 52 and reading the story. These conclusions may well make a lot of fair-minded people pretty sore. If so, it will probably be because they have not studied the Labor Board and the act it was created to enforce. Which in turn is because most of the information about the Board has hitherto been so heatedly and incompletely disseminated. pletely disseminated.

THE G- D- LABOR BOARD

"Great credit must be given to those employers who have led the way toward the acceptance of this law. Their calm voices have been most effective in overcoming the irrational fears which agitators have sought to cultivate. Such employers serve themselves and their country well." (Joseph Warren Madden, Chairman, N. L. R. B.)

"* * we are addressing ourselves now to public enemy No.

1. Fear of the inquisitorial activities of this agency (the National Labor Relations Board) has spread like a blight over management, workers, and investors of capital. The administration of the National Labor Relations Act has been such as to snuff out the fires of industry and send millions of workers into the line of the unemployed." (Senator Edward R. Burke, of Nebraska, be-fore the United States Chamber of Commerce, May 1938.)

"My arm will be palsied and my tongue will be silenced before I will ever compromise with a seceding movement or a common foe * * *. We will mobilize all our political and economic strength in an uncompromising fight until this Board (N. L. R. B.) is

driven from power * * *. The Board is a travesty on justice." (William Green, President, American Federation of Labor, before the Massachusetts State Federation, August 1938.)

"The largest draw-back to good industrial relations is, of course, the Wagner Act * * *. He [the employer] can only be heard the wagner act " ". He [the employer] can only be heard when he is summoned, and he knows before he goes that there is no record of a single decision where he has had a ghost of a show. So what! In the history of jurisprudence in the United States everyone has been equal under the law until the Wagner Act dispelled this privilege." (William S. Knudsen, President, General Motors Corporation, before the United States Chamber of Comperce May 1938) merce, May 1938.)
Thus the most bitterly contested of all New Deal legislation

draws its opposition from politics, organized labor, and industry. And included in this essential paradox there are other paradoxes without precedent in labor history. There is the spectacle of an American Federation of Labor president matching the indignation of a General Motors Corporation president; of a labor law condemned for its demoralizing effect on labor; of an attack on labor legislation led by employers with a record for beneficent pater-

Against the National Labor Relations Act (N. L. R. A.) itself its business critics return a scathing indictment. It is patently one-sided—exclusively a labor law. It prejudges the employer to be a scoundrel without rights in equity. It penalizes him for even a mild expression of personal opinion, but it provides no penalties for fraud, coercion, or violence on the part of a hotheaded labor minority. It sets up a Board that is at one and the same time judge, jury, and prosecutor, and provides no real opportunity for an impartial court review of the Board's decisions. The Board's findings of fact are held to be conclusive if supported by evidence—which may be interpreted to mean any evidence whatsoever. It violates the right of free speech, the rights of property, the inviolability of a contract. It promotes lawlessness, destroys discipline, and encourages strikes against society. It is in short a dangerous intrusion of radical bureaucracy into private enterprise. Against the National Labor Relations Act (N. L. R. A.) itself its

Against the National Labor Relations Board (N. L. R. B.) they are no less incensed. They find it biased, incompetent, and visionary. They point to the deliberate inconsistency of board decisions that have adversely cited the Consolidated Edison Co. of decisions that have adversely cited the Consolidated Edison Co. of New York for promoting collective bargaining and adversely cited the Republic Steel Corporation for discouraging collective bargaining. They bring up the case of the Kentucky Firebrick Co., which was ordered to reinstate, with back pay in full, 30 strikers involved in a violent riot; the Fansteel Metallurgical Corporation, which was required to reinstate, without prejudice to their seniority rights, the sit-down strikers who seized its North Chicago plant and held it for more than a week against a sheriff's posse; the National Electric Products Corporation, which was ordered to ignore a contract with an American Federation of Labor union and hold an election of its employees to select a proper bargaining agency (an election won by the A. F. of L.)—and this in the face of a district court decision that the original A. F. of L. contract was valid and binding.

They cite an Oregon yarn-manufacturing company that was held to have violated the law because it followed the advice of the State conciliation board in an attempt to settle a strike; an Ohio equipment company to whose employees the Board denied all collective-bargaining privileges for 6 months at the request

an Ohio equipment company to whose employees the Board denied all collective-bargaining privileges for 6 months at the request of a minority C. I. O. union; and a North Carolina textile mill that was held to have violated the law because it failed to protect a union organizer from the violence of a local mob formed, in part, by its employees. Behind these seemingly illogical and inconsistent activities the average "informed observer" feels that there is a strong C. I. O. bias, a vicious and subversive political philosophy, and a dangerous threat to the entire industrial structure of the United States.

This point of view toward the N. L. R. A., as most of its critics will usually admit quite frankly, is colored by emotion. But emotion is not confined to opponents of the act. It seems to be an inevitable part of any approach to industrial relations.

to be an inevitable part of any approach to industrial relations. It is the single common denominator of such conflicting points of view as those of the paternalistic employer, the militant labor leader, the firmly entrenched president of an old-line international, the rank-and-file worker.

The result is that industrial relations have achieved the unreasoning bitterness of a holy war. They have become a battlefield of slogans and shibboleths, of coercion and propaganda, of intimidation and mutual accusation, of guerrilla warfare and strikes. It is this battlefield that the N. L. R. B. has invaded—intending, according to its sponsors, to "smooth out obstructions to the free flow of commerce"—succeeding, according to its opponents, in makflow of commerce"—succeeding, according to its opponents, in making an already intolerable situation infinitely worse. Drawn up on one side is an almost solid phalanx of United States industry led by the National Association of Manufacturers and the United States Chamber of Commerce, and at the moment heavily supported by the leaders of the A. F. of L. On the other side is the C. I. O. and what is probably a majority of the rank and file of organized labor.

Now confusion characterizes this strife, and the chief reason for the confusion is the fact that two issues are almost inextricably involved. There is first the issue of whether the right of collecinvolved. There is first the issue of whether the right of collective bargaining ought to be encouraged and protected by law. And then there is the issue of whether the National Labor Relations Act is a desirable piece of legislation and whether the National Labor Relations Board is a desirable governmental body. It is ap-

parent that no progress can be made in clarifying the situation unless these two issues are considered in turn and separately. The man who believes—on or off the record—that unionization is a bad man who believes—on or off the record—that unionization is a bad thing, or the man who is against collective bargaining by independent unions for all, or a substantial portion of American labor—such are per se against the N. L. R. A. But the antithetical position is not so clear. It is not clear because this legislation, which was designed primarily to protect a right, has become automatically (as well as by virtue of its preamble) legislation to promote and encourage a practice. Therefore those who accept the principle of collective bargaining do not necessarily agree in their attitude toward the N. L. R. A., depending upon whether they think collective bargaining ought to be encouraged or whether they think it should merely be accepted as a precessary and perhaps even temporatory.

should merely be accepted as a necessary and perhaps even temporary evil, they may be for the act or against it.

The latter group, which asserts itself as for collective bargaining in some sense, and at the same time against the act and the Board, is especially important; and we shall return to it

Broatherolgistes

presently for a closer scrutiny.

It is the purpose of this article, however, to study the N. L. R. A.; and for this purpose it will be necessary to beg all of the above controversy. Collective bargaining is not our present concern. If you are against it, your most logical course is to move for the outright repeal of the N. L. R. A.; and falling that, your next move is to make it ineffective or incorrective by movement. for the outright repeal of the N. L. R. A.; and failing that, your next move is to make it ineffective or inoperative by amendment. But what if you accept it, whether actively or passively? In that light the soundness of the act and the effectiveness of the Board require your examination; indeed it is only in that light that they can sensibly be examined. What follows, therefore, is an estimate of the N. L. R. A. as an instrument for collective bargaining. How well is it accomplishing its announced purpose? Is it being competently administered? How does it work? And should it—from the collective-bargaining point of view—be amended? be amended?

be amended?

The National Labor Relations Act was drafted by Senator Robert F. Wagner of New York with the cooperation of the A. F. of L.—
at that time a united, if somewhat discordant, labor family. It was passed by Congress in June 1935 and was granted a certification of legitimacy by the Supreme Court in April 1937 in a court-room charged with political dynamite. The Board is heir to a fairly long line of tentative labor administration, including the National War Labor Board and the boards set up by the Railway Labor Acts of 1926 and 1934. Its modus operandi—its "judge, jury, and prosecutor" pattern—stems from a wide variety of quasijudicial, administrative agencies operating in fields in which highly specialized knowledge and information are held to be necessary specialized knowledge and information are held to be necessary both for investigation and for judicial determination. These go both for investigation and for judicial determination. These go back to the Interstate Commerce Commission and include the Securities and Exchange Commission as well as the Federal Trade Commission, whose procedure the N. L. R. B.'s closely resemble. Its immediate ancestor is a former N. L. R. B. created by congressional resolution to administer the cryptic section 7a of the ill-starred N. I. P. A. N. I. R. A.

Perhaps because it is frequently confused with its labor-law ancestors, most of which combined mediation, arbitration, and a statement of labor's rights in a single shotgun prescription, more probably because it is almost always publicly discussed in the raised voice of special pleading, the N. L. R. A. is the least understood, most frequently misinterpreted piece of New Deal legislation. But an unbelievably small number of those who argue its merits from either side of the fence have bothered to read the 4.600 words that form its text.

merits from either side of the fence have bothered to read the 4,600 words that form its text.

Actually it is, in its stated purpose and its draftsmanship, one of the simplest and most forthright laws of the land. It does not create, as is frequently assumed, a mediation board, although members of its staff have at times performed some valuable, if strictly informal, mediation services. Mediation is left to State mediation officers and to the United States Department of Labor under its able Director of Conciliation, John R. Steelman. It is not in itself concerned with waves or hours or working conditions. not in itself concerned with wages or hours or working conditions. These again are left to various State agencies and to the new Federal Wage and Hour Act. The sole concern of the N. L. R. A. is the right of employees to organize and to bargain collectively with their employers.

with their employers.

The preamble to the N. L. R. A. states its purpose. "It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce * * * by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing. * * *"

freedom of association, self-organization, and designation of representatives of their own choosing. * * *"

To make this policy effective the act defines five unfair labor practices. In lay terms, if you are an employer, you are not allowed to participate in any way in the formation or administration of a labor union. You can't use your power of hiring and firing to discourage or encourage membership in a labor union. You can't discriminate in any way against an employee because he testifies before the Board or files charges against you. You must bargain in good faith with whatever representatives a majority of your employees choose to represent them, although you are not required to reach an agreement. And you must do nothing (according to the catch-all section 8 (1)) "to interfere with, restrain, or coerce [your employees] in the exercise of [their] right to self-organization, to form, join, or assist labor organizations, [and] to bargain collectively. * * *"

In other words, however kindly and paternalistic your motives may be, you must, according to the act, lay off. And if you accept

this general prohibition at its face value, and go into the bargaining conference in good faith, the chances are that while your troubles with labor may not be over, you will at least have no

trouble with the N. L. R. A.

Since you are required to bargain in good faith with the representatives selected by a majority of your employees, the question naturally arises as to what constitutes a "majority," or more properly what unit or units within your company should have the properly what unit or units within your company should have the right to select separate bargaining representatives. Should you deal with representatives acting for all the workers in your plant or corporation or with the representatives of separate crafts or departments? On this point the act is far from specific, perhaps because at the time it was drafted the bitter A. F. of L. split was still an intramural fight. It refers to "a unit appropriate" for bargaining purposes and leaves it to the discretion of the Board to decide "in each case whether in order to insure to employees the decide "in each case whether, in order to insure to employees the full benefit of their right to self-organization and to collective bargaining * * * the unit appropriate * * * shall be the gaining * * * the unit appropriate * * * shall be the employer unit, craft unit, plant unit, or subdivision thereof." And it empowers the Board to investigate and if necessary hold secret

it empowers the Board to investigate and if necessary hold secret elections among the workers involved to find out what organization or organizations they want to have represent them.

It is obvious that broad discretionary powers are given to the Board in establishing bargaining units as well as in detecting unfair labor practices, even though its decisions on all complaint cases are subject to review by the Federal courts, which have sole authority to enforce its orders. Industry and the A. F. of I. believe that these discretionary powers are far too great. The Board contends that the act cannot be fairly administered without them—that industrial relations are essentially human relations and that their infinite variation in detail can never be fully codified.

There are many ways of measuring the success of a quasi-judi-

that their infinite variation in detail can never be fully codified. There are many ways of measuring the success of a quasi-judicial administrative agency. There is the superficial legal yardstick that measures its success by its litigation record. By this yardstick the N. L. R. B. has been phenomenally successful. Its score in the Supreme Court of the United States is 12 to 0; and in the circuit courts of appeal the score on September 1 stood at 34 to 14 (at least 6 of the Board's 14 reverses will probably be appealed to the Supreme Court). But a far sounder yardstick—perhaps the only true yardstick—is the Board's record in making effective the declared purpose of the N. L. R. A., which is, as already stated, to protect the right to bargain collectively. It is that record, in its strictest sense, that we are examining.

already stated, to protect the right to bargain collectively. It is that record, in its strictest sense, that we are examining. It is generally conceded that the Labor Board is the hardest working Government agency in Washington. One reason is that the Board and its employees live with their jobs. Another is the sheer volume of work that has piled up since 1937 when the Supreme Court unexpectedly handed down the Jones & Laughlin decision, which convinced industry and labor that the N. L. R. A. was

the law of the land.

the law of the land.

Between October 1935, when the first N. L. R. B. hearing was held, and July 1, 1938, some 16,200 cases involving about 3,900,000 employees were brought to the Board by workers and labor organizations. More than three-quarters of these cases were officially closed during that period. Of these, about 16 percent were dismissed by the Board or by its regional directors, approximately 25 percent were withdrawn, and an additional 54 percent were settled by mutual agreement. Only some 5 percent of all the charges filed required a formal hearing before a trial examiner.

The Board that is conducting this staggasting experiment in his

The Board that is conducting this staggering experiment in hu-man relations is composed of three men who receive \$10,000 a year apiece and are required, somewhat needlessly, to engage in no other vocation or avocation. The chairman is a tired, soft-spoken, 48-year-old ex-law school dean from Pittsburgh, named Joseph Warren Madden. He came to Washington with a sound legal background (he personally argued the Jones & Laughlin test case before the Supreme Court), a genuinely judicial temperament, few, if any, New Deal connections, and faith in the essential fairness and hon-New Deal connections, and faith in the essential fairness and honesty of both industry and labor—a faith that had survived his successful chairmanship of the three-man arbitration board that settled the Pittsburgh streetcar dispute in 1934. His first official act was a reassuring speech to business. Shortly thereafter, presiding at one of the first Board hearings, that of the Fruehauf Trailer Co. in Detroit, he heard testimony to the effect that a Pinkerton detective had been hired to work in the factory, become a member of the union, and in time union treasurer, report on all union activity in the plant, and, wherever possible, influence union policies. in the plant, and, wherever possible, influence union policies.

Further testimony developed the point that the Pinkerton man had also embezzled union funds. Madden, thoroughly shocked, brought company counsel to their feet when he announced that the

company ought to damn well make the loss good. The statement was accepted as proof of Madden's prejudice and bias.

A month later he concluded a speech before the Congress of American Industry in New York with the words: "Under these conditions it is remarkable that among the leaders of the newly organized groups there are as few hotheads and zealots as there are. And to the extent that new leadership is unwise it seems to me that to the extent that new leadership is unwise, it seems to me that the cure is as obvious as the cause. Let the employer make known by word and conduct to his workmen that they have the right to organize and meet without interference, that any employee may act like a man and take a man's part in the determination of his affairs, and sound leadership will inevitably emerge. If this be not a sound prediction, the whole basis of American democracy is false."

There was a slight flutter of applause.

The two other members of the Board, Edwin S. Smith and Donald Wakefield Smith, are known to Washington correspondents as the Smith brothers—a fact that annoys them both. Perhaps

the only thing they have in common is William Green's dislike. Edwin Smith, a Harvard graduate whom Green calls "impossible," is a former Boston personnel director and Massachusetts commissioner of labor and industries and is a hold-over from the original sioner of labor and industries and is a hold-over from the original N. L. R. B. Practically and academically his labor-relations background is broader than that of his two colleagues. He is the Board's only businessman, only nonlawyer, and only dissenter (he has dissented in 12 of the Board's thousand decisions); is generally considered its "radical" member. To the charge that the Board is pro-C. I. O. he says: "This just factually isn't so. Read the two annual reports. * * * The Board is not trying to remake history. But (in determining appropriate bargaining units) we are obligated to determine the best interests of the majority in a plant. To some extent it is qualitative, of course—one kind of right against another * * *"

Donald Wakefield Smith, who is sometimes known as Donald Duck, and whom William Green calls "unqualified," is the only Board member who is said to owe his appointment to political influence. (His sponsor was Senator Guffer, of Pennsylvania.) He was originally appointed to fill the unexpired term of John M. Carmody, but he was reappointed in August for a 5-year term over A. F. of L. opposition.

He is the son of a steelworker and the nephew of Charles Cadman, composer of From the Land of the Sky Blue Water. He won a scholarship that took him through the University of Pittsburgh, then received a law degree from Georgetown. At the time of his appointment he was practicing law in Philadelphia, specializing in labor and immigration cases. Donald Smith is the Board's youngest (39), least tactful, and most talkative member.

But the Board is considerably more than three men. It is also But the Board is considerably more than three men. It is associated its staff—regional directors, field attorneys, review attorneys, littingation attorneys, field examiners, trial examiners—some 800 men and women probing deep into the sore wounds of industrial discord from Hawaii to Maine. It is Charles Fahy, its general counsel, a Georgia Catholic who served at the front as a naval counsel, a Georgia Catholic who served at the front as a naval air pilot in the war and cracked up one night in a bomber near Dunkerque; who practiced law in Washington and helped carry the famous Wan third-degree case to the Supreme Court in association with John W. Davis (whom he next met as the opposing counsel in the N. L. R. B.'s Associated Press case before the same Court some 13 years later); who went to New Mexico for his health and found a new social interest in the land cases of the Pueblo Indians; who came back to Washington as a Solicitor for the Department of the Interior and was later chairman of the Petroleum Administrative Board who has the chairman of the Petroleum Administrative Board, who has the enviable distinction of having argued seven cases before the Supreme Court—and won them all.

Supreme Court—and won them all.

It is Robert Watts, Army Reserve officer and associate general counsel, from Maine, Bates College, and Yale Law School; who looks a little like a young King Cole and who was one of United States District Attorney Buckner's bright young men in the gaudy twenties in Manhattan; who went to Europe for Mr. Mellon's Treasury Department in 1929 on secret-service work in connection with smuggling operations; who left a lucrative corporate practice in New York to become special counsel to the old Labor Board; who, in the early days when injunction suits threatened to bring the Board's work to a standstill, flew 6,000 miles a month; and who has argued before every circuit court of appeals in the country.

appeals in the country.

It is George Pratt, its chief trial examiner, from Harvard Law School and a conservative corporation law firm in Kansas City, who has the manner and charm of a member of the Racquet Club in good standing and who surprised both his family and himself by taking an active part in the reform attack on the Pendergast mataking an active part in the reform attack on the Pendergast machine in a dynamite, time-bomb, tommy-gun Kansas City election; who took his first job with the Board as regional director in Kansas City because there didn't seem to be anyone else to handle it; and who has since served the Board in almost every capacity—as attorney, trouble shooter, and trial examiner.

It is Bennett Schauffler, regional director in Philadelphia, who makes Philadelphia businessmen like the act because they like and report him, and it is Filmers Herrich regional director in Normal Report of the Communication of the Pendergast mass content of the Pendergast mass content of the Pendergast mass characteristics of the Pendergast mass c

respect him; and it is Elinore Herrick, regional director in New York, who doesn't much seem to care whether businessmen like her or not, although a surprisingly large minority do; and it is Philip Phillips, regional director in Cincinnati, who makes south-ern Ohio businessmen obey the law and see red.

ern Ohio businessmen obey the law and see red.

And most characteristically of all, the Board is a group of amazingly young men—which is not a matter of chance but a deliberate Board policy. Board staff salaries are low. Seasoned men of real ability must have a highly developed social consciousness to be willing to accept them. Too often the choice lies between brilliant, unseasoned men a few years out of college and political hacks to whom a job with the Board would represent a juicy plum. As between the two the Board votes for youth—which is one reason the Board's public relations are very bad and its litigation record very good indeed. On the last day of the Bethlehem Steel hearing, before Assistant Chief Trial Examiner Frank Bloom in Washington, when evidence that would normally have required some 3 months of hearings was stipulated into the record in 3 hours, the assembled might of the great New York law firm of Cravath, de Gersdorff, Swaine & Wood—counsel, associate counsel, and assistants—found itself opposed by one skinny youth, a Virginian named Earle Shawe, looking for all the world youth, a Virginian named Earle Shawe, looking for all the world like a high-school valedictorian—a circumstance that, paralleled in innumerable Board hearings, is not good for the Board's public relations.

Industrial warfare creates raw wounds; investigations, attempts up." In a New York town the Board's attorneys were greeted with a brass band. But in Wallace, Idaho, the "goddam Communists" couldn't buy a meal. The Civic and Commerce Association of Montevideo, Minn., wrote: "May we offer you our full cooperation in this matter and express the hope that if we can be of assistance to you you will feel perfectly free to call on us." But during an Indiana hearing the regional attorney was poisoned twice in the same restaurant; in Steubenville, Ohio, the trial examiner was hanged in effigy; and in Newton, Iowa, Gov. Nelson G. Kraschel said: "You can tell the cockeyed world that there will be no Labor Board hearings in the military district of Iowa."

This element of the unpredictable, the essentially human, carries over into the hearing room. Testimony ranges from broad farce

over into the hearing room. Testimony ranges from broad farce to sheer horror. In the case of Metro-Goldwyn-Mayer Studios and the Motion Picture Producers Association, in Los Angeles in the fall of 1937, Grover Jones, veteran Hollywood writer, entertained a hilarious courtroom for 2 days with the raw material of a new

Once in a Lifetime.

"Mr. Jones. They wanted 80 Indians, and I got the job only because I knew how to put on what they called bolamania, burnt umber and raw umber mixed. But they made me a chief. That meant I didn't have to go naked. I could wear a suit, you see. And at that time I was convinced I was fairly smart. So there were

meant I didn't have to go naked. I could wear a suit, you see. And at that time I was convinced I was fairly smart. So there were now 81 Indians. I had never seen a camera during all those months, because I was always in the background waiting over in the back of the hill for the call to come over the hill on the horses to rescue the child. And I had never been on horses. So we sat on these horses, each confiding in the other, and none had ever been on horses, except we were all hungry. Finally the man said, 'Now, look, when you hear shooting I want you all to come over the hill, and I want some of you to fall off the horses.' Well, in those days they paid \$3 extra for a man who would fall off a horse, because it is quite a stunt. So we waited until finally we got the call to come over the hill, and somebody shot a gun off, and 81 Indians fell off their horses. So I gave up acting * * *."

But in a case in Alabama a month before the melodrama was more authentic and considerably less funny.

A union organizer (who was testifying to an attack on union headquarters): "About that time they were rushing the stairway * * we put a table against the door. A portion of the glass door was exposed above the table, and bricks began to come through the glass * * * (a newspaper reporter phoned at this point). I said, 'They're tearing the building down. They're tearing the offices apart and beating our men up * * * if it is possible for you, I don't know how much longer I will be able to talk, send in some State police, if you can, because,' I said, 'T can't talk to you any longer.' I threw the phone down and by that time it was my turn to run the gantle * * I fell half way and rolled the rest. After I hit the street I was kicked from both sides into the gutter and a fellow was standing on top of me. I heard somebody say, 'That's enough, let him up.' I fell half way and rolled the rest. After I hit the street I was kicked from both sides into the gutter and a fellow was standing on top of me. I heard somebody say, 'That's enough, let him up.' Two fellows picked me up, one had hold of each arm, and another fellow knocked me out of their arms. They were dragging me out of the crowd and one fellow was trying to choke me, had his arm around my neck, and while he was choking me a police officer did come up and say, 'I will take him.'"

From the record of another hearing comes the testimony of an employee:

From the record of another hearing comes the testimony of an employee:

"Q. You had been shot?

"A. Yes * * * I was under the table lying flat for 10 minutes * * * I heard a man from outside say, 'God, they're not blanks; they're bullets.'"

In North Carolina the mayor of a mill town who was also a mill employee, led a mob of 200 people to the house of a union organizer. The mayor's brother testified:

"And Mr. — (town alderman) said 'If anyone in the bunch will go with me down to [the organizer's] house I'll stick a match to the house and burn them up like rats, kids and all.'"

Testifying at a hearing in Michigan last year a witness described a labor riot in part, as follows:

"Mr. — (a member of the general executive board of his

restriving at a hearing in Michigan last year a witness described a labor riot in part, as follows:

"Mr. — (a member of the general executive board of his union) was attacked by four or five men who kicked him in the general region of his stomach and plugged him from the rear * * * and he was finally forced to the cement over to my left and there a separate individual grabbed him by each foot and by each hand, and his legs were spread apart and his body was twisted over toward the east, and then other men proceeded to kick him in the crotch and groin and left kidneys and around the head and also to gore him with their heels in the abdomen. (And later) * * * And the girls were at a loss to know apparently what to do, and then one girl near me was kicked in the stomach, and vomitted at my feet. * * * I stayed there until practically all the literature had been gathered from the ground and until the girls had been pushed back on the trolley and the trolley had gone and it became very quiet around there and relatively still."

And at a hearing in New York State a strikebreaker described the aftermath of a labor riot as follows:

"I met [the president of the company] in the plant about an hour or two afterward. He had been taking pictures, moving

pictures, and I really believe it was a very good stunt on [his] part because he took some nice pictures and showed how my men were showered with bricks. I believe he published some in the papers afterward showing how the peaceful pickets molested those who wanted to go to work. In fact, he identified some of these employees of his, that were on strike, throwing bricks and showering rocks on these peaceful chaps I had, wanting to go to work [a union witness described the strikebreakers as being 'about the toughest bunch of men I ever laid eyes on, half of them had scars from ear to ear on their faces'] * *. [The president] talked about the pictures. He said he had photographs about the assault and my people had done wonderful work and started to congratulate me * * * he congratulated me on the brilliant work I had done, and I said I didn't see anything brilliant about it, the men had gotten into the plant the best way they could while they were under a shower of bricks, and he was taking pictures of it. Naturally he had them published showing peaceful pickets, America, a free land, all that stuff. Naturally, it wasn't bad stuff, because those peaceful pickets were certainly raising the devil * * * *."

Excerpts such as the above, lifted from millions of words of testimony, prove nothing in themselves. But they are quoted here to provide a glimpse of the background of violence, melodrama, and sheer absurdity against which industry and labor and the bright young men of the N. L. R. B. are acting out their parts in what Fortune last November called "one of the greatest mass movements in our history * * * comparable * * * to the great trek westward, beginning in the Mississippi Valley and ending on the Pacific coast." And it is against this background that the Board's record and technique and judicial integrity must be judged.

With the color and the fireworks and the human element de-

With the color and the fireworks and the human element deleted, here's how the Board works in principle at least. Any employee or labor organization may go to any one of the 22 regional offices and file a charge of unfair labor practices. A field examiner then investigates the case, talking to the employer and employees concerned. Some 40 percent of all cases that the Board has disposed of have been either withdrawn or dismissed at this point because of lack of evidence or foundation in fact—which helps explain why so few cases that go to a formal hearing are helps explain why so few cases that go to a formal hearing are decided in favor of the employer. If the investigator and the regional director find substantial evidence to support the emregional director find substantial evidence to support the employees' contention, they usually make an effort to encourage a settlement without issuing a complaint. Among the many cases involving strikes that were informally and amicably disposed of at this point were those of the Postal Telegraph Co., at Detroit, and the International Shoe Co. If the employer, however, refuses to comply with the Board's request to clean house, the regional director part issues a complaint of this reddeful the unfolker. director next issues a complaint citing in detail the unfair practices with which he is charged.

director next issues a complaint citing in detail the unitar practices with which he is charged.

If the employer still refuses to bring himself within the Board's interpretation of the law, he is given a limited length of time in which to answer the complaint, and a hearing is scheduled before a trial examiner appointed by the Washington office. This differentiation between the prosecuting and investigating functions of the Board, which are handled by members of the regional staff, and the judicial function handled by Washington, is deliberate. It is a practical way of avoiding unintentional collusion between Board attorneys and Board examiners. At the hearing (only some 5 percent of all cases so far closed ever reached this stage) the employer may call his witnesses and cross-examine witnesses for the Board; and any labor unions interested in the controversy may intervene. Among others the Borden Co. case, involving some \$35,000 in back pay to discharged employees, was settled during the hearing. Following the hearing the trial examiner usually files what is known as an "intermediate report", and everyone concerned is given time to file objections. The report and the objections are reviewed first by the Board's own review section in Washington and finally by the Board itself. The employer may as a rule argue his case orally. A number of companies have been given a clean bill of health upon review—among them the Solvay Process Co., the United Fruit Co., and the General Chemical Co., and substantial portions of other complaints have been dismissed. But as industry contends, only a few cases are dismissed in full after a hearing. after a hearing.

after a hearing.

If the Board finds the employer guilty as charged, he is again urged to bring himself within the law without further litigation. If he refuses, the Board then petitions a circuit court of appeals for a court order directing the employer to conform with the Board's cease-and-desist order. At this time the employee has the right to have his case reviewed by a court. It is only when the circuit court of appeals upholds the Board's order—it may be from 1 to more than 2 years after the filing of the original charge—that the employer comes under legal compulsion to obey the law. His only further appeal is to the Supreme Court.

In recent months there has been an increasing tendency to comply with the Board's recommendations or orders and to cooperate with the Board's attorneys in speeding up hearings. But this was

ply with the Board's recommendations or orders and to cooperate with the Board's attorneys in speeding up hearings. But this was not always so. Until the Supreme Court upheld the N. L. R. A. in April 1937, the better part of the Board's time and effort was taken up in fighting injunction suits seeking to prevent hearings. The movement grew like a snowball rolling downhill. Nearly a hundred such suits were instituted. And as a result the Board was practically stymied for nearly 2 years after the passage of the act. One of the classic cases is that of the Bradley Lumber Co., of Warren, Ark., in which the Board was forced to undertake four

collateral lawsuits, winning each one, in its fight to conduct a

Three days after the Schechter decision of the Supreme Court invalidated the N. I. R. A. the Bradley Lumber Co. announced a 60-hour week instead of the 44-hour week then in force, and at the same time cut wages substantially. As Associate General Counsel Robert Watts told a Senate subcommittee, there had never been a union in the plant; but the Bradley employees themselves now formed a local lodge of the Brotherhood of Carpenters and wrote to the American Federation of Labor for a charter, which in due course was granted. The company answered by firing more than 70 men and dispossessing a number from their company-owned houses. When discharged employees looked for work in neighboring States they found their names blacklisted and some were told that the Southern Pine Association would see that they never drew another pay check in the South. The new lodge filed a charge with the N. L. R. B. asking, in effect, "What can the Government do for us?" The Board investigated and a complaint Government do for us?" The Board investigated and a complaint was issued. The company applied to a United States district court for a restraining order to prevent the Board from conducting a hearing. The order was refused. It appealed to a United States circuit court. Again the order was refused. And early in 1936 Robert Watts and his assistant, David Shaw, arrived in Warren to prepare for a hearing. Their first difficulty was in finding hotel rooms. Their next difficulty was in remaining when they had found them. Several days after their arrival a delegation called on them with some advice and a petition. The petition, signed by the mayor, the sheriff, the marshal, and every other local peace officer, stated that in the opinion of the undersigned there was nothing to the charge. The advice was, in effect, to get the hell out of town and not come back.

Watts and Shaw stayed. At the hearing that began a few days later, several exhibits had been offered in evidence when the sheriff arrived somewhat breathless, stalked up to the bench and served each member of the Board staff with a restraining order—signed by a county judge. Here was presented one of the most incredible situations in the history of litigation in the United States. Either the Board must proceed and enforce the law, or an Arkansas county judge's authority must be recognized as superior to that of Congress and the duly constituted courts of the United States.

In the emergency Watts telephoned to Washington and recom-

the United States.

In the emergency Watts telephoned to Washington and recommended that the hearing be transferred to New Orleans. At daybreak next morning he loaded his witnesses and participants into a chartered bus "and at that time I must say in defiance of the order of the learned county chancelor" removed them to New Orleans where the hearing proceeded in due course. Following the Supreme Court decisions of April 1937, the Bradley Lumber case was finally settled and the company paid some \$15,000 in back wases.

Superficially no two cases handled by the Labor Board are alike; and in every case there are two sides—two opposing interpreta-tions of fact—which is one reason why Labor Board decisions are without meaning to the casual observer. But if you care to do a little digging and a little analyzing, logic and a pattern begin

to emerge.

to emerge.

Board cases may be divided roughly into two general groups: "complaint" cases involving unfair labor practices and "representation" cases, which are concerned with the proper unit for collective bargaining and the labor organization that should represent the unit. Then there are the highly publicized "contract" cases involving the upsetting of contracts already made between an employer and a union. These are actually both representation and complaint cases.

The complaint cases cover violations of the five subsections

representation and complaint cases.

The complaint cases cover violations of the five subsections of section 8 of the act—coercion, employer influence over a union, discriminatory discharge because of union activity, discrimination because of an employee's appearance before the Board, failure on the part of the company to bargain in good faith. Most complaint cases involve violations of two or more sections. But to clarify the subject each section should be considered separately.

separately.

Among the most frequently criticized findings are those concerned with "catchall" section 8 (1), prohibiting interference Among the most frequently criticized findings are those concerned with "catchall" section 8 (1), prohibiting interference with, restraint, or coercion of employees in the exercise of their rights. It was written into the N. L. R. A. because its sponsors realized the fact that only a small number of the means by which labor may be coerced, consciously or unconsciously on the part of the employer, could be foreseen and codified; and it is one of the reasons the act is so hard to evade. Testimony has developed hundreds of such incidents.

The president of the Titan Metal Manufacturing Co. (machinery parts) declared to his employees in a signed letter, "The American Federation of Labor at the present time is behind legislation which will decrease the working week to 30 hours and thus reduce your average pay check still more, increase your company's costs, and eventually force a real 'closed shop' where the noise of production has died away; where machinery hummed, spiders will spin their webs; where the tread of industrious workmen has given way to the creep of cowardly rats."

creep of cowardly rats."

Mayor Ezra Davis, of Cookeville, Tenn., came to the plant of his good friends the Washington Manufacturing Co. (work clothes), and after the head forewoman in the sewing room had shut off the power, made a speech, in which he said, "I was in Louisville during the big flood. And I saw a union leader there wearing diamonds as big as marbles." The Ford Motor Co. distributed cards throughout its River Rouge plant containing attacks on labor unions under the heading "Fordisms." ("Figure it out for yourself, If you go

into the union they have got you—but what have you got?") The vice president of the Washington, Virginia & Maryland Coach Co. attended a union meeting wearing a bus driver's cap. The Clover Fork Coal Co. bought four kegs of beer for an antiunion "yellow dog" parade. Remington Rand hung a "For sale" sign on its Ilion plant. And in far-off Alaska the Alaska Juneau Gold Mining Co. persuaded food stores of the town to cut off credit to strikers.

persuaded rood stores of the town to cut off credit to strikers.

Because of these and other actions these companies were held to have been in violation of section 8 (1). Obviously under this section it is relatively easy for an employer, acting in all good fath, to find himself in violation of the law. A casual conversation with an old employee, a vehement letter to a local paper attacking unions, the actions of an overzealous foreman—any of these may be judged illegal. However, the N. L. R. A. prescribes no penalties for unfair labor practices. The net result of 8 (1) violations is an order not to do it again.

violations is an order not to do it again.

The so-called "company union" was management's first gesture toward better industrial relations. It survived to become one of toward better industrial relations. It survived to become one of its strongest weapons in repelling organization by "outsiders," and an estimated 70 percent of all employer-promoted unions in existence when the N. L. R. A. was passed were formed following the enactment of the N. I. R. A., section 7a, which encouraged

labor organization.

labor organization.

The formation of a typical company union usually went something like this: The boys out in the plant are getting a little restive. There's some talk of organization among the hotter heads. And there's a report that one of those s. o. b.'s from the union has been hanging around the gates at lunch time. Well, we've already given the boys everything except our shirts; they've got the best pay and the best working conditions in the industry. But if they want a union, why we'll give them a union, damn it. So a meeting is called of some of the sounder elements in the plant and someone makes a speech pointing out that unions collect heavy dues to line the pockets of a bunch of agitators, and all they accomplish is to stir up discord because that's the only way they can justify their existence.

A company union on the other hand won't cost the boys a cent. They can elect their own representatives to sit in on a joint management-employee committee. They can hold meetings in a company conference room and on company time. And one of the

pany conference room and on company time. And one of the front-office stenographers will take down their minutes. Presently a rough draft of the proposed set-up, prepared by the legal depart-ment, is offered for discussion and in due course adopted, and the

boys have a union.

boys have a union.

In its best form the company union led to greater harmony between employer and employee. It gave the employee a greater understanding of management's problems; and it provided a basis for consultation, if not actual bargaining. In this form it was very much like the "student council" system in vogue in schools and colleges. In its more protean form, however, it was little more than a thinly disguised defense against outside organization. And in either case it vitlated, to a degree, the economic bargaining power of the employee.

power of the employee.

When the N. L. R. A. was upheld by the Supreme Court there was an immediate effort by company unions to change themselves. into unions without apparent company domination. Industrial-relations experts found their services in demand. And the National Association of Manufacturers, never heretofore a spokesman for union labor, carried a sympathetic article in its Labor Relations Bulletin entitled "Independent Unions," offering advice on how to change an "employee representation plan" into an "independent union."

pendent union."

Section 8 (2) forbids an employer to interfere in any way with the formation or administration of any labor organization (defined as an organization existing for the purpose of dealing with employers concerning grievances, wages, etc.) or to contribute financial or other support to it. Is it possible for a union limited to a single company or plant to exist without some measure of employer interference or influence? Theoretically, the answer is "yes." Practically such a union would, in time, very probably come under some degree of employer influence. And most complaint cases involving section 8 (2) have resulted in cease-and-desist orders. But in these cases, as in so many others that come before the Board, the real issues are frequently clouded by emotion, by community hysteria, and by a distrust of unionization itself. And many Board decisions, soundly arrived at from the point of view of collective bargaining, have appeared arbitrary and inconsistent to the casual observer.

inconsistent to the casual observer.

It is hard to conceive of a more difficult assignment than to administer section 8 (3) of the N. L. R. A. without a margin of error. Section 8 (3) says in substance that the power to hire or fire or to control an employee's status cannot be used to discour-

fire or to control an employee's status cannot be used to discourage or to encourage membership in a union—unless your company is operating under a valid closed-shop contract. Otherwise, the Board has declared in no uncertain terms that the act does not affect the employer's right to hire and fire as he sees fit.

He may select or reject men on the basis of age, efficiency, race, or religion. He may hire or fire them because he likes or dislikes the color of their hair or the way they treat their wives or their political beliefs. The only restriction on his free choice is that he cannot hire or fire a man because of union activity.

But no man is ever discharged without at least a nominal reason; and since the validating of the National Labor Relations Act

son; and since the validating of the National Labor Relations Act by the Supreme Court in 1937, it is very unusual for an employer admittedly to discharge a man on the basis of his union activities. On the other hand, in any group of men there are a certain number of chronic shirkers, looking for any excuse to avoid hard work. The Board is therefore faced continually with the problem of sepaMinimum and Annie Company

rating the black sheep from the white; and it is sometimes almost impossible to secure conclusive proof as to the true motive behind a discharge. In the Jones & Laughlin Steel Corporation case a worker was discharged for leaving a key on a bench. In the case of the Pacific Greyhound bus lines a driver was discharged for causing an accident involving a \$55 damage claim. In the Federal Bearings Co. case a girl was discharged for causing a disturbance and

using obscene language in the washroom.

In all of these cases the Board ordered the reinstatement of the discharged employees, although in no case was there more than inferential evidence. The Board found that: The man who left a key on a bench had worked for Jones & Laughlin for 15 years as a crane operator, and it was not unusual for a craneman to forget his key; he was active in union affairs; and the company had at that time adopted a strong antiunion policy. The Greyhound bus driver had an excellent safety record, but he was an active unionist; the company did not as a rule discharge a man for this kind of accident, if his record was good; and, again, the company had shown a strong preference for one union over another. The girl discharged for creating a disturbance in the factory washroom had come directly from an interview with her foreman, who had said, "Why don't you get wise to yourself and take that damn [union] button off?" And, as the Board held, "A factory washroom is not a place where decorum in the use of language is commonly observed."

In the Willard Hotel core it was a contraction of the contraction o

In the Willard Hotel case it was claimed that Garland P. Webb, waiter, was fired not for union activity but because he served a breakfast tray on which the ham was thinly sliced, warm apple-sauce (specially requested) was served in the wrong dish, and there was no butter. Soberly Board Members Madden, Smith, and Smith remarked: "As to whether the warm applesauce was correctly served in a peacock china dish when the rest of the meal was served on gold-band china, there is a conflict not only between the testimony offered on behalf of the Board and that on behalf of the respondent, but also as between two of the respondent's witnesses." When he was questioned as to the absence of butter, Garland Webb, waiter, replied: "It was the morning after New Year's Eve. All the other room-service waiters were off." The Board ordered his reinstate-

The return of discharged employees under a Board order is bad for discipline, particularly if the employee has been honestly discharged for cause. And it is almost certainly true that the Board has made mistakes in ordering the return of certain employees, a

has made mistakes in ordering the return of certain employees, a fact that the Board would probably be the first to admit. However, the fact remains that in few cases has the Board ordered the reinstatement of an employee where it has not found evidence of definite antiunion activity on the part of the employer.

One of the few cases not following this rule is that of the Star, of Seattle, Wash. The Star had agreed to bargain with the Newspaper Guild as the union representing its editorial and circulation department workers. But shortly after the Newspaper Guild left the A. F. of L. and joined the C. I. O. the Star received a visit from a representative of Dave Beck's powerful A. F. of L. Teamsters Union. The visitor, Shaw by name, told the Star that if the 20 guild members employed in the circulation department did not join the Teamsters Union or were not replaced by members of the union, the teamsters would refuse to deliver the paper the following morning. teamsters would refuse to deliver the paper the following morning. The Star asked for time to settle the matter. Shaw, secure in his knowledge of Beck's power over Seattle, refused. The management of the paper then gave Shaw permission to address a meeting of the circulation department employees in the plant. A secret vote was taken, and the gulld members voted unanimously not to become teamsters. The teamsters refused to handle the paper. The management then asked the guild if it would guarantee distribution. The guild members refused because delivery was outside their jurisdiction, and as one of them admitted, a Dave Beck goon squad jurisdiction, and as one of them admitted, a Dave Beck goon squad was at that moment picketing the trucking entrance to the plant. Faced with the certainty that the Star could not find its way to Seattle doorsteps unless it capitulated, the management then informed Shaw, who was still waiting in the office, that the teamsters could replace the guild members in the circulation department. However, instead of being discharged the 20 guild members were given temporary positions in other departments. The Star was delivered the following morning. But at 10:30 the entire guild membership welked out on strike. The Star was definitely closed membership walked out on strike. The Star was definitely closed

When the case was brought before the N. L. R. B., the Board had little discretion. Under the law it was obliged to find for the 20 deposed Guild members and order their reinstatement in their deposed Guild members and order their reinstatement in their former jobs; the newspaper, through no fault of its own, had been coerced into a violation of the act. For by moving 20 Guild members from jobs in which they were reasonably secure and giving them admittedly temporary jobs in other departments the management had definitely changed their employment status because of their union affiliations. In its decision the Board stated that the newspaper was in "an unenviable position," a triumph of understatement. However, the decision was upheld in the circuit court. What are the rights before the Board of a worker who has vio-

What are the rights before the Board of a worker who has vio-What are the rights before the Board of a worker who has vio-lated the law? Here again the Board has made decisions that have been vigorously attacked. In the case of the Fansteel Metallurgical Corporation the Board ordered the reinstatement of a group of sit-down strikers who had seized its South Chicago plant. (This decision was reversed last July by a circuit court of appeals but will be appealed to the Supreme Court.) In the case of the Ken-tucky Firebrick Co. the Board ordered the reinstatement of 30 out of 31 striking employees who the company claimed had engaged in of 31 striking employees who, the company claimed, had engaged in violent battle with nonstrikers—a battle in which a number of people were wounded. (A circuit court upheld the Board last Junc.) The Board's decisions on this point are based more nearly upon a rule of thumb than has been found possible in administering other sections of the act. If a worker is apparently guilty of a felony, it is the practice of the Board not to order his reinstatement. If he is guilty of a misdemeanor during the heat of labor discord, the Board has ruled that he should retain all of his rights as an employee. employee.

employee.

A recent action on section 8 (3) which made the headlines is that of a young man named Harold Kirkman who has never worked for the American Rolling Mill Co. but whom the Board's attorneys currently trying the Armco case in Catlettsburg, Ky., wish to see so employed. It seems probable on the basis of the record that young Kirkman was discriminated against on the basis of his father's union activity. And it is true that the act says that there shall be no discrimination as to hire or tenure of employment because of union activities. However, it seems at the moment very unlikely that the Board's attorneys can make such a case hold up.

a case hold up.

a case hold up.

There have not been many complaints issued under section 8 (4), which declares it to be illegal to discriminate against an employee because he has filed a charge or appeared before the Board as a witness. In one case, that of the Friedman-Harry Marks Clothing Co., the president of the company is reported to have said, "She may have been laid off before, but she is discharged now, running down there and causing all this trouble." But section 8 (5), which covers a refusal to bargain collectively, is frequently invoked. Most commonly, refusal to bargain involves an employer's refusal to recognize a union or talk with its representatives. These cases are as a rule fairly cut and dried. More difficult are cases in which the defense is entered that the employer is in doubt as to whom he should bargain with. Most difficult of all are those in which a definition of bargaining is employer is in doubt as to whom he should bargain with. Most difficult of all are those in which a definition of bargaining is attempted. The classic case is that of the St. Joseph Stock Yards Co. in which the Board held that discussion is not a substitute for negotiation. Bargaining must be carried on in good faith. But bargaining is not interpreted to mean that an agreement must be reached. If an agreement is reached, however, it must be made offective and binding

made effective and binding.

In seeking to understand the paradox of William Green and why the A. F. of L. officially hates the N. L. R. B. we come to the Board's handling of its so-called unit cases (sec. 9b); not that this is necessarily the real reason for Mr. Green's anger but that it is a persistent source of irritation.

Even it John L. Lewis had not picked up his markles and walked.

Even if John L. Lewis had not picked up his marbles and walked out of the A. F. of L., taking a big portion of A. F. of L. brains with him, section 9b would have been a ticklish problem. Estabwith him, section 9b would have been a ticklish problem. Establishing the appropriate unit for bargaining is something like setting freight rates under the I. C. C. And as the Board remarked in its first annual report, "the complexity of modern industry, transportation, and communication, and the diverse forms which organization among employees has taken, preclude the application of rigid rules." Through thick and thin, hell and high water, the Board has maintained this principle—flexibility must rule its unit decisions.

unit decisions.

Three typical examples, if any unit cases may be called typical, serve to illustrate the main yardsticks.

First. What is the present union set-up—in the company to be considered and in the industry as a whole? In the case of the Huth & James Shoe Co., in Milwaukee, the A. F. of L. wanted to split the employees up into eight units of cutters, fitters, lasters, sole leatherers, bottomers, finishers, wood heelers, and packers. The Board decided in favor of an industrial unit, arguing that "the shoe manufacturing industry today is virtually without craft unions." * * * In this case the A. F. of L. union involved admitted all plant employees to membership and was prepared to bargain for them.

admitted all plant employees to membership and was prepared to bargain for them.

Second. What is the geographical and the functional set-up of the company and the industry? The "little cigar" department in American Tobacco could have become a part of the main bargaining unit of the factory. The Board said: "The little cigar department is really a factory within a factory. It could as well be operated entirely independent of the rest of the Reidsville plant."

Third. What type of work and degree of skill is involved? The "live traffic" employees of R. C. A. Communications were set up by the Board as a separate bargaining unit. In its decisions the Board said, "The live-traffic employees are engaged in work of a highly skilled nature and have qualifications and duties different from those of the office employees. Most of them have received a technical training of a distinctive type which distinguishes them from the other workers of the company."

The problem of the appropriate unit reaches its acute stage in

the other workers of the company."

The problem of the appropriate unit reaches its acute stage in cases in which both A. F. of L. and C. I. O. unions are involved and are not in agreement. The Board first met the problem directly in the case of the Globe Machine & Stamping Co., of Cleveland. The dispute was between the United Automobile Workers and various A. F. of L. unions, and the policy the Board created is still known as the Globe doctrine. It rules, so far as the majority of the Board is concerned, in all doubtful cases where other considerations are held to be equally balanced. In essence the Globe doctrine is simply to let the men decide for themselves—that is, to hold a separate election in each proposed unit for a choice as between the industrial plant-wide unit and the particular craft unit involved. It is the reverse of the principle that the State cannot secede from the union. Thus in the Globe case the Board ordered separate elections to be held in the two units claimed by A. F. of L. unions. (The elections were won by the C. I. O. industrial union in each of

the two craft units as well as in the rest of the plant.) Important the two craft units as well as in the rest of the plant.) Important as it may be as a yardstick, it should be remembered, however, that the Globe doctrine is only applied in cases in which "other considerations are evenly balanced." (For further application of the Globe doctrine see the Worthington Pump & Machinery Corporation, Schick Dry Shaver Co., and the Combustion Engineering Co., decisions in all of which Edwin S. Smith delivered a dissenting opinion. Mr. Smith stresses the importance of majority rule—except where there is a definite past history of craft bargaining.)

A particular blow to William Green's peace of mind was delivered as the control of t

opinion. Mr. Smith stresses the importance of majority rule—except where there is a definite past history of craft bargaining.)

A particular blow to William Green's peace of mind was delivered by the Board's recent decision establishing longshoremen in Pacific coast ports as an appropriate unit. The decision was based on the fact that close and detailed bargaining had been carried on for some time between Pacific coast longshoremen and a single employers' association; but it was violently attacked by the A. F. of L. The unit was, the Board held, a reflection of the organization of the employers. "Since the essential working rules are on a coast-wide basis, and since port differences occur only in nonessential matters, the argument against a coast unit, based on working rules, does not carry much weight." Which explains in part the A. F. of L.'s political desertion of the N. L. R. A and its recent violent press attacks on the act and on the Board.

But at best this is only a partial explanation. There are two additional reasons that are far more fundamental—one, emotional; the other coldly pragmatic. The emotional reason is that the high command of the A. F. of L. simply can't accept the fact that the Board recognizes the existence of the C. I. O. as part of a dual labor movement in this country. Mr. Green has accused the Board of giving to an "insurgent" group "the rights of belligerents." The second reason lies in the fundamental difference between the A. F. of L. and the C. I. O. conceptions of unionization. The controlling voice in the A. F. of L. has been for years a group of skilled and semiskilled craft unions with high wage scales maintained in part by the deliberate limiting of the labor market in their fields. These wage scales were only possible because a relatively small part of American labor was organized. It is obvious that the average wage of American labor cannot be raised to the levels now enjoyed by the privileged A. F. of L. unions without inflation. Therefore, it is and always has been raised to the levels now enjoyed by the privileged A. F. of L. unions without inflation. Therefore, it is and always has been to the advantage of these A. F. of L. craft unions to limit the labor movement in the United States to a relatively small and select group.

Included until recently in the A. F. of L., however, were a number of powerful industrial unions suffering from none of the inhibitions that limited the A. F. of L.'s organization policies. This dissenting group had split with the A. F. of L. in principle long before the division became apparent. But the final break was probably precipitated by personal friction and the unwillingness of the A. F. of L. high command to accept the financial risks involved in the

organization of industrial unions.

organization of industrial unions.

It is probable that the present A. F. of L. leadership, if it thought that far ahead, expected to be able, under the protection of the N. L. R. A. to skim off the cream of unionization in the form of additional craft unions strategically placed in the mass-production industries. The C. I. O. beat the A. F. of L. to the gun, and as a result of the warfare that followed the Board stands before the country indicted for a C. I. O. bias. A poll of public opinion taken in August of this year indicated that 92 percent of those people who believed that the Board had shown bias toward any particular labor organization felt that it was prejudiced in favor of the C. I. O.

The record, however, does not bear out this impression. From

The record, however, does not bear out this impression. From The record, however, does not bear out this impression. From the time of its inception until June 30, 1938, the Board was called on to determine the appropriate unit for collective bargaining in 112 cases in which both A. F. of L. and C. I. O. unions participated. These 112 cases may be divided logically under three headings: (1) Forty-one cases that express the very essence of the A. F. of L. C. I. O. controversy. This classification includes cases in which the Board was called on to decide as between craft and industrial units. a unit for several plants and a unit for one plant, separate departa unit for several plants and a unit for one plant, separate departmental units and a single plant unit. (2) Seventeen cases in which A. F. of L. and C. I. O. agreed as to the general outline of the unit and disagreed only over such minor details as the exclusion or inclusion of certain marginal groups. (3) Fifty-four cases in which there was no dispute as to the appropriate unit, and the problem was simply to certify the union that could show a majority membership, either before or after a general election.

In neither perore or after a general election.

In neither group 2 nor group 3 did Board decisions have serious consequences for either side. Therefore, the Board's rulings as between the two types of unionization can be narrowed down to the 41 cases of group 1. The record as of July 1, 1938, shows that in these 41 cases the Board upheld the main contention of the A. F. of L. 21 times and found for the C. I. O. only 16 times. There follows a tabulation of Board decisions in the 112 cases.

ì	Substantial disagreement as to the appropriate unit	ä
	(A) Adoption of A. F. of L. contention 21	
	(1) În general 18	
	(2) Accompanied by adoption of C. I. O. con-	
	tentions as to inclusion of minor groups 3	
	(B) Adoption of C. I. O. contention 16	
	(1) In general 16	
	(2) Accompanied by adoption of A. F. of L.	
	contentions as to inclusion of minor groups_ 0	
	(C) Adoption in part of contentions of both groups 4	

ц,	Substantial agreement as to the appropriate unit, accom-	122	
	panied by disagreement as to inclusion of minor groups_	17	
	(A) Adoption of A. F. of L. contention2		
	(B) Adoption of C. I. O. contention 10		
	(C) Adoubles to next of contembles of both secures 5		

54

112

(C) Adoption in part of contention of both groups.

III. Complete agreement as to the appropriate unit......

In the supercharged atmosphere in which the Labor Board operates it is sometimes the relatively routine things that stir up the most trouble. There is, for instance, the group of Board decisions referred to as "contract" cases. They are considered as a separate group largely because they have attracted wide public attention. The Board may declare a contract invalid (1) because it was made with a company-dominated union; or (2) because its execution constituted in itself an unjet labor practice unduly. execution constituted in itself an unfair labor practice, unduly

favoring one union over another.

There were 93 cases up to June 30 in which the Board had to consider existing contracts. In 35 of these it declared the contracts invalid. In each case charges of unfair labor practices were filed and sustained. Twenty-eight contracts were declared invalid because they were made with company-dominated unions in vio-lation of the law. The first and best known of these is that of the Clinton Cotton Mills and the "Clinton Friendship Association," which was formed soon after the 1934 textile strike came to an end. which was formed soon after the 1934 textile strike came to an end. The Board ordered that all recognition be withdrawn from the "Friendship" and declared the contract void. Of the seven remaining contracts declared invalid all involved the A. F. of L. In six cases charges were filed by C. I. O. unions; in one by a railroad brotherhood. These are the cases that have made the headlines, and of these the National Electric Products Corporation case has been most frequently cited. The company signed a closed-shop and of these the National Electric Products Corporation case has been most frequently cited. The company signed a closed-shop contract with the A. F. of L. union at the height of a C. I. O. organizing campaign. The Board decision said in part that the company "by urging, persuading, and warning its employees to join the brotherhood (A. F. of L.) and to refrain from joining the united (C. I. O.) and by threatening them with discharge if they failed to comply * * has engaged and is engaging in unfair labor practices * * "." Following the Board decision, which called for an election, came a sudden wave of name calling and pose thumbing. "Petty hursesurgers would be dictators puffed-in called for an election, came a sudden wave of name calling and nose thumbing. "Petty bureaucrats, would-be dictators, puffed-up commissars, prejudicially minded muddiers of the waters," said Dan Tracy, of the brotherhood, speaking of the Board. "Theirs is the mean conventional service of men without scientific method or social vision * * *" And the company attorney remarked "It would serve no good purpose to comment on our surprise at the attitude of the N. L. R. B. which we assumed had been set up by Congress as a neutral agency for the settlement of disputes."

The net result hardly justified the furor that had been aroused. The Board election was won by the A. F. of L., 918 to 685. The C. I. O. charged undue influence by the company during the election, but young James Carey, president of the United, wrote to the Board: "In the interest of the labor movement and true collective bargaining we waive our right to file exception in this case, although we have sufficient grounds to do so."

Proposals to amend the N. L. R. A. can almost be said to have started before the act was passed; in fact, most of the amendments currently suggested were considered by the Education and

ments currently suggested were considered by the Education and Labor Committee of the Senate when Senator Wagner's bill was first presented. The proposed amendments are in general of two kinds: One seeks to limit the power of the Board, another to "equalize" the act—that is, to make it a two-way law restricting

labor, as well as management.

labor, as well as management.

The supporters of the first group base their argument, when it is presented in good faith, on the grounds that 3 years of experimentation with a new law is bound to uncover weaknesses that can be corrected by a reconsideration of the problem. At the time of going to press with this issue of Fortune, the A. F. of L.'s amendments have not yet been fully drafted, but proposals have been announced. The A. F. of L. according to General Counsel Joseph Padway, would limit the Board's right to invalidate contracts between the employer and a union. It would make it obligatory on the Board to recognize craft unions wherever the workers gatory on the Board to recognize craft unions wherever the workers in a unit ask for them. It would permit employers to express an opinion to their employees about the relative merits of two comopinion to their employees about the relative merits of two competing unions. It would authorize court review of Board decisions certifying a union as exclusive bargaining agent. It would allow court review of fact, as well as law. And if possible, it would remove the Board's judicial functions completely, vesting them in a new and completely independent bureau.

The National Association of Manufacturers, on the other hand, has concentrated on amendments to equally the set. It would

The National Association of Manufacturers, on the other hand, has concentrated on amendments to equalize the act. It would provide that employees should not be subject to coercion from any source. And it would absolve the employer from dealing with labor organizations guilty of any one of a long list of major and minor misdemeanors in the course of a strike. Almost any reasonable person is apt to find the National Association of Manufacturers proposed amendments, at first glance, a highly desirable improvement on the present act. They apparently are designed to restrain admitted abuses on the part of labor and make the act a two-way instrument—fair and just to everyone concerned. Another frequently proposed amendment provides that unions Another frequently proposed amendment provides that unions guilty of violence in any form should no longer be protected in their rights to organize and bargain with the employer. Still

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another proposes that the employer should be allowed to file unfair practice charges against a labor union.

The merit of any particular amendment cannot be decided without reference to the purpose for which it was intended. And the purpose for which it was intended is often, in the nature of things, extremely difficult to define. This is not the place to weigh the pros and cons of the dozens of amendments that have been suggested, and the dozens more that are in the offing, or to examine the motives of their sponsors. But reference to the original definitions upon which this article was premised (p. 54) will make clear the various attitudes applying to most of the amendments that have been proposed. There it was pointed out that those who are actively against collective bargaining are logically against the N. L. R. A. and all its works; and hence that, short of outright repeal, their only course is to amend the act into ineffectuality. Just how big this group is, it is impossible to say, because in the temper of the times many if not most of those who are actively against collective bargaining prefer (a) to keep The merit of any particular amendment cannot be decided withsay, because in the temper of the times many if not most of those who are actively against collective bargaining prefer (a) to keep their thoughts to themselves, or (b) to give lip service to the principle temporarily. It is necessary to suppose, however, that the group is relatively large. And it is a certainty that it will do everything in its power to obstruct collective bargaining, whether secretly or overtly.

But all employers do not belong to this group by any means. And there are two other groups that merit particular attention. The first was defined on page 54 as accepting and engaging in collective bargaining but at the same time as unwilling to agree that collective bargaining ought to be the pattern for all industrial relations, and as being opposed to its promotion by law. When this position is honestly held, it involves opposition to the act combined with acceptance of collective bargaining as a practical matter.

This is a logical position, though not a particularly strong one, and the group in question is relatively small. It merges, however, into a much larger group which takes the same position but without the logic. These persons stoutly declare that they are for collective bargaining but assert with equal vehemence that they are against the act and the Board. The A. F. of L., which finds itself in this position, may in view of the craft union versus industrial union dispute, plead an exception. But in any case the logic of the record that we have just examined bears down heavily on the rest of the group. The Labor Board, created for the unique purpose of protecting and encouraging collective bargaining, has proceeded to its task with a singleness of purpose that is rarely hoped for in governmental bodies and still more rarely achieved. And as a result the motives of anyone who declares himself in favor of its purposes but against it in fact are logically and practically suspect. This is a logical position, though not a particularly strong one, practically suspect.

practically suspect.

In the light of these considerations the problem of amending the N. L. R. A. can be better understood. It is clear that from the point of view of those who actively believe in collective bargaining, to the extent that they are willing that it should be encouraged by law, little if any amendment to the act is needed. Almost all suggestions for amendments have been put forward from other motives: for instance, from an honest desire to improve industrial relations generally by making the law a two-way law; from an honest desire to obtain a better acceptance of the act among employers by (let us say) dividing the function of the law; from an honest desire to obtain a better acceptance of the act among employers by (let us say) dividing the function of the Board into two agencies, the one judicial, the other administrative and fact gathering; or, at another extreme, from an honest desire to kill the effectiveness of the law entirely. But finally it is necessary to point out that, from the standpoint of the sponsor of collective bargaining, almost all amendments so far proposed, from whatever motives, would have the effect of impeding, or slowing down, or in some way complicating the progress of collective bargaining per se. lective bargaining per se.

Before throwing the N. L. R. A. back onto the floors of Congress for revision, it is necessary for industry and labor alike to ponder these distinctions and to determine their courses accordingly. The balance is a critical one—no less than industrial peace or war. And nothing can so easily upset the balance as confusion concerning the motives and purposes involved.

concerning the motives and purposes involved.

The purpose of all so-called labor legislation is to equalize to some degree the bargaining powers of the employer and employee. The late Chief Justice Taft of the Supreme Court of the United State, in a decision in 1921, defined the need for unionization perhaps as effectively as it has ever been expressed: "They (labor unions) were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was, nevertheless, unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has in many years not been denied by any court."

The National Labor Relations Act in its present form for the

The National Labor Relations Act in its present form for the first time in the history of the United States assures labor a right that, as Mr. Justice Taft said, "has in many years not been denied

by any court." It does that successfully; it does very little more; but that it should be fully empowered to do if it is to remain the law of the land.

A Tribute From the Colorado State Senate

EXTENSION OF REMARKS

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

LETTER FROM COLORADO STATE SENATE

Mr. TAYLOR of Colorado. Mr. Speaker, prior to my coming to Congress, I was honored by being elected to the Colorado State Senate three terms. Our Colorado Senate is composed of 35 members. We naturally became exceedingly well acquainted with one another and had a community of interest in trying to serve the welfare of our beloved Centennial State.

My service in that body was not only very interesting, instructive, and congenial, but it was also a happy experience. It will always be a treasured recollection. I have felt an interest in the subsequent lives of each of my associates and have naturally watched the membership and the proceedings of that body with interest from that time to this.

So, when on yesterday my colleague [Mr. Martin] on behalf of the present Colorado State Senate, presented me with a most gorgeous silver gavel as a courteous token of the unanimous good will of that body, I could not express how much I appreciated that tribute. I want to first thank my colleague [Mr. Martin] for his most complimentary and

generous tribute to me.

Since becoming chairman of the Appropriations Committee of the House something over 2 years ago, I have been honored by receiving quite a large number of gavels from widely distributed localities. And all of them are emblematic of the place from which they come and indicative of what they represent, composing an exceedingly interesting and attractive collection of tokens. Nevertheless, I frankly say that this gavel from the Colorado State Senate comes from home and really touches my heartstrings a little more than any of the others.

I will be delighted to occasionally use this and various other gavels in presiding over the great committee of which I have the honor of being chairman, and will take pride in calling the attention of the 40 members to what these

emblems represent.

I will cherish them, and especially this one, from now on until I reach the end of the trail down the Western Slope of Life.

I want to publicly express to the Colorado State Senate, and to each of its members, my profound gratitude and sincere appreciation of this expression of their kindliness in such an impressive and permanent way. I gratefully thank each member of the senate personally, and the body collectively, for this public expression of approval.

I only hope that during whatever time may be allotted to me in the years to come, nothing may ever occur that will in any way detract from the most cordial spirit that is exemplified by this gavel and the resolutions that were

adopted in connection with it.

Colorado has honored me much more and much longer than I ever in my younger days dreamed would be possible. Actions like the Colorado State Senate has taken in this matter are not only encouraging and most heartily appreciated by the recipient, but they are an inspiration to the youth of our State to strive to accomplish something worth while in the world, to be of service to our Commonwealth, and to lead a life that may be helpful to the generations to come.

I am pleased to insert a copy of the personal tribute, signed by each of the Senators, that accompanied the gavel in addition to the resolution, as follows:

To Congressman Edward T. Taylor, State of Colorado, Fourth District:

Best wishes from each one of us; And we are hoping, too, That you will like the gift we picked Especially for you.

Especially for you.

From: State senators, State of Colorado, thirty-second general

assembly.

igned) Jno. C. Vivian, Lieutenant Governor; M. J. Walsh, secretary; Frank R. Smith, sergeant at arms; Wayne N. Aspinall; D. E. Hunter; John W. Shawcroft; Duncan Lamont; Averill C. Johnson; Walter L. Bain; Grant Sanders; J. Price Briscoe; Fred M. Swisher; Rulolph Johnson; Moses E. Smith; Harry M. McKinney; Ed A. Whitaker; Charles P. Murphy; Geo. A. Glenn, M. D.; Burt Ragan; Joseph P. Constantine; James H. McDonald; Robert F. Rockwell; W. H. Twining; D. L. Williams; Sam T. Taylor; Leo J. Crowley; Willard B. Preston; David Elliot; Curtis P. Ritchie; Donald J. Gilliam; Edw. J. Keating; Juan Noriega; M. E. Latimer; Robert G. Bosworth; Dave Johnston. (Ralph J. Cummings and Harold H. Davies absent because of illness.)

On Partisanship and Politics Against Trade Treaties

EXTENSION OF REMARKS

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1939

Mr. KITCHENS. Mr. Speaker, as 1940 approaches I suppose we must expect an alarming increase in the number of wild words, ingenious arguments, and unreliable statistics with which partisanship displaces fair and objective consideration of public questions.

The narrowly partisan Republican leaders are looking for an issue—any issue—on which they can ride back into power. It is not so easy. The tariff is a subject upon which facts

can be confused and made more confounded.

They are for economy, for instance, until they are asked where to begin. We will recall, however, that many of their Members in this House owe their election to promises to take the lid off and throw it away on behalf of bigger pensions, bigger relief pay, and what not. They can point to the other fellow's mistakes but they cannot get together on a constructive program. They can tear down but cannot construct.

The other day there appeared in the Record another speech by the distinguished gentleman from Massachusetts [Mr. Treadway], in which he announced that the Republicans intend to go back and resurrect the tariff as an issue. He says he believes in reciprocity, but not our kind. In other words, he believes in a reciprocity in name only, which is not reciprocity. From his discussion one gets the impression that his reciprocity program calls for an orgy of swapping free-list items. Think of it. A reciprocity of free-list items.

This matter is so important to the best welfare of all the people it should never be a partisan issue at all, and a Republican, who has any regard for his party's record, should be the last to make it so. For otherwise he will find himself not only in conflict with the facts, but in conflict with the judgment and declared conviction of such staunch Republicans as Col. Frank Knox, the party's candidate for Vice President in 1936, Charles P. Taft, Henry L. Stimson, Secretary of State in a Republican administration, such Republican tariff authorities as William S. Culbertson and Robert L. O'Brien, both former members of the Tariff Commission, and a long list of others whose party standing cannot be challenged. He will find himself in conflict with such outstanding Republican newspapers as the New York Herald Tribune and the Chicago Daily News and the Kansas City Star and the San Francisco Chronicle. But above all, as I have said, he will find himself in conflict with the

facts, and with the only intelligent, fair approach to this tariff question.

THE SAME OLD DISCREDITED THEME

The gentleman's theme is the familiar one, easily demolished by reference to the facts, that the American farmer is being ruined by Secretary Hull's trade agreements program because it is letting in great quantities of foreign farm products to compete with his own.

To prove his point he makes a list of what he calls major farm products, and it appears in the Record of March 23 in the form of a table. It shows that on these 16 farm products "protected" by high tariffs under the Hawley-Smoot Act the trade agreements have made reductions in duty in favor of foreign countries, in return for concessions by them, running

up to 50 percent of the 1930 rates.

The gentleman from Massachusetts [Mr. Treadway] did not bother to tell us what actually happened to these 16 products in actual practice under the reduced duties. He used his table to support his charge that the trade-agreements program is ruining American agriculture, on no better authority than the fact that some duties had been reduced in certain agreements on these particular commodities which he included in his list. The implication was plain, and it was intended to be, that in each instance the domestic market had been flooded with foreign goods as a result of the reduction.

The table inserted in the Record by the gentleman from Massachusetts includes cattle, hogs, pork and pork products, whole milk, cream, cheese, live poultry, eggs, honey, barley, oats, rye, apples, cherries, and potatoes. It tells us the extent of the duty reduction effected by one or more of the agreements and then depends on implication to support the gentleman's sweeping and absurd and utterly unfounded charges.

THE FACTS WHICH DISPROVE CHARGES

Let us see what actually happened in the calendar year 1938 as to these 16 commodities and then go back and compare it with what happened in the days of glory when Mr. Hoover and the Republicans were "protecting" the farmer.

Let us examine my colleague's list of products on which the American farmer has been sold down the river. To satisfy my curiosity I obtained the official import and export figures of the Department of Commerce covering the calendar year 1938 and earlier years. And I propose to tell you what the gentleman from Massachusetts failed to tell you.

WHAT ABOUT CATTLE?

He starts his list with cattle. Imports of cattle on which duties had been reduced by the trade agreements declined sharply in 1938, whereas imports of cattle paying the Hawley-Smoot rate of 1930 sharply increased. More than half of all cattle imported during the year paid duty at the Hawley-Smoot rate because they were of classifications on which no concession had been granted. As for the others, they came in at precisely the same rates of duty as those fixed in the Fordney-McCumber Act of 1922, of which the gentleman boasted that it afforded protection to the farmers.

Our concessions to Canada in the trade agreements had merely restored those rates, which had been raised to even greater heights by the Hawley-Smoot tariff of 1930. And we not only kept the Fordney-McCumber duty but limited the number of cattle that could come in under it by definite quotas. When or if these quotas are exceeded, the excess must pay the Hawley-Smoot rates. Certainly, cattlemen and

dairymen will not discard common sense.

Second on his list is swine, on which the duty was cut, in the new agreement with Canada, from 2 cents a pound to 1 cent a pound. We imported swine last year to the value of \$4,660, while we exported \$15,054 worth. In 1931, under the Hawley-Smoot Act, we imported more than twice as many hogs as we did in 1938. Certainly, people interested in hogs will not be sidetracked, and made to forget.

Now for fresh and chilled pork. Here we come to a bigger item. We imported \$670,585 worth in 1938, and it all came in under the rates of Mr. Treadway's beloved Hawley-Smoot Act of 1930. In the new trade agreement with Canada we did reduce the rate from 2½ cents per

pound to 1½ cents per pound. All we have to judge by as to the effect of that reduction are the figures for January of this year, because the agreement did not go into effect until January 1. These show that we imported during January just \$26,376 worth of pork, or less than one-twenty-fifth of our annual imports last year under the Hawley-Smoot rates. As against these imports, we sold abroad last year pork to the value of \$1,332,008, and lard, which the gentleman from Massachusetts [Mr. Treadway] does not mention, to the value of \$18,294,922.

Moreover, under the new United Kingdom agreement, which Canada's cooperation made possible, the British tariff on lard is removed entirely. I appeal to people interested in pork and lard not to forget and to use their common sense.

Mr. Treadway's last item in his list of meats is bacon, hams, and shoulders. The only reduction in duty on those items made by any trade agreement is in the new Canadian agreement. It reduces the rate from 3½ cents to 2 cents per pound, the reduction to apply only to hams that are not cooked, bened, or canned. Nine-tenths of our 1938 imports of bacon, ham, and shoulders came from Poland and adjacent countries and came in under the full rates of the Hawley-Smoot Act. The great bulk of these imports consisted of tinned hams, and the only concessions on bacon, hams, and shoulders of any sort that in the new Canadian agreement does not apply to tinned hams and will not affect this trade. People must think some for themselves or they will be misled for political purposes.

Under the new agreement with the United Kingdom, we not only get complete elimination of the duty on our wheat and lard, but concessions on many other agricultural products of which Britain takes large quantities. Among these are hams, bacon, and shoulders, for which the import quota was raised by some 13,000,000 pounds. So, people, let us think.

IMPORTS OF DAIRY PRODUCTS SMALL

The largest item on Mr. Treadway's list, measured by the value of imports, turns out to be cheese. The Department of Commerce reports that we imported cheese in 1938 to the extent of \$11,542,015. That seemed to be a lot of cheese, and I wondered about it until I turned back to the figures for the year 1931, when the Republicans had been in power for an unbroken period of nearly 11 years, during which they had thrice raised the tariff.

And what happened in the cheese market that year? Although the depression had been on for 2 years, and although the Republicans had "protected" the American laborer so well he had no wages, the farmer until his wheat was selling at 30 cents a bushel and his corn at 15 cents, we imported into this Republican paradise more than \$14,000,000 worth of cheese. The exact figures for 1931 are \$14,726,376. That was under the beneficent Hawley-Smoot Act which the gentleman from Massachusetts held out to us the other day as the salvation of the farmer, if only we would go back to it. Farmers, dairymen, let us think, and let us not forget.

Take milk and cream. The burden of the story we heard the other day, with its misleading table of farm products on which duties had been lowered, was that milk and cream producers were being ruined by heavy importations of milk and cream from abroad. What actually happened in 1938? I have gone to some little trouble in getting the facts, although not interested, except to keep the record straight.

Milk came into this country to the value of exactly \$1,435 and cream to that of \$7,650. Now go back to the days of the Hawley-Smoot Act, and we find that in 1931 we imported just 69 times as much milk as in 1938 under the trade agreements, and more than 16 times as much cream. There is protection for you, although I must admit that even in the year 1931 the imports of milk and cream were not large enough to affect the income of the dairy farmer, because they were so small even then. But the change, if you insist on measuring advantage by the smallness of imports, was all in favor of the trade agreements. And in the same year, 1938, in which our imports of milk and cream combined were only \$9,085, we exported those

products to the value of four times that figure. Yet some of us may forget and be deceived.

Take eggs in the shell, the reduction of duty on which also alarmed the gentleman from Massachusetts [Mr. Treadway] and other opponents of trade agreements. Imports last year came to just \$43,983, while we exported to the value of \$620,806. That surely is not selling the American farmer down the river. In 1931, under the Hawley-Smoot Act, we imported \$12,000 worth more than we did last year. Oh, farmers, think. Use your brains.

LARGE QUANTITIES OF GRAINS EXPORTED

Now let us examine Mr. Treadway's list of those grains on which Secretary Hull and his helpers are supposed to have ganged up in negotiating these agreements.

First on his list comes barley. It seems we made some concessions on that item in one or two of the agreements, cutting the rate from 20 cents a bushel to 15. Apparently our negotiators, anxious as they are alleged to have been to ruin the American farmer and give away his domestic market, slipped up on this one. For imports of barley during 1938 were just \$70,773, while our exports—what the American farmer disposed of in foreign markets—came to \$9,136,000. Oh, for use by farmers of some gray matter now.

FRUITS ON AN EXPORT BASIS

But oats. Look at what they did to oats, says the gentleman from Massachusetts [Mr. Treadway]. The duty was reduced from 16 cents a bushel to 8 cents, and in 1938 this flooded the American market with foreign oats to the value of exactly \$4,729. In the same year we sold abroad American oats to the value of \$2,726,066. When the Republicans were protecting the farmer in 1931 oats came in from abroad to the value, not of \$4,729, but of about 20 times that amount, or \$92,272. Farmers, oh, farmers, please do not forget.

"A POCKET FULL OF RYE" IMPORTED IN 1938

This brings us to rye, third and last grain on the gentleman's list of 16 major farm products for which the trade agreements are supposed to have ruined the American market. And I ask you to hold your breath for just a moment until I give you the figures. These trade agreement fellows, headed by Hon. Cordell Hull, dickered away 20 percent of the protection for rye, cutting the rate from 15 cents a bushel to 12 cents. And the dastardly foreigners came swarming in with—guess how much? Exactly two bushels during the whole of the year 1938. Two bushels of rye valued at \$3. Meanwhile the American rye grower was selling \$2,298,603 worth of his rye in foreign markets. Farmers, if you are ever deceived once, profit by it.

That exhausts the gentleman's list of grains the growers of which have been victimized, he charges, by the tradeagreements program.

FRUITS ON AN EXPORT BASIS

I find two fruits on his list of 16 major farm products, apples and cherries. He complains that the duty on foreign apples has been cut in the agreements from 25 cents to 15 cents a bushel and he would have you believe that the American apple market has been ruined by the resulting importations. What are the facts? In 1938 apples were imported into this country to the extent of just \$44,063 worth, as against \$53,559 in 1931, in the days of the Republicans and the Hawley-Smoot Act. And in the same year 1938 our American growers were selling apples abroad to the value of \$14,700,890. You apple growers of America should remember and never forget.

The same with cherries, another item on the gentleman's list of 16. We imported \$132,503 worth in 1938 and nearly six times that much, or \$751,018 worth, in 1931. And the same with honey, also on his list. Imports of honey and dextrose last year were \$20,928, whereas we exported \$237,329 worth of honey alone. How can we be made blind to all these facts? Only imbeciles will be made to disregard them.

The gentleman is concerned also about the potato market because we reduced the duty on certain kinds of potatoes. In 1938 we imported potatoes to a total value of \$581,299, whereas in 1931 under the Hawley-Smoot Act we imported \$3,125,664 worth, nearly six times as much. And in 1938 we exported almost three times as many dollars' worth of potatoes as were brought into this country. You people in Maine, Vermont, New Hampshire, and the Dakotas must not forget.

I submit that the gentleman either is exceedingly careless, not to say heedless, of the facts, or he has an amazing contempt for the intelligence of the American farmer.

Of the 16 commodities that he has specially selected to show the disastrous effects of the trade-agreements program on agriculture, we exported in 1938 approximately \$44,000,000 worth and imported nearly \$10,000,000 worth less, or \$34,000,000.

AMERICAN FARMERS GREATLY BENEFITED BY TRADE AGREEMENTS

Of course this is only one side of the picture. The other is stated by the Bureau of Agricultural Economics of the Department of Agriculture, which approaches these questions without bias. If it has any bias at all it is a bias in favor of the American farmer. And what does it say of the effect of the trade-agreements program? In a report published in December the Bureau found that—

available data on foreign trade in agricultural products indicate that trade agreements have substantially benefited American farmers. Agricultural exports to countries with which trade agreements were in effect in 1937 have risen many times more rapidly than those to other countries. The trade agreements have been drawn up in such a way as to prevent imports of commodities competitive with domestic farm products from disturbing American markets. The four agreements concluded during 1938, especially that with the United Kingdom should greatly increase the extent to which farmers benefit from the trade-agreements program.

The Bureau of Agricultural Economics is staffed by experts who are permanent employees and officials of the Government, regardless of whether Democrats or Republicans are in power. They are not so free as the gentleman from Massachusetts to make sweeping statements with no foundation in fact. The conclusion they came to and that I have just quoted is bulwarked by tables showing that whereas our total agricultural exports to all other countries increased during the fiscal year 1937-38 by only 3 percent over the fiscal year 1935-36, our agricultural exports to the 16 countries with which agreements were in effect during that year increased by no less than 53 percent, representing a gain of \$102,000,000. And in the same year agricultural imports from the agreement countries actually fell by 3 percent while imports of agricultural products from all other countries increased by 4 percent.

Remember that these exports of American farm products not only brought in \$102,000,000 in cash from foreign countries, but by reducing the surplus contributed by so much to preventing a worse decline than took place in the all-important domestic market.

When we leave out cotton, of which exports have declined for reasons not directly related to tariffs, we find that our other agricultural exports increased during this period by no less than 108 percent to agreement countries, while to all other countries the increase was only 38 percent.

I cannot believe that even the most hide-bound champion of Hawley-Smootism could be deceived by the table put into the Record January 30 by the gentleman from California [Mr. Gearhart] and approvingly referred to and endorsed here the other day by the gentleman from Massachusetts.

It was a table put out by a discredited organization, as far as representing agriculture is concerned, called the Raw Materials National Council; it purported to show that in 1937 the importations of agricultural products into this country were of a volume sufficient to have provided profitable use for no less than 87,000,000 acres of American land, assuming these products had been home-grown, irrespective of cost.

Even a cursory examination of that table demonstrates its complete absurdity. It is the sort of thing that has been used, and will be again, to deceive the American farmer and the American public. I predict that you will hear re-

peatedly, in the course of partisan discussion and oratory in the next 18 months, that we have let in enough agricultural products from foreign lands to displace 87,000,000 American acres that might otherwise have been profitably used.

The report of the Secretary of Agriculture for 1938 discusses agricultural imports and acreage displacement, as follows:

These consist mostly of noncompetitive things, such as silk, rubber, bananas, tea, and coffee. Among the competing products that we import, the most important are sugar, flaxseed, and wool, which can be produced on the whole more cheaply in foreign countries than in the United States. All told, however, we import, of crops that could be grown in the United States, the equivalent of the production of only 10,000,000 to 15,000,000 American acres. Our exports-producing acreage is much greater. Any further restriction of our agricultural imports would react adversely on our exports. What we import enables foreign countries to buy our exports; if they could not sell and buy here they would sell and buy elsewhere.

This maximum of 15,000,000 acres is a far cry from the fallacious claims of 87,000,000 acres. It is estimated that when our agricultural exports were at their height they represented the employment of some 75,000,000 acres. It is conservatively estimated that about 40,000,000 acres are now employed in producing for export. Secretary Wallace states that trade agreements alone have accounted for regaining from five to ten million acres. Here and now that sort of thing should be examined for what it is and once and for all squashed.

GROWING PETROLEUM BY FARMERS AND SWALLOWING REPUBLICAN GAS

Now let us take just one item in this fabulous list—this hypothetical acreage displacement of imports. Remember that this table is made to appear as a displacement of agricultural products. To our surprise we find petroleum listed. Yes, petroleum products are apparently included as an agricultural product by an opposition which is hard pressed for a case. It may be in line with Hoover's recommendation of "oxygen of opposition." The imports for that year are inaccurately stated as 60,000,000 barrels, and we are not told that about 27,000,000 barrels came in bonded for supplies of vessels or for manufacture and export, to the benefit of American workers. In the same year our exports of petroleum products amounted to more than 164,000,000 barrels.

Now, what does the ingenious clairvoyant author of this table do with his 60,000,000 barrels of imported petroleum? He translates it into acres and finds that if it had been produced from corn, rye, artichokes, potatoes, or sawdust, here at home, it would have required 25,200,000 acres to produce. I marvel at the late hours, the profound thought, the intensity of interest, necessary to the calculation.

He has the grace to add a footnote explaining how he arrived at this figure. It says:

Displacement of acreage by crude petroleum figured on the basis of power alcohol required to replace such imports.

One, so reasoning, is wasting his time fooling with statistics. He should be writing mystery stories or turning out Hollywood farce comedies. He should be in some place where his imagination would be appreciated.

If he is right in this argument; if the gentleman from California, and the gentleman from Massachusetts who quoted him with so much respect be right, then we should blow up every oil well in Texas and Arkansas and California and Oklahoma and Pennsylvania and Ohio and Illinois, and all the other oil-producing States and make them quit robbing the American farmer of his market for power alcohol. Will the American farmer be deceived by such deductive and seductive reasoning? If so, I shall lower my estimate of his common sense.

Equally absurd is the showing of acreage displacement of imported chemicals, leather gloves, shoes, and other manufactured products. Why are the imports of steel, metals, coal, and clay products, and even toys included in a table headed "Foreign Crops Displace American Farm Products"? I do not believe American farmers are as

gullible as the author of this masterpiece of propaganda believes. Just think of steel, metals, coal, clay, and toys listed as crops or farm products. Farmers, I call upon you to use your brains as well as your muscles.

SHOULD WE RETURN TO HAWLEY-SMOOT INSANITY?

I have as much respect as any man for the achievements of industrial chemistry, and I am convinced that it is destined to accomplish great things in finding new uses for our farm crops, both old and new. But an argument against the trade-agreements program based on the proposition that we should quit using petroleum and instead run our automobiles with power alcohol, at this stage of development, is too false and ridiculous to merit serious discussion. And I cite it merely as an example of the lengths to which blind partisanship will go and the means to which it is willing to resort.

The trade-agreements program is not a panacea, not a cureall. It cannot wipe out the millions of acres of new wheat and cotton land in other countries and it cannot nullify the paralyzing effects of the constant threat of war and disaster that hangs over the world. It cannot remove in a day so many trade obstructions defensively erected to our high tariffs. But it is a constructive, healing influence in the world trade, in the bread-and-butter world that concerns us all. And if ever the nations return to sanity and peace this program and the spirit behind it will be found by historians to have made its great contribution.

Let me close by quoting the words of one of our great independent newspapers—a newspaper that has not hesitated to attack the New Deal and the Democratic Party when it could not agree with certain policies but whose course through the years has entitled it to the respect of Americans regardless of party. Said the St. Louis Post Dispatch in an editorial on March 3 of this year:

The announcement that Republican leaders in Congress plan to make repeal or emasculation of the reciprocal-trade treaties a major issue in 1940 is keenly disappointing. From the standpoint of opportunistic politics it may be a sound move, but by standards of statesmanship it is palpable demagogy.

If a return to the Hawley-Smoot insanity is the best we can be a force from prairing Papublicanism it is evident that the post in the standard of the post in the standard of the post in the standard of the post of the post

hope for from reviving Republicanism, it is evident that the party has less than nothing to offer in the way of the restoration of a sound economy.

Sound economy.

Senator McNary and Representative Martin, minority leaders in their respective Houses, make it clear they believe that repeal of the reciprocal-trade pacts would be a popular issue with the farmers. Admittedly, the farmers have been led to believe in certain cases that a slight increase in agricultural imports, principally from Canada, has depressed domestic prices. Governor Heil picked up some votes on this issue in his campaign for chief executive of Wisconsin.

But we venture the assertion that there is not one agricultural

executive of Wisconsin.

But we venture the assertion that there is not one agricultural economist of note in the United States but will say that over the long haul the reciprocal-trade program is highly beneficial to the farmer. It has been shown that a lowering of farm tariffs by the reciprocal-trade pacts has been a trifling factor in the fall of agricultural prices. There is one Republican leader who has been doing some hard thinking and frank talking about farm tariffs. Col. Frank Knox says:

"To attempt to help the farmer by promising him higher and higher tariffs on his products is naught but a red herring drawn across the trail to divert him from attack on the excessively high

across the trail to divert him from attack on the excessively high tariff rates on domestic manufactures. * * * The only time tariff rates on domestic manufactures. * * * The only time a tariff on domestic farm products can be of the slightest use to the American farmer is during a season of unusual drought, or crop shortage from some other causes, and then it is always at the expense of the American consumer."

The deep-rooted illness of American agriculture will never be cured by farm tariffs, or by subsidies. It can be cured only by reasonable steps to subject the commodities the farmer must buy to regulation by the same world forces which set the prices of the commodities the farmer produces.

The fairest and most feasible approach to this end is Secretary.

The fairest and most feasible approach to this end is Secretary Hull's reciprocal trade program. We believe the farmer, given time to think the matter through, will recognize the anti-trade-treaty propaganda for the red herring that it is.

Mr. Speaker, as I stated in my remarks of April 3, the American farmer, laborer, and consumer should beware, be cautious, be on his guard, and take careful heed, use his common sense, because partisan politics may influence, if not warp, his judgment if he does not.

National Rivers and Harbors Congress

EXTENSION OF REMARKS

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

RESOLUTIONS ADOPTED BY THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. ANGELL. Mr. Speaker, the Thirty-fourth Annual Convention of the National Rivers and Harbors Congress was held in Washington, D. C., March 23-24, 1939. This organization is composed of outstanding leaders in the United States who are interested in the program of development and improvement and conservation and effective utilization of our water resources and particularly the development of rivers, harbors, and waterways for transportation purposes and national defense

Our distinguished colleague, Mr. Dewey Short, is the president of the association.

The National Rivers and Harbors Congress at this convention adopted certain resolutions which are of great interest to the Members of the Congress. Among others, it went on record as favoring an effective program for the development of our national waterways, flood-control, reclamation, and conservation projects, and resolved that these activities be continued as functions of the Army Engineer Corps under the Secretary of War and the supervision of the Chief of Engineers, that adequate funds be provided for the continuation of such projects, that our navigable waterways ever be deemed public highways, freed from tolls, and that cognizance of the national-defense value of such waterways and the American marine be strengthened for national defense and commerce.

It also adopted a resolution opposing legislation having for its purpose the attempt on the part of the Federal Government to claim ownership of submerged lands, title to which throughout our history has been recognized to be in the several States of the Union wherein such lands lie.

The resolutions adopted by the National Rivers and Harbors Congress are as follows:

RESOLUTIONS UNANIMOUSLY ADOPTED BY THE THIRTY-FOURTH AN-NUAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS, WASHINGTON, D. C., MARCH 23-24, 1939

This congress, a national organization representing every State in the Union, the Territories and insular possessions of the United States, reaffirms resolutions adopted at its 1938 sessions and reasserts its interest in the development, improvement, conservation, and utilization of our rivers, harbors, waterways, and water resources and in all matters relating thereto, and adopts the following resolutions while assembled in its thirty-fourth annual convention at Washington, D. C., March 23-24, 1939:

FUNCTIONS OF THE CORPS OF ENGINEERS OF THE UNITED STATES ARMY We recommend that hereafter all duties now performed by the Chief of Engineers under the direction of the Secretary of War shall be functions of the Engineer Corps, United States Army, and its head to be administered under the direction of the Secretary of War and the supervision of the Chief of Engineers, except as otherwise specifically provided by act of Congress.

RIVER AND HARBOR LEGISLATION We recommend the passage of a new river and harbor bill at the present session of Congress to include both the authorization of complete projects and the approval of plans for certain large comprehensive projects with partial authorizations for initiating these larger projects for which complete authorization may not be advisable at this time. This legislation is urged in order that our waterway development program be kept in pace with our rapidly expanding business requirements and that additional navigation facilities may be provided to meet the growing demands of commerce and may be provided to meet the growing demands of commerce and industry and in such connection we emphasize the importance of completing as early as possible the connecting links in the intra-coastal and inland waterway systems.

PLANNING AND EXECUTION OF IMPROVEMENTS OF OUR WATER RESOURCES FOR NAVIGATION, FLOOD CONTROL, AND ALLIED PURPOSES

We recommend that all planning and execution of public improvements of our water resources for navigation, flood control,

and allied purposes continue as in the past to be under the jurisdiction of the War Department as a function of the Corps of Engineers, in cooperation with other existing Federal agencies. Similarly the operation and maintenance of navigation improvements and the prevention of their injury by commercial wastes or pollution should be a duty of the corps. We reaffirm our faith and confidence in the Corps of Engineers whose devotion to this Nation confidence in the Corps of Engineers whose devotion to this Nation and loyalty to the Chief Executive have made possible the orderly and efficient development of the greatest waterway and flood-control projects on earth. In their many years of experience they have met several emergencies, such as during the latest depression when work on highly useful projects designed by them provided employment to hundreds, even thousands, that would otherwise have been on relief. Furthermore we believe that only through the plans developed by the Corps of Engineers can we secure a consistent and coordinated improvement of our water resources.

APPROPRIATIONS

We recommend that the Congress of the United States assure ample annual appropriations to advance the construction of authorample annual appropriations to advance the construction of authorized projects for river and harbor improvements and flood control in the interest of providing works of lasting value to the public and of furnishing widespread employment. We believe that such work is one of the best means of giving direct employment to a large number of skilled and unskilled workers and indirect employment to many basic industries of our Nation. We believe the 1939–40 Budget estimates for navigation and flood control are entirely too low and should be increased by the administration in accordance with the recommendations of the Corps of Engineers before the nonmilitary appropriation bill reaches the floors of Congress.

HYDROELECTRIC POWER

We recommend that where plans call for the development of We recommend that where plans call for the development of hydroelectric power in connection with the construction of a dam for flood control, the planning and execution of such dam and the generation of electric power involved shall be under the jurisdiction of the agency responsible for the project and the power shall be turned over at the switchboard to the Federal Power Commission for distribution and sale. We believe that Federal planning, execution, operation, and maintenance of public improvements relating solely to the distribution and sale of electric power should be under the jurisdiction of the Federal Power Commission.

IRRIGATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating solely to irrigation should continue under the jurisdiction of the Interior De-

SOIL CONSERVATION AND REFORESTATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating to the prevention of soil erosion and to reforestation, including such estimates of run-off and water-flow retardation in the various watersheds concerned as are considered to have useful or practical values, should continue under the jurisdiction of the Department of Agriculture.

NATIONAL DEFENSE

For many years European nations have recognized the national defense value of their inland waterways. Experience during the World War justified their recognition. In this country existing World War justified their recognition. In this country existing waterways connect strategic areas and plans for more direct and improved connections have been made. It is accordingly urged that Congress consider this added value of our waterways when acting upon legislation and appropriations for navigation improvements. At this time when the greater portion of the civilized world is being forced to place national defense above all other issues it is fitting that we consider the great defense value of our water routes for transporting bulk commodities from production to manufacturing areas to supplement and relieve other means of transportation which are sorely overburdened in national-defense transportation which are sorely overburdened in national-defense emergencies.

FOR NAVIGABLE WATERWAYS

We emphasize the traditional policy of free navigable water-ways in the United States and we recommend that our waterways be deemed public highways and remain free forever. The suggested tonnage tax or tolls in any form on water-borne commerce is particularly obnoxious to us. We are unalterably opposed to the control and regulation of the water transport services upon the inland waterways, intercoastal, coastwise, and lake areas by any regulatory commission.

AMERICAN MERCHANT MARINE

We believe that an American merchant marine, sufficient to promote our commerce and effectively aid in our national defense, is essential to the public welfare, and we recommend that Federal aid necessary to maintain and increase our merchant marine be

OWNERSHIP OF SUBMERGED LANDS

OWNERSHIP OF SUBMERGED LANDS

Enactment by the Congress of the United States of any legislation attempting to assert or claim title or rights to any land or bottoms or minerals thereunder not presently owned by the United States under any waters or waterways is repugnant to the National Rivers and Harbors Congress, as it will deprive present owners and claimants of property rights without due process of law, many of these bottoms being owned by some States and in other instances is the property of individuals. We particularly condemn legislation now pending in Congress known as Senate Joint Resolution 24 and all similar legislation. We further condemn same as an invasion of

States' rights, a violation of those rights guaranteed to property owners by the Constitution.

FLOOD-CONTROL RESERVOIRS

In order to insure the maximum protection of life and property from the destructiveness of floods, reservoirs, built for flood control under the provisions of flood-control legislation, should be designed and operated so that such reservoirs cannot be used for any purpose other than flood control until, in the judgment of the Army engineers, flood protection has been fully safeguarded.

APPROPRIATION RIDERS

We oppose as unsound policy any limitation in appropriation bills which may curtail, delay, or invalidate the construction of rivers and harbors or flood-control projects already authorized by Congress.

ARKANSAS RIVER NAVIGATION

ARKANSAS RIVER NAVIGATION

We urge early completion of the economic survey of the Arkansas River for navigation. Though the Arkansas is one of the major tributaries of the Mississippi system, it is yet the only one not now navigable. Traversing the States of Arkansas, Missouri, Oklahoma, Kansas, Texas, New Mexico, and Colorado, the Arkansas Valley is one of America's great storehouses of natural wealth. Here, in the region of the highest average rail-freight cost in the Union, is deposited 95 percent of our bauxite clay, half our lead and zinc, one of our major sources of petroleum and petroleum products, and one of our most extensive high-grade coal deposits, including the largest deposit of anthracite coal outside of Pennsylvania. The Arkansas region includes America's greatest winter-wheat acreage and one of our major cotton areas. Here are mountains of gray iron and manganese yet untouched, the world's greatest potash field, the only dependable source of helium gas within the continental limits of the United States, vast deposits of glass sand, wide pools of asphalt, extensive areas of commercial salt, tripoli, marble, granite, and limestone—resources essential to our economic welfare and our national life. We anticipate the day when a navigable Arkansas will complement the Mississippi River system.

RECLAMATION REQUIRED TO REHABILITATE 100,000 FARM FAMILIES

The National Rivers and Harbors Congress urges that adequate funds be provided to enable the Bureau of Reclamation, Department of the Interior, to expedite the construction of soundly conceived reclamation projects, in order to provide greatly needed irrigated land for more than 100,000 farm families—half a million persons—uprooted by circumstances beyond their control, who have moved into the arid and semiarid States seeking irrigated land for opportunities to make a pew start in life and each pecual because selfopportunities to make a new start in life and again become selfsupporting.

Unless these families are reestablished promptly they will add heavily to relief rolls and their situation become hopeless, while the solution of their problem lies in the "planned settlement on new reclamation and irrigation projects." And that a rehabilitation program, with sufficient appropriations, be instituted promptly to conserve and utilize water supplies in the Great Plains area.

Let's Sing Our National Songs

EXTENSION OF REMARKS

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, a philosopher one time said, "I care not who writes the Nation's laws, if I may listen to its songs." It may be that we who occupy legislative halls need to take second place in the great work of influencing the thoughts and action of our fellow citizens. In these turbulent and trying days the stack of mail on the desk of every Congressman is loaded down with suggested plans for remaking our society, inspiring patriotism, inducing love of country, and saving the Nation through a sort of mental therapy from the destructive germs of "isms" which fill the air. Patriotic organizations suggest the teaching of American history, or the study of the Constitution, or the making of pilgrimages to our national shrines, or our rededication to the Bill of Rights, or other proposals designed to have desired effects upon our patriotic ideals. Some of these plans are good, and I approve of them; however, I want to offer another which is not new because it has been offered before. It seems too simple to be effective, and yet I believe it is as effective or more so than some of the other plans proposed.

My suggestion is that we have more of the singing of our patriotic songs in the schools and in all groups where it can properly be done. A national poll recently revealed the astounding fact that only 1 out of 8 citizens claimed to know the words of our national anthem. From my observation, I doubt whether 12 percent of our adult citizens know half of the words of our national anthem. Because of this astonishing lack a great newspaper recently printed the words and music of The Star-Spangled Banner and distributed free many thousands of copies. That was an act of public service which I commend and would like to see other publishers copy.

While we have only one national anthem formally adopted as such, we have several patriotic songs, any one of which is worthy to be the national anthem. Besides The Star-Spangled Banner, which I wish every school boy and girl and every adult citizen knew, we have Catherine Lee Bates' America the Beautiful and the anthem America, with two sets of words to the same tune. Thus with these three titles we have the equivalent of four great patriotic songs. To know and appreciate these should be the noble aim of all American citizens. In America the Beautiful, by Catherine Lee Bates, we have a gloriously descriptive picture of our country from the grey Atlantic to the sunny Pacific. Besides description, there is historical delineation, prophetic insight, and prayer, all embodied in the words of this song. To understand the song completely is to know and appreciate American history. These are the words:

O beautiful for spacious skies, For amber waves of grain, For purple mountain majesties Above the fruited plain! America! America! God shed His grace on thee And crown thy good with brotherhood From sea to shining sea!

O beautiful for pilgrim feet,
Whose stern, impassioned stress
A thoroughfare for freedom beat
Across the wilderness!
America! America!
God mend thine every flaw,
Confirm thy soul in self-control,
Thy liberty in law!

O beautiful for heroes proved In liberating strife, Who more than self their country loved, And mercy more than life! America! America! May God thy gold refine, 'Till all success be nobleness, And every gain divine!

O beautiful for patriot dream
That sees beyond the years
Thine alabaster cities gleam
Undimmed by human tears!
America! America!
God shed His grace on thee
And crown thy good with brotherhood
From sea to shining sea!

The Star-Spangled Banner has been officially adopted as the national anthem. Its stirring words and martial music make it appropriately a war song. It was hatched from a cannonball like an eagle from an egg. To know the author, the words, and the circumstances under which the song was written is a truly patriotic lesson. These are the words of the national anthem:

Oh say, can you see by the dawn's early light,
What so proudly we hailed at the twilight's last gleaming—
Whose broad stripes and bright stars, thro' the perilous fight
O'er the ramparts we watched were so gallantly streaming?
And the rocket's red glare, the bombs bursting in air,
Gave proof thro' the night that our flag was still there;
Oh say, does that star-spangled banner yet wave
O'er the land of the free and the home of the brave?

On the shore dimly seen thro' the mists of the deep, Where the foe's haughty host in dread silence reposes, What is that which the breeze, o'er the towering steep, As it fitfully blows, half conceals, half discloses? Now it catches the gleam of the morning's first beam, In full glory reflected now shines on the stream. 'Tis the star-spangled banner, oh, long may it wave O'er the land of the free and the home of the brave!

Oh, thus be it ever when free men shall stand,
Between their loved homes and the war's desolation!
Blest with vict'ry and peace, may the heav'n rescued land
Praise the Pow'r that hath made and preserved us a nation!
Then conquer we must, when our cause it is just,
And this be our motto: "In God is our trust."
And the star-spangled banner in triumph shall wave
O'er the land of the free and the home of the brave.

For many years it has been the custom of service clubs, and fraternal, civic, and patriotic organizations, to sing "America," or at least one stanza of it, to open their sessions. It is a good practice. The pity is that not more time is taken and more stanzas sung. But "America" has more than one set of words. The following words written by Samuel Smith are commonly thought of as our national hymn:

My country, 'tis of thee, Sweet land of liberty, Of thee I sing; Land where my fathers died, Land of the pilgrims' pride, From every mountain side Let freedom ring.

My native country, thee, Land of the noble free— Thy name I love; I love thy rocks and rills, Thy woods and templed hills; My heart with rapture thrills Like that above.

Let music swell the breeze,
And ring from all the trees,
Sweet freedom's song;
Let mortal tongues awake,
Let all that breathe partake,
Let rocks their silence break—
The sound prolong.

Our fathers' God, to Thee, Author of liberty, To Thee I sing; Long may our land be bright With freedom's holy light; Protect us by Thy might, Great God, our King.

At the special meeting of Congress, in joint session, on March 4, 1939, when we celebrated the one hundred and fiftieth birthday of this great national lawmaking body, we had here some notable singers, one of whom sang the other words of America, which he thought appropriate for the occasion. The interesting thing was that some of the Members of Congress were strangers to those words and misunderstood what he sang. These are the other words of America written by Lowell Mason:

God bless our native land, Firm may she ever stand Through storm and night, When the wild tempests rave. Ruler of wind and wave, Do Thou our country save By Thy great might.

For her our prayers shall rise To God above the skies On Him we wait; Thou who art ever nigh Guarding with watchful eye, To Thee aloud we cry, God save the state!

Not for this land alone But be God's mercies shown From shore to shore, And may the Nation see That men should brothers be, And form one family The wide world o'er.

In the schools of our land may these memorable words be learned and these stirring songs be sung with pride and pleasure by America's future citizens. If this be done, we need have little fear about the quality and spirit of those future citizens.

APPENDIX TO THE CONGRESSIONAL RECORD

Progress in Flood Control

EXTENSION OF REMARKS

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

ADDRESS OF HON. WILL M. WHITTINGTON, OF MISSISSIPPI, BEFORE THE FORTY-FOURTH ANNUAL CONVENTION OF THE OHIO VALLEY IMPROVEMENT ASSOCIATION, PITTS-BURGH, PA.

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on Tuesday, April 11, 1939, at the Forty-fourth Annual Convention of the Ohio Valley Improvement Association, Pittsburgh, Pa., to wit:

It is appropriate to speak of the progress in flood control in Pittsburgh. For 86 years continuous flood records have been kept. During this period there occurred 97 floods, of which 10 were major or large floods

The Pittsburgh Flood Commission was organized following the disastrous flood of 1907. Intensive investigations were made. A report was published. Reservoirs were proposed. Nothing tangible resulted, but the work of the commission awakened public opinion. The Corps of Engineers of the United States, during the years from 1924 to 1929, conducted an independent study of flood protection on the Allegheny. Monographical and upper Obio Pivers. This

tion on the Allegheny, Monongahela, and upper Ohio Rivers. This report was not published. Designs for some 11 storage reservoirs on tributaries on headwaters of the Allegheny and Monongahela Rivers were developed. The report of the Corps of Engineers was made available to the engineers of the Pittsburgh Flood Commission, and in 1930 that commission made another report, reviewing and comparing previous investigations.

The promoters of the commission were men of vision. While return was not accomplished and while the commission.

The promoters of the commission were men of vision. While actual protection was not accomplished, and while the commission was handicapped, the work of the commission was not in vain. The leaders knew that while the press and the people forget when the floods have passed, the danger still existed. They continued their fight. Nothing was done. On St. Patrick's Day in March 1936, the maximum flood of record came rushing down from both the Allegheny and Monongahela Rivers at the same time. Much of the "golden triangle" was overflowed to a depth of 15 feet. Portions of Pittsburgh were inundated by as much as 20 feet of water. The damages totaled about \$50,000,000. National interest was focused upon the situation.

There was a serious flood in New England at the same time. The sufferings and the destructions of these two floods served to stir the people of the Nation and crystallized public sentiment for flood control. Without the Pittsburgh flood the act of 1936 would have been impossible. The destruction in the Ohio Valley was not in vain. Great improvements in a democracy are not

would have been impossible. The destruction in the Ohio Valley was not in vain. Great improvements in a democracy are not undertaken as a result of previous wisdom but are adopted because of necessity. Pittsburgh, therefore, is largely responsible for the first national flood-control act ever adopted by Congress.

Nine reservoirs were approved for the protection of the Pittsburgh area. Within a year the greatest flood of all times occurred in the lower Ohio Valley. The crest was 11½ feet lower at Pittsburgh than in 1936 but the highest of record at Cincinnati and Louisville. The construction of the protective works for the city of Pittsburgh was emphasized.

Pittsburgh was emphasized.

It is a source of satisfaction that the Tygart Reservoir for both navigation and flood control has now been completed and that the Tionesta and Crooked Creek Reservoirs are almost half completed. Meantime the Mahoning Creek Reservoir has been begun and the extensive channel improvement works at Johnstown are well under way. Funds have been allocated to Conemaugh and to Loyalhanna Creek Reservoirs.

In this city and on this delightful occasion I gladly pay tribute to the Pittsburgh leaders who advocated national flood control through long, disappointing, and discouraging years. I trust that the people of Pittsburgh and Pennsylvania, while others quibble, will continue to cooperate with the Corps of Engineers of the United States Army so that flood protection may be provided for the people and property of this city.

FORWARD STEP

The act of June 22, 1936, was a step in the right direction. The act of June 22, 1936, was a step in the right direction. It was an excellent beginning, but it did not meet the general demand. The constructive feature of the act was the establishment of a national policy. While others advocated delay, while additional planning was urged, a policy was established. Flood-control works, including levees and river walls for downstream protection, and reservoirs for upstream control, were placed under the Corps of Engineers of the United States Army. Water retardation, soil conservation, and reforestation were placed under the Department of Agriculture. Downstream works were supplemented by upstream conservation. conservation.

There has been no conflict. The two Departments have cooperated. Flood-control works and conservation have been coordinated. The act of August 28, 1937, provided primarily for emergency projects in the lower Ohio Valley, following the great flood of that year. The constructive plans of the War Department and the Department of Agriculture were strengthened, but the country demanded flood protection for the entire Ohio Valley and for the Notice. Nation.

ACT OF 1938

After exhaustive hearings in 1937 and 1938 by the Flood Control Committee of the House of Representatives, the Flood Control Act of 1938 was finally passed. It is the most comprehensive legislation to provide flood control ever passed by this or any other country. Three hundred and seventy-five million dollars was authorized to

be expended over a period of 5 years.

No new agencies were established, but existing agencies, familiar with the problems involved, that have been planning for years and that have devoted years not only to planning but to construction, were utilized in the policy declared in the act of 1938, as they were in the act of 1936.

The act of 1938 continues and expands the policy adopted in the

acts of 1936 and 1937.

AUTHORIZATIONS

The act provides for flood-control works in the principal drainage basins of the Nation, including the Connecticut, the Ohio, the upper Mississippi, the Missouri, the White, the Arkansas, and the Red Rivers, and including the Santa Ana River Basin in the Los Angeles area and the Willamette River Basin in the Pacific Northwest.

PROGRAM

For 10 years the Corps of Engineers had conducted studies and investigations. Local agencies, like the Pittsburgh Flood Commission, had supplemented the engineering studies of the Corps of Engineers. There was universal sentiment that it was time for action; there had been enough planning. Congress and the country had thought the matter through. A definite program was adopted. Sound flood-control works were authorized and the execution of the planning and of the construction was placed in the Corps of Engineers of the United States Army. There was a definite plan for each river basin. All of the projects

authorized will fit into that plan. Authorizations were made to initiate the plans, but each project authorized will fit into the comprehensive plan approved. Funds cannot be diverted from one basin to another; they must be spent where they are authorized or they cannot be spent at all.

The problem is attacked on all fronts. Flood walls and river walls are authorized for priority and emergency protection. Reservoirs on the tributaries are authorized to detain the waters at their source. Wherever power can be developed, provision is made for such power. Wherever there is conservation, conservation is provided for.

The principle of local contribution is recognized and reaffirmed, but such contribution is confined to local protective works consisting primarily of levees and flood walls. All flood-control act, including the Mississippi River Flood Control Acts, provide that the local interests must furnish the rights-of-way for levees and flood walls.

Under the act of 1936 some 44 reservoirs were authorized. About six are under construction. Under the act of 1936 the local interests were required to furnish the lands and rights-of-way for reservoirs. There were two partial exceptions—the local contribution was reduced in the Pittsburgh area and in the New England area. In these areas, the local contribution for reservoirs. bution was reduced in the Pittsburgh area and in the New England area. In these areas the local contribution for reservoirs was less than in any other areas of the United States. There was general agreement that, except in the Pittsburgh area, in the New England area, and in certain semiarid regions in the West, where the costs of rights-of-way were negligible, a reservoir system for flood control would not be constructed.

The act of 1938, therefore, for the first time, provides that reservoirs for flood control shall be constructed at the expense of the Federal Government. Authorizations are made for reservoirs in the several drainage basins. They will be constructed in the order of their priority, as selected by the Chief of Engineers. Many reservoirs are eligible. The reservoirs, therefore, will be first constructed where the local interests cooperate most generally.

The act of 1938, as it passed the House, provided that the Federal

The act of 1938, as it passed the House, provided that the Federal Government was to pay 70 percent of the costs of lands, easements, and rights-of-way for reservoirs and dams for flood control. As finally passed, it provides for the payment of 100 percent from the Federal Treasury. If the argument for the Government paying the greater part of the cost of reservoirs is sound, the argument for paying all of the costs is much more sound. paying all of the costs is much more sound.

For my part I have advocated for years that if reservoirs are to be utilized in solving the problem of national flood control, they will never be generally constructed unless the Federal Government assumes the entire costs.

EXHAUSTIVE HEARINGS

Loose statements have been made that no hearings on the con-struction of reservoirs at the cost of the Federal Government were struction of reservoirs at the cost of the Federal Government were conducted. At all hearings on flood-control projects, including the Mississippi River Flood Control Acts of 1928 and 1936, and including hearings on the National Flood Control Acts of 1936, 1937, and 1938, advocates of national flood control at national expense have appeared before the Flood Control Committee. For 10 years champions from various parts of the United States have appeared not not be all of down and recovery but for least parts of the control protection. only in behalf of dams and reservoirs but for local protective works

at Federal expense. During the hearings on the flood-control bill of 1938, and previously, there were advocates, including representatives from New England, Oklahoma, and other States who appeared and advocated dams and reservoirs at the expense of the National

There is not much difference between 70 percent and 100 percent, particularly when the 100 percent is better safeguarded for the Federal Treasury than the 70 percent.

Federal Treasury than the 70 percent.

Reservoirs in one State protect another State. Reservoirs in one county protect another county. I repeat, therefore, that a reservoir system for flood control will never be constructed unless the costs are borne by the Federal Treasury.

As I have stated, the requirements for local contribution in other areas were modified for the benefit of Pittsburgh, Pa., Hartford, Conn., and Lowell, Mass., in the act of 1936. A further modification with the same yardstick for every basin is a constructive step. Pittsburgh, one of the most prosperous and wealthy of American cities, will continue to pay indirectly for flood protection, but under the act of 1938 the same yardstick will apply to Pittsburgh that applies to all other sections of the country. to Pittsburgh that applies to all other sections of the country

POWER

Pen stocks may be installed under the act of 1936, but the act of 1938 goes a step further. It provides that pen stocks shall be installed whenever approved by the Secretary of War, upon the recommendation of the Chief of Engineers and the Federal Power Commission. Substantially all of the reservoirs adopted in the Flood Control Act of 1938 are primarily for flood control. Generally, reservoirs for power and flood control are incompatible. An empty reservoir is necessary to detain floodwaters. A full reservoir is necessary to develop power.

It must always be remembered that the Chief of Engineers selects the reservoirs that are to be constructed, and approves the order and priority of their construction. There should be no conflict between the Federal Power Commission and the Chief of Engineers. Pen stocks may be installed under the act of 1936, but the

Engineers.

The apprehension with respect to the Government engaging in power development as a result of the 100 percent costs of dams and reservoirs is without foundation. With the exception of two, and possibly four, of all of the dams authorized in all of the basins, no possibly four, of an of the dains attorized in an of the basins, no provision is made for power. Moreover, there is no provision for the generation of power. If power is to be developed at any dam authorized in the act, with two and possibly four exceptions, if will be necessary for the plans to be changed and approved by Congress. There is no provision in the act that provides for superseding any existing State law with respect to the use or appropriation of waters. tion of waters.

NATIONAL, NOT SECTIONAL

Many erroneous ideas are current and often incorrect statements are made with respect to flood control and navigation improvements. It is asserted that some regions have been favored and others have been neglected. I believe that Federal expenditures should be generally distributed. I advocate that consideration be given to all sections of our country.

The Ohio and Mississippi Rivers have been improved for navigation since 1824, but prior to 1917 flood control along the lower Mississippi River was incidental to navigation, and prior to 1936 the Federal Government had constructed substantially no flood-control works along the Ohio River. Meantime the people in the lower Mississippi Valley had themselves expended from \$350,000,000 to \$400,000,000 to protect their lives and property from the accumulated floodwaters of two-thirds of the entire country.

The total expenditures for navigation along the lower Mississippi River by the Federal Government from the beginning up to June 30, 1938, amounted to \$124,000,000, while \$361,000,000 had been expended for navigation along the upper Mississipi River \$250,-000,000, along the Illinois River \$28,000,000, and along the Missouri River \$161,000,000, while there had been expended in the construction of the Fort Peck Dam, primarily for navigation, with incidental flood-central herefits.

River \$161,000,000, while there had been expended in the construction of the Fort Peck Dam, primarily for navigation, with incidental flood-control benefits, approximately \$95,000,000.

Substantially no expenditures have been made by the local interests for flood protection in the Ohio Valley or along the Connecticut and Merrimack Rivers, but the Federal Government during the same period had expended for navigation along the Ohio River and its tributaries, including the Allegheny and Monongahela Rivers, 2271,000,000.

There are located in the Ohio Basin the greatest industrial enterprises on earth, and the time has arrived for the Nation to protect the lives and property of the people in the Ohio and other valleys of the Nation, just as the Federal Government has heretofore promoted the improvement of rivers and harbors for navigation.

EMOTIONALISM-STATE RIGHTS

Loose statements have been made and repeated that the Flood Control Act of 1938, and especially the provisions for construction of flood-control reservoirs at national expense, is revolutionary. The authorization for condemnation without the consent of the States has been loudly denounced. Much emotionalism has been indulged in. Ambitious statesmen and near statesmen have seized the opportunity for political and partisan purposes.

The doctrine of State rights has been invoked. This term is often used as a cloak to cover purposes that would otherwise command but little respect. The use of the term with regard to the act of 1938 is running true to form. I repeat, as I have heretofore stated, that much hollow bombast surrounds the alleged invasion of State rights. I hail from the State of Jefferson Davis.

Mississippians have ever stood for State rights. The very name of Jefferson Davis is synonymous with State rights.

Again, as a citizen of the alluvial valley of the lower Mississippi River, I have lived under the perpetual menace of floods. I know the awful meaning of the menace. I am naturally sympathetic with flood problems in Pennsylvania and New England, although the problems in these areas are much smaller than the problems confront those who dwell in the valley of the father of rivers, as well as the father of floods.

It has been said that the power to acquire lands and rights-ofway for reservoirs is an invasion of State rights. The spokesman for State rights is Gov. George D. Aiken, of Vermont. It has been alleged that the power to condemn without the consent of the State is an invasion of State rights.

There is a State sovereignty, but there is also a national sov ereignty. If flood control along navigable rivers is a national problem to be solved by the Federal Government, it must follow as the night the day that the Federal Government is sovereign in the solution of the problem. If flood control is a national problem, the Federal Government must have the power of eminent domain

as the night the day that the Federal Government is sovereign in the solution of the problem. If flood control is a national problem, the Federal Government must have the power of eminent domain to build dams and to construct reservoirs, and at the same time to protect the Federal Treasury. It is unthinkable that utility companies, that railroad companies, and other public-service corporations in Mississippi, Vermont, and Pennsylvania have the power of eminent domain and that power be denied to the United States in the exercise of its Federal function of flood control to protect the lives and property of the people of the Nation.

There is nothing new, novel, or revolutionary about the power to acquire property either by condemnation or purchase without the consent of the States. The War Department has had such power for 60 years in navigation works along the Ohio River, and in all river and harbor work. The power to condemn is an inherent power of the sovereignty of any government—local, State, or national. The Federal Government has the power to condemn. It has been decided by the Supreme Court of the United States that the Federal Government may acquire property for Federal functions without the consent of the States. The position of Gov. George D. Alken, as he champions States' rights, and as he calls upon the rugged mountaineers of the Green Mountain State to appropriate the munificent sum of \$67,500 to repel Federal invasion of States' rights, is nothing short of amusing.

When the Vermont Yankees disapproved of the economic system of the South, Green Mountain soldiers came, without an invitation, into Mississippi, and they insisted that Mississippi conform to their ideas of States' rights, and they were careless with the use of both fire and sword. They did not hesitate to go to war to change the economic system of the South and to challenge the advocacy of States' rights, Mississippians. In effect, Vermont said in 1861, "To hell with States' rights." I am not saying that Vermont was wrong. Mississippi m

that when Vermonters have thought the matter through the United States will finally have to force \$11,000,000 down Governor Aiken's throat against his will. I really have a suspicion that his policies will ultimately rise above his principles and thus permit him to take the \$11,000,000 without local contribution that is now offered by the United States. How could a New England Yankee do otherwise?

otherwise?

But, seriously, the flood-control reservoirs authorized in New England are for flood control. Under existing law no governmental agency can develop hydroelectric energy there without further legislation by Congress. Moreover, under existing law, if Congress does make provision in the future for the development of hydroelectric energy, the States and municipalities would be given preference as licensees to develop power at such flood-control projects. The right, therefore, of Vermont and of the municipalities of Vermont, in the event the Federal Government, without expense to the Citizens of the Green Mountain State should provide in the future zens of the Green Mountain State, should provide in the future for the development of hydroelectric power, is expressly protected. If Congress has the power to pass flood-control legislation, it must

have the inherent power to construct the works. If the Federal Government is to pay the entire costs of the reservoirs, the Federal Government should have power to protect the Federal Treasury by condemning in the event excessive damages are demanded.

TITLE TO RESERVOIRS

It is said that the title to reservoirs in the Federal Government is an invasion of States' rights. The title to the Tygart Dam in West Virginia is in the Federal Government. The title to the Parker Dam, the Grand Coulee Dam, the Bonneville Dam, the Fort Peck Dam, and all of the dams in the Tennessee Valley is in the United States. All of the projects mentioned provide for title in the Federal Government without the consent of the States. All public improvements made at the sole costs of the United States

provide, as I recall, that title shall be vested in the Federal Government. The title to farm-security and farm-tenant projects is in the United States. The title to forest and submarginal lands is in the Federal Government in Pennsylvania, Vermont, and other States. Under the Reclamation Act the title to reservoirs for reclamation is in the Federal Government. The act was passed more than 35 years ago; and there have been constructed, as I am advised by the Bureau of Reclamation, some 30 storage reservoirs for reclamation, while 35 are now in process of construction. The title to every one of these reservoirs is in the United States.

Congress has passed legislation to construct reservoirs for the control of floods. The localities in which the reservoirs are to be constructed will not pay the costs of the rights-of-way. The States will not furnish the rights-of-way if protection is for another State. The program, therefore, without the power to condemn in the Federal Government would be they are former. rale government would be thwarted. Cities below the dam in another State would be left to the fury of the floods without the power in the Federal Government to condemn for the construction of reservoirs in States where they are located.

It is time for reason to supplant emotionalism and for constructive

vision to replace hollow bombast.

POLICY OF PURCHASE AND REIMBURSEMENT

While the Federal Government has the inherent power to condemn, it also has the power to purchase. It has been the policy of the Chief of Engineers to purchase and not to condemn. Ordinarily the Federal Government will not construct public works unless desired by local interests. The Governor of Vermont will have no occasion to spend the munificent war chest of \$67,500 provided by the Green Mountain boys in the Vermont Legislature. It has been the policy of the Corps of Engineers in river and harbor and flood-control works to cooperate with the States and with the local interests. It has been their policy to do no work where the local people oppose such work unless such work is essential in the general oppose such work unless such work is essential in the general interest.

In Farm Security projects in forestry and reforestation areas it has been the policy of the Federal Government to compensate the local taxing units for lands taken from the tax rolls where title is in the Federal Government. I advocate the extension of such a policy to lands acquired by the Federal Government for the con-

struction of reservoirs.

Reservoirs mean, as I have stated, the taking of lands in one area for the benefit of lands in another. Adequate reimbursement should be made for the loss of local taxes.

COOPERATION

Flood control is national; it is not sectional. It is not a partisan issue. It is an economic problem. All parties agree as to the policy. Congress has passed legislation. It has authorized appropriations, but authorizations are not self-executing. Much work remains to be done. Spokesmen for flood control and navigation must be on guard. The Ohio Valley Improvement Association has rendered splendid aid and is in a position to render greater service in the future. Public sentiment must be promoted and fostered that will result in adequate appropriations for the construction of authorized works. authorized works.

EMPLOYMENT

FOR years I have advocated public improvements to relieve unemployment. I stand for works that are constructive. I advocate improvements that are beneficial. We are still battling with the problem of unemployment. I believe that one of the best ways to solve the problem is to provide for sound and permanent public works. The country has been sold on flood protection. I congratulate the city of Pittsburgh and the Commonwealth of Pennsylvania, while others obstruct, upon the spirit of cooperation that obtains between the State and the Federal Government in the execution of flood-control works so essential to the safety and prosperity of the people. This cooperation stands as an example to prosperity of the people. This cooperation stands as an example to the other States of the Union. I commend the spirit. Vision and patriotism have been put above ambition and partisanship. I trust Pennsylvania will continue to put the safety of her people above partisan politics.

Effects of Persecutions of Jews

EXTENSION OF REMARKS

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

ARTICLE BY HON. JOSEPH A. CONRY

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written by a former distinguished Member of the House, Hon. Joseph A. Conry:

I was appointed Russian imperial consul at Boston in the fall of 1909, occupying that post until the recognition of the Soviets on November 16, 1933.

commission is a beautifully engraved document in French with the imposing heading, "By Order of His Majesty, Nicholas II, Emperor and Autocrat of all the Russias, King of Poland, Grand Duke of Finland, etc., notice is given the world of the appointment of the Honorable Joseph A. Conry as Russian consul, who is to be respected accordingly."

Following this document came an exequator from the State Department at Washington signed by Philander C. Knox, Secretary of State, saying that I was acceptable to the United States and advising all officials to take notice.

advising all officials to take notice.

I had never been in Russia, therefore addressed myself to the job of reading every book in the Boston Public Library devoted to the history, geography, and social life of the land of the Czars. The next summer I visited Russia, making a complete tour of all the principal cities, visiting the galleries, museums, libraries, and important officials in military and civil service, turning myself into a human interrogation point, in order to secure all information with respect to the people and institutions of the land occupying one-sixth of the world.

It was my first grand experience in world politics leaving im-

one-sixth of the world.

It was my first grand experience in world politics, leaving impressions growing into thoughts and opinions maturing after years of observation and study.

Count Oxensterna, Swedish philosopher and chancellor, 1583-1654, for many years a controlling personage in European affairs, advised young men entering diplomacy, "Go forth, my son, and see by what fools the world is governed."

I knew Big Tim Sullivan, the celebrated Tammany Congressman, father of the Sullivan law forbidding pistol carrying without a permit. Tim was of opinion that men could be hired in New York to do murder for \$50.

I was not shocked to be told in Russia that men were ready for murder on the mere promise of protection. Life is cheap among

for murder on the mere promise of protection. Life is cheap among men accustomed to wars. The Russo-Japanese War had ended a few years before my arrival in Russia. It was a bad ending for the empire, but gave joy and satisfaction to the agitators and assassins, always acrobatic in their arguments.

The almost universal demand was for change. A representative form of government, with a duma, was sought by some, others wanted communism, still others were for nihilism.

In Europe the Government of the Czar was known as absolutism tempered by assassination. Michael Bakunin, founder of nihilism. tempered by assassination. Michael Bakunin, founder of nihilism, proclaimed the theories of his group—the accepted doctrine of the Soviets today. Bakunin said: "Our first work must be the annihilation of everything as it now exists. The Old World must be destroyed and replaced by a new one. When you have freed your mind from the fear of God, and that childish respect for the fiction of right, then all the remaining chains that bind you—property, marriage, morality, and justice will snap asunder like threads."

Bakunin was a bitter anti-Semitic. While all factions were ravenous for change, all agreed on hating the Jews. Jewish pogroms were arranged with attention to details befitting a political convention. Pogrom meant mass murder of undesirable neighbors, with license to loot.

This intense bitterness of feeling toward the Jew was new and

This intense bitterness of feeling toward the Jew was new and mystifying to me. At home in Boston the Jews were respected in our local life, and in the larger business and political life of the city men like Leopold Morse and A. Shuman enjoyed complete confidence of all our citizens.

As a result of discussions with educated Russians I decided that jealousy of a superior mental power was the feeding root of all the hatred. Since the dawn of human history the Jew has been dis-persed among the various peoples of the world in every century, arousing hatred and admiration, contradictions amazing and admirable. Nowhere have they been surpassed in vitality or versatility. From the embers of the fires of persecution have grown their philosophers and poets, musicians, and millionaires, blazing with warmth and enthusiasm.

Although many Americans are reluctant to believe it, and the Russian would never admit it, it is a fact that the Jew worships brains and ability even more than the power and skill of making money, their acknowledged kingdom. So I could trace some reason for the vicious abuse of the Jew by the Russian to fear of future domination; to beat this in advance brute force was to overcome meantal power.

mental power.

Anti-Jewish action naturally invited reprisal, and from different cities of the world powerful propaganda was let loose against Russia.

It is an appalling fact, worthy the notice of the historian, that the growth of nihilism went step by step with the growth of the pogroms. In 1831 Alexander II was assassinated by the nihilists, and in that year 167 cities in Russia were visited by outbursts of savagery against the Jews in which the butchery rivaled that of the American Indian.

Having gained by practical experience my knowledge of conditions in Russia, I was prepared for the agitation which began here in America in 1911 against Moscovy, ending in December of that year with the adoption of resolutions by Congress terminating the treaty of "amity, commerce, and navigation" under which the two countries had lived since 1832.

This treaty had been directed in St. Petersburg by two men of

This treaty had been drafted in St. Petersburg by two men of international fame. James Buchanan, the American envoy and later President, represented the United States. The Russian envoy was Count Nesselrode, for 40 years director of Russian foreign affairs,

but more intimately known to history as maintaining the most luxurious table with service of exquisite food beyond all in Europe. Modernists will smile at the use of the solemn words opening the paper, "In the name of the Most Holy and Indivisible Trinity."

paper, "In the name of the Most Holy and Indivisible Trinity."

The abrogation of this treaty was accomplished as a result of the world-wide agitation against Russia started by Jews and carried on by Jewish sympathizers, mainly non-Jews. One of the articles quoted on the floor of Congress came from the pen of Michael Davitt, well known throughout the world as leader of the Irish group in the British House of Commons.

Davitt had written a book, Within the Pale, in which he feelingly described the bardships of the Jews in Russia. The work was the

described the hardships of the Jews in Russia. The work was the inspiration of one who knew the sufferings of his own people and did not hesitate to express sympathy to his fellow men undergoing equal agony under similar conditions. The Irish who knew and endured British brutality could well appreciate the Jewish sufferings, being always ready with a word of encouragement if no more

John Boyle O'Reilly, beloved Boston poet, paid his tribute to the Jews long before Michael Davitt wrote his book. O'Reilly said: "I cannot find of my own experience the reason for prejudice against the Jews as a race. * * * From personal experience, I should say it was wholly racial and commercial. * * I know three men who are my ideals of mercantile honor, integrity, and business character; one is a Christian and two are Jews.

character; one is a Christian and two are Jews.

"I do not know how to dispel the anti-Jewish prejudice, except by expressing my own respect, honor, and affection for the greatest race, taking its vicissitudes and achievements, its numbers and its glories, that ever existed."

Congress had spoken for America 28 years ago. I then declared the Jewish problem had become a universal issue. I had witnessed the power and influence of Irish agitation directed at England, and it was not hard to understand that Jewish agitation directed at Russia would prove equally effective. The Czar's power was overthrown with the appearance of final relief. The Soviet triumph can hardly be called a great victory for the Jew but is an improvement over old conditions. over old conditions.

Today the Jew faces his crucial test. Hitler's brutal treatment of the Jew, with his apparent determination to exterminate the

race, has brought down more curses on the head of the despot than his attempted destruction of small states. Hitler in his conduct is more ruthless than the imperial Russians. Hitler openly promulgates the decrees ordering the Jews to leave the country while his Government confiscates their property. That which was done by the lowest in Russia is done today by the highest in Germany. The pogrom conspiracy of Russia is superseded by the official seal of the swastika.

The result is inevitable. World opinion is against Hitler. His rescue will be effected only by his opponents who in their stupidity will once more illustrate Ovensterna's epigram, "See by what fools the world is governed."

The Munich pact made Hitler the formidable leader of all

Europe. The natural and probable consequences of that pact have followed in perfect order.

And it may be noted that England has "muddled" once more. She blundered in her engagements with the Jews on Palestine. And now it is reported that England wants the United States to join with France and Russia in protecting the small states of Central Europe.

No more egregious act of folly could be suggested. The Soviets are secretly in sympathy with Hitler. England may try it so far as a military alliance is concerned, but there is little likelihood that

as a military alliance is concerned, but there is little likelihood that such a plan would gather any support in the United States. It is only a short time since Japan went into Manchuria, a flagrant violation of the Kellogg treaty and so recognized by every party to it. Our State Department made a vigorous protest to every signatory to the Kellogg Pact and with direct appeal to England. Sir John Simon admitted the truth of everything submitted to him by our Government, but was of opinion England would not act inasmuch as the violations complained of had occurred several months before. England was not at all idealistic in this affair but

act inasmuch as the violations complained of had occurred several months before. England was not at all idealistic in this affair, but considered it a practical matter. Perhaps this incident is not entirely forgotten in Washington, and it may be mentioned when discussing England's invitation to join with her in protecting the

cussing England's invitation to join with her in protecting the small states of Central Europe.

We want no dealings with Soviet Russia, having had our experience. After the abdication of Nicholas the United States did everything that genius could suggest to help Russia. At the creation of the Kerensky government our Government made liberal contributions to the Russian treasury. Boris Bakmetleff was permitted to occupy the Embassy building of the Russian Empire on Sixteenth Street until 1922, when, on complaint of some Senators, he took his departure. For many years Soviet sympathizers harassed each administration to recognize Moscow, but without success. The classic answer was made by President Coolidge in his message to Congress December 6, 1923, when he said, among other things:

things:

"I do not propose to barter away for the privileges of trade cherished rights of humanity, nor to make merchandise of any American principles. Whenever there appears any disposition to compensate our citizens who were despoiled and to recognize the debt contracted with our Government not by the Czar but by the newly formed Republic of Russia; when the spirit of enmity to our institutions is abated our country ought to be the first to go to the economic and moral rescue of Russia."

This final rebuff was emphasized by Secretary of State Hughes, who said a few weeks later in answer to a Soviet request to

discuss the subject of recognition, "When the Soviet authorities are ready to repeal their decrees repudiating Russia's obligations to this country and appropriately recognize them they can do so." This advised action by Secretary Hughes has never been taken. Year after year the Soviet lobbyists kept open house in Washington, employing all the well-known tricks of entertainment of

anyone presumed to have some influence with the administration. In the fall of 1933 success appeared. President Roosevelt invited the President of the Soviets to send a representative to Washington "to explore all questions outstanding between our countries." The invitation was accepted, and in November Mr. Litvinoff, Commissar

of Foreign Affairs, was received at the White House by the President. By November 16 all negotiations had been completed, the Soviets were recognized, and the President joined with Mr. Litvinoff in an

official statement, saying:

"There has taken place an exchange of views with regard to the method of settling all outstanding questions of indebtedness and claims that permits us to hope for a speedy and satisfactory solution of these questions, which both Governments desire to have out of the way as soon as possible."

The Soviets confiscated property of American citizens valued at

more than \$600,000,000 and have steadfastly refused to pay a dollar on account of this gigantic theft. Two classes of our citizens were primarily responsible for American recognition of the Soviets. First, those who held defaulted Russian bonds or who had suffered by Soviet confiscation. These men had legitimate claims against Soviets, and assurances innumerable, even extravagant, had been made that all these claims would be paid immediately that recogni-tion was a fact. The other group represented the "parlor pinks," those intellectuals who thought they saw in communism a new life and wanted to cheer the experiment. This group was not strong in numbers, but they represented the intellectuals and were disinterested.

They rejoiced when Mr. William C. Bullitt was selected as our

They rejoiced when Mr. William C. Bullitt was selected as our first Ambassador, a man who is the perfect type of that profession with his inherited charm of manner, polished by fine breeding, complete education in the science of statesmanship perfected by practical experience in the State Department under President Wilson, owner of plenty of money, and a sincere believer at that time in the Soviet ideology. But a short term in Moscow served to distillusion Mr. Bullitt completely. The Soviets appointed Mr. Troyanovsky as Ambassador and he at once moved into the mansion on Sixteenth Street, property of the former Russian Imperial Government. ernment.

While the Soviets repudiated all obligations of former Russian Governments, it had no hesitation in claiming all benefits from such prior obligations. Washington was treated to a spectacle of extravagant entertainment never equaled in its history when the

Soviets got under way.

Thousands were invited to the home of the "Hammer and Sickle," where caviar and champagne were served by way of ghastly contrast with the starving millions in Russia. It was estimated that one of these receptions cost \$50,000 for food, flowers, and drink, all spent with the hope of creating a favorable American public opinion. But no word ever came about the payment of debts due despoiled

Moscow encouraged communistic activities in America in direct defiance of its treaty obligation of November 16, 1933. This treaty had been so flagrantly violated before it was 2 years old the State Department complained, on August 26, 1935, of the violations, with admonition of "most serious consequences" if Moscow did not mend

its ways.

A few months later Mr. Bullitt, with clearer insight into the infirmities of sovietism, quit Moscow in disgust and became Ambassador to France. The Embassy at Moscow was cut down as evidence that the United States did not approve of Soviet

interpretations of obligations of honor.

Six years have passed with tarnish growing thicker on the the Soviet shield. Troyanovsky has been recalled to explain the fail-ure of his Bacchanalian feasts to buy American support. The American Embassy at Moscow remained vacant for a long time until Mr. Davies agreed to see what he could do. He retired with disgust.

On March 10 the President appointed Laurence A. Steinhardt of

On March 10 the President appointed Laurence A. Steinhardt of New York, a highly competent man with successful experience in the diplomatic service, to look over conditions in Moscow and as American Ambassador see what can be done with the Soviets.

Some recent agitators in America have sought to hold the Jews responsible for communism in the Soviet state. One of these noisy agitators stated that out of 59 members of the Central Committee Group of the Soviets, 56 were Jews. Intelligent investigation disclosed only 5 Jews in that body.

The Jew has been frequently abused because he took up money

closed only 5 Jews in that body.

The Jew has been frequently abused because he took up money lending as an occupation. The fact is that he went into that business in self-defense. He was barred from agriculture in almost every country, as he was forbidden to own land, and industry was equally hostile by not allowing him to join guilds. As a matter of course he was barred from all military and civil service.

Long years ago the church frowned on money lending for interest, but it was never able to forbid the need of money, which need the Jew supplied. The Jew is a firm believer in the rights of property, so he will give no support to a state which deprives the individual from holding property.

from holding property.

It may be observed that when President Roosevelt sent William Phillips, our Ambassador to Italy, to consult with Mussolini in respect to a haven for the Jewish refugees from Germany, Mussolini, with a sardonic smile, suggested that they be sent to live with Stalin. No better evidence may be offered to show Jewish aversion to communism than the fact that they refuse to consider Soviet Russia as a refuge in their fearful plight.

Hitler's downfall will be brought about by Jewish shrewdness,

skill, and power of propaganda.

England will emerge from the melee a sorry sight. The effort to get the United States into some sort of a deal is a failure in advance. From Manchuria to Munich is but a step in diplomatic history. The United States is familiar with every inch of the history. The United States is infinial water of the ground. While we will be deluged with propaganda in every conceivable form, we probably can absorb it. Dismiss the silly and digest the sensible.

America will have no part in the physical quarrels of any of the European states. Our sympathy will go to the distressed, and to them such aid as may be extended will be cheerfully given, but no military power from America except such material as may be bought and paid for on the cash-and-carry system.

Our memories of manpower supplied to make the world safe for democracy—and the subsequent taunts of "Shylock!"—will make America reluctant to repeat the experiment of entering a war to end war. Our own problems claim all our attention, which should not be diverted by those who would plungs us into a foreign war.

National Housing Act

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, Members of the House, I am very much interested in H. R. 5324, a bill to amend the National Housing Act, which is now before us for consideration. This act has been widely acclaimed as being of vital assistance to the building industry as a whole, as well as to its affiliated trades. The primary purpose of the act is. of course, to aid the home owner, and I am glad to note that from my own observation in my city it has more than fulfilled the Government's expectations in this respect. But more than that, it has been a tremendous source of employment to thousands of men and women whose livelihood is dependent upon the building-trades industry, including contractors, subcontractors, manufacturers of supplies and materials, and other industries closely associated. It has been of great assistance also to the banks throughout the country by virtue of the Federal Government's guaranty of loans made under the F. H. A. plan, all of which has permitted capital to flow more freely for utilization in aiding the small-business man to engage in the rehabilitation of his particular business.

In short, this act has been as a whole a most effective means of restoring confidence to the building industry in general. It is my purpose, therefore, to vote today in favor of this bill which extends certain functions of the National Housing Act under title I for a period of 2 more years and amends certain other parts of the bill. I intend to vote in favor of these changes along the lines recommended by the Committee on Banking and Currency, which is thoroughly familiar with any weaknesses in the bill which may require correction, as they have made a very able study of this program since its origin.

Title I of this act has undoubtedly been of assistance to the greatest number of people. This section of the act was designed primarily to help the little fellow. It provides for loans for modernization and repair and new construction loans up to \$2,500. In my particular district this section of the bill has been a most welcome source of employment, providing many months of work, because of the capital made available to the wage earner for the improvement of his home and simultaneously his standard of living, who in turn was happy to be able to provide jobs where jobs were needed. I am in favor also of the new provision embodied in this bill which has been recommended by the committee authorizing the Administrator to make an annual premium charge for the insurance not in excess of 1 percent of the original amount of the loan. I am of the opinion that this is a very fair charge to be placed on the lending institutions, as I quite concur in the committee's premise that if the Government is to continue to insure this class of loans there should be

some contribution made by the lending institutions toward defraying the expense of its operations.

The 25-year amortization period for small homes now provided under title II is also a most advantageous improvement. This provision is particularly helpful to the lower income group, because it serves to approximate their average rental payments.

I am very hopeful that the building program under the advantages offered by this act, as amended, will continue to gain in momentum, because every factor that is helpful to industry devolves benefits upon labor. We must, therefore, continue to take this means to encourage the construction industry, ever mindful of the vital position it occupies in our hopes for recovery. This act, I am confident, will ultimately accomplish this purpose and will continue to reflect credit upon the Congress, the administration, and the agency charged with administering the act.

I am very glad, therefore, to cast my vote in favor of extending the National Housing Act for 2 additional years.

National Labor Relations Act

EXTENSION OF REMARKS

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

ADDRESS BY A. GRAVES WILLIAMS, PRESIDENT OF THE OHIO CHAMBER OF COMMERCE

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by A. Graves Williams, president, Ohio Chamber of Commerce, before the Ohio congressional delegation and Ohio businessmen in Washington, D. C., March 31, 1939:

Mr. Toastmaster, our distinguished Members of Congress from the great State of Ohio, businessmen of Ohio, I deeply appre-ciate the compliment implied in asking me to address this notable

gathering tonight.

gathering tonight.

I am presented to you as the president of the Ohio Chamber of Commerce. May I introduce myself further to say that I am a manufacturer of women's low-priced footwear, shoes to sell at \$2 per pair in the retail stores of the country. I started in business in 1921, after having seen service in the World War and having enjoyed to the fullest one or two of those dizzy years in the lives of youth right after that World War.

I started in business as millions of young Americans have started, at the bottom—with nothing—and had the good fortune to be able to take advantage of that great opportunity which has been presented to so many young Americans in the past—that opportunity to work and progress.

opportunity to work and progress.

My daily tasks include the solution of many perplexities in catering to the whims of women—making their shoes for them—as well as the thousand and one problems which must be faced as well as the thousand and one problems which must be faced by any small, medium, or large manufacturing institution today.

I am asked to speak to you for us businessmen of the State of Ohio relative to the Wagner Act and the grave need for amending it as it stands today.

If I could get one point over to you early, I think it will help me in expressing my thoughts in this discussion.

That is, "the National Labor Relations Act is a thoroughly bad bloom of largeleting and without doubt has contributed more im-

plece of legislation, and without doubt has contributed more impediment to business recovery and stability than any other single piece of legislation upon our Federal statute books today."

I ask no brief for this statement, because I am firmly convinced that this is the truth, and I believe that most employers of labor and a great percentage of employees will agree with me. Therefore the question is, "What shall be done about it?"

The position of business in Ohio, as expressed by the Ohio Cham-

ber of Commerce, may easily be summed up by quoting from our recommendations to Governor Bricker and the General Assembly of Ohio in January 1939: "The Ohio Chamber of Commerce is opposed to any Ohio or Federal labor-relations legislation that does not—"(1) Assure equal responsibility for both employer and employee

organizations.

(2) Give equality before the law to all.
(3) Separate the function of prosecution, fact finding, and adiudication

"(4) Give the courts the right to review the findings of fact.
"(5) Proh:bit the compulsory closed shop and check-off." Let's examine those five points.

1. ASSURE EQUAL RESPONSIBILITY FOR BOTH EMPLOYER AND EMPLOYEE ORGANIZATIONS

Surely that sounds fair enough. Just what do we mean? "There can be no permanent solution of labor problems so long as the law places restraint upon one party to the employer-employee relationship and leaves the other party free of all restraint." The Wagner Act makes it legally fair to tie the hands of employers by restricting their action but permits employee organizations, their members, their organizers, to do anything.

The employer is prohibited from coercing his employees in any manner. He is forbidden to interfere with an employee's right to organize and he must bargain collectively.

On the other hand, the labor organizer may coerce, threaten, or intimidate in order to foster union organization, whether an employee's

intimidate in order to foster union organization, whether an employee desires it or not.

There is no doubt but that the union organizer has taken advantage of the license given him under the Wagner Act in this respect. The country has witnessed since the National Labor Relations Act went into effect a wave of sit-down strikes and other strikes involving violence and intimidation such as it has never before seen, and to think that in not one of its decisions or public utterances by its members has the National Labor Relations Board taken a stand against such conduct on the part of unions and their members.

Quite the contrary, the Board has encouraged and fostered such

lawlessness, for in numerous decisions it has ordered employers to reinstate—and in many cases with back pay—employees who engaged in sit-down strikes and other forms of unlawful conduct, violence, and ruthlessness during the course of disputes with

their employers.

Such encouragement by the National Labor Relations Board continued until the Supreme Court of the United States in its decision of February 27, 1939, said "You must stop."

There is danger, however, that many people will feel that the decision of the Supreme Court in this important matter has renamed the supreme Court in this important matter has renamed to the Supreme Court in this supreme Court in this supreme Court unnecessary congressional revision of the National Labor Relations Act.
On the contrary, the decisions of the Court have emphasized

the necessity of congressional action, for these decisions deal only with one or two outstanding situations which have arisen in the course of the administration of the act.

There are many defects in the act and its administration which deny equal responsibility for both employer and employee organizations, which are not in any way corrected by the decisions of the Court.

We businessmen of Ohio do not feel that such rank injustice

can continue.

2. GIVE EQUALITY BEFORE THE LAW TO ALL

There cannot be any public confidence in the National Labor Relations Act unless all persons stand equally before the law and its administrative agencies with full and equal rights to fair hearing and impartial decision.

Today there is a Nation-wide public demand for the correction

Today there is a Nation-wide public demand for the correction of the obviously one-sided and prejudiced operation of the Wagner Act. The report of the American Institute of Public Opinion, published on November 13, 1938, indicated that 70 percent of the general public wanted the National Labor Relations Act revised. Even Mr. William Green, president of the American Federation of Labor, publicly asserts that the act does not assure equality before the law for all, and he is clamoring for its amendment.

In the March 18 issue of Liberty Mr. Green has the following to say: "Here is an agency which was to have only the limited duties of an impartial umpire. After study, our executive council declares: 'It possesses more power than does any other governmental board now in existence. As for wholesale use of this power the Board and its subsidiaries in 3 years have passed on 16,500 cases, involving almost 4,000,000 workers. It has taken jurisdiction over a great portion of the vast industry of America. Congress gave the National Labor Relations Board no such mandate. I do not believe the people of America want any board to have such power. Public and labor interests alike demand correction of this situation.'"

If any one of you legislators here should make a speech in Congress regarding union activity or pertaining to the National Labor Relations Act, we as employers would become law violators, should we be so bold as to post your speech on the bulletin boards in our plants for employees to read, or should we go so far as to offer your speech—part of the Congressional Record—to our employees for their perusal. Surely, gentlemen, after having worked with men for years in an intimate manner, shouldn't we be free to converse with them regarding labor relations, as well as other relations?

In the Muskin Shoe Co. case the National Labor Relations Board ruled that it was an unfair labor practice for an employer to distribute reprints from the Congressional Record. The Board has definitely ruled that an employer has no right to present his side of a case in a labor dispute.

Let me read to you from the Portsmouth (Ohio) Daily Times of March 18, 1939, regarding the inquisition the Labor Board is conducting against the American Rolling Mill Co., one of the finest institutions in the world from a standpoint of industrial relations. This particular Labor Board persecution has been going on for at least 1 year:

"The next charge to be defended, it is understood, is the Harold Kirkman case. In this case Kirkman, it is charged, was black-listed and refused a job because his father, Guy Kirkman, is active in C. I. O. matters. The elder Kirkman is employed at Armoo.

The Labor Board is asking that Harold be given a job with back pay from the time he first applied for a job."

Think of it, gentlemen, employers are not only held responsible

for their own employees but they are likewise held responsible for those who are not their own employees.

3. SEPARATE THE FUNCTIONS OF PROSECUTION, FACT FINDING, AND ADJUDICATION

Have you ever been a party to a Labor Board hearing? Well, I have, and that is just one ordeal that I do not care to repeat very soon. After a manufacturer has been through one such hearing there is always a club over his head in order to avoid any such future persecution.

Let's visualize a courtroom—an employer is haled before the bar of justice. In the judge's seat sits an examiner, who to all intents and purposes is the judge. He is an employee of the National Labor Relations Board, and his findings are subject to review by that Board and to change as the Board sees fit.

On the other side of the courtroom from you sits the attorney for the Labor Board.

for the Labor Board. He has the same boss as the judge—the National Labor Relations Board—and on the Labor Board attorney's right usually sits the counsel for the complaining union, and they

work hand in glove.
On the other side of the room you sit with your attorney. are no reasonable restrictions as to hearing, the admission of testimony, the subpenaing of witnesses, so as to assure fair and full consideration, which is a matter of common right under our American form of government.

can form of government.

The customary rules of evidence do not apply, hearsay evidence in many cases is given more weight and consideration than testimony by actual witnesses themselves.

You as an employer soon realize that you are on the spot and you simply take your licking and like it. There has been in most cases a general attitude that the employer is guilty until proven innocent.

The permission of hearsay evidence and even gossip having been allowed makes the hearing voluminous and in many cases requires weeks and even months for a hearing to be conducted.

To add to the employer's woes, he has been required to pay \$1.10 for each sheet of a transcript of these hearings, while the Labor Board has paid but 18 cents.

Many employers and organizations of employees adversely

Labor Board has paid but 18 cents.

Many employers and organizations of employees adversely affected by decisions of the Labor Board cannot afford the burden of long drawn out and expensive litigation. As it is today, the Wagner Act may be used as a punitive and oppressive instrument. I honestly believe you could not find one single employer of labor in the United States who has been on trial before the Labor Board, who could admit to having had a fair trial.

4. GIVE THE COURTS THE RIGHT TO REVIEW THE FINDINGS OF FACTS

Under the Wagner Act it is specifically provided that our Federal courts must accept the facts as found by the Labor Board, and the Labor Board is prosecutor, fact finder, and judge.

It further specifically states that the findings of facts shall be taken as final. Therefore, if this is literally construed by our Federal courts, there is very little opportunity indeed for reversal of Labor Board findings. of Labor Board findings

of Labor Board findings.

Let's inquire into this particular situation. We have a bureau or an agency which employs the judge, employs the prosecutor, pays little or no attention to the rules of evidence, but makes its own rules, cooperates and works with the union attorney, and passes upon the misdeeds of the employers of this country.

Then the National Labor Relations Board reviews the proceedings, and if it doesn't like the examiner's findings, it changes them and issues an order as to the degree of guilt of the employer, and in most cases, "yes" in nine hundred and ninety-nine out of a thousand cases, the employer is guilty. Guilty of at least all of which he has been accused and perhaps more.

The employer as his next step may appeal to our Federal courts, who are specifically denied by the Wagner Act the right to inquire into the Labor Board finding the facts.

I place this question before you seriously: "Does this sound like jurisprudence as we know it in America?"

Gentlemen, the employer has as much chance as the proverbial snowball in hell.

snowball in hell.

5. PROHIBIT THE COMPULSORY CLOSED SHOP AND CHECK-OFF

The check-off arrangement under which employers deduct union dues from the wages of employees and turn them over to the labor organization should be forbidden.

If a labor organization cannot exist on the merits of its services and its benefit to employees and secure their voluntary affiliation and financial support, why should the ofttimes unpleasant and unfair duty of collection of union dues be forced upon the employer?

Any workman should have full freedom of choice as to whether or not he shall join a labor organization as to whether or not he will continue to belong to such an organization and as to whether or not he will pay dues.

Labor unions should sell the advantages of their organizations

Labor unions should sell the advantages of their organizations to individuals, and show that it is advantageous for the employee to be a member of their organization, just the same as it is necessary for the Elks, Eagles, and the Odd Fellows and many others to promote the advantages of fraternal organizations.

The law should not permit any arrangement under which either the employer or employee organizations or the two acting in unison can compel the continued membership of an employee in a labor organization or his financial support in order for that employee to hold his job. The closed shop and the check-off are

thoroughly un-American institutions, because by right of the Constitution any man is guaranteed such freedom of choice. Gentlemen, we businessmen of Ohio are unanimous in demand-

ing that the Wagner Act be so amended as to be fair, impartial, and workable. We demand that the administration of the Wagner Act, as it may be amended, be by an agency that is so selected

ner Act, as it may be amended, be by an agency that is so selected as to guarantee justice for all.

We are facing today one of the most critical periods in the entire history of modern civilization. We find Europe in a turmoil, undeclared war in the Far East, and unstable economic cenditions in practically all parts of the world. Democracy is floundering, while dictators are flourishing in Europe, the Far East, and Latin America.

Although we who have the love of this country deep at heart, and sincerely believe that our type of government and economic

Although we who have the love of this country deep at hear, and sincerely believe that our type of government and economic society is the best yet devised by man, nevertheless, we must realize that it may be impossible for our Nation to continue its present form of society with eleven or twelve million unemployed, and with a Government that is going on year after year spending more money than it receives in revenue.

We must likewise recognize that enterprise cannot flourish under excessive tax burden and restrictive laws. Without flourishing enterprise how are we to furnish employment? How are we to

provide taxable income?

For 6 years now an effort has been made here in Washington to legislate prosperity into existence, and such legislated prosperity in reality has amounted to just about doubling our national debt and enormously increasing our State and local indebtedness.

Look at it as you may through liberal eyes, middle-of-the-road

eyes, or conservative eyes, our national debt is far too great. If any of you as an individual are in as bad shape financially as your Government, I am sure that you are not enjoying many restful

nights.

At a time when government needs business most, and at a time when business needs sound government, business has been put in a strait jacket and the straps have been continually tightened until today it is difficult for business to function without unin-

tentionally violating some Federal law.

The United States became the world's leading nation in a comparatively short space of time, because God not only gave to us a grand country to develop, but because He also gave to our citizens an indomitable pioneer spirit, a will to do, and incentive

to accomplish. Let's take a look at that word "incentive." Let's examine it in our own individual lives. After all, business or government is

other than a group of individuals.

What has incentive done for you? It has inspired you to put forth your best effort, either all of the time, or upon most occasions in order that you might accomplish your immediate objectives. Perhaps that incentive might have been material wealth, political power or advancement, spiritual solace, or improvement of the mind. Nevertheless, the will to achieve was created by the desire for gain in some manner or other.

we have both individual incentive and group

incentive.

When you burden the individual or the group with such restrictive law or overwhelming taxation that you either curb or destroy incentive, then you have taken the steam from the locomotive while going at full speed, and the train gradually slows down and

eventually comes to a stop.

At this critical time in the history of this country government must have the moral and financial support of business. Labor likewise must have the confidence and cooperation of business. But if business continues to be throttled and so subjected to burdensome legislation, even unfair legislation, and to ever-mount-

ourdensome legislation, even uniair legislation, and to ever-mounting taxation, you will continue to stifle incentive and kill business.

Let me ask each of you men assembled here: When do you put forth your best effort? Is it when you are discouraged, sick, and blue, with no ray of hope, or is it when you are optimistic, full of pep, and raring to go because you have an opportunity to accomplish something worth while?

There is one other thought I wish to express for your consider-

From its inception, this country of ours has been one of freedom. We have had comparatively few laws, especially those which applied to the individual in his pursuit of health, wealth, and happiness We saw our prohibition amendment an utter failure because it told us individuals to do something which we felt interfered with our personal freedom and upon which the opinion of the country was

very evenly divided.

Do we as Americans want our individual lives regulated to the

extent that they are being regulated today? Personally I doubt it.

Let us take management and its regulation. We will all admit
that there are many different kinds of management, good, bad, and indifferent, just the same as there are varying degrees of ability to play the piano.

On one side of the road is a manufacturer whose institution is

On one side of the foad is a manufacturer whose institution is successful, and his people are receiving a high return for their labor. Right across the road there is an identical manufacturer, who is less successful and whose labor receives a less return for their efforts. A difference in management, in human nature. We know men identified with the labor movement who are conscientious, honorable, and well informed as to the problems of management as well as the problems of labor. On the other hand, we know men identified with the labor movement who would resort to any means foul or fair to gain their chlestive polection. to any means, foul or fair, to gain their objective.

Can legislation correct or legislate the differences in the ability of men to manage business, lead a labor movement, or perform any given task? I don't believe that legislation will ever correct such situations any more than it will make a tidy, neat housekeeper out of a woman who is naturally a sloppy, indifferent housekeeper. God made us all, and He made us all different. He will continue to provide scarcity and plenty; He will give us rain and sunshine, dust storms, and floods.

He put us on this earth to think and to labor, to have joys and sorrows to have privilege and hardship. He made our abilities

sorrows, to have privilege and hardship. He made our abilities different in order to solve or not to solve different problems.

Go back in history as long as it is written and you will find legislators endeavoring to control the laws of God by laws of man; and, gentlemen, isn't it time that our lawmakers realize that in attempting to legislate laws of nature they have undertaken an insurmountable task?

I have digressed somewhat from the specific discussion at hand, but it is seldom that an ordinary shoemaker has the opportunity to espouse any of his pet theories before such distinguished guests.

Statistics of the Department of Labor show that there were 1,856

strikes in industry in 1934, 2,014 in 1935, 2,172 in 1936, and 4,740 in 1937. This dropped back to 2,350 in 1938, which was by far more than any year between 1921 and 1933. It was also a year of indus-

trial recession.

Surely the object of Government intervention in labor relations should be to promote peace and justice. The National Labor Relations Act has failed miserably to obtain any such end, and as a matter of fact the National Labor Relations Board is not even

matter of fact the National Labor Relations Board is not even allowed to work for either peace or justice.

It does not mediate, it does not arbitrate, it does not examine the merits of the dispute, it does not provide a procedure for doing any of these things. Actually what happens is that the Wagner Act forces the employer into a bargaining conference which he cannot leave unless he violates the law, while his employees may go on strike for any reason they may wish and commit almost any violence to gain their end, and do it lawfully.

The remedy is to reorganize the whole thing so as to create in fact rather than in name a National Labor Relations Board.

Such a reorganization, or, let us say, such amendment, should—First. Assure equal responsibility for both employer and employee organizations.

Second. Give equality before the law to all

Second. Give equality before the law to all. Third. Separate the function of prosecution, fact finding, and adjudication.

Fourth. Give the courts the right to review the findings of facts.

Fifth. Prohibit the compulsory closed shop and check-off. Gentlemen, do you recall the time when businessmen—and by that I mean manufacturers, merchants, bankers, professional men, men engaged in all sorts of honest endeavor—were held in rather high esteem in this country?

Remember, success stories were the order of the day in such magazines as the American, System, and the American Boy. Do you remember the works of Horatio Alger, where a poor boy always had an opportunity to become president of a large corporation or of the United States. Both presidents were held in high esteem in those

Let's recall, as I mention their names, the unbelievable accomplishments of such men as George Washington, Benjamin Franklin, Thomas Jefferson, Abraham Lincoln, Charles Goodyear, Eli Whitney, J. J. Hill, the empire builder, Andrew Carnegie, Thomas A. Edison, John D. Rockefeller, Henry Ford, to say nothing of millions of Americans of even lesser accomplishment but who all went hand in hand to make this country great.

You can never make me believe that such men as these were enemies of labor.

enemies of labor.

I do not believe today that modern businessmen schooled in modern business practice have any desire whatever to oppress their fellow workmen or return to him any less share of the profits of industry than is rightfully his.

Good, sound, harmonious, successful labor relations are nothing new in this country; they have been practiced successfully for years by industrial institutions, large and small.

Read the history of such companies as Procter & Gamble, American Rolling Mills, Standard Oil of New Jersey, Endicott-Johnson Corporation, the Eastman Kodak Co., and on and on, large and small. In thousands of industrial plants throughout this great land of ours management and labor have marched hand in hand up the ladder of success for many years, and without the assistance of the interference of the National Labor Relations Act. In my own institution, the Williams Manufacturing Co., makers

In my own institution, the Williams Manufacturing Co., makers of women's shoes and employing 1,100 men and women, I know each person in the institution by his or her first name; their problems are brought to me, our problems are taken to them, and in a few short years prior to 1935, during the worst depression this country has ever known, we literally raised ourselves by our boot straps from nothing to something through harmonious labor relationship.

There are just as many potential Henry Fords, Thomas A. Edisons, John D. Rockefellers in this country today in our high schools, our colleges and in our industry.

colleges, and in our industry.

These unknown men have the ability, the stamina, the spirit to lead this country forward, but they are held in leash today by the straitjacket of Federal legislation. They do not have the proper treatment.

If you, our representatives here in Washington, will open your eyes, go into action, cut the red tape, and remove the shackles from business and businessmen, I firmly believe that they would furnish

the energetic leadership necessary to revitalize this country and to lead agriculture, labor, and business out of this hopeless morass into a future of bigger and better things for all.

Compulsory Pay Deductions

EXTENSION OF REMARKS

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

LETTER FROM JAMES B. YANCEY, PRESIDENT, LOCAL 113, UNITED FEDERAL WORKERS OF AMERICA

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I include a letter from James B. Yancey, president of Local 113 of the United Federal Workers of America, relating to the practice of the Veterans' Administration in making compulsory deductions from the pay of employees of veterans' facilities for quarters, subsistence, and laundry.

The letter follows:

NORTH LITTLE ROCK, ARK., April 6, 1939.

Hon. Paul W. Shafer,

House Office Building, Washington, D. C.

Dear Sir: While desiring no controversy with the Administrator of Veterans' Affairs, Local No. 113, United Federal Workers of America, feel that his letter to you of March 20, 1939, and which appears in the Appendix of the Congressional Record of March 27,

1939, page 1183, needs, in a spirit of fairness, clarification.

The Administrator's letter was written with reference to your remarks on the floor of the House February 8 which appears on page 1253 of the Congressional Record of the same date. It will page 1253 of the Congressional Record of the same date. It will be noted, however, that no mention was made about the letter by Hon. Albert J. Engel, which appears under your Extension of Remarks on page 431 of the Appendix of the Congressional Record of February 8. The Engel letter is a true picture of the situation.

Deductions for quarters, subsistence, and laundry are compulsory mainly for nurses and attendants—the latter being the lowest paid group in the service and many of whom work far more than and group if the service and many of whom work far more than 8 hours per day. We are asking for no advantage. The attendant service is necessary to the operation of the hospital—equally as necessary to the hospital service as mail carriers to the Postal Service. Yet, we do object to being exploited by the Government

Itself.

In computing deductions for quarters, the Administration, according to the Administrator's letter, "takes into consideration the condition of the quarters, size, convenience thereof, etc.," rather than taking into consideration the cost to the Government. It seems that he views the rental from the standpoint of a realtor renting for profit. He mentions "conditions of the quarters" as one consideration for fixing rentals, yet for more than 2 years after an attendants' quarters at this facility was condemned as unfit for use the usual Veterans' Administration rentals were deducted.

unfit for use the usual Veterans' Administration rentals were deducted.

The largest attendants' quarters at this facility, a stucco structure, consists of 32 sleeping rooms and is occupied by 64 men—or at least rental is deducted from 64 men, at \$8 per month each, or a total of \$512 per month. Prior to the reduction in 1934, spoken of by the Administrator, these rooms rented for \$20 each or \$10 per occupant. Taking the present figure, it seems that 25 percent, or \$128 per month, would be an ample retirement fund—\$100 for upkeep and \$2 per man for heat, lights, and water, or \$128 per month would be a high estimate for this service since heat is furnished from a central heating plant for the entire facility. But with these fixed charges there is a profit of \$156, or rive. But with these fixed charges there is a profit of \$156, or approximately \$2.50 per man per month. In the spirit of fairness it seems that the Government would be willing to lose a few dollars rather than profit from low-paid workers who need all their already low wage in the support of their families.

There is another smaller attendants' quarters here which was built about 40 years ago when this was an Army post. The nurses' quarters housing approximately 40 nurses or other female employees, at \$12.50 per room, with maid service, is an old struc-

employees, at \$12.50 per room, with maid service, is an old structure, remodeled.

With reference to the subsistence charge the Administrator points out that, "The actual cost of food is not the only item to be figured in arriving at a fair charge. Other items enter into cost, such as fuel, preparation and serving of food, and other service charges." This is admitted, but it must be borne in mind that the kitchen, kitchen equipment, etc., is provided and maintained primarily for the beneficiaries. Could the attendant service be dispensed with entirely these services and this equipment would necessarily have to be maintained with no appreciable decrease in equipment or help. The attendant personnel is approximately 15

percent of the patient census. We fail to grasp the great differential between food which costs about 30 cents per day and its service to 15 percent of the partakers at 75 cents per day. At 50 cents per day the Government would more than break even, since the cost of equipment and preparation for the attendants is merely incidental. Further, we fail to grasp the justice of the subsistence deduction when on leave away from the facility.

The Administrator contends that 50 percent of the attendant personnel must live on the station. We contend that since there is a day and night shift always on duty that a much smaller percentage would be sufficient. Since a large number of the attendants have moved their families to the vicinity of the facility and are of easy access, there seems to be no necessity to require 50 percent to pay for rooms. We believe that the 10 percent provided for in H. R. 3829 would be sufficient and that this number would voluntarily accept quarters and subsistence.

We feel that since the turn-back to the Treasury from the appropriation has exceeded the average of \$7,000,000 annually that we are justified in asking that these deductions be eliminated for at least 90 percent of attendant personnel and supplied at least cost

least 90 percent of attendant personnel and supplied at least cost

to the others.

We desire to express our appreciation for your interest in our behalf and will ask your continued support for our legislative program.

United Federal Workers of America, Local No. 113, By James B. Yancey, *President*. [SEAL]

Are "We," the American People, Being Projected Into War

EXTENSION OF REMARKS

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

EDITORIAL FROM THE NEW YORK JOURNAL-AMERICAN OF APRIL 11, 1939

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Journal-American of Tuesday, April 11, 1939:

[From the New York Journal-American of April 11, 1939] ARE "WE," THE AMERICAN PEOPLE, BEING PROJECTED INTO WAR?

"I'll be back in the fall if we don't have war," said President Roosevelt, smilingly waving a farewell from his private car leaving

Warm Springs, Ga.
Presumably "we" means nothing other than "we, the people of the United States."

the United States."

If the President had meant that there would be war in Europe before fall he would naturally have said "If "they' don't have war."
But he did not say "they," he said "we."
And that "we" will be interpreted not only by all Americans, but by all foreign people, as meaning "war" for the United States.
It is almost inconceivable that the President of the United States should be thinking of putting his country into a general world war which, at the present moment, does not exist.

It is alarming and astounding that the President of the United States should be talking of such a war when we are at peace with every country in the world, when neither our territories nor our honor have been attacked, and when the minds of Congress and the people are centered on some of the gravest domestic problems that have ever confronted us.

the people are centered on some of the gravest domestic problems that have ever confronted us.

Is it possible that the "we" of the President means that we are already allied secretly to imperialist England, socialist France, and maybe even to "red" Russia?

Does that "we" mean that the independence and isolation of the

Does that "we" mean that the independence and isolation of the United States have been sold over our heads, and that President Roosevelt is following in the footsteps of President Wilson, whose egotism and ambitions projected us into the World War?

It is hardly credible, and yet President Roosevelt's "If we don't have war" is not susceptible of any other interpretation.

"We" definitely does not mean "they."

That fateful "we" will be interpreted in every European chancellery as an announcement that America is militaristically lined up with France and England in the coming struggle for power and loot in Europe and Asia.

That particular "we" is the culmination of a series of acts of international busybodyism which has dismayed the peace-loving American people.

American people.

Is it not humanly possible for this administration to mind its own American business?

The administration has attacked Japan for the closed door policy in Manchukuo, although England is the nation which would be adversely affected, and figures show that the United States has

exported more goods to Manchukuo in the past year than ever before.

Senator NyE revealed that vital fact in a speech in the Senate

recently

The administration attacked Italy about the conquest of Abyssinia—which is deplorable perhaps—but which is none of America's business

The administration now attacks Italy about the Albanian expedi-

The administration now attacks Italy about the Albanian expedition—which is also none of America's business.

President Roosevelt and Secretary Hull attack every country whose policy they do not personally agree with. They forget that they are America's public officials, and that the people of the United States want to keep out of European conflicts.

The "we" speeches and "we" attitude of mind on that part of our public officials are engendering bitter antagonisms in European countries with which we have no disputes.

"We, the people of the United States," which are the first words of the preamble to our Constitution, does not mean "We, the people of Europe, Asia, and Africa, as well as of America."

The American people have given our international meddling officials in Washington proof over and over again—in Congress, on the radio, in the public prints, in public assemblies and in the Gallup poll, and the other accurate and reliable tests—that we want no alliances with European countries.

That we will have no war except a war of defense.

That we will not transport our youth abroad again to be slaugh-

That we will not transport our youth abroad again to be slaugh-tered in causes that are not ours.

That we wish to remain at peace with all the world.

That when the American people say "we," we do not mean Frenchmen, Englishmen, Chinese, Albanians, or Russians.

It is only fair to the American people to ask President Roosevelt to explain candidly to the country what his "we" meant.

This is no time for dark and dubious sayings on the part of those men whom we have placed in the seats of executive power.

May we good Americans, plain Americans, loyal Americans, gen-

uine Americans, all pull together for a peace for our country and our people, not for meddling in alien wars, for alien peoples and alien policies.

A Puritan in Babylon

EXTENSION OF REMARKS

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

EDITORIAL BY HON. L. B. JOHNSON, OF RANDOLPH, VT.

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by Hon. Luther B. Johnson, of Randolph, Vt., long-time friend and neighbor of the Coolidge family, living in a town nearby Plymouth; for years the editor of the Herald and News; former chairman of Vermont's State Board of Education; late county senator; native Vermonter, who takes exception to William Allen White's evaluation of President Coolidge in his book A Puritan in Babylon, and says:

A PURITAN IN BABYLON

This is the engaging title of William Allen White's recently issued life of Calvin Coolidge and the American political history of Coolidge's lifetime. White is a well-known author, a Kansan, with wide experience in public life and thorough acquaintanceship with the leading public figures of his day. He made a painstaking search of almost everything that promised information of any sort concerning the subject of his biography. On several occasions he met Mr. Coolidge, was entertained by him and Mrs. Coolidge, studied the quaint personality of the then President at close range, and tried—probably with as little success as others had—to plumb the depths of his mind.

Most New Englanders—Vermonters especially—will find it hard to finish a careful reading of the White production. Like many westerners who are reared in an atmosphere of prejudice against New England people and their institutions, White has let this feeling have full sway in his treatment of the most highly honored of This is the engaging title of William Allen White's recently issued

New England people and their institutions, White has let this feeling have full sway in his treatment of the most highly honored of its sons in recent years. His biography reeks with jabs and stabs at New England's reputed parsimony, smallness, trickiness, coldness, sourness, self-seeking, dumbness, and all the other faults and weaknesses of which they have ever been accused. The author finds these in abundance in his subject and plays them up in a most disagreeable and exaggerated manner. To offset, he gives Mr Coclidge credit for a great many virtues, acts of wisdom, and for good judgment, cleanness of heart, impeccable honesty, loyalty to every friend, devotion to his family.

But he smears his subject with almost incessant dabs, which, actually analyzed, are little more than criticisms of personal mannerisms or could be explained by the undoubted preference of Cool-

idge for silence or laconic utterance when freedom of speech was ourted or desired by those about him for their own entertainment or satisfaction. It is regrettable that a work which represents so much thought and labor on the part of the author is so out of balance in its carrying power to the reader. The student of biography who a generation hence depends upon A Puritan in Babylon

raphy who a generation hence depends upon a Puritan in Badylon for a true picture of Coolidge and his times will be led far astray. In respect to Grace Goodhue Coolidge, on the other hand, Author White can hardly say enough in praise. To him she was the same gracious, likable, always-at-ease person—and in these respects the write can hardry say shough in praise. To film site was the saile gracious, likable, always-at-ease person—and in these respects the complete foil to her silent and sometimes uncongenial husband—that she was to everyone else. She, too, Mr. White, was a Vermont product, but not once do you give Vermont credit for her rare qualities, though you find in the things you criticize in Mr. Coolidge the elements that came from his Vermont soil and heritage. In this respect also you are unfair to us of their native State. You are trying to smear Coolidge and his New England background. Your use of the term "Puritan" is derogatory both to him and to his native heath. It implies what was not the truth respecting him. While the biography gives intimate details of Mr. Coolidge's everyday life with the evident purpose to play up his eccentricities, it cannot and does not obscure the fact that he was a remarkable man in many respects—if advancement in public favor measures merit in proper degree. The mere record that, starting in life without backing or influence, he rose steadily, step by step, from humble position in his city to membership in both branches of the Massachusetts Legislature, to the lieutenant governorship, to two highly

chusetts Legislature, to the lieutenant governorship, to two highly successful terms as Governor, to the Vice Presidency, and finally to the Presidency of this great country, is one that cannot be explained by lack of capacity, by cheap political trickery, by the favor of powerful mentors, or by sheer luck. It speaks for itself,

favor of powerful mentors, or by sheer luck. It speaks for itself, confounding all detractors.

The Coolidges, to be sure, were a peculiar people; but they had strength of will, of purpose, of character, of conscience, of ability. Mr. White's own work demonstrates this by the chronicle of their accomplishment. When Lincoln's biographers write of him they do not sneer at his tall, angular form, his high-pitched voice, his other personal peculiarities, but rather they make these popular and attractive in him. Nor do they attribute them to his low Kentucky breeding and environment. Mr. White could have learned from them. Even the very great have their oddities and weaknesses. But their qualities of strength and virtue blot these out. Nobody who ever wrote of Benjamin Franklin ascribed his shortcomings—and he had them—to puritanic New England, from which he came, or used them to deprecate the State of his birth.

or used them to deprecate the State of his birth.

Mr. White seeks to hold Mr. Coolidge responsible for not putting the brakes onto the wild speculation in securities and other heralds the brakes onto the wild speculation in securities and other heralds of economic distress which preceded the collapse of 1929. Clearly neither he nor Congress could do much about it. Nor did it appear, up to the end of his Presidential term, that it was an ominous sign. Better economists than Mr. Coolidge, the very best there were, assured him and the broad public that it was merely an accomplishment of the greatest wave of prosperity the country had ever enjoyed. They were honestly mistaken.

This biographer asserts that Coolidge was "playing horse" when he issued his cryptic announcement, "I do not choose to run," in 1927; that he was acting coyly in the hope and expectation that the nomination would be thrust upon him to his immense personal gratification; that when this little trick failed and Hoover was chosen it brought Coolidge bitter disappointment, and that he entered enforced private life against his desire and very unhappy.

This may all be true; there are various opinions about it; but evidence is quite insufficient to convict him of such a "mousy"

This may all be true; there are various opinions about it; but evidence is quite insufficient to convict him of such a "mousy" act, and a friendly biographer should not have given it credence. Mr. Coolidge had had his fill of public life. All the honor in it had come to him, and he probably was aware that 4 years more had come to him, and he probably was aware that 4 years more would bring him more trouble than gratification. He had a splendid record to retire upon; why risk it further? Also he had countenanced the canvass of Mr. Hoover, a member of his Cabinet, though he never declared in favor of anybody—quite unlike most Presidents, who seek to name their successors. Coolidge stood pat by his declaration and kept hands off in spite of tremendous pressure. At any time he could have had the renomination by merely nodding his head. His refusal to do so counts for more than more surming.

merely nodding his head. His refusal to do so counts for more than mere surmise.

There is nothing in A Puritan in Babylon to indicate that William Allen White ever came to Plymouth, Vt., to seek first-hand material concerning the ancestral home and youth environment of Calvin Coolidge. Indeed, from his captious attitude toward these, as well as Vermont and Vermonters in general, it is fair to assume that he did not; for if he had come and received there the impressions that many visitors carry away he would have made generous use of the material at hand. Conditions at Plymouth are no source of pride or satisfaction to Vermonters. Neither the homestead, the little village, nor the cemetery where lie the Coolidge dead of several generations measure up to what they should as an American little village, nor the cemetery where he the Coolinge dead of several generations measure up to what they should as an American shrine. We do not need to say more; the facts are well known. Something should be done about it. Something has been attempted, but for reasons not clearly understood the movement bogged down. Although much time has been lost and interest, once keen, has waned, it is not too late for needed improvements to be made. Upon whom rests the initiative?

In his minute search for whatever he could find bearing upon the record and character of Calvin Coolidge, it is strange that Author White overlooked one public utterance by the then President which placed him among the immortals. It was made at Bennington in September 1928; a short, simple, heartfelt, eloquent tribute to a State and people whom he knew well. In depth of feeling and force of expression it rivals Lincoln's Gettysburg Address. Yet Mr. White either missed it or did not suit his taste or purpose. Here it is:
"Vermont is a State I love.
"I could not look upon the peaks of Ascutney, Killington, or Mansfield without being moved in a way that no other scene could move me

Mansfield without being moved in a way that no other scene could move me.

"It was here that I first saw the light of day, here I received my bride, here my dead lie pillowed upon the everlasting hills.

"I love Vermont because of her hills and valleys, her scenery and invigorating climate, but, most of all, because of her indomitable people. They are a race of pioneers who almost beggared themselves for others. If the spirit of liberty should vanish in the Union and our institutions should languish, it could all be restored by the generous store held by the people in this brave little State of Vermont."

T. V. A. Investigation-Not Full and Complete

EXTENSION OF REMARKS .

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

RADIO ADDRESS BY HON. CHARLES A. WOLVERTON, OF NEW JERSEY, APRIL 6, 1939

Mr. WOLVERTON of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio speech which I delivered over the national network of the Columbia Broadcasting System from station WCAU, Philadelphia, Pa., on Thursday afternoon, April 6,

Earlier this week the joint committee of Congress, charged 1 year ago with the duty of investigating the Tennessee Valley Authority, presented its report to the House and Senate. Indeed, the committee presented two reports—one on behalf of the majority and a dissenting report which sharply challenged a number of the major conclusions of the former. As one of the members of the committee, I joined with Senator James J. Davis, of Pennsylvania, and Representative Thomas A. Jenkins, of Ohio, in making this dissenting report. ing report.

Before describing to you this afternoon the reasons which pre-Before describing to you this afternoon the reasons which prevented us from concurring in the report of the majority, it might be well to give you briefly some of the background of this Tennessee Valley Authority investigation. You will recall that the Tennessee Valley Authority is a board of three members, created shortly after the New Deal commenced in 1933, to supervise and administer a gigantic development program on the Tennessee River. This program envisioned construction of a number of dams along that river for purposes of flood control and making the Tennessee River navigable, but also for the production of hydroelectric power. Agricultural and industrial development of the Tennessee Valley also was included in the purposes of the legislation. legislation.

legislation.

Extraordinary powers and prerogatives were given to this threeman board or authority. Indeed, never before—or for that matter since—has the Federal Government created such an agency. President Roosevelt aptly described the T. V. A. in a message to Congress when he termed it "a corporation clothed with the power of Government but possessed of the flexibility and initiative of a private enterprise." It was this dual nature of the T. V. A. which brought it into difficulties and led to the so-called investigation just completed. gation just completed.

although a creature of Congress—dependent on Congress for its money and its authority—yet this agency undertook to act like a privately owned corporation, seeking to avoid those requirements and safeguards for the public protection and welfare which common sense demands be thrown around every governmental agency. But, though two of the three T. V. A. directors named by the President wished the freedom of a private enterprise for their agency, they failed to live up to those obligations and responsibilities which fall on privately conducted business.

This anomalous situation led to dissension within the T. V. A.—

sponsibilities which fall on privately conducted business. This anomalous situation led to dissension within the T. V. A.—dissension which reached the public ears last winter. It was brought to a head when Dr. Arthur E. Morgan, Chairman of the T. V. A., publicly criticized the conduct of his two fellow directors, David Lilienthal and Harcourt Morgan. Dr. Morgan—named to the T. V. A. chairmanship by President Roosevelt—pointed out a number of irregularities in the conduct of that agency. Dr. Morgan was dismissed as T. V. A. Chairman. In addition there already had been widespread dissatisfaction with the manner in which this Tennessee Valley experiment was being conducted. For one thing, neither Congress nor the public knew very much about the financial details of the operation. Since T. V. A. was in the nature of an

experiment, it was desirable that everything pertinent about its operations, its successes, and failures should be publicly known.

So last April Congress voted to create a joint committee of House and Senate to make, and I quote from the resolution, "a full and complete investigation of the administration of the Tennessee Valley Authority, including some 20 points of inquiry, but," and again I quote, "not excluding any other matters pertaining to the administration and policies" of T. V. A.

As a member of that committee, I regret to report to you that this was not done. The committee did not make "a full and complete investigation of the administration of the Tennessee Valley Author-

investigation of the administration of the Tennessee Valley Authority." From the beginning of the investigation Senator Davis, Representative Jenkins, and myself endeavored to cooperate in every resentative Jenkins, and myself endeavored to cooperate in every possible way with the other members in a sincere effort to bring out the facts and develop all pertinent matters. Our only objective was to make it possible for Congress and the American people to be in a position to know the serious implications and grave possible economic and social consequences which may follow if the Tennessee Valley Authority is continuously allowed to pursue a policy of unhampered expansion, experimentation, and spending without application of the proper controls and safeguards.

application of the proper controls and safeguards.

Thus we believe it was the responsibility of the committee to investigate the economic feasibility of many of the major objectives set up in the T. V. A. Act. This was not done.

We believed it was within the authority of the committee to investigate whether and to what extent, if any, private interests had been invited or investigate whether and to what extent, if any, private interests had been invited or investigate whether and to what extent, if any, private interests had been invited or investigate through the organization and opera-

been injured or jeopardized through the organization and opera-tions of T. V. A. This was not done.

We believed that the committee should have undertaken to ascertain whether, and to what extent, if any, counties, townships, municipalities, and local communities had been injured by the

T. V. A. program. This was not done.

We believed that careful consideration should have been given to the unemployment problem created by the manufacture of hydroelectric power in a region where coal is plentiful and coal mining the basis of a livelihood for many people. This was not

done. Furthermore, we believed that a substantial part of the committee's work should have been to conduct an investigation, by trained accountants, independent of the T. V. A. and other Government departments, of the financial transactions directly and indirectly affecting T. V. A. The importance of this undertaking readily can be seen when it is realized that an audit of the fiscal affairs of T. V. A. by the General Accounting Office showed exceptions were taken to \$20,000,000 of T. V. A. expenditures of which only about \$14,000,000 has been cleared. The committee did not have before it at any time audit reports of T. V. A. for 1935, 1936, 1937, and 1938. Think of that! No audit reports for 4 years out of 5. of 5

The committee did not undertake an audit of the T. V. A. because

The committee did not undertake an audit of the T. V. A. because the majority objected on the ground of a lack of funds. Even the present T. V. A. comptroller, appointed after the investigating committee was created, said he was "appalled" when he examined the accounts of the T. V. A.

Those of us who dissented from the majority report also believed that some 50 witnesses, including high-ranking officers of the T. V. A. and the Government, should be called before the committee for questioning and cross-examination. We submitted such a list of names. But the hearings were ended without the appearance of these witnesses. The committee, for instance, did not even have an opportunity to question and cross-examine its own engineer on a report he had made because the majority were in such a hurry to end the inquiry.

and the inquiry.

Nor was any effort made aggressively to inquire into such important matters as land acquisitions, purchase of materials, letting of contracts, overlapping of functions and activities, unnecessary personnel, favoritism in the appointment and advancement of employees, and the fixing of salaries not commensurate with previous experience or work performed. The expenditures for these purposes has amounted to millions of dollars.

Moreover, the efforts of these wishes wished a real investigation were

has amounted to millions of dollars.

Moreover, the efforts of those who wished a real investigation were further hampered by fear among T. V. A. employees to speak of matters and things that called for an inquiry. There is evidence in the record of this investigation of tactics smacking of Soviet Russia wherein one of the T. V. A. lawyers put another T. V. A. official through a severe grilling on suspicion that he had talked with the former Chairman of the T. V. A., Dr. Morgan, about matters under investigation. investigation.

Yet despite the inadequacy of this investigation, despite all the handicaps placed in the way of those seeking the truth, conditions were revealed in T. V. A. that merit severe condemnation and tions were revealed in T. V. A. that merit severe condemnation and call for correction. For example, we found out that T. V. A. assumes to be above and beyond general Federal laws enacted by Congress to control governmental agencies. We found that T. V. A. officials refused to recognize the civil-service law as having any application to the employment and dismissal of employees. As a result of that, favoritism of a most vicious type has been prevalent in the T. V. A. We found that T. V. A. had not been candid, with either Congress or the public, regarding its operations. Exaggeration marked many of its reports and releases.

But far more serious, we found that the administration of the T. V. A. in many particulars had been inefficient and wasteful. We

T. V. A. in many particulars had been inefficient and wasteful. We found that frequently it had been arbitrary, dictatorial, and unbusinesslike. We found that in many instances T. V. A. had completely ignored the rights of the States in which it operates and had impinged upon their sovereignty almost to the point where there is ground for the charge that the T. V. A. was endeavoring

to set up a super-State in the Tennessee Valley. As I have indicated, we also found the accounting methods of the T. V. A. cated, we a indefensible.

Furthermore, we found that the power program of the T. V. A

Indefensible.

Furthermore, we found that the power program of the T. V. A., under the present rates charged consumers of electricity, does not pay its way. We found that the actual expense to the Government is and will be, unless the rates are changed, far beyond the revenues and, that thus, electricity is being furnished to consumers in the Tennessee Valley area by T. V. A. at less than cost and that the difference is being paid by the taxpayers of the rest of the country. We found that attempts of T. V. A. to establish the so-called "yardstick," of which you have heard so much, are wholly futile. Contentions that the rates now fixed by T. V. A. constitute a "yardstick" are wholly false and propaganda about this "yardstick" is a grave misrepresentation.

I have only scratched the surface, even of the high lights of the T. V. A. investigation. Time at my disposal grows short and I cannot for that reason make reference to other important matters that would be of interest to you. I conclude by stating that those who presented the minority report proposed a constructive program for the future development of this gigantic T. V. A. experiment. We recommended a sweeping reorganization which would eliminate the waste and inefficiency which now mark the T. V. A. and which would serve the public welfare without doing irreparable harm to private enterprise and economic recovery. Adoption of our program would go far toward restoring confidence and creating jobs in private industry for our present army of unemployed. I regret that the time now remaining prevents my giving you details of that program but I shall be happy to send you a copy of the minority T. V. A. report if you will write me, care of the House of Representatives Office Building, in Washington.

What Is Happening to Our Agriculture?

EXTENSION OF REMARKS

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

ARTICLE BY HON. GEORGE N. PEEK

Mr. WOODRUFF of Michigan. Mr. Speaker, under permission to revise and extend my remarks in the RECORD, there is inserted herewith an article from the National Grange Monthly of September 1938 by Hon. George N. Peek:

[From the National Grange Monthly of September 1938] WHAT IS HAPPENING TO OUR AGRICULTURE?-STERN FACTS AMERICAN FARMERS MUST FACE

(By Hon. George N. Peek)

In the June issue of The Nation's Agriculture, official organ of the In the June issue of The Nation's Agriculture, official organ of the American Farm Bureau Federation, there appeared an article, Trade Agreements and the Farmer, by Prof. Francis Bowes Sayre, Assistant Secretary of State, in charge of the administration's trade-agreements program, and former adviser to the Siamese Government in foreign affairs. His article seeks to justify the administration's foreign-trade policy as it affects agriculture. Professor Sayre paints a glowing picture. Unfortunately, there is another side to the story, one which Professor Sayre does not tell. In considering his article and this are it should be kent in mind that at no time since 1920.

one which Professor Sayre does not tell. In considering his article and this one it should be kept in mind that at no time since 1920 have farm prices as a whole attained parity.

Professor Sayre's assertions are along five general lines, and they are in general misleading; they do not accurately reflect the facts. Theories and facts do not jibe in this case. For example, after stating that one of the major purposes behind the enactment of the Trade Agreements Act of 1934 was the restoration of foreign markets for our agriculture, which Congress believed, Professor Sayre asserts:

Sayre asserts:

"(1) That trade agreements are definitely helping American farmers to win back vital foreign markets.

"That they are helping farmers to win back larger domestic markets through increasing the purchasing power of our industrial workers

"That enlarged foreign markets for American industrial prod-ucts mean increased employment and higher wages for American workmen and increased domestic markets for agricultural products."

FIGURES REFUTE SAYRE'S STATEMENTS

Official figures seem to refute these statements. (See table I.) Imports of agricultural products in 1937 amounted to \$2,042,686,-998 while our agricultural exports amounted to \$1,019,252,622; an excess of imports over exports of \$1,023,434,376. Our agricultural imports in 1937 exceeded our agricultural imports in 1937 exceeded our agricultural imports in 1937 exceeded our agricultural exports in 1937 exceeded our agricultural exports in 1934 by \$117,803,622; in other words, we increased agricultural imports \$954,000,000 and only increased agricultural exports \$117,000,000. Is this a good trade for agriculture?

How the trade agreements are working to increase the purchasing power of our industrial workers and increase domestic markets for agricultural products is hard to understand, when we consider that according to the figures of the American Federation of Labor our average unemployment stands at more than 11,000,000 so far this year, compared with an average of less than 9,500,000 for 1935, 1936, and 1937. This in the face of the fact that our industrial exports increased from 1936 to 1937 *751,398,629; and in 1937 were \$1,076,977,629 more than in 1934.

1937 were \$1,076,977,629 more than in 1934.

Is it not fair to conclude that increased imports create more unemployment than increased exports create employment? Our increase in industrial exports may be credited to the rearmament program of European and Oriental nations more than to the trade-agreements program of the United States. Professor Sayre says:

"(2) That, while foreign-trade statistics may not interest the average farmer, increased income does. That in 1937 cash farm income, exclusive of benefit payments, amounted to \$8,154,000,000."

Taking Professor Sayre's figures of a little over \$8,000,000,000 income for farmers in 1937, exclusive of benefit payments, this is still about \$2,000,000,000 less than the yearly average from 1924-29, which in turn was a period of subparity farm prices and of great farm distress particularly in the grain and livestock areas. Farm income, like industrial income, depends upon volume of sales mulincome, like industrial income, depends upon volume of sales mulincome, like industrial income, depends upon volume of sales multiplied by the unit price. If we are to have restricted production the price must be high to offset decreased volume. Farmers should not be satisfied with exchanging \$2,000,000,000 or more in income for \$500,000,000 in Government checks, and they will not be for long. These statistics will interest the average farmer. Professor Sayre declares:

"(3) That two factors account for most of the increase in important."

imports:
"One, the droughts of 1934 and 1936, which necessitated larger imports to supplement our domestic supplies and which have come

in over our tariff wall.

"Two, that economic recovery, which caused a vast increase in the demand for imported noncompetitive raw materials, also strengthened the demand for many dutiable imports; that imports have, in general, come in over our tariff wall."

As to the effects of the droughts, no one minimizes that, but it must be admitted that the effect on 100-percent production could not have been as great as it was on reduced production directly or indirectly forced on the farmer. Further, Professor Sayre's argument does not take into account the added effect on farm imports of restricting production in the United States and then failing to stop and even encouraging the importation of competitive forms. stop, and even encouraging, the importation of competitive farm

Professor Sayre here admits that foreign trade follows prosperity and does not create it. It is true, of course, that demand "for imported noncompetitive raw materials" is created by our own prosperity and industrial activity. It does not, however, create either. To contend that it does, as some of our internationalists do, is to contend that the tail wags the dog.

UNITED STATES AS WORLD'S DUMPING GROUND

Professor Sayre says, "Imports increase when the prices of farm products are high and fall off when farm income declines," or, in other words, low-wage countries can jump over our tariff walls when our prices are high but cannot do so when they are low. The effect of imports is, therefore, to keep prices down. Not even the most ardent free trader would claim that low tariffs or free trade will hold up American prices. His arguments for support of the present trade-agreement policy mean only one thing—the administration does not want high farm prices. They propose to keep the United States the dumping ground for low-wage countries, both agricul-tural and industrial.

High wages and high prices must be related if a sustained prosperity is the objective. We cannot have one without the other. It should be remembered that of our total imports roughly twothirds are on the free list now, including "imported noncompetitive raw materials," and the attack of the administration is upon the farm and manufactured products now enjoying a degree of tariff protection against competitive imports.

It is impossible to say just what the trade agreements have done to our foreign trade because we give away all the reductions made in any agreement to all the rest of the world except Germany and recently Austria. We do know that agricultural imports have increased much faster than agricultural exports, and that industrial exports have increased faster than agricultural exports or industrial imports. (See tables I and II.) Professor Sayre further declares:

"(4) That nothing could be further from the truth than the belief that the benefit of concessions granted in a trade agree-ment is extended automatically to other nations, and that the M. F. N. policy has been the American policy ever since the days of George Washington.

"That the tariff concessions granted in any trade agreement are confined to those products of which the country in question is the principal or important source of supply."

Now let us get straight once and for all what "most-favored-

nation" treatment means. Most-favored nation treatment means that we promise to nations with whom we make commercial agreements that we will extend to them as favorable treatment with respect to tariff duties, port charges, and the like, as we do to any other country, and they in turn promise to give corresponding treatment to our goods. Sometimes, however, two nations make

tariff and other bargains whereby they extend special tariff and other concessions to each other on a quid pro quo basis.

The result is that there are two types of favored-nation policy:
(1) The conditional most-favored-nation and (2) the unconditional most-favored-nation policy and the unconditional most-favored-nation policy and the unconditional most-favored-nation policy and the unconditional most-favored-nation policy is an important distinction which is not always recognized or understood.

Under the conditional most-favored-nation policy, we stand prepared to give concessions to any third nation, conditioned upon corresponding concessions to us. But under the unconditional most-favored-nation policy, we automatically extend the concessions to every nation in the world, except Germany, without demanding specific concessions from them.

In theory the unconditional most-favored-nation principle is designed to reduce tariff and other barriers to trade. In practice, however, it does not seem to work that way, and it is noteworthy that the attempt of many nations to make it the basis of their foreign-trade policies has been accompanied by the increasing use of devices such as quota systems, exchange controls, trick classifications of commodities, and so forth, which in effect defeat the purpose of the unconditional most-favored-nation theory and lead to a multiplication of the very trade barriers which were to be reduced. At my last count there were more than 400 bilateral agreements between different countries from the benefits of which we were excluded.

CONGRESS IS NOT CONSULTED

The most-favored-nation clause has been taken by most Americans as not a very important specimen of diplomatic phraseology. Since the adoption of the Hull policies this innocent and apparently innocuous clause has unfortunately entered into the life of every American. For through these clauses a general reduction is being American. For through these clauses a general reduction is being brought about in the American tariff without the main question of lowering the tariff having been presented either to the people or to the Congress. Also, we weaken our trading position with each and every country in the world upon the consummation of every agreement we make.

Notwithstanding Professor Sayre's misleading contentions, our country followed the conditional most-favored-nation plan from 1789 until 1923 when an unconditional most-favored-nation treaty was made with Germany. The United States withdrew most-

1789 until 1923 when an unconditional most-favored-nation treaty was made with Germany. The United States withdrew most-favored-nation treatment from Germany in 1935. (This treatment was also withdrawn from Austria last May.) A few other unconditional treaties followed. But now this administration gives the benefits of any reductions it makes to any one country to every other country in the world, except Germany and Austria, whether or not it is obliged to do so by treaty. A case in point is Great Britain and the Ottawa agreements. Our Tariff Commission found that the preferences given by those agreements to British dominions constituted discrimination against the United States. But that the preferences given by those agreements to British dominions constituted discrimination against the United States. But Professor Sayre ignores that finding, and the administration acquiesces in this huge discrimination against us on the part of Great Britain and the British dominions. A similar discrimination against us exists as a result of the preferential Anglo-Argentine agreement; the Tariff Commission has had knowledge of many others, but for reasons of policy has not made them public. Nevertheless, Great Britain and her dominions get the benefit of every reduction we make to any country in the world and so does every other nation except Germany and Austria. This is not trading; it is a one-sided program of general tariff reduction; and it is being carried out without reference to the constitutional and traditional prerogatives of Congress in tariff matters.

Professor Sayre's claim that the tariff concessions granted in any

Professor Sayre's claim that the tariff concessions granted in any agreement are confined to those products of which the country in question is the principal source of our total importations is simply, to express it baldly, not so. For example, take cement. The tariff on cement was cut in the Belgian agreement but Belgium was by no means the principal source of supply when this agreement was made. Denmark, United Kingdom, France, and Germany were also important suppliers. In 1928, 1929, and 1930 Belgium was the principal supplier. In 1931 it was Denmark; in 1932 it was the United Kingdom; in 1933 again it was Denmark. But Denmark and the United Kingdom, in fact, all the world, except Germany, got the reductions in tariffs made to Belgium. Take manganese ore as another example. The duty upon it was re-Professor Sayre's claim that the tariff concessions granted in any Germany, got the reductions in tariis made to Beigium. Take manganese ore as another example. The duty upon it was reduced in the agreement with Brazil. Brazil supplied less than 15 percent of our manganese imports, the bulk of which comes from Soviet Russia, Gold Coast, and British India, all of which became the major beneficiaries through generalization of the concession on manganese to Brazil. In the last year Brazil has supplied us with only about 7 percent of our imports.

One more example is matches, the duty upon which was reduced in the Swedish and Finnish agreements. We import matches from Sweden, Finland, Estonia, Soviet Russia, Netherlands, Germany, and Japan. Russia is the principal beneficiary in matches of our unconditional policy and was first as a foreign supplier in 1935 and 1936.

and 1936.

In some isolated cases concessions were made even to countries which supplied little or none of the commodity—and then the reductions in tariff were passed on to all the rest of the world, except Germany. Let us consider Professor Sayre's next point:

"(5) That farmers have suffered under a system of mounting tariffs whereby they have been forced to pay high prices for goods they buy and are crippled by the loss of foreign markets through reduced foreign purchasing power.

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"What farmers need is increased foreign markets and reduced tariffs."

It is true that farmers have been and now are selling their major crops at world prices and that they pay protected prices for what they buy. What has the administration done about that? Their principal accomplishment has been to reduce tariffs, to loan money, and to pay farmers to restrict production, and this in the face of Mr. Roosevelt's promises in 1932. Farmers are still selling at world prices and buying at protected prices. Gen. Hugh Johnson and I first called attention to the disastrous effect of this condition in 1921 in a brief called "Equality for Agriculture." We have proclaimed it widely ever since. There are two possible remedies (1) Take the farmer into the protective system, or (2) Reduce all America to the wage levels and living standards of the rest of the world. Many of the including the American Form Bureau Federaworld. Many of us, including the American Farm Bureau Federation in the past, have favored the first remedy. Professor Sayre apparently favors the second.

What farmers need is the full benefit of the domestic market What farmers need is the full benefit of the domestic market at American prices for American consumption and tariffs or other exclusive devices to support the American wage levels, prices, and the American standard of living. It is not true that foreigners have lacked purchasing power. The figures refute that theory. It is not necessary to go into detail of what happened to the credits we extended during the war or in the period of the twenties which followed. Foreigners have had purchasing power or excess dollar credits to the extent of \$5,800,000,000 from 1934 to 1937, inclusive. They have not used these dollar credits to pay debts or to buy our farm products but rather to buy their own and our securities—to create bank balances to buy machinery and our securities—to create bank balances, to buy machinery for producing for themselves and to purchase war supplies. Now, on the same outworn theory, the administration proposes create more dollar credits by giving foreigners our domestic markets. What is to become of our own people? Is it not time that we stop listening to theories and take a good look at facts?

SUMMING IT UP

Professor Sayre uses a multitude of figures, confined to isolated examples in an attempt to prove that the trade agreements have helped agricultural exports. His examples are confined largely to fresh vegetables, oranges, grapefruit, fresh pears, dried apricots, canned fruits, fresh apples, milled rice. The examples are largely limited to specialty crops grown only for market in limited sections of the country. They do not include the principal products of the great grain, livestock, dairy, and cotton sections from which a very large portion of the farmers' total income is derived. Reserved. cent compilations of concessions received on leading American agricultural export products—cotton, tobacco, wheat, and wheat flour, normally among our most important agricultural exports disclose that

Cotton: No duty reductions or enlarged quotas have been gained, with the exception of the duty reduction on linters in the new with the exception of the duty reduction on linters in the new Czechoslovakian treaty. Cotton exports, however, fell from the 10-year average (1924-33) of 7,969,000 bales to 5,728,000 bales in 1937. Meanwhile Brazil, India, Egypt, and other cotton-growing countries took advantage of our activities to replace us in our former markets and to increase vastly their cwn cotton production. World production outside of the United States increased from a yearly average of 11,195,000 bales (1924-33) to 17,813,000 bales in 1937.

Wheat and flour: The Dutch purchase undertaking in the Netherlands agreement is contingent upon a world price of our wheat and in any case it is only about one-fifth or less of our normal exports to the Netherlands prior to the depression. The Swiss quota amounts to about 4,000,000 bushels. Evidently these two concessions cannot absorb any substantial part of our normal wheat surplus. The duty reductions by Canada and Cuba are meaningless for obvious regions.

surplus. The duty reductions by Canada and Cuba are meaning-less, for obvious reasons.

Tobacco: The French purchase agreement of 20,500,000 pounds of leaf tobacco is only slightly more than our volume of exports to France during the fiscal year 1934–35 and 1935–36 and considerably less than exports to that country in any recent year prior to 1934–35. Duty reductions by Colombia and Cuba were secured, but these countries have never been important markets for our techesors. tobacco.

Thus for these three leading export agricultural products no important concessions have been gained through the trade-agreements program. A number of duty reductions and quotas have been secured for pork and hog products, but now we have no export surplus of these commodities. The only products which may have gained greater export outlets by the trade-agreements program are certain specialty fruits and vegetables in some cases, as above indicated. The figures in table I show what is happening with leading products. We are taking the American farmer out of the foreign market and putting the foreign farmer into the American market. The same is true of many industrial products—shoes, textiles, and pottery, for example.

tiles, and pottery, for example.

The administration's trade-agreement program is a subtle device for bringing about a general reduction in tariffs without the approval of Congress or of the American people. It was so intended although not disclosed for months after the act passed Congress. It was admitted by an administration's spokesman, Dr. Henry C. Grady, formerly chairman of the Trade Agreements Committee and now a member of the Tariff Commission, in this language:
"Our objective is the general amelioration of the world situa-

"We have already lowered many rates, which have been generalized to other countries. When we shall have gone the rounds of most of the important countries of the world, reducing in each case most of the important countries of the world, reducing in each case the duties on commodities of which it is the principal or important source, we shall have lowered our tariffs on a great many items where the case for lowering is justified. As a result of extending these reductions to virtually all countries, we will obtain, it would seem, what the proponents of unilateral tariff reduction desire; but we will do it more carefully and scientifically than is possible by legislative action. * * *

"This new policy is of an importance that can hardly be exagrerated. We are to a greater degree than ever before meshing our

gerated. We are to a greater degree than ever before meshing our domestic economy into world economy."

domestic economy into world economy."

Let those who favor such a policy line up. Let us get the issue out in the open. Every other important trading nation in the world long ago abandoned a low tariff policy. Even England, the greatest trading nation in the world, the mother of free trade, now, with one-third the population of the United States, collects over \$1,000,000,000 in duties annually compared with our \$400,000,000 and has adopted a policy of high protection for British Empire agriculture. In 1929 British and United States revenues from custom duties each closely approached \$600,000,000. In 1937 the British revenues from this source had increased to more than \$1,000,000,000, while the United States had declined to less than \$500,000,000. The administration is applying the theory of free trade fust a generation too late. trade just a generation too late.

trade just a generation too late.

The administration's policy, in effect, consciously or unconsciously, is an attack upon the American farmer. It is also an attack on the American home, farm and urban. Our standards of living depend economically upon the American wage and price levels, and rate of employment and production at these levels. When wage and price levels and employment decline, as we have seen them do more than once in the current decade, our standards of living go with them. No one would claim that public or private relief would do more than provide meager subsistence. For all major groups of our people and for the support of our homes, productive work and continuous employment at American wage and price levels, fairly related one to the other, are essential. To and price levels, fairly related one to the other, are essential. To all home makers this is important. To none is it more important than to the farmers and to the farm women in whose hands lie the making and preservation of the American home.

TABLE I

	1934	1935	1936	1937
Total agricultural exports. Total agricultural im-	\$901, 449, 000	\$914, 691, 000	\$894, 704, 000	\$1, 019, 252, 622
ports	1, 088, 280, 000 1, 198, 686, 000 547, 723, 000	1, 328, 390, 000	1, 524, 265, 000	2, 275, 663, 629

Taking a few of the principal products which account for a large part of American agriculture, we see in some detail how the policy is working for foreign farmers as well as against American farmers.

	Unit	1934	1935	1936	1937
Cattle:					
Imports	No	59,000	365,000	399,000	494, 945
Exports	No	9, 968	3, 348	4, 240	4, 132
Live hogs:	JANEAU CONTRACTOR		2523000	-2.000	111111111111111111111111111111111111111
Imports	Lbs	8,000	3, 414, 000	17, 446, 000	16, 555, 218
Exports	No	3,052	303	202	234
Pork products (fresh):	400 000 000	40.00	CANADADA	100000000000000000000000000000000000000	
Imports	M lbs	182	3, 923	12, 945	20, 877
Exports	M lbs	35, 223	10, 129	2, 594	4,091
Ham, shoulders and bacon:	THE ACTION ASSESSMENT	The Property			
Imports	M lbs	969	5, 297	26, 088	47, 422
Exports	M lbs	83, 286	61, 248	46, 258	42, 813
Cumberland and Wiltshire sides:		130.15		30,000	0.00
Imports	M lbs		10000000	inversusio	\$300 E-000
Exports	M lbs	439	443	467	45
Pork carcasses, fresh or frozen:				1550	
Imports	M. lbs.		11500000000	12 24 PROVINCE	A SAMPLE PROPERTY.
Exports	M. lbs.	1, 535	79	152	147
Pork, pickled, salted, and other:	200000000000000000000000000000000000000		111000	0 111 0 250	1 000
Imports.	M. lbs	495	1, 274	2, 810	6, 532
Exports	M. lbs.	18, 385	8, 276	10, 520	9,039
Canned meats:	2721.2002.	20,000	0,210	20,020	0,000
Imports	M. lbs.	46, 781	76, 653	87, 959	88, 087
Exports	M. lbs.	16, 362		13, 348	
Butter:	DI. 100	10, 002	12,001	10,040	10, 102
Imports.	M. lbs	1, 253	00.675	0.074	41 111
			22, 675	9,874	11, 111
Exports	M. lbs	1, 220	958	826	800
Cheese: Imports	M. lbs.	47, 533	48, 933	59, 849	60, 650
	M. lbs.				
Exports	M. 108	1,377	1, 152	1, 136	1, 156
Corn:	****		10 010		
Imports	M. bu	2, 959		31, 471	86, 337
Exports	M. bu	2, 987	177	524	5, 834
Wheat:	M. bu	10 740	00.000	*** ***	10 101
Imports		18, 543	38, 870	52, 991	17, 424
Exports	M. bu	16, 970	233	1,879	32, 378
Hay:	Per 1002		1000000		
Imports	Tons	23, 259		73, 976	
Exports	Tons	2, 185	2, 718	2, 161	41, 400
Cotton, unmanufactured, includ-				- HAT	
ing linters:	1202020	120000000	1024 10000	5000 1000	TEVES.
Imports	M. lbs	70, 822			
Exports	M. lbs	3, 148, 634	3, 233, 835	2, 974, 147	3, 223, 168

TABLE II

	1934	1935	1936	1937
With trade-agreement countries: Total agricultural exports. Total agricultural imports. Total industrial exports. Total industrial imports. With non-trade-agreement countries:		495, 161, 422	\$258, 123, 246 557, 030, 036 574, 705, 060 405, 131, 126	\$326, 873, 859 (1) 832, 510, 514 (1)
Total agricultural exports. Total agricultural imports. Total industrial exports. Total industrial imports	692, 749, 404 717, 605, 773 729, 319, 199 265, 961, 239	919, 888, 888 833, 228, 578	636, 580, 754 1, 093, 545, 964 949, 559, 940 368, 269, 874	692, 378, 763 (1) 1, 443, 153, 115 (1)

¹Imports cannot yet be broken down under "agricultural" and "industrial" by countries, since this break-down is not yet available by countries. However, total imports can be segregated by trade-agreement and non-trade-agreement countries, as follows:

Quota Bill for Sugar

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1939

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement which has, for its purpose, the defense of the interests of the people of Puerto Rico in connection with the Farmers Association of the island. The other day the Washington Post printed a dispatch by the Associated Press stating that President Roosevelt had expressed his opposition to the sugar quotas in Senator Ellender's bill. He expressed the idea that such a measure will bring a condition that may destroy the economy of Puerto Rico, Hawaii, and the Virgin Islands if such bill be approved by the House.

In connection with this matter I am inserting herewith a full statement that reads as follows:

Re Discriminations against Puerto Rico in the matter of sugar quotas under the Jones-Costigan Act, the Sugar Act of 1937, and Senate bill 69

To Hon. SANTIAGO IGLESIAS,

Resident Commissioner of Puerto Rico, Washington, D. C.:
On behalf of the Farmers Association of Puerto Rico, of which
we are authorized representatives, we submit to you the present
memorandum in support of the stronger opposition on your part
toward the procedure established under Senate bill 69, known as the
Ellender bill, for the determination of sugar quotas for the domestic

The Ellender bill increases from 55.59 to 60 percent the par-The Eliender bill increases from 55.99 to 60 percent the participation of the domestic sugar-producing areas, from the total amount of sugar needed to meet the requirements of consumers in the United States. We consider this amendment very reasonable and absolutely necessary under existing conditions, but we should object to the method of prorating this 60 percent of the sugar requirements among the different domestic sugar-producing areas which, under this bill, is changed as follows:

Area	Percentage under Sugar Act of 1937	Percentage under Senate bill 69
Domestic beet sugar	41. 72 11. 31 25. 25 21. 48 . 24	44. 72 12. 31 23. 25 19. 48 . 24

This means that Puerto Rico is not only denied a reasonable share

This means that Puerto Rico is not only denied a reasonable share in the increase of nearly 300,000 tons for the domestic sugar producers as a whole, but also that Puerto Rico would be penalized with a reduction of 17,072 tons of its present sugar quota.

It has been stated that it was not the intention of the sponsors of this bill to reduce the present sugar quota to Puerto Rico and Hawaii; but even if such intention is materialized, it would only mean the perpetuation of past discriminations against Puerto Rico, the present economic conditions of which are so desperate.

The enclosed table shows the unfair treatment to which Puerto Rico has been submitted under the sugar-restricting legislation. It compares the last unrestricted crop year with the sugar quotas

as fixed under the Jones-Costigan Act, the Sugar Act of 1937, and as apportioned under the Ellender bill (S. 69), approved by the

You will notice by this table how the authorized marketing quotas of the mainland areas have been steadily increased, while the quota for Puerto Rico under both the Jones-Costigan Act and the Sugar Act of 1937 was not even maintained unchanged but was slightly reduced. This situation is not corrected by merely keeping unchanged, under the Ellender bill, the present Puerto Rico sugar quota as fixed under the provisions of the Sugar Act of 1937, which now seems to be the attitude of the sponsors of the bill as expressed by Senator Tydings in the Senate (Congressional Record, March 27, 1939, p. 3324). The only reasonable, fair, and equitable way of handling any change in the present domestic sugar quotas is by prorating between the different domestic sugar-producing areas any additional amount of sugar resulting by the increase in the percentage from the sugar-consumption requirements to be covered by the domestic producing areas.

by the domestic producing areas.

Senate bill 69, as approved by the Senate, not only raises the quotas for the mainland sugarcane producers of Florida and Louisiana as to represent 91.9 percent in excess of the original quotas established in 1934 but it also raises the quota for the beet area, so that, according to the bill, it will get 17.3 percent in excess of the original quota of 1934. On the other hand, the situation of Puerto Rico is unbearable, as its quota under the terms of the bill represents a reduction of 2.1 percent when compared with 1934 (when the quota system was established). As to Hawaii, the reduction is 0.6 percent.

In other words, the establishment of the quota system and subsequent legislation by Congress, including Senate bill 69, has:

	Pe	ercent
(a)	Raised the mainland quota for sugarcane in	91.9
(b)	Raised the beet quota in	17.3
(c)	Reduced the Puerto Rico quota in	2.1
(d)	Reduced the Hawaiian quota in	. 6
		10000

We thus insist that the 21.48 "percentum" of Puerto Rico be maintained, as it is under the Sugar Act of 1937; anything to the contrary would constitute an unbearable discrimination against Puerto Rico.

In the year 1934, when the Jones-Costigan Act was enacted, Puerto Rico reached a peak production of 1,113,697 short tons, and

its capacity for sugar production was not then, and has never been, taken into consideration. This same policy was not followed with the other domestic areas whose quotas had been fixed in as much sugar as they have been producing, and in some cases in more than their actual sugar output. The authorized production for 1939, including sugar for the island's local consumption, is 845,000 tons, but there is enough cane in the fields to render a production of 1,150,000 tons. This means that 2,400,000 tons of sugarcane, equivalent to 300,000 tons of sugar, will not be harvested, and, consequently, that more than 25 percent of the employees regularly engaged in the industry would remain idle, and thus the island's unemployment problem would be seriously aggravated.

Such a situation was not felt in the last 2 years of restriction as long as the excess cane was permitted to be harvested and processed, but now the grinding of surplus cane is forbidden under the act.

under the act

These conditions naturally reflect on the mainland as the trade has been materially reduced and will continue to be reduced to unexpected figures.

In order to correct this serious situation, the island's sugar quota should be substantially increased.

Puerto Rico should also be allowed this year to grind all of Puerto Rico should also be allowed this year to grind all of its surplus sugar cane, not only because it would serve the double purpose of taking care of the problem of increasing unemployment and building up the necessary sugar resources for the event of a national emergency—but also because it will prevent the ruin of many small individual growers who planted cane, induced by rulings of the Secretary of Agriculture, which at the time of harvesting were practically nullified by certain administrative orders and procedures, with the ultimate result that at least three-fourths of these growers' cane could not be harvested and processed, and their investments therein will never be recovered. covered.

As a solution to this very difficult situation we also recommend an additional amendment to Senate bill No. 69, to the effect that in the Territory of Puerto Rico, 1939 surplus sugarcane could be harvested and converted into surplus sugar.

JUAN B. GARCÍA MÉNDEZ, Member, Senate of Puerto Rico. M. GONZÁLES QUIÑONES, Secretary, Farmers Association of Puerto Rico.

Comparison of sugar quotas for domestic areas as established under the Jones-Costigan Act, the Sugar Act of 1937, and Senate bill 69, as passed in the Senate

[In terms of short tons]

Area	Last unre- stricted crop year	Quotas as orginally established under the Jones-Costi- gan Act, 1934	Difference	1939 sugar quotas	1934 sugar quotas	Quotas as proposed under bill S. 69	Difference in tons of sugar	Percentage increase or decrease is of 1934 quotas
Domestic beet sugar	1, 756, 918	1, 550, 000	-206, 918	1, 566, 719	1, 550, 000	1, 812, 605	+268, 605	+17.3
Mainland cane sugar	250, 815	260, 000	+9, 185	424, 727	260, 000	498, 953	+238, 953	+91.9
Puerto Rico sugar	1, 113, 697	807, 312	-306, 385	806, 642	807, 312	789, 570	-17, 072	-2.1
Hawaii sugar	936, 000	948, 264	+12, 264	948, 218	948, 264	942, 376	-5, 842	6

The only fair method of prorating between the domestic sugar-producing areas the increase from 55.59 percent to 60 percent of the national sugar requirements as proposed under Senate bill 69 (Ellender bill) is as follows:

Area	Percentage established under Sugar Act of 1937	1939 quotas based on 55.59 percent under Sugar Act of 1937	Quotas based on 60 percent (S. 69) under same appor- tionment as Sugar Act of 1937	Change due to increasing domestic per- centage from 55.59 to 60 percent
Domestic beet sugar	Percent 41, 72 11, 31 21, 48 25, 25 , 24	Tons 1, 566, 719 424, 727 806, 642 948, 218 9, 013	Tons 1, 691, 008 458, 421 870, 634 1, 023, 441 9, 728	Tons +124, 289 +33, 694 +63, 992 +75, 223 +715
Total domestic	100.00	3, 755, 319	4, 053, 232	+297, 913

Federal Housing Act

EXTENSION OF REMARKS

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 12, 1939

Mr. SABATH. Mr. Speaker, in my desire to expedite the passage of the bill (H. R. 5324) to amend the Federal Housing Act, to extend the life of that splendid Administration, I did not explain the detailed action of the Rules Committee in the consideration of the rule to bring the bill to the floor. At this time I wish to say that there was only a few days' delay in reporting the rule making this legislation in order. and I desire to go on record in asserting that neither I nor the Rules Committee unnecessarily delayed the consideration of the bill as charged and indicated in the many letters and telegrams which I have received during the last few days.

Mr. Speaker, the last draft of the bill as agreed upon was introduced on March 24 and it was reported to the House by the Banking and Currency Committee on March 25. On March 26 or 27 the chairman of the committee, Mr. Steagall, asked for a hearing before the Rules Committee for a rule, which was granted, and both he and the gentleman from Missouri [Mr. Williams] were heard by the committee on March 29, but the hearing was not concluded that day. Being obliged to leave for Chicago, I authorized the gentleman from Georgia [Mr. Cox] to proceed with the hearing, but unfortunately no action was taken. On my return to Washington on Monday, April 10, I immediately called a meeting of the Rules Committee, and after a short hearing a rule was granted for the consideration of the bill. The rule was reported to the House the same day, and under the rules of the House I called it up on the floor the following day and the bill was immediately considered upon the adoption of the rule. Final action on the bill was not had until today. I therefore feel that the complaints that the Rules Committee unnecessarily delayed granting a rule for this bill are unjustified and unwarranted. The facts are that very few bills receive the speedy consideration as was given this bill.

Mr. Speaker, as one who originally advocated W. P. A. legislation and supported the extension of the act and voted for all of its strengthing provisions, I feel that it is manifestly unfair that word should have been sent out that I have willfully delayed consideration of the bill. Personally I am proud of the splendid accomplishments of the Federal Housing Administration. I am pleased that nearly all of the Republicans finally voted for the bill. The criticism that came from the Republican side and from a few Democrats was not against the administration, but of one project in St. Louis, with which I am not familiar, and perhaps one or two others. As chairman of the Select Committee to Investigate Real Estate Bondholders' Reorganizations and the activities of some mortgage and development corporations, I called attention to the excessive loans and valuations which had been placed on properties. I also pointed out that millions upon millions had been lost by real-estate bondholders, and naturally it has been my aim to prevent such abuses in the future.

Mr. Speaker and gentlemen of the House, I am satisfied that the Federal Housing Administration, on the whole, acted prudently and safeguarded the interests of the Government. Under the Federal Housing Act it has been possible to insure mortgage loans on small homes construction to the number of 363,906 and has made possible the repair and improvement of properties to the number of 1.833.162, or a combined total of 2,197,068 new and improved homes. So far the losses to the

Government are practically nil.

For political reasons charges have been made that the Government is competing with private business. I know that in private the very gentlemen making these charges have admitted, and it must be conceded by any one familiar with the good that has been accomplished by the Federal Housing Administration that such is not the case. This legislation has helped the builders, bankers, and insurance companies, and has put tens of thousands of men to work. As to the charges of some who say it has only been helpful to those in large centers, I would suggest that they read the hearings and examine the testimony of those from the rural sections of our country. They would find that it has been a tremendous help to those in the rural and farming sections in that it has enabled them to improve their homes, recondition their buildings and barns, and, in general, as admitted by the most rabid Republican newspapers, has accomplished a great deal for every section of our country. To enlighten the membership and the country at large I desire to place in the RECORD an editorial of the New York Herald Tribune of March 18, 1939, and one appearing in the Washington Post of April 7, 1939. I do not wish to encumber the RECORD but I could include hundreds of editorials appearing in the press throughout the country, giving credit to the administration for the good that has been accomplished by this New Deal legislation.

[From the New York Herald Tribune of March 18, 1939] MORE LIFE FOR THE F. H. A.

A.—Federal Housing Authority—which has been

The F. H. A.—Federal Housing Authority—which has been insuring mortgages on many millions of dollars of private homes, will no longer be able to continue this function after June 30, unless, as a result of hearings now being held, Congress decides to prolong the life and extend the operations of this organization. Looking back over various projects sponsored by the Roosevelt administration in the hope of alleviating distress and stimulating recovery, few seem to have worked better and to have been less subject to sound criticism than the F. H. A. It has brought relief to many persons in straitened circumstances. It has steaded the mortgage market. It has brought house owning within the range of many persons who would otherwise not have been able to afford it. Inasmuch as each individual loan is passed been able to afford it. Inasmuch as each individual loan is passed on after the most careful investigation by the lending institution, and the application is then examined by the F. H. A., it means that great care is exercised in the granting of the loans. The original fear that borrowers might take advantage of the Government governity has not materialized.

ernment guaranty has not materialized.

In only one respect has the practice of the F. H. A. departed somewhat from strictly conservative standards. In numerous cases mortgages may be obtained for up to 90 percent of the value of the property. This, in the opinion of some observers, is drawing the line a little thin. True, in numerous instances, when borrowers have sought to obtain 90 percent, they have been granted a lesser sum after the most careful checking and examination. Those who defend the practice of granting up to 90 percent point out that as these F. H. A. insured loans are all made on a basis that provides for substantial payments on account of principal as well as of interest, the situation is different than it would be in the case of the old-style mortgages.

The proposal being discussed before the Senate banking subcommittee calls for doubling the present limit of F. H. A. mortgage insurance, which is \$3,000,000,000. Some of those who testified urged making it easier to refinance old mortgages with F. H. A. aid. In other words, the demand is for a longer and fuller life for the F. H. A. This seems to be a proposal that deserves support without any thought of party considerations.

[From the Washington Post of April 7, 1939] THE F. H. A. RECORD

During March the Federal Housing Administration reports that all its records for home financing were broken. Small-home mort gages accepted for appraisal totaled \$121,700,000 compared with the previous high of \$104,000,000 for last August. By the end of

the previous high of \$104,000,000 for last August. By the end of March home mortgages to the amount of \$1,450,000,000 had been insured, while total insurance, including that on property improvement loans, amounted to \$2,300,000,000.

At the current rate of operations the present \$3,000,000,000 limit upon the amount of outstanding insured mortgages will be reached long before the end of the coming fiscal year. Consequently business and financial interests, with few exceptions, have heartily supported legislation to extend the provisions of the Housing Act and raise the statutory limit of outstanding insurable mortgages. While the F. H. A. asked that this limit be increased to \$6,000,000,000,000, the provision for a \$4,000,000,000 maximum contented in the bill. provision for a \$4,000,000,000 maximum contained in the bill reported out by the House Banking and Currency Committee would enable that organization to operate freely during the coming year. The larger sum was intended to permit F. H. A. to continue indefinitely without further enabling legislation.

Congress should act quickly on this proposal so that the F. H. A. may plan its financing program for the months ahead without being hampered by legislative uncertainties. Since the F. H. A. is not a spending organization there are no considerations of expense to delay action. Moreover, there is no other New Deal agency which has done as much as the F. H. A. to stimulate private business activity in a particularly depressed industry.

Mr. Speaker, in conclusion I wish also to state that what applies to this New Deal organization applies to nearly all of them, viz, the H. O. L. C., C. C. C., U. S. H. A., R. F. C., F. D. I. C., the Export-Import Bank, which has increased our exports, the Wage and Hour Division of the Department of Labor, and as soon as a few enemies of labor cease sniping and sending out false and prejudicial information, the country will begin to appreciate the benefits of the Wagner Labor Act which has helped tremendously in reducing the number of strikes throughout the country. With an end to the friction on the part of labor leaders, I am confident that the Wagner Labor Act will be recognized as a tremendous help in bringing capital and labor to a better and more helpful

Double Our Defense In Strategic Minerals

EXTENSION OF REMARKS OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1939

Mr. CASE of South Dakota. Mr. Speaker, it is understood that within a few days this House will consider House bill 5191, the so-called Faddis bill on strategic minerals. I think that a large majority of the Members of Congress favor strengthening our national defense by the acquisition of stock piles of certain strategic minerals to guard against a critical shortage in a sudden emergency.

In this connection I wish to make available to the membership of the House a most thought-provoking statement by O. L. Brownlee, editorial writer for the Sioux City (Iowa) Tribune, relative to the Faddis bill. It is particularly addressed to the omission, in the Faddis bill, of an appropriate section to provide for the purchase of domestic materials in creating this the desired stock piles. Mr. Brownlee, in company with many Members of Congress, believes that the purchase of domestic materials, insofar as possible, will give us double defense—the stores we actually buy and the stores in the ground whose existence will be proven by the establishment of plants and processes to make them available.

This double defense, Mr. Speaker, will not only give us emergency protection but will mean a declaration of independence for the United States.

To accomplish this double defense various amendments to the Faddis bill have been proposed. After consultation with a great many Members of the House, it seems to me that the following amendment would accomplish the purpose and give us double defense, and thereby strengthen the avowed purposes of the Faddis bill:

PROPOSED "DOUBLE DEFENSE" AMENDMENT TO H. R. 5191

PROPOSED "POUBLE DEFENSE" AMENDMENT TO H. R. 5191
Page 4, line 16, strike out the period and insert "And provided further, That purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933 (47 Stat. 1520), but a reasonable time, not to exceed 1 year, shall be allowed for production and delivery from domestic sources; and in the case of any such material available in the United States, but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may direct the purchase of such material without requiring the vendor to give bond; but nothing herein shall eliminate the requirement that the material delivered shall meet the specifications on which the order was placed."

The adoption of such an amendment, it seems to me, would go a long way toward solving the problems presented in Mr. Brownlee's address, which, under the permission heretofore granted, is submitted herewith:

THE PURCHASE OF STRATEGIC MINERALS

(An address by O. L. Brownlee, chief editorial writer, Sioux City (Iowa) Tribune, over radio station KTRI, March 30, 1939)

Good evening, ladies and gentlemen, I wish briefly and as forcibly as I can to bring your attention to the facts concerning what I consider one of the trickiest bills pending in the Seventy-sixth Congress, a bill which forcibly illustrates how certain vested interests operate to prevent the development of America's natural resources

The bill is known as H. R. 5191, by Congressman Faddis, of Pennsylvania, and it bears a favorable report by the House Committee on Military Affairs.

This bill would appropriate \$100,000,000 to be expended over the next 4 years for the acquisition by Government of reserve stocks of the so-called strategic and critical minerals, such as manganese, chrome ore, tungsten, vanadium, tin, etc., of which this country produces a deficiency. We should have such reserves

as a measure of safety in wartime.

We have adequate supplies of these minerals, except perhaps in the case of tin, in this country, but they never have been developed, because American enterprise cannot produce these minerals and pay an American wage scale in competition with foreign ores produced by peon or slave labor.

ACTIVITY OF STEEL INTERESTS

Up to this time American steel interests have succeeded in persuading Congress not to put adequate tariffs on these minerals so that our American producers could meet foreign competition. Their attitude is explained by the fact that the steel companies own manganese mines in Africa and Brazil, and where they do not actually own competitive mines abroad they prefer to acquire these raw materials by exchanging finished goods for them—in other words, by barter.

That makes the American steel industry dependent upon sources of supply 4,000 to 7,000 miles away for ores without which it cannot operate at all. That is dangerous business under war conditions and imposes an unnecessary burden on the American Navy. We lost one manganese-laden ship, the Cyclops, with 229 officers and men, during the World War, and the blood of those men is on the hands of the industrialists and politicians who have been responsible for preventing the development of our domestic deposits of these minerals.

responsible for preventing the development of our domestic deposits of these minerals.

This Faddis bill provides that the American Government may acquire reserve stocks of these minerals in one or all of three ways, to wit: (1) By granting debtor nations credit on their war debts; (2) by exchanging surplus farm commodities for minerals; (3) by outright purchase. It further provides for future "scientific, technological, and economic investigations" to be made by certain bureaus of Government to determine the quantities and grades of these ores that may exist in the United States.

Now, let me show you the "joker" in this bill. In the first place, the principal foreign suppliers of these minerals, except Russia, do not owe us anything on war account, and certainly Russia will never

not owe us anything on war account, and certainly Russia will never pay us anything. In the second place, the principal suppliers— Russia, Brazil, India, and the African Gold Coast—do not need our surplus farm products-granting that we have any, which I seri-

ously doubt.

The Government bureaus charged with making the proposed investigations already have all the information they need, or they can readily obtain it from private enterprise. This proposal is only designed to delay further the development of American mines and to perpetuate the steel industry's international control of minerals. There remains, then, under this bill, just one way to acquire reserve stocks of these precious minerals which we need, and that

is by outright purchase, and, under the Faddis bill, we'd have to purchase them abroad.

ANOTHER CLEVER "JOKER"

There is another very clever "joker" in this bill. Let me tell you about it. Section 3 of the bill provides "for the storage and maintenance and, where necessary to prevent deterioration, for the rotation of such materials. That word "rotation" is the peg upon which this "joker" hangs. It would make possible the immediate sale to the Government of all stocks of these imported ores now held in bond or in the yeards of the big steal commonly. bond or in the yards of the big steel companies.

This reference to the deterioration of these minerals is a joke

because, when properly sheltered, they do not suffer material deterioration.

Here is the kernel of the thing: Testimony given before the committee which acted on this bill revealed that United States steel companies now have on bonded yards in this country 851,879 tons of manganese, which they have imported, and about 150,000 tons, also imported, on which they have paid the small duty of one-half cent per pound. This is the largest peacetime reserve of these ores we have ever had—maybe the steel companies have been fore-handed and have been anticipating war.

PROFITS FOR SOMEBODY HERE

In other words, the steel companies now have on hand practically enough manganese to operate for a year, even under stress of war, without importing any. There is no emergency that warrants the United States rushing into the world markets to buy more manganese. If war were declared tomorrow, we'd have plenty of time in which to develop our own mines. Under the stimulus of war prices domestic production was pushed up to 345,000 tons yearly capacity in 1917-18.

The steel companies have a good many millions of dollars invested in this huge stock of manganese. Under this "rotation" clause they would be enabled immediately to unload it on the Government, which, of course, would purchase it with borrowed money, thereby freeing their own capital and enabling them to go into the world markets and purchase outright or barter finished steel for more manganese. Meantime domestic development would languish.

The steel industry and the Federal bureaucrats continue to repeat

The seer industry and the rederat but address continue to repeate their claim that American deposits of these ores are low grade. They are low grade in the sense that the conglomerate in which they are found contains a smaller percentage of manganese, tungsten, chrome, etc., than some foreign deposits, but manganese is manganese and tungsten is tungsten and chrome is chrome, and the conditions under which they are found do not change their character. character.

In the case of manganese, I know of no American deposit that shows less than 18 percent of that mineral. The Cuban-American Manganese Co. operates a Cuban deposit containing only 13 percent and has been selling the ore in the United States for years presumably at a profit.

DEVELOP THESE DOMESTIC DEPOSITS

All this is important to Sioux City and to the 23 States in which manganese and these other strategic minerals are found, and especially to South Dakota, for just 200 miles upstream along the Missouri River there is a deposit of manganiferous-bearing ore which private and Government engineers state contains 100,000,000 tons

private and Government engineers state contains 100,000,000 tons of manganese. This is the great Chamberlain deposit.

Development of that one deposit alone would render the United States militarily secure with respect to manganese. It would justify extension of the Missouri River navigation channel from Sioux City to Chamberlain, S. Dak., which would give eastern and central South Dakota and northern Nebraska the benefit of materially reduced freight rates on such items as grain, coal, gasoline, salt, sulfur, lime, etc., amounting to several million dollars annually. Thus it will be seen that our farmers and every line of business

sulfur, lime, etc., amounting to several million dollars annually.

Thus it will be seen that our farmers and every line of business enterprise hereabouts has a stake in the development of South Dakota minerals, and we want the steel industry to know that we resent their policies which tend to prevent development of our natural resources. Mr. Faddis, who halls from a Pennsylvania steel district, is not competent to legislate for the Middle West, and we resent the action of the House Committee on Military Affairs in recommending for passage a bill that is clearly a subversion of the interests of this section of the Nation and of the Nation itself.

We resent as presumptious and un-American any action looking to the suppression of industry and the development of resources

to the suppression of industry and the development of resources which the Lord has placed at our disposal, our streams and forests and our deposits of ores such as are found in the Black Hills. We condemn as unsound the policy of giving pay rolls to Asiatic, Brazillan, and African coolies which properly belong to American workingmen.

Nor are we unmindful of our own relations with these same steel Nor are we unmindful of our own relations with these same steel companies which have taken from the American people in the form of tariff benefits more than \$8,000,000,000 within the past 15 years—\$731,000,000 in 1937 alone. We paid our part of that tariff. It doesn't increase their popularity in this territory when we realize they, like the dog in the manger that couldn't eat hay but wouldn't let the cattle go near it, are fostering policies which interfere with our growth and our development and even our ability to buy more steel products. steel products.

These strategic ores industries make no unreasonable demands upon Congress. All that they ask is equal treatment with steel in the matter of tariffs. An increase in the tariff on manganese of only one-half cent per pound, for instance, would make possible the opening of mines which could turn out at least 200,000 tons of product per year and which directly and indirectly would employ approximately 25,000 heads of families.

Such an increase in the tariff would add only 7 cents to the price of a ton of steel, since it requires only 14 pounds of manganese to make a ton of steel. Think of it! The steel industry won't absorb that little 7 cents per ton when its own benefits in 1937 amounted to \$14.47 per ton.

WHY NOT "EDUCATIONAL ORDERS"?

Acting on the advice of the War and Navy Departments, Congress has enacted legislation authorizing them to place "educational orders" with manufacturers for other items of war equipment. That is done to enable manufacturers to develop machinery and have it in reserve for the making of such items in the event of wartime demand. Why cannot Congress give our domestic mining interests the same kind of treatment? Is it more vital that we have a reserve of machinery to manufacture shells, for instance, than it is that we have a reserve of mines to produce the metal jackets for those shells?

The Senate Committee on Military Affairs, thank goodness, is not so narrow-minded as that of the lower House. The Senate committee has reported out the Thomas bill, which appropriates the same amount of money—\$100,000,000—to buy stock piles of strategic ores, but it specifies that these materials shall be purchased abroad only in amounts that cannot be supplied by American domestic

enterprise.
(Note.—Senate passed Thomas bill without substantial change since date of this address.)

We live in a period of great stress and anxiety in which orthodox principles and practices of Government and business are being challenged by a new set of facts which clearly indicate the importance of changing some of our long-established policies. Many practices which until recently were regarded as sound economically and good business today are actually subversive of the national welfere. welfare

I am only a humble citizen of this great Republic. I do not own a single mineral lease nor a dollar's worth of stock in any mining or steel corporation. But I want to see my country made militarily secure and I want to see all of our people happily and usefully employed producing and utilizing the natural resources with which God has endowed this Nation.

Agricultural Appropriations and Farm Parity **Payments**

EXTENSION OF REMARKS

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1939

RADIO ADDRESSES BY HON. CLARENCE CANNON, OF MIS-SOURI, AND EDWARD A. O'NEAL, PRESIDENT OF THE AMERICAN FARM BUREAU FEDERATION, OVER THE N. B. C. FARM AND HOME HOUR, APRIL 8, 1939

Mr. HOBBS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio addresses delivered on April 8, 1939, by Hon. Clarence Cannon, Representative from Missouri, and President Edward A. O'Neal, of the American Farm Bureau Federation:

RADIO ADDRESS BY HON. CLARENCE CANNON, OF MISSOURI

When in the closing days of the Fifty-fifth Congress it was announced that for the first time in the history of the United States appropriations for all departments of the Government for 2 years had reached a grand total of a billion dollars, headlines flashed the news from coast to coast and editorials in every metropolitan newspaper in the Nation commented apprehensively on a

billion-dollar Congress.

This session of Congress the Committee on Appropriations reported out a bill carrying an appropriation in excess of a billion dollars for 1 year only and for one department of the Government alone—the Department of Agriculture. And the newspapers had

very little to say about it.

A billion dollars for agriculture; but perhaps that is the explana-tion of the lack of editorial interest. For when you come to examine this long bill, with its hundreds of items and millions of dollars, you discover that the term "agricultural appropriation bill" is largely a misnomer and highly misleading, and that while it is known as the agricultural appropriation bill, as a matter of fact, a large part of the money it appropriates is for other than

agricultural purposes.

For example, the bill carries \$6,000,000 for the Weather Bureau, of only incidental service to agriculture, and now maintained chiefly for the benefit of the civil and military air service; \$7,000,000 for the eradication of tuberculosis and kindred stock diseases, pri-marily for the protection of the health of consumers; \$5,000,000 for meat inspection, a service for the exclusive benefit of the packers

and middlemen, through its guaranty of quality and wholesomeness to the general public; approximately \$20,000,000 for the Forestry Service, not even a branch of agriculture, consumed principally in the protection and development of national forests and national resources; \$4,000,000 for the Bureau of Biological Survey, the conservation of wildlife, a national interest, demand for which comes in greater volume and insistence from the city than the country; nearly \$200,000,000 for the Bureau of Public Roads, a most laudable activity, but one in which the farmer is no more interested than any other citizen (in fact, out of this amount a wohlly inadequate sum is provided for farm-to-market roads, connecting the farm with the great system of interview high researches. farm with the great system of interurban highways, for which most of this money is spent); two and a half million dollars for the Food and Drug Administration, which deals with food as it leaves the processors, and not as it leaves the farm, and with cosmetics, etc., of secondary importance on the farm, and, at most, of no more benefit to the farmer than to any other industry; \$10,000,000 for forest roads and trails, spent largely in the national forests and of practically no agricultural benefit whatever; and similar items throughout the bill too numerous to mention.

So when prompted to comment on the size of the agricultural

appropriation bill and the amount it carries, it is well to remember that a large part of it is far from being agricultural, and is to be charged neither to the farmer nor the farm.

But such items serve to make the bill, already of surpassing importance, probably the most widely discussed of all the supply bills, affecting directly and immediately every congressional district, directly or indirectly every interest and industry in the Nation, urban and rural, field and factory, farm and city.

In this connection there is sometimes a tendency to confuse the jurisdiction and functions of two great committees of the House—the Committee on Agriculture, a legislative committee which cannot report appropriations, and the Committee on Appropriations, exclusively an appropriating committee which cannot report legislation. In other words the Committee on Agriculture writes the farm laws, establishes the farm programs. And the Committee on Appropriations furnishes the money to operate those laws and put these farm programs into effect. Without money to run them farm programs are like guns without ammunition or automobiles without gas. And the Committee on Appropriations, in the agricultural appropriation bill, furnishes the ammunition and the gas, supplies the money to make the mare go. In this connection there is sometimes a tendency to confuse mare go.

Let us take a concrete instance. The Seventy-fifth Congress

Let us take a concrete instance. The Seventy-fifth Congress passed the Farm Act of 1938, directing that the farmers of the country be paid parity prices for their products. But the law meant nothing and the farmer's prices were not affected until the Committee on Appropriations put through an appropriation providing the money to make the law operative.

What is a parity price? I suppose so much has been written and said about parity prices, and there has been such exhaustive debate in Congress on farm parity for the last 20 years, that everybody understands that a parity price for wheat, corn, cotton, eggs, and other farm products is a price which will make the farmer's wheat, corn, cotton, and eggs today buy as much as the same wheat, corn, cotton, and eggs would have bought before the war.

war.

Everybody will remember that before the war the price of farm products and the price of manufactured products, wages for farm labor and wages for union labor, were fairly adjusted, and under the price schedules of that day agriculture was on a plane of economic equality with labor and industry. Then came the war and all prices advanced. Farm prices went up. Industrial prices went up. Wage scales went up—went up together to the highest peak in the economic history of the country. And everybody was satisfied, everybody had purchasing power, everybody had enough and to spare, everybody was prosperous—on the farm and in the city. But, with the close of the war, a surprising thing happened—a thing as unfair and unjust and inequitable as it was surprising.

The bottom fell out of farm prices while the prices of everything the farmer had to buy remained at wartime levels. Hogs fell from \$28 to \$2. Wheat went down from \$2.40 to 30 cents. Eggs dropped from 60 cents to 8 cents. And everything else in proportion. Now that would not have been so bad if the price of everything that went up with farm prices had come down with farm prices. But incredible as it may seem, while agriculture was falling labor and industry not only maintained wartime levels but advanced, until today it costs more to ship 45-cent corn than it cost to ship \$1.50 corn in 1920; costs more to ship 9-cent cotton than it cost to ship 35-cent cotton during the war; takes more to buy a binder to cut 60-cent wheat than it took to buy a binder to buy a binder to cut 60-cent wheat than it took to buy a binder to cut \$2.40 wheat. And today, when pork is \$7 and eggs are 20 cents, the union wage scale is higher than when pork was \$28 and

cents, the union wage scale is higher than when pork was \$28 and eggs were 60 cents. Do our friends who wear cotton clothing, and who eat ham and eggs, approve of that discrepancy?

Now, do not misunderstand us. The farmer does not object to increases in either wages or prices. The farmer believes in high wages and high prices. But he submits to all fair-minded Americans that if he pays high wages for the products of labor and high prices for the output of industry he is entitled to an honest wage for his labor and a fair price for his products. That is what a parity is—as fair a price for what the farmer sells as the farmer must pay for what he buys.

And the justice of that contention is so obvious that all polit-

And the justice of that contention is so obvious that all political parties have promised parity in their national platforms. And

the Seventy-fifth Congress at last wrote into law a provision to

But such laws are of no effect until money is provided to make them operative. They are as has been said like guns without ammunition or automobiles without gas. So the Committee on Appropriations last year provided \$212,000,000 and this year reported out \$250,000,000 for parity prices. These amounts are not sufficient to give the farmer full parity but they are steps in the right direction.

direction.

From the \$212,000,000 appropriated last year the farmers of the Nation will receive 11 cents a bushel more for wheat than they have already been paid; 6 cents a bushel more for corn; and nearly 2 cents a pound more for cotton on their 1938 crop, payable this coming September and October. And if the \$250,000,000 appropriation is made they will receive as much or more for their 1939 crop payable in 1940. We had a hard fight on parity in the House, and lost by a vote of 191 to 204. Six votes would have changed it. But if the Senate adds it to the bill and the country supports us we have enough votes to pass it when it comes back to the House in conference and to spare.

and enough votes to pass it when it comes back to the House in conference and to spare.

And industry and labor will profit as well as agriculture. The day these checks reach the farm, the cash registers will begin to ring in every business in the community, orders will start flowing to the factories and labor will be called back on the job. On the other hand, by inverse ratio, when farm prices fall farm buying power drops, factories close, and labor is out of a job. Agriculture and labor and industry are all in the same boat. We must sink or swim together.

or swim together.

And let it never be forgotten that when hogs were \$28 and eggs were 60 cents there was not a single hungry child in America, and when hogs were \$2 and eggs were 8 cents famine stalked like a grim spectre through alley and lane and bread lines formed and

a grim spectre through alley and tane and break soup kitchens opened in every city in the Nation.

My friends, farm parity means business parity. A square deal for agriculture is a square deal for labor and industry. And information of the company of the compan inexorably, farm prosperity evitably, prosperity. irrevocably,

RADIO ADDRESS BY PRESIDENT EDWARD A. O'NEAL, AMERICAN FARM BUREAU FEDERATION

Right now the Farm Bureau is engaged in a new and intense bat

Right now the Farm Bureau is engaged in a new and intense battle for farm equality, and today I want to give you a picture of what is going on in this dramatic fight.

You have just heard Representative Cannon discuss agricultural appropriations and farm parity payments.

I realize that farmers generally are unaware of the farm crisis that has developed in Washington. While you have been busy with spring planting and launching the 1939 farm program, the enemies of agriculture have gone into action. They are following their usual tactics and are seeking to "divide and conquer." They are trying to drive a wedge between city and country. They are trying to split the farm groups, playing cotton farmers off against the producers of other commodities. They are fighting President Roosevelt's export program to open up the markets of the world to American cotton and regain our fair share of the world market for cotton. They are seeking to destroy the prices of farm commodities. They are seeking to destroy the prices of farm commodities. They are seeking to destroy the national farm program which organized agriculture has succeeded in building after its long 15-year fight.

fight.

The situation in Congress has come to a head over two issues. The first of these concerns the appropriation of funds for parity payments and surplus removal. The second deals with the question of keeping our fair share of export markets, especially for cotton. These two issues are at the heart of the general fight the Farm

Bureau is waging.

Bureau is waging.

Congress has recognized the justice of the farmers' cause and has written into the Agricultural Adjustment Act of 1938 the principle of farm parity. But to carry out this principle it must appropriate the funds. Parity payments are the equivalent of the tariff and other artificial benefits granted to industry and labor, which are reflected in the costs of everything the farmer buys. As it did a year ago, the Farm Bureau is leading the fight for parity payments for use next year. But, despite our efforts and the gallant and able leadership of Congressman Cannon and other stalwart friends of agriculture, we were defeated in the House by

stalwart friends of agriculture, we were defeated in the House by a close vote of 204 to 191.

Why did this happen, you are asking? That's a question you should ask of your Representative in Congress.

should ask of your Representative in Congress.

Who stood with us? One hundred and sixty-eight Democrats and 20 Republicans. Who defeated us? Sixty-eight Democrats and 135 Republicans. I was delighted to see that the Representatives from 16 agricultural States voted solidly with the farmers. Ten of these 16 States were in the South. But it was distressing to see that some Congressmen from farm districts voted with the anemies of egriculture against parity for farmers. Who with the enemies of agriculture against parity for farmers. Who is working for you, and who against you, here in Washington? If your Representative or Senator is working against you, let him know where you stand.

Doubtless some Members of Congress, both Democrats and Republicans, honestly felt they were practicing economy. But I am afraid some of them were fighting agriculture under the cloak of economy or sacrificing farmers' interests for their own political advantage.

During the last 6 years payments to farmers have amounted to about \$2,400,000,000. That is a lot of money, but those payments have been a major factor in increasing our farm income during

that period by a total of nearly \$17,000,000,000. The increase in farm income in turn has helped to increase national income by an aggregate of \$102,000,000,000. Surely our business friends would agree that a \$100,000,000,000 return from a two and a half billion-dollar investment compares favorably with the results gained by the most wisely managed corporation.

Now, if in the name of economy such a profitable program is to be wrecked and hamstrung, the outcome will be quite opposite to the fiscal improvement we all want to see. For if farm income and national income go down Treasury revenues will go down, and balancing the Budget will actually be more difficult.

And while our minds are turned to this matter of providing Federal assistance to agriculture, more permanent methods of financing our farm program cught to be considered. Some depend-

financing our farm program cught to be considered. Some dependable source of revenue is urgently needed.

The other engagement now being fought in Congress concerns the surplus problem, especially as it concerns cotton, wheat, dairy products, lard, and fruits and vegetables. It goes to the heart of the whole farm-surplus question. Ever since the McNary-Haugen days of the early 1920's we have struggled to control farm surpluses. Now, as then, we have a domestic price problem and an export market problem. Now, as then, we are fighting to keep world farm prices from wrecking domestic farm prices. We have a farm program now under which 4,000,000 farmers are cooperating which will take care of the surplus when it has a sure chance to operate. take care of the surplus when it has a sure chance to operate. This is the best all-around program farmers have ever had. But our immediate emergency need is to get rid of the enormous surpluses, especially those which piled up during the 2-year period when we had no real production control.

Briefly, our program is as follows:
First. Maintain the Agricultural Adjustment Act of 1938.
Second. Provide \$250,000,000 for parity payments to the five basic crops to be allocated on the basis of the formula in the act.
Third. Provide \$150,000,000 to supplement the funds in section 32

for the use of all commodities in disposing of their surpluses both in the domestic market and in the export markets.

Fourth. Make sure that American agriculture has its fair share of the world market for its export crops.

Fifth. Oppose any attempt to destroy commodity loans and

cheapen farm prices

This program will enable farmers to keep their supplies in balance with demand. It will safeguard farm prices and farm income. If we can keep the loan features and get these parity payments, it will assure to farmers cooperating in the Triple A program returns that will approximate at least 75 percent of parity. If we can also obtain the increased funds for section 32, we can get rid of these accumulated surpluses which are depressing farm prices.

This is not just a farm problem. It is a city problem, too. The truth is that a substantial share of the funds charged to agriculture for disposal of surpluses really goes to feed hungry children whose parents are out of work. In other words, some of the money that is earmarked for agriculture really goes for relief and assumes a burden that under normal business conditions would

be carried by city industry.

Just now cotton is staggering under the weight of a 13,000,000,-bale carry-over and our exports of cotton are down to three and onehalf million bales, less than one-half our normal exports. Every-body recognizes that something must be done to get rid of this enormous surplus of cotton.

enormous surplus of cotton.

To get this cotton picture clear, let's look back a moment at the situation we had in 1932. At that time the carry-over had piled up to 13,000,000 bales, about the same as now. Domestic consumption had fallen to less than 5,000,000 bales—the lowest since 1921. And the price had fallen to 5 cents a pound. At that time all of our cotton sold at the world price.

During the next few years, under the Triple A program, the cotton picture was transformed. The surplus was rapidly reduced and the price increased from 5 cents to 12 cents or more a pound. Domestic consumption increased from 5,000,000 bales to nearly 8,000,000 bales in 1937.

8,000,000 bales in 1937.

But again the picture changed. The effective controls had been thrown out by the Supreme Court's decision in 1936. Acreage jumped up, and production increased. The record crop of 19,000,000 bales filled the warehouses to overflowing once more with

surplus cotton.

Under the weight of this surplus the price of cotton dropped. Only the commodity loan feature of the new farm act kept the price from collapsing to the 1932 level or below. With this loan which has maintained the domestic price at around 8 cents, domestic consumption during the current year is running at the second highest rate since 1929. This proves that the cotton loan, in protecting the domestic price, does not handicap domestic consumption. But the surplus produced the 1927 class covered the sumption. But the surplus produced in 1937 also caused the world price of cotton to fall. As a result the 8.3-cent loan is unexpectedly hampering our exports of cotton.

What we must have is a means of letting our cotton flow freely into the world market, meeting the competition of foreign producers, and at the same time a means of protecting our domestic

The American Farm Bureau Federation is fighting for such a The American Farm Bureau Federation is lighting for such a plan. Our board of directors took action on March 9 urging its adoption. On March 10 we presented our plan to President Roosevelt. Following our recommendation, the President on March 28 proposed a plan for moving American surpluses of cotton into export and make sure of our fair share of the world cotton market. To the South, the world market for cotton is all-important. In the past we have exported a larger part of our cotton crop

than we have used in this country. If the South is not to face economic ruin and its plight seriously endanger the welfare of the entire Nation, our foreign market for cotton must be saved. We believe that such a plan will work for cotton, because a similar plan is already in effect for wheat. The wheat export program at relatively small cost is protecting the American price and giving the wheat producer his fair share of the export market. The wheat growers are heartily supporting this program. Applying the same plan to cotton would be good business for still another reason. To store the huge cotton surplus is costing the Government almost a million dollars a week. Wouldn't it be a good idea to use this money to move the cotton into trade channels? This seems far better than for the cotton industry to ask enormous sums from the United States Treasury which it is impossible to get.

The cotton-export plan, strangely enough, is meeting with strong opposition. Senators have reported that large numbers of telegrams have poured in from the interests who derive their income from handling the cotton of the farmer. Opposition is coming from speculators, from handlers and processors, from American capitalists with investments in foreign cotton. These interests are fighting for more cotton and for cheap cotton, the same as they always have. It is a fight between these interests and the cotton

The question is: Who is talking for the farmers of the South? Foreign cotton interests? Speculators? Cotton buyers? Cotton handlers? Are these groups speaking for the farmers of the South? I leave it to you as cotton farmers. Who has your real interests at heart? Is it the members of these groups? Or is it President Roosevelt and Secretary Wallace and your own American Farm

Bureau Federation?

Senator George has introduced a resolution which forbids the Secretary of Agriculture to sell any of our loan cotton abroad at less than its cost to this Government without the approval of Congress. The practical effect of this resolution would be to prevent the export of any of the 11,000,000 bales under the loan, endanger the loan and cotton prices—and this at a time when our exports are down to less than half of normal. We have registered strongly against this resolution with our Senators.

Our cotton farmers have shown, in every instance, by whole-hearted cooperation in the program, that they are willing to restrict their production to normal domestic consumption and exports. They will do their part. They are asking Congress to do its part. We've got to do something to move our surplus cotton and regain our export market. The purpose of the cotton export plan is to regain our export markets and to safeguard the cotton loan and the domestic cotton price.

is to regain our export markets and to safeguard the cotton loan and the domestic cotton price.

This problem is not wholly one of cotton. It is not limited to any one section or any one commodity. It is a national problem. Farmers from agricultural regions other than the South have a stake in what happens to cotton exports, to cotton loans, and to cotton prices. If cotton export markets are lost, cotton loans are destroyed and the price of cotton is allowed to collapse, what will happen to wheat exports, the wheat loan, and the price of wheat? What will happen to the corn loan, the price of corn and hogs, and our exports of lard? What will happen to the butter stabilization plan and the disposal of surplus butter? Agriculture has fought for 15 years for fair domestic prices for its products. has fought for 15 years for fair domestic prices for its products. Shall we now sit idly by and see the fruits of those efforts wiped out? That is the question before American farmers, and now is the time to answer it—before it is too late. The fight is now on in the Senate. The answer must come from a united agriculture. It is encouraging to note that this morning Senators from various agricultural sections were in session trying to get together on a unified program. This is what we have been striving to

bring about.

Senator James Hamilton Lewis

EXTENSION OF REMARKS

HON. EDWARD A. KELLY OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1939 Mr. KELLY. Mr. Speaker, on Sunday last a noble soldier

of democracy passed into the great beyond; the death of Senator James Hamilton Lewis marks the departure from national politics of one who dedicated his life to the public cause—a great statesman, a soldier, and a diplomat. Born a Virginian, Illinois has been proud of her adopted son, as he served her with merit and distinction. He was among the outstanding and best-known figures in the United States

We who knew him best will always remember his fine character and his eagerness to serve his fellow men; his kindness and gentle manners to his constituency were outstanding features in his life. In his passing I have lost a dear friend, the State of Illinois a loyal and noble son, and the Nation one of the most effective legislators who ever adorned the Senate of the United States.

Peeler Log Embargo

EXTENSION OF REMARKS OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

EDITORIAL COMMENTS AND LETTER

Mr. COFFEE of Washington. Mr. Speaker, pending in this Congress is H. R. 3579, introduced by me, the purpose of which is to restrict the exportation of peeler logs and Port Orford cedar. Because of the deep interest in this subject exhibited by clubs, corporations, individuals, commercial organizations, and political groups of the country, particularly in the Pacific Northwest, I am including herein laconic excerpts from newspapers of that area which discuss this measure. I am likewise including herein a letter from Axel Oxholm, managing director of the Pacific Forest Industries, addressed to Col. W. B. Greeley, manager of the West Coast Lumbermen's Association, in which Mr. Oxholm answers certain arguments and observations made by Mr. Greeley with respect to the pending legislation.

The letter is self-explanatory.

EDITORIAL COMMENTS BY WASHINGTON AND OREGON PAPERS IN REGARD TO THE PROPOSED DOUGLAS FIR PEELER-LOG EMBARGO

Many newspapers in Washington and Oregon have expressed themselves editorially on the peeler-log bill, which now is being considered in Congress. If the bill is passed, it will ban the exports of choice Douglas fir plywood logs from Northwest forests. Here are a few quotations:

Longview (Wash.) News: "If Congress does not give heed to this united plea from Northwest workers, we can safely conclude it is deaf and blind to the needs of this portion of the country."

The Dalles (Oreg.) Chronicle: "It certainly would seem like a sound idea to provide jobs for American workmen by restricting the export of these peeler logs."

Portland (Oreg.) Oregonian: "If we kept them (Pacific Northwest plywood logs) at home and converted them into plywood with our own labor, the foreign users would have to come to us for their plywood."

Bellingham (Wash.) Herald: "A ban on the export of our choice logs would be a direct benefit to our own workers and our own

behingham (wash.) Heraid: "A ban on the export of our choice logs would be a direct benefit to our own workers and our own manufacturers. Employment also should begin at home."

Bremerton (Wash.) Searchlight: "The women of Washington have rightly stressed the point that this exportation [of peeler logs] is keeping unemployed hundreds of thousands in the Northwest."

Kelso (Wash.) Kelsonian Tribune: "Germany, Italy, and Japan are the worst offenders. They flood the world market with cheap plywood, using our own logs * * *."

Aberdeen (Wash.) World: "Practically the only ones who find valid reasons to object to the proposed [peeler-log] law now before Congress are the few log exporters who reap profits from this business." business

Centralia (Wash.) Chronicle: "From where does the opposition come? From reactionary individuals and those who desire to 'cut out and get out.'"

[From the Tacoma (Wash.) News Tribune of March 24, 1939] PEELER-LOG EMBARGO

On this page today the News Tribune reproduces a summary of newspaper opinion which shows a remarkable agreement on the proposed peeler-log bill which is now being considered in Congress. This bill has already been widely endorsed. The Tacoma City Council and various organizations in Tacoma have urged our Senators and Representatives to do what they can to pass the measure which would ban the exportation of choice Douglas fir plywood logs. Commendation of the bill has also come from many civic and labor bodies throughout the Northwest.

At the present time some of the choicest logs in the Northwest, which took hundreds of years to grow, are being shipped abroad to be turned into plywood. Some of this plywood is used in war preparations by the Fascist countries. A considerable amount is shipped back here after being made with cheap labor, working long hours, in competition with local industries.

As a result, the situation deprives Northwest workmen of jobs and American capital of return on its investment in the plywood industry, so important a factor in the industrial life of the community.

Such unanimity of opinion from the Northwest ought to convince the authorities at Washington, D. C., that it is a stupid policy to permit the exportation of these choice logs and have them returned in manufactured material to the detriment of our own industry. It is to be hoped that Congress takes speedy action on this proposal, so vital to the Northwest.

Bend (Oreg.) Bulletin: "Fir is not a product of this section, but we have an interest in the development and maintenance of employment in all parts of the Nation, and we have an especial interest in the creation of larger industrial opportunity in the Northwest. Let us support this bill."

Seattle (Wash.) Union Register: "Exports of plywood have dwindled practically to the vanishing point while exports of peeler logs have grown by leaps and bounds. This situation must stop."

Portland (Oreg.) Journal: "Uncle Sam is playing Santa Claus to the world's only surplus of softwood timber suitable for plywood manufacture—the Douglas firs of Oregon and Washington. This

manufacture—the Douglas firs of Oregon and Washington. This measure (peeler-log bill) and others that encourage manufacturers of raw products at home, ought to have support." Eugene (Oreg.) Register-Guard: "* * not merely to protect our own plywood industry but to check the depletion of

Seattle (Wash.) Star: "It certainly is a matter for our Congressmen and Senators to check up on."

Vancouver (Wash.) Columbian: "Certainly if the administration is serious in seeking to return American workmen to the normal channels of trade, it will give heed to the movement for this embargo."

Seattle (Wash.) Post-Intelligencer: "These logs are needed to provide raw materials for the American plywood industry. From every viewpoint the United States should conserve its rapidly dwindling supplies of peeler logs for its own use."

Roseburg (Oreg.) News-Review: "When peeler logs, the finest timber in our forests, are shipped abroad, one of our greatest natural assets is being disposed of without adequate return to the Astoria (Oreg.) Budget: "Why should we ship peeler logs to Germany, Italy, and Japan to help in the construction of bombing planes?"

Olympia (Wash.) News: "You wouldn't catch Germany or Japan selling any of their products in the raw state to the detriment of its industries and workers."

Seaside (Oreg.) Signal: "In any event, it is proper that we should

conserve our diminishing supply of peeler logs."

Aberdeen (Wash.) Post: "Restoration to the Northwest wood-products industries of an annual million-dollar pay roll will result if Congress passes a bill before it prohibiting the exportation of high-grade Douglas fir logs."

Seattle (Wash.) Timber Worker: "The I. W. A. will cooperate to the full in this worthy move to keep this product and this work in this country."

MARCH 27, 1939.

Col. W. B. Greeley, Secretary-Manager, West Coast Lumbermen's Association

Stuart Building, Seattle, Wash.

Dear Colonel Greeley: May I thank you for your courtesy in sending me a copy of your letter of March 24, addressed to certain sending me a copy of your letter of March 24, addressed to certain Senators and Representatives from the Northwest and bearing on the control of log exports? I have just returned from a visit with timber owners, loggers, and log exporters in British Columbia. I have consulted British Columbia officials, and the result of my investigation is, briefly, as follows:

(1) The Douglas fir timber resources of British Columbia are given as 16,000,000,000 feet of accessible timber. The present annual rate of production is one and one-half billion feet. Therefore, the British Columbia timber industries are in a precarious position in regard to raw material.

(2) While no accurate information is available in regard to the accessible stands of high-grade Douglas fir saw timber, it is generally accepted that the Province has less than 4 percent of this class.

(3) The sawmills and plywood mills in British Columbia have for (3) The sawmills and plywood mills in British Columbia have for several years experienced a shortage of high-grade fir logs. The deficiency has been made up by imports from Washington and Oregon. The annual exports to British Columbia have increased of late years. Thus the United States Department of Commerce statistics show that in 1935, 4,000,000 feet of Douglas fir logs were shipped to British Columbia; in 1936, thirteen and one-half million feet; in 1937, thirty-one and one-half million feet; and in 1938, thirty and one-half million feet. While no accurate information is available in regard to the grade of fir logs shipped to Canada, it is common knowledge that a large percentage, if not the bulk, of the logs are high-grade fir logs, and that these logs are imported for the manufacturing of plywood and other high-grade wood products for export. for export.

(4) Canada's exports of high-grade fir logs are to a large extent reexports of American imported logs. This is particularly true in regard to shipments to Germany, since Canada has a trade treaty with that country, whereas the United States has not. According to the report of the British Columbia chief forester, British Columbia

exported 4,000,000 feet of No. 1 logs of a total export of 152,000,000 feet of Douglas fir logs in 1937, the latest figures available.

There are unquestionably certain quantities of medium- and low-grade fir logs shipped to Canada, the reason being an effort on the part of certain log-buying mills in British Columbia to depress the

local log market.

(5) An embargo on American high-grade, Douglas fir log exports would force the Canadian mills to depend on their own resources, thereby bringing their cost of production more in line with that of the American mills. Since Canada would have no high-grade fir logs available for export under these circumstances, there would be no basis for reciprocal agreement with that country. The principal export mills in British Columbia are reported as opposing such agreement.

(6) A private arrangement between loggers in British Columbia, on the one hand, and Oregon and Washington loggers, on the other, would be ineffectual since no control could be exercised over unorganized loggers, of which there are many in both countries.

(7) The Province of British Columbia cannot control exports of

logs cut on Crown-grant timberlands. Control over all log exports from British Columbia is, therefore, a matter for the Parliament in Ottawa, and it will, unquestionably, require a long time to secure action. In the meantime, our markets for finished products in foreign countries continue to dwindle as a result of furnishing our foreign competitors with the raw material they need.

(8) The British Columbia mills ship their finished products, including doors, plywood, lumber, etc., to the United Kingdom on a duty-free basis. The American mills cannot compete with the British Columbia mills in face of this handicap, and in addition the British Columbia mills have appreciable freight advantages

and lower labor cost.

In conclusion, it seems reasonable that the only protection for the Northwest industries would be to stop the exportation of such logs as cannot be furnished by Canada or any other country. I am purposely leaving out the question of conservation, the employment feature, and the question of public welfare involved in this policy, because these facts are well known and well recognized. I will only emphasize that the growing scarcity of high-grade softwood timber in all other parts of the world is the reason why more than a dozen countries call on our ports for high-grade logs. If the Northwest fails to protect its interests in the manner suggested, it will invariably mean a continued decrease in what little export trade is left in finished wood products. The drain on our virgin-timber resources has already been felt by the domestic industries dependent on this raw material for their existence. While the plywood industry is the first industry to be hit on account of the high quality requirements of the raw material used, other and even more important log-using industries in the Northwest will soon be in the same position as our industry now finds itself. In conclusion, it seems reasonable that the only protection for itself.

The fact remains that the United States is the only industrial country permitting an unrestricted export of softwood peeler logs. Even British Columbia exercises strict control over such exports, with the exception of logs cut on Crown-grant lands.

Copies of this letter are being sent to the Senators and Representatives to whom you addressed your communication.

Very sincerely yours,

AXEL H. OXHOLM, Managing Director, Pacific Forest Industries, Inc., Tacoma,

Army Day and Our Soldiers

A well equipped, trained, treated, and paid Service personnel is America's best guaranty of peace.

EXTENSION OF REMARKS

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1939

ADDRESS BY CARL GARDNER ON ARMY DAY, APRIL 6, 1939

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech made on Army Day by Carl Gardner, editor of "Our Army" magazine and national commander of the Regular Veterans' Association:

Twenty-two years ago today, on April 6, 1917, the United States, after standing for oft-repeated violation of its rights and sovereignty by the Central Powers of Europe, who thought America was too cowardly to fight, came to the end of its patience and entered the World War on the side of the allied democratic nations determined to stamp out once and for all aggression on the part of one nation against another.

Developments since the World War have made it clear that, while we did turn the tide of battle and crush, for the time being, while we did turn the tide of battle and crush, for the time being, at least, the powerful forces belched loose upon the world by Germany and her allies, we most certainly did not succeed in eliminating burning desires on the part of one nation for the possessions and properties of others. Very foolishly we thought we had accomplished this purpose, and in the years immediately following the war we permitted our military and naval forces to deteriorate in strength to a state of practical impotency. But we had a rude awakening. We have been shocked out of our lethargy. We have seen communism and other un-American "isms" challenge our institutions, and we have determined to prepare to meet the our institutions, and we have determined to prepare to meet the

challenge.

As we celebrate this Army Day of 1939 we can state proudly that most effective steps have been taken to strengthen the United States Army and to place it in a position to perform its full mission in our scheme of national defense. When these steps are perfected the United States will be able to call to arms on mobilization day a force of over 1,000,000 fighting men. This force will be composed of 220,000 Regular Army officers and men, 75,000 Regular Army Reservists, 210,000 National Guardsmen, and some 500,000 other categories of trained personnel. Six thousand fight-500,000 other categories of trained personnel. Six thousand fighting planes, manned and serviced by some 50,000 officers and enlisted men, will compose a powerful modernized Army Air Force. Adequate protection is being provided for our overseas bases in Panama, Hawaii, Alaska, and Puerto Rico, with increases in personnel and the addition of antiaircraft and coast-defense guns.

These steps toward preparedness will give the American people complete security. They do not decrease in any degree the possibility or probability that our country will enter a war which starts in Europe or Asia, but they do give us a definite guaranty that no war will be fought on the soil of the United States or its posses-

With these steps that have been so wisely taken by our Government to provide the material for an adequately equipped Army, most of you are familiar. But there is another side of our Regular Army which isn't so well known and which is rarely covered in speeches made on Army Day. I refer to the personnel side. I refer to the man behind the gun, the Army private, the Army

noncommissioned officer.

Tremendous advances have been made in our guns, our planes, and our instruments of warfare. The best brains in our military service and in civil life have taxed their ingenuity to construct and perfect machines of war—machines that require educated and intelligent men to man them. Yet very little has been said or done to improve the pay, pensions, and treatment received by the United States Regular Army soldier. Conditions under which he works have not kept pace with developments of the material side

of our Army.

The rate of pay of Army men has not been revised since 1922. The rate of pay of Army men has not been revised since 1922. At that time the pay of the private was cut from \$30 a month to \$21 a month and has remained at that low figure for 17 years. The Army private is probably the lowest paid worker in any industry or profession or calling, and he is a Government employee. Members of the Civilian Conservation Corps are paid \$30 a month, \$9 more than the monthly compensation of the Army's lowest pay grade. And during the past 6 years part of this pay—the reenlistment allowance—has been taken away from all Army enlisted men of all pay grades. But I am glad to say that recently Congress decided that this injustice should continue no longer and has voted to restore this allowance.

Index present pension rates the Army enlisted man who becomes

Under present pension rates the Army enlisted man who becomes physically disabled in the line of duty—no matter if this occurs on foreign soil, in the Philippines, or in China or in Panama—is allowed Just about one-third the pension a similarly disabled veteran of a war would receive. A physically disabled Army enlisted man with 20 or 25, or even 29 years of service, receives no more pension than the disabled recruit with a year of service. Each is given a medical discharge and each must then apply to the Veterans' Bureau for a pittance. Upon death the next of kin of physically disabled Regular Army men are not entitled even to the flag that covers the

In each Army post and station there is operated a store, which is called the post exchange. This exchange sells a variety of items which are of ordinary use and consumption by Army officers and enlisted men and members of their families. Prices are, as a rule, lower than in civilian stores and are, therefore, in keeping with the Army's low pay rates. Up until a few years ago Army personnel were able to buy most of their needs in their own stores—these post exchanges—but in 1936 Congress enacted a law restricting the types of merchandise that might be sold in Army retail stores, and in 1937 these restrictions were further tightened until today the poorly paid Army soldier cannot even buy a suit of civilian clothes in his post exchange. The officer or the noncommissioned officer cannot buy a good radio, a vacuum cleaner, a washing machine, or a set of automobile tires in the average post exchange.

These restrictions were enacted into law by Congress ostensibly because of the theory advanced by local merchants in towns near Army posts, which was that if Army personnel could not purchase certain items in their post exchanges they would, perforce, purchase them from the local civilian stores.

certain items in their post exchanges they would, periorce, purchase them from the local civilian stores.

This theory has proved itself false, because most Army personnel could not afford to pay the full civilian retail price for radios, civilian suits, and washing machines. When they could not buy such items in their own stores, they just didn't buy. This meant not only that they and their families were denied badly needed articles but it also meant that wholesalers and manufacturers lost business and

that workers in factories, on transportation lines, and elsewhere lost work.

Profits from post exchanges are used for the morale and contentment of Army personnel. They buy athletic equipment, bowling alleys, coffee urns, toasters, radios, magazine subscriptions, and many other items for use in Army posts and in organization recreation rooms. The Government does not provide such items. Dry up post-exchange profits, and Army men must go without many

tion rooms. The Government does not provide such items. Dry up post-exchange profits, and Army men must go without many things which make for contentment and morale.

The Secretary of War and the War Department have year after year consistently asked for relief in pay, disability pensions, and other matters, and have annually asked for return of reenlistment allowances. Yet no action has been taken by Congress until this year—and this lack of action has been due to a great extent to the fact that individual Members of Congress have not hitherto been made fully acquainted with the situation of Army personnel and have not had impressed upon them the vital need for amelioration of conditions under which Regular Army men serve.

Lately, however, Army personnel—as well as personnel of all other regular services—have had the benefit of cooperative effort on the part of the Regular Veterans' Association, an organization composed of those who have served or who now serve in the Regular Army, Navy, Marine Corps, and Coast Guard. This association is founded upon patriotic principles similar to those of our war veterans' organizations, but only those who have had 1 year or more of regular enlisted service are eligible to membership.

There are some 5,000,000 men and women in this country eligible for membership in the Regular Veterans' Association and its companion organization, the Regular Veterans' Association and its from these ex-Regulars that the Regular Veterans' Association has drawn membership that has interested itself particularly in the needs of personnel of the Regular Army. This association has taken the unassaliable position that without high morale and contentment among Army personnel the United States Army cannot reach that high state of efficiency which adequate national defense taken the unassailable position that without high morale and contentment among Army personnel the United States Army cannot reach that high state of efficiency which adequate national defense demands—that billions spent upon guns and planes will prove ineffective unless a few dollars are provided as relief to Army personnel. Today we demand the best men for our Army and we demand that these men give their best. They deserve fair and equitable treatment. And we of the Regular Veterans' Association are very proud to say that vitally needed revision of pay and pensions and other matters have received and are receiving the sympathetic attention of such outstanding Members of Congress as Senators Sheppard, Schwartz, and Reynolds and Representatives Izac, Van SHEPPARD, SCHWARTZ, and REYNOLDS and Representatives IZAC, VAN

Most urgently needed legislation at present as far as Army enlisted personnel are concerned are, first, an upward revision of the pay scale, and second, new physical disability pension rates to bring these rates more nearly in line with pensions paid physical disability may retain a line with pensions paid physical disability may retain a line with pensions paid physical disability may retain a line with pensions and retaining all or the pensions are all or the pensions and paid physical disability may retain a line with pensions and paid physical disability may retain a line with pensions and paid physical disability may retain a line with pensions and paid physical disability may retain a line with pensions and paid physical disability pensions are paid physical disability pensions and paid physical disability pension are paid physical disability pensions are paid physical disability pension ically disabled war veterans. I urge all civilian citizens, all ex-Regulars, and all mothers, fathers, sisters, wives, and friends of our Regulars to write their Senators and their Representatives in Congress to urge these Congressmen to give these matters their serious and sympathetic consideration. A letter will be a tre-mendous below

mendous help.

In closing I invite all ex-Regulars, men who have had 1 or more years of service in our Regular Military or Naval Establish-ments, to become affiliated with our association. It is the only

ments, to become affiliated with our association. It is the only association of national prominence that is composed exclusively of Regulars. Headquarters is at 1115 Fifteenth Street NW., Washington, D. C. A letter to the chief of staff will bring full details. The men who have worn the uniform of our country, the men who have taken and obeyed the oath that every enlisted man, whether war or Regular, takes, constitute a bulwark of strength for our Nation. One who has not served in our Army, our Navy, our Marine Corps, or our Coast Guard can never have the same feeling toward his flag and toward his country that the veteran has. The war veteran served his country well. So, too, has the Regular veteran. the Regular veteran.

And on this Army Day let's salute the Regular, the man whose profession is that of bearing arms, the man who makes military service a vocation, who says little but whose patriotism and willingness to die for country are in no respect less than those of the wartime volunteer. It is the Regular who performs the chore of many monotonous routine days of preparation for war, it is the Regular who is thrown into the conflict first and who comes home last.

Yes, they, too, serve and sacrifice.

Yes, they, too, serve and sacrifice.

Federal Housing Act

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1939

Mr. COCHRAN. Mr. Speaker, the amendment which the House has just adopted by a record vote adding a new section to section 207 of the Federal Housing Act is for the purpose of eliminating legitimate write-ups of raw-land values in connection with projects authorized under this section of the act. A careful analysis of the act supports this statement, because the act itself permitted the Federal Housing Administrator to permit such write-ups, making them legitimate under the law, and it is this portion of the act that justified the gentleman from Massachusetts [Mr. GIFFORD] in saying that he did not blame the Federal Housing Administration but the act. In this respect I concur in the opinion of the gentleman from Massachusetts [Mr. GIFFORD]. We cannot blame the Federal Housing Administrator for doing something which we, who are responsible for the law, permitted him to do-in fact, specifically said he could do.

It has been claimed this land write-up is a racket, and it should be stopped regardless of the argument advanced that it is justified. My contention is that if we Members of Congress are responsible for a racket, it is our duty to stop that racket by specific legislation and that is exactly what I desire to accomplish by my amendment, nothing more.

It has been asserted by some that the Federal Housing Administration claims, as do some members of the Banking and Currency Committee, that there has been a misunderstanding in regard to section 207 and to amend it, as I proposed, would make it more difficult for the Administrator to initiate large housing projects.

I cannot conceive how anyone can say that the operation of section 207 is misunderstood, especially if the facts in regard to the two St. Louis projects which have been so much discussed in the committee and on the floor are fully

In voting for the original law I took it for granted that the Congress meant exactly what it said when it provided that 20 percent of the cost was to be advanced by the promoters, while the F. H. A. was to guarantee the mortgage amounting to 80 percent of the cost of the project.

The criticism in the main directed at the two St. Louis projects was because of the write-up in the land values which were accepted and approved by the F. H. A. as part of the 20 percent advanced by the promoters. In my opinion, if the general program is sound, and I think it is, then the F. H. A. will not find it any more difficult to advance a project in a community where additional housing of this character is needed, but, on the contrary, I contend that if the 20 percent advanced by the promoters are sound assets, such as cash and money expended, it will not only be beneficial to the project, but likewise be beneficial in rentals, because it will be reflected in the amount when the time arrives to fix the rentals of the completed apartments.

It is true that the promoters cannot make any money on their 20 percent which they advance until the project makes money, but is anyone blind to the fact that the promoters are going to make plenty of money on the construction of the buildings, especially when the promoters are architects and building contractors? They are in the picture because they can make a very liberal amount in constructing buildings. So I say that the architects and the builders, who are mostly the promoters, will be on the job just the same seeking projects of this character.

Of course, the Government can have an expanded housing program if it wants to be as liberal as the Congress has permitted the F. H. A. to be in connection with these large-scale housing projects.

I have no desire to take unfair advantage of anyone and every statement that I have made in connection with this matter is supported by facts, although I admit that it has been mighty hard for me to secure a break-down of expenditures in connection with the St. Louis housing projects, and I have not secured such a break-down up to this time.

One day I receive information from the F. H. A. in reply to questions and when I use that information I am informed that it is not entirely correct. I think I understand the English language at least to some extent and when I was told by F. H. A. officials that the promoters at the time of the write-up of the land values had not spent 1 cent above the purchase price of the two projects up to the time of the write-up I think I was justified in using the statement.

It has never been denied by the F. H. A. that the promoters never provide any of their own money for underground improvements, such as sewers, water, streets, sidewalks, and so forth, inside of the property line, but that the money for such improvements came out of the money guaranteed by the F. H. A., together with what money might have been placed in the project by the promoters, under their 20-percent contribution.

As an example, on one project in St. Louis the land value was written up from \$44,000 to one-hundred-seventy-oddthousand dollars, claim being made by an F. H. A. official that part of the increase in the write-up was money which the promoters were to expend on constructing roads and so forth, leading up to the property line. It had not been spent at the time of the write-up.

When I made the statement that none of the money of the promoters had been used for sewers, water, sidewalks, and streets inside the property line I was asked then by the F. H. A. how I could make such a statement when the promoters had put up over \$100,000 in cash. My answer to that is if the write-up did include any cash advanced, or was to be advanced by the promoters for improvements in increasing the value of the land, then that was included in the write-up, or at least should have been included in the write-up, and not taken out of over \$100,000 in cash which was advanced and included in their 20 percent. If the money for the improvements that justified the write-up in value of the land came out of the 80 percent guaranteed by the F. H. A. and the 20 percent of the promoters, then the promoters did not take any additional money out of their own pocket to make any improvements on the land aside from the cash in their 20percent contribution, and if that be so the write-up in the value of the land was not justified and should not have been allowed as part of the 20-percent contribution.

In any event, the fault lies entirely with the Congress because of the specific wording of section 207, and if we had not so enacted section 207 the write-up in the value of the land could not have occurred. Therefore I seek by my amendment to correct what the Congress should not have permitted.

In order to be fair and that the views of the Federal Housing Administration might be known in reference to the administrative policy under section 207, with the permission of the House I quote now a statement issued by the Federal Housing Administration on March 6, 1939:

The purpose of the 1938 amendments to section 207 of the National Housing Act was to provide an effective stimulus to rental housing construction through creating means for increasing, on liberal terms, the availability of funds for financing such construction.

It was recognized that the disappearance of facilities for real-It was recognized that the disappearance of facilities for real-estate bond financing, together with the reluctance of institutional lenders to provide sufficient funds to meet housing needs, required some positive action if the supply of rental housing was to be brought abreast with market requirements. It was likewise recog-nized that the older method of financing not only involved costs which effectively prevented new construction except for the upper income groups, but also, through its generally short-term character, its necessary association with highly speculative junior financing, and its lack of protection against wastage of the security contained its necessary association with nightly speculative junior financing, and its lack of protection against wastage of the security contained at all times a serious hazard to the stability of the real estate and mortgage market. It was, moreover, apparent that any methods devised in substitution must admit the scarcity of equity capital—a condition as true in boom times as it was last year or now—and provide for as large percentage loans as could be made consistent with a reasonable business risk.

Under the amendments these situations were frankly faced and authority was granted for insuring loans in amounts up to "80

authority was granted for insuring loans in amounts up to "80 percent of the amount which the Administrator estimates will be the value of the property or project when the proposed improve-ments are completed." This is avowedly a liberal policy and its purpose of providing the desired stimulus to rental housing construction is plain.

In order to surround so liberal a policy with sufficient safeguards to protect the Government's interest without nullifying the pure of Congress, the law and subsequent regulations and policy of the Federal Housing Administration established means of controlling and limiting the operating corporation so as to prevent the neglect or waste of the property, or the diversion of any funds other than to provide a limited return on the equity. Among these controls are the following:

The mortgage must not carry an interest rate above 4½ percent and must be fully amortized in regular payments extending over a period of usually 26 years.

No charges in connection with the financing of the project can

be made except as approved by the Administrator.

No mortgage will be insured which exceeds the Administrator's estimate of the cost of the physical improvements, so that in the minimum the equity must represent the land free and clear and all the miscellaneous costs for interest, taxes, and insurance during construction, organization, financing, and legal expense, etc. No mortgage will be insured which does not permit a drop in rental below the appraisal estimates of at least 20 percent before default on the mortgage occurs.

No liens secondary to the insured mortgage are permitted and

default on the mortgage occurs.

No liens secondary to the insured mortgage are permitted and no indebtedness of any sort may be incurred by the corporation except as approved by the Administrator.

Rentals must be established in accordance with a schedule approved by the Administrator as being proper, and no other charges for service to the tenants may be made without the Administrator's approved.

No dividends may be paid on the stock of the owning corpora-tion except as approved by the Administrator and only after all operating expense, regular interest, and amortization charges have been paid, and after reserves for working capital, for repairs and replacements, and for at least one-half year's debt service have been established and maintained. Any excess earnings above the dividends and reserves above stated must be paid to the mortgagee as editional amortization of the lose. as additional amortization of the loan.

No salaries may be paid except with the approval of the Ad-

The corporation is required to maintain the property in a satisfactory condition.

The corporation must at all times permit the Administrator to

examine its property and records.

The books of the corporation must be kept in accordance with the system of accounts prescribed by the Administrator.

The corporation must furnish the Administrator regular reports

and audits covering its operations.

In addition to these regulations which prevail during the entire period in which the mortgage-insurance contract is in force, certain other regulations are enforced during the construction period, as follows:

Funds representing the cash equity are required to be deposited by the owning corporation in an account under the joint control of the Administrator.

No funds may be paid on account of the mortgage loan except with the approval of the Administrator.

Assurances of completion in the form of construction bond, or otherwise in form satisfactory to the Administrator must be provided.

The above regulations are made effective by being included in the charter of the limited-dividend owning corporation and by granting to the Administrator shares of a special class of stock which acquire full voting rights on the default of any monetary payment or on the breach of any of the above charter require-ments. Through an administration representative on the board of directors of the corporation and through the regular reports required to be furnished the Administrator is kept informed of the operations of the corporation and maintains an effective super-

operations of the corporation and maintains an effective supervision of these operations.

In the event of any such default or breach, the Administrator has the right, without legal recourse, to assume control of the corporation and to conduct its operations himself until such time as the default or breach has been remedied or until the property or mortgage has been transferred to him by the mortgagee. Moreover, in case the Administrator does come into actual possession of the property through foreclosure, he may, through elimination of the equity and through the favorable financing terms which he can command, rent the property at a figure so much under the appraisal estimates as to make an actual loss to the Government an extremely remote possibility.

appraisal estimates as to make an actual loss to the Government an extremely remote possibility.

It is felt that these safeguards will not only reduce the assumed additional lending hazard arising from a high percentage loan but should in fact generally improve the quality of the mortgage security on income residential property as a whole. This opinion has been concurred in by lending institutions familiar with the procedure, and it is perhaps more effectively indicated by the increasing competition among lenders for these loans. It may be noted that the form of this competition is a healthy one from the point of view of added safety, taking, as it does, the form of reduction in interest rates and financing charges, rather than that of offerings of higher loans.

reduction in interest rates and financing charges, rather than that of offerings of higher loans.

The administrative problem in connection with operations under this section of the act has been to provide, within the restrictions above outlined, sufficient flexibility to meet the manifold complexities of real-estate and building conditions, to act with the maximum promptness consistent with careful examination, and to involve, through our procedure, as little delay and additional cost to builders as possible. While endeavoring to do everything essential to determine the safety of a loan, we have, in the interests of encouraging construction and keeping down administrative expense, eliminated all procedures except those necessary to protect the Government's position as insurer.

Three features of the examining procedure, designed not only to protect the Government but to improve generally the quality of rental properties as good housing and good mortgage security, should be noted. These features are: Housing market analysis, architectural consultation, and the F. H. A. appraisal procedure.

Since the basis of the success of any income property lies in the accuracy of the income estimates, great stress has been placed upon reaching valid determinations of this factor, and the administration is constantly endeavoring to improve its facilities for

istration is constantly endeavoring to improve its facilities for

obtaining thoroughgoing market information. In each zone office research officials have been placed whose sole duty it is to study the economic backgrounds of the cities in their regions, to study population and income trends, to check vacancies, and otherwise to provide a true background for estimating obtainable rentals. Studies of this type have been extremely helpful to the administration of the studies of t

Studies of this type have been extremely helpful to the administration in establishing the basis of examination and to developers in aiding them in selecting the type of project for submission. In the second place, emphasis is laid upon the character of project planning. It is considered desirable to have projects constitute self-contained entities of sufficient size to counteract adverse neighborhood influences which might arise during the economic life of the project. In order further to counteract obsolescence, it is required that lower population densities and greater amounts of park and recreational space be provided than are customarily established under local ordinances. Care is taken that within the family units provision is made for privacy, light, and ventilation. Through such means it is assured that tenant families will have amenities at least comparable with those possible in detached dwellings, and that the property will continue to offer attractive living accommodations over a long period of years.

The F. H. A. architectural consultation goes beyond these considerations. It includes also careful scrutiny of specifications to provide that the proposed structure will be a sound and durable one. Few proposals are approved that do not include many added conditions intended to assure a satisfactory standard of construction.

construction.

The procedures outlined above are conducted in addition to the appraisal process, and are for the purpose of providing a basically satisfactory security. In other words, no proposal is accepted for appraisal which does not serve a market agreed by the Administrator to represent a real housing need in the community, and which does not promise a building which will provide for that market in a settificatory.

market in a satisfactory way.

The appraisal process itself is exhaustive and includes in it the safeguards of using several methods and of obtaining several independent judgments in matters of valuation. Thus, initial examinations are made in the field by men familiar with conditions in the locality of the project. These findings are reviewed in a zone office and a complete report and recommendations forwarded to Washington. In the Washington office all details of the appraisal are again checked and afterward passed upon by heart

to Washington. In the Washington office all details of the appraisal are again checked and afterward passed upon by a board of review of five men especially set up for the purpose.

In this process, the project is first viewed as a going concern operating at rentals previously determined to be proper. Operating costs, taxes, etc., are carefully estimated. In every case it is assumed that rentals will decline over an estimated economic life and provision is made for such decline. Allowance is also made for vacancies and for depreciation. From such studies an estimate of the value of the project as a capitalization of net return is calculated. This estimate will represent a maximum of valuation acceptable to the Administration, but it does not comprise the whole of the determinations upon which the final conclusion is made. is made.

is made.

For instance, where comparable projects already exist, a comparison with the values of those projects is made. In addition, in every case careful estimates of building costs are made from a thorough survey of materials and labor by experienced construction cost estimators. The miscellaneous costs such as interest, insurance, and taxes during construction, financing, legal, and organization expense are also carefully estimated.

In this whole process, the determination of the portion of the total value contributed by the land under the development is an important and critical matter. In view of the wording of the act requiring valuations to be made on a completed and going concern basis, the cost of the raw land, or of comparable parcels—where

requiring valuations to be made on a completed and going concern basis, the cost of the raw land, or of comparable parcels—where such cost is obtainable—while a matter for consideration, is plainly not the controlling factor. In fact, such cost has been, in the case of our operations, rarely obtainable, or if so, rarely has it given a proper clue to a reasonable final determination. The long period of inactivity in real estate preceding the establishment of this administration, and the violent—though in many cases temporary—collapse of realty prices resulting from that inactivity have made extremely difficult, if not absolutely unjust, the gaging of normal values by comparison with such transfers as have taken place.

Moreover, in many cases no actual change in the ownership of

values by comparison with such transfers as have taken place. Moreover, in many cases no actual change in the ownership of land has taken place, the then owners taking part in the new corporation. Frequently such land has been held for a long period of years without any sales or developments which might give a benchmark of value prior to the new project. In many cases the value arising from important public improvements in the form of highways sewers transprotation lines etc. or the change of the

value arising from important public improvements in the form of highways, sewers, transportation lines, etc., or the change of the permissive land use in the neighborhood, may not have been reflected in sales prior to such occurrences. It is an accepted fact that land which may have lain dormant for a long period may, with the possibility of use through community growth or public improvements, rapidly acquire value. Again land which may be of little value for one use may potentially have great value for another. It must also be borne in mind that these rental projects are in most cases large enough to result in the creation of entire communities of as many as 3,500 persons, a fact that cannot be ignored in a consideration of value. Bringing into use, as they may, large tracts of undeveloped land, they do, through the installation of roads, sewers, schools, and other public improvements, the erection of shops and community facilities, and the stimulation of construction in surrounding areas, materially affect the aspect of the areas tion in surrounding areas, materially affect the aspect of the areas in which they are located and enhance values above the market

price of raw acreage before the concept of the project had been revealed.

It is, in fact, impossible to arrive at a fair and proper determination of land value without taking into consideration the various uses to which it will be put, and, in accordance with theories accepted by appraisal authorities, that use which on valid market cepted by appraisal authorities, that use which on valid market data promises the maximum return from development will be the determining one in arriving at a valuation. It must follow that in considering a definite use, such as a housing project, the returns to be conservatively estimated as arising from such use, will provide a reasonable basis for land value appraisal. The basis of valuation called for by the act and followed by the administration, if exercised with caution and in face of all obtainable data, is therefore. fore a valid one.

In confirmation of the reality of the concepts above outlined, we have had examples where projects already operating have in order to expand their developments purchased additional adjacent land at prices fully justifying valuations made in connection with the

original project

Recognizing, however, the difficulties inherent in achieving absolutely precise judgment in such matters, the Administrator has introduced additional precautions in establishing the maximum amount of an insurable mortgage. Thus, despite whatever final valuation may have been agreed as reasonable, no mortgage will be variation may have been agreed as reasonable, no mortgage will be accepted for insurance which exceeds the F. H. A. estimate of the cost of the physical improvements, as has been previously mentioned; or which does not at least have an equity comprising the land, free and clear of other encumbrances, plus cash equity suf-

land, free and clear of other encumbrances, plus cash equity sufficient to cover all miscellaneous costs for interest, taxes, and insurance during construction, legal, financial, and organization expenses, and a working-capital fund; or which does not, also, have all of the other controls outlined earlier in this statement.

In addition to the above procedures, effort is made to assure that the project, as it has been appraised and approved, will in fact be executed in accordance with the terms of the commitment. Before construction starts a schedule of payments of the mortgage proceeds is carefully determined from estimates of work to be required in relation to the total amount of the mortgage. Payments are made monthly by the lending institutions as the work proceeds only after the amount of work performed as well as its proceeds only after the amount of work performed as well as its compliance with plans, specifications, and F. H. A. requirements has been checked by resident F. H. A. inspectors. This practice, except in its greater thoroughness, is not dissimilar from that which has long been followed by careful lending institutions in connection with construction loans.

Recently the whole procedure above described was submitted for review and comment to a conference of representatives of six of the country's most important financial institutions which have been the most active lenders on rental projects, and, after study, was strongly commended by them as offering the best protection in the private lending field which had thus far been devised.

Through the controls established by law and regulation and through the procedure established for examination, appraisal, controls the procedure of the pr

through the procedure established for examination, appraisal, construction inspection, and management supervision, the Administration feels that it is not only providing a reasonable and proper protection as insurer to the housing insurance fund and to the Government but that it is performing an important service to the country in providing the means for adding to the soundness of mortgage lending on income properties and for increasing the supply of attractive, convenient, moderately priced rental accommodations for families which otherwise would be without a choice of living quarters of a degree of a manify in any way compared to

modations for families which otherwise would be without a choice of living quarters of a degree of amenity in any way comparable to that available to the home owner.

In respect to operations to date under section 207, it may be noted that the average amount of mortgage per room insured by the Administrator has been \$1,004 as against a legal limit of \$1,350, a limit which was set against the protests of builders and developers. It may also be noted that in the average project the value of improved land represents only 10.4 percent of the total cantialization.

value of improved land represents only 10.4 percent of the total capitalization.

We have insurance outstanding on \$71,194,500 worth of mortgages on projects as of January 31, 1939. In the operating period during which this amount of insurance was accumulated we examined projects totaling in proposed mortgage amounts \$743,819,654, from which we have been able to consummate only a small percentage. Numerous additional proposals were rejected during the course of preliminary interviews. Of the projects completed and in operation over a period of 6 months or more many during the course of preliminary interviews. Of the projects completed and in operation over a period of 6 months or more, many have obtained occupancies of 100 percent, a great majority have occupancies of 90 percent or better, and there are none which do not appear to be operating successfully. These figures are cited simply as evidence of the fact that we have been endeavoring to follow a conservative policy and have limited our insurance to those proposals the soundness of which we were thoroughly continued of the expensively assumination. vinced after exhaustive examination.

The Federal Housing Administration has also issued a statement in reference to one of the St. Louis projects, which is now practically completed, known as Manhassett Village. I also include that statement:

This project is located in an area in St. Louis County now being rapidly built up as a preferred residential location, on high land particularly adapted to a large rental-housing development. Before the inception of this project the land had not been subdivided due to its lack of accessibility and to its being held out of the market for other purposes. In order to place the land in

a suitable condition for the building of a project, it was necessary that approximately 1 mile of streets connecting the property in two directions with main highways, together with connecting sewer, water, gas, and electric lines be installed. In order to render permissive the type of project proposed, a change in zoning was necessary; and, in order to accommodate the increased population brought by such a development, a new school was advis-

It was considered by the examining officers of the Federal Housing Administration that when the above requirements had been accomplished the land would at least be comparable as to value with residential lots in adjoining areas, and would fulfill all prerequisites for a rental-housing project.

Section 207 of the National Housing Act instructs the Administration to have the detailed.

Section 207 of the National Housing Act instructs the Administration to base its determinations upon what it "estimates will be the value of the property or project when the proposed improvements are completed." In appraising this proposal, it was estimated that when the project was completed it would justify a valuation of \$2.016,000. It may be noted that an appraisal independently made by the New York Life Insurance Co. before making the loan compared within \$16,000 of this figure.

This valuation took into account the required utilities mentioned above. It assumed the erection of the new school. It recognized the importance of a superhighway to be installed closely adjacent to the property which would bring it pearer in division.

adjacent to the property which would bring it nearer in driving time to the center of the city. It recognized, moreover, that the creation of a community of over 1,000 persons with the facilities necessary to serve them, would have the tendency greatly to enhance values for a considerable area surrounding the property over those existent before the improvement was completed.

over those existent before the improvement was completed.

On the basis of the above valuation, the Administration agreed to insure a mortgage in the amount of \$1,600,000 and to accept an equity valuation of \$416,000. This equity was subscribed in stock by the sponsors and formed the basis for calculating the limited dividend permitted by the Administration, the only cash return allowed to be paid on the equity investment.

Of the amount of this equity, \$245,000 represented cash or its equivalent in addition to the mortgage proceeds, estimated to be required for the completion of the project, exclusive of the land and improvements outside the property. This requirement was met by a cash stock purchase of \$124,000, and by the acceptance by the builder and architect of stock estimated at \$121,000 on account of fees as approved by the Administration. The \$124,000 cash was deposited by the sponsors in an account jointly controlled by the of fees as approved by the Administration. The \$124,000 cash was deposited by the sponsors in an account jointly controlled by the Administration and could be withdrawn only for expenses incurred

Administration and could be withdrawn only for expenses incurred in connection with the project.

The remaining amount of the equity valuation was attributed to land. It has been shown that the sponsors of this development were able to acquire the land in its then inaccessible and unimproved condition for \$44,000, in two payments of \$5,000 and \$39,000. In addition, approximately \$45,000 was involved in the installation of connecting streets, sewers, water, gas, and electric lines, and drainage, all outside the property lines, and outside any consideration by the F. H. A. in estimating the costs of constructing the project. The sponsors were, in view of these extensive external improvements, in view of the enhancement in value arising from the project as a whole, in view of the estimated earning from the project as a whole, in view of the estimated earning power of the project as a going concern; and, moreover, in view of comparable prices being currently offered for residential lots in the neighborhood, permitted by the Administration to issue to themselves stock in the amount of \$171,000, representing the value of the fully improved land under the finished development, for the purpose of completing the allowance permitted by the Administration as a basis for computing the limited dividend return.

The land was, it must be emphasized, transferred to the limited dividend corporation for a stock payment without any cash consideration. Not only did no cash change hands in connection with this land transaction, but the net profit, if any, accruing therefrom must be deferred until such time as the project has proven its success and all of the conditions of the insurance contract fulfilled.

Any returns on the land stock, as well as the other stock in the corporation are, under F. H. A. regulations, strictly limited by the Administration. In order further to add to the safety of the loan, the Administration has required that, before even these the loan, the Administration has required that, before even these limited returns are obtainable, reserves must be set aside for repairs and replacements, for working capital, and for one-half year's mortgage payments. Any amounts earned above these reserves and the authorized dividends must be paid to the mortgagee as additional amortization. In this way, effective machinery is provided to prevent the project from being "milked" during the period that the insurance is in force, and to assure at all times the prior position of the programme indebtedness.

the prior position of the mortgage indebtedness.

It should, therefore, be evident that the sponsors must not only limit and defer their profits, but must risk, first, the loss of return on their investment, then the loss of their investment in land, improvements, cash, and services if the project proves to be

unsuccessful.

unsuccessful.

The Administration has further protection in its ability, without other recourse than an exercise of its rights under the Corporation's charter, to be kept at all times conversant with the corporate affairs, and, in case of monetary default or breach of regulations, immediately to assume full control of the Corporation and its assets. The control may continue until such time as the default or breach has been remedied, the mortgage insurance canceled, or the mortgage or property transferred to the Administration under the terms of the insurance contract.

In case of failure, which there is at present no reason to anticipate, the New York Life Insurance Co., as mortgagee, would have the choice of transferring the mortgage or property to the Administration, or of operating the project as its own property after foreclosure—a choice which it might well make, since the elimination of the equity would give it an increased margin for successful operof the eduty would give it an increased margin for successful operation. On the other hand, should it decide to accept the F. H. A. debentures, which carry 2% percent interest and run for a period 3 years longer than the original mortgage, the Administration would be enabled, through the elimination of the equity and through the financial terms it can command, to operate the project and pay off the indebtedness at a rental so low that actual loss to the Government would be an extremely remote possibilities. ernment would be an extremely remote possibility.

That neither of these possibilities is contemplated may be justi-

fied by the experience with projects in operation 6 months or more. In this category there are now 26 projects in 16 States and the District of Columbia. Four of these are in the immediate vicinity

District of Columbia. Four of these are in the immediate vicinity of Washington. All of these projects are operating successfully, the great majority have more than 90-percent occupancy, and many have waiting lists.

The Manhassett Village project illustrates many of the radical differences between mortgage financing under the F. H. A. limited-dividend plan and the old type of mortgage usually granted for 3, 5, or 10 years, where the lender had no control whatever over the property, and where the frequent practice was to "build them and bleed them." Instead of a period of 3 or 5 years during which the sponsors can manipulate the property to their own immediate advantage they have, under the F. H. A. plan, to adhere from the outset to most rigid regulation in respect to amortization, interest payments, operating expenses, reserves, dividends, etc. Under the old system the borrower endeavored to get his profits out of the property before the mortgage became due. Under this system it is impossible for the borrower to take out his profits, except in a limited way, until after the mortgage is paid off.

except in a limited way, until after the mortgage is paid off.

A decade ago saw the complete collapse of the old-style mortgage system. As a recognition of this failure, the State of New York has authorized insurance companies seeking an outlet for their funds in rental housing to build, own, and operate projects directly on their own account. Of this type of operation the \$50,000,000 project now being built and wholly owned by the Metropolitan Insurance Co. is the outstanding example and may be looked upon as a

100-percent mortgage.

Congress, recognizing the need for a new method for rental-housing financing, last year amended and amplified section 207 of the National Housing Act. The type of mortgage therein permitted is admittedly a high percentage loan, and follows from the full authorization of Congress after a consideration of the mortgage situation and the need for stimulating rental construction and employment in the building trades and allied work after a lapse of pearly 10 years.

nearly 10 years.

In addition to the radical change in the method of financing In addition to the radical change in the method of financing these projects, a similarly radical change has been achieved in their physical appearance. They may be described as "garden apartments" and are characterized by low land coverage, rarely exceeding 25 percent, as against the more customary apartment land coverages of 60 to 80 percent. For this reason they are able to provide a high degree of amenity to tenants, and, with the development of landscaped areas, improve rather than deteriorate in appearance with age. The four projects in this vicinity—Colonial Village and Buckingham, in Arlington County; Brentwood, in the District of Columbia; and Falkland, just over the Maryland line—well illustrate the type sought for. The open planning features, providing a parklike appearance, are considered a strong deterrent to obsolescence and an important factor in maintaining the soundness of the security over a long period—again protecting the position of the security over a long period—again protecting the position of the Government in the liberal type of financing it has made

I have nothing but the greatest respect for members of the Committee on Banking and Currency. I realize what a hard task they have but I really do not understand why some of the members of that committee become so exercised when a Member desires to amend a bill brought in from that committee. I recall once before I wanted to amend the Housing Act, offered what I felt was a very sound suggestion, and immediately was charged with trying to destroy title I of the act. I wanted to reduce the interest on loans under this title. As I understand the situation, interest as high as 9 percent is charged for those loans and is still the rate. I wanted to cut it in half or make it 5 percent. The gentleman from Michigan [Mr. Wolcott], who so strongly defends section 207, was with me on that occasion and he, like myself, was criticized. What is wrong with trying to reduce interest rates from 9 to 4½ or 5 percent? Oh, they said then, we would destroy the title. The banks of the country wanted the title left as it was. Of course, they did and do now because of the high interest that results from those loans guaranteed by the credit of the United States. It is true we have lost money on that title, but we would not have lost so much if we had done at the outset what you are doing in this bill-included a premium of 1 percent. It seems perfectly proper for the committee to make changes, but if a Member attempts to do something really constructive, he is charged with destroying the purposes of the law or being opposed to his administration. Consult the Record and find out how I have opposed the administration.

We all assail graft, but when Congress itself permits what many who have written me call legitimate graft I am assailed for trying to stop it. I want no part in providing

a way for graft, legitimate or illegitimate.

This law will work and work well with my amendment. It would work better in my opinion, as I said the other day, if we would provide for the Government to buy the site and then go into the open market and let all bid who are responsible on the construction of the project. Then you would get the project completed for far less than it costs today. I would be willing for the Government, if it is going to stay in this business, to guarantee 100 percent of the cost if necessary. If the project is sound, under that system, there would be no chance for the Government to lose in the end.

The House by its record vote, 199 to 143, serves notice on the House conferees it wants my amendment in this law and it is the duty of the House conferees to stand out for that amendment in conference, if the Senate refuses to agree

National Committee to Keep America Out of Foreign Wars

EXTENSION OF REMARKS

HON. GEORGE M. GRANT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

Mr. GRANT of Alabama. Mr. Speaker, yesterday I was astounded upon reading the Congressional Record to find that one of our Republican colleagues from the State of New York had gathered unto himself a band of Congressmen who styled themselves the National Committee to Keep America Out of Foreign Wars. It is noted that this committee does not include any Democratic Congressmen. It does seem that an organization of this nature, national in its scope, and with such a worthy purpose of keeping America out of foreign wars, would have transcended party lines and had at least a few Democratic Congressmen among its members.

Is this an organization dedicated to the purposes which its name purports, or is it, pure and simple, a political and partisan organization set up by various Republican leaders in an

attempt to embarrass the administration?

I have carefully read the purposes of this organization, and many of them are worthy, but if this is not a political and partisan organization, why are only Republican Congressmen organizers and incorporators? Do these gentlemen have a monopoly on patriotism?

The main purpose of the organization as set out is as follows:

To counteract the inspired propaganda emanating from the White House and spokesmen of the New Deal which has created mass war hysteria throughout the Nation by inflaming the fears and passions of our people and inciting hatreds against foreign

Even a child can see that this statement makes it an organization definitely opposed to the President of the United States and seeking to cripple his program. No matter how laudable its other so-called purposes are, this one purpose explains the reason for the organization and the motives behind its incorporation. A better name would be the National Committee to Weaken the President. Yet you say it is nonpartisan.

I recognize the fact that the organizers of this bund, or whatever it may be called, are conscientious and thorough American citizens, and as patriotic as can be found in the land; that they are entitled to their views upon domestic

and foreign matters. But why call an organization of this nature nonpartisan and patriotic when it even sets out in its purposes that the cardinal principle is to counteract that which comes from the White House?

Certainly there are patriotic organizations where Republicans and Democrats alike can meet upon a common ground. Compare the second purpose of this organization with the following news item which was clipped from Wednesday afternoon's Washington News-the heading "Nazi Press Attacks F. D.; Calls Him a Warmonger."

BERLIN, April 12.—The Nazi Propaganda Ministry newspaper Der Angriff today bitterly criticized President Roosevelt.

"Is it true, Mr. President," Der Angriff asked, "that warmongering and impending war are the last salvation for you and your president."

osition?

"It is true that it is not the international situation but your personal ties and personal affairs that move you to this despicable warmongering which you pursue continuously?"

Der Angriff said that "it was obvious that Mr. Roosevelt would hasten to the British warmongering encirclement policy with open arms, but we must term it gross irrelevance and impertinence when the head of a state can permit himself to pursue warmongering in this direct form."

The newspaper apparently referred to Mr. Roosevelt's remark

The newspaper apparently referred to Mr. Roosevelt's remark recently regarding the danger of war in Europe, including the fact that he told Georgians he would be back at Warm Springs next

fall unless there is a European war.
"Who do you think you are, Mr. Roosevelt?" the newspaper

"What has moved you to forecast war definitely in such con-sciously reckless and dangerous fashion?

"We know also that every one of your domestic plans has failed and that you are one of the most unpopular men in America. "Answer us, Mr. Roosevelt. That would be more praiseworthy than sophisticated, but peace is endangered by the way in which you play your role as head of the state for war and warmongering."

It sounds very much like the Nazi Propaganda Ministry newspaper Der Angriff is acting as publicity agent for the National Committee to Keep America Out of Foreign Wars. It is natural that the controlled press of dictator nations criticizes every action taken by the President of this Nation, and it would be much more of an American way if those who differ with the President come out and fight him in the open and not do it through the guise and under the cloak of a patriotic organization.

While many honest men will differ as to whether the President used discretion in saying that he would be back at Warm Springs next fall unless there is a European war, no one can state that Europe is not under a potential threat of war, and we might as well admit it.

Everyone also knows that a general European war means that we will have to use every precaution possible in order to stay out. I think that the President of the United States has handled the foreign policies of this Nation as well or better than anyone could have done under like circumstances. There have been several occasions during the term of President Roosevelt where this Nation could have been plunged into war except for his direction of affairs of this Nation toward a peace policy. I want to recall one of these to your attention, that being the sinking of the gunboat Panay. Nations have gone to war for much less than this. Yet only a few years after this incident we see the President of this Nation having ashes of the former Japanese Ambassador returned to his native land on an American warship. Such instances as this prove that the Commander in Chief of the Army and Navy of the United States is interested in maintaining peace.

Certainly none of my colleagues are in favor of repeating 1917 and 1918. We can now see that it was not worth the price. We can now see that the war to save democracy did not save democracy in the world, and that a war to end wars did not end wars in the world. Neither am I in favor of repeating the troublesome years of 1916 and 1917 when we announced to the world that we were too proud to fight. What do you think would happen today if we were to scrap our Army, Navy, and air forces and announce to the world that we are too proud to fight? Any sane man knows what would become of us.

We, as a Nation, have tried treaties, peace conferences, and neutrality laws in an effort to maintain peace. No nation has ever gone as far as we have in attempting to maintain neutrality. Twenty years ago, after the armistice, this Nation came out of the war with the world's most powerful military force. After the 1922 disarmament conference we allowed our defensive force to become one of the world's weakest. While we disarmed, other nations armed.

Upon the failure of this Nation to arrive at any definite peace pact with the leading European nations, the Neutrality Act was passed. After the League of Nations, the Nine Power Pact, the Kellogg-Briand Pact, the pact for limitation of armament, and others had failed to bring about the desired result for peace, this Nation was brought face to face with the proposition of trying to keep us from becoming mixed up in a war.

It was realized by Congress that America must settle its own problem of peace and through the Neutrality Act, some definite measures were devised whereby we could attempt, in the event of a war in Europe or elsewhere, to stay out of it. We had always insisted up to that time that citizens of this Nation have certain rights, and by this act we turn around and say that the citizens must give up certain rights in an effort to have this Nation maintain neutrality.

Some say that this law was caused by fear. You may call it fear, but it is the outgrowth of the failure of other nations to help this country in achieving an agency for peace. We have shown the world that we not only believe in peace, but that we are willing to sacrifice certain rights in order to maintain peace. No nation on earth has ever attempted to go as far as we have to maintain peace.

Partisanship should stop at the Nation's boundaries. We have certain rights as a nation which must be maintained, and it is the duty of all citizens regardless of their party affiliations to help maintain these rights.

If the National Committee to Keep America Out of Foreign Wars is to make its prime purpose as set out in paragraph 2 of its purposes, then, let me suggest that the committee change its name to the National Committee to Put President Roosevelt Out of the White House.

The White River in the Ozarks Region

EXTENSION OF REMARKS

HON. REUBEN T. WOOD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

ARTICLE BY JOHN T. WOODRUFF, OF SPRINGFIELD, MO.

Mr. WOOD. Mr. Speaker, under leave to extend my remarks in the Record, I include the following article written by Hon. John T. Woodruff, of Springfield, Mo .:

DISCOVERING RIVERS

"A river went out of Eden." Simple, isn't it? Well, near the head of the Euphrates was a spring and the garden was there. Many rivers have a spring as their source. The White River in the Ozarks region has, but it is of the river and not the spring we sing.

The White River rises in western Arkansas near Eureka, flows north into southern Missouri, then turns southeastwardly back into Arkansas and enters the Mississippi near the mouth of the

Its total length is 690 miles.

From its source to Batesville, Ark., a distance of 400 miles, the average fall of the river is 4 feet per mile; for the remaining distance of 290 miles, the fall is but 0.36 foot per mile.

The volume and velocity of the water for the upper portion is that afforded by a watershed of 21,000 square miles, where the annual rainfall is above 40 inches, fairly well spaced through the year. To equalize and stabilize such flow, natural conditions are favorable, for here it is that forests abound, many large springs exist, and small rivers of less declivity run into it.

Below Batesville the valley widens but the river channel does not. Thus this narrow stream, reduced to a fall of less than 6 inches to the mile, becomes the drainway, not only for the 21,000 square miles of Ozark hill country, but another 7,000 square miles

in the valley below. Under such conditions frequent floods on the

lowlands are inevitable.

One of the strange things about this river is that while it is near the center of United States, its value for power purposes was not discovered until about 1904. Even then the discovery was

an incident and not a result of exploration.

It was then that Russell Harding, vice president, Missouri Pacific Railroad, and Walker Powell, of the engineering staff of that railroad, the one directing and the other detailed to make a reconnaissance survey of the White River Valley as a possible location for a rail connection between the tri-State mining district and

for a rail connection between the tri-State mining district and the company's valley line between St. Louis and points south, saw, and later appraised, the power possibilities of this great river.

Powell later resigned as engineer of the railroad and devoted the remainder of his life to power promotions on the White River. It was he who assisted in preparing and having introduced in Congress the first bill to create a Federal Power Commission.

The bill was amended in divers and sundry respects in committee. Finally it was passed by the Congress but vetoed by President Wilson.

President Wilson.

President Wilson.

Not dismayed, Powell and his friends had another bill prepared and introduced at the next session. In the latter bill the features opposed by the President were deleted. The bill passed again and was then approved by the President in June 1920.

Pioneering any venture new to a community is slow and tedious, Disappointment and heartaches are to be expected. In this case it would seem that Powell should have had an open field and a fair fight, but not so. He filed an application for a permit to construct a large hydroelectric plant near Cotter, in Arkansas. This was attended with delay. Even the preliminary features like testing the undersurface formations and making the preliminary surveys were hard to finance. Financing the main project proved impossible.

sible.

Col. Hugh Cooper, of Keokuk Dam fame, was brought into the picture. Colonel Cooper and Powell did not agree upon some of the essential features. Others came on the scene later, but none of their efforts were of much avail.

Powell died a few years ago but strove to realize his dream until the last. He little realized the great contribution he had made in securing the passage of the Water Power Act, which has proven helpful in many other projects throughout the country.

In 1912 the Empire District Electric Co., a Cities Service subsidiary, built a dam at Ozark Beach, near Forsyth, Mo., installed generating equipment, and since then has operated the plant successfully.

successfully The profitable operation of this plant induced the Empire District Electric Co. to make further studies of the power possibilities of the upper White River with the result that in 1922 that company filed an application with the Federal Power Commission for a permit to construct a large dam at Table Rock, 5 miles up

stream from Branson, Mo. In furtherence of that project the company acquired the dam site and some 10,000 acres of land in the valley above it. Extensive exploration of the underground structures were carefully

made and found satisfactory. The dam, as designed, is 1,800 feet long, 185 feet high and tied into the abutting bluffs.

When built to such height a lake would be formed 65 miles in length with about 1,000 miles of indented shore line and covering some 30,000 acres. It was estimated that the generating equipment when installed would produce about 250,000 horsepower.

Up to this point things went well enough, but the matter of financing a project involving the expenditure of an estimated \$20,000,000 was no easy task.

Financing being rather difficult, the matter was allowed to drift until late in 1929, when satisfactory financing arrangements were made and it seemed as if the project might go forward promptly. It is said that the financial crash of that year made it under the wire only a few days ahead of starting construction work.

With the extensive distributing facilities of the Cities Service Co., of which the Empire District Electric Co. is an affiliate, the whole of this electric energy could and would have been profitably marketed, but it was just that slip between the cup and the lip that upset the apple cart.

But this impending development hindered other improvements. The Missouri State highway lay-out providing for numerous public roads in that area could not be surveyed and certainly not built until it was known whether the dam was to be constructed, for the building of it would flood many thousands of acres in that

Not only so but the provisions of the consolidated high-school law could not be carried out until it was known whether the dam was to be built. Farms in the valley were allowed to deteriorate as a result of the uncertainty of building the dam. So in a large portion of three counties, Taney, Stone, and Barry, the citizens became restive and appealed to the Power Commission at Washington for a hearing on the granting of a permanent license for the project.

The hearing was held and the Empire District Electric Co. required to accept a license. A time within which work should start was fixed. The time limit for beginning operations expired. Then a forfeiture of the license was asked, and upon hearing before the

Power Commission the license was canceled.

Efforts were then made to induce the Government to designate Table Rock Dam as a Public Works project and to carry on the activities as a combined flood-control, navigation-betterment, and hydroelectric project.

This request was in the form of a joint application by the three counties concerned, together with numerous civic organizations throughout the White River watershed.

There was a hearing upon the supplication before the Public Works Administration, the Mississippi Valley Committee, and supplemented by a special bill introduced in Congress by Senator CLARK

plemented by a special bill introduced in Congress by Senator Clark of Missouri.

Later the project was incorporated in the flood-control bill at the 1936 session of Congress, but this item was later eliminated from the bill, as were others having power features.

Numerous appeals were made to President Roosevelt, who showed interest in and familiarity with the enterprise. Further efforts are in prospect and will be made.

But this is not the whole story. In 1936 a permit to install a large dam at Wild Cat Shoals, above Cotter, in Arkansas, was granted to the White River Power Co., a subsidiary of the Arkansas Power & Light Co., Electric Bond & Share affiliate. The same company sought permits to install two other dams unstream from

Power & Light Co., Electric Bond & Share affiliate. The same company sought permits to install two other dams upstream from Wild Cat Shoals. The water from one of them would extend to Forsyth, Mo., only 3 miles below the present power-site dam.

These applications are repetitions of previous similar projects. All these activities at least indicate that there are valuable power sites on the White River but more persuasive than these things, is the appraisal of them by the United States Army Engineers. They have surveyed and resurveyed the White River from Batesville to its source with the result that five separate and distinct locations are found to be favorable for generating electric energy. These in are found to be favorable for generating electric energy. the reverse order of their importance are:

At Beaver, on Beaver River, a tributary in Arkansas; Galena, on the James, a tributary in Missouri; Buffalo Dam, on Buffalo River, in Arkansas; North Fork Dam, on the North Fork River, a tributary in Arkansas and Missouri; Wild Cat Shoals, near Cotter, in Arkansas; and Table Rock Dam, at Table Rock, in Missouri.

The potential power available at these locations is 2,185,188,000

kilowatt-hours average annual output, or equal to an ultimate horsepower of 768,000.

combining the two more important projects, Table Rock and Wild Cat Shoals, and building them alone, it is found by the Army engineers that the earning power on the basis of estimated cost would yield above 10 percent and that on the basis of marketing electric energy as low as 8 mills per kilowatt-hour for primary and 2 mills for secondary power.

2 mills for secondary power.

So it is insisted by everyone at all familiar with the subject that power development on the White River is not only feasible but also profitable. Not alone in the profit to be derived from power sold, but the ultimate effect upon the region as a whole.

When we reckon that the railroads in the Ozarks hill country, where existing grades are hard to negotiate, could be eliminated by electrification we can see what that would mean. Indeed, in time to come the railroads alone would consume all the power that could

be generated at both of these dams.

Then, in the tri-State mining district, the employment of the electrolytic process of ore reduction would consume great quanti-ties of electric energy. None of the cities within a 250-mile radius are consuming anything like as much power as they

would consume if lower rates are available.

As an instance, six of the larger manufacturing concerns in Springfield, Mo., generate their own electric current because of the

high power rates obtaining there.

Then too, there is the development incident to rural electrifica-Then too, there is the development incident to rural electrification. Referring to the situation at Springfield, Mo., an actual
survey shows that the population within a radius of 10 miles of
the corporate limits of the city is as dense as like areas surrounding St. Louis or Kansas City, and that but 15 percent of that
present population is using electric current at all.

If population is a factor in rating demand for power, the
Federal census shows there is upward of 15,000,000 people within
a 250-mile radius of the 2 latter dams.

The mineral resources of porth Arkansas, consisting of lead

The mineral resources of north Arkansas, consisting of lead, zinc, bauxite, and manganese, are proven to exist in large quantities, and the extensive marble beds there all await development for the lack of low-cost power.

There are but isolated instances of the demand for electric cur-

If the native were left to appraise the need of water-power

development, he would say:

"Make the rivers run the turbines, Let the motors bear the load With white flame heat the houses And electric current illuminate the road."

There is another and further useful purpose that the installation of the Table Rock Dam would serve excellently well, and, for that matter, a dam at Wild Cat Shoals would also serve. The 7,000 square miles of lowlands along the White River below Batesville are about as fertile and productive as any land in the Mississippi Valley.

The climatic conditions there are such that drought so common

The climatic conditions there are such that drought so common to other sections of the western country is of rare occurrence. The growing season is long, the yield abundant. If agriculture were carried on in but one region in the United States, doubtless that region would be the lower White River Valley.

The only hazard to successful farming operation there is recurring floods. The quick run-off of moisture in the upper 21,000 square miles of Ozarks hill land literally covers the lower 7,000 square miles during times of excessive rainfall.

In 1927, for instance, the damage wrought by the flood of that year ran into more than \$11,000,000. The rule is that there is a serious flood 1 year out of 3.

It is not alone the damage to farms, but to towns and cities as well. Flood control is admittedly a Federal Government function. Dams like those proposed at Table Rock and Wild Cat Shoals will minimize, indeed relieve, such floods. If the lowland farmer should express it he would say:

"Stay the floods, Save the homestead; Labor lost is ne'er restored. Health is wealth, Sweet contentment priceless. Hold that deluge, Help us, Lord."

Navigation on the White River is no new thing. Indeed, there is persuasive evidence that De Soto navigated the stream to what is

now Newport, Ark., in 1541.

Tradition has it that he visited Marvel Cave near the James River Inlet and bartered with Indians in that famous cavern. But that aside, the White River was navigable and navigated for generations to Forsyth, Mo., and navigation can and should be

Adequate improvements of the White River would assure this result, and the dams at Table Rock and Wild Cat Shoals are the first steps to that end. After these things the rest is easy at small expense. Flood control, navigation, and low-cost power are dear to the hearts of the hillmen and valley dweller alike, so they say:

"Verdant hills,
Fertile valleys,
Gushing springs,
Rushing rivers,
Allow the
Abundant life
To beasts, fowls, and fishes. Let the New Deal, True Deal, Fair Deal, Square Deal, In its many benefactions Vouchsafe as much to men."

Who are they that seek such things? The Ozarkian, of whom Who are they that seek such things? The Ozarkian, of whom Dr. Lewis Meador, professor of economics in Druy College, writes:

"Who are the Ozarkians and whence do they come? They are Scotch-Irish, having come to the Ozarks from the hills of Virginia, Tennessee, Kentucky, and North Carolina. And who are the Scotch-Irish? They are but little Scotch and less Irish. They represent the most mixed of all racial groups who have come to

"They are called Scotch because the race originated in southwest Scotland. They are called Irish because they moved from Scotland into northern Ireland before immigrating to America. But the Scotch-Irish race was a thousand years in the making. "From the fifth century to the sixteenth, the ancient Scots, Picts, Celts, Saxons, Angles, Danes, and Norwegians mixed and mingled in the hill country of southwest Scotland. The final product was the Scotch-Irish.

Scotch-Irish.

"When the Scotch-Irish immigrated to America they found the Atlantic seaboard already occupied by earlier comers, therefore, they moved into the hill country to the west and became the pioneers of American history. From their first home in the eastern mountains they emigrated to the Ozarks. The inhabitants of the Ozarks today represent the purest element of the Scotch-Irish in America.

This race has produced four times as many men of action and

"This race has produced four times as many men of action and achievement in proportion to their number than any other national group coming to this country.

"Among the famous men of this race are Edgar Allan Poe, Andrew Jackson, John C. Calhoun, Henry Clay, U. S. Grant, John D. Rockefeller, Andrew Carnegie, Stonewall Jackson, John Paul Jones, William McKinley, and many others.

"In all our wars the Scotch-Irish have furnished much of the leadership and most of the heroes.

"The typical Ozarkian possesses a keep sense of justice; he is

"The typical Ozarkian possesses a keen sense of justice; he is self-reliant, independent, courageous. He speaks his convictions without fear and takes orders from no man. He is quiet even to the degree of silence, but is hospitable and loyal to his family, neighbors, and Government.

neighbors, and Government.

"Such is the origin and such are the qualities of the people who live in the Ozark Hills. They come of a race of which the country is proud, and in every nook and corner of these hills the inhabitants still possess rare qualities of action, courage, loyalty, and ability, so much needed today in our national life."

To summarize, the most effective plan for controlling flood water is the impounding reservoir placed clear below the point of

is the impounding reservoir placed close below the point of heaviest run-off from the drainage area. The concrete dam most often used in this connection serves a threefold purpose:

It impounds the water, thereby obviating floods.

It stabilizes the flow and controls the downstream velocity, thereby improving navigation.

It creates the head to operate the hydroelectric generator, which has proven its economic superiority over every other device for producing electric energy.

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It has shown in countless cases that this trinity is inseparable. He who attempts to maintain the opposite just does not see the picture clearly and certainly does not see it whole.

Nature richly endowed the Mississippi Valley, but the spot most favored in variety is the 80,000 square miles of verdant hills and fertile valleys known as the Ozarks region. A vertitable empire within itself.

The Government has done much in other sections to encourage development. It has done little here. The Ozarkian is not weeping on anyone's shoulder that this is so, but he does insist that during the last century they penetrated the wilderness, beat back a vengeful foe, subdued the forests, broke the stubborn glebe, built homes, schools, churches, highways, and established at least the nucleus of a civilization.

They contributed their due share in furnishing the pioneers who settled the West. They deserve and should receive Federal support

They contributed their due share in furnishing the pioneers who settled the West. They deserve and should receive Federal support necessary to control floods, promote navigation, and conserve natural resources in common with other parts of the United States. This withheld, it would seem their efforts may prove a vast futility.

But granted or denied, they shall strive to keep the home fires burning, hold up their heads in the best of company, hoe their own row in fair or foul weather, pay taxes, send their youth to the front in times of trouble, and sing "Hail Columbia" with fervor and sympathetic understanding. and sympathetic understanding.

Essential Research

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

EDITORIAL FROM NEW YORK TIMES OF APRIL 13, 1939

Mr. McCARRAN. Mr. President, on Tuesday last I introduced an amendment to the pending bill, the deficiency appropriation bill, bearing on the subject of an aeronautical laboratory at Sunnyvale, Calif., in which the entire country is very much interested. I ask to have inserted in the RECORD a very splendid editorial appearing in the New York Times of April 13, on that subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the New York Times of April 13, 1939] ESSENTIAL RESEARCH

It is a pity that the Appropriations Committee of the Senate should follow the lead of the House in refusing an appropriation of \$10,000,000 to the National Advisory Committee for Aeronautics for the establishment of a research plant in California. The Senators agreed to an appropriation of \$2,140,000 for improving facilities at Langley Field, Va., the seat of the present great laboratories of the N. A. C. A. They are understood to be willing to increase funds still further for use at that site. They have been told, however, by Dr. Joseph S. Ames, chairman of the committee, and through him by Gen. Henry H. Arnold and Admiral A. B. Cook, speaking for the air arms of the Army and Navy respectively, that "it is absolutely impossible to expand adequately at Langley Field, as the Army cannot provide more room without impairing the military efficiency of its own operations." Army and Navy experts advanced an even more cogent argument for the Sunnyvale research project, which they say is "emergency in character" and of "vital importance to the success of our whole program for strengthening the air defense of the United States." This is the argument of decentralization. The officers of the services agree that it is not wise to have all our eggs in one basket. that it is not wise to have all our eggs in one basket.

Certainly, with expenditures for aircraft by the Army and Navy running to \$255,000,000 for the coming year alone, it would seem sufficient for such responsible authorities as Dr. Ames, General Arnold, and Admiral Cook to point out that such investments in national security "will not be worth all they cost unless our aircraft are at least equal in performance to those produced abroad." But they have been even more specific before the Senate committee. They were frank to say that one country (Germany), by reason of research development, now has aircraft of greater military effectiveness than our own. They add: "America does not want second-best aircraft. To regain American leadership it is imperative that N. A. C. A. facilities be materially expanded."

To refuse the research appropriation asked is, in homely phrase, to hold in at the spigot and let out at the bung. To allow sectional considerations to enter into such a decision would be something less than patriotic.

Have Congress and the President Forgotten Mandate of Election to Cooperate for Recovery?

EXTENSION OF REMARKS

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

EDITORIAL FROM THE PITTSBURGH POST-GAZETTE

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Pittsburgh Post-Gazette:

[From the Pittsburgh Post-Gazette]

HAVE CONGRESS AND THE PRESIDENT FORGOTTEN MANDATE OF ELECTION TO COOPERATE FOR RECOVERY?

When this session of Congress opened most of the Members had been home for the elections. They were surely aware that the country at large was interested in no new legislation. There was country at large was interested in no new legislation. There was nothing that the sane and productive elements in the country particularly wanted done; but there were lots of things that they passionately wanted undone. First of all they wanted to call a halt to spending in excess of revenue. They wanted the Government to live within its means, not by increasing its income but by cutting out superfluous activities. They wanted relief shifted from Federal to local nonpartisan administrators. Until it was thus changed they were not greatly interested in whether appropriations for it were a hundred million more or less.

They wanted the Federal Government to get out of the relief business and they wanted relief taken out of politics. They thought and they still think, that relief can be administered locally at less cost, on a nonpartisan basis, and with much less encouragement to either relievers or relieved to look upon relief

encouragement to either relievers or relieved to look upon relief

as a career.

They wanted the Wagner Act amended in such a way that employers would have as many rights as responsibilities and labor as many responsibilities as rights. While few understand the farm problem, an overwhelming majority of the people, including a high percentage of the farmers, are sure that Secretary Wallace's managed farm economy has been a dismal flop and want no more billions invested in his experiments.

billions invested in his experiments.

Finally, the people had certainly made up their mind by election time that they wanted no more congressional encouragement of Mr. Roosevelt in his gallery plays against business. The majority of the people want business regulation without persecution. They have ceased to be amused by the spectacle of Mr. Roosevelt in the guise of a malicious small boy chasing the goose that lays our golden eggs around the national barnyard at such a pace that it has no time to lay. If taxes are robbing it of the strength to lay, the public wants the tax burden lifted.

If all these actions mean less government, the neonle expect.

If all these actions mean less government, the people expect the Congress to cut down on government; and if Mr. Roosevelt and his entourage do not like it, the people expect this Congress to appreciate, especially after the demonstration at the polls in November, that Mr. Roosevelt and his entourage neither elect

Congressmen nor keep them in office.

This, in rough outline, is the schedule of work that public opinion assigned this Congress last autumn and there is not a Member of either House that doesn't know it. Yet the Congress as a whole has done next to nothing to forward this program. The recent conspiracy to save W. P. A. and farm subsidy appropriations through the negotiation of a treaty of defensive alliance against this wabbly, half-hearted economy drive, is evidence enough that a big percentage of our alleged representatives are still currying favor with organized minorities to guard their political hides

cal hides.

Many Congressmen will not be convinced that the average citizen puts the welfare of his country above the interests of his country above the interests of his country above the interests of his country above the clearly appreciates minority class, group, or clique, whenever he clearly appreciates that there is a conflict between the two, until they are sent by the verdict of the voters to be outside with Mr. Roosevelt looking in at a new President and a new Congress.

(We wish to acknowledge our indebtedness for many of the ideas expressed in the above editorial to the author of an open letter to the New York Herald Tribune which was signed by the nom de plume "Heptisax.") Electric Rates in Various Cities of United States

EXTENSION OF REMARKS

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

TABLE GIVING COMPARISONS OF ELECTRIC BILLS

Mr. BONE. Mr. President, I have in my hand a very interesting table giving comparisons of electric bills in the city of Tacoma, Wash., my home city, and other prominent cities of the United States. I ask unanimous consent that this table may be published in the Appendix of the RECORD.

In this connection I call attention to the fact that my monthly bill from the Potomac Electric Power Co. in a recent month was \$4.92 for 244 kilowatt-hours. The bill for the same amount of current in the city of Tacoma, Wash., would have been \$3.14, the difference being \$1.78, which is the amount I paid here over and above what I would have paid my own municipally owned power system for the same amount of energy. The Tacoma bill was 63.86 percent of the Washington, D. C., bill, which indicates that in Washington, D. C., I paid more than one-third in excess of what I would have had to pay in Tacoma.

I call the attention of my brethren to that fact in the light of the argument so frequently heard in this body and at the other end of the building about the taxes private power companies pay. Here is a gap of more than one-third in the take of this company for this small bill. In my own home city of Tacoma I use a great deal more current than I use here, because of the diversity factor in my own home, where I employ electric energy for a great many things which people here may not employ current for, on account of the excessive price charged here.

I use the term "excessive," because in this city I frequently hear the argument uttered that this is a city enjoying low electric rates. I am sure the people of Washington, D. C., and the people of other cities who may observe this item in the Congressional Record will find the comparison of rates very interesting on 25 kilowatt-hours, 40 kilowatt-hours, 100 kilowatt-hours, 250 kilowatt-hours, and 500 kilowatt-hours.

Let me call attention to the fact that in the city of Washington, if I use 500 kilowatt-hours in a month and my consumption in my home is generally around twice that much-it costs me \$9.40, while it would cost me \$5.30 in the

city of Tacoma.

In conclusion, I desire to say to my brethren here that the electric plant in the city of Tacoma pays taxes exactly as a private company does. It operates under an accounting system comparable to that employed by private companies and public enterprises in the State of Washington. By 1951, which is 12 years from now, that plant will have been entirely paid for-a plant worth 25 or 30 million dollars, a plant which has never cost the taxpayers of that city one penny, but which has literally poured millions and millions of dollars back into the city treasury in the form of services and reduced rates.

The city of Tacoma enjoys probably one of the best municipal lighting systems in the country. The streets in the residence districts of many sections of the city are a blaze of light from one end to the other. A man owning a home can pay \$7 per 25-foot-front lot to the city of Tacoma, in return for which my city, rendering this kind of very fine service to its citizens, will put in a system of ornamental lights down the street, staggering them across the street, and the city will maintain that system in perpetuity, with

the result that the city of Tacoma today I think may justly claim to be one of the best-lighted cities in the world.

I send this table to the desk, and ask that it be printed with my remarks in the Appendix of the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A comparison of electric bills-Tacoma versus other cities

	Kilowatt-hours				
ANGEST SON THE	25	40	100	250	500
Atlanta 1	\$1.45	\$2, 12	\$3, 95	\$6.58	\$8, 58
Boston 1	1.61	2.36	5. 24	9.74	12, 74
Chicago 1	1.34	1. 94	3, 65	6, 65	11, 65
Detroit 1	1.35	1.89	3, 38	6, 75	9, 81
Denver 1	1.50	2, 40	4.80	9.30	16, 80
Memphis 1	1.38	2, 20	4, 25	8.75	16, 25
Milwankeel	1.41	1.90	3, 48	6.36	8.74
Philadelphia 1	1.40	2. 15	3.76	6.76	9. 26
San Francisco 1	1.30	1.77	3.09	5.89	8. 29
Seattle 2	1, 25	2.00	3.20	6.08	7. 95
Tampa 1	2.50	3.40	6. 25	10.00	14.00
Eugene 2	.80	1.10	2.12	3. 92	6. 92
Los Angeles 2	1.10	1.65	2.97	5. 10	6. 8
Los Angeles ²	. 98	1.56	3. 10	5. 65	9.40
Tacoma 2	. 95	1.10	1.70	3. 20	5. 30

¹ Privately owned electric system. ² Publicly owned electric system.

In 1951 the citizens of Tacoma will have their present electric system fully paid for out of the earnings of the plant. This accomplishment has been possible under public operation at the lowest charges for electric energy in the United States. Check the chart and see how much you save each month.

Trade Pacts Versus Tariff

EXTENSION OF REMARKS OF

HON. LISTER HILL OF ALABAMA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

ARTICLE FROM THE DES MOINES SUNDAY REGISTER OF MARCH 26, 1939

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Trade Pacts Shown to be Worth More Than Tariff to Labor," published in the Des Moines Sunday Register of March 26, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines Sunday Register of March 26, 1939]

TRADE PACTS SHOWN TO BE WORTH MORE THAN TARIFFS TO LABOR-JOURNAL OF ELECTRICAL WORKERS' UNION REMINDS WORKER OF HIS INTEREST AS A CONSUMER-OLD SYSTEM CALLED PIECEMEAL

(From a study of the effect of foreign-trade encouragement upon the electrical industry, published in the Journal of Electrical Work-

ers and Operators.)

To date 20 trade compacts, under Trade Agreements Act of 1934, have been signed by the United States, with as many foreign countries, including Great Britain and her colonies. The compact with Great Britain was signed November 17, 1938. Millions of dollars in commerce are involved.

Inasmuch as foreign commerce has shrunk about 80 percent—from \$5,000,000,000 to \$1,000,000,000—it would seem that any remedy, as promising as Secretary Hull's program, would be welcome, especially to workers in American industry.

It is likely that the greatest obstacle to understanding the pro-

gram of the United States Department of State lies in the fact that it is a reversal of past policies. Tariffs are predicated upon the idea of special aid to weak and struggling industries at home. The trade-compact program looks toward the ordering of all trade channels abroad. Tariffs are piecemeal approaches to trade health. Trade compacts view trade relations as a whole.

HOME AND EXPORT MARKETS

Trade agreements have been an important factor in the restora-tion of export outlets for American electrical goods. Concessions have been obtained on various types of electrical machinery and

apparatus from all countries with which agreements have been concluded, with the exception of Honduras, El Salvador, and

The chief market for American electrical goods and the only market for electrical service is, of course, the home market, and, unless that market is prosperous, electrical workers cannot be pros-

before the sprosperous. The American home market cannot be frusperous. The American home market cannot be fully prosperous so long as the markets for American export products are curtailed. Not only do workers dependent on export markets suffer from loss of foreign trade, but all other workers in the country suffer loss to some extent because those dependent on export markets are unable, when deprived of employment, to buy the goods produced by others in the United States.

EFFECT ON WAGES

It might be pointed out that since American electrical goods are It might be pointed out that since American electrical goods are sold in many countries where wages are far below those prevailing in this country, the electrical industry is a good example of how mistaken is the impression current in some quarters that American manufacturers are unable to meet the competition of imports from lower-wage countries and that American wage standards depend upon the maintenance of excessive tariffs.

As for the electrical-service industry, where wages are even higher than average for the United States as a whole, an increase in our foreign trade can only serve to increase earnings through the increase in general prosperity which this additional trade will create.

For more than half a century organized labor in the United States has been debating whether high tariffs raise the standard of living of American workmen and whether the tariff is a political question which has no place in the discussion and action taken by a trade-union.

HOME STANDARDS RAISED

The trade-agreements program raises these questions again, and

The trade-agreements program raises these questions again, and just now, with the announcement of the nineteenth and twentieth agreements, with the United Kingdom and Canada, a reexamination of the subject seems particularly appropriate.

Is it not possible that far from hurting the workers or being at best a matter of no concern to them, as some contend, healthy international trade helps American workmen? Those in charge of trade-agreement negotiations say that foreign trade increases the worker's standard of living, that it is a source of much direct employment and a factor in maintaining wages and employment in many industries not directly involved in the trade.

In the main, two questions relative to foreign trade and tariffs will be examined, in order to determine just what is the stake of the electrical workers in trade agreements.

the electrical workers in trade agreements.

"PROTECTION" THAT HURTS

In the first place, it will be shown that the value of excessively high tariffs has been much exaggerated and that the great majority of our workers derive no benefit whatever from high

tariffs.

Even those supposedly "protected" often work for wages below those prevailing in nonprotected industries, while workers who are engaged in rendering services or in manufacturing goods for export are actually hurt when export markets disappear and general purchasing power declines as a result of high tariffs.

The positive stake of electrical workers in the trade-agreements program will be discussed. We shall see how the decline in building-construction activity closely paralleled the decline in our foreign trade just as in previous depressions the trend of foreign trade almost always served as a barometer of general business conditions. By reviving foreign trade the Government of the United States now hopes to provide a powerful stimulant to general domestic business. This is the primary significance of the program for electrical workers as for all others.

TYPICALLY AMERICAN SHOPS

Furthermore, most of the manufacturing branches of the electrical industry have a positive interest in the increase of exports. Consisting, as the industry does of highly efficient and typically American mass-production shops the electrical apparatus industry is one of those with a very large interest in the expansion of export markets. of export markets.

Exports of electrical goods in 1937 represented the full-time labor of nearly 20,000 men working a full year and actually in-fluenced the wages and working conditions of a much larger number of men.

Protectionists advance the argument that tariffs make high wages and tell American workers that the tariff is responsible for the American standard of living. First of all, let us see just who these workers are who are supposed to have their wages increased

TARIFFS DON'T HELP THEM

How does a tariff help a carpenter, a lineman, a coal miner, a machinist, a mechanic, an automobile worker, a wheat farmer, a cotton farmer, a railroad conductor, or a postal clerk? Obviously, not at all. Out of the 50,000,000 men and women classified by the census as gainfully employed, nine-tenths are engaged in one of the following three types of industry which are not benefited by

First, there are the service trades—occupations which must be performed in the locality in which the consumer lives. Line-men and powerhouse employees, repairmen, and mechanics are all good examples of this type of worker. For them, there is no possibility that imported goods will compete or affect wage-levels,

since they are primarily engaged in doing something rather than

in making something.

Besides those already mentioned, linotypers, domestic workers, retail clerks, stenographers, truck drivers, railroad employees, hotel and restaurant employees are important groups of persons whom the tariff cannot possibly help for similar reasons. Altogether, service workers are a group of about 23,000,000, or half of all those gainfully employed.

AS TO IMMOVABLE GOODS

The second group of workers beyond the reach of the tariff as composed of those producing goods, but goods of a kind which cannot be moved at all or which can move short distances at best. In some cases, such as the building trades, no explanation is required

to show why the goods do not move.

Before the days of refrigeration, almost all goods except grains would also have fallen into this class—and even with refrigerated transport available, the bulk of our fresh vegetables, bakery goods and dairy produce still originates not far from the place of consumption. Regardless of whether imports do or do not affect prices of some of these products on the seaboard and near boundary lines, the standard of living of most of such producers has nothing whatever to do with the tariff.

to do with the tariff.

Coal miners are in much the same position for a different reason. With the cost of transportation what it is, goods which are heavy relative to their value will move only very short distances except by water. For example, the United States imports a small quantity of coal which is almost all consumed around Seattle and around Boston; in the same way we export a small quantity (larger than the quantity imported), chiefly to Canada.

Yet no one will contend that conditions in the coal industry, whether good or bad, can be traced to the effect of imports or exports upon price.

exports upon price.

This group of workers numbers about 13,000,000, or about one-fourth the total. It likewise includes some of the best-organized industries in the entire country, as well as some with the highest earnings.

TARIFF ON COTTON

The third group of persons whose wages and working conditions are untouched by the tariff is that made up of workers producing goods which the United States exports in large quantity. Since the tariff is a tax on imported goods designed to raise the price not only of the import but also of the competing domestic goods, it is obvious that to have any such effect part of the supply must come from abroad, or must, at least, have come from abroad prior to the imposition of the tariff.

If, for example, we were to place a tariff on cotton such as con-

If, for example, we were to place a tariff on cotton such as constitutes the bulk of our production, it could have no effect on the price of cotton. We would in no case import cotton of the types grown in this country, and the domestic supply would continue to determine domestic prices.

Although this is perhaps the most extreme example which could be chosen, the case is not essentially different from that of many goods for which we actually have tariff rates on the books. The test of protection must, therefore, be whether the tariff affects the price of the commodity in question.

UNAFFECTED INDUSTRIES

By this test a great many American agricultural products and By this test a great many American agricultural products and manufactured goods are unprotected; among those which come to mind are automobiles, cotton, wheat, apples, lard, bacon, hams, agricultural machinery, radios, most electrical apparatus, office machinery (typewriters, calculating machines, cash registers, etc.), rubber tires, refined petroleum, and certain types of lumber.

In the manufacture of goods of these and a great number of other types, the tariff is powerless to affect the wages or working conditions of labor. Taking manufacture and agriculture together this group accounts for another 7000 out of the total

gether, this group accounts for another 7,000,000 out of the total 50,000,000 gainfully employed.

We have now accounted for some 43,000,000 workers in all, surely

a large enough proportion to have more effect upon the American standard of living than the remaining five or seven million, whatever may be the effect of tariffs upon their wages.

UNION LABOR'S INTEREST

Some of the 43,000,000 need foreign trade to boost production in their industries; or, in the case of agriculture, to maintain prices. Others of the 43,000,000, in fact the whole group, have a consumer interest and a certain producer interest in the stability or gradual increase of buying power and consumption.

But none have the slightest reason to thank the tariff for their jobs, their wages, or the terms of employment which they enjoy.

Among the members of the organized workers of this country, it has been conservatively estimated that more than four and a half million out of a total of six million-odd fall into one of these groups which are in no way benefited by high tariffs. As consumers their interests are injured by excessive tariffs which raise the cost of

USELESS ENCOURAGEMENT

What of the remaining 5,000,000 workers, employed for the most part in the so-called protected industries? If high tariffs raise wage rates, as claimed by high-tariff advocates, the wages of this 5,000,000 should be above the average for other industries. In addition, we should expect to find labor as well organized, working as steady hours and finding as steadily increasing opportunities for work there as elsewhere

work there as elsewhere.

These characteristics are, however, almost wholly lacking. Instead of finding highly desirable types of employment being fostered

by our tariffs, we find some of the very worst industries, from the point of view of labor, as well as some which benefit small groups of workers at great cost to the Nation as a whole.

Under these circumstances, it is a grave question whether labor benefits at all from the encouragement of these industries as compared with the benefits which would result from a policy that would encourage other industries better able to give large numbers of workmen high rates of pay and steady jobs.

Position of France

EXTENSION OF REMARKS

HON, LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

ARTICLE BY ROY W. HOWARD

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD an article by Mr. Roy W. Howard, of the Scripps-Howard newspapers, on French Escape from Extremes Is Lesson to the United States. We know Mr. Howard as not only one of the greatest publishers in America but as a wise, able, and farseeing citizen.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

ROY W. HOWARD REPORTS FROM EUROPE—FRENCH ESCAPE FROM EXTREMES IS LESSON TO UNITED STATES

(By Roy W. Howard)

(By Roy W. Howard)

Paris, April 4.—France, of all the politically hot spots in Europe, is of especial interest to America at the moment.

It has recently traveled a political course quite similar to, although a couple of jumps ahead of, that covered by the United States. France has had its debauch of special privilege, its political joyride, and its economic headache. Now it has returned, sobered and satisfied, to a course just a little left of center.

Out of France's various financial crises since the war a situation had developed wherein, as in America, the rich were becoming relatively richer and all the others were finding the going a little tougher year by year. Then communism, the quack remedy for every political and economic ill and the cure for none, began to thrive. Economic excesses and political insurgency brought into being the Front Populaire. Politicians more blessed with good intentions than with good judgment took the wheel—and the far left side of the road. But the French learned that politically you go into the ditch and wreek your machine just as certainly if you get too much to the left as you do if you go too far to the right.

go into the ditch and wreck your machine just as certainly if you get too much to the left as you do if you go too far to the right.

With a crack-up impending, Edouard Daladier took the wheel from the idealistic but impractical Leon Blum and brought the nation back to slightly left of center. As Premier, M. Daladier has gradually settled the chaotic labor and industrial situation and restored the confidence of an internally shaken nation. French democracy has demonstrated its elasticity. It has successfully weathered excesses of both the right and the left. It has profited by experience. Nowhere is appreciation of this fact more apparent than in both Italy and Germany. Daladier's sanely liberal course is equally disconcerting and unpopular with Hitler, Stalin, and Mussolini.

Insofar as immediate peace is concerned, France seems to be in a

Insofar as immediate peace is concerned, France seems to be in a key position. That France and England must ultimately clash with Hitler before a permanent peace is possible in Europe is generally accepted as a tragic fact. It will continue to be so accepted unless or until the limits of the Fuehrer's territorial and economic con-

quests are defined.

With Italy, the case is different. The scope of Mussolini's program is not so great that it cannot be met. His speech of last Friday stating that Italy is "thinking in terms of decades" is regarded as significant. Il Duce is in no hurry. There is some advantage to him also in seeing how far Hitler's ambitions extend. Mussolini has more to fear and less to gain from Germany than from France and England, if he can deal with the latter two. And he can. That is more certain than ever, now that Chamberlain's position has been made more secure by his speech on Poland and his declarations since.

and his declarations since.

Without hysteria or excitement, but rather with an ominous calm, France is now pushing the work of perfecting the revealed weaknesses in its military machine, especially its aviation arm. The temporary near-dictatorial powers recently conferred on Premier Daladier are deeply significant of the new mood which has tardily seized France upon the realization that Hitler's course in the future cannot be halted by any mere paper commitment. Meanwhile, not since 1914–18 has America loomed so large in the European picture. This is inescapable. No statesmanship nor neutrality law can change the fact. Policies and laws are

subject to revision overnight, but the tremendous potential strength of the United States must always be a factor to be reckoned with.

In this position, which it is impossible for us to avoid, it be-hooves us to watch our step. As the game is being played here, it is not one in which we can win anything. But we stand to

lose a lot.

Above everything else, it is important to remember that up to this time any war that may be in the making is not our war. It may, however, become impossible for us to escape involvement in some manner. So long as it is not our war our chances of involvement will be reduced and our effectiveness in the interest of peace enhanced, if we have less intemperate talk and name-calling by Government officials who are neither qualified nor designated to speak for the American people.

If or when it does seem that we are likely to be involved, it will be up to the American Government to know a lot more of the details, the hidden inside baseball, of the next war than it knew of the last. We want to fight no more wars for a slogan. If Europe becomes involved in a war over present issues the contest might be one in which we had an interest and an obligation,

test might be one in which we had an interest and an obligation,

but not necessarily so.

ISSUES ARE CONFUSED

Should the contest be a clear-cut issue of deciding whether democracy can survive alongside the dictatorship, America can certainly maintain no neutral position. It is unlikely that the problem will be so simple. There are so many collateral issues that it

lem will be so simple. There are so many conaterar issues that it will be difficult but necessary to keep them separate.

Germany got a bad deal at Versailles, and Italy was undoubtedly short-changed by the same document, which failed to make good the promises made by the Allies in 1915. Some sort of military safeguards should be afforded to the territorial integrity of small nations. There will be a minor problem of boundary revisions. But these and kindred ones involving economic and cultural tie-ups are not our problems.

are not our problems.

So long as America remains aloof and doesn't overemphasize the importance of these lesser issues, no one of them is likely to become a basis for war on our part. On the other hand, continued evidence of strong popular support of President Roosevelt's foreign policies, indicating that America will not sit quietly on the side lines and see democracy destroyed, may prove the strongest single factor in preserving peace until some measure of sanity returns.

SHOULD CONSIDER COURSE

While there is time to consider matters calmly, America would do well to ponder in advance what her reply will be if the call for help comes from France and England.

Discounting and evaluating all the factors and the revised aline-

ments, it is questionable whether today England and France, unaided, could defeat Germany any more than they would have been able to do so between 1914 and 1918. On the direct issue of totaltarian destruction of democratic Europe, few are so optimistic as to believe that America would escape involvement. If European war comes, our action should be based on a logical appraisal of the issues, not on propaganda-created emotionalism. It will eventually be our war and our issues or else we should stay out. We will be We will be

a full partner and of issues of else we should stay out. We will be a full partner and a joint guarantor or nothing.

Most important of all, it must be recognized that whatever we do or whatever we toss in will be a contribution. We must never again be kidded into believing that we are making an investment. Modern wars pay no dividends except in death, discuss and destruction.

ease, and destruction.

In the meantime, more important at the moment is the mat-ter of our possible contributions toward peace. They can be very

NEED MODERNIZED ARMY

First among such contributions would rank the modernization

First among such contributions would rank the modernization of our own armament. Without adequate armament to back it up, no nation's opinion counts today.

Second, I would rate evidence in Congress and in the American press of a united support of our foreign policy as expressed to date by President Roosevelt. The intimation that any man with his knowledge of history would plunge his Nation into a foreign war under present-day conditions for the questionable satisfaction of a possible third term is an insult to the mass intelligence of America and dangerous propaganda material for the press of of America and dangerous propaganda material for the press of the dictatorships.

the dictatorships.

Third, I would list the importance of American economic recovery. Every American politician, publicist, financier, industrialist, or labor leader, regardless of past differences or conflicting interests, if he is possessed of either vision or conscience, should face the fact that just as certainly as all differences would be shelved if we were at war they should be minimized or dropped temporarily in order to prevent war.

CARDBOARD ECONOMY

As has been said before in these articles, American unemployment is the most effective weapon in the kit of the totalitarian propagandists. Restore American prosperity and the claims for the cardboard economy of the dictators will collapse. Finally, turn the floodlights on the sham battle that is being

waged in America under the names of communism and fascism. Both are of the same breed of pups—wolf pups. Neither can stand the light. Both are sworn enemies of democracy. Neither knows the meaning of, nor has the slightest respect for, the liberalism and tolerance which let them thrive under the protection of our Bill of Rights. Once raised to power, they are equally

vicious and reactionary. Once in power, the shades of difference between them are imperceptible. As a precedent to the success of either must come the destruction of the democracy whose protection they claim.

Meantime, regardless of party or difference of opinion as to its methods of getting results, the broad principles of the New Deal, looming in importance above its failures, are still America's best answer to the challenge of totalitarianism and the dictators' claim to be the real champions of the world's underprivileged.

National Labor Relations Act

EXTENSION OF REMARKS

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

LETTER BY LLOYD K. GARRISON IN THE NEW YORK TIMES OF APRIL 9, 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able letter written by Mr. Lloyd K. Garrison, on the question of amending the National Labor Relations Act. The letter appeared in the New York Times in its issue of April 9, 1939.

There being no objection, the letter was ordered to be

printed in the RECORD, as follows:

[From the New York Times of April 9, 1939]

LITTLE FAULT FOUND IN LABOR ACT—WISCONSIN UNIVERSITY LAW
DEAN BELIEVES MEASURE SHOULD HAVE FURTHER TRIAL BEFORE
CHANGES ARE MADE

To the Editor of the New York Times:

This letter is addressed to those who sincerely believe that the National Labor Relations Act is one-sided and that it ought to be

amended so as to put restrictions on labor.

In appearance the act is undoubtedly one-sided. It forbids certain practices by employers but none by workers. But it is necessary to go below appearances and to understand the aims of the

what was the situation before the act was passed? In many industries employers were banded together in trade associations whose purpose was to prevent the similar banding together of employees in unions. These associations, in varying degrees, put forth antiunion propaganda, lobbied against labor legislation, maintained blacklists of union men, came to the aid of members engaged in strikes or lock-outs against union recognition, and sometimes supplied strikebreakers and spiles.

While employers enjoyed the right to associate for these purposes.

while employers enjoyed the right to associate for these purposes, the right of workers to associate was in practice defeated. Men were discharged for joining or forming unions. Foremen and superintendents would threaten discharge, which was equally effective. Sples could be, and sometimes were, planted in union ranks and even wormed their way into official position. Company unions were formed and the men herded into them. In some communities dominated by one or two large concerns private police forces were employed, meetings were broken up and union agents were run out of town or violently assaulted.

WORKERS HANDICAPPED

Against these tactics, which were by no means universal but were more widely used than in any other industrial country, workers were substantially helpless. While employers freely organized, the corresponding right of their employees was frustrated, and the only way it could be protected was to forbid the practices which destroyed it. This the Wagner Act did. Its purpose was to equalize rights, to correct a preexisting one-sidedness.

The case for extending the act to cover union abuses must rest not on an argument of one-sidedness, but on a showing that such extension is needed and that particular abuses could workably

extension is needed and that particular abuses could workably and justly be dealt with under the act. First, as to the necessity: I shall consider racketeering, sit-down strikes and mass picketing, strikes in breach of contract, and intimidation of workers as the most frequently cited abuses.

Begin the property of the lower of every State.

Racketeering can be punished under the laws of every State. That there are not more prosecutions is partly because racketeering exists only in a few trades in some of the large cities, and partly because of official laxity or corruption. Where municipal politics is clean and district attorneys vigilant, racketeering can be dealt with, as the Dewey prosecutions have demonstrated—prosecutions which incidentally have had the public support of organized labor.
Sit-down strikes have been held illegal; and they are on the

decline. They can be, and have been, dealt with by injunctions, damage suits, fines, and imprisonment. The same holds true of mass picketing and violence. What more penalties could be added?

UNIONS CAN BE SUED

Strikes in breach of contract are rare. Thus far they have occurred chiefly in the automobile industry, where the conditions are quite unlike those elsewhere. Strikes of this sort have mainly been short-lived local ones not authorized by the union leadership. been short-lived local ones not authorized by the union leadership, and representing an impetuous attempt to correct real or imagined grievances. Unions can be sued for damages in many States and in the Federal courts under the antitrust laws and by appropriate legislation they could be made suable in all States.

In England, on the other hand, unions cannot be sued for breach of collective agreements or for other wrongful acts committed in the course of ordinary trade disputes; and experience there as well as here indicates that legislation is not a cure-all, and that agreements are lived up to wherever collective relationships

that agreements are lived up to wherever collective relationships have matured and adequate machinery for settling grievances has been worked out by both sides.

Coercing men into joining a union, if violence is used, may be punished in all States. Where threats alone are used, though they too are unlawful, the legal remedies are concededly inadequate, because the dividing line between threats and persuasion is hard to draw and men are loathe or afraid to bring charges. These impediments would exist under any form of law.

MAJORITY REQUIRED

But the Wagner Act has at least done something to make coercion, where it exists, ineffective. Under the act a union enjoys no collective bargaining rights until it has been freely chosen by a majority of those voting in a secret ballot election conducted by the Board. (Certifications by the Board without an election are not made where any question of coercion exists.)

It is difficult to believe that men will vote for a union, in secrecy and under Government auspices, if they have been coerced into joining it. This election machinery therefore marks a real step forward.

forward.

One may fairly conclude that existing laws are adequate, so far as laws can be, to deal with such abuses as occur; and that, as all experience demonstrates, industrial peace is best established by the frank acceptance of collective bargaining, the experience of living together and the working out of agreements—wherever possible on a regional or industry-wide basis—containing joint machinery

on a regional or industry-wide basis—containing joint machinery for the settlement of differences.

Next let us ask whether, apart from the question of the need of such a step, the Wagner Act could workably and justly be broadened to prohibit various practices by unions. Three possible sanctions could be imposed.

One would be criminal penalties. But the act is not a criminal statute. It does not punish employers. And no one seriously suggests that the Federal Government should, even if it constitutionally could, go into the police business in industrial disputes. From every point of view policing is better left to the States.

ally could, go into the police business in industrial disputes. From every point of view policing is better left to the States.

A second type of sanction would be that which the act itself now provides for, namely, an order of the Board directing that certain things be done or not done. But in view of the procedure laid down, and the time element, this kind of sanction would be ineffective in dealing with abuses of the sort discussed above. For no order of the Board is enforceable until a judgment of the circuit court of appeals, after a hearing and argument in court, has been entered approving the order; and this court procedure cannot be begun until the following initial steps have been completed: an investigation of the original charges; the serving of a complaint, if the charges appear meritorious; the filing of an answer; a public hearing before a trial examiner; the submission of his report to the parties and the Board, and argument before the Board on the record of testimony and on the examiner's report.

TIME A FACTOR

This whole procedure, from the filing of the original charges to a court judgment, takes anywhere from 3 to 6 months and sometimes longer. It is, in effect, simply a slow-motion injunction procedure. Clearly little, if anything, would be gained by attempting to apply it to strike situations, alleged coercion, etc., because the acts complained of would long since have run their course.

But there is a third possible sanction—denial to an erring union of its privileges under the act. I myself once suggested that men responsible for a breach of contract should, if discharged on the ground of union activity, be barred from relief, but closer acquaintance with the complex of human relations involved in unauthorized walk-outs has convinced me that each case must be judged on its merits.

In any event, the board may and does exercise discretion in the In any event, the board may and does exercise discretion in the granting or withholding of relief, and the Supreme Court recently has held that the board cannot order the reinstatement of men who have engaged in a sit-down strike precipitated by the employer's own violation of the act. The opinion may be broad enough to bar relief where other types of unlawful union activity have been engaged in; time will tell. It would seem wiser and more just to leave the question of denying relief to the board's discretion and the working out of judicial doctrines than to make an ironclad rule.

NOT ALL CASES HEARD

It is now scarcely 2 years since the act was upheld by the Supreme Court. Before then the Board was paralyzed by injunctions. Since then strikes have declined, and issues of discrimination and nonrecognition which formerly accounted for nearly half our strikes have increasingly been taken to the Board

for peaceful adjudication. Of the thousands of charges filed with the Board, about 95 percent have never had to be heard; about half have been amicably settled with the aid of the field staff, and

the Board, about 95 percent have never had to be heard; about half have been amicably settled with the aid of the field staff, and nearly half have been dismissed after investigation. The public does not know about these cases; it knows only of the tiny fraction of stubborn, bitter controversies which go to a hearing.

Nor does the public generally realize that, while representation disputes between A. F. of L. and C. I. O. unions constitute but a small proportion of the Board's cases, the Board's election machinery is now the only available method of settling such disputes. That method is not always successful, but it is more successful than anyone would have thought possible.

Under the Board's rules (though nothing in the act prohibits it) an employer cannot petition for an election when faced by two rival and bona fide unions. I think the rules might well be amended to permit such petitions in proper cases; but experience seems to show that the question is not one of great urgency, for the New York Labor Relations Board, which receives such petitions, has had but few. Normally, one union or the other will move for an election as soon as allegiances are sufficiently fixed for an election to settle things. Premature elections, before one group or another has a majority, settle nothing.

PRINCIPLE ACCEPTED

PRINCIPLE ACCEPTED

The mingling of investigatory, accusatory, and judicial functions in a single agency (though in separate departments thereof) has been frequently criticized. The question goes to the root of the whole administrative process and applies alike to the I. C. C., the S. E. C., the Federal Trade Commission, and other agencies, and to numerous State commissions. I cannot discuss it here except to say that the principle has long been accepted, and that in any event there is not sufficient justification for singling out the National Labor Relations Board and proposing to dismember its functions without making similar changes throughout our administrative set-up. The atmosphere of conflict now surrounding the Board will wane as the law comes to be accepted, and then the Board may cease to be viewed as something unique.

I do not suggest that the act may never need modification in

something unique.

I do not suggest that the act may never need modification in the light of further experience and of a broader perspective than we now have. Nor do I suggest that the Board has not made mistakes. But considering the novelty of the law, the flood of cases since it was upheld, the determined resistance to it in many quarters and the emotions engendered by labor's internal feud, I think that the Board has done a remarkable job. And I bespeak for its work and for the act it administers, and for the administrative process as a whole, which is still in the making, an informed and dispassionate judgment.

LLOYD K. GARRISON.

LLOYD K. GARRISON.

MADISON, WIS., April 6, 1939.

Farm Conditions in the Midwest

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

LETTERS AND RESOLUTIONS FROM CONSTITUENTS

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD several letters and resolutions I have received from constituents relative to farm conditions in the Midwest.

There being no objection, the letters and resolutions were ordered to be printed in the RECORD, as follows:

MARSHFIELD, WIS., January 14, 1938.

ALEXANDER WILEY,

United States Senator, Washington, D. C.

DEAR SENATOR: Enclosed you will find a resolution adopted by the Wood County Board of Supervisors at their last meeting. You will note by the resolution the mortgage situation of the farmers of Wood County, also their difficulty as far as making their payments. I believe that I am not overestimating when I say that this is the condition of a large percent of the counties in Wisconsin.

I hope that you will give this matter your attention, which is very important to the mortgaged farmer in your State.

Yours truly.

Yours truly,

E. J. LAUFENBERG.

STATE OF WISCONSIN,

County of Wood, ss:

I, J. A. Schindler, the duly elected, qualified acting county clerk, in and for Wood County, Wis., hereby certify that the following

is a true and correct copy of Resolution No. 21, adopted by the Wood County Board of Supervisors, meeting held January 10, 1939.

Dated at Wisconsin Rapids, Wis., this 11th day of January 1939.

J. A. SCHINDLER,

County Clerk, Wood County, Wis.

Resolution No. 21

Introduced by Agriculture Committee, January 10, 1939

We the undersigned members of the Wood County Agricultural Committee, having studied the farm situation carefully with particular reference to the farm-debt, mortgage, and interest-rate problem, do hereby offer this following resolution to the county board of supervisors for its adoption and recommend that copies of this resolution be forwarded to Gov. of this resolution be forwarded to Gov. Julius P. Heil, Senators Alex Wiley and Robert M. La Follette, and Congressman Reid Murray, and Assemblyman W. W. Clark, and each county clerk in

the State:
Whereas the mortgage indebtedness on Wood County farms as shown by 1,200 sworn statements of farmers, is approximately \$4,000 per farm, 800 farms are mortgaged to the Federal land bank; about 40 percent of these borrowers are delinquent in interest, principal, or both; the average rate of interest paid by Wood County farmers is about 4.9; commissioner loans from the Federal land bank are 5 percent and Federal land-bank loans are drawn at the average indebtedness on Colby silt loam is \$4,887 per farm; Vesper silt loam, \$3,108; and sand and peat, \$2,304; the average debt per cleared acre on Colby silt is \$91; Vesper silt loam, \$69; and sand and peat, \$2,304; the average debt per cleared acre on Colby silt is \$91; Vesper silt loam, \$69; and sand and peat, \$27; and

Whereas the chattel-mortgage debt on many herds of cattle has been made by formers at such a high figure that the assignments

been made by farmers at such a high figure that the assignments on the milk check takes too large a share of the farmer's income to enable him to keep up the American standard of living; and

Whereas farmers have suffered several years of extreme drought and low prices for farm products; and

Whereas the farm debt has been incurred at a time when farm income was higher than it is today, making it extremely difficult for them to pay off their debts besides meeting taxes and interest:

Now therefore be it

Resolved, That this county board of supervisors favor a drastic adjustment of the farm-mortgage debt and interest rate similar to that proposed by the Frazier-Lemke bill as proposed in Congress, and/or liberalize the present farm-credit system.

R. B. ROBERTS, WILLIAM LILLEY, EDWARD VRUWINK Members of the Agricultural Committee.

BARRON COUNTY NATIONAL FARM LOAN ASSOCIATION, Barron, Wis., February 1, 1939.

Hon. ALEXANDER WILEY,

United States Senator, Washington, D. C.
Dear Mr. Wiley: I am enclosing herewith copies of 4 resolutions adopted January 31, 1939, at a joint meeting of the directors of the five National Farm Loan Associations of Barron County, representing approximately 1,300 Federal land-bank and land-bank commissioner loans.

is requested that you give your earnest consideration to these

resolutions.

Very truly yours,

THOMAS ST. ANGELO, Secretary-Treasurer.

Resolved by the directors of the Barron County National Farm Loan Associations, in joint session this 31st day of January 1939,

Whereas under the present day of appraising farm loans showing the ability of the farm to liquidate such loan is the basis on which loans are granted: Now, therefore, be it Resolved by the directors here assembled, That we go on record favoring such an appraisal; and be it further Resolved, That the Federal land bank and land-bank commissioner be instructed to take such action as will put the loads and land-bank commissioner be instructed to take such action as will put the loads are such action as well action as well ac

made during the period in which land values were excessive on the basis with loans made under the present appraisal; and be it

Resolved, That a copy of this resolution be sent to the Federal land bank and to all Representatives from this district in Congress, these Representatives to use their influence in Congress to bring about a change that will coincide with the present-day

WILLIAM WILLS, Chairman, H. M. PALMQUIST, ROY G. DODGE,

Resolutions Committee.

Resolved by the directors of the Barron County National Farm Resolved by the directors of the Barron County National Farm
Loan Associations in joint session this 31st day of January 1939.
That one member of the advisory board or one director be authorized by the secretary-treasurer to investigate a foreclosure case before any recommendation to foreclose is made, with the idea in mind to avoid foreclosure if possible.

WILLIAM WILLS, Chairman,
H. M. PALMQUIST,
ROY G. DODGE,
Resolutions Committee.

Whereas the situation of the dairy farmer has become one of vital importance, and that while the present Agricultural Adjustment Act is favored by the majority of farmers, we also feel that some provision should be made within the act for the dairy farmer as in other special commodities: Therefore, be it Resolved, That this group of Barron County directors of farmloan associations go on record as favoring the recommendations formulated at the general meeting of farmers, extension men, State and county officers of farm organizations, State and county agricultural conservation committees, and cooperative creameries

agricultural conservation committees, and cooperative creameries and cheese factories, on January 10 and 11 at Chippewa Falls; be

Resolved, That this group go on record as endorsing Mr. Einar L.

Ness and Mr. Kenneth Hones as our representatives to go to Washinton to present the dairy program to the proper authorities there.

WILLIAM WILLS, Chairman,

H. M. PALMQUIST,

ROY G. DODGE,

Resolutions Committee.

Be it resolved. That the owner of a foreclosed farm be given the same chance to repurchase his foreclosed farm as anyone else, providing that he has made an outstanding effort to keep his record clean.

WILLIAM WILLS, Chairman, H. M. PALMQUIST, ROY G. DODGE, Resolutions Committee.

THE FIRST NATIONAL BANK OF MONROE, Monroe, Wis., February 28, 1939.

Senator ALEXANDER WILEY,

Senator Alexander Wiley, Chippewa Falls, Wis.

My Dear Senator: It has been very gratifying to myself as well as your other Wisconsin friends to learn of the interest you are taking in the Wisconsin dairy farmer.

I can think of no class of people that are more worthy or in greater need of help at the present time. This county, as you may know, is largely populated by Swiss people. They are a hardworking, thrifty class of people who believe in paying their obligations 100 cents on the dollar, and it is very seldom that one of them is found working on a relief job of any kind, but now for the first time they too are getting right up against a tough proposition. proposition.

proposition.

They take the best of care of their dairy herds, and they do have good herds, many of which they have been building up for the past 50 years, but the income from milk has now gone down to a point where many of them are beginning to be very much discouraged and are beginning to wonder if it is really worth while to make the effort they have been making to pay 100 cents on the dollar and stay off of relief when they see so many others enjoying more of the good things of life than they are able to secure, and it is only a question of time when this is going to have a demoralizing effect on this thrifty class of people, and I cannot help but believe the dairy farmer is entitled to more consideration than he has been receiving up to the present time.

I am also firmly in the belief that it would be good business on the part of our Government to give due consideration to the dairy

the part of our Government to give due consideration to the dairy industry so that an honest, hard-working dairyman, willing to work from 14 to 18 hours a day at hard labor, could secure enough for his product so that he would be able to keep his family together, at least under moderate circumstances.

Only a few years ago Green County was rated as the wealthiest dairy community per capita in the United State. This has all changed. Within the past few years, and only very recently, I saw statistics showing that the mortgages per farm on Green County farms was greater than that of any other county in the State. These people do not need the extravagant things in order to be happy and contented, but it will be too bad if they are going to be allowed to become discouraged and take what might prove to be an easier way instead of going along the lines they have been following ever since they came to this country and we, ourselves, have always been proud of the manner in which they fulfilled their obligations, but I am afraid this is all going to be due for a change unless something can be done in the near future for the Wisconsin dairy farmer.

We will be very much interested in observing the progress you are able to make along the lines you have started on.

Wishing you additional success, I am

Very sincerely.

F. B. LUCHSINGER.

Whereas for a number of years prices of agricultural products have been extremely low; and
Whereas very little, if any, progress has been made under the programs that have been in effect for several years; and
Whereas in view of the fact that agriculture cannot long endure

unless a more fundamental farm program is adopted: Now, there-

fore, be it

Resolved, That the delegrates of the Chippewa County Farmers
Equity Union, assembled this 11th day of March, in the city of
Stanley, Wis., earnestly request the Congress of the United States
to immediately adopt legislation to meet the current crisis in the
farming industry that will protect the American market for the

American farmer at a price equal to the average cost of production for the domestically consumed portion of agricultural products produced in the United States; be it further

Resolved, That copies of this resolution be sent to the following:

Hon. Robert M. La Follette, Senate Office Building, Washington, D. C.; Hon. Alexander Wiley, Washington, D. C.; Hon. Merlin Hull, Washington, D. C.; Hon. William Lemke, Washington, D. C.; Hon. D. D. Kennedy, Assembly Chamber, Madison, Wis.; county clerk of Chippewa County for consideration of the Chippewa County Board at their next regular session, and a copy of this resolution be sent at their next regular session, and a copy of this resolution be sent to the State Farmers Equity Union office for publication in the Farmers Equity Union News.

N. A. PENNING. DELMAR SMOCK, ELMER JACKSON, HENRY L. HANSON, WILLIAM P. BORGMAN.

STATE OF WISCONSIN,

County of Chippewa, ss:

I. L. M. Eslinger, county clerk in and for the County of Chippewa, hereby certify that the above is a true and correct copy of resolution adopted by the Chippewa County Board of Supervisors at the adjourned meeting held on March 24, 1939, at the court house in the city of Chippewa Falls.

Dated this 25th day of March 1939.

L. M. ESLINGER, County Clerk, Chippewa County, Wis.

Silver Purchase Program

EXTENSION OF REMARKS

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, April 13, 1939

EDITORIALS FROM VARIOUS NEWSPAPERS

Mr. TOWNSEND. Mr. President, I have here several editorials from various parts of the country on the subject of silver. I ask unanimous consent that they be printed in the Appendix of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Southampton (N. Y.) Press, of March 17, 1939] THE SILVER DOLLAR

The old American "cart wheel" became too heavy to carry 'round, but it is even more impossible for Uncle Sam to lift the "monetary value" of silver. Even though the raised letters on the face of a dollar declare that "In God We Trust" there is reason to suspect that the United States has been too trusty in silvery relations with good neighbors, and other foreign countries.

good neighbors, and other foreign countries.

The latest silver adventure began in 1934 when the monetary price of American silver was "set" at \$1.29 an ounce and thereup the United States started in to lift the price of the world's crops of silver to that level. At the end of the dreamland fiscal year, June 30, 1938, the United States held approximately 2,373,000,000 ounces of silver, and according to the Chamber of Commerce of the State of New York "the greatest accumulation of metal the world has ever known." This was actually "one-seventh of all the silver the world is known to have produced in nearly four and one-half centuries."

At the imaginary "monetary value" set in the Silver Purchase Act the United States had become the owner of \$2,234,000,000 worth of silver. However, this silver actually cost the Treasury \$1,006,000,000. The United States found itself deep in "the hole" in all "deals" outside dealings with our own countrymen. Mexico, which has been stealing American oil properties, got twice as much revenue for its silver as the miners in our own silver States.

[From the Fargo (N. Dak.) Evening Forum] AS TO MEXICO

One of the odd things about the Mexican attitude toward the United States and toward American property rights has been the fact that in otherwise depressed conditions there Mexico has profited more than any other country by the United States silverpurchase policy.

[From the Philadelphia (Pa.) News of March 10, 1939] GOOD NEIGHBORLINESS OR DAMN FOOLISHNESS?

What is causing us the greatest amount of doubt is the effects of our Silver Purchase Act which was supposed to stabilize world

money and save wabbling economic structures from collapsing or something of that sort.

Anyway, we were playing the good financial Samaritan.

That's what our good neighborliness did for us in Mexico. There are other instances of the effects of this same sort of helpfulness in other parts of South America, where nazi-ism is rather strongly entrenched already and where the good neighborliness is hardly reciprocated.

We hope this Brazilian agreement isn't going to prove another Mexican "investment."

Mexican "investment."

We think every possible safeguard should be taken to guarantee that it will not be.

We believe that the Secretary of the Treasury, the State Department, or the President owes the people of this country an explanation of just what this is all about.

No such enlightening explanation has ever been forthcoming on the Silver Purchase Act or even the gold-buying orgy.

It's about time the people were let in on some of these matters.

[From the Palm Beach (Fla.) Post of February 11, 1939] OUR OWN BACK YARD

With all the hubbub in which we are indulging over events on the other side of the Atlantic, we should not forget that we have a little situation right here in our own back yard that needs some earnest attention.

For by buying Mexico's silver output as a good neighbor at higher prices than prevail in the world, we are supporting the economic framework of a nation that expropriates properties of our citizens, wiggles its thumb in our faces, and when asked to settle for them, turns its trade over to others and permits of European political penetration.

[From the Nashville (Tenn.) Banner of March 4, 1939] MEXICO AND THE UNITED STATES

The full cost to the United States, of Mexico's expropriation of American oil properties, is barely intimated in the values placed by former owners of the expropriated properties.

By disposing of this oil according to its own program, Mexico is Germany that is international import trade to Germany, for it is Germany that is purchasing the bulk of the oil, and paying for it with commodities customarily sold to Mexico by the United States.

The minimum of \$20,000,000 is set as the United States annual loss through this deviation, promoted by President Cardenas as a new policy calculated to compel American sanction for expropriation. At the same time, Mexico is increasing its consumption of

tion. At the same time, Mexico is increasing its consumption of Italian-made goods.

Thus the United States loses not only the oil, but a customer wooed and subsidized these many years; a customer to whom has been extended every conceivable advantage, and such amenities as continued purchase of Mexican silver at a price far in excess of the world market value. While the United States was continuing to buy Mexican silver to protect the peso, Mexico was using those same pesos to block American trade.

[From the New York Herald Tribune of March 29, 1939] MR. ECCLES ON SILVER

MR. ECCLES ON SILVER

Those who disapprove of the budgetary philosophy of Marriner S. Eccles are legion, and their number, as Mr. Eccles himself recently admitted, is clearly on the increase. Yet, as we have had occasion to observe here before, the views of the Chairman of the Reserve Board will always merit respect if for no other reason than that they are invariably honest. Mr. Eccles' fiscal and monetary theories may be sound or they may be unsound, but probably not even his severest critic will contend that they are ambiguous or that their author has ever trimmed his sails to the shifting political breezes. If anyone had any lingering doubts about the forthrightness of the Reserve Board Chairman those doubts must have been effectively dispelled by his testimony on the silver-buying program before a special Senate subcommittee on Monday. The Silver Purchase Act is, of course, one of the administration's favorite political projects. Offered by the President in 1934 as a program for "broadening the monetary base," it was actually nothing more nor less than a thinly disguised effort to purchase the votes of the Senate's so-called silver bloc. It hasn't the slightest justification as a monetary measure, and not even its friends pretend to defend it openly. Nevertheless, because of its political implications, no one in the administration has had the temerity, in these 5 years, to challenge, or even question, its economic importance. No one, that is to say, until Mr. Eccles came along this week, But what Mr. Eccles had to say about this legislation must have made the members of the Senate committee wonder whether they were listening to the administration's own monetary expert or a member of the economists' national committee.

From a banking standpoint, Mr. Eccles told the committee, the silver-purchase scheme is definitely injurious, since it has the effect of adding artificially to excess reserves at a rate of \$400,-000,000 to \$600,000,000 annually. In addition, he noted, it puts these reserves by using its seig

at the present time to some \$1,250,000,000. But quite aside from its banking significance, the Reserve Board Chairman pointed out, the policy, if continued, must eventually defeat the objectives of its supposed beneficiaries. "I happen to be from Utah", said Mr. Eccles, "and I have told my friends there that the foreign-silverpurchase program does more, in my opinion, to destroy the domestic silver industry than anything else I know." Summing up the

case against the program in one brief but comprehensive paragraph, Mr. Eccles declared:

"This policy has created a situation in which practically the only important market for silver is in this country, and the only use we have for the silver is to make more excess reserves, which are already excessive, and more bank deposits, which are also already excessive."

The administration has imposed for 5 more the second and the program of the second s

The administration has ignored for 5 years the arguments of orthodox monetary economists, who have repeatedly and unanimously denounced its silver program. How long, one wonders, can it continue to ignore these arguments, now that they have received the frank and unequivocal endorsement of its own chosen monetary expert?

National Farm Program

EXTENSION OF REMARKS

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

LETTER FROM ELVIN H. KILLHEFFER, OF WEST CHESTER, PA., AND REPLY THERETO

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter addressed to me by Mr. Elvin H. Killheffer, of West Chester, Pa., together with my reply.

There being no objection, the letter and reply thereto were ordered to be printed in the RECORD, as follows:

> MEADOWBROOK FARM, West Chester, Pa., April 7, 1939.

Hon. James J. Davis,

Senate Office Building, Washington, D. C.

Dear Senator: I notice in the Capitol Daily of Thursday, April 6, a statement that Senator Lucas, of Illinois, is trying to initiate a program which would call for cooperation of all interested groups so that we might really have a national farm program.

That there is an acute need for a unified program I think everyone will agree; that is, they will agree provided they can take a little time out from their own selfish activities and really devote a little constructive thinking to what would be good for the whole Nation. This may be expecting too much, because there is little evidence today of such national thinking.

In the same issue of the Capitol Daily to which I have already referred, there appears an article headed, "Irrigation Areas Pay U. S." This is based on a report by Commissioner Page, of the Bureau of Reclamation, made by him to Secretary Ickes and it goes on to show how, by the expenditure of some millions of money, various areas have by irrigation been brought into production and that as a result many other States received increased tion and that as a result many other States received increased business from those areas that have been made prosperous because of the irrigation.

So on one hand we spend money to bring new areas into production and on the other hand we spend greater amounts in order that farmers in other sections shall raise less on land that requires

that farmers in other sections shall raise less on land that requires no irrigation or other means of artificial persuasion.

We play Santa Claus to Cuba and the Philippines, buying their sugar while at the same time we restrict our own people from producing more sugar, meantime supporting a lot of people on various forms of relief who might otherwise be employed in producing some of the many things whose production we carefully

Frankly, the thinking people of this country, and there are still a few, are thoroughly disgusted with the hopelessly confused thinking, if any, on the part of our policy makers in Washington. If business interests conducted their affairs in like manner, the denunciation they would receive at the hands of this same Government would be quite considerable.

Cordially yours,

ELVIN H. KILLHEFFER.

APRIL 10, 1939.

Mr. Elvin H. Killheffer, Meadowbrook Farm, West Chester, Pa. Dear Mr. Killheffer: I have your thoughtful letter of April 7. We have been saying for a long time the points you have made

in your letter. Many of us have known of the utter confusion and divided policy of this administration. But very little has been done about it. Something more than criticism will be necessary. We must have a constructive and practical program. mecessary. We must have a constructive and practical program. Moreover, that program will require a thoroughgoing support not only of a few who plan it but the rank and file of our citizens. This will require intensive organization and effort.

The written me about the need for a unified farm pro-

You have written me about the need for a unified farm program. Agriculture is basic. We know that. And in the realm of agriculture cotton is of paramount importance. See what has

happened.

nappened.

In 1929 this country had 1,502 cotton mills that employed 441,000 persons, paid \$340,000,000 in wages, and over \$900,000,000 for materials, and turned out a textile product valued at \$1,595,000,000. My figures are from the Census of Manufactures, 1937.

During the 5-year period, 1926-30, the average annual experts of American cetter manufactures and semi-manufactures were

of American cotton manufactures and semi-manufactures were

valued at \$124,000,000.

In the calendar year 1937, as reported by the Commerce Department, there were imported into this country from Europe and Japan—pursuant to revised trade treaties—147,319,822 yards of cotton cloth. The average duty thereon was around 33 percent of the value of the goods. There was also imported in 1937 something over 86,000,000 pounds of cotton waste and cotton linters, free of duty.

the value of the goods. There was also imported in 1937 something over 86,000,000 pounds of cotton waste and cotton linters, free of duty.

The proposed subsidy on raw cotton exports to foreign countries, if around 3 cents to 4 cents per pound, would just about offset the tariff duty of 33 percent in value of cotton cloth, and give the foreign cotton-mill beneficiaries substantially free trade in cotton cloth, such as they already have in cotton waste and cotton linters. Indeed, with the proposed subsidy on 11,000,000 pounds of raw cotton shipped abroad, the foreign importers after the subsidized cotton had reached their ports, could turn their cargo ships around, without unloading, and send them back to American mills and make a profit at the expense of the United States Treasury in subsidy grants and indemnity losses.

This subsidy grant, indeed, affects the entire textile range of industries of the United States which employ a million workers on a yearly pay roll of nearly \$1,000,000,000

With one-third of our population ill-clothed, as stated by a high authority, the policy now seems to be to subsidize foreign mills with cheaper cotton in order to clothe the people of the United States, who 10 years ago were shipping a cotton-goods surplus of \$124,000,000 to countries abroad.

The United States Census of Manufactures for 1937 reports something like 1,800 manufacturing establishments in Pennsylvania which consume cotton or cotton products as primary material for manufacture into finished products.

These 1,800 mills and factories, including cotton goods, hosiery and knitting products, clothing, underwear and outerwear, house furnishings, cordage and twine, auto tires, bags, and batting, give employment to over 150,000 wage earners at an annual wage of around \$160,000,000.

The value of the cotton and cotton products consumed in these manufacturing establishments is around \$200,000,000 a year, and

around \$160,000,000.

The value of the cotton and cotton products consumed in these manufacturing establishments is around \$200,000,000 a year, and the value of the finished product exceeds \$400,000,000—which helps to clothe and serve the various needs of a rather considerable number of people in Pennsylvania and elsewhere.

Ten years ago Pennsylvania had products made of cotton for export to help clothe the needy abroad, besides paying nearly \$200,000,000 to Pennsylvania workers.

I should like to know why these Pennsylvania industries and wage earners are not entitled to receive from our Federal Government as fair treatment as the manufacturers and wage earners of Europe.

Pennsylvania and its industries paid into the United States Treasury in the fiscal year ending June 1938 a total of \$206,873,000 in income taxes for support of the Federal Government, besides a large revenue from estate and gift taxes and sundry internal revenue, amounting to nearly \$100,000,000 more.

All that foreign countries pay to Uncle Sam are the duties on foreign goods at American ports, and under the subsidy plan these duties on cotton cloth are largely canceled by the Treasury subsidy on the cotton shipped to foreign mills to aid them in invasion of American markets.

If the purpose of the proposed cotton export subsidy is to help the American people to a better supply of clothing and household textiles, the good old-fashioned American way is to give the job to the American worker, instead of to foreign labor.

This country has at least 10,000,000 unemployed. These unem-

ployed, if given factory jobs, might be able to convert that cotton surplus of 11,000,000 bales into enough clothing to thoroughly provide for the one-third of our population now so greatly in oughly provide for the one-third of our population now so greatly in need and for whom all of us have a very genuine concern. Such a bold experiment as giving business encouragement to go ahead, without its present unfair handicaps, ought to prove far more practical than the 1933 experiment of plowing cotton under or the 1939 proposal to ship cotton abroad by aid of a Treasury subsidy.

My answer to you, Mr. Killheffer, is that the best hope for a change of policy, away from the waste and confusion of this administration, is to change the policy makers. The present ones do not seem to know what to do.

Sincerely yours.

Sincerely yours,

Who Cultivates War?

EXTENSION OF REMARKS

HON, GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

EDITORIAL FROM THE SATURDAY EVENING POST OF APRIL 8, 1939

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an editorial, appearing under date of April 8, 1939, in the Saturday Evening Post, entitled "Who Cultivates War?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Saturday Evening Post of April 8, 1939] WHO CULTIVATES WAR?

Never was a stranger thing than that the American people should be inviting themselves to another world war before it

At frequent intervals those who sample the waters of public emotion heave their questionnaires into the stream—such as, "If England and France are attacked by the dictators, will this country have to do something about it?" or, "Shall the democracies of the world, at any cost, stand together?"—and when what comes up is put through the sieve that separates the ayes and noes, the tabulated results show a steady onset of the idea that we shall have to save the world for democracy again. But you do not need the statistics. You can feel it. There is all at once an intellectual cult of interventionists. The feet of many pacifists are running in the paths toward war. The American character is inhabited by a strong crusader spirit. Many voices, for different reasons, have been calling to it, and it responds.

When the President first called to it, we were not thinking of At frequent intervals those who sample the waters of public

When the President first called to it, we were not thinking of war, talking of war, or preparing for war. Our thoughts were inturned upon our own economic and social maladies. The New Deal was going badly. That was in October 1937.

Suddenly, out of the blue, in a speech at Chicago, the President proposed that we should have to help quarantine the aggressor nations of the world. First he borrowed the words to make a terrifying picture of what that day would be like when the aggressors went utterly mad. "If those things come to pass in other parts of the world," he said, "let no one imagine that America will exceed that it may expect marks," that this Western Hemiother parts of the world," he said, "let no one imagine that America will escape, that it may expect mercy, that this Western Hemisphere will not be attacked. * * * If those days are not to come to pass * * * the peace-loving nations must make a concerted effort * * * there is no escape through mere isolation or neutrality * * * the epidemic of world lawlessness is spreading. When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine." * * * We dwell upon this speech because it is the key to much that has happened since. Nobody knew we were going to cast aside the priceless advantage of mere isolation. Nobody knew we were going to forsake the traditional policy of mere neutrality. As for our duty to help quarantine the aggressor nations of Europe and Asia, such a thing had never been debated.

such a thing had never been debated.

such a thing had never been debated.

Several weeks ago there was an unseemly dispute as to whether or not the President had said in a certain way to members of the Senate Committee on Military Affairs, under pledge of secrecy, that our first line of defense was in France, or, by another version, that France was our frontier. Members of the Senate committee privately said that he said it. The French Embassy in Washington confirmed it to the French Government. Various responsible persons said they had heard him say it before. Yet 3 days later he called the newspaper correspondents to the White House and said to them that anyone who said he had said it was a book and a liar. Well, but he said it in that Chicago speech. Everybody knew

Well, but he said it in that Chicago speech. Everybody knew that his aggressor nations were Germany and Italy in Europe, and that his peace-loving democracies there were England and France. If we were going to help England and France to quarantine Germany and Italy, as if they were our enemies, too, where was our frontier, our first line of defense? It was in France, of course; and all that row a few weeks ago over how he had said it again was

Ever since the quarantine speech, the Government of the United States has been slapping the dictators in the face. When Secretary Ickes had used his heavy hand on Hitler, and the German Government protested, the State Department slapped him again by saying, in effect, that the indecencies of nazi-ism had put Germany beyond the pale of diplomatic amenities.

We ourselves sincerely tolerate that feeling. Just as sincerely we say that the Government should let the flames of hatred alone, instead of fanning them; and in any case, there is nothing to be said for the palm of the hand as an instrument of foreign policy.

After the quarantine speech, the front page of your newspaper began to change. Did you notice it? Rumors, alarms, and discussions of war, touching this country, began to compete for the first position with news of our internal frustrations. It was a relief, indeed, to be thinking and talking less about our economic

reier, indeed, to be thinking and taiking less about over economic anemia and more about our place in the affairs of the world.

The President went visiting in Canada, and said the United States would never "stand idly by" if Canada were invaded. Probably not; it might have been taken for granted. So far as anybody knew, there was at that time nowhere in the world a thought of

invading Canada.

Then it was South America. The dictators were penetrating South America with their hateful ideologies and their merchandise, and we should be ready to fight for the Monroe Doctrine. So we should. That is not what we are talking about. We are talking about the cultivation of the American mind with thoughts of war. We would sooner think of an American mind with thoughts of war. We would sooner think of an American frontier in South America than of one anywhere in Europe. It would make more sense. But it cannot well be one day in Europe and another day in South America. Or shall we have one in Europe and one in South America, too?

In his message to Congress last January the President said:

* * Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more

Here are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people."

He could not name the aggressor nations against whom we proposed to take measures. That would be going too far; though, of course, the whole world knew them as well as if he had called them by name.

But they had already been named. Two weeks before these words from the President, the chairman of the Senate Committee on Foreign Relations took a statement out of his pocket and anded it to the press. It said:
"1. The people of the United States do not like the Government handed it to the press.

of Japan.

"2. The people of the United States do not like the Government of Germany.

"3. The people of the United States, in my opinion, are against any form of dictatorial government, communistic, or fascistic.
"4. The people of the United States have the right and power to enforce morality and justice in accordance with peace treaties with us. Our Government does not have to use military force and will not unless necessary."

and will not unless necessary."

This amazing statement produced a sensation. The chairman of the Senate Committee on Foreign Relations is a high officer of the Government; moreover, it was Senator PITTMAN, whose same-seeing with the President on matters of foreign policy is so well known that few could suppose he would have prepared such a statement without the knowledge and approval of the President.

As one of the American people, we admit that Senator PITTMAN.

As one of the American people, we admit that Senator PITTMAN perfectly states what we feel about the governments of Germany and Japan. Nevertheless, he ought not to have said it; and if he could not help saying it, he ought to have first resigned from the Government. He must have known the effect his words would have, not because they were his—if they were his—but because they were bound to be received abroad as an indirect utterance of the American Government. Obliquely in that way the hated nations could be named.

The hypnotic by this time has undergone some change. In the

President's Chicago speech it was the word "quarantine." Not to fight the dictators, but to quarantine them. How simple!

The hypnotic now is the phrase, "short of war." Something to be done against the dictators, "stronger and more effective than words," and yet "short of war."

words," and yet "short of war."

Regard now the spectacle of the great American Government shouting at other governments, "We hate you. The American people hate you. These words, as we utter them, are futile. We know that. But we will do more than words. We will do everything we can to defeat you—short of war."

There is no such infantile thing. If those who say it do not know better, they are even more dangerous than we think, for they are incompatent.

are incompetent.

they are incompetent.

What are the methods more effective than words and short of war that one nation may employ against another? They will have to be either measures of economic hostility or measures of economic discrimination; and measures of either kind, with the positive and avowed intent to do injury, are measures of war.

Suppose this were not so. Suppose it were, as a Senator said in debate on the national-defense program, that "Every time we sell a plane to France, standing between us and the dictators, so to speak, we need one less ourselves." In that light, the thought of measures short of war turns out to be such a thought as that, of all the nations representing the democratic ideal in the world, the one most powerful shall save itself by selling arms to the others. The world for that attitude is one that were at its the others The word for that attitude is one that war at its

the others The word for that attitude is one that war at its worst has never yet deserved.

Meanwhile a national-defense program was taking shape, and when it had been submitted to Congress, the foreign affairs of the Nation passed suddenly into a phase of ominous mystery. We do not yet know whether the clumsy secrecy was meant to intensify the alarms or was only what it seemed.

The American Ambassadors to England and France came to testify at secret sessions of the Senate Committee on Military Affairs and of the House Committee on Military Affairs, and it was made known what they said was too alarming to be disclosed.

The crash of a military plane on the Pacific coast accidentally disclosed the fact that a French commission was secretly buying secret bombers in this country, and when the Senate Committee on Military Affairs began to ask embarrassing questions, and had already discovered from secret testimony that the President, over the protest of the War Department, had directed that the French buyers be given special access to what they wanted—just then the President called the members of the committee to the White House and, under pledge of secrecy, told them things that made their blood run cold.

That was all they could tell and it was perhaps were to tell.

their blood run cold.

That was all they could tell, and it was perhaps worse to tell that than to have told the truth.

The gong was still vibrating with this alarm when the President, on his way to the fleet maneuvers, said to the reporters that he might have to cut his absence short and return at any moment in haste, on account of something the dictators might be doing in Europe. This was cabled over the world and produced immense astonishment in all the chancelries of Europe.

The effect of imparting those frightful White House secrets to the Senate Committee on Military Affairs was to produce on the floor of the Senate this humiliating situation—that in the debatem a new program of pational defense some Senators were in pose-

on a new program of national defense some Senators were in pos session of facts they were pledged not to divulge, some found themselves speaking from expurgated versions of secret testimony themselves speaking from expurgated versions of secret testimony that had been superseded by other versions, and it was impossible for anyone to make an indisputable statement of what our foreign policy was; wherefore such a thing as an armament policy had to be debated in the dark by the United States Senate, since, of course, an armament policy, rationally, must be determined by a country's foreign policy and suited to it.

But whose foreign policy? Whose armament policy?

We go back to the quarantine speech in Chicago. Toward the end of it the President said: "It is my determination to pursue a policy of peace * * * yet we cannot insure ourselves against the disastrous effects of war and the dangers of involvement."

My determination.

My determination.
This is the balcony manner. It is the leader telling his people.
Strange as it was then, it has become very familiar since. The

Strange as it was then, it has become very familiar since. The national mind now is used to it.

This we may illustrate. From the Washington news leads of the New York Times—and it might be any other important newspaper—we take these examples:

February 1: "President Roosevelt told Senate Military Affairs Committeemen at the White House yesterday that the United States would back European democracies against dictatorships in every way short of war."

The President tells the Senators what the United States will do.

The President tells the Senators what the United States will do.

The point is not whether this news paragraph is accurate or not; the point is that news so written seems to excite neither wonder nor uneasiness.

Another:

February 3: "President was pressed by Congress groups yester-day to clarify his policy on the sale of arms abroad to aid the democracies.

His policy. Another:

Another:
February 4: "Taking cognizance of several severe attacks on himself and his policies in the German and Italian press, Mr. Roosevelt vehemently asserted that he contemplated no change in the country's traditional foreign policy."

It is not written that the President said there was no change in the traditional American foreign policy; it is written that he said he contemplated no change in it.

February 5: "Foreign-policy debate in the Senate next week is expected to turn on the question whether the President intends this country to back the French, except for manpower, in the event of war."

event of war."

And so the debate did turn on that question. What did the President intend? In this debate, if you will read it in the Congressional Record, you will find the Senators asking over and over: "What is the President's foreign policy?"

We seem to have forgotten that the President does not make the foreign policy of the United States. He has not that constitutional power. He can negotiate treaties, but he cannot make them; a treaty is not made until the Senate confirms it. He cannot declare war. Only the Congress can do that.

Nevertheless, he can, if he is so minded, provoke war.

He can create situations and entanglements such as to make war inevitable

He can, as we have seen, condition the national mind to thoughts of war.

The Constitution cannot save us from a President who turns world hero on our hands. It left that to the people.

There is no division of the American mind on the subject of adequate—very adequate—military defense. But unless we have a definite foreign policy—not Mr. Roosevelt's nor any President's, but a national policy—it is impossible to be intelligent about a defense

program.

To this we add that while we talk about our military defenses not his we add that while we tak about our limitary defenses without knowing what our foreign policy is, we are neglecting our natural defenses. The first of these, more important in many ways than armament, is to keep our industrial machine at high key and in full production. This we have failed to do. Our machine is running down. And our second most important natural defense is to mind our own business. The Civilian Conservation Corps

EXTENSION OF REMARKS

HON. JAMES M. MEAD OF NEW YORK

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

STATEMENT BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made on the occasion of the sixth anniversary of the creation of the Civilian Conservation Corps.

There being no objection, the statement was ordered to be

printed in the RECORD, as follows:

THE C. C. C. HAS PROVED ITS WORTH

(By United States Senator JAMES M. MEAD)

For the past 6 years I have watched with great interest the program and progress of one of our conservation agencies—the Civilian Conservation Corps. The C. C. C. was created to provide jobs for unemployed young men on worth-while conservation projects on the Nation's forests, parks, and farms. Since it was first established in April 1933 it has had a vast influence on our national life—both on the physical resources of our country and the character of its

people.

It has taken more than 2,000,000 unemployed young men and given them jobs. While working on conservation projects carried out from the C. C. C. camps these boys have had not only jobs, but proper food, clothing, shelter, medical and dental care. They have had inspiring leadership, an opportunity for healthful recreation, a chance to receive both vocational and academic training in their leisure time after the workday is over. Many of these boys have left the corps to accept jobs in private industry—jobs obtained largely because of the training they received while in the C. C. C. These boys have also received a cash allowance of \$30 a month from which they are required to send home \$22 a month to their dependents—money which has helped keep homes together, prevented families from going on relief, and given the boys the added satisfaction and self-respect which comes from being not only independent themselves but able to help their families in need.

satisfaction and self-respect which comes from being not only independent themselves but able to help their families in need.

There are at present 1,500 C. C. C. camps in operation throughout the continental United States. From these camps each day go some 300,000 C. C. c. enrollees to carry out work designed to develop, to protect, and build up our national resources. The work is varied. All of it is valuable, both for the present and for the future. The enrollees plant trees, build truck trails, erect fire-detection towers, lay telephone lines, improve grazing conditions on the public domain and in national forests, carry out and demonstrate soil-erosion-control measures, conduct campaigns against the white-pine blister control measures, conduct campaigns against the white-pine blister rust, the gypsy moth, bark beetles, and other destructive forest pests, improve living conditions for wildlife, rehabilitate reclamation projects in the West and drainage ditches on farm lands, improve recreational areas in National and State parks and forests, and many

other jobs.

During the past 6 years some of the major work accomplishments of the C. C. include protection and improvement of millions of acres of forests and parks, development of new recreational areas for all the people, and advancement of a Nation-wide erosion-control program to save our fertile soil. During these 6 years enrollees have planted 1,500,600,000 forest trees—that's 12 trees for each of the 125,000,000 men, women, and children in this country. They have improved the forest stand on 3,430,000 acres, reduced fire hazards on over 2,000,000 acres, spent four and one-half million man-days fighting forest fires.

Judged on its past record of conservation of natural resources.

Judged on its past record of conservation of natural resources and aid to unemployed youth, the Civilian Conservation Corps deserves high praise. But what of its future? I am of the belief that this organization should be made a permanent one. Conservation authorities estimate that the value of our national resources has been augmented by hundreds of millions of dollars through the work of the C. C. C., and that conservation measures throughout the country have been advanced from 10 to 30 years by the C. C. C. program. They also state that there is need for by the C. C. C. program. They also state that there is need for this work for many years to come. Undoubtedly there will also be need of employment by many young men for some time to come. A permanent C. C. C. would aid in the solution of both these problems.

This problem of unemployed youth is not something new. Under the administration of President Roosevelt the situation was first recognized and measures taken to correct it, but the problem itself has been in existence for many years. It was a graver problem when the C. C. C. was launched to help correct it, but it is still a problem—we have always had unemployed youths who need just what the C. C. C. can give, not only a job, but wellorganized guidance and leadership to work, to develop, to study in healthful surroundings—in a word, to become better citizens. Nor is the need for a Nation-wide conservation program a new one. For years the physical assets of the Nation have been drying up, wearing away, and burning down. The C. C. C. is the first program of national scope designed to combat this waste. But not in 6 years can this waste be checked or rebuilt. A comprehensive conservation program planned by State and Federal officials, utilizing C. C. C. camps and workers to carry out a longrange program of forest protection, reforestation, flood control, soil-erosion-prevention measures, development of recreational resources, and wildlife restoration would be of the greatest value to our country, now and for future generations.

The program has been launched by the C. C. Let the corps continue its work.

Resolutions Adopted by the National Rivers and Harbors Congress

EXTENSION OF REMARKS

HON. JOHN E. MILLER

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

RESOLUTIONS OF THE THIRTY-FOURTH ANNUAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD resolutions adopted by the Thirty-fourth Annual Convention of the National Rivers and Harbors Congress, Washington, D. C., March 23 and 24, 1939.

There being no objection, the resolutions were ordered to

be printed in the RECORD, as follows:

FOREWORD

The Thirty-fourth Annual Convention of the National Rivers and Harbors Congress, held in Washington, D. C., March 23 and 24, 1939, at which the following resolutions were unanimously adopted, was attended by delegates from 48 States, the District of Columbia,

was attended by delegates from 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

This was the most widespread and representative convention in the congress' history of more than 36 years, the total number present exceeding all recent record years. There were in attendance delegates from all sections of the country, representing both legislative and executive branches of the Federal Government; State, city, county, and other local governmental agencies and interested groups; chambers of commerce, waterway, flood-control, and conservation associations; agricultural, labor, industrial, and trade organizations; and transportation interests.

The attendance of representatives, from far and near, of such different pursuits and interests and their unanimous adoption of the following resolutions is strong evidence that public sentiment demands that our national waterway, flood control, reclamation and conservation program go forward; that planning and execu-tion of public improvements of our water resources for navigation, flood control and allied purposes be continued as functions of the Army Engineer Corps under the direction of the Secretary of War and the supervision of the Chief of Engineers; that adequate funds be provided for the continuation of useful and beneficial projects for these purposes; that our navigable waterways ever be deemed public highways and remain free; that cognizance be taken of the national-defense value of our waterways, and that the American Merchant Marine be strengthened for national defense and com-

RESOLUTIONS UNANIMOUSLY ADOPTED BY THE THIRTY-FOURTH ANNUAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS, WASHINGTON, D. C., MARCH 23-24, 1939

This congress, a national organization representing every State in the Union, the Territories, and insular possessions of the United States, reaffirms resolutions adopted at its 1938 sessions and reasstates, realisting resolutions adopted at its 1938 sessions and reasserts its interest in the development, improvement, conservation, and utilization of our rivers, harbors, waterways, and water resolutions while assembled in its thirty-fourth annual convention at Washington, D. C., March 23–24, 1939:

FUNCTIONS OF THE CORPS OF ENGINEERS OF THE UNITED STATES ARMY We recommend that hereafter all duties now performed by the Chief of Engineers under the direction of the Secretary of War shall be functions of the Engineer Corps, United States Army, and its head, to be administered under the direction of the Secretary of War and the supervision of the Chief of Engineers, except as otherwise specifically provided by act of Congress.

RIVER AND HARBOR LEGISLATION

We recommend the passage of a new river and harbor bill at the present session of Congress to include both the authorization

of complete projects and the approval of plans for certain large, comprehensive projects with partial authorizations for initiating these larger projects for which complete authorization may not be advisable at this time. This legislation is urged in order that our waterway-development program be kept in pace with our rapidly expanding business requirements and that additional navigation facilities may be provided to meet the growing demands of commerce and industry, and in such connection we emphasize the importance of completing as early as possible the connecting links in the intracoastal and inland-waterway systems.

PLANNING AND EXECUTION OF IMPROVEMENTS OF OUR WATER RESOURCES FOR NAVIGATION, FLOOD CONTROL, AND ALLIED PURPOSES

We recommend that all planning and execution of public improvements of our water resources for navigation, flood control, and allied purposes continue as in the past to be under the jurisdiction of the War Department as a function of the Corps of Engineers, in cooperation with other existing Federal agencies. Similarly the operation and maintenance of navigation improvements and the operation and maintenance of navigation improvements and the prevention of their injury by commercial wastes or pollution should be a duty of the corps. We reaffirm our faith and confidence in the Corps of Engineers, whose devotion to this Nation and loyalty to the Chief Executive have made possible the orderly and efficient development of the greatest waterway and flood-control projects on earth. In their many years of experience they have met several emergencies such as during the latest depression, when work on highly useful projects designed by them provided employment to hundreds, even thousands, that would otherwise have been on relief. Furthermore, we believe that only through the plans developed by the Corps of Engineers can we secure a consistent and coordinated improvement of our water resources.

APPROPRIATIONS

We recommend that the Congress of the United States assure We recommend that the Congress of the United States assure ample annual appropriations to advance the construction of authorized projects for river and harbor improvements and flood control in the interest of providing works of lasting value to the public and of furnishing widespread employment. We believe that such work is one of the best means of giving direct employment to a large number of skilled and unskilled workers and indirect employment to many basic industries of our Nation. We believe the 1939-40 Budget estimates for navigation and flood control are entirely too low and should be increased by the administration in accordance with the recommendations of the Corps of Engineers before the nonmilitary appropriation bill reaches the floors of Congress.

HYDROELECTRIC POWER

We recommend that where plans call for the development of hydroelectric power in connection with the construction of a dam for flood control, the planning and execution of such dam and the generation of electric power involved shall be under the jurisdiction of the agency responsible for the project and the power shall be turned over at the switchboard to the Federal Power Commission for distribution and sale. We believe that Federal planning, execution, operation, and maintenance of public improvements relating solely to the distribution and sale of electric power should be under the jurisdiction of the Federal Power Commission. be under the jurisdiction of the Federal Power Commission.

TRRIGATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating solely to irrigation should continue under the jurisdiction of the Interior Department.

SOIL CONSERVATION AND REFORESTATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating to the prevention maintenance of public improvements relating to the prevention of soil erosion and to reforestation, including such estimates of run-off and water-flow retardation in the various watersheds concerned as are considered to have useful or practical values, should continue under the jurisdiction of the Department of Agriculture.

NATIONAL DEFENSE

For many years European nations have recognized the nationaldefense value of their inland waterways. Experience during the World War justified their recognition. In this country existing waterways connect strategic areas and plans for more direct and improved connections have been made. It is accordingly urged that Congress consider this added value of our waterways when acting upon legislation and appropriations for navigation improvements. At this time when the greater portion of the civilized world is being forced to place national defense above all other issues it is fitting that we consider the great defense value of our water routes for transporting bulk commodities from production to manufacturing areas to supplement and relieve other means of transportation which are sorely overburdened in nationaldefense emergencies.

FOR NAVIGABLE WATERWAYS

We emphasize the traditional policy of free navigable waterwe emphasize the traditional policy of free navigable water-ways in the United States and we recommend that our waterways be deemed public highways and remain free forever. The sug-gested tonnage tax or tolls in any form on water-borne commerce is particularly obnoxious to us. We are unalterably opposed to the control and regulation of the water-transport services upon the inland waterways, intercoastal, coastwise, and lake areas by any regulatory commission.

AMERICAN MERCHANT MARINE

We believe that an American merchant marine, sufficient to promote our commerce and effectively aid in our national defense, is essential to the public welfare and we recommend that Federal aid necessary to maintain and increase our merchant marine be given.

OWNERSHIP OF SUBMERGED LANDS

Enactment by the Congress of the United States of any legis-Enactment by the Congress of the United States of any legislation attempting to assert or claim title or rights to any land or bottoms or minerals thereunder not presently owned by the United States under any waters or waterways is repugnant to the National Rivers and Harbors Congress, as it will deprive present owners and claimants of property rights without due process of law, many of these bottoms being owned by some States and in other instances is the property of individuals. We particularly condemn legislation now pending in Congress known as Senate Joint Resolution 24 and all similar legislation. We further condemn same as an invasion of States' rights, a violation of those rights guaranteed to property owners by the Constitution. property owners by the Constitution.

FLOOD-CONTROL RESERVOIRS

In order to insure the maximum protection of life and property from the destructiveness of floods, reservoirs, built for flood control under the provisions of flood-control legislation, should be designed and operated so that such reservoirs cannot be used for any purpose other than flood control until, in the judgment of the Army engineers, flood protection has been fully safeguarded.

APPROPRIATION RIDERS

We oppose as unsound policy any limitation in appropriation bills which may curtail, delay, or invalidate the construction of rivers and harbors or flood-control projects already authorized by

ARKANSAS RIVER NAVIGATION

We urge early completion of the economic survey of the Arkansas River for navigation. Though the Arkansas is one of the major tributaries of the Mississippi System it is yet the only one not now navigable. Traversing the States of Arkansas, Missouri, Oklahoma, Kansas, Texas, New Mexico, and Colorado the Arkansas Valley is one of Arkansas and Colorado the Arkansas. Oklahoma, Kansas, Texas, New Mexico, and Colorado the Arkansas Valley is one of America's great storehouses of natural wealth. Here, in the region of the highest average rall freight cost in the Union, is deposited 95 percent of our bauxite clay, half our lead and zinc, one of our major sources of petroleum and petroleum products, and one of our most extensive high-grade coal deposits, including the largest deposit of anthracite coal outside of Pennsylvania. The Arkansas region includes America's greatest winter wheat acreage and one of our major cotton areas. Here are mountains of gray iron and manganese yet untouched, the world's greatest potach field the only dependable source of helium gas greatest potash field, the only dependable source of helium gas within the continental limits of the United States, vast deposits of glass sand, wide pools of asphalt, extensive areas of commercial salt, tripoli, marble, granite, and limestone, resources essential to our economic welfare and our national life. We anticipate the day when a navigable Arkansas will complement the Mississippi River System.

RECLAMATION REQUIRED TO REHABILITATE 100,000 FARM FAMILIES

The National Rivers and Harbors Congress urges that adequate funds be provided to enable the Bureau of Reclamation, Department of the Interior, to expedite the construction of soundly conceived reclamation projects, in order to provide greatly needed irrigated land for more than 100,000 farm families—half a million persons—uprooted by circumstances beyond their control, who have moved into the arid and semiarid States seeking irrigated land for opportunities to make a new start in life and again become self-supporting.

Unless these families are reestablished promptly, they will add heavily to relief rolls and their situation become hopeless, while the solution of their problem lies in the "planned settlement on new reclamation and irrigation projects." And that a rehabilitation program with sufficient appropriations be instituted promptly to conserve and utilize water supplies in the Great Plains area.

The Coal Industry

EXTENSION OF REMARKS

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

LETTER FROM HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by myself, under date of April 10, 1939, relative to the coal industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 10, 1939.

DEAR FRIEND: West Virginia is a great coal State. The coal industry contributes approximately \$200,000,000 annually to our

What affects coal affects West Virginia.

Much is appearing in the papers about the coal conferences in ew York. These facts will be interesting to those who are follow-New York.

ing developments.

When the Guffey-Vinson Coal Act was being considered by Conwhen the Guffey-Vinson Coal Act was being considered by Congress, I opposed it. I said it was against the interest of the State. I stated, "The Guffey Coal Act will work an injury to the miners of the State of West Virginia * * * would be costly * * * would benefit only those on the pay roll * * * was a 'gold brick.'"

Immediately I was the target for attack. The politician who

Immediately I was the target for attack. The politician who supported every measure without question, the persons who wanted to get jobs on the Coal Commission, the paid representatives of John L. Lewis, all joined in the abuse. They tried to tell the miners I was opposing the miners' interest.

Four out of five of these individuals were on the pay roll of the Government or of the John Lewis regime. These organizers, whether the mines worked or not, went through the coal fields to spread poison among the miners. I am willing for the people to determine who told the truth. I want the people to know the facts.

facts.

Coal production in West Virginia during 1938 was at the lowest figure of any year since 1922 excepting 1932. The coal production in our State in 1937 was 118,050,000 tons. Last year, with the Guffey Coal Act in effect, this production declined to 93,511,099 tons. That means an approximate loss of 24,500,000 tons, or nearly \$50,000,000 in value.

Did this decline affect only the coal industry? No; the whole State felt the effect. The merchants sold less goods; the doctor, dentist, the professional man, found collections harder because the unemployed were unable to meet their bills as promptly as if they

unemployed were unable to meet their bills as promptly as if they had been working; the railroaders were furloughed because less coal was shipped. Everyone paid part of the penalty of this political move.

Some say that the decline was caused by bad business conditions.

Some say that the decline was caused by bad business conditions. No doubt that is partially right, but the same men who supported the Guffey Act were the men who helped pass other legislation that slowed up business recovery. If it was due to bad business, the same group helped to cause bad business.

As a last resort, the weather has been blamed for the failure of the Guffey Act to bring prosperity. Good weather or bad weather, the Coal Commission (many hundreds of persons) got their checks. They were not affected by bad business or the weather. They had time to come around before election to tell the voters of their interest. They now say things will be better next year. It is always to be better in the future.

The ones who drew millions of dollars out of the Treasury the

always to be better in the future.

The ones who drew millions of dollars out of the Treasury, the ones who are paid to spread propaganda through the coal fields, don't have to worry whether or not the mines are operating. They are on salaries, good ones, at that. Most of them are receiving large expense accounts; yes, much larger than the miner gets for working. These men have profited by the Guffey bill. The miners and the people of West Virginia outside of the coal industry have not profited.

These individuals who are on the pay roll will not admit their

These individuals who are on the pay roll will not admit their fakery. I am interested in giving the people of West Virginia the facts. They will find I told the truth when I said the Guffey Act would not help West Virginia.

Let's look at the record.	
Coal production: 1937	Tons 118, 050, 000
1938	93, 511, 099
Loss of 1938 as compared to 1937 How did this affect the miners?	24, 538, 901
A loss of 5,000,000 man-days for miners. A loss of approximately \$25,000,000 in wages for the	miners.
1	'ons per year
Average coal production 1925–28 (inclusive)Average coal production 1935–38 (inclusive)	150, 221, 234 107, 605, 319
Difference	42, 615, 915
How did this affect the miners? A loss of more than 8,000,000 man-days for miners.	
Average coal production:	
Difference	25, 303, 477
How much has this Guffey regulation cost? From the Federal Treasury to March 1, \$6,508,189 cluding consumer's counsel).	
Millions more spent by industry for boards and bodies.	regulatory
Has the Guffey Coal Act brought prosperity to the co	oal industry?

Let the facts speak.

If you are interested in the figures on any county or counties in West Virginia, I shall be glad to send you a complete record for your information. Just write me at Washington, D. C. Sincerely. RUSH D. HOLT.

Still the Forgotten Man

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

EDITORIAL FROM MILWAUKEE JOURNAL

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Milwaukee Journal of March 30, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Milwaukee Journal of March 30, 1939] STILL THE FORGOTTEN MAN

STILL THE FORGOTTEN MAN

The W. P. A. has not been managed in a way to give the most employment possible to those in actual need. In other words, the forgotten man is still being forgotten by an administration which continually boasts of its devotion to his interests. This indictment comes from a majority of the House Committee on Appropriations, of whose members more than two-thirds are Democrats.

The committee begins with the inconsistent statement that the additional \$100,000,000 it recommends for W. P. A. from now until June 30 is not really needed. Nevertheless, it would grant this sum. The reason, of course, is that Congress has been put in a position of responsibility for throwing men and women out of jobs if it does not sign on the dotted line. President Roosevelt said that the cut of one hundred and fifty millions, less than 18 percent of what he asked, would throw 40 percent of W. P. A. workers off the rolls.

The committee does not recommend \$150,000,000. But it shows that the \$100,000,000 it does recommend makes the total larger than the President's own estimate in January. For what Mr. Roosevelt then asked was based on the estimate of no W. P. A. money remaining February 1, whereas there was \$145,000,000 left over on that date. This is one more example of the loose estimating on which the country is constantly asked for more than it can pay.

The indictment of W. P. A. management begins with the statement that administrative costs are "unjustifiably high." The committee criticizes something like \$500,000 a month for travel and subsistence. That means, to put it plainly, that some folks were going on junkets with money voted to give needy persons jobs. It criticizes \$150,000 a month for communications. Bureaucratic officials feeling their oats are addicted to extravagant telephone bills.

Under the head of "disproportionately high labor and material

Under the head of "disproportionately high labor and material costs," the committee points to more than \$300,000 of relief funds used to erect an exhibit building at the New York World Fair. How much do the needy, grateful for even the poorly paid W. P. A. jobs get out of this?

The committee notes that 89,000 persons on the relief rolls are not in actual need and that the Director of W. P. A. himself testified that probably 55,000 on the rolls were eligible for other kinds

These items are merely samples of the kind of extravagance that These items are merely samples of the kind of extravagance that is practiced under the plea of relieving human need. Yet when Congress made a little cut, there came no suggestion from the Administration that the waste, the junketing, the building to show off its virtues could be cut. No; the President said that one and a quarter million persons would be thrown out of work.

The picture is a sorry one. It shows how loosely the public's money is spent under the Roosevelt philosophy of deficit financing. More sadly it shows the hollowness of the pretense that all this spending by men in comfortable quarters, with comfortable travel allowances, is a great exhibition of charity and tender feeling for those in need.

those in need

The War Menace

EXTENSION OF REMARKS

HON. GERALD P. NYE OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

LETTER FROM HON. WILLIAM E. BORAH, OF IDAHO

Mr. NYE. Mr. President, very eloquent reference has been made here today to a letter addressed to a school body

by the senior Senator from Idaho [Mr. Borah]. The Senator from North Carolina in making reference to it quoted to some extent from the letter. I count the letter so deserving as to merit publication in its entirety, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 11, 1939.

Marvin Claussen,
703 St. Olaf Avenue, Northfield, Minn.
Dear Mr. Claussen: I am in receipt of your letter and I am deeply interested in what you say.
You are quite right when you state that "the growing war menace necessitates immediate action upon the part of American citizens." And no one is more concerned that that action be taken, and taken wisely, than the young men who are now in college preparing for the active affairs of life. If war should come, they would be the first victims. If they should cross the seas again to take part in a European war, those who are now seeking in every way to bring on a situation which means war would not be with them. When it comes to taking up the real

would not be with them. When it comes to taking up the real burdens of war, those who agitate war are never there.

You ask me to make some suggestions. The first suggestion I make is that you and all young people throughout the country investigate for yourselves as to the real issue which threatens to involve us in another European war. A thorough investigation will disclose to you that a more sordid, imperialistic war could hardly be imagined than this war should it unfortunately come.

hardly be imagined than this war should it unfortunately come. This is not a war over the question of democracy or totalitarianism. It was the democracies of Europe which wrote the secret treaties by which all spoils were divided even before the war was closed. It was the democracies of Europe which wrote the Versailles Treaty, not a peace treaty but a spoils treaty. It was the democracies which refused for twenty-odd years to make any changes in the Versailles Treaty looking toward peace.

We all abhor the doctrines of nazi-ism and the equally vicious doctrines of communism. But let us not be misled that this war turns upon a wholly different subject. Only a few days ago Mr. Chamberlain declared in one of his speeches that, while there was a question in Europe of ideology, etc., it was not up for consideration now.

a question in Europe of Ideology, etc., it was not up for consideration now.

Woodrow Wilson, speaking the profound sentiments of the American people, stated at Versailles that the United States wanted no territory, no reparations, no spoils, no loot. Reflect for a moment how much better the condition of the world today would be had the spoils of the victors never been incorporated in the Versailles Treaty and all had followed the far-seeing statesmanship of the then President of the United States.

The currence Prime Ministry of Canada Mackania King said.

The courageous Prime Minister of Canada, Mackenzie King, said a few days ago: "The idea that every 20 years this country, which has done all it can to run itself, should feel called upon to save periodically a continent which cannot run itself seems to me a nightmare and sheer madness." Again he said: "In a war to save the liberty of others and thus our own, we should not sacrifice our

own liberty or our own unity."

These European powers, whatever may be their idea of ideology or political views, pursue one and the same course when they come to deal with international affairs. They all alike violate treaties, disregard the most fundamental principles of right, pursue methods which (positably lead to war and then call upon the sue methods which inevitably lead to war, and then call upon the United States, Canada, and other nations to save them from their own intolerable and vicious methods.

own intolerable and vicious methods.

I urge, therefore, that you ascertain for yourselves just what all this madness means, rely upon your own investigation, your own intuitions, as to right and wrong.

When the time comes for the rising generation to deal with nazi-ism, fascism, communism—that devil's brew, which has been tendered to the clean-minded, patriotic, American boys—they will deal with it upon American soil and not in foreign lands where they would be sold out within a fortnight after they might have finished their job as they were at Versailles.

Very respectfully.

Very respectfully,

Business and Economic Conditions

EXTENSION OF REMARKS

HON. JOSEPH W. MARTIN, JR. OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

STATEMENT OF THE EXECUTIVE COUNCIL OF THE AMERICAN FEDERATION OF LABOR, FEBRUARY 14, 1939

Mr. MARTIN of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of the American Federation of Labor:

The executive council at its midwinter meeting could not deal with its own administrative problems without giving careful and most serious consideration to the business and economic conditions prevailing throughout the Nation. The constituency of the executive council, numbering many millions, is seriously affected by the continuation of unemployment and adverse business con-

The absorption of the unemployed and the creation of work opportunities for all who are able and willing to work in private industry have ever been a part of the economic philosophy of the American Federation of Labor. We have consistently sought to

achieve these purposes.

During all the years intervening between 1929, when unemployment became a serious national problem, until the present moment the executive council has cooperated with the Government, with industrial management, and with all other groups in order that working men and women thrown out of work might find a new place

and new positions in private industry.

Both time and experience have already vindicated the position assumed and maintained by the American Federation of Labor upon

economic, social, and industrial problems.

We are firmly convinced that various forms of government spending, either in the distribution of relief or in the development

spending, either in the distribution of relief or in the development and maintenance of work projects designed to supply relief wages to unemployment, can only serve as temporary measures and cannot and do not provide a permanent solution for unemployment.

The market for the sale of goods and service can be increased and enlarged only through the application of a sound economic policy whereby there is placed in the hands of the masses of the people a buying power which will enable them to buy, use, and consume the manufactured goods and services which private industry is prepared to supply.

This leads to the inevitable conclusion that private industry and business, generally, should be stimulated so that the facilities of production may be increased and millions more working men and

women may be employed.

What can be done and what should be done, therefore, are the what can be done and what should be done, therefore, are the problems which, at the moment, call for consideration and a proper solution. We do not believe that the Nation has reached the maximum in production or consumption of manufactured goods. For that reason we cannot accept the reasoning of those who maintain that we must prepare to maintain constantly an army of unemployed as the wards of the Government. We must turn to private industry for the solution. It should and must serve the Nation.

Our national interests require that private industry be accorded the widest opportunity to do so. That involves expansion and an increase in productivity. Such action must be considered as the primary step necessary to create work opportunities for the millions

who are unemployed.

Obviously, the next step must be the establishment of credit and the will and purpose, on the part of the owners of industry, to risk, invest, build, and construct. The basis for such procedure must be found in the creation of a favorable state of mind. Fear, a lack of confidence, and distrust in governmental, social, and economic procedure should be removed.

A political and economic state of mind should be created which would enable all financiers and the owners and management of industry to face the future with confidence, willing to risk in the

would enable all financiers and the owners and management of industry to face the future with confidence, willing to risk in the expenditure of funds for the development of industrial enterprises and in the manufacture and sale of manufactured products.

We are firmly convinced that the realization of this objective should be the primary purpose of government, industry, and labor. Whatever stands in the way, whatever barrier may have been created, either as a result of fear or as a result of affirmative action on the part of those who administer the affairs of government, ought to be broken down so that our industrial processes may function in a proper way and unemployment may thus be overcome. Some strong, powerful, and influential representatives of private industry maintain that in order that private enterprise may go forward it is necessary that the rules and laws under which industry should operate should be more definite, clear, and understandable. This, it is asserted, would stabilize industrial conditions and would serve to release financial and industrial forces necessary to the enlargement and expansion of private industry. The executive council is firmly of the opinion that this issue should be met squarely. All should understand that no new rules or stipulations will be promulgated by some administrative bureau other than the rules and regulations definitely set forth in regulatory statutes enacted by the Congress of the United States. Such action will serve to help business, labor, and the people generally. Under such a plan industrial management would be accorded the widest opportunity to render service in the solution of our unemployment problem.

The executive council reaffirms the position of the American Federation of Labor regarding private enterprise and private initia-

The executive council reaffirms the position of the American Federation of Labor regarding private enterprise and private initiative. We are firmly committed to such an economic philosophy. We believe that private initiative, private investment, and private endeavor in private industry should earn a fair return upon such investment, and that labor should be paid a wage which would accord to all workers and their families an opportunity to live in decency and comfort.

decency and comfort.

We urge the development of the highest and most perfect form of cooperation between management and labor. We are convinced that the best interests of all the people of the entire Nation can be served through the acceptance by those who administer the

affairs of our Government and by the lawmaking bodies of the Nation of the well-considered plans and recommendations which both management and labor can, as a result of long and varied

both management and labor can, as a result of long and varied experience, submit for information and consideration.

The continuous existence of an army of unemployed, numbering more than 10,000,000 workers, is appalling. The records of the American Federation of Labor show that there were 10,388,000 workers unemployed during the month of December 1938. The records made up and kept by the American Federation of Labor show that since 1929 the unemployed have numbered from 8 to 14 million continuously. During these 10 years we have experimented in various relief measures and many organizations affiliated with the American Federation of Labor have expended millions of dollars from their treasuries in supplying relief to their unemployed members.

unemployed members.

If the unemployed could be accorded the opportunity to work in private industry the spending of millions of dollars for relief purposes would cease. This would mean that the burden of taxation could be reduced and the national income increased.

The spirit and morale of the unemployed workers would be lifted to a higher basis.

We are of the opinion that the responsibility for absorbing the unemployed in private industry should be placed squarely upon the owners and management of private industry and the Government. This can be done if and when the Government, industrial management, and labor cooperate in a full and complete way.

The executive council of the American Federation of Labor stands ready and willing to assist and to render all service possible in the promotion of a plan which will provide for the employment, in private industry, of the millions who are now idle.

International Problems

EXTENSION OF REMARKS

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

EDITORIAL FROM NEW YORK MIRROR

Mr. CAPPER. Mr. President, the brilliant commentator Walter Winchell has an editorial paragraph on our international problems in a recent issue of the New York Mirror which I think will meet the universal approval of the American people. I ask unanimous consent to have it reproduced in the Congressional Record.

There being no objection, the extract from the editorial was ordered to be printed in the RECORD, as follows:

Once again Europe is rolling the loaded dice of Destiny.

Once again Europe is rolling the loaded dice of Destiny. Once again her miserable diplomats are pointing down the one-way street to war, as the only avenue to peace. And once again America is asked to play her role of the great international sucker. The time has come for us to pause and consider. If we must have another Unknown Soldier, let us not ask him to die for an unknown reason. And just what will be accomplished by dying in the mud? He will not increase America's resources; the last war nearly ruined the Great Plains. He will not increase America's wealth. In the last war we loaned our gold and were gold-bricked war nearly rulned the Great Plains. He will not increase America's wealth. In the last war we loaned our gold and were gold-bricked in return. He will not increase our liberties, for no man may protest slaughter after it starts. The truth is that external disaster never solved internal trouble. We must develop our youth, not sacrifice it. America must learn that her sons abroad will bring monuments to her glory, but her sons at home are a monument to America's common sense. The future of American youth is on top of American soil, not underneath European dirt.

Excessive Earnings of Toll Bridges

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

Mr. ALEXANDER. Mr. Speaker, I have just introduced a bill in cooperation with the gentleman from Wisconsin [Mr. GEHRMANN], which provides for the authorization by the States of Minnesota and Wisconsin to construct, maintain, and operate a free highway bridge across the beautiful and scenic St. Croix River at Osceola, Wis., and the point in Chisago County, Minn., where it would cross that river. I hope the Rivers and Harbors Committee will act favorably on this bill in as expeditious manner as possible.

However, on this occasion and in this connection, I wish to take time to present to the attention of the Members of Congress some information regarding the excessive profits which are being taken from the pockets of the general public on toll bridges throughout the country.

It will be noted that this bill, which we have introduced, calls for a free bridge.

Some toll bridges, such as the one at Hudson, Wis., only a few miles south of the bridge proposed to be erected under the authorization of my bill, collect annually almost the entire original cost of the bridge. Some bridges, such as the one which we have all crossed at Dubuque, Iowa, collects yearly more than its original cost.

Especially interesting and apropos on this subject is a letter which I have just received and which I insert in the RECORD at this point:

Hon. JOHN G. ALEXANDER.

Representative from Minnesota,

Representative from Minnesota,
House Office Building, Washington, D. C.

Dear Sir: I wish to call your attention to Senate file 1755 in regard to toll bridges, which I strongly urge you to support.
I am not in the habit of wiring and writing my Representatives on every issue that comes up, giving my personal opinion, as I believe you are far better qualified and informed to pass on them than I myself, but being thoroughly conversant with the earnings of most of the toll bridges in the country and realizing the obnovious situation that exists thereby. I feel constrained to call obnoxious situation that exists thereby, I feel constrained to call your attention to certain facts.

The profits on privately owned toll bridges have pyramided to unprecedented heights because of the increase in automobiles and truck traffic. I will give you a few instances in this territory of which I have first-hand knowledge.

At Omaha, Nebr., there exists a 50-year-old structure which could be replaced by a modern up-to-date bridge for \$1,500,000. This bridge collects a toll, according to Government records, of \$600,000 to \$700,000 annually and has done this during the last 10 to 15 years and with an average of \$100,000 to \$600,000 the preceding 20 years. The bridge at Hudson, Wis., according to State of Wisconsip Highway Department wavelength. ceding 20 years. The bridge at Hudson, Wis., according to State of Wisconsin Highway Department records, collects a toll of approximately 80 percent of its original cost per annum, and has done so for a period of 10 to 15 years. The bridge at Prescott, Wis., collects a toll of approximately 35 percent of its original cost per annum, and has done so for a period of 10 to 15 years.

The toll bridge at Dubuque, Iowa, collects from \$250,000 to \$300,-100 per annum and has done so for a period of 20 to 25 years. This bridge is 50 years old and could be reproduced for not to exceed \$200,000 in its present condition. This is also true of the bridge situation at Clinton, Iowa. All of the bridges listed above are 50 years of age or more, with the exception of the bridges at Prescott and Hudson, Wis., which are in the neighborhood of 30

years of age.

In the Bureau of Public Roads there are records of a toll bridge survey made approximately 10 or 12 years ago which gives the actual conditions existing in the country from the toll bridge situation, and the enormous profits that are taken by these structures. While there are many State laws regulating and providing for the safety of publicly owned and built structures, I know of none applying to privately owned bridges, and many of the structures operating today are at best nothing but death traps, and no selfrespecting engineer would permit them to be placed in their present condition even on an isolated township road.

There seems to be no remedy at the present time for the elimination of this evil. Many of these bridges if operated on a self-liquidating basis by municipalities would liquidate themselves in from 2 to 8 years if Senate file 1755 became a law.

As I stated above, in the files of the Bureau of Public Roads is a record of the investigation conducted by that department which, I think, will substantiate my statements. And in the Congressional Record of 10 or 12 years back is a report made by Tom McDonald, Chief of the Bureau of Public Roads, which would be of great interest to any legislator desirous of ridding the traveling public of this nuisance.

United States Leads World in Number of Jobless

EXTENSION OF REMARKS

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

EDITORIAL FROM THE BATTLE CREEK (MICH.) ENQUIRER-

Mr. SHAFER of Michigan. Mr. Speaker, the United States still holds the unenviable position of having more unemployed than all other leading nations of the world. This Nation has come back the shortest distance of all nations toward the recovery levels of 1929 despite the billions of dollars that have been spent and the many reforms and panaceas attempted by the New Deal.

In this connection I ask unanimous consent to extend my remarks and include therein an interesting and significant editorial from the Enquirer-News, a daily newspaper pub-

lished at Battle Creek, Mich.

The editorial follows:

ALONG THE WAYSIDE

Considerable significance must be attached to the latest world unemployment report, which reveals that the United States leads the world in the number of jobless.

Figures released by the International Labor Office in Geneva show

that 13 of the 22 countries appearing on the list had more unemployment in the first quarter of this year than in the last quarter

However, the greatest increase in the number of jobless occurred in the United States, which had 11,523,000 unemployed during the first 3 months of 1939, which was 1,408,000 more than in the final quarter of last year.

Among the seven countries which have fewer workers in jobs today than 10 years ago, this country also holds the lead. Employ-

ment here is 15.8 percent below that of 1929.

When the Roosevelt administration came into power the country was struggling to meet the challenge of a depression. The Roosevelt answer was a new deal, which, the Nation was told, would relieve the situation and drastically reduce unemployment. Since that time the administration has spent billions of dollars on its program to reduce the jobless, yet our Nation still leads the world in unemployment.

Those who opposed the radical New Deal method of fighting the depression, held to the theory that sound business methods and economy would bring about a return to prosperity. At the time the depression was world-wide and this Nation was the only one

to adopt such unusual measures to meet the emergency.

In the light of developments it appears rather conclusively that
the New Deal methods have failed, while nations which adopted a less spectacular but more sensible program have progressed to-ward normalcy much faster.

The most serious aspect of the entire picture is that the adminis-

tration refuses to recognize defeat.

Plant Diseases Affecting Tobacco

EXTENSION OF REMARKS

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

STATEMENT OF FACTS, PETITION, AND BRIEF PREPARED BY M. F. WILLIAMS

Mr, BYRNS of Tennessee. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement of facts, petition, and brief prepared by M. F. Williams, field agent, Eastern Dark Fired Tobacco Association, in support of the bill H. R. 2955:

Diseases of tobacco plants such as wildfire, black fire, root rot, mosaic, and blue mold have been prevalent in this section of the mosaic, and blue mold have been prevalent in this section of the country for many years and have occasioned losses to tobacco farmers of millions of dollars, thus adding another large burden to the calamities which have beset tobacco farmers. Such diseases are decidedly on the increase and have done more damage each succeeding year until 1938, when the amount of losses to the farmers and to the Federal Government and the States in tobacco taxes were truly astounding.

This situation has engaged the attention of Eastern Dark Fired Tobacco Growers' Association, a cooperative organization having a membership of more than 20,000 farmers, and by resolution of its board of directors on October 14, 1938, petitioned the legisla-

Tobacco Growers' Association, a cooperative organization having a membership of more than 20,000 farmers, and by resolution of its board of directors on October 14, 1938, petitioned the legislature of the State of Tennessee to make an appropriation to fight these diseases through the establishment of an experiment farm in Robertson County or Montgomery County for that purpose and further petitioned the Department of Agriculture of the United States to take necessary steps to broaden and extend its services to tobacco farmers of this section in this regard.

Kindred resolutions have been adopted by the county courts of many of the counties, including Robertson County, Cheatham County, and Montgomery County, where dark fired tobacco is grown and mass meetings have been held in practically all the counties which have been attended by large numbers of growers from these counties and resolutions of similar purport have been adopted. The Farm Bureaus of practically all the counties in this area have taken action on this matter by resolution and the State Farm Bureau of the State of Tennessee, pursuant to the interest manifested in this matter by the people and the county Farm Bureaus of all tobacco-growing counties in Tennessee, has adopted and spread upon its minutes a resolution requesting action by the State of Tennessee and the Federal Government.

Pursuant to these resolutions and the intense interest of farmers in this area, the Legislature of the State of Tennessee at its 1939 session passed an act, being house bill No. 670 and senate bill No. 520, appropriated \$15,000 a year for 2 years, or a total of \$30,000, for the purpose of equipping, erecting buildings, maintaining and operating an agricultural experiment station in Robertson County or Montgomery County for general agricultural experiment purposes and particularly the study of plant diseases such as affect tobacco, particularly of the dark fired and air-cured dark types. A copy of said bill appears as an exhibit to this petition.

It is to be noted also

exhibit to this petition.

It is to be noted also that the appropriation by the State of Tennessee in said bill is depended upon and contingent on an appropriation of a like sum or of a greater sum by the Federal

appropriation of a like sum or of a greater sum by the Federal Government in this matter.

It is thus seen that this experiment station is now an accomplished fact and can be and will be established and put into operation in a short time for the benefit of the farmers of this section if an appropriation can be obtained from the Federal Government to match the State funds appropriated, and that unless such funds can be obtained from the Federal Government all the efforts and hopes of the farmers of this section and of the various organizations and bodies which have taken so much interest in this vital question will be valueless and of no avail.

We submit that in 1938 the Federal Government received in taxes on tobacco and tobacco products of all kinds the immense sum of \$568,182,000, and that the State of Tennessee received from like sources the sum of \$2,880,000.

The total acreage of types Nos. 22, 23, 31, and 36 in the year

The total acreage of types Nos. 22, 23, 31, and 36 in the year 1937 was 137,000 acres in Tennessee, and the poundage upon these acres in Tennessee was 114,890,000 pounds, and when this amount of tobacco, produced by Tennessee farmers, is manufactured and purchased by consumers, the Federal Government and the State of Tennessee will realize approximately \$45,000,000 in revenue therefrom.

In order to give some idea of the effect of tobacco diseases in In order to give some idea of the effect of tobacco diseases in 1938 upon the tobacco crop of that year, it is a matter of record that through April 5, 1939, there had been marketed of type No. 22 tobacco on the market in Springfield, Tenn., and Clarksville, Tenn., the amount of 38,169,000 pounds at a sale price of \$3,091,000, whereas on the same date in 1938 the amount of 61,739,000 pounds had been marketed on these markets with the sale price of \$6,791,000. The acreage planted to tobacco which was delivered to these markets was approximately the same for the year 1937 and 1938, so that the growers received approximately \$3,700,000 more for their tobacco through sald date in 1938 than in 1939. It is a known fact that like grades of tobacco of the 1938 crop brought as much, if not more, than the 1937 crop, so that this brought as much, if not more, than the 1937 crop, so that this vast difference in the proceeds of tobacco has been due very largely to the reduction of grades on account of tobacco plant diseases

which affected tobacco so disastrously in 1938.

Attention is also called to the fact that the Department of Agriculture of the United States has taken about 3,600,000 pounds of damaged tobacco of the 1938 crop allowing the growers to realize about \$800,000 therefrom.

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It is thus seen that it is to the mutual interest and advantage of growers, and of the Federal Government, and of the State governments that some steps be taken to minimize this tremendous loss due to tobacco plant diseases.

There is no group in whatever capacity they may be interested in tobacco in this area or whether they are directly interested in tobacco at all, that is not vitally interested in the relief of this stituation and in the appropriation by the Congress of the United States in this matter. An appropriation of money of comparatively small amount will do wonders for us in the Black Patch and will return to the people and to the Federal and State Governments many dollars for every dollar expended thereon.

We, therefore, earnestly petition the Congress of the United States and/or any committee or committees which may consider this matter to come to our relief in this emergency and to make an appropriation from Federal funds sufficient to begin this organized fight upon the tobacco diseases which have been so disastrated. trous to us.

National Forest in Michigan

EXTENSION OF REMARKS

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune of April 8, 1939:

[From the New York Herald Tribune of April 8, 1939] FOR A NATIONAL FOREST IN MICHIGAN

An investment in public welfare is proposed by Representative Frank E. Hook, of Michigan, in a bill to appropriate \$10,000,000 for the purchase of timbered lands in the Gogebic-Porcupine Mountain area in the Upper Peninsula of Michigan as part of the new Ottawa National Forest. This act should ultimately take some 50,000 people off the relief rolls, at an estimated probable saving of \$25,000,000 a year. It is the type of national investment which does not compete with private industry. It provides a means for the Government to cooperate with the lumbermen toward a mutually beneficial production. ally beneficial production.

While the Hook bill (H. R. No. 931) may seem at first glance merely of sectional interest, it suggests a wise move in the direction of national saving which should appeal to income-tax payers of New York and other cities. The question that concerns all of us is whether commercial lumbering operations shall devastate millions of acres of Michigan forest lands or whether the Government, in the public interest, shall purchase these lands from private owners in order that the natural resources thereon shall be consumed in a gradual and economic manner rather than ruthlessly liquidated.

Lumbermen declare that they cannot afford to use up slowly the matured growth on privately owned lands while the annual tax bill has to be met; they say they must follow the adopted procedure of "clear cut and get out." The effect of this procedure, which can be seen by any traveler through the northern Michigan Peninsula, is to denude the land, invite the fires which so readily follow when the cooling dampness of the forest has been taken away, and to leave in the wake of commercial lumbering operations, as herefolore carried on, a scene of desolation such as recells to as heretofore carried on, a scene of desolation such as recalls to mind the picture of no man's land in France in 1918.

mind the picture of no man's land in France in 1918.

Representative Hook proposes that the acquired area—containing one of the last stands of virgin timber in the Middle West—shall be leased to commercial operators by competitive bidding, with their operations restricted to selective cutting so that the economic value of these forests may be preserved for all time. Byproducts of the acquisition of this land in its virgin state are the results in flood control and avoidance of soil erosion, in addition to the reduction of fig. beyond and the preparations of in addition to the reduction of fire hazard and the perpetuation of timber supply, which, in themselves, should be worth to the Nation all of the original investment.

We believe that the Nation will approve an opportunity to make a public investment that will be noncompetitive with private industry, that will provide an economic future for the 127,000 inhabitants of the five counties affected by the Hook bill, that paves the way for 40 percent of those worthy citizens to leave the relief rolls and reestablish themselves in the American manner, and that maintains for those who can visit it an area of magnificent recreational facilities.

Puerto Rico and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

STATEMENT BY HON. RAFAEL MARTINEZ NADAL, PRESIDENT OF THE SENATE OF PUERTO RICO

Mr. CARLSON. Mr. Speaker, the United States Government has a direct interest in and contributes annually large sums of money to the citizens of Puerto Rico. The statement I am including in these remarks, by Hon. Rafael Martinez Nadal, president of the Senate of Puerto Rico, contains information that should be of value to us. On the one hand we make direct contributions to the support of the government and its citizens, and on the other hand we enact reciprocal-trade treaties and legislation that more than destroy our beneficence.

STATEMENT BY THE HONORABLE RAFAEL MARTINEZ NADAL, PRESIDENT OF THE SENATE OF PUERTO RICO, DELIVERED BEFORE THE SENATE OF PUERTO RICO ON MARCH 24, 1939

I should like to make a few statements for the record.

I should like to make a few statements for the record.

It is to express our resentment at the mistreatment that we are receiving, both at the hands of the Congress of the United States and of the national administration. Not only from Congress but from the national administration as well.

While there is much boasting of democracy in the United States, and they feel justified in opposing all those whom they feel might menace the democracy of the world Puerto Rico is being administered not under the regime of a republican but of a Fascist form of government. Politically we are being held over 40 years backof government. Politically we are being held over 40 years back-ward with curtailed liberties, thus being unable to control our own destinies. This is being done with a people of our culture and our civilization, with a people that for over 40 years have been endeavoring to absorb the purest principles of democracy, with a people that have conducted themselves with good judgment, intelligence,

and discretion.

And notwithstanding all these demonstrations of our having absorbed democratic principles and having acquired the attributes of true citizens of a republic, we are maintained in a state of political slavery, there is bickering with the powers of our legislature, and the latter is not permitted to delve into any question that might bear the slightest semblance of unconstitutionality, while on the other hand, we receive ukases from the Department of the Interior of the United States, with laws drafted there for our approval exactly as submitted, regardless of violation of all the constitutional principles of the United States, and regardless of violation of all the constitutional principles of our organic act.

When these bills are sent to us, it is with the threat that, if not approved exactly as submitted, Puerto Rico will not be given additional grants of money, and the national administration thereby places the entire well-being of Puerto Rico upon a yearly remittance of a few million dollars, with which an administrator of the Puerto Rico Reconstruction Administration may play politics on the island and spend a large percentage for cement, steel hars on the island and spend a large percentage for cement, steel bars, etc. And the truth of the matter is that practically all the money so "generously" granted, returns to the United States in purchase of nails, cement, lumber, steel bars, and zinc, and only a small amount, very small indeed, remains here in the form of wages for

Puerto Rican labor.

Moreover, Congress enacts laws which destroy the sources of industrial, agricultural, and commercial wealth of Puerto Rico. They send us three or four million dollars and then deprive us of ten, fifteen, or twenty million. Commercial treaties are concluded with fifteen, or twenty million. Commercial treaties are concluded with Cuba, a foreign nation, an independent republic, not composed of American citizens. * * * Cuba enjoys all the advantages; tariff concessions on pineapples and sugar. Puerto Rico has to stand all the discriminations, all the disadvantages. Presently a commercial treaty is being drafted—not by Congress, but by the administration—which is intended for no other purpose but the betterment of the situation of Cuban sugar producers, to the detriment of the producers of sugar of Puerto Rico. Treaties are concluded with Switzerland which contribute further to the ruination of our industry. Treaties are concluded with England which concluded with Switzerland which contribute further to the ruination of our industry. Treaties are concluded with England which destroy the agricultural industry of copra production in Puerto Rico. Treaties are made with Switzerland, resulting in price reduction and lowered income from all the needlework in Puerto Rico, thus destroying this industry. Even in the Philippines the needlework industries are in a better position than ours. The minimum wage and hour law is applicable to us but not to the Philippines. While we are being oppressed, foreigners are being afforded opportunities for development. Congress enacts the Costigan-Jones law whereby our people are destined to perish from famine and our rural population is denied employment and means of subsistence. The time will come when the rural man will have no place where to work.

There is something more serious still. Both the administration and Congress know that our great and fundamental problem consists in the overpopulation of the island and, knowing that it is the moral obligation of the United States to procure the well-being the moral obligation of the United States to procure the well-being of Puerto Rico, instead of negotiating international agreements with the Dominican Republic, with Venezuela and with other countries of Latin America that have large extensions of land, instead of negotiating treaties for the sending of our surplus population to those countries, the United States is planning to make such arrangement for 100,000 German Jews in the Dominican Republic. So that in the United States there is greater sympathy for the Jews fieeing in confusion from Hitler's power than for American citizens residing in Puerto Rico, who are perishing from famine due to unemployment, caused by laws enacted by the Congress of the United States. Congress of the United States.

This is what I had wished to say for a long time. I had kept it deep in me for months, seeing the mistreatment we receive from the American Nation.

Over there they vote the bills approved by our legislature. Orders come directly from there to the Commissioners who head our government departments. The Chief of the Division of Territories of the Department of the Interior is the one who really governs and rules in Puerto Rico, and our acting governors have to cable there for orders in any matter, and even in connection with local municipal differences they have to cable there for them to say what is to be done.

Under these circumstances the political battles we have been Under these circumstances the political battles we have been waging here are useless if we later have to suffer the policy of whip wielding by the Government of the United States. On my part, I consider that all this is Byzantine. Why struggle in our election campaigns to come to this? It is not worth while for us to make these efforts, or any sort of sacrifice, to achieve this sort of position. They are trying to win us over with red beads, as one would try to win over the Negroes of Zululand, with a few paltry millions, all the while destroying our every source of wealth without replacing them by others, suppressing our desire to make our people contented, and blocking our efforts. It is not worth while to come here! It is useless to struggle!

while to come here! It is useless to struggle!

There is a need for all Puerto Ricans to become united at once and forever, and for us, the legislators, to state that we are here as surplusage. Let them come to govern here and to provide for the well-being of Puerto Rico, for we are not in a position to do so. Our representation here is a farce.

Politically, we have the Governors appointed by the administration, who are surrounded by continental Americans, inclined to discredit everything that is Puerto Rican and the Puerto Ricans, and it is a disgrace for Puerto Rloo that certain Puerto Ricans also share this attitude. In reality, men like myself, who have been campaigning in public life in our country for 30 years, cannot but feel considerable resentment, disgust, and disappointment. feel considerable resentment, disgust, and disappointment.

We feel disgusted over so much treachery, and we are disappointed at having sacrificed so much in these struggles, for none of this is worth the sacrifice of youth and of the life of an honest person.

worth the sacrifice of youth and of the life of an honest person.

I have taken advantage of this opportunity to make these statements, which I could hold no longer. This is what I had to say to my friends of the senate. This is what I had to say to the country from the chair of the senate. If this should bring my downfall, let it be thus. Such is the procedure, such is the manipulation: To form new leaders and disbar the old leaders. They will say there, "From such department and from such office the friends of Martinez Nadal have to be put out." Very well. Let them put them out. They will be put out. But in the meantime, while I continue struggling and being honest, no one can dislodge me from the hearts of the Puerto Ricans.

The Philippine Supply of Chromium

EXTENSION OF REMARKS

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1939

Mr. KNUTSON. Mr. Speaker, in connection with the bill now pending before the House (H. R. 5191) to provide for the common defense by acquiring stocks of strategic and very necessary raw materials in time of national emergency, I wish to submit an article appearing in the Far Eastern Survey, the Journal of the Institute of Pacific Relations, in its issue of March 1, and ask that it be printed in the RECORD for the information of the House. It deals with the enormous chromite deposits that have recently been developed in the Philippines.

Both the House and Senate reports stress the fact that up to this time the United States has been almost wholly dependent upon foreign countries for this ore, in each case emphasizing that an adequate supply of chrome is essential for the national defense, because there is no known substitute for many of its uses. Of the 556,237 tons of ore which we consumed in 1937, only 2,321 tons came from our own mines. Of the importations we were compelled to rely upon, only 8 percent came from our possessions in the Orient, the balance being made up of shipments from South Africa, Turkey, India, Cuba, and New Caledonia,

In the light of this statement the report just made public by the Pacific Relations Institute appears paradoxical. It points out that prior to 1935 chromite did not figure among the lists of exports from the Philippines. In that year, however, initial shipments amounted to 1,292 tons. later, in 1937, they had jumped to 69,856 tons; while during the first 6 months of 1938 the shipments reached 57,400 tons-an increase of 234 percent over the same period for the preceding year. This almost magical increase is explained by the feverish haste with which a war-mad world is now rearming itself, coupled with the simultaneous discoveries of this ore. The most extensive deposits have been found in the mountains of Louzon. The holdings of the Consolidated Mines at Masinlac, consisting of more than 10,000,000 tons of proved chrome ore in a single small mountain is the largest chromium deposit in the world. It should be a matter of pride and satisfaction for every American to know that in this crisis the Consolidated Mines, acting through the chairman of its board, Courtney Whitney, has placed its properties and facilities unreservedly at the disposal of the American Government.

The article referred to follows:

PHILIPPINE CHROMITE NOW A FACTOR IN WORLD MARKET

Since the announcement that important chromite deposits had been discovered in the Philippines (see Far Eastern Survey, January 30, 1935, p. 13), considerable progress has been made in building a new domestic mining industry spoken of in some quarters as a potential rival of Philippine gold. War clouds bring prosperity to producers of chromium, a constituent of the ferrochrome alloys which are essential for war purposes. Competitive rearmament has accordingly increased the demand for this metal already stimulated accordingly increased the demand for this metal already stimulated by the steady extension of its uses in other fields and general recovery in the base-metal market. These factors furnished a powerful impetus to the Philippine industry, quickening the tempo of exploration and production. In turn they have led to cynical reappraisals of the ultimate political destiny of the Commonwealth should control of its chromite resources prove vital either to the United States or other major powers.

Although the Philippines now rank as an important producer of chromite, the industry is so new that very little was known of deposits there prior to 1933. In recent years, however, extensive exploration has yielded workable bodies of ore occurring in the ultrabasic rocks from northern Luzon to Mindanao. The west and southeast coasts of Luzon, the southern part of Panay, parts of Samar, Dinagat Island, and the northern coast of Mindanao all contribute to the known chromite reserves.

The first deposit of commercial consequence found and exploited was the Florannie Mine, near San Jose, on the Caramoan Penin-

The first deposit of commercial consequence found and exploited was the Florannie Mine, near San Jose, on the Caramoan Peninsula in Camarines Sur. Here the Florannie Mining Co., under an operating agreement with the Benguet Consolidated Mining Co., has developed approximately 100,000 tons of good grade ore running better than 50 percent in chromic oxide content. This entire output was contracted to the Union Carbide Co. and shipments began in 1936. By November 1938 some 70,000 tons had been sent to the United States. Estimates of remaining unmined reserves run from 30,000 to 50,000 tons. Other small bodies of good chromite are found in the same section and will probably be mined by the Florannie Co., which is the only producer operating there. ating there.

ating there.

While the Florannie Mine has accounted for the largest Philippine export tonnage to date, by far the most spectacular discovery of chromite involves the area along the foothills on the west side of the Zambales Mountains in Luzon. These deposits, said to be the largest in the world, aroused the early interest of the United States and Philippine Governments, which exercised their right of reservation under the basic mining law. While several Government reservations remain in force, one was vacated. In this latter area Consolidated Mines acquired holdings which it subselatter area Consolidated Mines acquired holdings which it subsequently turned over to the Benguet Consolidated Mining Co. on a profit-sharing basis. Tonnage estimated at more than 10,000,-000 tons has now been proved. Unfortunately the ore is not of the same high quality as that produced at the Florannie Mine. Averaging not more than 34 percent in chromic oxide content, it is below the usual standard for metallurgical purposes.

Aluminum oxide is present, however, in a proportion very desirable for the manufacturer of refractory materials. In addition, recent reports from the Philippines speak of new methods devised to permit the use of this ore in the manufacture of metallurgical products. Should these hopes be fulfilled a substantial expansion products. Should these hopes be fulfilled a substantial expansion of production would be indicated. Aside from the immense Benguet Consolidated holdings, there are estimated ore reserves of more than 250,000 tons controlled by several other private companies operating in the Zambales area. This is all richer in chromic oxide. Ore of metallurgical grade, for example, is taken from the Acoje mine at Santa Cruz, which has estimated reserves of 150,000 tons. Westima conditions which have the effect of of 150,000 tons. Wartime conditions, which have the effect of lowering grade requirements, would undoubtedly see a vastly increased production.

When the extent of the Zambales deposits became apparent, explorations were hastened in other parts of the archipelago, with varying success. On the island of Samar a number of small chromite lenses of shipping grade have been discovered, and some ore was shipped to Europe from this source. Difficulties have been encountered, however, and development is delayed. The same situation applies to the chromite of superior quality found on Dinagat Island, south of Leyte. Transportation from the mine and the absence of any suitable ocean shipping point are here the major problems. Mindanao ore, discovered along the north coast in the foothills south of Cagayan, Oriental Misamis, is scattered and expensive to operate. Some 10,000 tons have so far been uncovered, showing the chromite to be of high quality, and in the event of war it would certainly be mined.

Philippine export statistics reflect the growth of the industry. When the extent of the Zambales deposits became apparent,

Philippine export statistics reflect the growth of the industry. Prior to 1935 chromite did not figure in the export list and in that year only 1,292 metric tons were shipped. In 1936, 11,890 metric tons were exported and in 1937 shipments mounted very rapidly, reaching 69,856 metric tons. Tax-collection figures for the latter year show that 76,416 metric tons were actually removed from year show that 76,416 metric tons were actually removed from Philippine mines. In 1937 world production of chromite rose to an all-time peak, more than doubling the low figure of the depression and exceeding 1,000,000 tons for the second successive year. Despite that fact, Philippine exports of almost 70,000 metric tons were an important source of supply in the world markets, comparing with the following tonnage figures in other leading producing countries: Southern Rhodesia, 276,000 tons; Soviet Union, 219,000 tons (1936); Union of South Africa, 169,000 tons; Turkey, where chromite mining has developed very rapidly in recent years, 164,000 chromite mining has developed very rapidly in recent years, 164,000

chromite mining has developed very rapidly in recent years, 164,000 tons (1936); and Cuba, mostly low-grade ore, 95,000 tons. In the first 6 months of 1938 Philippine exports of chromite continued at the same high rate. During this time 57,400 metric tons of ore, valued at #1,393,120, were shipped, compared with 17,201 metric tons for the same period in 1937, an increase of 234 percent. Shipments dropped in the second half of the year, amounting to less than 10,000 metric tons (through October) against more than 25,000 metric tons for the 4-month period, July-October 1937. July-October 1937.

In the disposition of Philippine chromite, the United States has been able to command the market. At the outset, Japan, by commercial pressure and persuasion, sought to contract for the entire output of the islands (see Far Eastern Survey, Apr. 14, 1937, p. 85). This plan was unsuccessful. In 1935 Philippine trade returns indicate shipments of 1,071 metric tons to the United States and 210 metric tons to Japan. In 1936 the relative percentages were approximately maintained, the United States receiving 9,206 metric tons and Japan 2,084 metric tons. In 1937 United States trade returns show imports of Philippine chromited amounting to 43,648 long tons. Except for 508 tons taken by Italy in 1936, Philippine export records are virtually barren of shipments to any countries other than the United States and Japan.

The United States is by far the largest consumer of chromite, yet almost all of its supply must be imported. Like other major consuming countries, except Russia and to some extent Japan, it produces only a minor fraction of its needs. In 1937 the United States imported 554,000 long tons of chromite, or approximately half of world production, and of this amount the Philippines supplied about 8 percent.

Chromium makes steel harder and increases its tensile strength. Chromium makes steel harder and increases its tensile strength. Alloyed with nickel it is used in making armor plate. The chromium alloy steels find many other uses in the manufacture of airplanes, projectiles, guns, ball bearings, safes, tools, and machine tools. The stainless steels, largest and best known use of chromium, constitute a still unfinished chapter in metallurgy and industry. Chromium is extensively utilized in the automotive and transportation industries, in building and petroleum production. Chrome plating has been widely developed for decorative purposes and for its wear-resisting qualities. In addition, 40 percent of the world consumption of chromite is devoted to the manufacture of chrome brick and other refractory materials and cements. Lesser chrome brick and other refractory materials and cements. Lesser quantities are consumed in the manufacture of chromic acid for electroplating, and in the dyeing, tanning, pigment, and ceramic industries.

Clearly chromium is an expanding industry and a useful one to the Philippines. Although chromite exports from the islands are valued at less than 1 percent of total exports, the hazards of independence and restricted markets offer no threat here, as they do to so many Philippine products. The architects of a new Philippine economy may well find in chromite a dependable building block.

Interstate Trade Barriers Challenge the Union of the States

EXTENSION OF REMARKS

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1939

ADDRESS BY GOV. LLOYD C. STARK, OF MISSOURI, AT NATIONAL CONFERENCE ON INTERSTATE TRADE BARRIERS, CHICAGO, ILL., APRIL 6, 1939

Mr. NELSON. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address by Gov. Lloyd C. Stark, of Missouri, at the National Conference on Interstate Trade Barriers, Chicago, Ill., April 6, 1939:

I appreciate very much this opportunity to address this gathering, and I am especially honored to have been chosen the keynote speaker at what I believe will prove to be an historic conference in the commercial history of the United States.

Gentlemen, the business before this conference is urgent business. The time to erase the trade barriers which are blocking free commerce between the States is now.

Within 9 short years this form of destructive competition abroad, inspired largely because of, and aggravated by, the depression, has brought Europe to the brink of war. True, there are complicating factors, but the basic cause of war inevitably is economic in nature.

Remote as any such possibility may seem to us in free America, we cannot ignore the results which cutthroat economics have

we cannot ignore the results which cutthroat economics have brought about in the lands on the other side of the Atlantic Ocean.

I spoke of "free America." It is a phrase we may well ponder, as we study this question of trade barriers between the States. Can we still call it "free America" if the right to do business across State lines is dependent on the whims or selfish interests of 48 different kingdoms?

We may well ask, then, if this is the United States of America, We may well ask, then, if this is the United States of America, or the New World version of the Balkan states. I know of no more apt term for this process of erecting tariff walls about a State than "Balkanization." It fits like a glove, yet the very sound of the word is repugnant to American ears.

Prof. James Harvey Rogers, of Yale University, recently made an exhaustive study of the whole question of trade barriers.

He found three major reasons for this trend: First, the need for additional State revenues; second, the growing and ofttimes unregulated business of trucking; and, third, the battle between local merchants and outside interests for domination of specific trade

I can deal with the first of these three factors from first-hand

I can deal with the first of these three factors from first-hand knowledge. I was a businessman before I was an elective official, and I have diligently endeavored to administer the office of Governor along the lines of accepted and successful business principles. But we are confronted with a new era in government in many respects. The demands for new types of necessary but costly services are coming from the people themselves, and may not be denied. Social-security programs, launched in the optimistic belief that they could be restricted to needy citizens, have become terrific drains on State treasuries. drains on State treasuries.

So it is easy to understand why State officials should be engaged in a desperate search for revenue to finance these new services.

And we must understand that the need is genuine if we are to

And we must understand that the need is genuine if we are to deal intelligently with this question.

The point is this: If the States try to get these additional revenues at the expense of their neighbors, they are gaining only a temporary advantage while they are laying the groundwork for an unprecedented economic break-down and eventually Nation-wide financial chaos which will affect their own citizens along with the citizens of all the other States.

Experience has shown that while a few minority groups reap the benefits of trade barriers, the great consuming public pays the bill once these barriers have been erected. In fact, these State barriers constitute a subsidy for organized minorities.

This important aspect has been largely overlooked in recent dis-cussion of the trade-barrier subject. Actually it is the heart of the problem.

Our domestic economy is based on free trade among the States, but this principle so fundamental to prosperity now is being violated with disastrous effect to business, increased sectionalism among the States, and growing bitterness between the people of neighboring States.

My subject today is Interstate Trade Barriers Challenge the Union of the States. My friends, this is a real challenge to our national unity, national safety, and national prosperity. I think you will agree that it is our State duty to do everything in our power to prevent such a state of affairs from materializing.

One of Missouri's neighbor States took the lead in erecting along its borders ports of entry which differ very little from the customhouses which dot the frontier of hostile European nations. There is this difference: Passenger cars are not stopped unless the occupant appears to be a commercial traveler.

How can that State possibly take in enough revenue at these ports of entry to compensate for the ill-will and bad advertising

it receives?

Now, in a private business the goodwill of the customers some-times is a more important asset than the actual property hold-ings. It is always an important factor in making that business a success or a failure.

Of course, there could be such a thing as a self-contained State; one that needed no intercourse with other States in order to exist. But by no stretch of the imagination could such a State be a

prosperous or happy one.

We cannot drive home too often the vital truth that America grew great because it was an unrestricted market; that any interference with that creed means stultification of industry and eco-

ference with that creed means stultification of industry and economic suffering for everyone.

My own State just now, to revert to the subject of good will, is striving to attract tourists. We do not propose to set up ports of entry as some States have done. We do not want travelers entering Missouri to gain their first impression of our hospitality by witnessing a long line of trucks and busses undergoing inspection for taxation purposes by uniformed border guards such as some other States have done.

I want to relate an incident which occurred in the Missouri Legislature recently, because I believe it throws light on the impractical plan of attempting to regulate truckers except through interstate cooperation.

interstate cooperation.

A measure was introduced which would have forbidden the sale of produce, other than that grown by the trucker himself, if it had been transported from more than 10 miles beyond the county line. Not the State line, but the county line. It is apparent that such legislation would be unworkable, and the opposition to the bill came from the rural members

themselves.

They pointed out that such a law would prohibit a farmer who owned a truck and was going to market to take along some of his neighbor's livestock or produce, and that the mileage provision

would call for a virtual army of enforcement officers.

This is the same kind of realistic approach, gentlemen, which should actuate this conference. I am sure we are all agreed on the dangers ahead if our once free America becomes a collection of separate economic feudal States. Therefore, I want to suggest

some methods of combating this situation.

The answer is not drastic regulation of interstate commerce by truckers. Certainly, it is not to be found in attempts to regulate them out of business by erecting barriers to their entry into and progress through any given State.

progress through any given State.

There is one aspect to the question of State trade barriers which cannot be lightly dismissed when viewed in historical perspective. That is the recurrent irritation created between the peoples of bordering States.

It is easy to answer that the United States is not the Balkans; that a "border incident" in this country could hardly be expected to result in anything more serious than an altercation between a truck driver and a port of entry official.

It is when we view these trivial irritations in the aggregate, when we sum up the varied antagonisms and retaliatory laws which fol-

we sum up the varied antagonisms and retaliatory laws which fol-low drastic methods of "protecting" home industries, that we

low drastic methods of "protecting" home industries, that we realize how serious this condition might become.

It seems that these trade barriers not only interfere with commercial enterprise but can even put a ridiculous aspect on a serious situation. Witness this true story of a blight on young love, which I think is a revealing one.

A Missouri young man, living on a farm near the State line, was engaged to a girl in the adjoining State not far from the border. On the morning of his wedding day he received a telegram from a relative to stop at the freight station in town and pick up a wedding gift. His only car was a pick-up truck, and he dutifully called at the freight station in the Missouri city near his home. home.

The wedding gift turned out to be a big electric refrigerator.

Unwittingly, he loaded it into the rear of the truck and started for his bride's home, since he did not have time to return to his farm. As he drove by the port of entry on the highway just across the State line, he was challenged by the guard. When he failed to stop, a pistol shot aimed at a rear tire promptly brought him to a helt. him to a halt.

The port of entry official just laughed at his story of being on his way to a wedding. It was obvious to that suspicious-minded individual that here was a salesman trying to deliver merchandise into his State without paying the highway tax. He even refused to allow him to use the telephone until he was through giving

to allow him to use the telephone until he was through giving him the third degree.

Finally, a call to the bride's home convinced the guard, and our young bridegroom proceeded on his way. The wedding over, he set out for his farm with his bride in the car beside him. This time he approached the port of entry post cautiously and, sure enough, was halted to a stop.

You can imagine his surprise when he found a new guard on duty and once again was halted. It took another phone call to gain his release so the honeymoon could continue.

If I had given that story a setting in Europe, none of you would have been surprised in the least. But it did not happen

in Europe; it happened in free America where the Constitution specifically forbids the States to interfere with commerce between the States.

It was in 1787 that President James Madison wrote this warning message to the Colonies in calling for a Constitutional Convention.

He said:
"The practice of many States in restricting the commercial inter-

"The practice of many States in restricting the commercial intercourse with other States and putting their productions and manufactures on the same footing with those of foreign nations, though
not contrary to the Federal articles, is certainly adverse to the spirit
of the Union, and tends to beget retaliating regulations, not less
expensive and vexatious to themselves than they are destructive
of the general harmony."

All of you are familiar with the situation which faced the fledgling Republic of the United States, no longer bound together by
the need for repelling a common foe—the Thirteen Colonies sought
to outdo one another in setting up customs systems of their own,
An economic break-down was the almost immediate and inevitable
result. A civil war was not far away when the founding fathers. result. A civil war was not far away when the founding fathers, in their God-given wisdom, then gave us the Constitution of the United States, which still serves as the guiding light for what has

become the world's greatest democracy.

It is a disturbing thought that today there is a distinct trend toward a state of affairs similar to that which created this perilous situation in the early days of the Nation.

President Madison and his fellow statesmen who drafted our Con-stitution saw that interstate trade barriers would hold back the

growth of the Nation.

They believed that prosperity results from the distribution of the greatest possible volume of goods and the trading of those goods freely among the people of all the States, so that all might

share in the abundance thus created.

History has proved that their belief was sound. The United States became the richest nation, with the highest standard of

living, in the history of mankind.

Are we now to turn our backs on the system of free trade within the Nation, the system which helped create that great national wealth, and follow the delusion of State tariffs to protect home industry?

My friends, it is your job and my job to see that this does not

My friends, it is your job and my job to see that this does not happen.

I want to list some of these barriers to interstate trade, so we can see the problem in its full dimensions. The Constitution does not permit States to levy duties on imports or exports.

It prohibits discrimination against the commerce, ship, and citizens of other States. But under the taxing power and the licensing power originally intended for the regulation of industry and trade within the State, various States have succeeded in invoking, many forms of discriminatory legislation.

There are such things as special taxes and license fees required

There are such things as special taxes and license fees required of corporations for the right to do business within the State.

Some municipalities levy vendor licensing taxes to apply to

truckers and canvassers.

There are States which place high premium taxes on insurance companies with home offices outside the State.

Special taxes are placed on certain types of merchandising

organizations.

A common form of discrimination is the special taxes on certain commodities which compete with products made in the State. For instance, some States place excise taxes on oleomargarine to protect local industries. The ultimate example is that afforded by States producing oleomargarine which tax that same product when it contains "foreign" oils.

I have referred to the taxation of trucks and busses from other States as one of the most visible evils of the trade barrier problem.

problem.

Something new under the sun is the "use tax." It is intended to protect States which have sales taxes against the purchase of goods outside the State on which no taxes of that kind are levied.

Then we find many States using their police powers to interfere with the normal development of interstate trade.

We must grant that sometimes special interests are benefited by such practices. America did not become a dominant commercial Nation by favoring special interests but by stimulating every form of industry to find and broaden its natural market. Some examples of interstate trade barriers by the use of the police power include the following:

Limiting the area from which fluid milk may be supplied by stimulating the description of the police power include the following:

Limiting the area from which fiuld milk may be supplied by refusal to furnish health inspectors, and by arbitrary changes in the sanitary requirements at intervals.

Quarantining against plant or animal products of competing areas on economic, rather than pathological or biological grounds. Restrictions on the movement of laborers across State boundaries by requiring monetary proof of their ability to support themselves. At least two States operate on a scale comparable to Ellis Island itself.

Limitations on exportation of natural resources is another instance. A State may limit the exportation of cheap electric power, for example, in order to compel industry to locate within its borders if it is to use such power.

Then there are regulations of dimensions, weights and equip-

ment of trucks and busses, especially set up not to conform with

standards in other States.
Similarly, some States establish State grades, standards, and labels which do not conform to Federal or other States' specifications.

Then there are the laws specifying that public buildings must be constructed of materials produced within the State, so far as is practicable. There are other examples of such preferential methods which I might name, notably in the widespread practice

methods which I might name, notably in the widespread practice of favoring domestic printing.

The Federal Trade Commission, after investigating a large eastern milk-sales area, said: "Usually each State, subdivision of a State, and municipality insists on making its own inspection and will not accept information by virtue of other jurisdiction. Operators of country milk-receiving plants and farmers supplying them sometimes find it necessary to submit to as many as seven or more separate inspections." separate inspections."

All this has led to an absurd situation in certain parts of the Nation, where farmers or operators find that, in order to conform to the requirements of one authority, they must violate those of

another.

The whole situation reminds me of that old law on the statute books of one of our States which specifies that "when two trains approach an intersection at the same time, both shall stop, and neither shall proceed until the other has passed over."

With the power to regulate the liquor traffic within their own

With the power to regulate the liquor traffic within their own borders restored to them, some States passed laws and regulations imposing upon products of other States heavier burdens than they imposed upon products of their own territory. This practice, recently upheld by the United States Supreme Court, led to retaliatory laws and sowed new seeds of discord among the States.

Several years ago the Fifty-ninth General Assembly of Missouri enacted such an act, openly and avowedly for the purpose of giving Missouri producers the same protection against importations that other States were giving their distillers and brewers. The lapse of time demonstrated the unwisdom of that legislation.

It runs squarely counter to the great basic principle of our Fed-

It runs squarely counter to the great basic principle of our Federal Constitution, and I am happy to report that I recently signed a bill passed by the present legislature repealing the Missouri dis-

criminatory liquor law.

It is now an encouraging omen that we do recognize the problem

of interstate barriers and are organizing to meet it.

I am particularly glad that the impetus for this campaign is coming from the representatives of the State governments themselves.

It should be a good and sufficient answer to those critics who cry that the States have ceased to function as full-fledged governmental units, that they have shifted their responsibilities onto the Federal Government at Washington.

One recommendation which I would make in carrying on this program of destroying these barriers to the future prosperity of our Nation is to condense the arguments into a few understandable phrases and take our cause to the public through every legitimate channel of publicity.

Never have the blessings of a free press been better demonstrated than in the cooperation given this movement by the newspapers of this Nation. In all frankness, it is a difficult task to reduce so complex a situation to terms which can be grasped by those who

But the newspapers are doing that very thing and doing it well.

Our job is to provide them with the information and to expand the influence of this National Trade Barrier Conference out into the States and the counters through similar gatherings and by contacting such organizations as chambers of commerce and civic

contacting such organizations as chambers of commerce and civic clubs everywhere.

Typical of the fine cooperation the newspapers have given this movement is an editorial which appeared only 2 days ago in the St. Louis Globe-Democrat. Halling the conference on trade barriers as (I quote) "the first impressive effort to check this growing danger to interstate trade," the editorial offers this terse summary of the objectives of this meeting.

Again I quote:

"For generations no restrictions were placed on interstate com-merce and the United States constituted the world's greatest free

"Undoubtedly that fact, more than any other force, was the most potent instrument of our internal development. Undoubt-edly an unfettered trade served to weld the individual States into

the present powerful Union.

"But this vast free mart is now being imperiled. States have thrown up around their borders tariff walls against imports that compete with their own industries; they tax out-of-State goods to bolster dwindling revenues or to defray costs of new activities.

"Inevitably the ultimate consumer is the scapegoat under policies of economic isolation. He must foot the bill for added taxes on imports, for inspection fees, and every other levy that hikes the cost of products he buys.

"Inherently State barriers are a dangerous implement for restraint of trade. They threaten and have, in many cases, destroyed

a business competition guaranteed by the Constitution."

I have quoted only a part of this excellent editorial. It serves to illustrate the universal condemnation of trade barriers in the press throughout the United States.

The radio, too, is making an important contribution to this

crusade against a growing menace to our national prosperity.

Here, too, we can rejoice in the knowledge that this great instrument for public service is fully conscious of its opportunity to bring about a better understanding of this crucial problem.

Now, you may contend that minority groups who stand to profit, however temporarily, from such discriminatory measures would be adamant against any revision of them.

I would concede the force of such an argument, except for one

I would concert the force of such an argument, except for one thing. A man's pocketbook is his own property, but his conscience and his loyalty belong to the United States of America.

If we can show him the danger which lies ahead through the pursuit of such a policy to its ultimate conclusion, we can convert him to the cause of a Nation unfettered by internal economic struggles between the States.

It is a real pleasure to be here on this occasion. I hope these remarks will give us some food for thought.

In closing, I want to assure you that I am proud to be associated with an organization dedicated to so worthy a cause—the elimination of all these damaging State barriers to free trade between the people of the United States.

Defense of Alaska

EXTENSION OF REMARKS

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1939

EDITORIAL FROM THE FAIRBANKS (ALASKA) DAILY NEWS-MINER

Mr. DIMOND. Mr. Speaker, the geographical location of Alaska makes it of such outstanding importance with respect to the complete and comprehensive plan of national defense that under leave heretofore granted I think it suitable to incorporate in the RECORD the following well-written and illuminating editorial on the subject appearing in the Fairbanks Daily News-Miner of March 25, 1939, written by Mr. Charles R. Settlemier, the editor and publisher of that news-

BALANCED DEFENSE OF ALASKA VITAL

Telegraphic advices yesterday to the effect the Senate committee approved \$513,000,000 as part of the Army supply bill, is an important step in the program for national defense in which Alaska is to share.

The military bill, embracing the whole program of national defense, is to be adjusted in the conference committee, and after adoption by both Houses will go to the President for final approval. Advices from Washington stress the points that the program contemplates a balanced defensive plan for the Nation, especially as to air units. Naval and Coast Guard bases and fleets have a prominent place.

prominent place.

In respect to all these, Alaska's needs are considered along with those of continental and Territorial possessions.

Reports from Washington stress the Alaskan coastal-defense plans. The air units for the Territory are mentioned in a general

Doubtless the Nation's strategists and those responsible for the important duty of protecting every inch of the country—and particularly the most vulnerable and exposed portions—are not overlooking the fact that two-thirds of Alaska, as large as the State of Texas and several others of the larger States, lies in the Interior, far from the coastal areas.

To adequately defend this vast interior doubtless will demand the basing of a defensive force, logically an air unit, in the interior.

A little study of the map easily reveals how easy it might be for a foreign force to fly high over some isolated Arctic or coastal route into the interior and take possession in this region if there be no defensive force or grand defensive force on guard.

Alaska is the natural buffer state between the Orient and continental America. If an enemy force flew to Alaska, making it a stepping stone to attack on the States or Canada, it would not alight on a coastal rim, but somewhere in the great inland.

And doubtless this is one of the big points the Army representa-tives sensed when they investigated the region, and selected a site near Fairbanks for the major air base which Uncle Sam contemplates for Alaska.

Provision for such a base cannot come too soon. Other parts of America may seek preference, but it is well for all to remember this northland is the vulnerable point—and as yet the open gateway of attack on the very heart of the Nation.

All America should be concerned in this matter, not Alaska alone.

Sectional pride and preference and political matters cannot and doubtless will not stand in the way when it comes to drawing a cordon about America that will be impregnable in every vital link.

Taxation of Public Securities

EXTENSION OF REMARKS

HON, JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

RESOLUTION OF THE MINNEAPOLIS CITY COUNCIL

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following resolution recently adopted by the City Council of the City of Minneapolis:

Resolution memorializing Congress to defeat any legislation designed to tax public securities either by levying a tax on the income thereof, or otherwise

Whereas there is now pending before Congress a bill designed to levy a tax upon public securities, including securities issued by municipalities; and
Whereas such a tax will greatly increase the cost of financing

local governments; and

Whereas these local governments will get no benefits from said tax and will receive no part or portion of the proceeds thereof;

Whereas the city of Minneapolis is faced with a serious relief situation necessitating the selling of bonds for the purpose of furnishing relief to the poor and indigent; and

furnishing relief to the poor and indigent; and
Whereas a tax such as is contemplated will seriously cripple and
handicap the city in its attempt to take care of its poor and to
supply the necessary municipal services to it inhabitants: Now,
therefore, be it

Resolved by the City Council of the City of Minneapolis, That
Congress be respectfully urged and petitioned to defeat any attempts to tax public securities in any manner, shape, or form,
and to take no action whatever in attempting to tax any public
securities in any manner whatsoever.

That in the event legislation is passed designed to tax public
securities in any manner, securities issued for the purpose of
raising money to take care of the poor and indigent be expressly
excluded from such tax: Be it further

Resolved, That the city clerk be instructed to send copies of
this resolution to the Honorable Franklin D. Roosevelt, President
of the United States, the Honorable John N. Garner, Vice President
of the United States, the Honorable William B. Bankhead, Speaker
of the House of Representatives of the United States, and to each of
the Senators and Representatives from the State of Minnesota in
the Congress of the United States. the Congress of the United States. Passed March 31, 1939.

ERIC G. HOYER, President of the Council.

Approved April 3, 1939.

GEORGE E. LEACH, Mayor.

Attest:

CHAS. C. SWANSON, City Clerk.

River Burlesque

EXTENSION OF REMARKS

HON. CLYDE M. REED

OF KANSAS

IN THE SENATE OF THE UNITED STATES Thursday, April 13, 1939

EDITORIAL FROM KANSAS CITY JOURNAL

Mr. REED. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Kansas City Journal, reprinted in the Topeka Journal of April 10, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Kansas City Journal] RIVER BURLESQUE

From the A.-S.-B. Bridge at Kansas City, the Missouri River pursues a winding course across the State to the Mississippi for a

distance of 377 miles. On each of those 377 miles the Government had spent, up to June 30, 1937, an average of \$197,722 for channel dredging and other improvements.

The interest on this sum at 4 percent is \$7,789 per mile annually. The per-mile maintenance costs in 1937 were \$4,521.

If the investment were taxed at approximately the rate of railroad taxation, the annual bill would be \$1,499 a mile.

These add up to \$13,809 annually for each of the 377 miles. Catfish never swam in costlier surroundings.

What are the benefits?

What are the benefits?
The river is supposed to provide an economical method of transporting grain and other bulky commodities down the Missouri and Mississippi Rivers to New Orleans for export. Its record shows an appalling failure to justify the colossal expenditures upon it.

In the 1938 navigation season the Government barge line transported 1,604,000 bushels of wheat. This amount, for the transportation of which the boat line required an entire navigation season, is only a fraction of the daily receipts at the Kansas City Board of Trade during the harvest season. The farmers do not benefit. The only beneficiaries are export commission firms which, if they are in no hurry, can ship by barge and add the savings to their profits in handling the grain.

their profits in handling the grain.

The channel is now being extended to Sioux City, bringing the total cost of the project from that point to the mouth to \$164,-000,000. This is more than the amount of the bonds voted by Missouri to build the State highway system of thousands of miles of

paved roads.

Glance down the river the next time you drive over the A.-S.-B. Bridge. Reflect that on the bottom of the mile stretch lying ahead are \$197,722, placed there at the expense of the taxpayers and serving no useful economic purpose whatever.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

LETTER AND ARTICLE CONCERNING TRADE AGREEMENTS

Mr. RUTHERFORD. Mr. Speaker, of late I have had many communications from farmers and manufacturers condemning the reciprocal-trade agreements. Our citizens cannot compete with foreign-made goods and foreign-grown products. The difference in the wage scale is too great between our country and foreign countries. I attach herewith a letter received from one of the manufacturers of my State which shows how the reciprocal-trade agreements affect the woolen industry. It should be of interest to all Members of Congress. The letter is as follows:

Hon. ALBERT G. RUTHERFORD.

HON. ALBERT G. RUTHERFORD,

House of Representatives, Washington, D. C.

Dear Mr. Congressman: You no doubt realize that the reciprocaltrade treaties promulgated by Mr. Hull are increasing the imports
from various countries into the United States, and particularly is
this true in woolen textiles since the reciprocal treaty with Great
Britain became effective. This treaty is the most important of all, because it reduces duties from all countries in the world except Germany.

Wages in Great Britain are less than half of what they are in the United States. In Italy, 25 percent of what they are here, and in Japan, less than one-tenth of what they are here. At the same time, when this treaty went into effect, we were confronted with a wage and hour law which put a floor under wages and a ceiling on

hours in this country.

hours in this country.

For this reason I am particularly interested in H. R. 4320, introduced by Mr. Risk, which amends the Fair Labor Standards Act of 1938 by keeping out goods of foreign manufacture unless they are made under the same fair-labor standards as exist in the United States of America. Reciprocal treaties and the Fair Labor Standards Act do not go together unless manufacturers the world over are forced to conform to the same conditions that domestic manufacturers have to contend with. I hope that you will support the bill of Mr. Risk or else work for an abrogation of reciprocal-trade treaties.

Yours sincerely.

MILLARD D. BROWN.

The following article, which is entitled "Hell, What's \$4?" is well worth the consideration of every Member of Congress

who believes that the American workman should receive adequate protection from foreign competition:

What's \$4, anyway?
Well, to an American workman \$4 a month is \$48 a year, or just enough to buy a suit of clothes for himself, a dress for the missus, and an outfit for the kids.

Yet that is precisely the amount forfeited by every wool-textile craftsman in this country by reason of the imports of woolens and worsteds from Great Britain and other countries during the month

In the first month of the current year we imported 1,123,310 square yards of woolens, valued at \$850,004. Of this amount Great Britain shipped us 1,000,933 square yards, valued at \$749,156. We imported 478,401 square yards of worsteds, valued abroad at \$320,943. Of this amount Great Britain shipped us 417,250 square yards,

valued at \$294,757.

This represents an increase of approximately 200 percent in the value of wool goods and of approximately 100 percent in the value of worsteds imported during the same month in the previous

The American value of these imports would be approximately \$2,350,000, of which labor's share, when divided among the 150,000 men in American wool textile plants, would be roughly \$4 each for the month of January.

Truly, the year of our Lord 1939 is proving a year of grace for America's trade rivals, for it marks the lowering of the barriers against the import of products from poor wage-paying countries in accordance with the altruistic policy of the present administration, which apparently holds that good feeling abroad must be engendered even at the expense of American industry and the American standard of living.

Of course, the money diverted from our labor goes much further abroad. For instance, an English mill operative gets only one-half of the wages paid the native textile worker, the Italian gets one-fifth, the Japanese receives a tenth of the American scale.

But then a full foreign stomach is essential to international amity.

Seeing that this invasion of the American market actually took place in a depressed business period like January, when hand-to-mouth buying prevailed, imagine the extent of the inroad in stabilized or boom times!

There is no doubt we are facing a tremendous growth in imports of wool textiles, to mention only one of the thousand-and-more items of American-made merchandise gravely affected by the reductions in tariff under the reciprocal-trade agreements. It is bound

tions in tariff under the reciprocal-trade agreements. It is bound to aggravate American unemployment, to reduce the American living standard, and to impoverish our national income.

Before the full effect of this new ideology is reflected in closed American plants and increased relief rolls, we suggest that American manufacturers and American workers bring strong pressure to bear on their congressional representatives for a show-down on the reciprocal trade alphantagy.

reciprocal-trade phantasy.

"For the Ox Knoweth His Owner and the Ass His Master's Crib, but My People Doth Not Consider," Isaiah 1:3

EXTENSION OF REMARKS

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 13, 1939

LETTER SENT BY THE CONSTITUTIONAL MONEY LEAGUE OF AMERICA, AND RADIO DISCUSSION

Mr. KELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include a brief letter sent out by the Constitutional Money League of America, a nonpartisan educational organization, that in my judgment is doing a most wonderful work. I also include a discussion of the monetary problem as presented during the congressional breakfast talks.

The letter and discussion are as follows:

COME, LET US SIT DOWN TOGETHER AND REASON WELL

My Dear Colleague: We are giving a series of congressional breakfast talks over Station WOL every Tuesday morning at 8:15 o'clock on the subject of Constitutional Monetary Control, and would be pleased if you would take an active part in the discussion. If you will communicate with us we will try and arrange a date to suit your convenience.

We earnestly invite those who are opposed to Government control equally as much as those favoring it.

It isn't a question of, Shall we have monetary control?

have monetary control now.

It is only a question of, Who shall control—shall it be the people or the banks? The bankers have had control for 150 years, marked by 27 money panics or depressions.

It isn't a question, Has the bankers' control been a failure?

Everyone knows it has.

The question is, Shall we continue this disastrous system that creates a money panic every 5 or 6 years into the future?

It isn't a question, Are money panics created intentionally, deliberately, premeditatedly, or carelessly? Everyone knows they

The question is, Shall the people exercise their constitutional privilege to coin and control their own measure of value that determines price and measures the sweat of the brow of man?

These matters are all explained in our congressional breakfast talks. Listen in on WOL Tuesday morning at 8:15.

Respectfully,
THE CONSTITUTIONAL MONEY LEAGUE OF AMERICA,

President.

"FOR THE OX KNOWETH HIS OWNER AND THE ASS HIS MASTER'S CRIB, BUT MY PEOPLE DOETH NOT CONSIDER," ISAIAH 1:3

The Announcer. Again we present to you the Tuesday morning congressional breakfast talk conducted by Charles G. Binderup, Congressman from Nebraska.

Mr. BINDERUP. Greetings this morning to President Roosevelt and his Cabinet, to the Members of the Senate and House of Representatives, and Governors of the Federal Reserve bank.

And greetings to our congenial announcer, Mr. Brown, coupled with thanks and appreciation to the WOL Broadcasting Co. It is with thanks and appreciation to the WOL Broadcasting Co. It is always a pleasure to introduce our noted speakers on our congressional breakfast talks, and this morning it is an added pleasure to say that besides their knowledge of the subject they also possess the necessary courage to call a spade a spade. I am pleased to introduce Senator Johnson, of Colorado, and Congressman Burdick, of North Dakota. Senator Johnson, we will ask you to open the discussion this morning, if you will.

Senator Johnson. Yes, Congressman Binderup, it is some years they are the first time and we were concerned then with the

since we met the first time and we were concerned then with the same problem which now confronts us. I refer to the monetary conference in the senate chamber in Denver, that was called by William Jennings Bryan, Jr., of Los Angeles. We recognized the necessity for constitutional money and Government monetary control in that conference and we must continue the fight for it.

I know you will recall on that occasion the eloquent, masterful speech of Senator Cannon of Utah and the beautiful tribute he paid to the memory of your great Nebraska statesman, William Jennings Bryan, affectionately called by his followers the "Great Commoner" and the "Prince of Peace." An important part of Senator Cannon's speech was a quotation from Bryan's book, The Benator Cannon's speech was a quotation from Bryan's book, The Last Battle, wherein Bryan warned the people against the power of the Federal Reserve Banking System if wrongly used. Since this is our subject this morning, I brought Bryan's profound and prophetic statement with me and will read it, with your permission, as an introduction to our broadcast.

Mr. BINDERUP. Thank you, Senator Johnson. I know we will

all like to hear it.

Senator Johnson, I quote: "The Federal Reserve bank that should have been the farmer's greatest protection has become his should have been the farmer's greatest protection has become his greatest enemy. The deflation of the farmer was a crime deliberately committed, not out of enmity to the farmer, but out of indifference to him. Inflation of prices had encouraged him to buy, and then deflation delivered him in the hands of the moneylender. The Federal Reserve bank can be a blessing or a curse according to its management. If the Wall Street speculators are in control of it they can drain the agricultural districts and keep ma a fighting prosperity among the members of the Plunderbund."

up a fictitious prosperity among the members of the Plunderbund."

I continue to quote Bryan: "While the Federal Reserve bank
law is the greatest economic reform achieved in the last half century, if not in our national history, it would be better to re-peal it, go back to old conditions and take our chances with individual financiers, than to turn the Federal Reserve bank over to Wall Street and allow its tremendous power to be used for the carrying out of the plans of the Money Trust." That is what Bryan said.

Bryan said.

Mr. Binderd. Thank you, Senator Johnson. The memory of our great Commoner is dear to the hearts of the American people. I ofttimes visit Bryan's grave in Arlington and the monument erected to his memory down on the banks of the Potomac—a beautiful bronze likeness of the great leader looking out over the old historic river, with his hand raised and his face stern, just as he looked when he made that immortal speech in the national convention at Chicago, closing with that emphatic command: "You shall not press down upon the brow of labor this crown of thorns. You shall not crucify mankind upon a cross of gold." Senator, I am sure you have heard much of the startling statement coming from the Governors of the Federal Reserve bank as disclosed in one of the Washington papers last week, wherein they are denying the quantitative philosophy of money. We discussed this subject last Tuesday morning, but I want to add just a little more. You have a book there before you wherein is contained many opinions of the world's greatest economists and authorities on the

quantitative philosophy of money. Will you read a few of the

most prominent ones?

Senator Johnson. I shall be happy to do so. I will briefly quote a few of the outstanding authorities: First, the economist Ricardo,

who is quoted so often, said:

"Commodities rise or fall according to the increase or decrease in the quantity of money. This, of course, I assume, is a fact that is incontrovertible." One of England's greatest thinkers and recognized economists, John Locke, writes:

John Locke, writes:

"The lessening of the quantity of money makes an equal quantity of it exchange for a greater quantity of commodities."

Another great authority, David Hume, whose quotations are always accepted as authority, writes:

"It is the proportion between the circulating money and the commodities in the market that establishes prices of all commodities."

John Stuart Mills, another great authority, tells us:

"That an increase of the quantity of money raises prices and a decrease lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others." of the others.

Mr. Binderup. And so the Governors of the Federal Reserve Board, according to their statement in the press, stand out as a lone monetary tribunal in denying the quantitative philosophy of money in their effort to discourage Government monetary control. It is so seldom that our invisible Government sticks its head out of the mist and the clouds and the shadows of utter secrecy that surround mist and the clouds and the shadows of utter secrecy that surround it that we rejoice in this public statement, for at last the people can see and understand the truth we have been telling them for many years—that the Governors of the Federal Reserve Board and the Federal Reserve Banking System in general is the head of the octopus, "money monopoly."

Congressman Burdick, I am sure this exceptional statement, coming from the Federal Reserve Board of Governors, was a survive only of the statement.

prise and a shock to you.

Mr. Burdick. No; I was not a bit surprised, Mr. Binderup. For, some time ago I read the testimony of Mr. Marriner Eccles before the Senate Committee on Finance, the Seventy-second Congress, second session, February 27, 1933, on page 730, where he makes

second session, repruary 21, 1993, on page 1994, where he maked this statement:

"I am a capitalist; I happen to be interested in the following business: President of the First Security Corporation, owning and operating 26 banks and 1 trust company in the principal points of Utah and southern Idaho. Our total resources are approximately \$50,000,000." That explains the whole thing to me. What would be appeared from a chain banker president at the head of 26. \$50,000,000." That explains the whole thing to me. What would you expect from a chain banker president, at the head of 26 banks with a capital of fifty million, appointed on the Federal Reserve Board that was supposed to be for the protection of the people with the authority to control their money? Well, that seems to me to be a strange combination. If that's our policy, then why not put the presidents of the railroad companies in control of the Interstate Commerce Commission? Why not put the prevers why not put the presidents of the railroad companies in control of the Interstate Commerce Commission? Why not put the brewers in the control of liquor traffic? That would be far better and safer for the people than to put bankers on the Board of Governors of the Federal Reserve Banking System.

Mr. Binderup. Yes; and why not put in the contractors and builders here in the District as building inspectors?

Senator Johnson. Congressman Burdick, would you favor a provision in the Federal Reserve Act that would prohibit and prevent any banker from serving on the Board of Governors of the Federal Reserve banks?

eral Reserve banks?

Mr. Burdock. I most certainly would, and I would go considerably further. I would prohibit and prevent any man who owned bank stock in any bank from serving on the Board. When we have repealed the present Federal Reserve Banking Act—and the sooner this is done the better—and we have established in its place by a new act a Government monetary authority as an agent of Congress, whose only duty it shall be to control our money supply and maintain a dollar of uniform purchasing and debt-paying power, it will not require any banking knowledge, whatsoever.

Senator Johnson. What do you think about the Board of Governors saying the price level cannot be maintained and that they oppose any legislation passed by Congress demanding of them the control of the volume of money or the control of the bankers' credit now being used as money to the extent of about 97 percent? Senator JOHNSON. By that statement, as I understand it, they

Senator Johnson. By that statement, as I understand it, they have eliminated themselves for all practical purposes as effective members of the Board of Governors. Their statement, however, that it cannot be done, in my opinion, is erroneous. Rather they should have said, "We can't do it," and if that really be so, they should step out and make room for someone who can function according to the necessities. Certainly you would not continue to hire a doctor who threw up his hands and said he just could not do anything for you when a million other doctors stood by and insisted they could cure you. If the present Board folds up and says it cannot do the very thing the act was supposed to accomplish—which is monetary control that will end booms as well as depressions—then I say we should try out other men on the Board who are friendly to monetary control, and if they find remedial action is impossible under the law we should amend the act until it will function to make the dollar a constant measure now and forever.

now and forever.

Mr. Burdick. You spoke about controlling the money, Senator Johnson, and stopping booms and depressions. Now, isn't it a fact we have had three of the worst money panics the Nation has ever suffered since the Federal Reserve Act was passed, and there-

fore I believe Bryan was right. Let us repeal the Federal Reserve Act and in place of that let us have a people's monetary authority, not appointed by anyone, but elected by the people—one from each of the 12 Federal Reserve districts. That would give the people a representation in the most important branch of Government, monetary control. In other words, that would be just true con-

monetary control. In other words, that would be just true constitutional democracy.

Mr. Binderup. And may I add that the three panics referred to by Congressman Burdick were created intentionally, deliberately, and premeditatively, according to a definite and infallible plan by our invisible government, created by none other than the Governors of the Federal Reserve Board and the Federal Reserve banks, who hold in the palm of their hand the welfare of every man, woman, and child, and in this statement I challenge the world. I invite the members of the Federal Reserve Board of Governors, or any former members, to come and sit with us at this microphone and talk to the individual citizens of the Nation and defend themselves before the Nation's highest tribunal, the people. Yes; I accuse the Federal Reserve Banking System of being responsible themselves before the Nation's highest tribunal, the people. Yes, I accuse the Federal Reserve Banking System of being responsible for the misery and want, for the tears and the sorrows and the suffering of our people who have lost their homes and their farms and their jobs. I accuse them of being responsible for the starvation and deprivation, soup kitchens, and bread lines since the passage of the Federal Reserve Act. Oh, I do not claim that they did this intending to destroy the people and the Nation. No; but they did it to enrich themselves with a total disregard for the Nation and the people's welfare. Their object was to give dollars and interest, which is their crop, their stock in trade, a greater purchasing power by making money scarce. Thus bringing the prices of labor and commodities down where their interest would have a greater purchasing power.

Senator Johnson. Congressman Binderup, when the Federal Reserve Banking System was first started was it not the intention to make it strictly a governmental institution? I remember how we will have no more money panics.

will have no more money panics.

Mr. Binderup. Yes; it was definitely the intention that it should

Government institution.

Senator Johnson. Then what happened to change it into a pri-

vate institution?

Mr. BINDERUP. It was a compromise measure in 1913, intended to conciliate the American Bankers' Association, who had opposed the bill, and so, to overcome their opposition, we allowed them to have a stock interest in the banks which would earn 6 percent, and we also allowed them to elect three class A directors and three class B directors out of nine. The Government names three class C directors who are appointed as representatives of the Government. The class A directors are chosen by the banks. Class B

directors are supposed to represent agriculture and industry.

Mr. BURDICK. The management of the whole Federal Reserve
Banking System was thus definitely put under the management
of the members banks. Isn't that true?

Mr. BINDERUP. Yes; subject to the supervisory control of the Federal Reserve Board of Governors.

Mr. BURDICK. You say class C directors are appointed as representatives of the Government. Mr. Binderup, who pays these men their salaries?

Mr. BINDERUP. They are paid by the banks.
Mr. BURDICK. You say class B directors were intended to represent agriculture and industry. Who pays these representatives?
Mr. BINDERUP. The bankers pay these also.
Senator Johnson. Do the banks have any further representation

in the Federal Reserve Banking System?

Mr. BINDERUP, Yes; they have a Federal Reserve Advisory Council of 1 member from each of the 12 Federal Reserve banks, making 12 in all, who periodically meet in Washington, to advise the Board. Mr. Burdick. How are these selected?
Mr. Binderup. They are selected by the Federal Reserve banks.
Each one of the Federal Reserve banks selects one.

Mr. Burdick. How are these representatives paid?

Mr. Binderup. They are paid by the banks.
Mr. Burdick. How many members are there on the Board of Governors of the Federal Reserve banks?

Mr. BINDERUP. The act provides for seven. However, only six have

ever been appointed.

Mr. Burdick. And now, Congressman Binderup, just who pays these members of the Board of Governors serving on this Board— Mr. Eccles and the other five?

Mr. Binderup. These are also paid by the banks.

Senator Johnson. Then, Congressman Binderup, as I understand it, all the directors and advisory council and Board of Governors—in fact, the entire personnel of the banks and all the help—are paid by the banks.

Mr. BINDERUP. Yes; in this you are entirely correct

Senator Johnson. Then, may I ask, Congressman Binderup, don't you think you were unnecessarily harsh when you criticized the Governors of the Federal Reserve Banking System so severely? If Governors of the Federal Reserve Banking System so severely? If they are paid by the Federal Reserve banks, evidently they consider, as most anyone would, that they are working for the Federal Reserve Banking System. The Government does not pay them a cent of salary. How could you expect them to do anything that would be in any way against the will of the banks who pay them their entire salary? Our loyalty often follows the pay check, and in this case every cent of it comes from private sources. I hold that the Federal Reserve Banking System should be supported by all of the people and represent the people and not the banks.

Mr. Binderup. Well, Senator Johnson, I do not think that I have been unnecessarily harsh toward the Federal Reserve Banking System of the Nation, I have merely given a true picture of just who they are. The people of the United States have never thoroughly understood the Federal Reserve Banking System of the United States. It has always been represented by the public press and by the member banks themselves that the Federal Reserve Banking System was a Government institution. Well, I Reserve Banking System was a Government institution. Well, I just wanted to banish the mists and the fog that was surrounding the Federal Reserve Banking System and just tell the people the truth, that is all. Of course I know and understand very well, as you have so ably explained, Senator, that the pay check determines just who a man works for. That is described pretty well by a bit of Scripture which reads as follows: "For the ox knoweth his owner and the ass his master's crib." And that is as true today as it was when it was written.

Mr. Brunder, But Congressing Binderup, what supprises me

Mr. Burdick. But Congressman Binderup, what surprises me is that all the little commercial bankers for some peculiar reason are allowing themselves to be led around by the big international bankers through the instrumentality of the American Banking Association even though 16,000 commercial banks were destroyed in the twenties by the action of the Governors of the Federal Reserve Banking System of the United States. In other words, destroyed by the money trusts.

Mr. Binderup. Yes; that is indeed strange, Congressman Burdick, how blindly they follow like sheep led to slaughter. I just recall another passage of the Bible, Congressman Burdick, that can very well be applied to this situation. I think the passage is in the Book of Job. It reads: "For though they slay me, yet shall I love them." And now in conclusion I would like to thank Senator JOHNSON of Colorado and Congressman Burdick, of North Dakota for their splendid contribution to our congressional breakfast talks. Announcer. You have just heard the sixth congressional break-

Announcer. You have just heard the sixth congressional breakfast talk arranged by Charles G. Binderup, former Congressman from the State of Nebraska. Congressman Binderup, I understand you have a very interesing program planned for next Tuesday morning. Can you tell us something about it now?

Mr. Binderup. Yes, Mr. Brown; it is a pleasure to announce we have for our guest speakers next Tuesday morning Senator Lundeen, of Minnesota, and Congressman Murdock, of Utah.

The Announcer. That sounds mighty interesting and so until our next congressional breakfast talk, next Tuesday morning.

Pan American Day Address

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

ADDRESS BY HON. FRANKLIN D. ROOSEVELT, APRIL 14, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address on the subject of Pan American Relationships, delivered on last Friday, April 14, 1939, by the President of the United States, before the Governing Board of the Pan American Union.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

The American family of nations pays honor today to the oldest and most successful association of sovereign governments which

Few of us realize that the Pan American organization as we know it has now attained a longer history and a greater catalog know it has now attained a longer history and a greater catalog of achievements than any similar group known to modern history. Justly we can be proud of it. With even more right we can look to it as a symbol of great hope at a time when much of the world finds hope dim and difficult. Never was it more fitting to salute Pan American Day than in the stormy present.

For upwards of half a century the republics of the Western World have been working together to promote their common civilization under a system of peace. That venture, launched so hopefully 50 years ago, has succeeded; the American family is today a great cooperative group facing a troubled world in serenity and calm.

and calm.

This success of the Western Hemisphere is sometimes attributed This success of the Western Hemisphere is sometimes attributed to good fortune. I do not share that view. There are not wanting here all of the usual rivalries, all of the normal human desires for power and expansion, all of the commercial problems. The Americas are sufficiently rich to have been themselves the object of desire on the part of overseas governments; our traditions in history are as deeply rooted in the Old World as are those of Europe. It was not accident that prevented South America and our own West from sharing the fate of other great areas of the world in the nineteenth century. We have here diversities of race, of language,

of custom, of natural resources, and of intellectual forces at least

of custom, of natural resources, and of intellectual forces at least as great as those which prevailed in Europe.

What was it that has protected us from the tragic involvements which are today making the Old World a new cockpit of old struggles? The answer is easily found. A new and powerful ideal—that of the community of nations—sprang up at the same time that the Americas became free and independent. It was nurtured by statesmen, thinkers, and plain people for decades. Gradually it brought together the Pan American group of governments: today it has fused the thinking of the peoples and the ernments; today it has fused the thinking of the peoples and the desires of their responsible representatives toward a common

The result of this thinking has been to shape a typically American institution. This is the Pan American group, which works in open conference by open agreement. We hold our conferences not as a result of wars but as the result of our will to peace.

Elsewhere in the world, to hold conferences such as ours, which meet every 5 years, it is necessary to fight a major war, until expectation or defeat at length brings governments together to recon-

haustion or defeat at length brings governments together to reconstruct their shattered fabrics.

Greeting a conference at Buenos Aires in 1936, I took occasion

to say:
"The madness of a great war in another part of the world would be a hundred ways. And the ecoaffect us and threaten our good in a hundred ways. And the economic collapse of any nation or nations must of necessity harm our own prosperity. Can we, the republics of the New World, help the Old World to avert the catastrophe which impends? Yes; I am confident that we can."

I still have that confidence. There is no fatality which forces the Old World toward new catastrophe.

the Old World toward new catastrophe. Men are not prisoners of fate but only prisoners of their own minds. They have within themselves the power to become free at any moment.

Only a few days ago the head of a great nation referred to his country as a "prisoner" of the Mediterranean. A little later, another chief of state, on learning that a neighbor country had agreed to defend the independence of another neighbor, characterized that agreement as a "threat" and an "encirclement." Yet there is no such thing as encircling, or threatening, or imprisoning any peaceful nation by other peaceful nations. We have reason to know this

in our own experience.

For instance, on the occasion of a visit to the neighboring Dominion of Canada last summer, I stated that the United States would join in defending Canada were she ever attacked from overseas. Again at Lima, in December, the 21 American nations joined in a declaration that they would coordinate their common efforts to defend the integrity of their institutions from any attack direct rindirect.

At Buenos Aires, in 1936, all of us agreed that in the event of any war or threat of war on this continent we would consult together to remove or obviate that threat. Yet in no case did any American nation regard any of these understandings as making any one of them a "prisoner," or as "encircling" any American

any one of them a "prisoner," or as "encircling" any American country, or as a threat of any sort or kind.

Measures of this kind taken in this hemisphere are taken as guaranties not of war but of peace, for the simple reason that no nation on this hemisphere has any will to aggression, or any desire to establish dominance or mastery. Equally, because we are interdependent, and because we know it, no American nation seeks to deny any neighbor access to the economic and other resouces which it must have to live in prosperity.

In these circumstances dreams of conquest appear to us as ridiculous as they are criminal. Pledges designed to prevent aggression, accompanied by the open doors of trade and intercourse, and bound together by common will to cooperate peacefully, make warfare between us as outworn and useless as the weapons of the Stone Age. We may prouchly boast that we have begun to realize in Pan American relations what civilization in intercourse between countries really means. countries really means.

If that process can be successful here, is it too much to hope that a similar intellectual and spiritual process may succeed elsewhere? Do we really have to assume that nations can find no better methods of realizing their destinies than those which were used by the

Huns and Vandals 1,500 years ago?

The American peace which we celebrate today has no quality of weakness in it. We are prepared to maintain it and to defend it to the fullest extent of our strength, matching force to force if any attempt is made to subvert our institutions or to impair the inde-

pendence of any one of our group.

Should the method of attack be that of economic pressure, I pledge that my own country will also give economic support, othat no American nation need surrender any fraction of its sovereign freedom to maintain its economic welfare. This is the spirit and intent of the Declaration of Lima; the solidarity of the

The American family of nations may also rightfully claim, now, to speak to the rest of the world. We have an interest, wider

to speak to the rest of the world. We have an interest, wider than that of the mere defense of our sea-ringed continent. We know now that the development of the next generation will so narrow the oceans separating us from the Old World that our customs and our actions are necessarily involved with hers. Beyond question, within a scant few years air fleets will cross the ocean as easily as today they cross the closed European seas. Economic functioning of the world becomes increasingly a unit; no interruption of it anywhere can fail, in the future, to disrupt economic life everywhere.

nomic life everywhere.

The past generation in Pan American matters was concerned with constructing the principles and the mechanisms through which this hemisphere would work together. But the next generation will be concerned with the methods by which the New World can live together with the Old.

The issue is really whether our civilization is to be dragged into the tragic vortex of unending militarism punctuated by periodic wars, or whether we shall be able to maintain the ideal of peace, individuality, and civilization as the fabric of our lives. We have the right to say that there shall not be an organization of world affairs which permits us no choice but to turn our countries into barracks, unless we are to be vassals of some conquering empire.

The truest defense of the peace of our hemisphere must always

lie in the hope that our sister nations beyond the seas will break the bonds of the ideas which constrain them toward perpetual warfare. By example we can at least show them the possibility. too, have a stake in world affairs.

Our will to peace can be as powerful as our will to mutual defense; it can command greater loyalty, devotion, and discipline than that enlisted elsewhere for temporary conquest or equally futile glory. It will have its voice in determining the order of world affairs.

This is the living message which the New World can send to the Old. It can be light opening on dark waters. It shows the path

of peace.

Neutrality Legislation

EXTENSION OF REMARKS

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

RADIO ADDRESS OF HON. KEY PITTMAN, OF NEVADA, APRIL 15, 1939

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting and able address on neutrality legislation delivered over a Nationwide radio hook-up on Saturday, April 15, 1939, by the senior Senator from Nevada [Mr. PITTMAN], the chairman of the Senate Committee on Foreign Relations.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, the President, in his sincere, timely, and appealing message to Chancellor Hitler and Duce Mussolini, opened his communication by saying, "You realize, I am sure, that throughout the world hundreds of millions of human beings are living today in constant fear of a new war or even a series of wars." Never in the history of the world was there so imminent and dangerous a threat to the peace of the whole world and to civilization. Remembering the horrors of the World was the loss and destruction the death and the living death of the world. War, the loss and destruction, the death and the living death of our loved ones, our people, their President, and their Congress are determined to do everything possible with honor to keep out of the next foreign war.

The Committee on Foreign Relations of the United States Senate hold this sentiment and determination without exception. The committee, now realizing the vital effect any determination Corperss may make relative to the present and future peace of the United States, are seeking the sincere opinions of various organized

groups in our country and the ablest historians and international lawyers. There are only four substantial issues:

(1) Shall we repeal all neutrality and peace legislation and rely upon the international law as advocated in the legislation proposed by Senator King, of Utah; or

(2) Shall we grant to the President the discretion to define from time to time the materials and articles the export of which shall be embargoed to belligerents, and by proclamation to name the belligerents against whom such embargo shall be applied; or

(3) Shall we enact no further neutrality or peace legislation,

relying on existing law; or

(4) Shall we enact the legislation proposed by Senator Pittman, placing all articles and materials, including arms, ammunition, and implements of war, upon the so-called cash-and-carry basis? The purpose and effect of such proposed legislation is becoming clarified in the minds of the committee, but there is apparently

a widespread misunderstanding and confusion as to the purpose and effect of the existing neutrality legislation and the proposed legislation.

legislation.

In so threatening and serious an emergency where the general understanding and support of any proposed legislation by the citizens of our country is essential to the expeditious enactment of legislation by Congress, the people must be advised as to the effect of any legislation that may be enacted. In my opinion it would be disastrous for our Congress to repeal the existing neutrality laws, even inadequate as they may be to meet the impending situation. Our citizens and our Government, prior to and at

the time we entered the World War, were acting under and in obedience to the fixed principles of international law. Neither our people nor our Government committed any act that was not our people nor our Government committed any act that was not sanctioned by international law. The belligerents, prior to our entry into the war, during a period of many months violated our every right as a neutral under international law. They challenged and ignored our constant protests and demands for the respect of our neutral rights. Such violations were the sole cause that impelled us to declare a state of war with Germany. All of the other alleged causes are baseless. If any persons doubt this assertion, let them read the great speeches that were delivered on the floor of the United States Senate on the 4th day of April 1917, the day that the Senate adopted the war resolution. In support of this contention may I briefly quote from the speech of Senator Borah delivered on that occasion, and I take it that no one will question the learning, patriotism, and love of peace of Senator Borah. I quote from that speech as follows:

"Our commerce has been destroyed; our ships have been driven from the ocean; our people have been drowned or left to perish upon the midnight sea. What more could a people do to evidence to the world their desire for peace than to do what this Nation has done for the last few years? I repeat that, whatever may be

has done for the last few years? I repeat that, whatever may be said in justification of the course which has been pursued in the past, it must be evident to every mind that a different policy is not only essential to the protection of our people but is of itself the

best guaranty of peace.
"Under the condition in which the world is moving today we cannot hope for protection for ourselves unless first we give evidence of our intention to protect, and, secondly, our determination and our capacity to protect. * * *
"We enter this war, therefore, not disunited, not discordant, but as men who believe that their rights have been invaded, their privates."

ileges assailed, their Government attacked, and who are willing to meet the situation, not as they have made it, but as others have made it for them.

"Nevertheless, here are a hundred million people united in spirit and in purpose, determined to enter the struggle, not for territory

and in purpose, determined to enter the struggle, not for territory or for power but for their rights and their honor, without which we as a Nation must perish."

If we repeal all neutrality and peace legislation and resort to international law to keep us out of war, is there any reason to believe that our citizens will not avail themselves of the rights under international law and pursue the same policy and commit the same acts that they did prior to our cutty into the World War? the same acts that they did prior to our entry into the World War? Is there any reason to doubt that the same illegal submarine warfare will be conducted not only against the vessels of the belligerents, but against neutral vessels of our own country and against our neutral exports? And is there any doubt, if these events take place, that the same controversies will arise and that it will again to the difference of the country of the place. be the duty of our Government under such policy to eventually protect the neutral rights of our citizens to an extent that will probably again impel us through honor and duty to enter another foreign war?

Prior to 1917 when we entered the war, we maintained for our

Government the same national policy maintained by every neutral government throughout the world. By the enactment of the so-called Neutrality Act we did not abandon our rights under international law, but we suspended some of the rights of our citizens as neutrals in their relation to belligerents during war. We reas neutrals in their relation to beingerents during war. We restrained our own citizens and our own vessels from subjecting themselves to the danger of death and destruction, that controversies such as arose prior to our entry into the war might be eliminated for the sake of the peace of all of our people. The danger is too great at this time to abolish all control over the action of our citizens and our commerce.

action of our citizens and our commerce.

I fully realize the high purpose of the Thomas amendment and appreciate the strong arguments that have been made in its behalf by great organizations in this country. The time may come when such character of legislation may be deemed necessary by Congress. There is a grave question as to whether any attempt to enact such legislation at the present would accomplish any good. The debate upon it might not be wise and its defeat would have an unfortunate psychological effect both at home and abroad. I am satisfied that a large majority of the Foreign Relations Committee oppose the Thomas amendment and I believe that a large majority of the Senate are opposed to it at this time.

But may I assert that there is no inconsistency in the enactment

But may I assert that there is no inconsistency in the enactment of the legislation proposed by Senator Thomas and the legislation proposed by me. Such proposed acts, however, deal with entirely different subjects and have for their purpose entirely different ends. The Thomas amendment is a change in our foreign policy with regard to foreign governments. The legislation that I suggest is preclibed to describe a demostly adversaries mention that the proposing further restricts a consistence of the constant of the suggest is metric proposing further restricts a demostly metric proposing further restricts a type of the constant of th regard to foreign governments. The legislation that I suggest is peculiarly a domestic matter proposing further restraints upon our own citizens for the sole purpose of preventing them from being killed and their property destroyed by belligerents, because I believe that such illegal destruction would again impel us to go to

If the third alternative is recommended by the committee and adopted by Congress—that is, the enactment of no legislation at this session of Congress relative to neutrality and peace—what position will our Government be in with relation to the next war? The cash-and-carry provisions of the existing law terminate on May 1 of this year. After the termination of such provisions our citizens may transport every kind of articles and materials to belligerent countries except those few manufactured articles now defined by statute as "arms, ammunition, and implements of war." Would not all belligerents be just as intense in preventing their enemy

from receiving all of the materials that enter into the manufacture of arms, ammunition, and implements of war or that are directly used in the destruction of human life as they would be to intercept the transportation of "arms, ammunition, and implements of war" to their enemy? Would not the same methods be adopted as were adopted prior to our entrance into the World War? Would not the same controversies over the legal rights of our citizens arise? Would not our Government be called upon to defend those rights? Would not the results probably be the same as they were in 1917?

Let us assume however that such cash-and-carry provisions are

Let us assume, however, that such cash-and-carry provisions are reenacted. The President has the discretion under the existing law to place in effect such cash-and-carry system or not to place it in effect. He also has the discretion, I believe, to exempt certain materials from the cash-and-carry system. You can well imagine the effort of those engaged in certain production to have their products exempted from the cash-and-carry provisions of the law. It is true that nothing under the cash-and-carry provisions of existing law prevent the sale to anyone in the United States of any article or material except those defined as "arms, ammunition, and implements of war," provided the title is transferred to some foreigner before export; but there is a certain restriction on such sales, and the profits derived by sale in the United States are not as great as the profits that would be received if the seller delivered the goods through a combat area to a belligerent country.

Again, the present law is defective in that it grants no power to prevent our ships from entering a combat area. The bill I propose the effort of those engaged in certain production to have their prod-

prevent our ships from entering a combat area. The bill I propose authorizes the President, from time to time, by proclamation, to designate combat areas within which our vessels shall not move. The importance of this provision must be realized, when we look back upon the immediate cause for our declaration of a state of

In February 1917 the German Government notified the United States that, commencing with March 1, it would establish a war zone on the high seas commencing at the tip of Norway and extending to the entrance to the Mediterranean, reaching hundreds of miles out at sea, and that after the first day of March Germany would sink every vessel entering that zone, neutral as well as belligerent; neutrals engaged in trade with neutrals, or with bel-ligerents; neutrals carrying contraband of war or noncontraband

of war; and without notice and without any provision for the safety of the lives of our citizens on board such vessels.

That was not only contrary to every concept of international law but was brutal beyond expression. Our vessels were ordered off the high seas. Our vessels were denied the freedom of the open seas. Between March 1 and April 6 when we entered the war, a number of our vessels were such in such some with the loss of the number of our vessels were sunk in such zone, with the loss of the

lives of our citizens.

If my proposed legislation is adopted, the President in such

If my proposed legislation is adopted, the President in such a case would have the authority to declare such a zone as was established by Germany as a combat zone, in which our vessels would be prohibited from entering. He had no such authority in 1917, and he has no such authority under existing law.

Let it be understood that in the proposed Pittman Act all articles and materials, including arms, ammunition, and implements of war, are not only included in the "cash and carry" provisions but such "cash and carry" provisions but such "cash and carry" provisions automatically and immediately go into effect upon the declaration by the President or by Congress that a state of war exists between or among certain powers, as do the other provisions of the existing law which are incorporated in the proposed Pittman Act. So that the transportation of foodstuffs and clothing may be safely carried to the suffering civil populations of warring countries, the Pittman Act adds another provision to the existing law. That provision exempts the Red Cross, its officers, agents, and employees, and the vessels that it may charter or control, from the

employees, and the vessels that it may charter or control, from the

provisions of the law.

employees, and the vessels that it may charter or control, from the provisions of the law.

It is very unfortunate, in my opinion, that great peace organizations and organizations of patriotic women should fail to support the Pittman proposal because they prefer the Thomas bill. As I have heretofore stated, they are different subjects and should not be combined. Their purposes are inconsistent with each other. A peace act, to be respected, must be universal in its administration in the United States.

I believe that the chief urge of these societies and organizations in support of the Thomas Act is to obtain aid for China and repression of Japan. My sympathies in this matter are too well known to require reassertion. I do not believe that the Pittman proposed act will be as injurious to China or as preferential to Japan as some believe. Japan has every port in China controlled. Nothing shipped into a port of China can reach the armies of China. Our Government vessels cannot engage in the transportation of war materials to either country, and most of our vessels on the Pacific are Government vessels. The privately owned American vessels are not engaged in the trade with Burma or with Russia, which today are the only two ports of entry to the armies of China.

China's credit position with the United States would not be affected. China must depend upon her sale of silver to the United States for her credit. Such sales are not prohibited under my proposed act. But, be that as it may, I again assert that a domestic act stelly for the protection of curvers entry to the survey of the protection of curvers of chirals.

States for her credit. Such sales are not promitted under my proposed act. But, be that as it may, I again assert that a domestic act solely for the protection of our own citizens must be universal in its administration in the United States as to all governments and all peoples. The people of the United States, the President, and Congress are familiar with all the facts with regard to the invasion. of China by Japan and the conduct of its war of aggression. The President and the Congress know that since 1932, when Japan navaded Manchuria, Japan has been in constant violation of the Nine Power Pact. They know that Japan has particularly violated that

clause which directly affects the United States, where it was agreed between Japan and the United States and other powers that the open door in China should ever be maintained and that none of the open door in China should ever be maintained and that none of the nationals of any of the parties to that treaty would be permitted to obtain any special privileges and sanctions in China over the nationals of any other of the parties to the treaty nor to commit any acts prejudicial to nationals of all parties to the treaty. This has been and now is being openly and admittedly violated by Japan. Our Government has been protesting against these violations and others for months. Japan continues to ignore these protests. Our Government therefore would be justified in passing special legislation with regard to such violation. lation with regard to such violation.

It would not be improper, in the circumstances, in my opinion, to authorize the President to place such restrictions upon our trade with Japan as might be necessary to induce Japan to cease such violations, or at least to give assurances by action that she was taking steps that would terminate such violations in a reasonable time. I cannot understand the consistency or the moral attitude of those who would forbid the sale of manufactured arms, ammunition, and implements of war to Japan because, as they say, they nition, and implements of war to Japan because, as they say, they are unwilling to participate in the murder of people, while at the same time they take no steps to prevent the export to Japan of all the articles and materials used in the manufacture of arms, ammunition, and implements of war They seem to object to the export of manufactured shells and bombs with which to murder innocent Chinese, but they make no objection to the shipment of the materials to Japan with which Japan does manufacture the shells and bombs with which to continue such destruction. Japan would rather have the raw materials than the manufactured articles because the manufactured articles would cost much more ricies, because the manufactured articles would cost much more, and Japan has cheap labor and factories with which to manufacture such instruments of death. China, on the other hand, can only benefit by the manufactured articles, as she has few munitions works and manufacturing institutions. I am thinking only of our own peace. I have not hesitated, personally, to express my abhorrence of dictator governments, because those governments, through their controlled press, have continued to attack and ridicule our form of government and its officers. One statement that I made was incompletely quoted, or garbled, and republished in totalitarian countries for the purpose of convincing their own people that the attacks were upon them and not upon their Government. I have no hatred for any people. I pity those who are deprived of all rights under the totalitarian powers.

Dictators have sprouted and prematurely withered throughout all history. Their governments have been abolished and their domains divided. More liberal governments have arisen from the ashes of dictatorships. Such will be the fate of every dictator and every dictator's government.

Over 4,000 years ago, so the Bible records, Belshazzar, King of Berbleau of the such as the such ticles, because the manufactured articles would cost much more,

Over 4,000 years ago, so the Bible records, Belshazzar, King of Babylon and dictator of all the then known civilized world, had arbitrary power over the life and death of his subjects. Those of his own race were impoverished and maltreated, while those of his own race were impoverished and maitreated, while those of other races were enslaved. Belshazzar turned from the worship of God to worship the golden idols; and at the great feast, when he was celebrating his own absolute power and independence of God and man, a hand wrote upon the walls of that chamber in living light the words: "Mene, mene, tekel, upharsin."

And Daniel was called in to interpret the meaning of these words, and thus he read them to Belshazzar:

"God hoth numbered the kinedom and finished it.

"God hath numbered thy kingdom and finished it.

"Thou art weighed in the balances and art found wanting.

"Thy kingdom is divided and given to the Medes and Persians." Mene, mene, tekel, upharsin,

President's Communication to Chancelor Hitler

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

LETTER TO THE CHANCELOR OF THE GERMAN REICH FROM THE PRESIDENT OF THE UNITED STATES

Mr. BARKLEY. Mr. President, I ask to have printed in the RECORD the letter sent by the President of the United States to Adolf Hitler, Chancelor of the German Reich, on the subject of world peace or a cessation of aggressive operations, and suggesting a conference among the nations to determine upon the matters involved in the present world chaotic conditions.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE, April 14, 1939.

His Excellency Abolf Hitler,

His Excellency Adolf Hitler,

Chancelor of the German Reich, Berlin, Germany:

You realize I am sure that throughout the world hundreds of millions of human beings are living today in constant fear of a new war or even a series of wars.

The existence of this fear—and the possibility of such a conflict—is of definite concern to the people of the United States for whom I speak, as it must also be to the peoples of the other nations of the entire Western Hemisphere. All of them know that any major war, even if it were to be confined to other continents, must bear heavily on them during its continuance and also for generations to come.

Because of the fact that after the acute tension in which the world has been living during the past few weeks there would seem to be at least a momentary relaxation—because no troops are at this moment on the march—this may be an opportune moment for

this moment on the march—this may be an opportune moment for me to send you this message.

On a previous occasion I have addressed you in behalf of the settlement of political, economic, and social problems by peaceful methods and without resort to arms.

But the tide of events seems to have reverted to the threat of arms. If such threats continue, it seems inevitable that much of the world much become involved in common with all the world. arms. If such threats continue, it seems inevitable that much of the world must become involved in common ruin. All the world— victor nations, vanquished nations, and neutral nations—will suffer. I refuse to believe that the world is, of necessity, such a prisoner of destiny. On the contrary, it is clear that the leaders of great nations have it in their power to liberate their peoples from the disaster that impends. It is equally clear that in their own minds and in their own hearts the peoples themselves desire that their fears be ended their fears be ended.

It is, however, unfortunately necessary to take cognizance of recent facts.

Three nations in Europe and one in Africa have seen their independent existence terminated. A vast territory in another independent nation of the Far East has been occupied by a neighboring state. Reports, which we trust are not true, insist that further acts of agrression are contemplated against still other independent nations. Plainly the world is moving toward the moment when this situation must end in catastrophe unless a more rational way of guiding events is found.

You have repeatedly asserted that you and the German people have no desire for war. If this is true, there need be no war.

Nothing can persuade the peoples of the earth that any governing power has any right or need to inflict the consequences of war on its own or any other people save in the cause of self-evident home defense.

In making this statement we as Americans speak not through selfishness or fear or weakness. If we speak now it is with the voice of strength and with friendship for mankind. It is still clear to me that international problems can be solved at the council table.

It is therefore no answer to the plea for peaceful discussion for one side to plead that unless they receive assurances beforehand that the verdict will be theirs, they will not lay aside their arms. In conference rooms, as in courts, it is necessary that both sides enter upon the discussion in good faith, assuming that substantial justice will accrue to both; and it is customary and necessary that they leave their arms outside the room where they confer.

I am convinced that the cause of world peace would be greatly advanced if the nations of the world were to obtain a frank statement relating to the present and future policy of governments.

advanced if the nations of the world were to obtain a frank statement relating to the present and future policy of governments.

Because the United States, as one of the nations of the Western Hemisphere, is not involved in the immediate controversies which have arisen in Europe, I trust that you may be willing to make such a statement of policy to me as the head of a nation far removed from Europe in order that I, acting only with the responsibility and obligation of a friendly intermediary, may communicate such declaration to other nations now apprehensive as to the course which the policy of your Government may take

municate such declaration to other nations now apprehensive as to the course which the policy of your Government may take.

Are you willing to give assurance that your armed forces will not attack or invade the territory or possessions of the following independent nations: Finland, Estonia, Latvia, Lithuania, Sweden, Norway, Denmark, the Netherlands, Belgium, Great Britain and Ireland, France, Portugal, Spain, Switzerland, Liechtenstein, Luxemburg, Poland, Hungary, Rumania, Yugoslavia, Russia, Bulgaria, Greece, Turkey, Iraq, the Arabias, Syria, Palestine, Egypt, and Iran. Such an assurance clearly must apply not only to the present day but also to a future sufficiently long to give every opportunity to work by peaceful methods for a more permanent peace. I therefore suggest that you construe the word "future" to apply to a minimum period of assured nonaggression—10 years at the least—a quarter of a century, if we dare look that far ahead.

If such assurance is given by your Government, I will immediately transmit it to the governments of the nations I have named, and I will simultaneously inquire whether, as I am reasonably

ately transmit it to the governments of the nations I have named, and I will simultaneously inquire whether, as I am reasonably sure, each of the nations enumerated above will in turn give like assurance for transmission to you.

Reciprocal assurances such as I have outlined will bring to the world an immediate measure of relief.

I propose that if it is given, two essential problems shall promptly be discussed in the resulting peaceful surroundings, and in those discussions the Government of the United States will cledly take part gladly take part.

The discussions which I have in mind relate to the most effec-

tive and immediate manner through which the peoples of the world

can obtain progressive relief from the crushing burden of armament which is each day bringing them more closely to the brink of economic disaster. Simultaneously the Government of the United States would be prepared to take part in discussions looking toward the most practical manner of opening up avenues of international trade to the end that every nation of the earth may be enabled to buy and sell on equal terms in the world market as well as to possess assurance of obtaining the materials and products of peaceful economic life.

At the same time, those governments other than the United States which are directly interested could undertake such political discussions as they may consider necessary or desirable.

discussions as they may consider necessary or desirable.

We recognize complex world problems which affect all humanity but we know that study and discussion of them must be held in an atmosphere of peace. Such an atmosphere of peace cannot exist if negotiations are overshadowed by the threat of force or by the

I think you will not misunderstand the spirit of frankness in which I send you this message. Heads of great governments in this hour are literally responsible for the fate of humanity in the coming years. They cannot fail to hear the prayers of their peoples to be protected from the foreseeable chaos of war. History will hold them accountable for the lives and the happiness of all-even unto the least.

I hope that your answer will make it possible for humanity to lose fear and regain security for many years to come.

A similar message is being addressed to the Chief of the Italian

Government.

FRANKLIN D. ROOSEVELT.

Home-Front Sabotage

EXTENSION OF REMARKS

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

ARTICLE BY ERNEST K. LINDLEY

Mr. BONE. Mr. President, a few days ago Mr. Ernest K. Lindley, whom I consider to be one of the most brilliant and able newspaper men in the United States, wrote a very interesting article on the war tax bill now pending in Congress. I ask unanimous consent that the article may be printed in the Appendix.

There being no objection, the article was ordered to be

printed in the RECORD as follows:

HOME-FRONT SABOTAGE-THE PURSE PATRIOTS (By Ernest K. Lindley)

The war-profits-taxation bill, introduced last week by Senator Bone on behalf of himself and 49 other Senators, is already causing agony in various quarters—among them the New York Times, Miss Dorothy Thompson, and, so I am informed, the Communist Daily Worker.

Last Saturday the New York Times announced on its front page,

Last Saturday the New York Times announced on its front page, with an air of triumph, that among the senatorial sponsors of the bill it could find only 10 who avowed that they had read its full text. This is a 183-page revenue bill. Any bill of such length which has been read line by line by 10 Senators before it has been considered in committee is a bill which has commanded unusual attention. In fact, as much can be said of any revenue bill which has been digested line by line at any time by 10 Senators, with the exception of those who have worked on it in committee. I suspect that the bill had not been read line by line by any member of the staff of the New York Times before last Saturday.

But the New York Times knows the substance of the bill—and so do the Senators of all parties who are its sponsors. The sub-

But the New York Times knows the substance of the bill—and so do the Senators of all parties who are its sponsors. The substance is to be found on four pages—7, 8, and 9, which set up certain tax schedules, and 183, which makes these tax schedules effective upon the declaration by Congress that a state of war exists between the United States and any foreign government. For corporations the bill sets up a tax of 15 percent on the first 2 percent of profits on the adjusted declared value of the corporation's capital stock, 25 percent on the next 4 percent of profits, and 100 percent on all profits in excess of 6 percent.

For individuals the bill reduces the personal exemption to \$500 for an unmarried worker, and to \$1,000 for a married worker, with an allowance of \$100 for each dependent. It applies a normal tax of 6 percent on all taxable income and a surtax which rises from 10 percent on net income of between \$3,000 and \$5,000 to 93 percent on net income in excess of \$20,000.

Miss Thompson says that to adopt this war-tax bill would "give notice to the world and ourselves that we shall accompany war with revolution," and so "make an international promise to commit

suicide." The New York Times says it would "practically insure our industrial disorganization at the very moment when our in-

our industrial disorganization at the very moment when our industry would be called upon to function at its highest pitch."

So we are warned that if corporations and individuals with large incomes were so heavily taxed they would be too discouraged to work for the victory of their country. In short, there would be sabotage on the home front.

How much income and how much profit are necessary to induce these patriots of the home front to work while their country is at war? Both the New York Times and Miss Thompson suggest that it would be nice if war-profits taxes were to take only the excess over normal peacetime profit. The New York Times proposes that the same principle be applied to personal income. income

So we are warned that American corporations and recipients of large incomes won't do their part in the event of war unless they are assured of approximately their peacetime profits and incomes.

If that is so, it is well to know it before a single American youth is dispatched to face a foreign foe.

youth is dispatched to face a foreign foe.

I doubt that most managers of American business and most recipients of large incomes are inclined to be so treasonable as Miss Thompson and the New York Times credit them with being. Morally there can be only one attitude toward the bill of Senator Bone and his 49 colleagues. That is that it does not go far enough. It will permit corporations to make a substantial profit and individuals remaining safely at home to enjoy substantial incomes while others are risking their lives at the front. But as a practical compromise, the bill seems reasonable. It is designed to preserve the system of private enterprise during the war. It permits capital to receive its wage. It is an alternative—probably the only alternative acceptable to the American people—to the socialization of important enterprises during a war. It will still

socialization of important enterprises during a war. It will still permit many thousands of people at home to receive larger remunerations than are paid to the highest officers of the Army and Navy.

erations than are paid to the highest officers of the Army and Navy. On the economic side, Senator Bone's tax schedule, or something approximating it, would restrain a war inflation. We had one during the late World War, largely because we didn't tax heavily enough. The next time the inflation may be worse. A pay-as-you-go tax policy is the best check on inflation.

Some of the support for this bill arises, of course, from the belief that it will help to keep us out of war. It will not keep us out of any war in which we belong because we have a vital interest at stake. But it should subdue agitation for war, not only by those who would profit from it, but by those who, in the absence of a threat to their purses, feel free to indulge their personal animosities at the expense of other people's sons and fathers.

Introductory Address by Secretary Ickes at Marian Anderson Concert

EXTENSION OF REMARKS

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

ADDRESS BY HON, HAROLD L. ICKES AND COMMENT BY THEODORE MITCHELL

Mr. SMATHERS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD the introductory speech delivered by Hon. Harold L. Ickes, Secretary of the Interior, on last Easter Sunday, at the Lincoln Memorial, in Washington, D. C., with a comment made by one of my constituents, Theodore Mitchell, of Newark, N. J.

There being no objection, the speech and the comment were ordered to be printed in the RECORD, as follows:

were ordered to be printed in the Record, as follows:

In this great auditorium under the sky all of us are free. When God gave us this wonderful outdoors and the sun, the moon, and the stars He made no distinction of race or creed or color. And 130 years ago He sent to us one of His truly great in order that he might restore freedom to those from whom we had disregardfully taken it. In carrying out this task Abraham Lincoln laid down his life, and so it is as appropriate as it is fortunate that today we stand reverently and humbly at the base of this memorial to the great emancipator while glorious tribute is rendered to his memory by a daughter of the race from which he struck the chains of slavery.

Facing us down the Mall beyond the Washington Monument which we have erected as a symbol of the towering stature and fame of him who founded this republic, there is rising a memorial to that other great Democrat in our short history, Thomas Jefferson, who proclaimed that principle of equality of opportunity which Abraham Lincoln believed in so implicitly and took so

seriously. In our own time, too many pay mere lip service to these twin planets in our democratic heaven. There are those, even in this great Capital of our democratic republic, who are either too timid or too indifferent to lift up the light that Jeffer-

son and Lincoln carried aloft.

Genius, like justice, is blind. For genius has touched with the tip of her wing this woman who, if it had not been for the great mind of Jefferson, if it had not been for the great heart of Lincoln, would not be able to stand among us today a free individual in a free land. Genius draws no color line. She has endowed Marian Anderson with such a voice as lifts any individual above his fellows, as is a matter of exultant pride to any race. And so it is fitting that Marian Anderson should raise her voice in tribute to the noble Lincoln, whom mankind will ever honor.

We are grateful to Miss Marian Anderson for coming here to

sing to us today.

[Comment of Theodore Mitchell]

I think Mr. Ickes struck at a vital point when he remarked about "lip service" to the freedom of speech and other liberties guaranteed by our Constitution. The whole concert and its significance cannot but be felt by the American people. I feel proud to say that we have a Government that not only gives "lip service" but actually practices the American principles enunciated by Lincoln, Washington, Jefferson, and other great Americans.

Respectfully yours,

Theodore Mischest.

THEODORE MITCHELL

Unemployment and Relief

EXTENSION OF REMARKS

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

RADIO ADDRESS BY HON. JAMES F. BYRNES, OF SOUTH CAROLINA

Mr. CLARK of Missouri. Mr. President, on April 16 the Senator from South Carolina [Mr. Byrnes] delivered an address on the American forum of the air from station WOL, of the Mutual Broadcasting Co., on the subject of unemployment and relief. I ask unanimous consent that the address be published in the RECORD.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

The normal way for a man to earn a living is by employment in private enterprise. However, to expect the millions of unemployed to secure employment in private enterprise this year or for years to come is to indulge in wishful thinking. To expect local governments to be able to provide jobs for these millions is to indulge the mishing without thinking. Some persons who admit that local ments to be able to provide jobs for these millions is to indulge in wishing without thinking. Some persons who admit that local governments cannot furnish the funds for a work program contend that the Federal Government should appropriate the money and permit it to be disbursed by the officials of local governments.

Some of our Republican friends urge that a work program be administered by a bipartisan board appointed by the President, and in the States by similar boards appointed by the Governors of the States.

There is no such thing as a bipartisan board. If a Democratic President appoints such a board, the Republicans appointed are the kind of Republicans who support a Democratic President. If a Republican President appoints the board, the Democrats selected must prove that, after all, they are not very staunch Democrats. No board or commission can administer a work program. It must be done by an individual, clothed with power and held accountable by the people.

A board can act in a quasi-judicial capacity. It cannot successfully perform executive functions. If a work program, daily requiring quick decision on hundreds of questions, were administered by a board, the board would become a debating society and while the members debated the unemployed would suffer. It could be made to operate efficiently only by appointing to the There is no such thing as a bipartisan board. If a Democratic

It could be made to operate efficiently only by appointing to the board one Edgar Bergen and four Charlie McCarthys.

board one Edgar Bergen and four Charlie McCarthys.

If the United States Government should collect the money from the people and turn it over to the States with the power to determine how the money should be spent, it would mean in many States a dole for the able-bodied unemployed. The American people are opposed to the dole for the able-bodied. If the law required a work program we would have not simply 48 W. P. A.'s with different patterns in each State, but we would have several thousand different programs, because by the States the money would be turned over to the towns and townships in the various States.

Turning Federal funds over to the States for administration would mean more politics instead of less politics in administration. When the Congress first appropriated funds for relief, the administration was left to the States. The result was that in three States funds had to be withdrawn and in one State the Governor was indicted and convicted for misuse of funds.

State officials are no better nor worse than officials of the Federal Government. They are elected by the same people. But there is this difference: All of the people realize they furnish through taxation the funds of State governments while many of the people apparently believe that Federal funds come either from big business or from a Christmas tree. Many State officials will fight to balance the budget of the State government but will fight with even greater vigor to unbalance the Budget of the

will fight with even greater vigor to unbalance the Budget of the United States Government.

Much of the sentiment in favor of administration by local governments is due to the mistaken impression that the persons eligible for jobs are selected by Federal officials. The fact is that the persons holding W. P. A. jobs are certified by local agencies. If there is favoritism or corruption the fault lies with local officials and not with officials of the Federal Government.

Social-security funds are administered by State officials, and today we hear many complaints. The States should supervise assistance to the aged and helpless, because the expression of mercy and charity by neighbors is most effective. But the States have a sufficiently difficult problem in administration relief to unemployables without undertaking to administer work program funds, two-thirds or three-fourths of which would come from the Federal Government.

It is rather surprising to hear the party of Lincoln advocating

It is rather surprising to hear the party of Lincoln advocating that the States remain in the political union, but second from the economic union. The fact is no one ever heard of Republicans urging that States administer Federal funds for a work program until last November when, as a result of a temporary lapse in the political thinking of the people, they happened to elect a number of Republican Governors.

of Republican Governors.

Unemployment is a national problem; not only do I say so, but the distinguished Senator from Oregon says so. It is true that he advocated transferring the administration of the law to the States because Dr. Gallup's poll stated that approximately 60 percent of the people believed the States should supervise such expenditures. But in the first part of his speech the Senator from Oregon stated: "It is the primary duty of the Federal Government to provide jobs for the unemployed." The Senator was right, and the Federal Government cannot shirk its responsibilities to discharge what he called a primary duty simply because of a poll by Dr. Gallup.

In a sincere effort to make some progress toward the solution of In a sincere effort to make some progress toward the solution of this most serious problem, the Unemployment Committee of the Senate yesterday authorized me to report to the Senate a bill on this subject. Recognizing that our relief agencies were created during a period of emergency without relation to each other, I have attempted to view the picture as a whole.

By making more liberal payments for dependent children, the blind, and for old-age assistance, this plan would remove these beneficiaries from the field of Government employment.

Unemployment-compensation laws have been in operation in all

beneficiaries from the field of Government employment.

Unemployment-compensation laws have been in operation in all the States only since January 1, 1939. These laws have not yet received a fair trial. This bill provides a minimum amount for unemployment compensation. It shortens to 1 week the time a man must wait for such payments. It lengthens to 13 weeks the time he can receive compensation if he continues unemployed. These laws cover 60 percent of the wage earners, and for a period of 13 weeks will remove thousands from the field of Government-work programs. work programs.

work programs.

The bill provides an additional cooperative program with the States on a 50-50 basis, providing assistance for handicapped individuals who, because of mental or physical disability, are unable to secure gainful employment.

Today sympathetic local officials certify these people to work programs where the average cost is \$1,000 per man per year. Their disabilities make them unable to perform satisfactory work and bring criticism upon the program.

Realizing that those not covered by unemployment compensa-

bring criticism upon the program.

Realizing that those not covered by unemployment compensation or unemployed for a period longer than that for which compensation is paid will still present a problem, the bill provides for a public works agency. Into that agency there will be transferred W. P. A., P. W. A., the construction work of the Treasury Department, the Bureau of Public Roads, the N. Y. A., and the C. C. C. The director of this agency, like the Chief of Staff of the Army, viewing unemployment conditions throughout the Nation and having in advance approved work projects, can order them to proceed in a particular section whenever conditions demand it.

As to such projects as have been administered by W. P. A. and

In a particular section whenever conditions demand it.

As to such projects as have been administered by W. P. A. and P. W. A., the bill requires that a State must contribute an average of one-third of the total cost of all projects. This does not mean one-third of each project, but means that if, for instance, the official in charge accepts a smaller contribution on a sewing-room project, he must require a larger contribution on some other project in order to maintain the average of at least one-third.

In addition to the construction work of W. P. A., the so-called white-collar projects will be transferred, but with this modification, that the agency cannot transfer its funds to other depart.

white-coint projects will be transfer its funds to other departments for so-called Federal projects and cannot use its funds for any project for which there is no local contribution.

By merging all of the construction work, as well as the power to grant funds for construction work by local governments, in

one agency, administration costs will be greatly reduced. We will bring to an end the competition between Federal departments to spend money in the States and bring to an end the "shopping" by local officials for funds from various departments. It will make it possible for a larger proportion of the funds appropriated to reach the persons who are actually out of employment and in need of assistance.

reach the persons who are actually out of employment and in need of assistance.

In communities dependent upon one industry, the shutting down of that industry presents a serious problem to its people. In like manner, technological developments force a readjustment among workers. In such cases it is often difficult to teach an old man a new trade. The chances are he will remain unemployed and in need of assistance, but the younger man should be trained to perform other work for which there is a demand in private enterprise. The bill provides for such training.

In the emergency, appropriation bills were hurriedly considered to relieve what was regarded as a temporary problem, and authorized the expenditure of vast sums in the discretion of department officials. Recognizing this problem now as a permanent one, this bill seeks to have Congress provide the formula for the allotment of funds instead of permitting the money to be disbursed in the discretion of an individual.

The bill provides for the selection of administrative officials under the civil-service laws and this, coupled with the bill which has already passed the Senate making it a criminal offense to use political influence to secure jobs or intimidate employees, is bound to result in great improvement in the administration of these

to result in great improvement in the administration of these

The officials who have administered the work-relief programs were called upon to perform the most difficult task ever confronted by Government officials. For P. W. A. and W. P. A. there was no precedent. Nation-wide organizations were formed. Millions of men and women were put to work. These workers were selected by local officials—by Republicans and Democrats. Mistakes were made by administrative officials, as mistakes will always be made by human beings. You cannot employ millions of people without giving jobs to some who are loafers and some who are criminals.

Projects were selected and applied for in each case by the local Projects were selected and applied for in each case by the local officials. Inevitably there were some of little or no value. But the character of projects improved and today in every county and State there are hospitals, schoolhouses, airports, and public roads, testifying to the permanent increase in the assets of the Nation. Recalling the conditions existing during the last 5 years, I know you will agree that this was a marked improvement in the morale of the unemployed as a result of the inauguration of these work programs.

programs.

I think I know as well as anyone in public life the mistakes that have been made. By simply citing them I might appeal to your humor or arouse your prejudices, but I would not merit your respect. It is our duty to solve this problem which is all important to those who, through no fault of their own, must look to government for the necessities of life and important also to the taxpayers who must pay the bills.

In the solution of this problem, there is no place for petty, partisan politics. Hunger knows no party lines.

The man who will take money from the pockets of the people through the levying of taxes and under the guise of relief, use that money to promote his political fortunes should not only forfeit his office, but should forfeit the respect of all decent people.

The bill we have reported to the Senate is not a complete rem-

The bill we have reported to the Senate is not a complete remedy for the unemployment problem. It is, however, an honest effort to direct the expenditures of the funds of the Government available for this purpose in such manner as to secure for those who are unemployed the greatest possible benefits at the least possible expense to the American people.

The President's Address-One Hundred and Fiftieth Anniversary of the Departure of George Washington to Take Oath as First President

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

M. FRANKLIN D. ROOSEVELT AT MOUNT VERNON, APRIL 14, 1939 ADDRESS BY HON.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the speech delivered by the President of the United States at Mount Vernon on April 14, 1939, on the one hundred and fiftieth anniversary of the departure of George Washington to take the oath as the first President of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mme. Regent, Mr. Director General, ladies, and gentlemen, we have come to the home of George Washington today in memory of another day, exactly 150 years ago, when the owner of Mount Vernon received a message from the First Congress of the United States.

Here in his beloved Mount Vernon he listened to the formal

message from the Congress announcing his election as the first President of the United States of America.

Charles Thomson, his guest, had ridden hither from New York to bring it—Charles Thomson, native of County Derry in Ireland, a Pennsylvania Irishman, with a passionate zeal for liberty, who, through 15 eventful years, had served as the Secretary of the Continuous Congress. tinental Congress.

tinental Congress.

We who are here today can readily visualize that scene from this porch—the sprouting lawn, the budding trees and the dogwoods, and the majestic Potomac running by at the foot of the hill. We can visualize the thoughts, too, which flowed through General Washington's mind. Saying farewell to his Army in 1783, the independence of the Colonies assured, he, already the Father of his Country, had returned to his beloved Mount Vernon with the hope and expectation that his task was done and that he would live a happy and useful life on his broad acres during the remainder of his days of his days.

But trying times still lay ahead for the struggling Nation, and those years after 1783 proved the most critical peace years in all

our history.

Called from his home, he had presided with skill and patience over the Constitutional Convention in 1787. And anxiety and doubt had attended him for many months thereafter while he waited for belated news that the Constitution itself had been

ratified by the States.

I take it that when the permanent framework of the Union had been assured in the summer of 1788, the elections ordered, and the First Congress summoned, General Washington must have known that the task of the Presidency would, without question, fall on

It meant that once more he would leave Mount Vernon behind It meant that once more he would leave Mount Vernon behind him, with no certainty of his return, and that on his shoulders, in the far-off North, would lie the burden of initiating the civil leadership of a new, untried Republic.

He knew that his would be the task of ending uncertainty, jealousy between the several States and creating, with the help of the Congress, a functioning national government fit to take its

the Congress, a functioning national government fit to take its place among the organized nations of the world.

Two days later he and his family were to set forth on that long and difficult journey by highway and ferry and barge, which was to culminate in his inauguration as President on the balcony of Federal Hall in New York on April 30, 1789.

Doubtless on this very porch he sat with Charles Thomson, hearing at first-hand of the long efforts of the first Senate and the first House of Representatives to obtain a quorum, learning of the unanimity by which the votes of the electors were cast for him, listening to the precedents that were being set in the conduct of the first Legislature under the Constitution, and thinking doubtless that his own every move from that day on for many years to come would be chronicled for future generations and thereby set the tempo and the customs of the Presidency of the United States. dency of the United States.

But I am to be forgiven if I, the thirty-first President, dwell for a moment on the feelings within the heart of him who was about

a moment on the feelings within the heart of him who was about to be the first President.

Washington was essentially a man close to Mother Earth. His early training on a plantation, his profession of surveyor, his studies in agriculture and the development of farm lands were never replaced by his outstanding military service under Braddock or as Commander in Chief for the 8 years of the Revolution.

We know that when Mount Vernon came to him by inheritance here his heart was planted for all time. Here he could talk with his neighbors about the improvement of navigation on the river, about

here his heart was planted for all time. Here he could talk with his neighbors about the improvement of navigation on the river, about grist mills on the creeks, about the improving of highways, about the dream of a canal to the western country, about saw mills and rotation of crops, about the topsoil, which even then had begun to run off to the sea, about the planting of trees, new varieties of food and fodder crops, new breeds of horses and cattle and sheep.

Here, too, he had his books and was in touch with the authors and artists of the New and Old Worlds.

Here at the junction point of the North and of the South, at the foot of one of the main arteries that led to the exciting new lands beyond the mountains the travelers and the news stopped at his

beyond the mountains, the travelers and the news stopped at his

door.

Rightly he must have felt that his labors in the service of his rounded out his contribution to the

Rightly he must have felt that his labors in the service of his State and of his Nation had rounded out his contribution to the public weal. Rightly he felt that he had earned the privilege of returning for all time to the private life which had been his dream. That Washington would have refused public service if the call had been a normal one has always been my belief. But the summons to the Presidency had come to him in a time of real crisis and deep emergency. The dangers that beset the young Nation were as real as though the very independence Washington had won for it had been threatened once more by foreign foes. Clear it must have been that the permanence of the Republic was at stake and that if the new Government, under the Constitution, should fall in its early days, the several States falling out among themselves would become so many small and weak nations subject to attack and conquest from overseas.

So it came about that once more he put from him the life he loved so well and took upon himself the Presidency.

That cannot have been a happy day for Gen. and Mrs. George Washington on the 14th of April 1789—a day of torn emotions, a

day of many regrets.

The decision had been made. We, their successors, are thankful for that decision and proud of it. And I think that it would have made General and Mrs. Washington happy if they had known that 150 years later tens of millions of Americans would appreciate and understand how they felt that day in their Mount Vernon home.

Return to States of Responsibility for Relief Administration

EXTENSION OF REMARKS

HON, ARTHUR H. VANDENBERG

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES Monday, April 17, 1939

RADIO ADDRESS OF HON. CHARLES L. McNARY, OF OREGON, APRIL 16, 1939

Mr. VANDENBERG. Mr. President, on Sunday evening the able senior Senator from Oregon [Mr. McNary], the distinguished leader of the Republican minority, delivered an address on the American Forum of the Air on the subject of relief administration. The address cogently sets forth a philosophy with which I cordially agree and which is growing in its appeal to the country. I ask that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

Whenever one undertakes to talk calmly and rationally about the current relief problem his effort usually is misinterpreted. So let me make clear at the outset that I have no quarrel with the use of Federal funds to provide effective and adequate relief for the needy. Republicans, no less than Democrats, recognize that the Federal Government must continue, as long as unemployment is a critical problem, to bear the major share of the cost of its relief. Indeed, it was a Republican, ex-President Benjamin Harrison, who as early as 1894 made the first demand that the Federal Government

Indeed, it was a Republican, ex-President Benjamin Harrison, who as early as 1894 made the first demand that the Federal Government set up a work program to fight unemployment.

Unemployment is our most serious domestic problem. It is a permanent problem. It is a national problem. An overwhelming majority of our people believe that the granting of prompt and adequate aid to the needy unemployed is primarily the duty of the Federal Government. The Congress has taken cognizance of this sentiment. Appropriation of Federal funds for unemployment relief has become an established policy of our Government.

In advocating abolition of the Works Progress Administration and the return to the States and localities of responsibility for the administration of unemployment relief, I am not unsympathetic with the aims of the W. P. A., which as an agency for taking care of the needy and deserving appeals to human sympathy. Most of those on the W. P. A. rolls are genuinely deserving. Yet it is difficult to withhold sympathy from an institution which, despite its glaring defects and inadequacies, does take care of persons who are worthy of the utmost consideration and sympathy.

However, when 64 percent of the voters of the Nation believe that relief should be administered by State and local governments, something should be done to give effective expression to their wishes. And when 53 percent of the voters are convinced that politics plays a large part in New Deal administration of relief in their communities, it is obvious that the crying need is for a relief program which will prevent recurrence of political manipulation, favoritism, and intimidation. The figures I have cited are not fanciful. They are the result of a poll just made public by the American Institute of Public Opinion.

Let us look at just a few of the many specific instances on which are based this Nation-wide criticism of W. P. A. We find evidence of wasteful, extravagant, foolish, and needless spending, political favoritism and intimidation of the unfortunat

favoritism and intimidation of the unfortunate, and outright graft.

However, I do believe the present administration of W. P. A. is probably doing everything humanly possible to insure honest and efficient fulfillment of its duty. The point is that its structural defects are so serious that it is doubtful if it is possible to operate the present organization without risk of periodic scandals. The issue is not the occasional venality of individuals. It is whether or not the system encourages graft, waste, and abuse of power.

The testimony as to the misuse of relief funds for political purposes within the organization comes from officials of the agency itself. Former Administrator Harry Hopkins testified before a Senate committee to the misuse of funds in last year's elections and conceded that he was powerless to prevent it.

Colonel Somervell, W. P. A. Administrator in New York City, recently stated publicly:

"There has been crookedness in the W. P. A. in the past, and there will be in the future. We have found persons who have stolen or misappropriated property. We have found persons who have connived with vendors in the sale or acceptance of materials. We have found persons who have padded pay rolls, and shall probably find more."

Colonel Somervell made this comment after a Federal grand

shall probably find more."

Colonel Somervell made this comment after a Federal grand fury in New York City had urged the appointment of a special prosecutor to determine the extent of graft in the local W. P. A. administration. The jury indicted three employees of the agency for selling minor administrative jobs. It also reported that the evidence indicated a general laxity in the administration of public works and shocking official ignorance of what was going on. Somewhat similar indictments were returned in New Mexico. These situations serve to illustrate not merely the urgent necessity for eliminating waste but for a complete transformation of the present setup.

These situations serve to illustrate not merely the urgent necessity for eliminating waste but for a complete transformation of the present set-up.

On the score of waste and extravagance, W. P. A. has run its administrative costs up to a point higher than the combined comparable expenses of the Civil Service Commission, the Reconstruction Finance Corporation, the Interstate Commerce Commission, the Railroad Retirement Board, the Securities and Exchange Commission, and the Social Security Board.

Administrative expenditures were well over \$5,000,000 a month from July 1938 to January 1939. More than \$4,000,000 a month went for personal services alone. This serves to remind that there are 1,902 administrative employees in Washington and 32,670 in the field, receiving salaries that range up to \$9,000 a year. The W. P. A. monthly expenditure for travel and subsistence is \$500,000. For telegrams and telephone it is \$150,000.

As examples of waste and extravagance in the expenditure of funds for sponsored projects, I might mention \$100,000 for a beauty parlor in Cleveland and \$250,000 to build a W. P. A. propaganda exhibit at the New York World's Fair.

The plain fact is that the New Deal high command has never sought to have the W. P. A. economize. On the contrary, it has been encouraged to waste money in accordance with the naive New Deal pump-priming philosophy.

In 1936 W. P. A. expenditures aggregated \$1,270,235,065: in 1937.

philosophy.
In 1936 W. P. A. expenditures aggregated \$1,270,235,065; in 1937,

In 1936 W. P. A. expenditures aggregated \$1,270,235,065; in 1937, \$1,833,456,971; and in 1938 they totaled \$1,427,701,994. For the current fiscal year they reached the staggering total of \$2,250,000,000. And this in a year in which unemployment-insurance payments and other social-security benefits have increased hugely; a year in which Federal public-works and housing programs are reaching their job-making peaks.

What has this tremendous spending in the current fiscal year accomplished in priming the pump? In January 1938 there were 1,900,000 persons on W. P. A. pay rolls. In January 1939 the number had increased to 2,996,000. The net result of all this spending apparently has been to add 1,100,000 persons to the W. P. A. pay rolls. It has been demonstrated clearly that this agency fails to stimulate private employment and that it cannot care for more than a fraction of the unemployed. Its one unquestioned asset is its

stimulate private employment and that it cannot care for more than a fraction of the unemployed. Its one unquestioned asset is its ability to spend large sums of money with celerity and ease.

In this connection it is well to remember that Congress has never required the W. P. A. to justify its expenditures, as it has done in the case of every other governmental agency. Relief appropriations heretofore have been rushed through House and Senate on the plea of meeting an emergency. Under such a procedure what else could be expected except large administrative costs for which there was little justification?

I might continue with instances of waste, inefficiency, and corruption. But enough has been said, I believe, to demonstrate that the whole set-up is due for a drastic and fundamental overhauling. And until the Federal Government and the States get together to look at the problem as a whole, we cannot expect to get out of the Nation-wide relief muddle.

look at the problem as a whole, we cannot expect to get out of the Nation-wide relief muddle.

The precise provisions of the legislation needed to correct current abuses and to provide swift and adequate relief for unemployed workers in distress is a matter for discussion and decision by the Congress. But whatever form this legislation may finally take to be effective, it must embody certain essential fundamentals.

First of these is outright abolition of the Works Progress Administration and the return to the States and localities of responsibility for administering relief. The Federal Government, as heretofore, must continue to furnish the bulk of the funds. But it must set up safeguards as assurance against political and other misuse of this money. other misuse of this money.

To this end there should be created a Federal Relief Board to which would be entrusted the allocation of the Federal relief funds to the individual States. This Board should be bipartisan and should be appointed by the President, subject to Senate confirmation.

The formula to be used by the Board in making the allocations to the States should be prescribed in the law. It might be desirable to require the Board to give weight to unemployment as determined by the latest available statistics of the United States Employment Service, living costs, population, and the financial resources of each individual State.

The amount allocated to any State should not exceed 75 percent of the total amount to be spent for relief in that State. In no case should it be more than 10 percent of the total amount available for allocation.

In each State there should be set up bipartisan boards to receive and disburse the allocated funds. These boards should be under the close supervision of the Federal Board and held by it to strict accountability. The Federal Board should be given the power to demand the ouster and replacement of a member of

the power to demand the ouster and replacement of a member or a local board for cause.

Thus responsibility for the administration of relief would be placed directly upon the States and localities but safeguarded by Federal supervision so that local politics may not be substituted for Federal politics. Under such conditions, local administration would be far more effective than Federal administration.

A local board is better able to determine worth-while projects than a Federal board. It can make certain that relief is extended to all persons who are really in need and to only such persons.

to all persons who are really in need and to only such persons. Local officials can determine more quickly than Federal officials if there is inefficiency in the execution of any project. And they

also are more responsive to local public opinion.

As a condition to receiving the Federal grants-in-aid, the States should be required to provide not less than 25 percent of the amount to be expended for relief within their respective borders. Should the Federal board find that any of the relief funds had been diverted or misused, it should have the authority to deduct from the Federal allocations an amount equal to the funds misused. The State boards should be required to account to the

used. The State boards should be required to account to the Federal board for all expenditures and the Federal board should be required to give an annual accounting to the Congress.

The law should contain specific prohibitions, with penalties, against any form of bribery and graft, and against any discrimination in the extension of relief because of race, religion, or

political affiliation.

Adoption of such legislation, I believe, is a necessary step at this time if we are to solve the pressing problem of relief and clear up once and for all the political abuses which have made a scandal of the New Deal administration of relief. Certainly that is the least which should be done until we have an opportunity to correct the policies which now are retarding recovery and preventing employment in private industry.

The Democratic Crisis in America

EXTENSION OF REMARKS

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

ADDRESS BY HON. FRANK MURPHY, ATTORNEY GENERAL OF THE UNITED STATES, APRIL 13, 1939

Mr. MASSINGALE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Frank Murphy, Attorney General of the United States, delivered at the Jefferson Day dinner of the Demo-cratic city executive committee, in Philadelphia, Pa., on April 13, 1939:

Thomas Jefferson has rested in his grave for more than a hundred years. In those years a great Nation has risen on the land he trod. Enormous changes, almost beyond imagination, have made a simple agricultural country the most impressive industrial Nation on the face of the earth.

It helps to grasp the tremendous sweep of that transition if we put it this way: In the 100 years since Jefferson the economic

put it this way: In the 100 years since Jefferson the economic world has changed far more than it did in all the 4,000 years before Jefferson. In other words, the economy of Jefferson's day was much more like that of the Egyptian Pharaohs in 2200 B. C. than it was like our economy of A. D. 1939.

But socially and politically, Jefferson's America was as much unlike the Egypt of the Pharaohs as the day is unlike the night. The common man, instead of being a nameless sort of nobody who knew only such pitiful freedom as the man on the throne saw fit to give him, had become a very definite somebody. In fact, he had done away with the man on the throne and taken it over himself. More surprising still, he had let it be known that liberty was not the luxury of a few but the elementary right of all—the rich and the poor, the weak and the strong, the Jew and the Gentile.

I know of few things in our history that have symbolized that creed quite as well as the words Jefferson once spoke to a visitor from a foreign land where men knew liberty only by the grace of kings.

You may remember that during Jefferson's first term the country was visited by Baron von Humboldt, a great German scientist who was also a great admirer of Thomas Jefferson. One day at the White House, the baron picked up from the President's desk an opposition newspaper that fairly reeked with anti-Jefferson abuse. Indignantly he turned to the President and asked:

"Why is such an outrage permitted? This paper should be suppressed and the editor sent to prison."

Jefferson smiled at his German friend, folded the offending paper, and handed it to him.

"Baron," he said, "take that with you when you go home. And when hereafter anywhere in the Old World you hear men question the freedom of speech and the liberty of the press in the United States, show them that paper and tell them where you found it."

That's the real spirit of America—not just to believe in democracy

That's the real spirit of America—not just to believe in democracy but to practice it all the way, even when it hurts.

We have another President today who not only has faith in democracy but believes in making it live. On his desk, too, there have been newspapers that questioned his motives and his veracity, even his sense of honor. But hysteria and abuse have not weakened his purpose. They have never swayed him from his course. Instead, for 6 difficult years, day in and day out, he has made the same gallant battle for economic justice, the same unfilinching stand for tolerance and civil liberty, the same uncompromising fight for all the intangible blessings of freedom that tyrants across the sea are fighting to destroy. Like Thomas Jefferson, he has refused to let democracy down.

His fight has been all the more inspiring because it was made in the face of a catastrophe such as the America of Jefferson's day

in the face of a catastrophe such as the America of Jefferson's day me the face of a catastrophe such as the America of Jenerson's day never imagined. He has struggled, and struggled successfully, not only to protect the minds of men from the tyranny of despotism but also to save their bodies from the blight of hunger and cold. His has been a twofold ordeal—economic as well as political— because in the span of a century we have experienced an economic

because in the span of a century we have experienced an economic revolution.

From a simple, quiet age in which unemployment was practically unheard of and each man was in large measure the master of his own fate, we have come to an amazingly mechanized era in which 130,000,000 people are economically interdependent. In agriculture and industry alike, our economy operates through specialization and minute division of labor. Invention has nullified distance and multiplied thousandfold man's power to produce.

But what each of us does produce and can produce depends no longer simply upon our own efforts but upon the acts and decisions of thousands of others. No man stands alone. If the economic system as a whole is functioning smoothly, the average man has the means of self-support and the liberty that goes with it. But if the system bogs down, he may easily become powerless to help himself. And it is folly to speak of democracy, when men do not have the chance to earn their dally bread.

Out of a great process of transition, there has emerged a new world. It has brought us great, new problems. And we must be ready to meet them, if necessary, with new ways.

The average American citizen is just as willing and eager to work today as he was in Jefferson's time. But he needs the opportunity to work. More than anything else, he wants his job, at a living wage. He wants to provide for his own by the labor of his hands and mind. He is asking society, "Am I a pariah? Have I no place in the economic system?" He knows that without the opportunity to work liberty is a meaningless and hollow thing. And he is demanding that the economic system be so ordered as to give him steady work for wages that will let him live a decent and a healthy life.

The average American is not willing any longer to depend on

demanding that the economic system be so ordered as to give him steady work for wages that will let him live a decent and a healthy life.

The average American is not willing any longer to depend on fate to bring him the chance to work. If natural economic forces fail to bring him that chance, he looks to his Government, that alone speaks for all of us, to do something about it. He believes, with Abraham Lincoln, that "the legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all or cannot do so well for themselves in their separate and individual capacities." He believes, with President Roosevelt, that "our economic and social system cannot deny the paramount right of millions who wish to toll to have it function smoothly and efficiently."

There are those who say that this philosophy of government was not the philosophy of Thomas Jefferson. Nothing could be more mistaken. It is true, of course, that Jefferson believed that in his time the government which governed least was best. But he did so because he believed, and rightly believed, that in his time such a government was most likely to insure to all men life, liberty, and the pursuit of happiness. Jefferson knew the changing tides of life far too well ever to contend seriously that the government which was best for his day would be inevitably best for all times. On the contrary, he insisted that government was instituted to secure for all men life, liberty, and the pursuit of happiness and that it was for each generation to determine for itself the means by which the well-being of the people could best be achieved.

In some other lands where democratic government failed to meet their needs, the people gave up their liberties to dictators who at least promised to provide opportunity for work and security in employment. And we must admit that despite their ruthless suppression of civil and religious liberties, they have kept the great they have done it while the great democracies have so far fail

and realities.

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We must recognize that nature has been kind to us in America. It has given us a country unexcelled in natural resources. Potentially we can produce within our own boundaries more of the things we need than any other nation or group of nations in the world. We are not indebted to or dependent upon the favor of any foreign power. We have in this country the men, the knowledge, the skill, and the resources to produce much more than we are producing. We can husband the national estate—control its floods, harness its waters, and conserve its irreplaceable forests, minerals, and soils—for the benefit of ourselves and our posterity. We have the men and the resources to provide decent housing for We have the men and the resources to provide decent housing for all our people, to give them the blessings of electric power, to clothe them warmly, and to make good health the property of all rather than the prerogative of some of our people.

Our problem is to do these things through the medium of a

healthy, vigorous, constantly expanding system of private enter-prise. Our task is to find the policies and the program that will assure a strong, steady flow of capital into the stream of commerce and trade. Our problem is to give to the industrial mechanism that fullness and steadiness of operation which will allow the laborer and the industrialist alike, the farmer and the professional man, the business executive and the white-collar worker to enjoy the benefits of a reasonable, permanent security.

We want to hand down to our children a Nation healthier than when we found it. We want to endow them, so far as we can achieve it in our time, with an economy that lets men work and know the joy of living. We want to hand down to them a system of private enterprise geared to the permanent well-being of 130,-000,000 souls.

000,000 souls.

To do the many things that need to be done, there is room and there is need for both public works and private enterprise. Both can and should cooperate to achieve common objectives.

Hostility and needless friction between Government and business will not achieve them. Hostility has never done anything but delay social reform and add to the toll of social waste that such delay always brings in its wake.

We don't want an antigovernment mentality; we don't want an antisocial mentality; and we don't want an antibusiness mentality. None of those attitudes can possibly give us the kind of social climate that encourages business and industry to prosper.

We want the kind of mentality that sees this job of effecting recovery for what it really is—a partnership of government and business and labor and all the other elements that make up our common life. We want the kind of mentality that isn't hemmed in by barriers of creed or race or nationality. We want the kind of mentality that isn't hemmed for mentality that will rise over every division and join in the common errand of enriching life in this land of ours.

Until recently, the delay in achieving social reform has not been

mon errand of enriching life in this land of ours.

Until recently, the delay in achieving social reform has not been seriously harmful. Its ill effects have been largely absorbed by the constant expansion and growth of the economic order. But we cannot be sure any longer that our economy will continue to survive this delay. We have never before this decade had 15,000,000 employables without jobs. We have never before seen one-third of the Nation without adequate food, adequate clothing, and adequate shelter. Now more than ever, nine-tenths of the wisdom of action is that it be taken on time. action is that it be taken on time.

If we act too late, if we tarry too long and quarrel too much about using the affirmative powers of government to keep our system of private enterprise working smoothly, we will assuredly seal our own fate. We will betray democracy into the hands of its enemies—either those who want to put all enterprise in the

its enemies—either those who want to put all enterprise in the hands of an all-powerful state or those who would return to a socially irresponsible system of laissez faire.

This is why I am so deeply concerned with the continuance of the progressive program of President Roosevelt. This is why I believe so strongly that we must not take a backward step.

We are so close to the scene that sometimes we do not realize just how heavily the future of democracy, not only in America but in the whole world, depends upon the success of the progressive program in the United States. And I am not now referring to any specific blueprints but to its general policies and objectives, its general methods of approach.

gressive program in the United States. And I am not now referring to any specific blueprints but to its general policies and objectives, its general methods of approach.

Those policies and objectives must be carried on. Profiting by experience and correcting past errors, we must keep looking ahead to the great goal of economic justice within a refreshed and expanded political democracy. We must not turn our eyes backward. If we do, it will be to risk for democracy the fate of Lot's wife, who looked back and suffered death by petrification. For we know that in some other lands democracy has petrified through disuse and has been discarded. It might happen here. Thomas Jefferson knew that democracy would petrify unless the people had something more than the right which people under dictatorship have, to vote "yes." He saw the need of a political opposition—of competing parties which would see to it that the people understood the vital political issues of the day—so that the people might have an effective right to choose not blindly but intelligently between competing principles of political action.

Before Jefferson there were no such things as party platforms or party principles between which voters might choose. Jefferson created the party system in this country when he founded the Democratic Party as a liberal opposition party to the conservative Federalist Party, which up to then had enjoyed a one-party monopoly.

But the entire nurses of the party system is lost if the voters.

monopoly.

But the entire purpose of the party system is lost if the voters of the country do not have a chance to say "yes" or "no" on the the real political issues before the country.

Now you know and I know that as the people of the United States see it, the President and his policies—the general principles and social objectives of the New Deal—constitute the overshadowing political issue in America today. And the democratic process insists that the people have the right to vote upon that issue—to choose whether or not the New Deal shall go on.

We know that the Republican Party, with the support of every reactionary influence in the United States, will fight the New Deal. And if the Democratic Party does not stand firmly behind the President's program, there is danger that the people will be deprived of the right to voice their own convictions at the polls in 1940.

1940.

There may have been times in our history when it made little difference to the people who was President—times when it would have made little difference if there had been no one in the White

But our times are not and will not be such times. We must have a President who has the strength and moral stature to guide the American people in the way they want to go. In a moving world, it is dangerous to stand still. The times demand a national leader who can act as well as say no. Modern

demand a national leader who can act as well as say no. Modern government, as well as modern business, requires an executive who knows when to act as well as when not to act.

And, of course, a liberal and progressive leadership which accepts an affirmative responsibility for action must be strong and vigorous enough to throw off all the corroding influences which seek to attach themselves to its power. A liberal government must be alert to throw off the selfish and corrupt who would barter offices, lobs privileges and even justice.

alert to throw off the selfish and corrupt who would barter offices, jobs, privileges, and even justice.

The best protection of our Constitution against dictatorship is not a weak but a strong constitutional Executive. All dictatorships in the world today have risen because of weak constitutional leadership. Dictators do not grow to power from within constitutional government, but strike swiftly from the outside when constitutional government has become too weak to handle the problems which the mass of the people demand shall be handled. That is twentieth-century lesson No. 1.

There are political opponents of the President who claim that his policies no longer command the confidence of the people. I believe those individuals are wrong. I believe the great popular forces which supported the President in 1936 are just as determined today that the powers of Government must be exercised to do, for all the people, the many things which need to be done and which the people individually cannot do for themselves. themselves

It isn't the President who has lost touch with the people. It is those who would have us believe that the Nation will advance by turning backward.

The President is still the gallant leader who brought the people hope when all the world was in despair. They have not forgotten the blackness of those days in 1930 and 1931. They have not forgotten the terror of the modern famine that swept away

in a twinkling the fruits of a lifetime's work.

They remember how bravely, in the midst of the saddest experience America has known since the Civil War, a great, silent figure elbowed his way through the crowd and led them out of the shadow

They said then, "He speaks our thoughts, he shares our hopes and prayers. We will follow him."

Today, after 6 years of trial, he is still making their fight, still in the front trenches battling for the things they hold most dear. And because he is they are saying, as they did before, "He speaks our thoughts. He shares our hopes. He is our President."

The Monetary Problem

EXTENSION OF REMARKS

HON. JOHN F. HUNTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

RADIO DISCUSSION ON THE MONETARY PROBLEM

Mr. HUNTER. Mr. Speaker, I hope every Member of the House has formed the habit of tuning in on station WOL every Tuesday morning at 8:15 for the series of congressional breakfast discussions now being conducted.

As a sponsor of H. R. 2387, which provides for the return to Congress of the control of money, I am finding these discussions particularly interesting.

Mr. Binderup, the director of the discussions, in the Seventy-fifth Congress introduced the bill which I have the privilege of sponsoring this session. For those who may have missed last Tuesday's broadcast. I am inserting the following copy in the RECORD.

The Announcer. Musical-clock listeners, this morning we are pleased to present the seventh in a series of broadcasts known as the congressional breakfast discussions. We are sure that this program is becoming one of the most popular features on the air, and I am pleased to introduce at this time Mr. Charles G. Binderup, former Congressman from Nebraska, who is conducting these broadcasts each Tuesday at this time. Mr. Binderup.

Mr. Binderup. Greetings to our President Roosevelt, his Cabinet, Members of the Senate and House, and Governors of the Federal Reserve Banking System, and others.

We have invited our guest speakers this morning from the great

We have invited our guest speakers this morning from the great outdoors of the West, from out in the wide-open spaces where Na-ture trains the minds of men to call everything by its right name without fear or favor. I present to our radio audience this morn-ing Senator Lundeen, of Minnesota, and Congressman Murdock of

Senator Lundeen, I remember with much pleasure when we met about 14 years ago out on the plains of Nebraska. That was in the days when we campaigned for Bob La Follette, Sr., for President. We learned to know you then as a friend of farmer and laborer, and we are glad to find you still enlisted in the ranks.

Senator Lundeen. Thank you, Congressman Binderup. I appreciate this fine introduction.

ciate this fine introduction.

In looking over your Uncle Sam's Hospital Chart, wherein you explain the principles of your monetary plan, you very modestly state that these principles were borrowed from Jefferson, Jackson, Lincoln, Blaine, Garfield, and Bryan. Are you right sure that you did not borrow one of these great principles from Dr. Townsend? I refer to that part of your plan pertaining to oldage pensions. I think we all agree that regardless of whether Dr. Townsend's plan is right or wrong, he should at least have credit for making the people of the Nation pension-minded, which paves the way for your plan with an adequate old-age pension.

Mr. Binderd, which paves the way for your plan with an adequate old-age pension.

Mr. Binderd, Yes; I am glad to be reminded of this, Senator.

Dr. Townsend has been a great pioneer in this work, and I know and appreciate the assistance he has rendered in this righteous

cause of old-age pensions.

In my monetary plan, I incorporate old-age pensions as one of the avenues through which we must expand our new money into circulation among the lower-income groups in order thereby to create a greater consuming and purchasing power of the multi-tude, so they can eat and wear, purchase and consume, so our factories can run, and the farmer can produce and sell. The plan stipulates definitely \$50 per month to be paid direct by the Government, eliminating entirely any payments by the States, thus leaving all this new money in the States in circulation for further use.

Mr. Murdock. Congressman Binderup, you said you had borrowed the principles contained in your plan from Jackson, Jefferson, Lincoln, and others. However, I believe this plan of expanding the necessary new money among the lower-income group is decidedly original with you, is it not?

Mr. Branderup Well yes in a way it is original to the extent.

Mr. Binderup. Well, yes, in a way it is original to the extent that the plan was born from observing the failures of other nations as well as our own in past history as well as at present. All former plans contemplated expanding their money supply from the top by donating it to the banks in that strange, peculiar, erroneous philosophy that the people's own money based on their own credit should be donated to the wealthy people to loan to the poorer classes, thereby extracting a penalty from those who labor and create the Nation's wealth, and giving it to those who labor not, but concentrate the Nation's wealth.

Mr. Murbock. But do you believe, Mr. Binderup, that \$50 a month is enough to create the necessary consuming and purchasing power to get us out of this depression? You know the Townsend plan provides \$200 a month, and you know their plan is to force or speed the velocity of money by compelling people to spend their pension money as soon as they get it.

their pension money as soon as they get it.

Mr. Binderup. First, let me reply frankly: No; I do not think \$50 a month old-age pension is sufficient to establish the necessary consuming and purchasing power of the masses that should enable them to buy and consume so the factories and the mines would run to capacity sufficient to supply the needs of the people and create full employment.

And so you will notice our plan contemplates five different steps by which to measure money into circulation scientifically, according to a definite plan that will control velocity and volume.

The first plan of old-age pensions is definite, and why? Definite because 50 years' statistics show that the Nation grows over 4 percent a year on an average, and 4-percent growth added to our new money supply yearly would be more than enough to pay pensions.

The second step is, if and when further expansion is available under the 1926 price level, there shall be appropriated to rehabilitate the farmer not to exceed \$1,000,000,000 per year, \$8,000 per unit, at 2½ percent yearly local tax that the money may remain in the community. If and when further added expansion is available under the 1926 price level, not to exceed \$250,000,000 shall be appropriated for the National Youth Administration in order that children of moderate means may acquire as good an education as a

child of rich parents.

The fourth step is, if and when still further expansion is available under the 1926 price level, all Government bonds shall be paid and ours shall be a debt-free Nation.

The fifth and last step is, if and when all the above provisions have been met and further expansion is available under the 1926 price level, it shall be used to develop the Nation's natural resources

and build transcontinental roads.

Senator Lundeen. I am, of course, 100 percent in favor of your Senator Lundeen. I am, of course, 100 percent in favor of your plan to expand our money supply in this way among the lower-income group; but, Mr. Binderup, how about velocity? Velocity of money is to most of the people of the Nation a rather new thought. I believe our radio audience would like to know just how you propose under your plan to create and determine the speed with which money should move, which, of course, is a vital matter in a Government monetary control bill such as you suggest.

For example, I have here a clipping from a Washington paper, dated April 3, which reads as follows: "The Federal Deposit Insurance Corporation reported yesterday that lendable cash in insured banks reached an all-time record high of \$17,176,000,000 at the end of 1938."

Now, this money is dead and dormant. It has no velocity what-

Now, this money is dead and dormant. It has no velocity what-ver. Just how are you going to make this money move? Mr. Binderup. I discussed this matter sometime ago with Con-

gressman Murpock of Utah, and he has such a very comprehensible

way of explaining this apparently intricate problem that I am going to turn the "mike" over to him and let him explain it.

Mr. Murrock. Well, in the first place, if we had Government monetary control, it would be most unnatural for money to lie dormant without any velocity. The possession of money is only profitable when it is coupled with velocity, or in other words, when it is invested or in circulation.

oh, I will admit, under a bankers' control plan, such as we have at the present time, the most profitable business in the world is to let it lie idle as is the seventeen billion the Senator speaks of, because by letting money lie idle, thus taking it out of circulation and lesing its velocity money dies for hoarded money is not because by letting money lie idle, thus taking it out of circulation and losing its velocity, money dies, for hoarded money is not money or does not function as money, and thus this seventeen billion of idle money lies dormant and waits, and by its own inactivity, creates a scarcity of money, causing the prices of everything to come down when these speculators in dollars periodically start buying until prices go up and then they reinvest in dollars, hoard their money until prices again go to the bottom.

Now with a Government monetary-control plan, money would always seek investment, for when the hoarder takes money out of circulation, we will expand our money supply to that extent into the veins and arteries of trade and commerce, and if, at any time, by the combined efforts of all hoarders, they should be able to put too much money back into circulation, we will quietly take some of our money out. Thus we would balance the money supply and definitely control by adding or subtracting volume.

our money out. Thus we would balance the money supply and definitely control by adding or subtracting volume.

Much has been said about taxing hoarded money to force it to circulate; and the Townsend plan, by forced spending, is promoted by the same thought. These ways are all very complicated if not impossible. Why not use the natural way? Take the profits out of hoarding and make it safe for our people to invest their money and you will find your seventeen billion the F. D. I. C. reports hoarded immediately finding its way into circulation.

The prices of commodities change but very little in a hundred years when measured by each other. It is only when measured by money that there is a disastrous change, because willful contraction and expansion of our money supply causes the price of the dollar to

and expansion of our money supply causes the price of the dollar to fluctuate. So, having first established velocity, we control definitely and at all times the volume of money in the veins and arteries of and at all times the volume of money in the veins and arteries of trade and commerce by expanding our money supply among the lower-income group, and money will be balanced with and according to commodities. The more commodities that are produced, necessarily, the more money that must be created.

Senator Lundeen. Now, Congressman, stop right there a minute. You just said that the more commodities that are produced the more money must be created. What do you mean by creating more money? Do you mean we would have to buy or dig up more silver and gold?

silver and gold?

silver and gold?

Mr. Murrock. Silver, yes; for silver adds to our money supply, and we do not have to pay the international bankers a rake-off every year for using silver, and silver money doesn't cost the United States anything in the first place, as all we do is give a receipt for silver, called a silver certificate, which is in reality a receipt for services rendered by the miner. A silver certificate is a real pattern for money. All our money should be merely a receipt for services rendered. for services rendered.

In reference to gold—well, as long as we dig it out of one hole in the mountains and then bury it in another hole down in

In the mountains and then bury it in another hole down in Kentucky, gold is very immaterial.

We still have with us, however, people from the "horse and buggy" days who believe we should have gold for money exclusively, or what we call the "gold standard," meaning that all our money should be based on gold. Well, I might agree with them, if these same parties could assure us of some way that we could always find just enough gold and silver to balance our monetary supply with the increased population, increasing industry, and the natural increase in money made necessary by a higher standard of living, for our people in the lower income groups, and to balance the price of labor and commodities with fixed charges that do not respond to supply and demand, such as all of our debts, which amount to approximately \$300,000,000,000, our interest, taxes, freight rates, and hundreds of other things which are trust-controlled and remain stationary. Now, if our gold-standard friends could show us a way whereby we could always find just enough gold to balance our monetary supply according to these demands, the gold standard would be all right. But,

of course, everyone knows that this is an impossibility, and knowing that, everybody should realize that the gold standard is a farce and a fraud.

But every thinking man knows that, under our present mone-tary system, approximately 97 percent of all business and commerce is done with checks. And so, I want to answer the question of the Senator and say, let gold and silver flow in and out of the channels of trade, but control your volume and velocity of money by controlling bank credit. In other words, establish 100 percent reserves back of demand deposits and thereby stop 15,000 banks, little individual mints, from creating and destroying our money. ing our money.

Senator Lundeen. That is a very good explanation, Congressman Murdock, but you still haven't answered my question as to how you are going to create money so this balanced price level can be maintained. Now what we would like to know is: How is

money created?

Mr. Murdock. The fathers very wisely provided in the Constitution that Congress shall create money and regulate its value. Senator Lundeen. But how about the 97 percent of our money which the bankers create? Would you say that is created by

law also?
Mr. Murdock. No; I would say the creation of money by bankers
Mr. Murdock. No; I would say the creation of money by bankers Mr. Murbock. No; I would say the creation of money by bankers violates the most sacred law we have—our Constitution—the provision I just referred to. However, notwithstanding the Constitution, statutory law invests the bankers with this power, which has not been questioned in our courts. All money, however, should be created by law, in harmony with the Constitution. Senator Lundern But now what I would like to have you explain, Mr. Murdock, you say all money should be created by law, but who under our present system controls the value of the money that is created under our present system. and how is the

money that is created under our present system controls the value of the value of money established?

Mr. Murnock. Of course, the banks create 97 percent of our money, "check-book money," and with the power to create goes the power to destroy. It must be admitted that the banks create the value of money, that is, the purchasing power of money. In other words, the value of money as compared with commodities. I have recently coined the phrase "emotional money," which in my opinion is a perfect definition of "check-book money." The emotions of the bankers create it, destroy it, and control its value.

Senator Lundeen. Now, Congressman Murdock, let me again ask you, under our present monetary policy, who really does

create our money?

Is it our Government which creates money by law providing this or that shall be money, or is it the banks who determine the value of the purchasing power of our money? Now tell me, Congressman Murpock, which of these two forces is the creating

power.

Mr. Murdock. Well, I don't think there is any question but what the power which determines the value of money is the

superpower.

superpower.

Senator Lundeen. And so, since the banks create 97 percent of our money and determine the value of the purchasing power of all of our money by their power to expand or contract money without any governmental control whatsoever, I agree that our present monetary system is a violation of and results in a practical nullification of article I, section 8 of the Constitution of the United States which vests in Congress the sole power to issue the money of the Nation and regulate its value or purchasing power.

Mr. Murdock. I believe in this opinion we are joined by a great majority of monetary students that our present banker-created and banker-controlled money is unconstitutional. In my own personal judgment, there is no difference between the issue of this uncontrolled bankers' credit and the unsound and thoroughly discredited wildcat banknotes of our earlier history.

oughly discredited wildcat banknotes of our earlier history. Senator Lundeen. And so let us see just how far this vicious system can bring us. I leave it to you two gentlemen who are seated at the table with me. Isn't it a fact that by this power we have extended to the banks to control the value of the purchasing power of the Nation's money they could have, if they wanted to—we have no law to prevent them—some more meetings like they had in 1920, when they took approximately \$10,000,000,000 out of circulation; in 1929, when they took no less than \$8,000,000,000; in 1937, when they took almost \$3,000,000,000 out of circulation; and take enough money out of circulation just by telling the people to come in and pay off their old notes and refuse to make any more loans? more loans?

more loans?

By this process they could bring our land down to a dollar an acre or less and wages down to a nickel a day or less, and there is no power in the land that could stop them, unless the Constitution of the United States is still law that says "Congress shall control the volume and the value of money."

The Announcer. You have just listened to another of our congressional breakfast discussions conducted by former Congressman Charles G. Binderup, of Nebraska.

Mr. Binderup, I believe your audience would like to know who your guest speakers will be next Tuesday morning.

Mr. Binderup. Well, Mr. Brown, I can assure you that it is a great pleasure for me to announce that one of our speakers will be from the extreme northern part of the United States, Senator Murray, of Montana, a good Democrat, and the other speaker will be from the extreme western part of the United States, Congressman Anderson, from California, a good Republican.

What Shall Our Foreign Policy Be?

EXTENSION OF REMARKS

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

I. KEEP OUT OF WAR

Mr. BENDER. Mr. Speaker, every step taken by our diplomatic corps, every official utterance of our State Department, every address of our President and his Cabinet must be based upon the desire to keep out of war.

This should be the major objective of our foreign policy. Anything which involves us in any European conflict must be interpreted as a complete failure of our Diplomatic Service.

Whether this policy be branded as "isolationist," "nar-row," or "uncooperative," it must be the one basic desideratum in every discussion of foreign affairs.

II. THE NEUTRALITY ACT

Our present Neutrality Act, which vests in the President absolute discretion to determine whether or not a state of war exists at any place in the world, completely ignores the invention of undeclared warfare.

It permits the Nation's Chief Executive to distinguish between such conflicts as the recent Spanish War and the Sino-Japanese struggle, in spite of the fact that the ele-

ments of aggression must exist in every war.

To maintain this neutrality legislation in the event of a general European conflict would be to invite the destruction of American shipping and the creation of incidents identical with those which led us into the last war.

We must adopt measures which will impose strict neutrality, placing all commerce with nations at war on a "cash and

carry at their own risk" basis.

III. THE LUDLOW RESOLUTION

Ideologically, there is much to be said for the adoption of the Ludlow resolution. The men and women who must do the fighting-and the dying-in any war ought to be given the right to determine for themselves their choice of peace or war.

Since the Ludlow resolution specifically provides that it shall not apply to any armed invasion of our own Nation, but shall be invoked before we fight on any European or other foreign soil, it appeals strongly to my sense of ideal democ-

racy in the determination of affairs.

The only objection which I have to the passage of this important resolution is the strong assurance which I am afraid its adoption might give to dictators abroad. Secure in the knowledge that the American people hate war, the forces of madness which are stirring in Europe today might well continue their course without hesitation, banking upon nonintervention.

Our moral influence, for whatever value it may have in a world which seemingly ignores moral considerations, would be utterly useless.

For this reason I cannot give my unqualified support to the Ludlow proposal.

IV. RELATIONSHIP TO THE DEMOCRACIES

The policies which I have outlined should serve to throw our support to the democracies of the world against the dictators

Morally, our influence is already entirely motivated by a desire to back them.

Economically, the "cash and carry" neutrality would aid our friends since they alone in Europe have the funds to purchase what they may need on a cash basis.

But more than anything else, by refusing to be drawn into active participation, through ships or men, we should be far more able to keep out of war than we are under the present legislation of our Nation.

H. R. 4931-An Attack on the Central Problem of Modern America

EXTENSION OF REMARKS OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. VOORHIS of California. Mr. Speaker, the single, allimportant task before this Congress today is to solve our two great problems: Unemployment and the public debt. It is not enough to solve one or the other of these problems. Both of them have to be solved together. Both of them can be largely solved by a sensible application of two fundamental principles: First, that the Government of the United States has a primary duty to see to it that the consumption of the Nation keeps pace with its production, and, second, that one of the primary methods it must use in accomplishing this is the establishment of a scientific relationship between the supply of money in circulation and the productive capacity of the country. In an effort to bring these two principles into play, H. R. 4931 has been introduced into the Congress. It is not the only thing that needs doing; it is one of the most important ones.

The present situation of continued unemployment and an ever-rising Government debt cannot be attacked with palliatives any longer nor can it any longer be called an "emergency situation" to be dealt with by emergency measures. We are confronted with the necessity of correcting what apparently is a fundamental shortcoming of our economic system which makes it impossible for us to get our idle men, idle machines, and idle capital together. Our surpluses of dairy products, oranges, wheat, even cotton, are not real surpluses. They are a threat to our farmers only because we have not yet learned the true relationship between money

and real wealth.

Today men, women, and children go hungry and ill-clad because they lack the money to buy the necessary food and clothing. One-third of this Nation is ill-housed, ill-clothed, and ill-fed, not because of lack of ability to produce these things nor because of lack of a human demand for them but simply because of a lack of money to make the demand active. Money in our complicated economy of division of labor is the beginning and end of our production and consumption and the vital link which connects the two. To the man who has no money, and no chance to earn it, the "inalienable" right to "life, liberty and the pursuit of happiness" is no longer present.

THE PRIMARY NEED OF OUR NATION

American factories, mines, and farms would be producing \$100,000,000,000 worth of goods and services, and possibly considerably more than that if just one thing were done. That one thing is to work out a means whereby these goods and services could be distributed to the consumers of the Nation regularly and continuously.

Americans are unemployed and poor today not because they need to, be but just because we have so far not had the necessary patriotism, courage, and wisdom to solve this prob-

lem of distribution.

Fundamentally the break-down of our system of exchanging our abundant goods and services and our failure to make use of the available wealth is due to basic flaws in our monetary system. To solve the problem of poverty in the midst of plenty we must correct the inequities of our money and credit system and find a way to socially distribute the purchasing power which is not only made economically available but becomes economically necessary as technological improvements and capital formation proceed.

To accomplish these things H. R. 4931 has been introduced. THE CONSTITUTIONAL DUTY OF CONGRESS

Article I, section 8, of the United States Constitution places on Congress the responsibility to "coin money, regulate the value thereof and of foreign coin * * *." These words have often been quoted before the Congress, but Congress has done very little about them.

Now what is "money" and what is "value" in the inten-

tion of the framers of the Constitution?

Money: In speaking of coining money, was it the intention of those who wrote the Constitution that the Congress of the United States should have control only over the pennies, nickels, dimes, and quarters? What about bank notes? The Supreme Court, in the Legal Tender cases, after the Civil War, determined substantially that the issuing of bank notes was the equivalent of "coining money." But neither coins nor bank notes are our chief money today; for more than nine-tenths of our trade is carried on by means of what we may call deposit currency or demand deposits subject to check. There can be no disagreement regarding the fact that deposits subject to check are promises by the banks to furnish money on demand; and that these promises of banks circulate as if they were themselves money, and perform the functions of money. That is what we are here concerned with. Since check-book money performs the functions of money, we must call it money with the same right that the Supreme Court declared bank notes to be the equivalent of coin.

"To coin money" means, therefore, the issuance of actual coin, of bank notes, and of check-book money or any other substitute which performs the function of money. And further, the responsibility of Congress to coin the money of the Nation necessarily carries with it the responsibility of prohibiting anyone else from coining money substitutes such

as demand bank deposits.

At present the following agencies coin the money of this Nation: (1) The United States Treasury when it issues silver certificates in exchange for silver bought from domestic producers or from foreign producers; (2) the United States Mint when it coins the small change, the pennies, nickels, dimes, quarters, half dollars, and dollars out of metal; (3) the Federal Reserve System when it issues Federal Reserve notes and extends Federal Reserve credit to the member banks of the Federal Reserve System; and (4) our 15,000 commercial banks whenever they create check-book money in the process of making loans. So we can say without fear of contradiction that it is not the Congress which coins the money of this Nation but four different agencies, of which the two important ones are the privately owned Federal Reserve System and the privately owned 15,000 commercial banks.

Now, as to the second part of our constitutional responsibility, to "regulate the value thereof"; what is the value of our money and how is it regulated? At the time the Constitution was written the only interpretation of value was the value of the dollar in terms of gold-its gold content or gold weight. In the past 150 years, however, with the development of economics as a science, and especially with the increasing use of index numbers, there has gradually emerged a new conception of the value of money, namely, its value in terms of goods and services, or its buying power. This interpretation of value was evidently followed by the Supreme Court in its decision in the gold clause cases when it said in October 1934:

The question of value in relation to transactions legally available to the plaintiff would require a consideration of the purchasing power of the dollars which the plaintiff could have received. Plaintiff has not shown, or attempted to show, that in relation to buying power he has sustained any loss whatever.

That is, according to this decision of the Supreme Court, value means purchasing power.

WHAT HAS BECOME OF CONGRESS' CONSTITUTIONAL POWER AND DUTY?

Who today regulates the value or purchasing power of our money? Each one of the four agencies just mentioned, the Treasury, the Mint, the Federal Reserve System, and the 15,000 commercial banks, by increasing or decreasing the volume of our money, thereby affect its value; for if there are many dollars in active circulation, the individual dollar buys fewer goods and services than if dollars are scarce. The power of these agencies to affect the volume of our money, therefore, gives them power to regulate its value. If any proof of this is needed, it is only necessary to recall the disastrous fall in basic commodity prices which followed the deliberate contraction of credit by the Federal Reserve Board in May 1920.

In addition, the President has the power to change the gold content of the dollar; the Secretary of the Treasury has the power to change the price of silver and gold and of the foreign exchanges. These powers, too, affect the value of the dollar. These discretionary powers were given the President and the Secretary of the Treasury in an emergency, and in the absence of any governmental agency which might have been prepared to use these powers for the purpose of protecting the dollar from detrimental influences from abroad. There has been demand for abolishing these discretionary powers. H. R. 4931 provides that these powers be taken from the President and Secretary of the Treasury and given to the monetary authority set up in the bill. Under this condition it would be proper to take the powers away from the Executive. But so long as we do not have a properly constituted monetary authority, so long as these powers would fall to the privately owned Federal Reserve System, or be made the tool of speculators, it is vastly better to leave them with the Executive.

Among the agencies affecting, or regulating the value of the dollar, the Federal Reserve System is by far the most powerful. The Board of Governors of the Federal Reserve System exert a tremendous influence over our commercial banks. By buying Government bonds in the open market, it can put new money into the banks, and put them in a position to expand deposit currency; by selling Government bonds, it can reduce the cash resources of the banks and thus enforce contraction. The Board has power to change the reserve requirements of banks, that is, it may say to the banks that instead of holding \$12 of cash behind \$100 of demand deposits, the banks now must hold \$20 of cash reserve: in this manner the Board may lower reserve requirements, and thus facilitate the possible expansion of bank money. The Board may also fix either high or low interest rates which the banks must ask of their customers, and in this manner either encourage or discourage the creation of bank money. In these and other manners the Board may regulate the volume of money and thus its value.

HOW OUR PRESENT SYSTEM WAS SUPPOSED TO WORK AND WHY IT FAILS

Our banking system was supposed to function on the principle of automatic expansion. That is, as more goods and services were being produced, the necessary expansion in the volume of means of payment was to be automatically brought about by additional borrowing by business from the banks. The money thus created would again automatically be destroyed as business repaid its bank loans after having been paid itself. In this manner, the volume of our means of payment was supposed to expand and contract with the volume of short-term, or self-liquidating commercial loans. The banks monetized temporarily goods in process of production or distribution.

In actual practice, however, the volume of these commercial loans was never adjusted to supply us with the volume of means of payment we needed for our expanding economy. On the contrary, commercial loans, hence demand deposits, hence America's money supply, have been expanded vigorously at the very times when the country did not need more money in circulation, and contracted still more sharply at times when more money was desperately needed to overcome deflation, bankruptcy, and depression. The "system" has and must by its very nature continue to work exactly opposite to the public interest of the United States. Moreover, the banks have monetized not only commercial self-liquidating loans, but long-term loans and the purchase of securities. In this manner the banks have interfered with what is essentially the function of savings-since savings must in the end be the source of funds for long-term investment. They also disturbed the rate of interest on long-term investment. And, most serious of all perhaps, by creating demand deposits on the basis of long-term loans which could

not be repaid within reasonably short periods of time, the banks filled their portfolios with slow assets which froze completely when, in the depression, they were supposed to be repaid. This monetization of long-term loans contributed substantially to the failures of about 10,000 banks in this depression. Likewise, the monetization of securities purchases not only sent the stock market skyrocketing, but provided the banks with assets of fictitiously high value, and led straight to the stock-market crash, the deflating of these values, and disaster not only for the banks but for everyone else too.

Strict regulations now make a repetition of this type of expansion almost impossible, although lately there have already been attempts to press the banks into making realestate and other long-term loans for the sake of supplying us with the circulating medium without which our economy cannot be operated. But the banks are, on the whole, unwilling to risk that sort of expansion again. So they let the Government make the loans for them, and merely "finance" the Government by purchasing Government bonds. Nor can we expect that the demand for commercial loans of banks will increase sufficiently, and soon enough, to provide us with the necessary increase in demand deposits from that source. On the contrary, in the past few years business has developed new methods for financing its operations; it has added to its cash reserves, and it obtains additional resources by offering investments directly to the public; so that the natural trend is one of less, not more, commercial loans. It therefore has become an utterly indefensible position to contend that this great Nation must continue to depend for its supply of money and for hope of overcoming depression upon the hit-or-miss creation of demand deposits by our 15,000 commercial banks.

All these facts are cited merely to show what is implied in our constitutional responsibility "to coin money, regulate the value thereof, and of foreign coin * * *." Partly we have delegated the necessary powers, partly these powers have been usurped; but the central responsibility of keeping in circulation the amount of money this Nation needs to carry on an expanding trade has been placed exactly nowhere. Nor is there any agency to which has been given the definite responsibility of regulating the value of our money so as to give us the stability of purchasing power, without which the exchange value of every service and every commodity and the size of every debt is subject to change without notice and without regard to consequence. Without such stability all business is a gamble, periodic farm foreclosures are a certainty, and the honest investor is at the mercy of the smart speculator.

THE PRESENT FEDERAL RESERVE BOARD AND A REMEDY FOR ITS INACTION

As I have shown, Congress has delegated considerable of its power to "coin and regulate" to the Federal Reserve Board. Many people today believe that the Board has all the powers necessary for effective control of both the volume and value of our money, which is not true; many believe the Board has been told by Congress to regulate the value, that is, the buying power of the dollar, which is not true either; and many, no doubt, believe that the Board is anxious and willing to take on that responsibility, which apparently is also a false belief. The fact is, as expressed in its statement of March 11, 1939, that "the Board's control of the amount of money is not * * *"; and the inexcusable tragedy is that the complete Board does not ask for more powers which would enable it to actually exercise this control, and gives, on the other hand, the distinct impression of not desiring such powers.

Nowhere in this or any other statement does the Board give any valid reasons why it believes that its control could not be made complete. The whole statement of March 11, 1939, was apparently made for the express purpose of discouraging any attempt on the part of Congress to direct the Board to use the powers it now has, or any additional powers it might be given in order to maintain a decent stability in the buying power of the dollar as expressed in an index number of prices. But since it is practically only through an

index number of prices that we can measure what the dollar's value is, we must conclude that the Board is fundamentally opposed to the constitutional provision that Congress shall "regulate the value" of our money.

The Federal Reserve Board as at present constituted has demonstrated neither by its actions nor by its words that it is either willing or qualified to act as the agent of Congress in carrying out its constitutional duty of coining and regulat-

ing the value of our money.

The Board has, in recent statements, expressed what it considers its duty. In a statement published in the Federal Reserve Bulletin of September 1937, it said:

* * the Board believes that economic stability rather than price stability should be the general objective of public policy.

But it does not define what economic stability is nor offer the slightest suggestion of how to attain it. In fact, in the spring of that very year, 1937, the Board, in raising reserve requirements behind demand deposits of member banks, contributed to a decline in the volume of our money, which was an important factor in the recession which began in that year. But, instead of reversing itself and lowering reserve requirements, so as to contribute, if possible, to an expansion in the volume of money, the Board permitted a contraction of some \$729,000,000 in demand deposits of member banks in the first 4 months of 1937, at the very time when it was raising reserve requirements. And it waited a full year before it took any effective action to offset this disastrous shrinkage in our volume of money. In what manner the Board here contributed toward the maintenance of economic stability I am unable to see.

In its more recent statement of March 11, 1939, the Board says that it is "in complete sympathy with the desire to prevent booms and depressions, and has always considered it its duty to do what it could to help accomplish these results." In view of our recession experience, however, the Board's sympathy would hardly appear to be enough to actually accomplish results. Sympathy and no action. Congress has given the Board great powers to be used in controlling America's monetary system; the Board gives Congress sympathy, says it has not enough power, and suggests no new power that would enable it to become a constructive force in our national life.

This is the same disastrous do-nothing psychology which dominated the Board before the depression; the Board has pointed to its good intentions; but it has seldom given any practical demonstration of them.

In 1932 Governor Meyer, of the Federal Reserve Board, before a congressional committee, justified the Board's lack of action during the depression with these words:

* * a whole lot of these maladjustments come from neither one standard nor another, but from the conduct and behavior of the people; and sometimes a large number of people, en masse, get optimistic together, and overdo things; then they get pessimistic and overdo things on the other side.

And in its last statement the Board uses almost the same words when it says:

When people are venturesome and expect good times, they lay in supplies and this tends to raise prices. When people are discouraged and expect things to go badly, they tighten their belts and buy as little as possible; the demand for goods declines and prices fall. Usually other things have a greater influence on prices than has the amount of money.

Can this really be the whole philosophy of the Federal Reserve Board? "Don't blame us for anything! Don't ask us to do anything! Times are bad because the people are discouraged. Times were good before the depression because the people were venturesome and expected good times." One is tempted to ask why we should have a Federal Reserve Board at all.

It would be hard to estimate to how great an extent this philosophy on the part of our monetary authority has been responsible for the depth of the depression and for the failure of recovery to materialize. But surely this statement is proof that the Board is standing squarely in the way of an effective carrying out of the policy of this administration of

using all the means at its disposal to restore prosperity. "What is the use," the Board says, "the people are discouraged." The fact is, the people are not discouraged. They have no money to buy the things they want and need. That is why they are forced to tighten their belts and buy as little as possible. But the Board, our most important money-creating agency, says, "Please no; we have nothing to do with it; the trouble is, the people are discouraged."

In the twenties, when Congress tried to legislate directions according to which the Board should carry out its policy, the members of the Board came before Congress and opposed such directions on the ground that they would interfere with the Board's giving the country the type of monetary policy it thought it should have to accomplish the best results. In fact, it was then, as it evidently is now, the wish of the Board to "work toward economic stability," without the obligation to define what it meant by it. Dr. Miller, a member of the Board since its establishment, testifying before the Banking and Currency Committee of the House, said:

I think we have given the conveniently vague phrase (of the Federal Reserve Act) "accommodating commerce and business" a meaning, a content, that is about as good as any promise as can be had that the Federal Reserve System will be operated so as to conduce to economic stability.

The depression experience from 1929 on was proof that the Board was merely opposed to a legislative mandate and not primarily interested in economic stability at all, for it has been shown that the Board's failure to offset deflation was one of the most important factors that contributed to our great depression. Today the Board, again in opposition to a legislative mandate, promises "economic stability." We have heard a lot about bureaucratic usurpation recently. This is a good example.

The Board, in opposing stability of the dollar's buying power, contends that "people are more interested in the relation between prices of what they produce and sell, and the prices of what they buy and use, than in the general price level." There is an element of truth in this, but it is ridiculous to contend that because the Board cannot through monetary measures eliminate the advantages enjoyed by monopoly nor iron out all the difficulties of the economic system, therefore it should not even try to do the obvious, first, and basic thing, namely, ask for power to give us stability in the dollar itself, so that on the basis of such stability we might proceed with some assurance to attack the problem of the lack of balance between specific prices of specific commodities. The Board should remember that one of the reasons given by it for its deflationary policies of 1937 was that it was trying to use monetary measures to bring down the prices of certain monopoly products.

In 1932, near the bottom of the depression, and again in opposition to a mandate by Congress, Dr. Miller testified that—

The important thing from the point of view of good functioning of the economic system either of this country or of the world is that there shall be stability in the price structure, in the relationship of prices to one another * * *.

It was because the Board had by its very action demonstrated that it paid attention neither to the general price level nor to the relationship of prices to one another that Congress reconstituted the Board in 1935; its members were relieved of their positions; new blood, progressive ideas, and aggressive leadership were to take the place of mere wishful thinking. But apparently we are right back where we were 10 years ago. And this is the primary reason for providing in H. R. 4931 that we do away with our present Board entirely, and that this time we not only give it new, progressive blood, but also such additional powers as it needs in order to be effective and congressional direction as to how it must act.

WHAT H. R. 4931 PROPOSES TO DO ABOUT IT

Establishment of central monetary authority: H. R. 4931 proposes to set up an entirely new board consisting of seven members, one of whom shall be the Secretary of the Treasury as ex-officio member. They are to be appointed for 7 years,

with the right of reappointment, and are to have a right to pensions after having served 14 years or more in office.

The bill will abolish the present so-called open-market committee, which consists of seven members of the Board and five presidents of the Federal Reserve banks. There is no reason why anyone but the members of the Board should determine the open-market policy by which the Board exerts its power to determine the volume of money in circulation.

In addition to its present powers, the bill gives the Board the power to determine the price of gold and silver, to buy and sell these precious metals, and to determine foreign-exchange rates—taking these powers away from the President and the Secretary of the Treasury. The Board may, but is not required, to purchase foreign offerings of gold.

Most important, however, the bill provides for the purchase by the Government of the Federal Reserve banks. The present situation is untenable. The Federal Reserve banks are to all intents and purposes the banks of issue of the United States; they put Federal Reserve notes, our legaltender currency, into circulation. They have been given gold certificates which give them a lien against approximately \$11,500,000,000 of the gold in Fort Knox. They execute the open-market policy of the Board; they rediscount for the commercial banks. But they are not owned by the Government at all, but by the commercial banks which are members of the Federal Reserve System. For \$132,000,000, approximately, we will not only purchase the capital stock of the 12 Federal Reserve Banks but will also obtain a clear title to \$11,500,000,000 of gold now buried in the Kentucky hills, and the Federal Reserve banks will in reality become, what many people think they are today, Government banks run by the Board of Governors and through which the Board will execute the monetary policy laid down by the Congress. All earnings of these 12 banks which now go into surplus for the benefit of the private member banks would upon passage of H. R. 4931 be paid annually into the Treasury of the United States.

REASON FOR 100-PERCENT MONEY IN DEMAND DEPOSITS

But all these powers are still insufficient to give the Board effective control over the volume of our money; for, as we have seen above, over nine-tenths of our trade is carried on by means of bank deposits, created by the commercial banks.

How, specifically, can the commercial banks create money? They can do it, because they are required to hold on the average only about \$20 in cash for every \$100 they lend and promise to furnish on demand. The promises of the banks to furnish money are permitted to circulate as money—and they perform the functions of money, provided the people do not all come to the banks and ask for their money. For if they do, as they did in 1932 and early 1933, they find the money is not there, and unless the Government interferes the banks fail. Ten thousand banks disappeared in this depression, largely because their depositors asked for their money which they believed they had in the bank. What they actually had in the bank was merely the banks' promises to pay on demand. The banks were sorry. So were the depositors.

This practice of permitting the banks' promises to circulate as money actually affects the volume of our money in circulation in the following manner. When a bank makes a loan, what it lends is not actual money, but its credit, and this credit takes the form of a demand deposit. The bank credits the account of its customer with, say \$1,000, and he can draw against this \$1,000 as if it were actually in the bank. The bank has, by the stroke of a pen, increased its demand liabilities, and also the total of demand deposits in circulation in the country. Reversely, when the loan is repaid to the bank, the demand deposits of that bank are reduced by that \$1,000, and the total of all demand deposits in circulation are reduced by that much. That is how bank loans first increase and then decrease the volume of money in the country. It is the process that accounted for the destruction of \$8,000,000,000 of America's circulating medium between 1929 and 1932, when the banks

were calling and refusing to renew outstanding loans, and when the real property of the American people was falling once again into bankers' hands because the people could not make good in cash the promises the bankers had loaned to them.

The power of the banks thus to create and destroy our money is inherent in the fractional reserve system. H. R. 4931 proposes to end this system, replacing it with a requirement for a dollar for dollar reserve behind demand deposits. What does this mean? It means that the commercial banks must have on hand—or on deposit in a Federal Reserve bank—a dollar in actual money for each dollar they lend to their customers. Then the borrower's money in the bank will actually be money and actually be in the bank and not be as at present no money at all, but merely a promise to furnish money which is not in the bank at all.

The distinction between a demand deposit which functions like money, but is a mere promise of the bank to pay, and actual money, will thus disappear overnight. Our money system will be simplified, and it will be possible for everyone to understand it.

Incidentally the establishment of 100-percent reserve or safety-deposit banks provided for in this bill would lead to a separation within each bank of its demand-deposit business from its lending and investment business. The demanddeposit business would consist merely of warehousing of the depositor's money, but the lending and investment department would be the real banking business as it should be. To prevent any abuse of the savings and time deposits from developing it is probably necessary to enforce regulations as to the withdrawal of cash from time and savings deposits, and the bill provides for this. At present the savings banks permit the withdrawal of cash from saving accounts almost as if they were demand deposits. As a result the banks, particularly the small country banks, are in constant danger of having to meet unreasonable demands of cash withdrawals from savings accounts which should be regarded as investments and never as ready money. It is therefore provided specifically in H. R. 4931 that the withdrawal of cash from savings or time deposits be made subject to adequate notice and to regulations of the Federal Reserve Board.

ONE HUNDRED PERCENT RESERVE SYSTEM NOT NEW

This 100 percent reserve system is not a new system at all. It is the original system of deposit banking as it was carried on for centuries. The fractional reserve system is relatively young; it dates from the seventeenth century and was invented by the goldsmiths of London who, because they had facilities for storage, were entrusted with the precious metal and money of the people of London. The goldsmiths soon found out that the people were satisfied to transfer their deposits by means of the receipts the goldsmiths had given them, and seldom asked for their money. So the goldsmiths handed out more receipts than they had metal or money in storage, thus beginning the practice of pyramiding deposits. It was essentially a breach of trust, but it soon became such a general practice, that people ceased to think of the system of fractional reserve banking as a sort of legalized fraud, which, strictly speaking, it really is.

WHY OUR PUBLIC DEBT IS SO LARGE

The most important consequence of this 100-percent reserve system is that the Nation will no longer depend for its money on the creation of demand deposits by the commercial banks. Today we, as a Nation, are absolutely helpless with respect to obtaining necessary additions to our circulating volume of money because, as the Federal Reserve Board quite correctly says in its recent statement, "it cannot make the people borrow, and it cannot make the people spend the deposits that result when the banks do make loans and investments." Someone has to go into debt to the banks if we wish an increase in our circulating medium, irrespective of the need of the Nation for more money or of the justification of bringing more into circulation.

As business does not borrow, and our Government is at present obstructed from using its own credit directly, the only

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method that remains is for the Government to sell bonds to the banks for credit on their books and thus to buy demand deposits. The Government has been doing this for the past 6 years, with the result that a considerable increase has been made in public debt, and that we are presently threatened with having even this method of giving the Nation the additional volume of actively circulating money which it needs taken away from us by the people who insist upon immediate balancing of the Budget.

A BALANCED BUDGET POSITIVELY DANGEROUS TODAY UNDER DEBT MONEY SYSTEM

I am wondering, however, whether those who clamor the loudest for a balanced Budget really see the picture. If the Government stops borrowing, and if business does not borrow instead, there will be no further addition to our circulating medium, and consequently no further recovery. We tried to cut Government expenditures and start depending on business borrowing in 1937. It is unnecessary to detail the disastrous results. I was one of those who warned of the consequences if we stopped spending, so long as there was no assurance that business would increase its borrowing of the banks at least as much as the Government reduced its borrowing. I wish to warn again today that a policy of Government economy and Budget balancing will have disastrous consequences so long as we continue to operate under a monetary system which makes the creation of our circulation medium dependent upon someone's going into debt to the banks. A debt money system simply will not meet the needs of a nation of vast productive capacity, tremendous accumulated capital, and limited opportunity for new investments.

It simply cannot be shown that if the Government only stopped spending and embarked on a policy of Budget balancing, business would take heart and expand; or that it is only a feeling of insecurity as to the future of the Budget which keeps business from investing today. For business will expand and invest only when it foresees increasing sales and continued profits ahead. Its present productive capacity is far from fully employed. If we reduce Government spending and as a result consumer purchases, there will be even less reason than there is today, why business should wish to expand. What we need is more spending, more money in circulation in the hands of the people who need it most. But we do not need more Government debt but less of it. That is our dilemma; and the only way that we can obtain both a decrease in our public debt and also the essential distribution of buying power in proportion to our productive capacity is through the terms of H. R. 4931, or a measure like it.

INFLATION A REAL THREAT UNDER PRESENT SYSTEM

On the other hand, suppose that business should begin to borrow of the banks, and the banks to lend to the full extent of their possibilities under the present fractional reserve system. With their present volume of excess reserves the banks could conceivably create \$20,000,000,000 of new demand deposits, enough to drive prices sky high, and inevitably pull us into another crash and depression. The powers of the Federal Reserve Board are utterly inadequate to control this situation. In its annual report for 1938 the Board said—

The ability of the banks greatly to expand the volume of their credit without resort to the Federal Reserve banks would make it possible for a speculative situation to get under way that would be beyond the power of the system to check or control. The Reserve System would, therefore, be unable to discharge the responsibility placed upon it by Congress or to perform the service that the country rightly expects from it.

The 100-percent reserve requirement behind demand deposits would, practically overnight, wipe out excess reserves and thus remove this inflation danger. Until something of this kind is done, a great many otherwise sound and constructive proposals for dealing with the present economic conditions in the Nation will be cast aside on the ground that they would add to excess reserves and thus increase this inflation danger.

The inflation danger is a fitting demonstration of the perverse flexibility of the banking system under fractional reserve requirements. When the banks are expected to expand the volume of money, as during the depression period, that is when they are calling loans and contracting; and when they are expected to contract to save us from inflation, as during the stock-market boom of 1928–29, that is the very time when they expand and thus blow up the inflation bubble still more. This Nation cannot afford to depend upon the self-interest of money merchants for a steady adequate supply of the lifeblood of its economic system.

PUTTING 100-PERCENT SYSTEM INTO OPERATION—WHAT WILL HAPPEN TO BANK EARNINGS

The question now is, How difficult will it be to put our commercial-banking system on a 100-percent basis? The bill provides that 1 year after passage the banks shall hold their demand deposits 100 percent in cash, but permits such amounts of direct and fully guaranteed Government obligations as they hold invested 3 months after passage to be counted as cash for this purpose. The following table of the condition of all insured banks, based on the report of the Federal Deposit Insurance Corporation as of June 30, 1938, shows that the change from the present, fractional reserve system to the 100-percent reserve can be effected without great difficulties:

without great dimeutles:	
Assets (to be held as reserve behind demand Coin and currency	\$909, 727, 000 8, 004, 090, 000 1, 945, 536, 000
Total	24, 384, 547, 000
Liabilities (subject to 100-percent reserve requ	uirement)
Demand deposits	\$26, 121, 112, 000
This would leave a deficiency in reserves as of June 30, 1938, of	1, 736, 565, 000
cent reserve behind time deposits of	445, 844, 000
Excess of interbank deposits over assets	980, 862, 000
Total amount of new money required to put	

According to this table there will be required only a little over \$3,000,000,000 of additional reserves in order to provide the 100-percent reserve requirement. H. R. 4931 provides that this money may be obtained by the commercial banks either by their sale to the Reconstruction Finance Corporation of a part of their assets, sufficient to bring their total of cash and Government bonds up to the required 100 percent of their demand deposits; or by an increase by the banks of their capital stock by the sale of additional common or preferred stock to the R. F. C.

commercial banks on a 100-percent re-

Now, if we go into the details of this transition to the 100-percent reserve system, we find that practically two-thirds of the required additional reserves will be needed in New York; for the rest of the country approximately \$1,000,000,000 will be sufficient to put the banks on a 100-percent reserve basis. In the larger cities the need for new money will be much larger, proportionately, than in the small cities; and in the large banks more new money will be needed, proportionately, than in the small banks. This is because the large banks, and particularly the large New York banks, are today acting somewhat like central banks for the smaller banks. Take the biggest bank of all, the Chase National Bank of New York:

Cash plus Government bonds was on June 30,	\$1, 491, 013, 000
Demand deposits (exclusive of deposits of other banks) Required cash reserve behind time deposits	1, 437, 878, 000 1, 377, 000
	1, 439, 255, 000
Which would leave the Chase Bank with a surplus of cash over and above that required behind demand deposits of	61, 758, 000 668, 604, 000
This leaves the Chase Bank short by The National City Bank would be short \$275	

In other words, by adjusting the situation in a comparatively small number of powerful banks, the 100-percent reserve system could be introduced, without affecting the condition of the many small banks at all. The chief change these small banks would have to make is, that instead of keeping balances in the large New York City banks, they would have to deposit those funds they did not wish to keep in their vaults, in the Federal Reserve banks of their respective districts. That is what the Federal Reserve banks are for.

Moreover, the loss in earnings of the large city banks from the loss of the interbank deposits would not be large. On the contrary, the management and investment of these huge funds is at present one of the greatest problems of the large banks; it is a very costly business, and the possibilities for investing these funds in short-term paper—formerly a profitable business—are very few and far between. In fact, the Federal Reserve Board has had under consideration putting these interbank deposits on a 100-percent reserve basis for the reason that they are not profitable now anyway, but on the other hand furnish the basis for a possible dangerous credit expansion.

The presence of these large interbank balances with the large banks explains also why they have not been able to show as high profits as the smaller banks have been able to show during the past few years. The following table shows the earnings and dividends of national banks, as reported in the Annual Report of the Comptroller of the Currency for 1937:

Earnings and dividends of national banks

Year	Number of banks	Capital funds	Net addition to profits	Dividends on common stock
1926	7, 978	\$3, 089, 358, 000	\$249, 167, 000	\$173, 753, 000
1927	7, 796 7, 691	3, 239, 539, 000 3, 570, 988, 000	252, 319, 000 270, 158, 000	180, 753, 000 205, 358, 000
1929	7, 536	3, 674, 763, 000	301, 804, 000	222, 672, 000
1930	7, 252 6, 805	3, 976, 148, 000 3, 755, 730, 000	246, 261, 000 52, 541, 000	237, 029, 000 211, 301, 000
1931	6, 150	3, 279, 848, 000	1 139, 780, 000	169, 155, 00
1933	4, 902	2, 856, 554, 000	1 218, 384, 000	99, 146, 000
1934	5, 422 5, 431	3, 001, 033, 000 3, 086, 418, 000	1 303, 546, 000 71, 373, 000	75, 848, 000 103, 417, 000
1936	5, 374	3, 165, 728, 000	241, 654, 600	125, 604, 000
1937	5, 299	3, 212, 165, 000	286, 561, 000	153, 475, 00

¹ Loss.

That a 100-percent reserve system would not materially alter the profits from operation of the banks is shown clearly by the next table of the net profits of national banks per \$100 of investment:

Net profits of national banks per \$100 investment (available for dividends)1

aividends).	
Year:	mount
1927	\$1.24
1928	1.21
1929	1.41
1930	1.13
1931	. 25
1932	2, 80
1933	2 1. 41
1934	2 1. 78
1935	. 39
1936	1.20
1937	1.37

¹ From the Annual Report for 1937 of the Comptroller of the Currency.

² Loss.

This table shows that, as the banks have come practically to a 100-percent reserve system during the past few years, this trend has been accompanied by increasing profits. In 1937 the national banks had the highest net profits in 10 years, with the exception of 1929. This is proof positive that the 100-percent reserve system will tend to stabilize not only the Nation's monetary system, but bank earnings as well. On the contrary, the profits of the banks may be expected to rise even higher with the resulting simplification of the banking system and the fact that bothersome and expensive attention to seek investment for demand deposit funds will disappear. Furthermore, H. R. 4931 provides in place of the

present expensive and complicated system of supervision and examination, a single free examination of all banks by the F. D. I. C.

The banks will, in addition, be able to earn money by making small service charges for the handling of their customers' checking accounts. In other words, instead of expecting banks to do all sorts of accounting work for depositors entirely free of charge, and then letting them make up for this by giving them a monopoly on the creation of credit in the Nation, this bill proposes that we should pay the banks an honest fee for their services and then restore to our Government the right to create our circulatory medium. A special commission of the American Bankers Association which has been making a study of service charges says in its Service Charge Survey of 1938 that service charges are a first essential to safe and sound banking. The earnings of banks from service charges have consistently risen during the past 10 years. H. R. 4931 provides that the Federal Reserve Board prescribe maximum rates which may be charged the depositor to prevent abuse.

WHAT ABOUT LOANS?

One first question uppermost in the minds of many people who look into the 100-percent reserve system is, How will the banks be able to make any loans, if they can no longer lend out money from their demand-deposit department? The answer is twofold: First, the banks have now outstanding in loans, discounts, and overdrafts about \$16,000,000,000. As these fall due, the banks will come in the possession of money which they will be able to lend out again. Second, there is a constant stream of funds from current income into savings; these savings are the second source of funds from which the banks will be able to make loans. The freedom from violent changes in the supply of money under the 100-percent system will probably stimulate savings and thus put at the disposal of the banks a constant flow of money for them to put back into the stream of circulation through legitimate loans of real money.

100-PERCENT SAFE BANKING

The 100-percent reserve behind demand deposits will put our commercial banking system on an absolutely safe basis. There will be no need for deposit insurance of checking deposits; for they are the equivalent of cash, and the bank will not be permitted to touch them, but will have to hold them in trust for the depositor. The Federal Deposit Insurance Corporation can then use its facilities to insure time and savings deposits, and H. R. 4931 provides for this insurance. It also provides for the elimination of the present often conflicting examination of the banks by three agencies—the Federal Reserve Board, the Controller of the Currency, and the Federal Deposit Insurance Corporation. The Federal Deposit Insurance Corporation which has to insure deposits will be the sole agency charged with the examination of the banks.

The 100-percent reserve system would, moreover, protect the small banks from the otherwise inevitable encroachment of the larger banks through the adoption of branch banking. Branch banking is often advocated to make our banking system sounder and safer. The British banking system is praised for its efficiency and absence of bank failure, because in England the great bulk of the banking business is carried on by five big banks and their branches.

But the price of this kind of system is to give over control of the economic destiny of the nation to these five banks. In France an even greater concentration exists with the Bank of France in a position to actually dictate governmental as well as financial policy. A similar development in this country cannot be prevented if we fail to put our banking system on an intrinsically sound basis. My bill would do just that. Branch banking, like deposit insurance, is in itself a mere palliative which can do no more than give an appearance of soundness to an essentially unsound situation.

Moreover, democracy's future hangs in the balance. Branch banking is today growing by leaps and bounds. Since 1920 some 15,000 small banks have disappearedmost of them gobbled up by our financial giants. Seventyfive of our largest banks control one-third of the financial resources of the Nation. There are good reasons for these things. Branch banking grows partly because little banks cannot compete with the big ones in a fractional reserve banking business. The combinations take place because it is deemed necessary for safety's sake. England's whole economic life is dominated as I have said by five great banks; France's by one.

If, then, we want to prevent a financial monopoly far more powerful than any we have yet seen from growing up we had better do something about the situation now.

SUMMARY

We have seen why we cannot go on with four agencies coining the Nation's money haphazardly, and entirely without reference to the Nation's need for money; that our constitutional responsibility to regulate the value of our dollar is not being fulfilled; that under present circumstances the Federal Reserve Board-now our most powerful monetary agency-is unwilling and unable to act as the agent of Congress in carrying out monetary policy.

It has been indicated how H. R. 4931 proposes to centralize all the powers over our monetary system in one single agency which would thus become the agent of Congress to carry out its monetary policy; why the present dependence of the Nation for its money supply upon the creation and destruction of bank credit by the commercial banks, gives us an unsound, antisocial, and uncontrollable monetary system; and how this situation can be corrected without difficulty by the introduction of a 100-percent reserve system.

THE HOPE OF LASTING RECOVERY

So far we have been talking largely in technical terms and about the things that need to be done to eliminate the harmful factors in our existing monetary system. Now, let us see how the passage of H. R. 4931 will help directly and positively in solving the two problems of increasing public debt and continuing unemployment about which I spoke at the beginning of this speech.

Here are the pertinent provisions of the bill:

SEC. 2 (a) The Board of Governors of the Federal Reserve System (hereinafter referred to as the Board) is hereby constituted the monetary agent of the Congress of the United States to regulate the value of the money of the United States in accordance with article I, section 8, of the Constitution of the United States, and for this purpose the Board shall have sole power to issue all lawful money of the United States, to regulate the exchange value of all foreign currency and coin, and to control the volume of demand bank deposits, and shall be fiscal agent trol the volume of demand bank deposits, and shall be fiscal agent of the Government of the United States.

And again:

SEC. 6 (a) The Board is hereby authorized and directed to use any or all of its powers to bring about and maintain full employment and a stable buying power in the dollar.

(b) The Board is authorized and directed to purchase with law-

(b) The Board is authorized and directed to purchase with lawful money or deposits in the Federal Reserve banks direct or fully guaranteed obligations of the United States, including, but not limited to, obligations issued for the purpose of financing employment of the unemployed, the rehabilitation of agriculture, the provision of low-interest credit to farmers, home builders, and small industry or other recovery purposes. The Board shall carry forward this policy until such time as a condition of practically full employment has been attained or until the buying power of the dollar has been restored to the average level held by it in the year 1926. year 1926.

(c) Whenever the Board shall find that there is practically full employment or that the buying power of the dollar has been restored to the average level held by it in the year 1926, then the Board shall so announce and shall thereafter use any or all of its powers to maintain the buying power of the dollar as of the date of such announcement and to promote the balanced expansion of production, distribution, and consumption, and full employment

therein.

(d) If the Board shall find that the exercise of all its powers is ineffectual in maintaining practically full employment at the stabilization level of the buying power of the dollar provided for in subsection (c) of this section, then the Board shall promptly advise the Congress and the President with recommendations for appropriate legislation and/or Executive action.

IMMEDIATE RESULTS

Immediately what would these provisions do? They would make possible a frontal attack on the depression in both agriculture and industry without any further increase in the public debt. This bill, as has been indicated, provides that the Board-now an agent of the Congress-shall purchase with the credit of the United States or with lawful money, the bonds of the Housing Authority, R. F. C., Farm Credit Administration, P. W. A., Treasury, or any other Government agency thus making available to these agencies, funds to be used in employing the unemployed, paying old-age pensions, making low-interest loans, or for similar purposes.

This would be new credit—the Nation's credit used for the Nation's needs. Interest on the bonds-if they bore interest-would every dollar of it return to the Treasury of the United States, for H. R. 4931 provides that all earnings of the Federal Reserve banks are to be paid into the Treasury at the end of each fiscal year. The Board would continue this policy until a condition of full employment had been brought about or until the buying power of the dollar had been

brought back to the 1926 level.

I readily admit that immediately the effect of the passage of the bill will be to make money worth less in terms of goods. I think this will be a good thing for the immediate future. People are at present hoarding money in very large amounts. They are doing so because they hope its value in terms of goods is going to rise. Give them the clear idea that the opposite is going to happen, and we will see these very people begin investing their money and putting it to work. This would mean increased employment at once.

Furthermore, so far as the farmers of America are concerned, it is important to remember that if the dollar becomes cheaper and real wealth dearer in terms of dollars, every debt on every farm in America can be paid off with less bushels of wheat, less bales of cotton, fewer cattle or hogs, or smaller amounts of any other farm commodity than was the case before. One of the first effects of the passage of the bill would be to prevent thousands of foreclosures throughout this country for the reasons just given.

I believe this would be a good thing for us to do. But it is most important to point out also that once either full employment or the 1926 buying power of the dollar was reached-whichever was reached first-then thereafter there could be no substantial variations in the value of the dollar in terms of commodities.

THE CENTRAL PRINCIPLE

And now let me say with the greatest possible emphasis that the main reason for depriving the banking system of its power to create money is in order to place this dynamic power in the hands of a public agency of the American people, acting under direction of the Congress.

If, by the introduction of 100-percent reserves we put the banks in the position of making loans not with fiat credit but with real money we must then see to it that the money creating power is exercised in the public interest by the Government of the United States itself. This should always have been the case, but in recent years every time it has been proposed for the Government to expand the volume of money, by using some of the gold or in some other way, the objection has always and, I think quite properly, been raised that to do so would inevitably add to the excess reserves in the banks and to the consequent danger of an uncontrolled inflation of bank credit at some future time. And let me repeat, that my main reason, though not the only one, for wanting 100-percent reserves is in order to give us a controllable monetary system and one in which the Congress can safely provide for bringing into circulation regularly, year by year, a volume of money and/or credit which bears a scientific relationship to the needs of the Nation, its people, and its businesses for such money. This is the end and aim of the whole bill.

And the justification and argument for it are these: Money, in any sane economy must be the means of moving goods and services from producer to consumer. It should not be a factor that decides whether goods and services are to be moved from producer to consumer, neither should it be an all-important commodity bought and sold like other commodities and subject to manipulation for private advantage by those who deal in and control it. So far as possible the relation of money to commodities—its value in terms of commodities—should be constant, for until this is the case we will not produce our goods and services for the good and logical reason that they are needed and can be sold at a fairly assured value; but will, instead, continue to produce goods only when we think their value in terms of money is going to rise, and will refrain from producing them when we think their value in terms of money is going to fall. Until we have a dollar whose purchasing and debt-paying power will remain relatively constant for a generation—as the President has said—we cannot proceed with any assurance to the solution of the problem of the unjustly high prices for monopoly goods and services and the unjustly low prices for agriculture products.

To those who contend that, due to declining costs of production, we should seek a declining price level, there are two answers. First, that as an historical fact we never have had any period of prosperity on a declining price level, and that so long as we retain a free economic system we never can expect production and employment to be full on a declining price level; and, second, that if government controls the issue of money and can direct it into the hands of those who need and will spend it—as, for example, by paying pensions to the aged—the benefits of declining production costs will be passed on to the consumers of the Nation even more certainly than can be done by a declining general price level with its almost certain consequence of unemployment.

THE PEOPLE'S MONEY

For these reasons the bill provides that the function of creating money, removed from the hands of private banks by the 100-percent reserve system, shall be exercised by the Federal Reserve Board as agent of the Congress.

The economic advantage from the creation of money and credit would accrue to the Government and people of the United States under the terms of this bill. Unless that economic advantage does accrue to the whole people there can never be a balance between production and consumption in the Nation. For there is at present no way except increasing debt whereby increased productive capacity, or the amount set aside for depreciation by industry can be compensated for by a corresponding increase in consumer-buying power. In the past, the commercial banks have failed disastrously to supply the Nation's monetary needs. As we have seen, the banks have invariably expanded when they should have contracted; and contracted when they should have expanded. Instead of increasing our debt, as we now do, in order to increase our volume of money, we will in the future, if this bill passes, reduce our debt with every dollar of new money put into circulation.

I cannot imagine that it was ever intended that we should trust to luck, to someone's going into debt to the banks for our supply of our money. Thomas Jefferson, John Adams, Andrew Jackson, and Abraham Lincoln are only a few of the great Americans who have looked with horror upon control by the banks over the Nation's money. The proper business of the banks is, and was always intended to be, that of lending and investing money but not of creating the money they That function was reserved to the sovereign people of the United States by the Constitution. The fact that we have let it fall into the hands of the private banks is one reason why the Government is in the banking business to the extent it now is. In fact, there is only this essential difference between Uncle Sam as a banker and a commercial banker; the commercial banker creates the money he lends, but Uncle Sam has to borrow the funds he lends from the commercial banker. That is, we have today exactly the reverse of all that is right and just and economically de-

THE NATION'S CREDIT GIVEN AWAY

It is one of the most ridiculous features of the present situation that, whereas we permit the promises to pay of commercial banks to circulate as cash, our sovereign Government's promises to pay are not permitted to so circulate at

all, unless, forsooth, the permission of the private banks has been obtained beforehand. What I mean is this. If a farmer borrows money from a bank, the bank creates and lends the farmer credit upon the farmer-borrower's security. But if the farmer borrows from the land-bank commissioner of the United States Government, then Mr. Commissioner, with all the resources of the United States behind him, does not lend the farmer credit on the security of the farmer-borrower's collateral, but must first have the Federal Farm Mortgage Corporation go out and sell a United States Government guaranteed bond for some credit on the books of a private bank and then, and only then, can a loan be made.

In other words, every time a United States Government agency lends credit, it is today compelled to pay tribute to the private financial system. Could we ask any more dramatic proof of the fact that Congress has sold America's birthright—the right to create her money—for a sorry mess of bankers' pottage?

Indeed the Government of the United States today does not even use the Nation's credit to lend against the security of the bonds of a State or city, but even in these cases bonds of the Government are first sold and interest paid before the Government of the Nation is regarded as having any credit to lend. House bill 115 would correct this particular abuse.

And yet to remain in any real sense a sovereign government, our Government must reserve to itself the right to create originally the money of the Nation. Therefore, to restore to Congress that right section 7, the most vital section of the whole bill, reads as follows:

SEC. 7. (a) It is hereby declared to be the policy of Congress to provide, in an orderly manner and without increase in the public debt, such expansion in the actively circulating volume of lawful money and demand bank deposits subject to check as may be necessary to compensate for the annual increase in population of the Nation and in the productive capacity of its industry, agriculture, and commerce. In order to carry out this policy the Board shall from time to time in return for obligations of the United States, establish deposits in the Federal reserve banks in favor of the Secretary of the Treasury of the United States in amounts sufficient to maintain a stable buying power in the dollar under conditions of expanding production, distribution, and consumption; and the Secretary of the Treasury shall forthwith apportion such deposits to the accounts of appropriate Federal agencies in accordance with congressional enactment for any or all of the following purposes:

(1) For the payment of pensions or social dividends to such citizens of the United States as shall have been made eligible to receive any such payments by act of Congress; (2) for the making of loans at low interest rates to farmers to assist in the rehabilitation of agriculture and the reduction of farm tenancy; (3) for the expansion of public works, including conservation and development of our natural resources, slum-clearance, low-cost-housing construction, and similar activities; (4) for retirement of the public debt of the United States; (5) for payment of the ordinary expenses of the Federal Government.

(b) If at any time after the announcement provided for in subsection 6 (c) above the Board shall find that the volume of lawful money and demand bank deposits in active circulation is not so balanced by the volume of goods and services flowing through the markets of the Nation as to prevent a sharp and inflationary rise in prices, then the Board shall cause the Federal Reserve banks to sell to the public obligations issued or fully guaranteed by the United States Government in amounts sufficient to maintain a stable buying power in the dollar.

Let me explain that section. Here is what would happen. The Board is charged with maintaining the buying power of the dollar once a proper stabilization level has been reached under the terms of section 6 of the bill. As production increased or goods and services became more plentiful, the value of the dollar in terms of goods would tend to rise. The Board must then purchase from the Secretary of the Treasury enough obligations of the United States to give the Treasury such additional volume of money as would be necessary to keep the relationship of the dollar to commodities a constant one. So far as the Treasury is concerned, this would merely be a source of funds in addition to the tax source and the borrowing source.

The Treasury would then spend the money as Congress directed through its appropriations in one of the five ways enumerated in the bill. Congress would appropriate the money made available by the Board just as if it has come out

of taxes or out of bond sales to banks or the public. Treasury obligations bought by the Board under this provision could be either interest bearing or noninterest bearing. If they bore interest, it would be returned to the Treasury again at the end of the fiscal year along with all other earnings of the Federal Reserve banks. In any case, the important thing is that the public debt would not be increased. One agency of government, the Treasury, would owe another agency, the Board, a certain amount of money. It would be a bookkeeping transaction similar to the transaction that takes place now when the Treasury sells bonds to the private banks, except that the people of the United States would be using their own credit, put into circulation by the Board, under absolute control by its mandate, to promote the public welfare.

THE ANSWER TO THE DEBT

Here, I think, is the key to the failure of our efforts to deal successfully with depression in the past few years, the answer to recurrent periods of prosperity followed by collapse, the reason why modern capitalist economies almost universally are burdened with staggering debt and afflicted with the tragic paradox of poverty in the midst of plenty.

We have blunderingly assumed that the reservoir of credit in the Nation was ϵ private, not a public, one and we have permitted private financial interests to capitalize in terms of new flat credit the growth of population and productive capacity of this great Nation.

We have attempted to borrow into circulation enough demand bank deposits to bring recovery, but we have been unable to push the national debt up fast enough to make this policy effective.

Instead of this we should have recognized the fundamental justice as well as the absolute economic necessity of having the Congress bring into circulation directly year by year a volume of money sufficient to meet the needs of a growing population and expanding productive capacity on a basis of reasonable stability in the buying power of the dollar.

We have left out of account this basic factor in our calculations. There takes place, year by year, a net increase in the productive capacity, population, and wealth of America. Over our history this increase has averaged about 4 or 5 percent despite the terrible depressions we have suffered. In the absence of a practical recognition of this factor of national growth, no amount of investment, however large, can ever bring about balance between our power to produce and our power to consume. For investment, while adding temporarily to consuming power through wage payments and the like, also increases our power to produce and in the long run leaves us more out of balance than we were before.

This is the main thing my bill aims to do. It says in effect the American people have had children and increased the population, the American people have improved their technique of production in agriculture and industry, the American people have invented new means of transportation. The whole people have earned the right to have their Government bring into circulation an additional amount of interest-free money to compensate for this growth and to keep the dollar as such from devouring, in inflated value, the wealth and hope that this growth made possible.

If the dollar is to be the handmaid of industry and not its devouring master, then the volume of money must be increased scientifically year by year to match the growth of industry.

SOUND MONEY

Among the most indefensible of the arguments which I know will be advanced against H. R. 4931 are these: That money, in order to be sound money, must bring interest to some bank which has created it; that the money we now use is sound money, and that Government-created money, being free from this interest charge, would be unsound or flat money. It is not here proposed to create flat money in unlimited amounts for the purpose of financing Government expenditures or an ever-growing deficit, for, under this bill, money would be created no more rapidly than the expansion of population and actual production of wealth justified.

The number of dollars in circulation would, as it were, be determined by the number of bushels of wheat, bales of cotton, boxes of oranges, houses, and so on. This Government created money, the supply of which would be controlled strictly with a view to maintaining its buying power, would be the soundest of sound money, while the money presently created by banks chiefly for the purpose of creating a profit to the banks, and without due regard to the needs of the national economy as a whole, is unsound in the truest sense of the word.

Federal Reserve notes are redeemable in lawful money, but there is no lawful money with which to redeem them. They are supposed to be backed 40 percent by gold, but the gold is not available to back them with. This is part of our "sound" money. Furthermore, under our present system we could have the most colossal inflation that the Nation has ever dreamed of. For since the Federal Reserve banks have gold certificates in the amount of \$11,500,000,000 and a 40-percent gold backing is required for issues of Federal Reserve notes, therefore under present law some \$28,000,000,000 of Federal Reserve notes could be issued. If this were done, then, on the basis of average requirements of 20-percent reserves in the banks behind demand deposits, there would be room for five times \$28,000,000,000,000 of bank credit, or \$140,000,000,000 of check-book money.

Yet we are told we must cling to sound money.

Under H. R. 4931 no inflation at all would be possible unless the Board disobeyed the law.

Sound money is money which bears a constant relationship to and value in terms of actual goods and services. That is all there is to it. It makes no difference what it is made out of. It makes no difference what it can be redeemed in. It certainly makes no difference whether or not a tribute is paid to a banker by a government to regain its sovereign right to issue the money. None of these three things has anything to do with the soundness of money. Sound money is money that does the job money is supposed to do.

LIMIT TO INCREASE IN MONEY IS PRODUCTIVE CAPACITY. SOLUTION TO PROBLEM OF NATIONAL DEBT

H. R. 4931 does not propose inflation, nor deflation. It provides for a sufficient increase in the volume of money to maintain stability in the dollar in an economy of expanding production. It says the more consumers there are and the larger volume of production there is, the more money is needed to move the goods and services.

If we would do this, pass this bill, put this one factor to work, we would free America from her bondage to debt. The fact is the people of the Nation by their industry and their inventiveness are even now paying off that debt. Only our bookkeeping system does not give them credit for it, but says to the people's government, "You must never monetize the net increase in national population and productive capacity until you have made your propitiation in the form of interest to those who now hold the monopoly of the right to create your money."

Under H. R. 4931, approximately half of the national debt would, in effect, be turned into cash upon passage of the bill. For bonds held by the banks would be required to be held as part of reserves behind demand deposits and would as they matured be paid off by public creation of credit even as they were bought in the first place by private creation of credit. The interest on the bonds which the banks would receive, meanwhile, would be like compensation to them for their services to demand depositors, and would be the means of keeping service charges low or making them, in some instances, unnecessary. Furthermore the bill provides that as expansion of the volume of money is called for, one of the ways it can be used is for retirement of the public debt. The passage of this bill would therefore allay once and for all the concern of this Nation over the public-debt situation. Instead of trying to pay old debt by contracting new debt or adding to taxes we would have a system whereby the people of America, through the process of increasing wealth production, would earn into circulation the money with which to pay their debt.

Statisticians and economists have given us reams of figures to show how large could be the incomes of American families if we produced at decent capacity and equitably divided our national income.

We know that the producers of America—the farmers, manufacturers, and all the rest-are not only able to produce an abundance but are only waiting for a chance to do so. We know also that there are millions of people in the Nation with unmet needs who would quickly buy the output of our farms and factories if only they had the money to do so. Our problem is to solve the problem of distribution, to perfect machinery whereby an abundant production can be regularly consumed by the people of America. This is partly a problem of taxes, wage scales, margins of profit, monopoly control, and

It is in large measure a pension problem, because everyone can see that never again will all the available workers of the Nation be needed by our industries, and that it is therefore an economic necessity that those in the upper age groups be enabled to retire from active participation in industry while still retaining a decent measure of consuming power.

The difficulty up to now has been how to find the money to pay the pensions with. Year by year the problem becomes more acute. Industry becomes more efficient, better able to supply in a short period enough of its products to supply the Nation for a whole year. The men over 45, or even 40, find it more and more difficult to get jobs. Savings accumulate and it is more and more difficult to find profitable investment for them. And all because we are too efficient, able to become too wealthy. In part this problem can only be solved by a courageous tax policy which can prevent excessive accumulations of savings in a few hands. But, in part this problem can never be solved unless and until the central principle of H. R. 4931 is enacted into law. A part of the funds we need for pensions must come out of a net increase in the volume of money brought into circulation by Government to compensate for the increase in productive capacity of the Nation. Unless this is done consuming power can never keep up with power to produce-not without a constant never-ending increase in national debt.

This is why H. R. 4931 provides in section 7, which I have already described, that the Board shall, by purchasing obligations of the Treasury with new national credit, put into the Secretary of the Treasury's hands an additional volume of money or credit sufficient to maintain stability of buying power in the dollar under conditions of expanding production and consumption. This is why the bill provides that the Secretary shall promptly expend this money as Congress directs, for the payment of old-age pensions, the payment of wages to workers on public works, the making of loans at very low interest to farmers, or the retirement of the public The bill does not attempt to determine how much additional money is to be put into circulation from time to time by this method. That would be determined by the Board on the basis of the amount necessary to keep the buying power of the dollar stable. Neither does the bill determine absolutely how the new money shall be spent, except that it is in all cases to be put into circulation through people at the bottom of the economic scale who are most certain to spend it. What the bill does provide is that whatever amount of additional consuming power is necessary to match the increase in our power to produce shall be made available by the board for congressional appropriation without increase in the public debt.

Here is in large part, the answer to the great dilemma of modern industrial civilization, the factor that has been disregarded for so long. Here, I am convinced, is a measure that will benefit every single group in the whole Nation. Here is one of the things we must do to set this Nation free from its present bondage to poverty, debt, and confusion.

Here is hope for democratic America.

THE SAME PROPOSAL BY LEADING ECONOMISTS

I am not alone in the belief that the reforms provided in H. R. 4931 are inevitable if we are to continue to have democracy in America. As proof of this fact I wish in conclusion to give some of my authorities for the things I have said here. In the first place H. R. 4931 is based in its major features on the bill introduced at the last session by Congressman Charles G. Binderup of Nebraska. It is directly in the tradition which started with the introduction of a very similar bill by the late Senator Cutting of New Mexico in 1935. It will have the keen interest and, I feel sure, enthusiastic support of such men as ex-Senator Robert L. Owen, coauthor of the original Federal Reserve Act, and Robert H. Hemphill, former credit manager of the Federal Reserve Bank of Atlanta.

Furthermore, there follows a Program for Monetary Reform drawn up by Profs. Paul H. Douglas, of Chicago University; Irving Fisher, of Yale; Frank Graham, of Princeton; Earl J. Hamilton, of Duke; Willford I. King, of New York University; and Charles R. Whittlesey, of Princeton; and agreed to by an overwhelming percentage of economists to whom it has been submitted. I ask you to read it carefully and to compare the provisions of H. R. 4931 with the measures for monetary reform which these lifetime students of the subject call for.

A PROGRAM FOR MONETARY REFORM

The following suggested monetary program is put forth not as a panacea nor even as a full solution of the depression problem. It is intended to eliminate one recognized cause of great depressions, the lawless variability in our supply of circulating medium.

medium.

(1) During the last 10 years the world's nations have largely given up the gold standard. Gold is still, and may always remain, an important part of the machinery of foreign trade and exchange. But it is no longer, and probably never again will be, the sole reliance for determining the "internal value" of monetary units. Even those who advocate some degree of return toward the former gold standard are now convinced that it must be managed and never again left to work automatically.

(2) The majority of the world's leading nations now seek to keep their monetary units reasonably stable in internal value or buying power and to make their money supply fit the requirements of agriculture, industry, and commerce.

or buying power and to make their money supply fit the requirements of agriculture, industry, and commerce.

(3) Many countries, especially the Scandinavian and others included in the so-called sterling bloc, have gone further than the United States, both in formulating and in carrying out these new monetary policies.

(4) Our own monetary policy should likewise be directed toward avoiding inflation as well as deflation and attaining and maintaining as nearly as possible full production and employment.

employment.
(5) To this end we should set up certain definite criteria for

money management according to which our monetary policy should be carried out.

(6) The criteria for monetary management adopted should be so clearly defined and safeguarded by law as to eliminate the need of any wide discretion permitted to our monetary authority.

(7) Among the possible standards to which the dollar could be made to conform are those which would be obtained by the two following methods:

following methods:

(a) Establish a constant average per capita supply or volume of the circulating medium, including both "pocket-book money" and "check-book money" (that is, demand deposits or individual deposits subject to check). One great advantage of this "constant per capita money" standard is that it would require a minimum of

discretion on the part of the monetary authority.

(b) Keep the dollar equivalent to an ideal "market-basket dollar," similar to Sweden's market-basket krona. This market-basket lar," similar to Sweden's market-basket krona. This market-basket dollar would consist of a representative assortment of consumer goods in the retail markets (so much food, clothing, etc.), thus constituting the reciprocal of an index number of the cost of living. Under this "constant cost of living" standard, the monetary authority would, however, as has been found in Sweden, have to observe closely the movements of other, more sensitive, indexes, with a view to preventing the development of disequilibrium as between sensitive and insensitive prices.

(8) In order that our monetary policy may be made to conform to the new standard and become the means of attaining a high degree of prosperity and stability, legislation should be enacted, embodying the following features:

(a) There should be constituted a "monetary authority." clothed with carefully defined powers over the monetary system of this country, including the determination of the volume of circulating medium.

medium.

(b) Congress should give this monetary authority a mandate specifying the monetary standard, to maintain which these powers would be exercised. The mandate should also define the part which monetary policy would play in attaining the objective of steadily increasing prosperity.

(c) This monetary authority might be the Federal Reserve Board or another body associated therewith. It should be kept free from any political or other influences and interests which might tend to

interfere with the performance of its functions. Its sole concern should be the maintenance of the monetary standard as defined by Congress. This standard and the means of maintaining it should

Congress. This standard and the means of maintaining it should be so narrowly defined by Congress as to leave only a minimum of discretion to the monetary authority.

(d) Neither the President nor the United States Treasury nor the agency of the Government should have power to alter the volume of circulating medium in conflict with the powers of the monetary authority. That is, none of them should have the power to issue greenbacks, whether to meet the fiscal needs of the Government or for any other purpose. Nor should they have the power to change the price of gold or the weight of the gold dollar, whether to increase the cash of the Government or for any other purpose. Any discretionary powers along these lines now possessed whether to increase the cash of the Government or for any other purpose. Any discretionary powers along these lines now possessed by the President or the Secretary of the Treasury should be repealed, and such of them as may be necessary for controlling the volume of money, including the power of gold sterilization, should be transferred to the monetary authority.

But in determining its activities the monetary authority should take note of all other activities of the Government intended or likely to affect economic conditions, and it should seek any necessary cooperation with other agencies of the Government with a view to establishing and maintaining stable prosperity.

(9) The chief loose screw in our present American money and banking system is the requirement of only fractional reserves behind demand deposits. Fractional reserves give our thousands of commercial banks the power to increase or decrease the volume of our circulating medium by increasing or decreasing bank loans

commercial banks the power to increase or decrease the volume of our circulating medium by increasing or decreasing bank loans and investments. And as each bank exercises this power independently of other banks, and without any centralized control, the resulting changes in the volume of the circulating medium are largely haphazard. This situation is a most important factor in booms and depressions.

(10) This situation also hinders effective control by the monetary authority over the volume of our circulating medium. Therefore it is highly desirable that any bank or other agency holding deposits subject to check (demand deposits) be required to keep on hand a dollar of reserve for every dollar of such deposits, so that, in effect, deposits subject to check actually represent money held by the bank in trust for the depositor.

The following are two of several methods of introducing,

(11) The following are two of several methods of introducing, or rather reintroducing, the 100-percent reserve system:

(a) The simplest method of making the transition from fractional to 100-percent reserves would be to authorize the monetary authority to lend, without interest, sufficient cash (Federal reserve notes, credit, United States notes, or other lawful money), to every bank or other agency carrying demand deposits to make the reserve of each bank equal to its demand deposits on a certain specified date.

(b) Another method would be to let each bank count as cash

on a certain specified date.

(b) Another method would be to let each bank count as cash reserve its United States Government securities (reckoned at par), up to a specified maximum, and to provide for their conversion by the Government, on demand of the bank, into cash. This method of transition would be particularly easy today because the banks already hold enough cash and Government securities to fulfill the proposed 100-percent reserve requirement.

(12) Under a 100-percent reserve requirement, the monetary authority would replace the banks as the manufacturer of our circulating medium. As long as our population and trade continue to increase there will, in general, be a need for more money in circulation, and the consequent action of the monetary authority in satisfying this need through the purchase of Government bonds with new money would gradually reduce the Government debt. This means that the Government would profit by manufacturing the necessary increments of money, much the Government debt. This means that the Government would profit by manufacturing the necessary increments of money, much as the banks have profited in times past, though they do not and cannot profit greatly now. That is, the governmental creation of money would now be profitable where the banker's creation of money can no longer be profitable, for lack of unified

control.

(13) The 100-percent reserve requirement would, in effect, completely separate money from banking. The two are now disastrously interdependent. Banking would become wholly a business of lending and investing preexisting money. The banks would no longer be concerned with creating the money they lend or invest, though they would still continue to be the chief agencies for handling and clearing checking accounts.

clearing checking accounts.

(14) While there would be no restrictions on the transfer and withdrawal of checking deposits, withdrawals from time or savings deposits, including postal savings, should be restricted and subject to adequate notice. Only thus may the bankers ever feel safe in

to adequate notice. long-term investing.

long-term investing.

(15) This split of the two functions would be much like that of 1844 in the Bank of England, separating the issue department from the banking department. That split was made with substantially the same object as that here proposed; but demand deposits, being then comparatively little used in place of bank notes, were overlooked. The pound-for-pound reserve behind Bank of England notes then enacted was a 100-percent reserve system for pocket-book money. The present proposal merely extends the same system to check-book money.

(16) Lest anyone may think that the 100-percent reserve system would be injurious to the banks, it should be emphasized that the banks would gain quite as truly as the Government and the people in general. Government control of the money supply would save the banks from themselves—from the uncoordinated action of some

the banks from themselves-from the uncoordinated action of some

15,000 independent banks, manufacturing and destroying our check-

15,000 independent banks, manufacturing and destroying our checkbook money in a haphazard way.

With the new steadiness in supplying the Nation's increasing monetary needs and with the consequent alleviation of severe depressions, the people's savings would accumulate more rapidly and with less interruption. Loans and investments would grow greater and safer, thus swelling the business of all banks. (These new loans and investments would no longer be associated with demand deposits but only with time and savings deposits just as the old loans and investments, carried over from the present regime, would be transferred from the "demand deposit" part of the business to the "time" category.)

The banks would also get some revenue from the demand-deposit business itself in the form of charges for their services in taking care of the checking business.

If the manufacture of money is thus made exclusively a governmental function and lending money is left to become exclusively a banking or nongovernmental function most of the vexatious regulations to which bankers are now subject could be

sivery a banking or hongovernmentar function most of the vexa-tious regulations to which bankers are now subject could be abolished. Moreover, the Government could withdraw from the banking business and leave the field again entirely to the bankers. Incidentally there would no longer be any need of deposit in-surance on demand deposits nor of branch banking which is often regarded as a way to stabilize banking—at the expense of the small bentor.

banker.

(17) There are two forces now at work which are tending silently but powerfully to compel the adoption of the 100-percent reserve plan:

(a) Short-term commercial loans and liquid bankable invest-(a) Short-term commercial loans and inquit balliable investor ments other than Government bonds are no longer adequate to furnish a basis for our chief medium of exchange (demand deposits) under the fractional reserve system. Capital loans are inappropriate for this purpose. As time goes on this inadequancy will grow far worse. Under the present fractional reserve system. the only way to provide the Nation with circulating medium for its growing needs is to add continually to our huge Government debt. Under the 100-percent reserve system the needed increase in the circulating medium can be accomplished without increasing

the circulating medium can be accomplished without increasing the Government debt.

(b) As already noted, a byproduct of the 100-percent reserve system would be that it would enable the Government to pay off its debt, largely through routine open-market purchases of Government bonds by the monetary authority. Under the fractional system any attempt to pay off the Government debt, whether through decreasing Government expenditures or increasing taxation, threatens deflation and depression.

Some competent observers think these two forces will eventually compel adoption of the 100-percent plan.

(18) If the money problem is not solved in the near future.

(18) If the money problem is not solved in the near future, another great depression, as disastrous as that of 1929-38, is almost sure to overtake us within a few years. This seems the more likely, as in the absence of monetary reform inflation may be pursued as an escape from the present depression. Or a great inflation may come as a mere consequence of surplus reserves. If these disasters should occur our opportunity of even partially solving the depression problem by removing its monetary causes may be lost, and, like France, Germany, and other countries where this opportunity was lost, our country could expect, if not chaos and revolution, at least more and more regulation and regimenta. and revolution, as teast into and into regulation and regimenta-tion of industry, commerce, and labor—practically the end of free enterprise as we have known it in America.

In this manner the decline of democracy has set in elsewhere. "It can happen here."

Unemployment and Relief-From the Republican and Democratic Viewpoints

EXTENSION OF REMARKS

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

RADIO DISCUSSION BY HON. ROBERT A. TAFT, OF OHIO, AND HON. T. V. SMITH, OF ILLINOIS, APRIL 4, 1939

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a timely and important discussion on unemployment and relief disclosing the Democratic and Republican points of view on the subject as presented by Senator Robert A. Taft, of Ohio, and Representative T. V. SMITH, of Illinois, Tuesday, April 4, over the Columbia Broadcasting System:

Announces. First, from a Democratic point of view, as presented by Representative T. V. Smith.

Mr. SMITH of Illinois. Kinsmen in Texas, neighbors in Illinois, and friends on W. P. A., men and women of America, greetings from Washington. You have no doubt heard of a class of people called the "new rich." There aren't many of them now; but some of you can remember samples from other days. They were people who got wealthy so quickly that they weren't able to develop a set of manners supposed to go along with money. There is another group in our day, uneasy and numerous, which we may call the "new poor."

the "new poor."
You'll find this group, the new poor, mostly on the W. P. A. I propose to confine my discussion largely to them. So quickly have impersonal economic forces deprived them of what they had, that they haven't yet lost the manners of freemen. They dare to believe, for instance, that they have the individual's right to work. They believe that they have the citizen's right to vote. They believe that they have the workman's right to organize and to bargain collectively. You see, they aren't like the ancient poor, whom we've always had with us. They haven't been pauperized—vet.

yet.

The records of these new poor show, according to the Fortune magazine in 1937, that they have been substantial American citizens, rather than ne'er-do-wells, that two-thirds of them indeed held their longest private jobs more than 5 years. Forget your cruel jokes and relax your prejudices to hear that again: Two-thirds of these men on relief held their longest private jobs more than 5 years. Moreover, only 15 percent of those now on W. P. A. have been on since 1936. The new poor, though down, are not out; they're poor, not from personal fault, but through national misfortune. Yesterday, so to say, they were like us. Tomorrow, so to say, we may be like them. So today let's count ourselves all alike as fellow citizens, Americans all!

Now there are those who don't like the W. P. A. Some, I believe, are more irritated by the independence than by the poverty of these new poor. It's not that these critics want men to starve, as melodramatists say. To the contrary, they want these men to go back to private jobs—but how? but where? Failing that, they want the self-respect of these new poor to quit costing us better-to-do people so much money. These critics are not mere critics, however. They propose a plan for the new poor, a plan that means giving less relief than the W. P. A. to fewer people at proportionately greater administrative cost. They not only have a plan; they also have a party. It's called the Republican Party. This party has leaders; and has a record on this very matter—but the less said about that record the pleasanter the evening. One of the leaders is Herbert Hoover, who on principle was as President against all Federal aid to the unemployed. Another is Alfred M. Landon, who promised diverse kinds of Federal aid if elected President; but he wasn't elected President. Another leader is the Honorable Robert A. Taft, junior United States Senator from Ohio, who promises—well, why should I tell you what he promises? He's here to speak for himself.

Meantime, I say to you, however, that the plan variously proposed by the Republicans, of turning relief back to the States, will give "less relief to fewer people at proportionately greater administrative cost." I have in mind as I go along to show you why and how that's true. Now there are those who don't like the W. P. A. Some, I be-

why and how that's true.

We ought to admit first that neither of our parties know for certain how to cure unemployment. If we did, of course, we'd cure it. As penance paid, therefore, to our ignorance, we surely ought to pool the experience we've had in trying to help the unfortunate victims of it. Under Hoover and Roosevelt together we've had a decade of experience diverse, costly, and clear in its lessons. I say "diverse" because we've really tried out all major especially the plan of State and local responsibility. I "costly threaten the peace of the land and enough of money under Roosevelt to double the national debt. The lessons of this experience ought to be the dearer for the cost.

The first lesson is indeed very clear. It is that the Federal Government must take major responsibility for relief. Unemployment is, after all, a national problem. The States could not pay for relief even if they would and should. Why, the bill equaled all State taxes collected last year for all purposes, and surpassed all State taxes for every preceding year. Fifteen States require a referendum to increase indebtedness and 23 a constitutional expendent. Moreover States mostly deeped upon taxes that are Moreover, States mostly depend upon taxes that are amendment. had for business and worse for justice—regressive, like the sales tax.

Nor is it merely ability to raise the money, and to raise it more

justly, that makes relief rightly a Federal matter. mainly the superior ability of the Federal matter. It is also aministration. This triple advantage of an energetic central government is the heart of the new federalism which I have been proclaiming to you in each of these debates. Financially, it's certainly cheaper to administer these national things nationally. The cold figures to administer these national things nationally. The cold figures show that present State and local relief for unemployables costs 15 percent to administer. Former Federal grants to States cost 10 percent to administer. Present Federal cost under W. P. A. is down almost to 3 percent. Doctor these figures as you will, and the lesson still sticks out like a sore thumb that the larger the unit the less the money to administer relief. The obvious reasons will come to your minds. There's one reason, however, we politicians try to keep out of your minds—I'm revealing State secrets which I imagine have worried Mr. Taft in Ohio even more than me in Illinois. This main reason is patronage. Hard as this evil is to resist federally, it is impossible to resist locally. With 48 State political machines, more than 3,000 county machines, and millions hungry for jobs in 10,000 precincts which Mr. Taft all but made sovereign last week, the political waste in store is appalling. Talk of the few mistakes on W. P. A.! Why, "you ain't seen nothin' yet," not until you face the political pressure of localities uncautioned by Federal selection of projects and supervision of the work.

The relative immunity which the Federal Government has from The relative immunity which the Federal Government has from the worst patronage grabbing explains in large part why the administrative costs of W. P. A. are only a little over 3 percent while the law allows W. P. A. 5 percent. The local communities, at least in Illinois, frequently exceed the legal allowance, whatever it be. Even the Chicago Tribune is now complaining in a series of scandal articles about the "pull," favoritism, and unevenness of relief given by supervisors—a great many of them Republicans—to the unemployable in down-State Illinois. The uneven range goes from \$7\$ to \$21\$ a month. Our experience with the three types of administration—local and State, State and Federal, and Federal—ought to close debate on this matter for all save theorists and fanatics. A national matter like relief must, if adequate be mostly natics. A national matter like relief must, if adequate, be mostly financed by the Federal Government and must, if economical, be centrally controlled. To fear this indicated arrangement is to fear fear, not facts. As Republicans fear to learn this first lesson, so they forfeit the second lesson of our experience.

This second lesson is that work relief is better than direct relief. It is better first because it really "relieved"; it than direct relief.

This second lesson is that work relief is better than direct relief. It is better, first, because it really "relieves"; it helps the mind, I mean, as well as feeds the body. This might not be important for slaves, but it's of prime importance in dealing with citizens. Work relief is better, second, because it spends to create wealth as well as to relieve men. It justifies itself while it's going and leaves monuments to itself when it's gone. What insane notion of economy could lead us to waste both men and money on the dole when through W. P. A. and P. W. A. work we can save the men and have these magnificent buildings, bridges, roads, and parks all over the Nation to show for our sanity? Only a pauper nation will waste Nation to show for our sanity? Only a pauper nation will waste its wealth in pauperizing its helpless people. We are not a pauper nation. Economy means spending to conserve, and any other spending is waste, however large or small it be.

This lesson that relief must be work in order to "relieve" enforces the first lesson that it must be federally administered. Ignore the first lesson, and you leave no basis for the second. Even if States have the will, they lack the wit—the tradition of merit in personnel—to provide and manage public works. States are poorly sonnel—to provide and manage public works. States are poorly prepared, and lesser units hardly prepared at all, to set up and to execute work projects other than purely trivial activities. Only the Federal Government is prepared to follow the wise advice of the National Resources Committee, i. e., "to provide a reservoir of selected projects which can be utilized in periods of economic depression." As States lack the scientific resources to lay out the projects, so they lack the political tradition of civil service to administer them without the waste of patronage. Republicans ignore this second lesson in order to avoid the third.

The third lesson is that cheapness is not economy and cannot

The third lesson is that cheapness is not economy and cannot be made so by any talk about the Budget. Sit down and really think a moment whether the fifty-odd dollars a month averaged on the W. P. A. is too much for your family, for any family, to live on in America today. Are men to count, or are we to go mad about money? Do we know what wealth's for, or don't we? The head and front of our Democratic offending is that we are spending more money on men than the Republicans want spent. We are spending twice as much per man, in fact, on the W. P. A. spending more money on men than the Republicans want spent. We are spending twice as much per man, in fact, on the W. P. A. as together with the States we spent per man through the F. E. R. A. So what? Well, we Democrats believe in men. We suppose that money exists for men, not men for money. We could go back to the Federal-grant system and drop to the \$25 a month per family. We might even drop the employables to the State and local average for unemployables of \$15 a month per family. That is, we might do these things if we were not Democrats who believe in men.

We Democrats know that where selfish wealth accumulates help-We Democrats know that where selfish wealth accumulates help-less men decay. We know that children today will be citizens tomorrow, and we don't want them so undernourished and dis-gruntled that some Hitler can play upon their hate to the ever-lasting hurt of our republican institutions. Who does not know that it was our social-security program that stopped Huey Long in his tracks? We Democrats know as well as the Republicans that perspection is chapter that the relief of citizens. But that that pauperization is cheaper that the relief of citizens; but that doesn't make us Democrats prefer pauperization to patriotism. This is the gist of the Republican position for direct relief by local communities; that it is cheaper than work relief under Federal supervision. Of course, it is. As to that issue, I tell you Federal supervision. Of course, it is. As to that issue, I tell you trankly that Mr. Taft or anybody else can win the victory any time he has the heart to do it. I have no heart, nor has the present Democratic administration, to let men made poor by accident become pauperized by intent. If that be economy, then make the most of democratic treason. I do not care for the economy of cheap skates, nor for the patriotism that sees merely the purse.

Beware the attitude of cheapness that feeds upon its own proud flesh. Those who begin in the name of such economy to deny fellow citizens the right to work can so easily end by denying them the right to vote. I do not charge this as a wholesale intention. But I report honestly what I hear the whisperers whispering

when they congregate "to cloakroom" the new poor. Their bitter whisperings remind me of the odious blandness of a British co-lonial surgeon. He told me that in South Africa he did not ordilonial surgeon. He told me that in South Africa he did not ordinarily use anesthetics in his operations. He long ago discovered, he said, that the natives did not pain as Englishmen do. It's not honesty that's lacking here or there; it's imagination. Yet honesty is not enough—not if it be deaf to the suffering of others or dumb to its own squelched sympathies.

Reconstruct now for yourselves the psychology which leads Republicans to skip lesson after lesson that we Democrats have learned from their experience and ours. They want to diminish Federal responsibility for relief so that they may edge out the work relief to which the Federal Government is committed. They want

recieral responsionity for rener so that they may edge out the work relief to which the Federal Government is committed. They want to get rid of work relief because a dole's cheaper. They plump for this sort of "cheapness," largely, they say, because they want to force men off relief into private jobs. "But where are the private jobs to absorb 10,000,000 men?" "That's easy," reply the Republican wiseacres. "They're waiting, just around the corner, if we'll only stop this spending for relief."

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Well, now, who says that Republicans are not men of faith? Why, that's a faith not only to remove mountains of debt, but to build mountains of prosperity and morale. Who's to take the risk, however, of the Republican faith that if we stop relief, we won't any longer need it? Aye, there's the rub! The unemployed, of course, are to take the risk that this grand faith is more than

of course, are to take the risk that this grand faith is more than cruel theory.

This is the final issue on the matter of relief; Republicans want relief cut so that private jobs will return; Democrats want jobs to return so that relief may be cut. The question is: Who shall take the risk, the weak or the strong? Shall some who hope to become the new rich pauperize the new poor to further their own prospects? We Democrats do not see how the defenseless can be justly asked or expected to become the bulwarks of industrial confidence. It is really fitting that the giant say to the pigmy, "Buck me up now, and watch me lick the depression?"

The very psychology of this situation shows, I think, that the trouble with America is not primarily economic. The trouble is with our conscience. We know that men are more important than money, we Americans of all people know that; but we haven't yet fully made up our minds to put men before money and thus keep first things first. Hence our terrible sense of guilt, which impairs united effort and seeks insistently for a scapegoat. We must learn this final lesson: That it's creditable to have a guilty conscience, but that it's suicidal to be ruled by it. Let's not invite a Hitler by letting our guilty consciences get us down. We can forearm ourselves by beholding clearly the trinity of our guilt.

trinity of our guilt.

First, our Christian conscience hurts us. Why? Hear this text, you Christians—hear and understand: "Whoso hath this world's goods, and seeth his brother have need, and shutteth up his goods, and seeth his brother have need, and shutteth up his bowels of compassion from him, how dwelleth the love of God in him"? Second, our Democratic conscience hurts us. Why? Hear this text, you patriots—hear and understand: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." Third, our industrial conscience hurts us. Why? Hear this text, Senator Tart—from the Republican mayor of one of your hardest-hit cities, Mayor Burton of Cleveland—only one of the 90 percent of American mayors, ladies and gentlemen, who have praised W. P. A.—"The crisis that remains is an industrial and manufacturning crisis * * * W. P. A. work relief is especially well suited to this need * *. The working habits of these men are at the foundation of American industry * * *. It would are at the foundation of American industry * * *. It would be an industrial tragedy, both from the point of view of the public and of the workers themselves, to throw away their productive time

and capacity."

This, my Republican and Democratic friends, is the terrible trinity of our common guilt: Guilty discipleship, guilty citizenship, guilty workmanship. And the guilt of neglected workmanship is the greatest among them; for it means holding off the day of plenty, leaving it visible to all, but available to few. On whom, now, shall we take out this our mortal sense of guilt? Shall we soak the fortunate rich? Shall we pauperize the honorable poor? Shall we wait around in the hope that God will give us the easy victory of a 1929 prosperity? Or shall we stomach our own guilt in the larger faith that those who bear one another's burden double their own joys and cut their griefs in two?

Ten million men are, after all, too many millions to get mean bout. Of our guilt, therefore, I ask you: "Shall we 'give it' and about. Of our guilt, therefore, I ask you: 'be mean, or can we 'take it' and be men"?

Announcer. That was a Democratic point of view on "Unemployment and Relief—Federal or Local Responsibility?" as presented by Representative T. V. Smith, of Illinois. Now Senator ROBERT A. TAFT, of Ohio, presents a Republican point of view.

Senator TAFT, of Office, presents a Republican point of view.

Senator TAFT, Citizens of the United States of America, I do not quite understand the guilty conscience which Professor SMITH seems to have regarding the present relief situation. Apparently he feels guilty because the W. P. A. is only employing 3,000,000 men when he wants it to employ 6,000,000, and is only spending two and a quarter billion dollars when he wants it to spend four and a half billion dollars. In a ferment of emotion the Government is to employ, at higher wages, every man who chooses

to apply. Where the money is to come from is no concern of true new dealers. As long as a few rich people remain in the United States they will take the money away from them, and when they are gone the millennium will arrive.

The Administration does not share any guilty conscience. The W. P. A. has always planned to reduce the present number on W. P. A. in April, May, and June, even if it received the full appropriation, and plans to dismiss men steadily during the next fiscal year until by July 1, 1940, there will only be one-half the number of men now employed. Today the present Democratic Congress regards even the administration's program as dangerously expensive.

Before considering the question of Federal and local responsibility, let us see why high relief costs are so dangerous. It is not a question of taking the money away from the rich or the large corporations. The increased relief cost will be paid by rich and poor alike, and will bear most heavily on those average workmen standing today on their own feet and earning a living for their family. Once our tax bill took 5 percent of the national income; today it takes 20 percent. When it took 5 percent, the money could be raised from the wealthier people, but if we confiscate today all incomes over \$5,000 a year, we will not pay the present cost of government for more than 6 months.

The Federal Government has turned more and more to indirect taxes, excise taxes, pay-roll taxes. It is not true today that State taxation bears more heavily on the poor than Federal taxation. The soak-the-rich tax bill produced a few hundred million, but when the new dealers wanted real money they turned to the pay-roll tax, costing the people one billion and a half dollars a year. Who pays the pay-roll tax? It either comes right out of the workman's pay envelope, or it goes into the cost of every product that labor goes into, and that is every product that the average workman buys. Today the average workman, through the increased price of the things he buys, pays 20 percent of his earnings to the Government. Do you see what this means? When the cost of Government is further increased today, and relief is the heaviest cost, the workman's income buys less, in effect he has less income. The truth is, the only way people can be supported without working, or working on projects which do not produce a cash return, is by making the people who are working turn over, in taxes and higher prices, part of their earnings to their neighbors, who are either less fortunate or less efficient. The more the Government takes away from a man who is working, the less incentive he has to work, the greater the threat of an entire Nation on relief.

There is no more serious problem than relief today, but, for heaven's safe, let's approach it in the content of the content takes away from a man who is working, the less incentive he has to work, the greater

There is no more serious problem than relief today, but, for heaven's safe, let's approach it in the spirit of calm considera-tion of facts, and not in one of guilt and emotion.

tion of facts, and not in one of guilt and emotion.

Relief is an age-old problem. There have always been unfortunate people, incapacitated by misfortune or age, or unable to obtain work. There have always been orphans to be cared for, aged people without families, widows with children, and many other groups. The responsibility has always been recognized as a strictly local responsibility. First of all, we have recognized as a obligation on relatives and family, and then on neighbors. Charitable people have established orphan asylums, old people's homes, and general charities, which provided relief in the homes of those needing relief. The work of private charities has been supplemented by State and local institutions, and the laws of nearly every State recognize the obligation of the city or the county or the township to see that the poor are taken care of, and provided at least with the essentials of food and clothing necessary to preserve life. The administration of relief prior to the de-

vided at least with the essentials of food and clothing necessary to preserve life. The administration of relief prior to the depression of 1929 was a strictly local concern, and because the problem was not of great size it was entirely possible to handle it by cooperation between private charity and the local government. The depression of 1929, however, changed the entire picture, and the steady increase of unemployment multiplied the financial burden many times. In the early days of the depression the activities of private and local charity were first expanded. President Hoover created the President's Emergency Relief Organization, which encouraged the development of State and local unemployment-relief committees, which by the late spring of 1931 were functioning actively in 227 large cities, about 2,000 small cities, and in over 1,000 counties. By 1932 the committees were forced to turn more and more to the States and local governments to provide relief money from increased taxes and local governments to provide relief money from increased taxes and local governments. Then it became apparent that even local resources were inadequate, and the first Federal aid was extended, at President Hoover's request, in July 1932 through the Reconstruction Finance Corporation, which arranged to loan \$300,000,000 to State and local governments. arranged to loan \$300,000,000 to State and local governments.

The idea that W. P. A. prevented starvation is a complete fallacy. There never was a time under either Hoover or Roosevelt in which any needy people were allowed to starve or freeze. Everyone admitted that the primary responsibility was on the States, and secondarily on the Federal Government. The Democratic platform of 1932 said: "We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy."

The Federal Government was called in not on any theory that relief was primarily a Federal problem but because under the conditions which existed, and the tremendous cost of relief, the State and local governments were unable to provide the necessary money. Almost the only tax which the local governments can levy with full

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effect is the real-estate tax, and this had already been pushed to high levels, and was completely used up in the support of the ordinary functions of schools, roads, and local government.

Various plans of relief were tried, but the most satisfactory form in Ohio and many other States was that in force about 1934, when relief was administered by boards of public-spirited citizens, serving without compensation, with an administrative force largely drawn from the private charitable and community cheef or early attents. from the private charitable and community-chest organizations, but paid by the State or local government, which derived most of the money used from the Federal Government. These committees administered both direct and work relief, and did so on an efficient

basis.

The big mistake was made when the Federal Government took over the management of relief and curtly dismissed the local boards instead of financing the States. The overhead organization is topheavy and expensive. Out of approximately \$900 spent per case, per year, which figure includes the average contributions of local sponsors as well as Federal expenditures, the W. P. A. worker gets only about \$600. Rules are issued from Washington, without regard for special local conditions. Projects are approved or disapproved on the basis of applications submitted in writing, and supported by delegations traveling to Washington. Looking only to the report of the Democratic Sheppard committee, which conducted ported by delegations traveling to Washington. Looking only to the report of the Democratic Sheppard committee, which conducted investigations in a few States in 1938, the W. P. A. was extensively used for political purposes. The supervisory force was largely appointed, as in Pennsylvania, on a political-patronage basis. Men were threatened with loss of their jobs unless they voted right. Even the number of W. P. A. appear to have been dictated by political consideration; otherwise there seems to have been no good reason for the increase in numbers on W. P. A. just before the 1936 election, when business was improving, the decrease in numbers on W. P. A. in the latter part of 1937, when there was no election and business was getting rapidly worse, or for the peak employment of nearly 3,300,000 men for a brief period before the November 1938 election. November 1938 election.

We hear tremendous criticism of the inefficient manner in which W. P. A. work is done. Some of this criticism is exaggerated, but much of it is not, and the reason for it is that responsibility for improvement lies far away in Washington. How can an administrator here hope to know what goes on on thousands of work projects from the Atlantic to the Pacific?

Professor Smith implies that local administration means the end of work relief. Of course this is not true. Work relief was conducted by local administrations before it was conducted by the city of Cincinnati today. But certainly work relief and direct relief must be contoday. But certainly work relief and direct relief must be conducted by the same authority if they are to be coordinated, and that authority must be closely related to the unemployment-compensation office. Undoubtedly work relief may be less demoralizing than direct relief, but if the project is poorly managed, or if it is obviously made work which is doing no good to anybody, work relief itself may be as demoralizing as direct relief. How much moral stamina was preserved when W. P. A. spent \$150,000 to count the trees in the city of Cleveland? Local administration is more efficient because it can give work relief to those who will really benefit by it, and only to such people. Local officers respond much more quickly to local public opinion. They are more quickly advised of chiselers. They are more quickly advised of chiselers. They are more quickly advised of obvious inefficiency on particular projects. They know better what projects are worth while, and what are not worth while, and what projects fit in better with a program of local improvements.

The solution for the present relief problem, in my opinion, is to

The solution for the present relief problem, in my opinion, is to return the administration of relief to the States and local governments, somewhat as is proposed in the bill introduced by Senator Barbour, of New Jersey. I believe that work relief and direct relief should be consolidated under local administration, and the local people should determine how much work relief is really advantaged. A new section should be added to the Social Security Act, tageous. A new section should be added to the Social security Act, authorizing the Social Security Board to put up two-thirds of the money spent locally for work relief and direct relief, but each locality should be required to put up one-third of the total cost of the entire program. However, a special Federal board should pass on applications for a larger percentage to be supplied by the Federal Government, where conditions of special community poverty or extraordinary unemployment may exist. Such a board should be judicial and not political in nature.

Federal assistance should be conditioned on the adoption by

Federal assistance should be conditioned on the adoption by each State of a definite legislative plan for direct relief and work relief. Such a plan should provide for a non-partisan board and the selection of relief administration officials under civil-service requirements. We must not substitute local politics for Federal requirements. We must not substitute local politics for Federal politics, and there is no reason why the Federal grant of money should not be used to prevent it. Other conditions should insure that the State plan for direct relief would reach all needy persons and meet certain financial standards.

The system which I have proposed was suggested to the President nearly a year ago by the Associated Community Chest Organizations of the United States, which have had practical experience with relief. It was rejected then by the President and Mr. Hopkins, but today committees of the Senate and House

of Representatives are considering the plan.

Professor Smith says that relief is a Federal responsibility, and I am prepared to admit that the Federal Government has a responsibility to assist financially in this emergency situation. But when he says that there is a Federal responsibility for administration because of the superior ability of the Federal Gov-

ernment, he is attacking the entire constitutional system of the United States. The same argument would transfer to the Federal Government the administration of the schools and of every other local activity. As a matter of fact, the Federal Government has not shown that it has any superior ability, except a superior ability to tax and tax and spend and spend.

The independence of the people and the permanence of democracy depend on the administration of local affairs by local governments. In the field of relief it should be more efficient; should provide more value for the money paid out; get relief to the people who really need it, and get it to them without politics or favoritism.

favoritism.

Pending Legislation Affecting Home Owners' Loan Corporation

EXTENSION OF REMARKS

HON. ALONZO D. FOLGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

LETTER FROM HON. FRANK W. HANCOCK, JR., MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

Mr. FOLGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement received by me from Hon. Frank W. Hancock:

> FEDERAL HOME LOAN BANK BOARD, Washington, April 13, 1939.

Hon. A. D. Folger,

Member of House Banking and Currency Committee,

Member of House Banking and Currency Committee,
House of Representatives.

Dear Lon: In response to your recent inquiry, the Board of Directors of Home Owners' Loan Corporation is glad to give you a general statement of its views on the various bills affecting it which have been referred to your committee.

While differing in specific provisions, most of these bills, in common with similar proposals advanced in recent years, have for their essential purpose the liberalizing of the plan on which the loans of the Corporation were written. The board has already gone carefully and extensively into the merits of these proposals on a number of earlier occasions. In each instance, it has been forced to conclude that the program had best be permitted to go forward on the present basis, and that any legislation designed to change the plan on which the Corporation's loans are now being repaid is both unneeded and unwise.

repaid is both unneeded and unwise.

A few fundamental considerations may help to clarify the issues in question. The refinancing job of the Corporation was accomplished by using the credit of the Federal Government in place of the exhausted credit of home owners. Through the use of this of the exhausted credit of home owners. Through the use of this Government credit, the Corporation's borrowers obtained the benefit of loans more liberal than urban home owners have ever before enjoyed in this country. The average loan is slightly over \$3,000, and the payments come to approximately \$24 per month, which is usually less than the rent for equivalent accommodations. It was not intended, however, to grant to the Corporation's borrowers outright Government subsidies. When the Corporation was put into operation it was planned by Congress to be self-liquidating. The loans were to be repaid with interest sufficient to cover the rate paid by the Corporation on its bonds, through which the necessary capital was obtained, plus the costs of operation and the necessary reserves for unavoidable losses.

From past experience it can be said with certainty that the present interest rate of 5 percent is necessary to pay the interest on its

From past experience it can be said with certainty that the present interest rate of 5 percent is necessary to pay the interest on its bonds, to meet operating expenses, and to cover losses. Each year since the beginning of operations the Corporation has shown a deficit even with the present 5-percent rate, despite continuous effort to keep expenses down. This defict had reached \$40,893,291.81 at the end of the fiscal year 1938 and had increased to \$47,670,283.75 on November 30 of that year. In arriving at these figures provision has, of course, been made toward a proper reserve for losses which may eventually be sustained.

Should the interest rate he reduced the Corporation would face

may eventually be sustained.

Should the interest rate be reduced the Corporation would face a much larger deficit. The loss of revenue would have to be defrayed by the taxpayers in the shape of appropriations direct from the United States Treasury. At the same time only slight benefit would accrue to the individual borrower, as the reduction in his monthly payments would be so slight as to make little difference in his ability to carry his loan. A reduction to 3½ percent would reduce the average monthly installment by only \$1.80, but it would cause a loss to the Corporation of \$203,658,000 over the remaining average life of the Corporation's active loans. Even a reduction of only one-half of 1 percent, to 4½ percent, would cause a similar loss to the Corporation of \$69,017,000.

Other proposals look to the extension of the time of payment of the Corporation's loans. These would extend the period of amorti-

zation to 20, 25, or even as much as 40 years, with a recasting of the borrower's account so as to reduce his monthly payments to an amount sufficient to retire the remaining balance of the loan over

the extended period.

The Corporation does not regard these proposals as needed or sirable. Most of its borrowers are meeting their present moderate payments in regular stride, and for them an extended repayment period would be unnecessary. At the close of the year 1938, after eliminating loans authorized for foreclosure and those paid off in full, the Corporation had on its books some 827,000 active accounts. In 701,000, or about 85 percent of these, the record was satisfactory, the borrowers being either current or practically so, or else meeting all current obligations and making regular additional payments to provide for the retirement of earlier arrearages. The status of only about 15 percent of the borrowers' accounts could be classed as unsatisfactory, and the majority of these appear to have difficulties which are of a temporary nature only.

As to those borrowers who find it difficult to meet the full amount of their stipulated payments, the Corporation has and is exercising broad powers to grant extensions. The act in its present form gives the Corporation discretion to extend the time of any payment, and the Corporation's regulations provide for liberal use of this authority. Its records will show that, in keeping with the spirit of the act, it has granted or permitted extensions and adjustments in more than a quarter of a million cases.

As to those borrowers who are unable to meet their required payments, it will be recognized that the Corporation has followed a most liberal policy. The power to grant extensions already exists, and is being used to the fullest practicable extent. ready exists, and is being used to the fullest practicable extent. As to those borrowers who are easily able to make their present payments, and these are the vast majority, the extension of the time of repayment would not supply a needed service, and would reduce the amount of the current collections of principal which are needed for the retirement of the Corporation's bonds. It should be noted also that the average borrower from the Corporation is well along in years, and any 'considerable extension would place beyond his reasonable life expectancy the time when he will own his home clear of debt and be freed from further payments.

ments.

Other provisions of several bills are aimed more directly at the foreclosure problem. These usually take the form of a prohibition on foreclosures for a specified period, or a provision that borrowers shall not be required to make payments of principal or interest for a specified period.

The Corporation has, of course, been obliged to foreclose a certain number of the approximately 1,000,000 loans originally granted. No matter how liberal the terms, there are always some borrowers who cannot or will not pay. The real question is whether the Corporation's foreclosure experience is in any sense disproportionate or has proved in any single instance unfair or disproportionate, or has proved in any single instance unfair or uniust

A survey of the mortgage and real-estate holdings of the private lenders in 82 large American cities, these holdings of the private lenders in 82 large American cities, these holdings selected in such a way as to put them on a comparable footing with those of the Home Owners' Loan Corporation, shows that, as of the close of the year 1936, the aggregate number of one-family to four-family properties acquired by these institutions represented approximately 20 percent of the total original number of the mortgages involved. Up to the close of the year 1938, with the peak of its foreclosure activity already well behind it, the Corporation had acquired but 12 percent of the total number of properties on which it had made loans. This record is all the more impressive when it is recalled that the Corporation, instead of selecting preferred loans, dealt exclusively with people whose credit had already broken down to such a degree that, except for the Corporation's intervention, their homes would have been lost through foreclosure.

homes would have been lost through foreclosure.

It becomes pertinent then to inquire as to the causes of the foreclosures which the Corporation has brought. A considerable number of these cases are accounted for by the abandonment of the property by the borrower. Other foreclosures are caused by the death of a borrower who left no heirs sufficiently interested in the property to assume the obligation, or by other complications, such as foreclosure by a second mortgagee. It is obvious that under no circumstances should the Corporation be prohibited from foreclosing in cases of this sort, but the proposals for prohibition of foreclosure or for suspension of the obligation to pay for a definite period would have this effect.

In another considerable segment of the Corporation's foreclosures the cause of foreclosure is that the borrower has deliberately failed to make payments that were well within his means. It is difficult to see any basis on which it can logically be argued that borrowers who are well able to meet their payments should be allowed to live in their homes, rent free, at the expense of the

be allowed to live in their homes, rent free, at the expense of the taxpayers, many of whom, without Government assistance, are earnestly striving to pay from their own meager incomes the mortgages on their homes.

Elimination of these elements leaves those foreclosures in which Elimination of these elements leaves those foreclosures in which there was an actual inability to pay. The Corporation extends every consideration to these borrowers, and its policy is exceedingly lenient. Taking all the cases where the Corporation has been obliged to approve foreclosure, the loans, at the time foreclosure is authorized, are on the average delinquent both as to principal and interest to the approximate extent of 20 monthly payments and average 2 or 3 years in arrears in taxes. It may be concluded, therefore, that the Corporation's borrowers who are wholly unable to pay are extended approximately the same consideration that would be given them under the moratory provisions of the bills now before your committee. To the extent that this period of leniency would be extended further, the effect is merely to put off the day when foreclosure proceedings must be brought.

brought.

The difference, however, is that these bills would establish a blanket moratorium under which the Corporation would be unable to foreclose even in cases of abandonment, death of a borrower without heirs, and similar circumstances. This blanket moratorium would extend equally to the borrower who is comfortably able to pay and who should not be relieved from paying, and to the borrower who is unable to pay and who now receives the benefits of the Corporation's lenient foreclosure policy.

General moratorium provisions would have the effect of inducing

General moratorium provisions would have the effect of inducing borrowers well able to pay to defer making their regular payments and allow them to accumulate until the end of the moratorium. At that time they would find themselves in a position where many of them would be unable to pay this accumulation, whereas they would have been able to carry their regular monthly payments in the course. A blanket moratorium would also greate a present of in due course. A blanket moratorium would also create a period in which the Corporation would be deprived of those current principal repayments which it must have for the retirement of its bonds as they mature. The Corporation at present handles its loans on an individual case basis, extending leniency where leniency seems calculated to enable the borrower ultimately to pay out his home. Under the authority which it now has it can do this and still make its regular collections, necessary for bond retirement, from the

its regular collections, necessary for bond retirement, from the vast majority of borrowers who are well able to pay.

The Corporation feels that it should be free to exercise this discretion in each individual case. It feels also that an attempt to take this discretion away from the Corporation and put it in the courts would be impracticable and unworkable. The determination of these matters involves finely shaded discriminations and the weighing of intangible factors which can be successfully performed by an administrative agency but could not be as well handled if the question were made a subject of litigation. The cost to the Corporation and ultimately to the taxpayers, through attorneys' fees and through court costs, which in most cases would have to be borne by the Corporation, should not be overlooked in considering whether it would be wise to substitute the discretion of the courts for that of the Corporation.

With regard to deficiency judgments, the policy of the Corpora-

With regard to deficiency judgments, the policy of the Corporation is now so liberal that it is clear no legislation is needed. In those foreclosures which are due to inability to pay, the Corporation writes off the deficiency immediately and completely. Where the borrower has willfully defaulted though able to pay, the Corporation, nevertheless, gives credit on the deficiency for the full value of the property as appraised on a liberal basis, and even in those cases it may result that the amount of this credit is sufficient to wipe out the deficiency entirely. Where a balance remains ficient to wipe out the deficiency entirely. Where a balance remains in this latter type of case the borrower, of course, has the benefit of the local law defining the property that is exempt from forced

It will thus be seen that the Corporation's present policy gives the borrower all the benefits which a liberal deficiency statute would give him. The liberality of the policy is revealed by the fact that in all its foreclosures the Corporation had, through the end of December 1938, collected less than \$200,000 through the enforcement of deficiency decrees against other property of the borrower. In 97.66 percent of its foreclosure cases the Corporation

has made no attempt whatever to enforce a deficiency.

In a few jurisdictions it is necessary to make a slight variance as to the time when the release is executed. Here the release is as to the time when the release is executed. Here the release is not given until the end of the redemption period, and the deficiency is retained until the end of the redemption period, not for the purpose of levy and sale on property of the mortgagor other than the mortgaged property, but because under the local law the Corporation would not be entitled to the rents and other income of the foreclosed property during the redemption period if it gave an immediate release

an immediate release.

The Corporation feels that legislation should not be enacted which would require it in the case of willful default to do more than credit the borrower with the full value of the property, and that proposals for the abolition of all deficiency judgments by the Corporation are unwise. It also feels that this legislation is undesirable because of the effect it would have in some jurisdictions on the Corporation's right to the income of the property charged of redemption.

during the period of redemption.

We cannot but feel confident that a careful consideration of the facts and information given in this letter will convince you and other members of your committee that it would be practically impossible for the Home Owners' Loan Corporation to change cally impossible for the Home Owners' Loan Corporation to change or modify its program in such a way as to be more liberal toward its borrowers and at the same time discharge the obligation and responsibility imposed upon it by the Congress. We are always mindful of the fact that, in keeping with the genius and spirit of this legislation, our first duty is the protection and welfare of the borrower or home owner. We desire, however, to make it very clear that, though in our best judgment—based upon 6 years of experience—none of the proposed legislation is either needed, wise, or desirable, we stand ready and willing to carry out to the best of our ability any program which the Congress in its wisdom may authorize.

Sincerely.

Sincerely,

The Foreign Born

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, ON APRIL 13, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD I include an address delivered over the Mutual Broadcasting Co. national network, station WOL, Washington, D. C., Thursday, April 13, 1939:

At the base of the Statue of Liberty in New York is a plaque containing the following glorious lines written by that great poetess, Emma Lazarus:

"Give me your tired, your poor,

Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tossed, to me;
I lift my lamp beside the golden door."

I would forever hold up the lamp of welcome to the politically homeless and the victims of cruel political and religious tortures abroad. Our door, in that regard, should always remain unclosed, if only on a crack. Most assuredly a reasonably limited number of political and religious refugees can be readily taken care of without injury to our economic conditions. For example, we might well admit 10,000 or so child refugees 14 years of age or younger from Nazi Germany in the next 2 years. Guaranties would have to be made by organizations and individuals that these children would not become public charges.

The right of asylum was often expressed by the great Thomas Jefferson, whose birthday, incidentally, we celebrate today. He was born on April 13, 1743—196 years ago today. It is well to recall to all the alien batters and all the alien hunters that Thomas Jefferson proposed the draft of the Declaration of Independence to contain this complaint against George III.

"He has endeavored to prevent the population of these States; for that purpose obstructing the laws of naturalization of foreigners, refusing to pass others to encourage their migration hither."

There are still many George III's in this land today.

It is well to recall that Thomas Jefferson eloquently led the fight against the Alien and Sedition Acts of 1798, which resulted in their repeal. He restored the principle of asylum.

In his inaugural address of 1801, Thomas Jefferson asked the

In his inaugural address of 1801, Thomas Jefferson asked the famous rhetorical question:

"Shall we refuse the unhappy fugitive from distress that hospitality which the savages of the wilderness extended to our forefathers arriving in this land? Shall oppressed humanity find no asylum on this globe?"

As a Democrat I appeal to another Democrat, the Honorable Senator Robert R. Reynolds, of North Carolina, who has, I fear, been somewhat harsh in his heavy strictures upon the alien. I recall to his memory the Jeffersonian principles of asylum and equality of opportunity for immigrants, reaffirmed in the Democratic Party platforms in the following words:

"That the liberal principles embodied by Jefferson which makes ours the land of liberty and the asylum of the oppressed of every nation, have ever been cardinal principles in the Democratic faith."

I want to follow Abraham Lincoln, who wrote the Republican

I want to follow Abraham Lincoln, who wrote the Republican Party platform of 1864, wherein was set forth:

"Resolved, That foreign immigration, which in the past has added so much to the wealth, development of resources, and increase of power to the Nation, the asylum of the oppressed of all lands, should be fostered and encouraged by a liberal and just policy."

I respectfully remind Senator REYNOLDS that many of the great I respectfully remind Senator Reynolds that many of the great names of Revolutionary history are those of early settlers with likewise came here to evade torture and persecution—Schuyler from Holland, Herkimer from Germany, John Jay from France, Livingston from Scotland, Clinton from Ireland, Morris from Wales, Baron Steuben from Prussia, Hoffman from Sweden, Haym Solomon from Poland. These men realized that here there was no caste, no autocracy—only democracy, where brains are kings and service and brawn prime ministers.

and service and brawn prime ministers.

To me it seems anomalous when the descendants of the first settlers "turn up their noses" at recently arrived immigrants. These proud and haughty ones, if they were to trace their ancestry back far enough, might find that, although some call themselves Colonial Dames or Sons or Daughters of the American Revolution, they may be descendants of those who came from European almshouses and jails. During colonial times, "assisted

immigration" was the vogue, if not the accepted practice, in many European nations, which drained their poorhouses and prisons into the Colonies. Over 50,000 criminals were sent to the Thirteen Colonies by Great Britain alone.

I often grow impatient when I hear aspersions cast by the descendants of such "indentured" immigrants—particularly upon the recent refugees who come fleeing religious and political persecution, who come here to escape the concentration camps of Hitlerized Germany, the evils of communism, and the political crueities of the Italian fascisti.

cruelties of the Italian fascisti.

I shudder to think what this country would have been without immigration. Our debt to the immigrant, even to those who came from foreign shores to settle the Senator's own State, is incalcu-

lable-immeasurable.

Let me point out that our Census Bureau, in its publication entitled "A Century of Population Growth," concluded that by 1900 immigration had contributed 30,000,000 souls to our popula-

It is strange but true that we always regard the stranger with suspicion—a suspicion that diminishes as we grow to know the stranger and grow more friendly with him. It is the case of the "dislike of the unlike." The alien that reaches our shore is somewhat different than we and there is always an instinctive fear or dislike of him. It is strange but true that the Revenue and the order of him.

what different than we and there is always an instinctive fear or dislike of him. It is strange but true that the Romans never distinguished between "alien" and "enemy." The Latin word "hostis" is interchangeably used to designate both.

We in the cities who are closer to the alien and know him better, rightfully trust him. Those in the rural South and West do not so often rub elbows with the alien. They do not know him. I say to those who would strike at the alien, "get to know him better," "learn to understand him."

We enticed the foreigners to come here in droves when we needed

say to those who would strike at the alien, "get to know him better," "learn to understand him."

We enticed the foreigners to come here in droves when we needed them. We offered them every inducement. Many of our States, clamoring for population, offered full political participation to the alien immediately upon his mere declaration of intention to apply for citizenship. Upon his mere word, it gave him full citizenship rights. This anomalous situation remained in force in at least a dozen States until the beginning of the World War, Alabama, Arkansas, Arizona, Indiana, Kansas, Michigan, Missouri, Nebraska, North Dakota, South Dakota, Texas, and Oregon.

Not infrequently some would-be patriot arises with ashes on his head and says: "America should be for Americans." But what is an American? Is he an Indian, exclusively? That same pseudopatriot never describes an American. In New England, "American" might mean a combination of English, Scotch, or Welch, who in turn would be bred of Dane, Pict, or Scot, with perhaps a strain of French or Dutch. In Pennsylvania, "American" very likely might be a Quaker or Plattdeutsch. In the Gulf region, "American" would be a French-Spanish combination. In the Middle West and Northwest, Scandinavlan and German; Spanish-Mexican along the Rio Grande.

My definition of "American" would be one who is loyal to the flag and the Constitution and who plays the game fair, be he alien or citizen.

One thing is certain—that when these same pseudo-patriots.

flag and the Constitution and who plays the game fair, be he alien or citizen.

One thing is certain—that when these same pseudo-patriots seek to Americanize, you can jolly well take it for granted that they are always trying to Americanize someone else and not themselves. Perhaps if they would start in on themselves, they would make great strides in making this a greater country.

I take this opportunity to explode a number of false theories advanced concerning the alien. One would think, from some false outpourings we hear over the radio and from the written fulminations of antialien organizations, that aliens are flooding the land. This is contrary to fact. The Department of Labor tells us that from 1931 to 1938, 227,004 more persons left the country than entered. We have been losing population and will continue to lose in the next decade—at least 50,000 persons per year—unless conditions change.

the first decade—at least 30,000 persons per year—amiess conditions change.

Immigration and emigration are purely economic problems. When we have prosperity immigration increases. Great numbers wish to come in. When we have a depression emigration increases. Great numbers return to their land of origin. The financial curve

wish to come in. When we have a depression emigration increases. Great numbers return to their land of origin. The financial curve and the immigration curve run parallel.

The alien population in the United States, according to the Department of Labor statistics, is just a trifle over four million. These people are applying for citizenship far faster than the naturalization machinery of the country can absorb them. Despite the discouragement to citizenship because of high fees, red tape, bureaucracy, and long delays, they are nevertheless taking the oath of allegiance as rapidly as the United States judges can hear their vows. They are accused of tardiness in applying for naturalization. Many have not the money therefor. The present fee of \$7.50 is entirely too high. It buys shoes for the children and food that might otherwise mean starvation for loved ones, in these days of economic stress. I have a bill to reduce the fees to \$2. Most of the 4,000,000 aliens came here when this country was glad to have foreigners for hard manual labor at low wages. Most of them have done valuable work in helping build up this country. They have supported families and paid taxes. Hundreds of thousands served this country in the World War but that did not make them citizens. In some cases, cost of naturalization is from \$10 to \$40 or \$50. This is so particularly if certificates of registry are required and witnesses' fees are to be paid.

In a recent study of 4,169 noncitizen families, it was indicated that every noncitizen head of a family has, on the average, three American-born children depending upon him for support.

three American-born children depending upon him for support.

One-half of all aliens are over 50 years of age, and death takes no holiday. Don't you see that eventually this whole alien problem will settle itself? They will eventually all be citizens or will have died. The so-called alien peril is a myth and is due to deliberate misinformation developed by professional patriots, Fascists, Communists, and Nazis, who are busily exploiting aliens and minorities for their own financial ends. There are also many racketeers who trade in patriotism and in stirring up strife, as well as an enthusiastically misguided clergyman who should some day rue the havoc he has created.

racketeers who trade in patriotism and in stirring up strife, as well as an enthusiastically misguided clergyman who should some day rue the havoc he has created.

As in the case of any new organization, so with the beginning of our country. All were "charter members" in 1776. We were not fussy about aliens then. We had no prejudices against new-comers. We needed them. The Constitution included everyone as citizens. As a matter of fact, Martin Van Buren was the first President actually born in the United States. The seven who preceded him were all born subjects of the British Crown.

It is difficult to reconcile the aspersions now cast upon aliens with the history of our country, which is a history of aliens. It is difficult to understand how any man in public life, who is himself a descendant of immigrants, can rant and rail against the more recent immigrants. It reminds me of the story of the person who bragged that his ancestors came over on the Mayflower. His friend, however, said his ancestors came over when they had stricter immigration laws.

It has been charged by the enemies of aliens that nearly all aliens are criminally inclined and that our prisons are loaded with them. This is utterly false. The truth is that the percentage of criminality is lower among aliens and foreign-born generally than among native Americans. For details, see the Wickersham report and 1935 figures of the Department of Justice. The uniform crime reports of the Federal Bureau of Investigation show that on a percentage basis twice as many native-born white. Federal Bureau of Investigation show that on a percentage basis twice as many native-born white. Federal Bureau of Investigation show that on a percentage basis twice as many native-born white. Federal Bureau of Investigation show that on a percentage basis twice as many native-born white. Federal Bureau of Investigation show that on a percentage basis twice as many native-born white. centage basis twice as many native-born white were arrested and finger-printed as were foreign-born white. Federal Bureau of Investigation statistics show that of each 100,000 native white per-

vestigation statistics show that of each 100,000 native white persons, 570.9 were arrested and finger-printed during the calendar year 1938, while, for the foreign-born white, the corresponding figure was 209.2. Thus the alien is less criminal than the native.

It is generally charged that most of the "reds" and Communists are aliens. This is utterly false. Who are the two outstanding Communist leaders—Foster and Browder. One is a New Englander and the other is a native of Kansas. Their coleaders, Clarence Hathaway, James Ford, Robert Minor, and William Patterson are not aliens. Practically all the party membership and leadership of the Communists are native. As was pointed out by Louis Adamic some while ago, the three leading Marxist literary critics, Hicks, Cowley, and Arvin, are also of old New England stock.

It is strange, but true, that radical movements in any country are habitually attributed to the foreign-born. John Palmer Gavit, in his excellent book, Americans by Choice, points out: "Bismarck

are habitually attributed to the foreign-born. John Palmer Gavit, in his excellent book, Americans by Choice, points out: "Bismarck assured the Germans that socialism could not take permanent root in Germany because it was of English origin, while Gladstone declared that the social democratic doctrines could not abide in England because they were imported from Germany."

"In truth and in fact, among a really prosperous and contented people radicalism is an academic affair; the common man is not interested. It is only when social and economic conditions produce extremes of wealth and poverty, and when primary discontent with the basis and atmosphere of daily life is widespread, that political radicalism of any kind attracts any but the fireside debaters."

In other words, collectivism, radicalism, and communism have

In other words, collectivism, radicalism, and communism have no particularly geographical or racial origin. It is well to point out that much of socialism and collectivism can be found in the teach-

no particularly geographical or racial origin. It is well to point out that much of socialism and collectivism can be found in the teachings and writings of such natives as Horace Greeley, George Ripley, Charles A. Dana, Parke Godwin, Higginson, Channing, Margaret Fuller, Hawthorne, and James Russell Lowell.

In the last Presidential election only 80,159 Communist votes were cast out of a total popular vote of 45,646,817. Hardly any peril there. Forty-five States permit Communists to vote.

Our experience with the aliens in our midst during the war gives the lie direct to those who would sneer at them. Our Provost Marshal General, in his report of 1918, page 86, second report: "The great and inspiring revelation here has been that men of foreign and of native origin alike responded to the call to arms with a patriotic devotion that confounded the cynical plans of our archenemy, and surpassed our own highest expectations."

It is charged that from three to five million aliens are in jobs that rightfully belong to citizens now out of work. This is utterly ridiculous. In the first place, there are only 4,000,000 aliens and of these more than one-half are women. They are usually house-wives. They do not compete for industrial jobs. In all likelihood, 200,000 to 250,000 are children and they are listed as aliens. More than one-half are over 50 years of age, and thus unemployable. They are being supported by American-born children. Thus the aliens holding jobs or competing against Americans for jobs are comparatively negligible in number.

Economists might well consider the question whether or not the encouragement of entrance into this country of say, German and Austrian refugees, in a goodly number would or would not hasten economic recovery by establishing more jobs. I am informed that on November 21, 1938, the British Home Secretary stated in the House of Commons that as a direct result of the recent settlement of 11,000 German refugees, 15,000 British workmen had been given employment.

Within the last 5 years t

and German refugees having brought with them and rebuilt in their new home an annual business of \$10,000,000.

The Viennese industries producing bead bags and tooled and gilded leather goods have moved to Belfast and the north of London, where Austrian refugees are teaching Irish and English girls the secrets of their crafts.

In the west of England Czech craftsmen are establishing their toy industries. Jewish manufacturers of silk underwear from Berlin have already invested \$5,000,000 setting up factories in

Technicians in the dye industries and in the making of optical glass have taken their secrets to South Wales and are rebuilding there, employing British workmen.

there, employing British workmen.

The distinguished Senator from North Carolina advocates fingerprinting and registration of every alien in the United States. This would serve to intimidate all noncitizens by setting up procedures of registration which would involve endless "red tape" and bureaucracy. It would only serve to confuse further the immigrant and set more unnatural barriers across his path. Incidentally, such a system could be successfully used against citizens by blackmallers and schemers. Citizens might have to carry around their birth certificates or naturalization papers to prove citizenship. The way would be open for all manner and kind of skullduggery.

citizenship. The way would be open for all manner and kind of skullduggery.

I am unopposed to fingerprinting, provided it embraces citizens and noncitizens alike. I am opposed to any distinctions. The distinguished Senator says countless thousands slip across the borders annually. Records disprove this. The immigration authorities have always maintained a careful watch. The Bureau of Immigration and Naturalization can readily give figures to

of Immigration and Naturalization can readily give figures to scotch such a charge.

It is so very easy to wax patriotic and speak of "American jobs should go to Americans first" and in this way infer that the alien is taking bread out of the mouth of the native. This is but to create a scapegoat of the foreign-born, an attempt to blame him for unemployment and depression evils and difficulties. Such declarations are highly destructive and delay, if they do not prevent, the solution of our economic difficulties.

At this time, I do not seek any change in our quota laws. I am willing to let well enough alone, except that I would admit some of the refugee children from Germany.

I would oppose all manner and kind of discrimination and inequality against the alien.

I would reduce the fee for citizenship so as to encourage, to the fullest, aliens to embrace naturalization.

I would reduce the fee for citizenship so as to encourage, to the fullest, aliens to embrace naturalization.

I would pass House Joint Resolution 115, introduced by the Honorable William T. Schulte, Representative from the State of Indiana, to codify the naturalization and immigration and deportation laws. They are a hodgepodge, complex, and confusing. These should be made clear and understandable.

I feel that the place of the foreign-born in the United States today is symbolized by the following news clipping:

"Frank Rusoti, paper-mill worker, renounced an Italian fortune rather than forfeit his American citizenship. A sizable fortune awaited Rusoti if he would return to his native Italy. His father, a wealthy engineer, died abroad last month and left his estate to Rusoti, providing that he make Castel Mona, Italy, his permanent residence.

"'I would rather be a mill worker here than King of Italy,' Rusoti said. 'My American citizenship means more to me than any other possession. I'm relinquishing my claim to the money.' Rusoti, 42, came to the United States when he was 9. He grew up in Milwaukee, Wis., and fought with the American Army in the World War." World War."

Neutrality

EXTENSION OF REMARKS

HON. MELVIN J. MAAS

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. MAAS. Mr. Speaker, no single subject holds the attention of the American people more at the present time than our neutrality policy. The question of war or peace for the United States is involved in this decision. Seldom has Congress been called upon to make such a momentous

The vast majority of Americans desire to avoid a war. Certainly there is an overwhelming sentiment in Congress to avoid war.

Action upon our present so-called neutrality law is imperative as important sections of the law expire May 1. The extension of these provisions or their modification, or even their repeal therefore is now receiving most earnest and urgent consideration in Congress.

The danger in our present law is that it is not self-enforcing, and the question of its enforcement or nonenforcement is left to the discretion of one man-the President. When our neutrality law is enforced, it is not actual neutrality at all, since its practical result is to make us a party to aggression. Small, or peace-loving nations, without huge military machines and great war supplies, are then denied access to the very essentials necessary to defend themselves. So, in reality, we do not treat both sides alike. On the other hand, neutrality means to be neutral, to treat all nations exactly alike.

Our greatest guaranty of peace is to mind our own business, keep out of the quarrels of European or Asiatic nations, and to maintain such a Navy, air force, and Army as

will insure this hemisphere against aggression.

No law can guarantee our peace any more than a prohibi-

tion law guaranteed us temperance.

An important part of neutrality is to abstain from governmental assistance in arming one nation against another, and to abstain from giving governmental aid to either side.

We once took sides in a European quarrel and sent millions of American youth and billions of American dollars overseas, all in vain, however. We should have learned that we cannot solve Europe's problems.

We have all we can do to solve our own problems.

We have no obligations to intervene in European affairs, and experience shows that we cannot accomplish any constructive results to them or ourselves if we do butt in.

The greatest service we can perform to the ultimate cause of peace and the preservation of democracy is to keep war and its civilization-destroying ravages out of this hemi-

We can best assure this by adopting a policy of genuine neutrality. This means that the decision of war or peacewhich is the real question involved in taking sides, whether economically or otherwise-should not be left to one man, even though he be the President.

Such a vital national decision should be left in the hands of

There is no need for us to become involved in a European war. We are likely to, however, if high governmental officials continue to make irresponsible and intemperate statements and attempt to make secret commitments that will involve us.

No better policy has yet been found than that of Teddy Roosevelt, which was to "speak softly and carry a big

stick."

Grants to States a Species of Bribery

Those who are charged with the responsibility of preserving our Government may themselves provide the machinery by which it can be destroyed.

Constitutional restraints are disregarded, their purposes lost sight of, and there is resort to unique and subtle devices to circumvent them.

EXTENSION OF REMARKS

HON. DONALD H. McLEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

ADDRESS OF HON. DONALD H. McLEAN, OF NEW JERSEY, AT THE ANNUAL DINNER OF GEORGE WASHINGTON UNIVER-SITY LAW ASSOCIATION, WASHINGTON, MARCH 18, 1939

Mr. McLEAN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address I made at the recent annual meeting of the alumni of the law department of Columbian-George Washington University. The occasion was in honor of Walter C. Clephane, a graduate and for many years professor of law. Mr. Newell

Elison, of the District of Columbia bar, presided. Other speakers were Dr. Cloyd H. Marvin, president of the university; William C. Van Vleck, dean of the Law School; Hon. James M. Proctor, associate justice of the District Court of the United States for the District of Columbia; and Mr. Joe De Ganahl, president of the Student Bar Association.

Mr. President, Dr. and Mrs. Clephane, ladies, and gentlemen: Tonight we honor Walter C. Clephane, doctor of laws, professor emeritus of law, on the occasion of the fiftieth anniversary of his graduation from the Columbian-George Washington University Law School. For 39 years he has honored the school and been revered as one of its teachers. It is a distinction that I enjoy sitting here with him tonight, but it gives me no greater enjoyment than when L sat under him I sat under him.

I was not given a subject. It was indicated to me that all that could be said about Professor Clephane, the old Columbian and George Washington University, and the class of 1889 would have been said by others, and that I might choose my own subject. With all deference to Dr. Clephane and his class of 1889, the

merits of the class of 1906 are also worthy of note.

The class of 1906 entered the law school in the fall of 1903. never had been and never will be a better class. Henry St. George Tucker, William Reynolds Vance, and Ernest G. Lorenzen came with us as the first full-time professors the school ever had. Dr. Tucker

brought with him the honor system.

Our class did not produce many, I would be surprised if any at all, who would be characterized today as liberals.

Our knowledge of the principles of constitutional law was acquired under the teaching of John Marshall Harlan, then an Associate Justice of the Supreme Court of the United States. His life in that frontier State of Kentucky as a politician soldier. Member clate Justice of the Supreme Court of the United States. His life in that frontier State of Kentucky as a politician, soldier, Member of Congress, and judge equipped him to be a great advocate of the American system of constitutional government. His legal philosophy was built upon the foundation of an almost religious reverence for the Constitution. He admonished us that we could render no greater service than to contribute to its preservation. We spent 2 hours each week with him on its fundamentals against the day when we might be called upon to render such service. One sometimes wonders if the time thus spent served any useful purpose. purpose.

We are warned against subversive practices and propaganda. are told that Communists and Fascists and other organized groups would overthrow our Government by force. Serious as we know would overthrow our Government by force. Serious as we know that threat to be, there is a more serious challenge beyond it. The danger is that those who are charged with the responsibility of preserving our Government may themselves provide the machinery by which it can be destroyed. We are permitting and encouraging weakening practices. Constitutional restraints are disregarded, their purposes lost sight of, and there is resort to unique and subtle devices to circumvent them. Political purposes and circumstances of the times create tendencies toward concentration of power and authority in a centralized government, which tration of power and authority in a centralized government which will destroy the sovereignty of the States and render them mere administrative agencies of the Federal Government.

What made the Government established under the Federal Con-What made the Government established under the Federal Constitution successful was the restraints which were imbedded in its checks and its balances. The framers of the Constitution knew from the knowledge they had of the history of the world that to avoid autocratic power restraints were necessary to keep those who might become entrusted with the Government within proper bounds for the preservation of liberty. By disregarding these restraints the power of the Federal Government is extended, and the more that power is extended and our everyday life directed from Washington, the further the Government becomes removed from direct popular control.

from Washington, the further the Government becomes removed from direct popular control.

Under authority of present-day enactments, the President may by Executive order alter or supplement the provisions of law.

In many instances trial by jury has been abolished by the substitution of boards and bureaus with the power to impose fines for violation of statutory provisions.

The States and their essential agencies have enjoyed immunity from Federal taxation, and the Federal agencies immunity from taxation by the States. This rule was not expressed in the Constitution. It was established by John Marshall as an essential part of our constitutional law to prevent the destruction of our dual system of Government, on the theory, as both Marshall and dual system of Government, on the theory, as both Marshall and Webster said, that "the power to tax involves the power to destroy." Today's thought would abolish that rule. Federal officers, without authority of law, have set up corpora-tions under State laws for carrying on Federal activities. It is an

tions under State laws for carrying on Federal activities. It is an abortive practice and a unique procedure. Employees of a given department will execute a certificate of incorporation and file it in one of the States under the State Incorporation Act. The invested capital is a contribution by the Federal Government. The corporation claims for itself all of the rights and privileges of an artificial person, and at the same time demands immunity from obligations imposed by State law, claiming to be an agency of the Government of the United States. One such corporation will borrow Government money from another. They have been used as distributing agencies for relief funds. This device is used to avoid all statutes providing that employees of the Government to avoid all statutes providing that employees of the Government shall be chosen from the classified civil service, and those other statutes directing the manner in which officials shall discharge their duties.

The Constitution provides that treaties with foreign nations shall be made by and with the advice and consent of the Senate, but our commercial relations with foreign nations are controlled to a very considerable extent by treaties which no longer are given the dignity of being designated as such or being submitted to the United States Senate for ratification. It is contended that in making them the advice and consent of the Senate is unnecessary because they are not treaties but agreements. Such a distinction cannot be supported by anyone's definition of either sary because they are not treaties but agreements. Such a distinction cannot be supported by anyone's definition of either word. A treaty is an agreement. It differs from any other agreement only in that it is a treaty with a foreign nation, but Congress, in disregard of constitutional restraint, allows our trade treaties with foreign nations to be negotiated entirely by the State Department. Such agreements affect the revenue. Under the Constitution, revenue measures should originate in the House of Representatives; but under the present system they originate with the Secretary of State.

of Representatives; but under the present system they originate with the Secretary of State.

The inadequate revenue systems of many States have made it difficult for them to finance the numerous activities of present-day demands. The Federal Government, taxing on a national basis with tremendous resources made available by the system of direct taxation, under the sixteenth amendment, is called upon to assist in various enterprises alleged to be for the welfare of the Nation as a whole, and there has developed, as a direct result, a system whereby subsidies are granted to the States. The suggestions for Federal aid uniformly come from States less fortunate, hoping to benefit through the medium of Federal taxation out of the resources of others. By accepting these subsidies the States must conform to certain requirements laid down in the Federal statutes, admitting a degree of supervision and control which of itself threatens State independence.

The practice of granting subsidies is not new, but until recently it came within the scope of the activities intended for the Federal Government. The improvement of navigable waters was as an adjunct to interstate commerce and national defense; likewise, the grants of public lands to States for maintaining colleges required

adjunct to interstate commerce and national defense; likewise, the grants of public lands to States for maintaining colleges required of the students a limited amount of training and the study of military science. Grants were made to railroads, but with the idea of developing land belonging to the United States; subsidies granted for the purpose of building ships and the development of the merchant marine provided that the ships should be used as a part of the national defense and in the transportation of the mails.

The practice of granting subsidies to the States for public works and essential State activities has expanded rapidly in recent years

and essential State activities has expanded rapidly in recent years with the idea that the public health, public roads, and education are matters in which the States have a common interest, and because their importance transcends State boundaries, and, most recently, with no justification than the necessity of assisting the

States in granting relief and in aid of economic recovery.

In 1925, during the administration of President Coolidge, the appropriations for these purposes amounted to \$110,000,000 annu-

appropriations for these purposes amounted to \$110,000,000 annually, as compared with the billions now being appropriated. The dangers incident to the practice have frequently attracted attention. Professors Allen Johnson and William A. Robinson refer to it in their book, Readings in Recent American Constitutional History, published in 1927. On January 13, 1921, the Governor of Wisconsin in his annual message to the legislature, referred to it as a "species of bribery" and recommended that every project presented under the pretense that the State would receive bounties of the Federal Government be "closely scrutinized." On April 9, 1924, the General Assembly of the State of Maryland memorialized Congress by a joint resolution requesting and urging the repeal of all laws which authorized appropriations to the several States in the form of Federal aid on condition that similar appropriations be made by the respective States, the reason similar appropriations be made by the respective States, the reason given being that under this system a State was compelled to undertake work which it might not wish to undertake or lose its share of the Federal appropriations, in which case it would be compelled to contribute in taxes to the work of other States of which its people disapproved and from which they derived no benefit.

Recently the House of Assembly of the State of New Jersey enacted a resolution of peculiar significance. It petitioned Congress to provide the means whereby a constitutional amendment could be adopted limiting the amount which the Federal Government could raise by direct taxation through the medium of the income tax.

In time of economic distress the people look to their Government for aid. The plea of necessity results in short-sightedness as the consequences of these Federal contributions. Under the measures enacted by Congress to provide relief and bring about recovery from depression conditions, contributions were made on condition that like amounts would be contributed by the States; also, that working conditions dictated by the Federal Government should govern the operation and specified materials should be used. There is pending in Congress a bill pursuant to which the Federal Government is to make contributions to the States for educational purposes, but in order to obtain such contributions, the State must conduct its educational system according to the dictates of the Federal Bureau of Education. Congress has also provided for making large contributions of money to the farmers, but to obtain such contributions, the farmer must comply with the dictates of the Federal Government as to the kind and extent of the crop he can produce. of the crop he can produce.

The obvious political significance of these Federal grants makes it easy for those in control of the purse strings to comply with the

demands. Thus the power of the Federal Government is increased and bureaucracy, once established, expands itself. The political mind, in its desire for perpetuation in office, is ever ready to yield mind, in its desire for perpetuation in office, is ever ready to yield to those influences which will provide for a constituency benefits which overwise might not be enjoyed by those possessing the voting power. These elements are peculiarly active at this time, and they direct our thoughts to a day when the States will no longer be separate, independent entities, possessing their own sovereignty, but will be mere administrative agencies of a strong central government.

The energyment of the systemth amendment is removable for

The enactment of the sixteenth amendment is responsible for the rapid increase in the practice of granting subsidies to States. It was more difficult when the requirement was that taxes had to

It was more difficult when the requirement was that taxes had to be raised by apportionment among the States. The sixteenth amendment gave the Federal Government the power of direct taxation, and there is no limit to which that power may be exercised. There can be no quarrel with the States marshaling their resources in an emergency, but there should be a return to normal conditions as soon as the emergency is passed. In the exercise of emergency activities it is logical that the State should be recognized as being allowed to solve its own problems and use its own agencies. There is a suggestion that would make temporary relief agencies a permanent activity of the Federal Government. We are told, for example, that it is contemplated to have a permanent board with a reservoir of approved public works always available so that when a downward economic trend threatened, the Federal Government could take quick, effective measures to halt the downward curve and bend it upward before economic harm were done. ward curve and bend it upward before economic harm were done.

Maybe so. But any observer of the idiosyncracies of human nature knows that some way would be found to open the floodgates of that reservoir around election, even in prosperous times.

It is possible under our present system and practice for large sums of money to be appropriated annually to be spent by the Executive without cermarking or other designation the form of

Executive without earmarking or other designation, the form of the legislative enactment being an ostensible compliance with the Constitution, but actually a mere subterfuge to ease the conscience of the legislators and administrative officers. This method of using money and disregard of constitutional restraints can create the instrumentality by which America may become a totalitarian State with every appearance of legality.

It may be said that the dectrine of States' rights has no place the transfer of the constitution of the

in our present-day existence; that it was settled with the Civil War. What the Civil War determined was that we are an "indissoluble Union of indestructible States." It was never intended that the great sovereignties that made up the Union should be puppet States or mere administrative agencies of the Federal Government. The controversy for supremacy between the States and the Federal Government began the moment the Constitution was sent out of Government began the moment the Constitution was sent out of the Convention to the States for ratification. It has continued ever since. The desire to preserve the liberty which had been won at so much sacrifice and hardship has been the basis for most of it.

The doctrine that Justice Harlan supported was an even course

The doctrine that Justice Harlan supported was an even course between strong nationalism and State rights, and he was quick to attack any infringement by the Federal Government upon what he deemed the legitimate powers of the States.

Increase of population, the development of means of transportation and communication have added to our governmental problems. As developments have come new conditions have arisen, but dangers of concentration of power in a strong central government should give us as much concern as they gave the founders. Our Government has met every emergency which has arisen for 150 years, and, although the country has grown in size and activities have become more numerous, the experiences of the past are as an assurance of the future. "The habits of a thinking people in a free country," said Washington, "should inspire caution in those entrusted with its administration, to confine themselves within a free country," said Washington, "should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. Let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed."

Reclamation of Arid Lands and Conservation

EXTENSION OF REMARKS

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

EXCERPTS FROM NATIONAL PARTY PLATFORMS

Mr. ANGELL. Mr. Speaker, for 47 years-with some exceptions-the Republican and Democratic Parties have included in their platforms planks having to do with the reclamation of arid lands and water conservation. This subject is still one which is vital to the welfare and interests of our country, and in a consideration of this problem it is of interest to study and compare the various pronouncements of the political parties on this subject and it is useful to have tabulated this record for study and comparison.

The following are the platform statements referred to:

REPUBLICAN NATIONAL PLATFORMS ON RECLAMATION

Excerpts from Republican national platforms expressing the position of the party on reclamation are as follows:

[Convention of 1892 at Minneapolis]

ARID LANDS

We favor cession, subject to the homestead laws, of the arid public lands to the States and Territories in which they lie, under such congressional restrictions as to disposition, reclamation, and occupancy by settlers as will secure the maximum benefits to the people.

[Convention of 1900 at Philadelphia] LAND LEGISLATION

In further pursuance of the constant policy of the Republican Party to provide free homes on the public domain, we recommend adequate national legislation to reclaim the arid lands of the United States, reserving control of the distribution of water for irrigation to the respective States and Territories.

[Convention of 1904 at Chicago] REPUBLICAN ACHIEVEMENTS SINCE 1897

We have passed laws which will bring the arid lands of the United States within the area of cultivation.

[Convention of 1908 at Chicago] CONSERVATION OF FORESTS

We commend the work now going on for the reclamation of arid lands, and reaffirm the Republican policy of the free distribution of the available areas of the public domain to the landless settler. No obligation of the future is more insistent and none will result in greater blessings to posterity.

[Convention of 1912 at Chicago] RECLAMATION OF LANDS

We favor the continuance of the policy of the Government with regard to the reclamation of arid lands; and for the encouragement of the speedy settlement and improvement of such lands we favor an amendment to the law that will reasonably extend the time within which the cost of any reclamation project may be repaid by

within which the cost of any rectangues project may be repeated by the landowners under it.

We favor a liberal and systematic policy for the improvement of our rivers and harbors. Such improvements should be made upon expert information and after a careful comparison of cost and

prospective benefits.

[Convention of 1920 at Chicago]

RECLAMATION

We favor a fixed and comprehensive policy of reclamation to increase national wealth and production.

We recognize in the development of reclamation through Federal action, with its increase of production and taxable wealth, a safe-guard for the Nation.

We commend to Congress a policy to reclaim lands and the establishment of a fixed national policy of development of national resources in relation to reclamation through the now designated Government agencies.

[Convention of 1924 at Cleveland]

RECLAMATION

Federal reclamation of the arid and semiarid lands in the West has been the subject of intensive study in the Department of the Interior during the past fiscal year. New policies and methods of operation have been adopted which promise to insure the successful accomplishment of the objects sought. The completion of this reorganization plan is regarded as one of the achievements of the present administration in the interest of farmers immediately and of all the people ultimately.

[Convention of 1928 at Kansas City]

RECLAMATION

Federal reclamation of arid lands is a Republican policy, adopted under President Roosevelt, carried forward by succeeding Republican Presidents, and put upon a still higher plane of efficiency and production by President Coolidge. It has increased the wealth of the Nation and made the West more prosperous.

An intensive study of the methods and practices of reclamation has been going on for the past 4 years under the direction of the Department of the Interior in an endeavor to create broader human emportunities and their financial and economic success. The money

opportunities and their financial and economic success. The money

value of the crops raised on reclamation projects is showing a steady and gratifying increase, as well as the number of farms and people

who have settled on the lands.

The continuation of a surplus of agricultural products in the selling markets of the world has influenced the Department to a revaluation of plans and projects. It has adopted a 10-year program for the completion of older projects and will hold other suggestions in abeyance until the surveys now under way as to the entire scope of the work are completed.

[Convention of 1932 at Chicago] CONSERVATION

The wise use of all natural resources, freed from monopolistic control, is a Republican policy initiated by Theodore Roosevelt. The Roosevelt, Coolidge, and Hoover reclamation projects bear witness to the continuation of that policy. Forestry and all other conservation activities have been supported and enlarged.

The conservation of oil is a major problem to the industry and the Nation. The administration has sought to bring coordination of effort through the States, the producers, and the Federal Government. Progress has been made, and the effort will continue.

DEMOCRATIC NATIONAL PLATFORMS ON RECLAMATION

Excerpts from Democratic national platforms expressing the position of the party on reclamation are as follows:

[Convention of 1900 at Chicago]

ARID LANDS

We favor an intelligent system of improving the arid lands of the West, storing the waters for purposes of irrigation, and the holding of such lands for actual settlers.

[Convention of 1904 at St. Louis] RECLAMATION OF ARID LANDS

We congratulate our western citizens upon the passage of the We congratulate our western citizens upon the passage of the law known as the Newlands Irrigration Act for the irrigation and reclamation of the arid lands of the West, a measure framed by a Democrat, passed in the Senate by a nonpartisan vote, and passed in the House against the opposition of almost all the Republican leaders by a vote the majority of which was Democratic. We call attention to this great Democratic measure, broad and comprehensive as it is, working automatically throughout all time, without further action of Congress, until the reclamation of all the lands in the arid West capable of reclamation is accomplished, reserving the lands reclaimed for home seekers in small tracts and rigidly guarding against land monopoly, as an evidence of the policy of domestic development contemplated by the Democratic Party should it be placed in power.

[Convention of 1908 at Denver] NATURAL RESOURCES

We repeat the demand for internal development and for the We repeat the demand for internal development and for the conservation of our natural resources contained in previous platforms, the enforcement of which Mr. Roosevelt has vainly sought from a reluctant party; and to that end we insist upon the preservation, protection, and replacement of needed forests, the preservation of the public domain of homeseekers, the protection of the national resources in timber, coal, iron, and oil against monopolistic control, the development of our waterways for navigation, and every other useful purpose, including the irrigation of arid lands, the reclamation of swamplands, the clarification of streams, the development of water power, and the preservation of electric power generated by this natural force, from the control of monopoly; and to such end we urge the exercise of all powers, national. oly; and to such end we urge the exercise of all powers, national, State, and municipal, both separately and in cooperation.

[Convention of 1916 at St. Louis] CONSERVATION

For the safeguarding and quickening of the life of our people, For the safeguarding and quickening of the life of our people, we favor the conservation and development of the natural resources of the country through a policy which shall be positive rather than negative, a policy which shall not withhold such resources from development but which, while permitting and encouraging their use, shall prevent both waste and monopoly in their exploitation, and we earnestly favor the passage of acts which will accomplish these objects, reaffirming the declaration of the platform of 1912 on this subject.

The policy of reclaiming our arid lands should be steadily adhered to.

[Convention of 1920 at San Francisco] RECLAMATION OF ARID LANDS

By wise legislation and progressive administration we have transformed the Government reclamation projects representing an investment of \$100,000,000 from a condition of impending failure and loss of confidence in the ability of the Government to carry through, such large enterprise to a condition of demonstrated success, whereby formally arid and wholly unproductive lands now sustain 40,000 prosperous families and have an annual crop production of over \$70,000,000, not including the crops grown on a million acres outside the projects supplied with storage water from Government works. Government works.

We favor ample appropriations for the continuation and extension of this great work of home building and internal improvement along the same general lines, to the end that all practical projects shall be built, and waters now running to waste shall be made to provide homes and add to the food supply, power resources, and taxable property, with the Government ultimately reimbursed for the entire outlay.

[Convention of 1924 at New York] RECLAMATION

The Democratic Party was foremost in urging reclamation for the arid and semiarid lands of the West. These lands are located in the public-land States, and, therefore, it is the duty of the Government to utilize their resources by reclamation. Homestead entrymen under reclamation projects have suffered

from the extravagant inefficiencies and mistakes of the Federal

Government

The Reclamation Act of 1924, recommended by the Fact Finding The Reclamation Act of 1924, recommended by the Fact Finding Commission and added as an amendment to the second deficiency appropriation bill at the last session of Congress, was eliminated from the bill by the Republican conferees in the report they presented to Congress 1 hour before adjournment. The Democratic Party pledges itself actively, efficiently, and economically to carry on the reclamation projects, and to make equitable adjustment for the mistakes the Government has made.

[Convention of 1928 at Houston] CONSERVATION AND RECLAMATION

We shall conserve the natural resources of our country for the We shall conserve the natural resources of our country for the benefit of the people and to protect them against waste and monopolization. Our disappearing resources of timber call for a national policy of reforestation. The Federal Government should improve and develop its public lands so that they may go into private ownership and become subjected to taxation for the support of the States wherein they exist. The Democratic administration will actively, efficiently, and economically carry on reclamation projects and make equitable adjustments with the homestead entrymen for the mistakes the Government has made and extend all practical aid to refinence reclamation and drivings projects. all practical aid to refinance reclamation and drainage projects.

No specific mention of reclamation was made in the Democratic national platforms of 1932 and 1936.

America's Policy in a Warring World

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, ON APRIL 11, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the Record, I include a radio address I delivered over station WEVD at New York on Tuesday, April 11, 1939:

The slimy betrayal of the "Munich Pact," followed by the rape The slimy betrayal of the "Munich Pact," followed by the rape of Czechoslovakia, has done more than anything I know of to open our eyes to the dreadful dangers that beset democracies. Theretofore most peace-loving people seemed to think that fascism and nazi-ism were not as black as they were painted, but the so-called "appeasement" at Munich and the aftermath thereof has, I hope, brought the democracies to their senses. The natural reaction of the ordinary and decent mortal is to shrink away from the horrors of war. But we are commencing to realize that the more we seek to retreat from Fascist and Nazi horrors the more we play into the hands of these brigands and cutthroat bandits. We can no longer keep our heads buried in the sands like ostriches.

Shall it he isolation and retreat as involved in the present.

Shall it be isolation and retreat, as involved in the present Neutrality Act, or shall it be appropriate preparedness? Shall it be "wishful" waiting or shall we face the issue clearly and intelligently and courageously, and if we face that issue, what shall

we do about it?

We do about it?

Lewis Mumford, in his recent book, Men Must Act, states: "Sheer inertia still makes people minimize the danger; in a recent storm people stayed in their houses on Long Island, convinced that the incoming waves would not reach them, because the tides had never climbed so high before. Too late, many unfortunates discovered that the rules that held in the past did not apply to this particular tornado; the waves swept in.

"To fancy that Fascism will sweep over the world and leave America untouched, merely because we wish to be let alone, is to imagine that we will be protected by a miracle." Such words must give us pause.

must give us pause.

Frankly, I am convinced that the present policy of legislative neutrality or isolation will not keep us out of war. Isolation is as defunct as is the League of Nations. As former Secretary of State Stimson said before the Senate Foreign Relations Committee, "In a world which has become 'far too small and interconnected and interdependent' a policy of isolation cannot be effective." Our experience has been indisputably that when a law to the syrved on a leave scale, no important particulars the war has spread on a large scale, no important nation such as the United States can stay out.

Roy Howard of the Scripps-Howard papers, speaking over the radio from London last Wednesday said only a miracle could prevent our being involved in any war that sweeps Europe. Mrs. Franklin D. Roosevelt says her recent transcontinental tour convinced her that people are beginning to doubt that the United States can isolate itself from the rest of the world.

We cannot lose sight of the fact that radio, television, radiophotography, trans-oceanic flights, the magnitude of international trade, high-speed airplanes, the well-nigh annihilation of time, has brought nations closer together and made of the oceans mere streams. Virginio Gayda, fascism's leading newspaper spokes-man, threatened on April 10, that Italy and Germany would soon meddle in American affairs and that the United States is "not protected by distance."

The best hope of remaining at peace does not lie in attempting to make ourselves immune to the effects of war after it has once started, but in making declaration and outbreak of war itself less

started, but in making declaration likely.

In the name of neutrality and isolation, we heretofore adopted a rigid policy which aided the culprit and aggressor nations, and particularly denied help to the persecuted and victim nations. That sort of isolation and neutrality actually leaves the choice with foreign nations as to whom we can carry on our trade and

That sort of neutrality made us insensible to Fascist and Nazi brutality.

The present Neutrality Act provides that its terms become effective immediately upon the proclamation by the President of a state of war between two or more nations, but in practice it becomes highly difficult for the President to proclaim such a state

In the case of China the President, honestly endeavoring to register general public sentiment, refused to issue the proclamation so as to put us, as far as possible, on the side of China. In other words, Japan's cruelties forced us to want to help China. We could not say we were neutral. We emphatically were not. We did not issue the proclamation. Therefore, we, in effect, aided Japan, who could "come and get" supplies and scrap iron for war. Such neutrality, growing out of a desire to be isolated, is in common parlance "the bunk." In the case of Spain, again following public opinion, the President issued the neutrality proclamation, because our people wanted to be consistent with England and France in their non-intervention policy. The result in each instance—in China and in Spain—was that we helped a side we apparently did not wish to help. This sort of neutrality invites and encourages the Berlin-Rome-Tokyo axis to press forward to more brutal conquests—conquests which, unless stopped, will threaten and imperil our own interests and safety. It is a policy that encourages the bully to grow greater and more rapacious on what he feeds until he is strong enough to reach out and even threaten our own security.

We must make it affirmatively plain that in time of war or even

strong enough to reach out and even threaten our own security.

We must make it affirmatively plain that in time of war or even in time of undeclared war, as in the case of Germany against Czechoslovakia, Italy against Albania, that American supplies, food, armaments, and implements of war will be freely available to nations acting in self-defense but that our Government, acting jointly through our President and our Congress, will be prepared to brand the aggressor in any foreign war, will be prepared to point out and name treaty violating nations and will be prepared to ostracize them and withhold from them such supplies, food, and implements. That in effect is the so-called Thomas amendment. Such a policy may cause culprit nations to look before they

to ostracize them and withhold from them such supplies, food, and implements. That in effect is the so-called Thomas amendment. Such a policy may cause culprit nations to look before they leap. It may cause bullying nations to remember that we stand in the offing ready to throw our aid against them. It will, doubtlessly, be a deterrent to war with us.

I am unwilling to stake my country's future on what the pacifists and isolationists call the "impregnability" of the Atlantic and Pacific oceans. Alone, they no longer will protect us. We must arm to the teeth. We must establish a navy second to none. We must augment our land forces. Congress will soon pass with alacrity the program of defense legislation our President has recommended. We are to build eight new battleships, establish more war bases, dry docks, a third set of locks at Panama, and build more airplanes. We are preparing, through barter of wheat and cotton, to secure an ample supply of strategic war materials such as rubber, hemp, and tin. That will be the best warning, short of war, that brigand nations will understand. At least it will drive home to them our determination at all costs to maintain drive home to them our determination at all costs to maintain our democracy.

I want America to be thoroughly "prepared"—now! President Wilson stressed the need for neutrality and "preparedness" was rather belatedly forced upon him. Timely preparedness would have saved us much life and property.

The isolationists want us to remain supine. I want to face the issue—realize there is danger and meet it. I do not want to wait until the swastika airplanes are over New York or troop ships laden with black shirts are outside Boston Harbor. I want to arm now. Today we have the choice of weapons. Tomorrow our choice is gone. That choice may stay the hand of the invader.

And what about the infiltration of dangerous Nazi and Fascist doctrines. Franco's triumph undoubtedly will encourage the spread of fascism in South America. The Argentineans are thoroughly aroused over Nazi spying. At the Lima Conference, swastikas and Italian and Japanese flags far outnumbered American flags in the popular decorative scheme. Only the Lord knows how widespread is Nazi espionage in this country. Will the isolationists still remain inactive and inert? Will they still remain what Secretary Hull calls "storm-cellar thinkers" or be "like mutes in a thunderstorm; they just close their eyes and think the lightning cannot strike them."

Assuredly, merely being neutral does not contribute to our And what about the infiltration of dangerous Nazi and Fascist

Assuredly, merely being neutral does not contribute to our peace. I am convinced that peace is something positive. It is not mere absence or negation of war It must be striven for.

It can only come from constructive effort. It can, in part, come from amending our Neutrality Act, by denying supplies to aggressors, by aiding victims economically, and as President Roosevelt suggested, by methods "short of war but stronger and more effective than mere words.'

We should continue to deny helium to Germany. It is well to continue the countervailing punitive duties on German imports. It is well to make loans to China and grant economic subsidies to Brazil, and in other ways aid victim nations for the purposes of encouragement and for reinforcement of their resistance against aggressors. We can go much further, if need be, e. g., we can supply about one-third of the world's raw materials. Much of that supply can be withheld from culture the resistance against aggressors.

about one-third of the world's raw materials. Much of that supply can be withheld from culprit nations and supplied to their victims. Apparently force is the only argument that Nazis and Fascists understand. Warnings and pious remonstrances and the glowing programs of isolationists are as unavailing as water on a duck's back. I am convinced that the ultimate aim of the Fascists and Nazis is to break down our own democracy. Somewhere in their program of destruction appears the name "United States." The only way they can be prevented from carrying out their nefarious purpose is by creating an army, pays, and an air force that will make way they can be prevented from carrying out their herarious purpose is by creating an army, navy, and an air force that will make it impossible for them to attack successfully. Furthermore, to place stumbling blocks in their paths and to make even their approach to this program more difficult, we must, I repeat, by amending our Neutrality Act, give as much as possible of aid and comfort to their victims. I am most loathe to build a great war machine even for defense, but that choice is forced upon us. He is a fool who thinks that peace can be secured on more agreeable terms. We already know that the policy of appeasement only makes the lion stronger that peace can be secured on more agreeable terms. We already know that the policy of appeasement only makes the lion stronger and does not lessen his ferocity. It is high time we took some positive action to prevent Fascist bullying and blackmailing. To prevent their fighting the weak and conquering with frightfulness the helpless. Assuredly inaction, neutrality, and isolation are the allies of nazi-ism and fascism. The need is what Thomas Mann calls "soldierly readiness."

The greatest deterrent to fascism and nazi-ism appears is their

The greatest deterrent to fascism and nazi-ism rapacity is their

knowledge that we are ready to fight.

My philosophy in this connection stems from Alexander Hamilton. In battling for the Constitution of the United States Hamton. In batting for the Constitution of the United States Hamilton said that an adequate defense was always essential. He said that it would be easy for imperial governments "to fabricate pretenses of approaching danger" and that when such desired appearances might have been worked up by some foreign power, it would have to be "appeased again by timely concessions." Hamilton's words sound strangely familiar although uttered more than a century so. He said it was necessary to be ready in advence to meet words sound strangely familiar although uttered more than a century ago. He said it was necessary to be ready in advance to meet such situations far ahead of their appearance. He also noted that "the ceremony of a formal declaration of war has of late fallen into disuse." He noticed that actual hostile action usually preceded the formal state of war. He said "the rights of neutrality will only be respected when they are defended by an adequate power. A nation, despicable by its weakness, forfeits even the privilege of being neutral."

The policy of so-called cash and carry advocated by Senator PTITMAN would be a deliberate favoring of the strong as against the weak. It may temporarily aid France and England, whom we want to aid. They could come and get it and pay cash. But

the weak. It may temporarily aid France and England, whom we want to aid. They could come and get it and pay cash. But suppose they were defeated by Hitler and Mussolini in combination. Then Hitler and Mussolini could come and get it and pay us. How can we avoid a sort of benevolent neutrality toward Great Britain? It would be a fatal day for us if the British sea power were broken. Would a Fascist-Nazi naval axis respect the Monroe Doctrine as Great Britain has—not by a damned sight. And what about Japan? She would be greatly benefited by the so-called cash-and-carry principle as against defenseless China, who could not come and get it.

not come and get it.

Tobacco Under the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. REED of New York. Mr. Speaker, the prosperity of the American tobacco farmer is in a large measure

dependent upon foreign markets. Evidence of this fact is that in the 5-year period 1926-30 approximately 40.7 percent of the tobacco produced in this country was exported. For these exports we received an average annual payment of \$144,500,000.

Figures of the United States Bureau of Agricultural Economics show that in no year between 1932 and 1937 was the tobacco farmer in as advantageous position as he was in the 5-year period 1926-30. Even though prices have varied there has been relatively little change in exports, ranging from 396,000,000 pounds in the low year of 1935, to 441,-000,000 pounds in the high year 1934. However, the variation in crop production has been much greater, going from 1,021,000 pounds in the low year 1934, to 1,564,000 in the high year 1932. On the other hand, the farmers received an increasingly larger amount for their exports each year from 1932 through 1936, with a slight decrease in value in 1937, the greatest increase being from 1933 to 1934. In 1934 they received \$42,200,000 more for their exports than in 1933, although the quantity of exports was only 2,000,-000 pounds more. From these figures it is difficult to see where either the Roosevelt farm program or the reciprocal trade agreements have been of any value to the American tobacco farmer as we are still below the 1926-30 average both in volume and value of exports, in proportion to the crop exported.

The question then arises, Just what has the State Department done to further American exports? We find that they have received concessions of reduced tariffs from Colombia and Cuba, but neither of these countries has ever been an important buyer of tobacco. In fact, Cuba is one of the world's important exporters of tobacco. In the year 1929 these countries bought but 125,000 pounds of tobacco from us, and have bought much smaller quantities since. We find further that Belgium, the Netherlands, Guatemala, and Nicaragua bound their tariffs while France agreed to buy a minimum quantity in the year 1936. This quantity, however, was much below the 1929 level or even the level of 1932.

If we total the entire exports of all these countries which made any type of concession, we find that in 1937, a year in which all of these agreements were effective the entire year, they exported but 69.1 percent as much tobacco as they did in 1929, whereas our total exports of tobacco were 76.8 percent of the 1929 level and the exports to all other countries were 78.4 percent of the 1929 level.

We find further that from 1932 to 1937 our exports to other countries increased by 14.7 percent, whereas from 1932 to 1937 our exports to concession countries decreased by 26.1 percent. Again the question is raised, of just what value have these trade agreements been to the American tobacco grower?

The Foreign Policy

EXTENSION OF REMARKS

HON. JOSEPH J. O'BRIEN OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

ADDRESS BY HON DANIEL A REED, OF NEW YORK, AT ROCHESTER, N. Y., APRIL 12, 1939

Mr. O'BRIEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. DANIEL A. REED, of New York, before the Rochester Association of Credit Men, Rochester, N. Y., April 12, 1939:

Mr. Chairman, ladies, and gentlemen, to be invited to fill a return speaking engagement by the Rochester Association of Credit Men is an honor which I appreciate and for which I thank you. I am delighted to speak in the home city of my distinguished colleague and your able Representative in Congress. You may rest assured that he is discharging his duties with fidelity and ability. Representative Joseph J. O'BRIEN is a man whom we all like, and we relicked that you have sent him to represent you in Congress.

we rejoice that you have sent him to represent you in Congress.

The issue that is uppermost in the minds of the people concerns our foreign policy. I know that the preponderant sentiment of American citizens is against having this Nation maneuvered into a foreign war. The danger that such will be the ultimate result

a foreign war. The danger that such will be the distinct result is the most serious and disturbing public question of the hour. If the future is to be judged by our past experience, I say that even a strong public sentiment against war will be of little consequence in preventing our entering the bloody cockpit of

There is no doubt whatever that the overwhelming majority of

There is no doubt whatever that the overwhelming majority of the American people was opposed to the United States entering the World War in 1917, but we went in.

If ever there was a time when a free, sovereign people should make their opinions and convictions on this all-important question felt in high places, that time is right now. The pressure of public opinion in opposition to engaging in a foreign war should be constant, firm, and continuous. Only in this way, if at all, can the people save themselves from a repetition of the bitter experience of 1917.

can the people save themselves from a repetition of the bitter experience of 1917.

This is no time for men, occupying high places in our Government, to be rattling the saber and bully-ragging foreign rulers over the radio. There is quite enough for the Administration to do here at home to put our governmental house in order without engaging in a foreign situation that is none of our business, even though our sensibilities may be shocked by what is taking place abroad. We may deplore the events taking place in Europe, but for us deliberately to interfere or make threats, charges, and countercharges because of foreign governmental actions, of which we disapprove, is to adopt a very dangerous national policy.

I recall the situation in 1914, 1915, 1916, and the early part of 1917. All during that time the people of the United States were opposed to taking any part in the World War. There was no general demand in this country for war, not even after the sinking of the Lusitania, May 7, 1915.

President Wilson voiced the sentiments and answered the hopes

President Wilson voiced the sentiments and answered the hopes and the prayers of millions of men and women when he, in a speech in Milwaukee, in 1916, said:

"I pledge you that, God helping me, I will keep you out

of war.

Again, President Wilson, as late as June 30, 1916, in an address to the New York Press Club, spoke in perfect harmony with the prevailing public sentiment when he said at that time—which was just 9 months and 7 days before the United States declared

"I get letters from unknown men, from humble women, from "I get letters from unknown men, from humble women, from people whose names have never been heard and will never be recorded and there is but one prayer in all these letters: 'Mr. President, do not allow anybody to persuade you that the people of this country want war with anybody.'"

I repeat, for the sake of emphasis, that this was the state of public opinion 9 months and 7 days prior to a declaration of war by the Courtes.

I repeat, for the sake of emphasis, that this was the state of public opinion 9 months and 7 days prior to a declaration of war by the Congress.

The stealthy steps taken in 1916, under the guise of preparedness, to lead this nation to war came to fruition in the declaration of war, April 6, 1917.

I had an opportunity to see something of the World War in 1917 and 1918. It will startle you, I am sure, and sadden you to learn that we have today 66,898 service-connected World War mental cases receiving care by our Government. This is a very conservative figure; it includes only those cases in which the mental disease is the major aliment. It does not, for example, include men whose major illness is tuberculosis and the mental ailment secondary. In every case the family and friends have had to prove, without doubt, that the neuropsychiatric disease is due to service in the World War. Following their shocking experiences in the World War these young men of 20 years ago, taken from a peace-loving race, unused to the war-mindedness of Europe, have increased their numbers from 28,000 in 1923 to nearly 67,000 in 1938.

What the World War did to the moral and mental balance of this Nation is best exemplified by the living hell which these 67,000 young Americans have had to endure during the past 20 years.

Terrible and horrible as the last war proved to be, destructive as it was to property and to human life, the instruments of death and violence then cannot be compared with the efficiency of modern implements of human destruction which are now available for wholesale slaughter of human beings and the demolition of the products of civilization.

able for wholesale slaughter of human beings and the demolition of the products of civilization.

The cost to the nations involved in the last war is estimated

at \$200,000,000,000. Can any person conceive what the cost of a modern World War will prove to be? Millions of lives were sacri-ficed then and among them thousands of innocent women and children. Villages were blotted from the map. Large parts of industrial cities were wiped out. The cost to our own Nation was over \$51,000,000,000. Our own Army casualties were 350,300 men—all this in only a few months of actual fighting.

The heartaches and the suffering of our soldiers and their parents, wives, and children have been pouring over my desk for

parents, wives, and children have been pouring over my desk for over 20 years.

I say to you that this Nation is not war-minded; the people do not want war. The verdict of peace or war should be settled, not by saber-rattling officials, not by irresponsible face-saving Cabinet officers, but by a sovereign people who, if war comes, must bear the burden and the responsibility for its consequences.

I leave to you men whether we are following a safe, sane, and wise foreign policy. I leave it to you whether it is the part of wisdom for officials to indulge in attacks upon governments with which this Nation is at peace. I leave it to you whether it is wise to mind our business or, instead, to let officials interfere with and

meddle in foreign brawls until they create a situation that will

meddle in foreign brawls until they create a situation that will make our entrance into a war inevitable.

I shall turn now to a brief discussion of another vital issue. The people are at last becoming tax conscious. It is about time. You see, when I entered Congress 20 years ago the United States was still technically at war. Millions of men were idle; none, however, were permitted to starve, none went hungry. The national affairs were put in order. The unemployed found jobs and at good wages. A debt of over \$26,000,000,000 was the heritage of the World War, and this presented a problem. I recall that this debt was reduced at the rate of \$1,000,000,000 a year for almost 10 years. Taxes were reduced five times and to a point where less than 2 percent of the people paid any income tax at all. Thrift was the slogan. Encouragement to business was the policy and business responded to this treatment.

Now, the policy is to tax and to spend. This program has

business responded to this treatment.

Now, the policy is to tax and to spend. This program has been in operation since 1933 and still continues. When the world crash came in 1929, this country felt the impact, but by 1932 all sound economists declared that the United States was on the way to recovery. All the nations involved in that world-wide financial crash have made rapid recovery since 1932 except the United States. Now, where do we stand today as a Nation? This Government has enacted, during the past 6 years, 10 revenue acts or tax bills, each of which has been an increased burden on business. Ten times in the past 6 years this administration has gone into the treasury of business enterprise and into the pockets of the taxpayers for more funds to spend. I say to you that under these tax measures there has been collected a total of over 22 billions of dollars.

This vast sum has been spent. But this is not all. The administration has borrowed over \$16,000,000,000, and this also has been spent.

spent.

We have heard frequent promises made that the Budget would soon be balanced. Instead of that, an intimation came from high official quarters that Congress would be asked to raise the debt limit to \$50,000,000, There is little comfort for the overburdened tax payer from this announcement. The statement that the national debt is \$39,950,000,000 is misleading because the gross national debt is over \$45,000,000,000.

national debt is over \$45,000,000,000.

It must be remembered that in addition to the national debt of \$39,950,000,000, there are other Government obligations in the hands of the public, fully guaranteed by the Government, amounting to \$5,416,700,000. The whole story of the public debt does not end with these figures because there are authorized, but unissued, guaranteed obligations amounting to \$9,485,000,000. Once these authorized obligations are issued, the crushing debt burden resting upon the shoulders of the people will be some \$60.000,000.000. \$60,000,000,000.

I know that these figures, as speech material, are dry and deadly but they present some very striking human problems which I feel it my duty to discuss. I shall bring this debt question to bear on your local situation. To merely mention billions of dollars is as fruitless as to say "pop corn." I may make this subject more dramatic and persuasive, however, if I use some information a little more concrete.

The cost of government in the United States, local, State, and Federal, in 1937 was over \$17,000,000,000. Do you realize that to produce this sum the entire income from all sources in 21 States is required? That is to say, 21 States, if the entire burden had fallen upon them, would have had to sacrifice the entire income of every individual and every business within those State for 1 year to pay it.

I want to be a little more specific on the question of the cost of government. A document came to my desk, presenting certain facts that are most illuminating, but not pleasant to contemplate. The facts are authentic, but dramatized. Now then, to pay the annual cost of government—local, State, and national—for the veer 1927 required. year 1937 required:

"All the oil in Oklahoma and Texas.
"All the gold of California.

"All the silver of Nevada.
"All the copper of Montana.
"All the wheat of Kansas and Dakotas.

"All the corn of Iowa.
"All the manufacturing of St. Louis and Kansas City.
"All the aluminum bauxite of Arkansas.
"All the dairying of Minnesota.
"All the hard toil of the Nebraskans.

"All the coal of Colorado.

"All the coal of Colorado.
"All the phosphate of Idaho.
"All the ranches of Wyoming.
"All the apples of Washington.
"All the lumber of Oregon.
"All the sugar beets of Utah.
"All the mines of New Mexico.
"All the produce of Arigons.

"All the produce of Arizona.

"Add all the income from these and, to that, add the many millions which make up the rest of the income from these States, and you will have the cost of government, local, State, and Federal in the United States."

I want to bring you still closer to this tax problem. The march of the taxpayers on Albany is some evidence that taxation is a live question in the Empire State. If you men are interested in this question of the national debt burden as it relates to New York State a few more statistics may not bore you.

The population of New York State is 12,588,066. The assessed

valuation of taxable real estate in 1938 was \$25,623,867,926.

I want to call your attention to the fact that New York's share of the New Deal debt, on a per capita basis, incurred since March 4, 1933, amounts to \$2,416,908,672, which is 9.4 percent of the assessed valuation of the taxable real estate.

assessed valuation of the taxable real estate.

I shall go one step further to bring the figures close to your own doorstep. First, let us take Monroe County, and I will give you, briefly, a few facts as the New Deal debt relates to this fine county. The population of Monroe County is 423,881. The assessed valuation in 1938 of all real estate, including improvements, totaled \$257,794,887. \$767,224,667.

\$767,224,667.
The share of Monroe County's New Deal debt, incurred since March 4, 1933, will, on June 30, 1940, be \$81,385,152, or 10.6 percent of the assessed valuation. This is conservative because it is based on President Roosevelt's Budget figures for the 1940 Budget as to what the debt will be on June 30, 1940. I need not mention that the Budget figures will be exceeded, for that is a safe and reasonable assumption. able assumption.

Assuming that you still feel like an economic royalist, I shall deflate you with a few figures as they relate to the city of Rochester. The population of your city, based upon the 1930 census, is 328,132. As I could not obtain the assessed valuation for 1938, I find the assessed valuation for 1937 to be \$616,465,546.

Your city's share of the New Deal debt since March 4, 1933, will on June 30, 1940, \$62,001,344, or 10 percent of the assessed

valuation.

valuation.

Now, I ask you men, where do you think such a program of national debt increase is taking you? Can there be but one end to this never-ending spending and deficit program other than national insolvency? Has this orgy of squandering public funds brought about recovery? I do not need to answer this question. This administration has spent in 6 years almost 40 billions of dollars, and still 13 millions of persons are unemployed and 20 millions are on relief.

millions are on relief.

Where is the money coming from for all this spending? banks and insurance companies are financing the bulk of it. But when the final day of reckoning comes the policyholders and the bank depositors will be the sorry victims—and do not make any

mistake about it.

As you men know, when a private individual continues to spend more than he earns he becomes bankrupt. When this occurs his property is taken over by the bankruptcy court and a settlement is made on the basis of existing assets, say 30 cents or 10 cents

is made on the basis of existing assets, say 30 cents or 10 cents on the dollar.

But now I ask you, how does a central government meet its obligations when it continues to spend more than it receives, to the point where it cannot dispose of its obligations? I will say to you that a central government never goes bankrupt; it does not settle up on the basis of assets by paying 30 cents or 10 cents on the dollar; it piles up more credit and pays its debt in full, not by 30 cents or 10 cents on the dollar, but with a 30-cent or a 10-cent dollar. And then it authorizes every other debtor to pay his debts in the same 30-cent or 10-cent dollar.

I might bring this a little nearer home by stating that if this country continues to spend and go further and further into the red it will result in \$110,000,000,000 worth of life insurance being paid in dollars that have no purchasing power. It means that college endowments will be paid in the same kind of dollar. Billions in savings deposits will be paid in dollars without value. That is where a taxing, spending, borrowing policy takes a nation.

If I were to make a suggestion to you credit men, I would have you approach Government problems very much as you would in

you approach Government problems very much as you would in passing upon a private risk. I believe you would inquire into the reputation of the applicant for thrift or extravagance. I believe you would wish to know whether his funds were being wisely and prudently used or squandered for boondoggling projects and electioneering. You would make these inquiries and, undoubtedly, tioneering. many more.

Neutrality

EXTENSION OF REMARKS

HON. PEHR G. HOLMES OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. HOLMES. Mr. Speaker, the international situation and the fearful peril of a world war is, at present, of uppermost concern. This fear is in the minds and the hearts of virtually every American, as well as everyone on the other side of the Atlantic.

Here in our own country we are faced with many vitally important problems of Government and business-economic problems, social problems, unemployment relief, labor, taxes, farm surpluses, the railroads, and many more. All of these matters are engaging the attention of Congress, and are pressing for some solution and settlement.

But all of them are overshadowed by the war-thunder clouds hovering over Europe and the danger that, if war comes there, our own country sooner or later will be drawn into war.

I believe the American people, above all else, desire peace and escape from involvment in war. I believe that every policy of Government, and every act of Congress, and every act of the executive branch of the Government, ought to be directed toward insuring the United States, not only safety and security for our own people and our own landand that means national preparedness and strong defense against attack-but also, all of our policies should be so directed as to insure, so far as is humanly possible, against our involvment in the conflicts between the dictators and the democracies of Europe.

I am sure that that course is the one which the American

people, in vast majority, desire and demand.

We may be wholly sympathetic to the position of England and France; we may abhor the conduct of the dictators; we may denounce them; we may well hope that their ruthless conquests in Europe, and their cruel suppression, and, indeed, extermination of small defenseless nations, may be stopped; but that does not mean that we propose to plunge our own country into a European war. And we must see to it that it does not result in our being drawn into such a war, through our own blunders.

Thus the question of our foreign policy is of paramount present concern. Foreign policy is a many-sided matter. It is the question of what commitments, if any, we may make to any foreign government or combination of governmentsthe things that are embraced in the phrase "entangling alliances." We should have none. We should strictly mind our own business.

It is the question of what we say, and do, in an official way with respect to dictators.

It is the question of what course we shall follow and what we shall do, and refrain from doing in the event that war does come.

What is then to be our neutrality policy? How shall we remain neutral? How shall we keep out of a European conflagration? There are two opposing ideas as to how we should deal with the neutrality question.

One idea is that Congress should give the President unlimited discretion to handle neutrality matters as he sees fit, to issue trade embargoes, if he deems it expedient to do so, or to withhold them; to apply economic pressure; to decree aggressor nations; and to specify the terms and conditions of trade with belligerents.

The proponents of such an arrangement contend our neutrality needs to be elastic-needs to be shaped according to future contingencies, and is impossible of advance determination. The President, naturally enough, wants Congress to delegate to him full authority in these things, with no strings attached. He wants to be able to handle our international relations with a free hand. He wants a discretionary neutrality.

I do not favor that method. I am not willing to entrust, to any one man, these numerous decisions. I believe a neutrality policy that is undefined, and unpredictable, invites all sorts of trouble, and danger of leading us into foreign war.

I believe that our position with respect to neutrality, and which would really do more good with respect to trade with belligerents in the event of war, should be defined by statute—by act of Congress—in order that our own citizens shall know exactly where we stand, and what to expect, and that all the world may know.

When it comes to defining our neutrality position by act of Congress three courses are open to us.

First. We may specify that in event of war we shall suspend all trade and intercourse with both sides, and with all the parties to the war. That is the view of the extreme isolationist.

Second. We may specify that in the event of war we shall embargo all trade and intercourse with the nation or nations who are the aggressors, but continue trade as before with the other side and lend them all possible aid. That is the view of those who believe we should stand with England and

Third. We may specify that in the event of war we shall embargo all munitions of war to all the belligerents, both sides: but as to all other trade we should do business with all on a cash-and-carry basis.

The existing neutrality statute, enacted by Congress 2 years ago, and said then to be intended as a temporary stopgap pending the enactment of a permanent statute, will expire at the end of this month.

The present statute embargoes munitions and war supplies as enumerated in the bill when the President, by decree, finds a state of war to exist. But this has not turned out to be as simple as it sounds because of the present technicality of Japan and the dictator states in Europe who wage war without declaring war, and this presents to our own Government an exceedingly delicate diplomatic matter.

We have seen this particularly in the case of Japan's war upon China. The President, although empowered to do so, has not to this day officially declared a state of war to exist and has not applied the embargo provisions of the present neutrality statute.

The present statute provides, also, that after the existence of a state of war has been declared, then the aggressor nation shall be specified, and at that point our neutrality ceases, because we then suspend all trade with the aggressor nation but continue to trade with the other side.

If Congress at the present session fails to agree upon new neutrality legislation then, with the expiration of the present temporary statute, we will be without any statutory provision respecting neutrality or foreign trade in the event of

All that will remain is the existing statute, prohibitory against any foreign nation which has defaulted to us on payment of its war debts from obtaining new loans in this country, which means, as a practical matter, that neither England nor France may look to this country for financial

I believe that our country should announce to the world, through the medium of an act of Congress, that we will not supply munitions of war to any nations at war.

I am in favor of putting our trade and commerce with all the nations engaged in war on a cash-and-carry basis. Cash because we do not propose to lend financial aid; carry because we do not propose to risk the sinking of American ships and the loss of American lives on the high seas if another world war is in progress. We learned from bitter experience in the last World War that such losses are well calculated to bring us into the war.

All these questions respecting our neutrality policy need to be resolved on a realistic and practical basis. We need to decide first whether we are really seeking to avoid being drawn into armed conflict between other nations. We need to decide second whether we are really proposing to remain neutral in event of war or whether, instead of being neutral, we intend to take sides.

I believe we as Americans should mind our own business and that our every thought and effort should, during any war period, be devoted to our own home problems. publican form of government should be preserved: yea, we should strengthen it. We should make it work more effectively and more efficiently. We have the machinery, the men, and the will. Let us all go to work in the United States for our own people's happiness, contentment, and well-being.

I want our country to avoid war, and I want our country to follow a course of strict neutrality in event of war.

Embargoes against aggressor nations and trade with their adversaries is not neutrality. It is just the opposite-it is taking sides.

In conclusion let me express the hope that is in the hearts of every American at this moment, the hope that a conflagration of war in Europe may be averted; but if it is to be otherwise, then by all means that the United States may remain out of it.

The Farm Problem

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

RADIO ADDRESS BY HON. H. CARL ANDERSEN, OF MINNESOTA, ON APRIL 13, 1939

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. H. CARL ANDERSEN, of Minnesota, over the Columbia Broadcasting System, Thursday, April 13, 1939:

Fellow Americans, it is not as a Member of Congress from the Seventh District of Minnesota that I wish to speak to you in this 15 minutes so kindly accorded me by the Columbia Broadcasting System. But it is rather as a man who has for years farmed for a living, who knows what drought means, who has raised large crops at times, as his neighbors have, only to see these crops sold at less than what it cost him to produce them. With that background, my friends, I want to contribute my little bit toward a solution of the farm problem in our great Nation today—a cancer gnawing at the vitals of our country and which threatens to break down our great democracy eventually, if not threatens to break down our great democracy eventually, if not

removed shortly and forever.

On March 28, in a speech before the House in connection with the proposed appropriation of \$250,000,000 for parity payments, I made this statement:

"Secretary Wallace has admitted before the House Committee on Agriculture that to carry into effect section 303 of the Agri-cultural Adjustment Act of 1938 would require seemingly hopeless sums of money. In other words, the Secretary tells the Congress that the present act does not and never will give the farmers cost of production or parity prices. This being the case, then why not quit beating around the bush and adopt the cost-of-production bill?"

The cost-of-production bill is the answer to the most aggravating question facing Congress today, "How can prosperity be restored to this Nation?" It is not a bill aimed only at aiding the farm. It is a prosperity measure for every man, woman, and child in America. It might just as well be called a business re-

child in America. It might just as well be called a business revival bill or reemployment act of 1939.

Certainly, it is directly intended to provide the farmer of America with a market for his product at a price which will cover cost of production on that portion domestically consumed. What can be more just? It will provide a farm income of \$15,000,000,000, only 20 percent of our national income for 35 percent of our people. Is that asking too much for the greatest one industry of America? Give the farmer of America that income and every factory, every industry will start its wheels spinning to take care of the market created by that vast purchasing power. Give the farmer that income, even less than due him according to population, and 12,000,000 American citizens will not be tramping the streets looking vainly for work. There will be work for

to population, and 12,000,000 American citizens will not be tramping the streets looking vainly for work. There will be work for every one who really wants work and the communistic and fascistic theories of today will leave our country forever.

Just the other day the Agriculture Committee of the Senate unanimously endorsed for passage the cost of production bill. What does that mean? It means that each and every one of those United States Senators agree that the present Agricultural Adjustment Act has failed in its primary purpose, and that is, to give parity or cost of production to agriculture. Now you will want to know just what this cost of production bill contains and why these Senators as well as many Congressmen, including myself, feel that this is the answer to our agricultural problem. Let me give you eight main points or reasons why this bill should

Let me give you eight main points or reasons why this bill should be made into law.

First. It will place a floor under the farmers' products just as a minimum has been given to labor in interstate traffic, under the Wage and Hour Act. This minimum price will apply only to that portion of agricultural production consumed in our own Nation. It has been aptly stated in the hearings on this bill that no decent American citizen wants to eat food which has been produced at a loss by another American, the farmer, any more than that farmer wants to buy manufactured goods which are the products of sweatshops and ill-paid labor.

Second. This bill prevents the flooding of our own American markets, as in recent years, by farm products grown by coolies in the Far East. The backbone of our agricultural price structure cannot be broken by foreign manipulation.

Third. It provides for the exportation of our excess farm production of any crops of which we might have a surplus.

Fourth. The surplus will be sold, if there proves to be a surplus, in the world market at the world price. This bill does not endeavor to control world prices for agricultural products as does our Gold Act, which is proving ruinous to our Nation in attempting to control the world price of gold. At this point may I quote

from a speech of my colleague, Congressman August H. Andresen, of the First Minnesota District: "You American people will be surprised to learn that the United States Treasury has made an outright gift or subsidy to foreign gold speculators and foreign governments in the amount of \$3,551,850,184.30 since January 1, 1934, under the New Deal's gold and silver policy. And yet, during this same period, our American farmers have been paid a total of \$2,509,251,410 in parity and benefit payments, a billion dollars less than the gift to foreigners under the legislative action of the New Deal."

Fifth. The cost-of-production bill provides that no money will be taken from the taxpayer for administrative costs. All such expense comes out of the sale of the exportable surplus. Any balance from the sale of the surplus is refunded to the producer.

Sixth. This bill keeps the good features of the Agricultural Adjustment Act of 1938. We will still have the provisions for soil conservation, for adjustment in freight rates, and for finding new uses and new markets for farm products. It provides for the continuation of the Surplus Commodity Corporation, for loans on agricultural commodities, which, by the way, has been the best feature of the present act. This bill provides for crop insurance and retains section 32 of the present act to aid agricultural exports.

Seventh. The cost-of-production bill knocks regimentation out of our agricultural dictionary. Farmers may produce as much as their good soil will yield without restriction, fully supplying our home market without competition from foreigners. No farmer wants to be told by a swivel-chair theorist what to plant, where to plant, or how to plant. We, as farmers, may recover our own self-respect and initiative that is our American prerogative, and produce all we may choose or can produce, our only limitation being the percentage share that the individual farmer may sell at the cost-of-production price for home consumption.

Eighth. This measure, quoting from the report of the Senate committee, provides the simplest machinery with no cost to the Federal Government, no restriction or regimentation of the farmers, and assures a cost-of-production price to the farmers of this Nation. This bill, when and if enacted into law, will give the farmers of the Nation an annual cash income of approximately \$15.000.000.000.

\$15.000,000,000.

Surely in our great America, decent prices can be paid the farmer for the food he produces and a decent wage to the laboring man for his work in our factories. No businessman can remain long in business if he has to sell his product at a loss. And yet, the one real basic industry of our great Nation, the one main cog in the much-heralded national defense, the all-important basic industry of our country, is slowly crushed into peasantry. Our farm buildings throughout the Nation need paint and repairs to preserve what has already been built.

Today this administration, or any administration, could take millions of self-despising men off of relief rolls and make self-respecting citizens of these same men and let them earn decent wages manufacturing the paint and fencing we farmers need and would like to buy, the automobiles and radios and refrigerators and electrical appliances that all the farmers wish they could purchase;

Today this administration, or any administration, could take millions of self-despising men off of relief rolls and make self-respecting citizens of these same men and let them earn decent wages manufacturing the paint and fencing we farmers need and would like to buy, the automobiles and radios and refrigerators and electrical appliances that all the farmers wish they could purchase; the new machinery we need to replace the old held together by baling wire; the clothes that every farm woman would like to secure for her family; yes, in fact, the thousands of manufactured articles of labor we farmers could and would buy if our income was what it ought to be. Give to the farmer everywhere in the United States a decent price for his products and you will see the factories of our Nation, with their arteries filled with richness from the soil and not from Wall Street or munition sales, roar along in mighty production, blackening the skies with their smoke, trying to fill the demand for goods for their own market, the greatest market in the world, the farmer of the United States.

Who are the greatest opponents to giving the farmer a guaranty

market in the world, the farmer of the United States.

Who are the greatest opponents to giving the farmer a guaranty of a minimum price for that portion of his products consumed in our own country? It is none other than the grain gamblers and commodity speculators who, like leeches sucking the blood of their victims, fatten on the ruination of agriculture. Why in the name of common decency and good judgment should a gang of speculators set the price for what we, as farmers, produce? Is it more fitting for the Chicago Board of Trade to prescribe what the farmer is entitled to for his long hours of labor or shall our Congress not assume this great responsibility and set a minimum price for our foodstuffs, a price fair to consumer and producer alike?

foodstuffs, a price fair to consumer and producer alike?

Union labor in interstate traffic was guaranteed by the last Congress minimum wages for maximum hours of 40 hours per week. Why not be consistent and give consideration to the farmer for his products, produced not on 40-hours-a-week basis but nearer 100 hours per week, as all of you know? Has not the United States Steel Corporation decreed for years the cost of steel f. o. b. Pitts-burgh? Does not General Motors set the price to a nickel on their many cars cluttering up the highways of our Nation today? Does International Harvester consult the board of trade as to the price for farm machinery the farmer must buy? Coal costs the farmers on the prairies so much per ton, whether they can afford to buy it or not. Has not the price of a loaf of bread remained very nearly the same, whether I receive \$1 per bushel for my wheat or 51 cents, as I did last August. Everything the farmer buys is manufactured by factories and sold at a profit, or these factories could not remain in business.

Our great Nation can better afford to adopt the cost-of-production bill, just unanimously recommended by the Senate Committee on Agriculture, than to see our great farming industry, the greatest one profession in America, continue its slide, greased by foreign imports, downward toward peasantry, and eventually into those beautiful pastures of content in the lands of dictators, there to feed on the luscious propaganda of fascism and communism.

feed on the luscious propaganda of fascism and communism.

May I request of you people listening to this broadcast to think about this vital subject? Decide for yourselves whether or not the farmer of our Nation is entitled to be paid what it costs him to produce the food for our 130,000,000 people. Decide for yourselves if it would not be good business to give agriculture a push along the road to recovery, and take with it into honest employment the millions now subsisting on a dole. Ask yourself these questions, people of America, and if you agree, why not urge your Congressman and Senators to back up this measure? Give them an opportunity to know your opinion.

tunity to know your opinion.

Give the farmer cost of production, a fair price for the food you consume, and he will be able to stay on the tax roll and off of W. P. A.

Give agriculture the same rate of interest that industry enjoys and by refinancing the farm mortgages rather than foreclosing on the home we will prove that the farmer's long years of work leads elsewhere than to poverty. Far better, people of America, to enable a farmer to preserve the ownership of the farm that has been his for years than it is to ruthlessly knock his family out of their homes, to be resettled later on at some far-distant point at the taxpayer's expense.

Minnesota-Nature's Finest Playground

EXTENSION OF REMARKS

HON. OSCAR YOUNGDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. YOUNGDAHL. Mr. Speaker, spring is just around the corner. I know the Members of this House must be thinking of vacation, of a cool and quiet place to relax and rest from committee hearings and debate. Why not come to Minnesota this summer for a week or a month in nature's most ideal vacation land?

It matters little what you desire on a vacation, Minnesota has everything.

If it is golf, Minnesota has everything from the partesting tournament courses of Minneapolis to the deer-trail marked fairways of northern Minnesota where a bear, a moose, or a porcupine may be your gallery.

If it is boating, no State can offer more variety. Launch your canoe in any one of Minnesota's 10,000 lakes, shoot rapids, run white water, or paddle serenely over sky-blue waters. Board a steamer for a cruise on mighty Lake Superior or travel the Father of Waters from its source in Itasca State Park as far as New Orleans, if you wish. The Mississippi travels 745 miles in Minnesota alone.

If it is scenery, none can offer you greater contrasts. From the fertile pastures of southern Minnesota's great dairy farms to the untamed wilderness of Superior National Forest, Minn., 11,000 miles of improved highways carry you through an ever-changing panorama of beauty spots. Here you will find the wonders of nature's great cathedral reflected in the blue waters of quiet lakes, or the rugged grandeur of Minnesota's palisades.

If it is fishing, you have never fished until you have won your fight with a speckled or rainbow trout in one of Minnesota's ice-cold spring-fed streams. Bass, wall-eyed pike, Great Northerns, and a dozen other varieties of game fish keep in condition for a battle in cool, sparkling lakes. Until you have thrilled at landing a Minnesota muskie, you do not know lake fishing.

If it is historical interest you search, come and visit Grand Portage, where French voyagers sang their paddle songs and landed their cargoes of furs long before railroads were conceived. Grand Portage remains the only port in America open to all British ships. Come to Pipestone, the land that was always a peaceful sanctuary for Indians of every tribe as they came to quarry rock for their peace pipes. Visit old Fort Snelling, built in 1819, when a white man was still a

strange sight to the Indian. Stand inside its famous old round tower and relive again the days when Minnesota and the Great Northwest were a wilderness. Travel the routes of Father Hennepin, Colonel Zebulin Pike, Daniel du Lhut, Father Marquette, or any one of the other scores of adven-

If it is just quiet and seclusion, the whisper of the wind in the pines and the hemlocks and the tamarac at night, the appetizing smell of bacon and coffee over the campfire as you lie back to watch a perfect sunset, then by all means come to Minnesota. Here you can find the country's finest lodges with all modern accommodations, or a private lake where you need not see another white man all summer.

Minnesota offers you nature's finest playground. Minneapolis is the gateway to summer's paradise. Come and

enjoy it.

Not Too Late

EXTENSION OF REMARKS

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

EDITORIAL FROM THE WASHINGTON STAR OF APRIL 16, 1939

Mr. ANDERSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the Washington Star. It is particularly apropos at this time when the Senate is considering the Sunnyvale project which was left out of the second deficiency bill by the House. Millions of dollars being spent for air expansion are liable to be wasted unless our research facilities are able to keep abreast of the airplane industry.

NOT TOO LATE

It is not yet too late for Congress to rectify an error which might conceivably mean the difference between victory and defeat for this country in the event of our becoming involved in a major

As a part of the national-defense program, President Roosevelt recommended to Congress the establishment at Sunnyvale, Calif., of a second basic research laboratory for the National Advisory Committee for Aeronautics. The committee now carries on all basic aviation research for the Nation in a single laboratory at Langley Field, Hampton, Va.

basic aviation research for the Nation in a single laboratory at Langley Field, Hampton, Va.

The Bureau of the Budget approved the appropriation of funds for the project, which has been strongly endorsed by the Army and Navy. Their reasons are obvious and should be sufficient for Congress. In case of a major war involving this country our need for air defense would be paramount. This defense cannot be static. Airplanes must continuously be improved. Improvement can come only through research. In event of war, the type of research carried on at Langley Field would at once become indispensable to our superiority in the air, hence to our security.

Obviously, if an enemy could destroy our aviation research, he would have gone a long way toward gaining aerial supremacy, especially if he possessed aggressive, capable research workers who could continue the rapid improvement of his aircraft while we frantically tried to replace what had been lost.

Langley Field would become an immediate and primary goal for enemy bombers. It would be worth heavy losses to the enemy to destroy the laboratory there. Yet all of our basic aeronautical research is so condensed at this one point that a squadron of bombers, in one attack, lasting a matter of a few seconds, could wipe out the whole plant.

It is apparent that for security we should have at least the second of the

out the whole plant.

It is apparent that for security we should have at least two such major research bases, with duplication of all essential facilities. European countries have established not two, but many such laboratory centers as far apart as their geographical limits will permit. This is especially true of Germany.

We should have at least two bases and they should be so far

we should have at least two bases and they should be so far apart as to be inaccessible to enemy air raids from one base or from the same fleet. This does not mean that a separation of 25 miles, as has been proposed in Congress, or 100 miles, or even 500 miles, is sufficient. Defense experts of both services joined in recommending the Sunnyvale site after careful and deliberate

study.

It would be little short of criminal if our national security in this matter were to be sacrificed to a matter of sectional pride or mere political expediency. And it appears that some of this feel-

ing may be behind rejection by House and Senate committees of the Sunnyvale project. The cost is irrelevant. It is less than that of providing a squadron of four-engine bombers; 1 percent of the cost of the air defense program would do the job.

The fact that the Sunnyvale matter has been disapproved by the Appropriations Committees should not end the fight. There is definite promise that it will not. Further efforts will be made to obtain funds for this essential project, and Congress should consider well the whole matter before it adjourns.

· Cancer Education

EXTENSION OF REMARKS

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

ARTICLE BY DR. GEORGE GALLUP

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Gallup poll and description of the necessity for education in the treatment of cancer:

[From the Washington Post of April 16, 1939]

CANCER ERADICATION HAS PROGRESSED—BUT MORE IS NEEDED TO ERADI-CATE FALSE IDEAS OF DISEASE

(By Dr. George Gallup, director, American Institute of Public Opinion)

Opinion)

New York, April 16.—Medical men, research workers, and public health authorities are training their biggest guns today on the solution of one of America's most serious afflictions—cancer. They know that the great majority of cancer cases can be cured if treatment is taken in time, and so the present drive against the disease is aimed first of all at the education of rank-and-file Americans. What do these ordinary Americans know about cancer? How do they regard it? How far has the campaign of education progressed? To answer some of these questions which interest the public and medical men alike, the American Institute of Public Opinion has conducted a Nation-wide survey among men and women in all walks of life. The publication of the survey during what has been set aside by President Roosevelt as "Cancer Month" gives ample evidence that as far as the public is concerned cancer is the most feared of American diseases. feared of American diseases. The survey shows:

1. Cancer education has progressed to the stage where the ma-jority of Americans know that it can be cured if treated in time. 2. Nevertheless, many Americans still think cancer is incurable,

and many others have erroneous ideas about it. About one person in five thinks the disease is contagious or "catching," and an almost equal number say they don't know whether it is contagious

3. In spite of the progress in public understanding of the disease, cancer is dreaded far more than other leading causes of death, such as heart disease, pneumonia, or tuberculosis.

These findings, which add something to what cancer research now knows, indicate that much still remains to be done in the field of educating the public.

MAJORITY KNOW CANCER CAN BE CURED-IF

Fortunately, the majority of Americans have already realized that cancer can be halted or cured, if discovered in time and treated by surgery, X-ray, or radium. The institute asked a cross section of men and women in all parts of the country: "Do you think cancer is curable?" Nearly two in every three said they thought it was, many of them offering the proviso, "if caught in time."

People in eastern United States, where the greatest efforts have been made so far toward cancer education, were more aware of this fact than some of the westerners and southerners, who often took a more pessimistic view.

Doctors have discovered that many people have erroneous ideas about cancer, and today's survey shows that some of these theories are widespread. Commonest of all misinformations is the idea that cancer is "catching."

The institute asked: "Do you think cancer is contagious (or 'catching')?" Although cancer education has tried to remove this unfounded fear, the answers were:

Contagious _ Don't know. 21 Not contagious____

The institute found that almost every other person has some theory or other about what causes cancer. Bruises, wounds, and skin irritations were named most frequently.

APPENDIX TO THE CONGRESSIONAL RECORD

Other suggestions—some of them showing wide misinformation include: Smoking, drinking, vaccinations, colds, infections, warts and moles, a bad diet, canned foods, certain kinds of cooking vessels, modern diet, too much milk, lack of vitamins, electric shocks and burns, using dirty dishes, adulterated food, the use of vinegar, the use of food preservatives, too much acidforming foods, overheated foods and drinks, swallowing phlegm, swallowing unchewed foods, swallowing seeds, coal dust, and sunburn.

burn.

Others were: Ulcers, using clay pipes, syphilis, poor living conditions, high-pressure living, operations, childbirth, improper workings of the glands, poor circulation, indigestion, eating meat, using pepper, using spicy foods, and getting chills.

Some thought that "jealousy," "resentment," "bad thoughts," or other mental states might be causal factors.

Younger persons showed less misinformation than older persons, and, as might be expected, persons in the upper and middle income levels showed better information than those less well-to-do.

CANCER IS FEARED MOST

The institute found that cancer is almost universally more dreaded than the other diseases with high yearly mortality rates. The institute asked which of the four—heart trouble, pneumonia, tuberculosis, or cancer-they would least like to have. The replies were:

Cancer 76	Felt	Seite
		76
	Tuberculosis	13
Heart trouble 9		9
Pneumonia2	Pneumonia	2

These figures are especially interesting in view of the fact that cancer ranks below heart trouble as an actual cause of death, and that pneumonia, the third commonest cause of death, is named by only 2 percent of those interviewed.

The reasons for these choices, the comments show, are (1) the feeling that there is less chance for recovery from cancer, (2) belief that cancer patients suffer more, and (3) belief that unchecked cancer means a "lingering" affliction.

FAVOR UNITED STATES ASSISTANCE

Representative EDITH NOURSE ROGERS (Republican), Massachusetts, has introduced a bill in Congress to provide Federal money to the States for cancer work during the next fiscal year, and the institute survey shows that such an appropriation has the strong support of public opinion.

Ninety percent of those interviewed said they approved the \$3,000,000 assistance plan.

THE PUBLIC'S IDEAS ABOUT CANCER

Following are the questions and replies in a Nation-wide survey by the American Institute of Public Opinion, conducted for the purpose of seeing how the American people regard cancer: Do you think cancer is contagious—"catching"?

	Percent
Yes	
Don't know	
No	59
Do you think cancer is curable?	
	Percent
Yes, or yes with qualifications	64
No	
Which of these diseases would you hate most to have?	
Willow of those diseases would you have blood to have.	Percent
Cancer	
Tuberculosis	
Heart trouble	
Pneumonia	
Fileumoma	4

Deportation of Aliens

EXTENSION OF REMARKS

HON. JOSEPH W. BYRNS, JR. OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

RESOLUTION OF THE SENATE OF TENNESSEE

Mr. BYRNS of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Senate of the State of Tennessee:

Resolution memorializing the Federal Congress to enact adequate legislation providing for speedy deportation of all alien residents who do not signify their willingness, desire, and intention to become citizens of the United States within a reasonable time after entry into the United States of America

Whereas it is estimated that there are approximately 8,000,000 residents within the boundaries of the United States of America,

who have neither become naturalized nor filed any declaration of intention to become citizens of this Nation; and
Whereas this large group of alien residents provide a fertile field for agitators and organizations who are not in sympathy with

Whereas it is the sense of the State Senate of the State of Tennessee that this large group of alien residents should not be permitted to enjoy the freedom and privileges of this Nation without assuming the corresponding duties and obligations of citizenship:

Resolved by the Senate of the State of Tennessee, That the Federal Congress be, and it is hereby, requested to direct its attention to this condition and to enact adequate legislation which will proto this condition and to enact adequate legislation which will provide for speedy deportation of all alien residents of this country who do not within a reasonable time signify their willingness, desire, and intention and qualify to assume the obligations of citizenship and become citizens of these United States of America; be

Resolved, That the secretary of the State be, and he is hereby, directed to transmit properly authenticated copies of this resolution to each member of the Tennessee congressional delegation and to each of the United States Senators from Tennessee.

1939 Versus 1917

EXTENSION OF REMARKS

HON. JAMES SECCOMBE OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

ARTICLE FROM THE CANTON (OHIO) ECONOMIST

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Ira E. Bennett, which recently appeared in the Canton Economist:

[From the Canton (Ohio) Economist]

(EDITOR'S NOTE.-I am indebted to Mr. Ira E. Bennett, Washing-(EDITOR'S NOTE.—I am indebted to Mr. Ira E. Bennett, Washington, D. C., for the interesting article below. For many years Mr. Bennett was editor in chief of the Washington Post. He is intimately familiar with the issues and causes which brought about our participation in the World War and, as a consequence, is deeply concerned over the position our Government is now taking with regard to the European crisis.

with regard to the European crisis.

The following paragraphs are taken, verbatim, from the most recent correspondence I have received from Mr. Bennett. I am happy to pass along the reaction of this seasoned newspaperman.—F. H.)

1939 VERSUS 1917 (By Ira E. Bennett)

After a year of futility in trying to organize the United States for war in 1917, a happy solution of all difficulties was proposed by President Wilson to Congress—and he was promptly turned down. His proposal was that he should be given power to revamp all executive departments and agencies and to take control of American industry, commerce, labor, and agriculture, "for the better utilization of resources and industries, for the more effective exercise by the President of his powers as Commander in Chief of the land and naval forces, and for the successful prosecution of the war."

Congress refused to pass the bill which had been carefully drafted by the executive department. There was talk of "dictatorship" and "multiplication of useless agencies." One element in Congress proposed that a war cabinet be created, to be directed

by Congress.

The war was fought under the old-fashioned notion that the The war was fought under the old-lashloned notion that the constitutional rights of citizens should be respected. Congress even refused to censor the press, or empower the President to suppress "nonessential industries." Moreover, when it was proposed to take the profit out of war, Congress rejected a bill to that effect, for this quaint reason: Nobody, it said, would produce without a profit. It pointed to the coal famine which had resulted when producers were denied a profit.

out a profit. It pointed to the coal famine which had resulted when producers were denied a profit.

But Congress was not a slacker. It shared the universal American desire to conquer Germany. So it elaborated and passed a joint resolution proposing a constitutional amendment to prohibit manufacture or transportation of intoxicating liquor. This was calculated to throw the fear of God into Germany. The amendment was promptly ratified, and in due time Congress gave it teeth by passing the Volstead Act. Germany surrendered before the Volstead Act became a law.

Six months after the United States entered the war it occurred.

Six months after the United States entered the war it occurred to Congress that trading with the enemy should be prohibited. Germans in neutral countries had already siphoned millions of gold from this country, besides immense supplies of war material. Another prohibition act was that which punished espionage—but American bridges, terminals, and naval magazines had been blown up before the act was passed.

The art of sabotage was new in this country. Congress enacted a law authorizing seizure of enemy ships in American waters, but the Germans had already beaten Congress to it by wrecking the machinery in the ships and even sinking some of them.

It was not until December 1917 that Congress declared war on

Austria-Hungary, although an Austrian Ambassador had been dismissed as early as 1915 for instigating sabotage. The German Embassy in Washington financed conspirators in Paris, one of

Embassy in Washington financed conspirators in Paris, one of whom, Bolo Pasha, was captured and executed.

President Wilson's theory in remaining friendly with an enemy was that Austria-Hungary was secretly trying to break away from Germany. The Austrian Emperor skillfully convinced both Wilson and Lloyd George that he was really friendly, and it was not until Austrian and German Armies befuddled Italy with pacifist propaganda and then smashed the Italian Army that President Wilson asked Congress to declare Austria-Hungary an enemy. But even then he advised Congress that the United States had no real quarrel with Austria-Hungary and did not intend to attack her. All he wanted was to see a more liberal government at Vienna. Austro-Hungarian propaganda and duplicity prolonged the war at least a year.

year.

The American people were patriotic. As soon as war was declared there was a demand for universal service. But action was delayed for a couple of months because the House chairman of the Military Affairs Committee happened to be a pacifist who refused to sponsor a draft bill. Fortunately, the ranking member on the Republican side was more robust. He was a Jew, born in Germany. He acted for the committee in pushing the bill through the House, and it became a law June 6, 1917.

After the war President Wilson told a Senate committee that he knew nothing of secret treaties among the Allies, providing for their mutual distribution of German colonies, until he arrived in Paris. Then he found that all the spoils were allotted leaving

in Paris. Then he found that all the spoils were allotted, leaving America out, and that these secret treaties were sacred obligations which must be observed. So the mandate system was set up, whereby each of the Allies—except Italy and Russia—received what had been promised. The colonies were made safe for the democracies

Naturally, such ignorance on the part of the United States can-not happen again, for the excellent reason that foreign govern-ments no longer make secret treaties—of course not. There is no occasion for the further distribution of German colonies among

no occasion for the further distribution of German colonies saled select democracies.

This American blunder is cited merely to illustrate the comic side of the World War, and not as an experience which might be valuable in the next war, if taken to heart.

In the next war American efficiency must be the rule. It is already provided for—all that is necessary is the abdication of Congress. A bill has been carefully drafted, transferring all needed powers to the President, just as President Wilson proposed in 1918. This bill has been prepared by military and naval officers who realize only too keenly that civil rights and peacetime activities of the people are fatal obstacles to efficiency.

The mobilization of the American people, under strict regulation

of the people are fatal obstacles to efficiency.

The mobilization of the American people, under strict regulation by a single authority, is to insure successful prosecution of the next war. The blunders and flounderings of 1917 and 1918 are not to be repeated. At the sound of the war trumpet the country is to be transformed, and every citizen must learn the goosestep of discipline. The world has moved since 1917. American experts have learned a thing or two! They will save democracy by making the discretership.

it a dictatorship.

Thomas Jefferson and Financial Reforms

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 18, 1939

ADDRESS BY HON. EDWARD C. EICHER, APRIL 13, 1939

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable Edward C. Eicher, Commissioner, Securities and Exchange Commission, at the annual dinner given in Wichita, Kans., on April 13, 1939, by the Jeffersonian Club:

Mr. Chairman, all of us should be thankful that, in today's dark world, we in America can still meet and pay tribute to Thomas Jefferson, secure in the knowledge that we are traveling the road which he laid out over 150 years ago. In honoring him, we honor ourselves, for no people could ask for greater honor than to live in his tradition under a government which seeks to achieve his ideals. And it is particularly fitting that tonight this celebration

should be held on the soil which, in 1803, became part of our great country because of his characteristic foresight, courage, and statesmanship.

manship.

Jefferson has been properly called "the most conspicuous of American apostles of democracy." His principles have become the very foundation of our form of government and the basic ideals of our society. He was an aristocrat by birth and position—nevertheless he proclaimed that "all men are created equal." He was the possessor of substantial wealth and many privileges, yet insisted that all men "are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness." Consistently, in practice and in theory, he fought the special privileges sought by those whose sole claim to extraordinary favor was the accident of birth or the unearned spoils of speculation. He denied all but the natural aristocracy of talent and achievement.

It is only normal that many of the New Deal reforms have their

It is only normal that many of the New Deal reforms have their roots in Jefferson. This is the party of Jefferson, and it is his party not only in name but in deed. I believe it to be particularly appropriate that I should discuss tonight those great accomplishments of the New Deal that are embodied in the three basic statutes which the Securities and Exchange Commission administers. My discussion will demonstrate, I feel confident, that although revolutionary changes have occurred in the fields of business and finance since Jefferson's day, these three statutes are soundly based upon his

Jefferson's day, these three statutes are soundly based upon his philosophy.

All three of those acts, namely, the Securities Act of 1933, the Exchange Act of 1934, and the Holding Company Act of 1935, seek essentially the same objective. That objective may be simply stated to be the prevention of the abuse of financial power—to help make it impossible for the handful of people who possess great power in the financial world to oppress the rest of us; and to help bring about conditions in which all the people will have an opportunity to obtain for themselves a fair measure of the good things of life.

tunity to obtain for themselves a fair measure of the good things of life.

This is an effort in which the people of Kansas played a pioneer part. It is with some pleasure that I recall that back in 1911, when eastern promoters were swarming through the Middle West unloading stocks and bonds of doubtful value upon trusting farm folk, the Kansas Legislature enacted a law to control stock fraud and stock swindling in the State. Thus, of all the States in the Union, Kansas became the first to adopt a "blue sky" law. Today nearly every State in the Union has a "blue sky" law of one type or another, and the work of the State enforcement agencies cannot be too highly praised.

and the work of the State enforcement agencies cannot be too highly praised.

But with the growth of the country since 1911 stock fraud and swindling and the more subtle forms of financial juggling became a matter of national concern. And so it was in 1933 that President Roosevelt asked the Congress to enact legislation governing the sale of securities. I give you the President's own words:

"There is * * an obligation upon us to insist that every issue of new securities to be sold in interstate commerce shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public.

"This proposal adds to the ancient rule of caveat emptor, the further doctrine let the seller also beware." It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence."

confidence."

"What we seek is a return to a clearer understanding of the ancient truth that those who manage banks, corporations, and other agencies handling or using other people's money are trustees

To accomplish these aims of the President the acts operate in various ways. The Securities Act—the "truth about securities" statute—requires that all material facts be fully and truthfully dis-

statute—requires that all material facts be fully and truthfully disclosed before stocks, bonds, and other securities are offered for sale in interstate commerce or by use of the mails. Its purpose is to prevent promoters and bankers from taking money from investors on the basis of misleading or incomplete disclosure. It requires that persons selling securities should tell the people just what they are offering, so that an informed judgment can be made. It outlaws the shell game and the well-known sale of a pig in a poke. The disclosure required by the Securities Act was not solely designed to protect individual investors against fraudulent misrepresentations or to prevent individual persons from profiting as a result of their deceit. To be sure, that is one of its objectives, and, proceeding on the Jeffersonian belief that people are endowed with sense enough to make sound judgment, it required that investors be supplied with complete and reliable information to enable them to form an intelligent independent conclusion as to the merits of securities. The law contemplates that, with the aid of full knowlsecurities. The law contemplates that, with the aid of full knowledge, investment can be, as it should be, a matter of private choice of the investor and not merely a form of tribute paid to a financial of the investor and not merely a form of tribute paid to a financial oligarchy. But the act has a much broader purpose in view—a basic economic function that is of tremendous importance. As a matter of economic theory, the growth of business in a profit system is regulated and directed, in part, by the willingness of investors to risk their funds in enterprises. The idea is that the collective judgment of investors as to whether it is profitable to invest funds in a particular enterprise is a partial check upon the desirability and wisdom of this enterprise, and thereby contributes to the public interest which is obviously best served by successful

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undertakings. If investors buy securities without exercising any judgment as to the merits of the business upon which those se-curities rest, this economic function is not performed, and the flow of capital to business to that extent lacks guidance and direction. Now, if investors are not given full information about the company in which they are asked to invest their funds, they cannot make the business and economic judgment which is necessary if this

function is to be performed.

Prior to the Securities Act, in many thousands of situations, material facts were not supplied to the investor. His purchase—and the purchases of all investors—in such cases had no more economic significance than if they were betting on whether the Treasury receipts in the Kingdom of Siam would increase or decrease. Failure to supply such information was, without doubt, one of the causes of the mad orgy of financing which took place one of the causes of the mad orgy of financing which took place during the twenties and resulted in the disastrous overcapitalization of many business enterprises. The Securities Act, by forcing disclosure of all material facts, makes it possible for investors to exercise this intelligent sort of judgment on the business risks and prospects of the enterprise. It therefore makes it possible for the flow of capital to be guided, by the collective judgment of investors, into channels where it can be used with profit, not only to the individual investor but to the Nation as a whole. I repeat that the importance of this function can hardly be overemphasized.

that the importance of this function can hardly be overemphasized.

But disclosure of all material facts when securities are first offered for public sale is not enough. Many of the most spectacular and ruinous collapses of individual fortunes, which have had an injuri-ous effect upon the whole Nation, have taken place because of abuses in the markets where securities are bought and sold. The insider—the officer or director of a corporation who in law and good morals is charged with a duty to protect his stockholders good morals is charged with a duty to protect his stockholders, has on occasion been found using his advance knowledge of its business to make money for himself, at the expense of those stockholders, by buying or selling securities on the market; men comprising the inner circle of the great stock exchanges, the pool operators, and the speculators have all manipulated the machinery of trading in securities to make private fortunes at the expense

of other people.

of other people.

No one has more vigorously condemned speculators who seek to enrich themselves at the expense of their fellow citizens in disregard of even the rudimen's of fair dealing than Jefferson. His historic controversy with Hamilton over fiscal policy was in large measure due to his antagonism to speculators. He believed that Hamilton's fiscal program was designed to benefit the speculator, or at least would have that effect. Their fight was particularly bitter in connection with Hamilton's proposal to redeem at its face value the paper money issued during the Revolution. Most of this money had been hought up by speculators, and Jefferson engosed Hamilton's been bought up by speculators, and Jefferson opposed Hamilton's proposal because it meant enriching such speculators who had contributed nothing to the national welfare. For the same reason he opposed Hamilton's program for the assumption of the State debts by the Federal Government, for it was clear that the original lenders to the States had sold their State warrants to speculators at low prices. Jefferson's comment upon the passage of the assumption bill was that "Twenty million has been thrown in as pabulum to the stock-jobbing herd." Today history concedes that he spoke truly when he said that the assumption of State debts would never have been ratified if the men who profited by the operation had abstained from voting.

abstained from voting.

The opposition to speculation expressed by Jefferson is not unusual. The masses of people, from Biblical days to the present, have always resented the sharp trader. In a complex industrial economy such as ours, however, we must be careful to distinguish between the sort of speculation which is to be condemned, on the one hand, and the honest and proper trading which is an essential part of our economic machinery. Our difficulties and disasters in this field have arisen not because men bought and sold securities freely, but because some men who had inside information or were freely, but because some men who had inside information, or were in a position to make the rules of the markets to suit themselves, or who were ruthless and reckless, willfully proceeded to deceive, cheat,

and outmaneuver the rest of us.

It is to stop this kind of speculation that the second basic statute that I have mentioned—the Securities and Exchange Act of 1934—was passed. This act can perhaps best be thought of as a code of fair practice for the stock exchanges and securities markets—a set of rules designed to bring about equality of opportunity and fair dealing for all who desire to buy or sell and to prevent undue

Its effect is not merely to prevent John Doe from taking unfair advantage of Richard Roe. The practices which it outlaws have a basic effect upon our entire economy. The collapse of 1929 is so basic effect upon our entire economy. The collapse of 1929 is so fresh in our minds as to make it unnecessary for me to dwell at any length upon its causes. Within the securities field methods were prevalent by which a relatively small number of persons were trading in securities in a way that destroyed the useful economic function of this process to the great detriment of the entire Nation. As a congressional investigation revealed, this uncontrolled speculation was an important cause of the credit inflation which led in turn to the panic of 1929. President Roosevelt, responding to the well-nigh unanimous public demand for Federal control over these practices, recommended the adoption of legislation "for the regulation by the Federal Government of the operations of exchanges dealing in securities and commodities, for the protection of investors, for the safeguarding of values, and, so far as it may be possible, for the elimination of unnecessary, unwise, and destructive speculation." tive speculation."

The response was the Securities Exchange Act of 1934, which created the Securities and Exchange Commission and gave it regulatory powers over securities transactions and over national securities exchanges. The enactment of this legislation symbolized a triumph of the people over the financial operators who profited unfairly at the expense of defenseless investors. Pool operations, unrestricted "margin" transactions, "wash sales," and similar practices were put under the ban.

Index this statute great progress has been made by the Securities

unrestricted "margin" transactions, "wash sales," and similar practices were put under the ban.

Under this statute great progress has been made by the Securities and Exchange Commission, in cooperation with the forward-looking members of the financial community, toward establishing a fair and open market place for securities, in which people may deal without fear of trickery or deception—and in which prices may be established by economic law rather than by the manipulations of speculators. The task has not been an easy one for the Commission or for the security traders. Most of the difficulties that have arisen have been worked out at the conference table; and it is the exception, rather than the rule, for either party to disregard this sensible and intelligent method of coordinating the efforts of government and the objectives of the financial groups. Indeed, the dominant groups in the exchanges seem to have accepted the fact that their activities are appropriate matters for public regulation. On the other hand, I feel certain that neither the Government authorities nor public opinion will tolerate any attempt, however subtle, to impair the effectiveness of this regulation. Pools and other devices by which the public is induced to hold the bag for clever manipulators will no longer menace the security of investors and the soundness of our economy.

These two statutes, the Securities Act and the Exchange Act, will not of themselves assure the solvency and efficient operation of business. Business and economic factors, beyond the purview of those statutes, must determine whether our industries and mercantile establishments are efficient solvent and successful. The

those statutes, must determine whether our industries and mer-cantile establishments are efficient, solvent, and successful. The purpose of these acts in this respect is merely to regulate the financial machinery so that it will not operate as a cancerous growth on business. It is only in connection with public-utility holding-company systems that Congress has vested the Securities and Exchange Commission with a measure of power over the fundamental economics of any branch of business.

These public-utility systems are of peculiar public concern. The law has long placed gas and electric companies in a separate category because of their intimate effect upon the life and well-being of all the people and because of their peculiarly monopolistic characteristics. For many years they have been subjected to a large degree of regulation by State and local governments. In many States the rates they may charge and the services they may perform are controlled by agencies of the local government, and the securities that they may issue must be approved by such agencies.

This regulation, however, was to a large degree rendered nugatory by a variety of factors. Chief among these factors was the forma-tion of corporations which themselves sold neither gas nor electricity, nor any other commodity, but which bought securities of scattered operating companies with money obtained through the scattered operating companies with money obtained through the sea of their own securities. These companies, generally speaking, were not subject to regulation, and by a variety of practices which I shall not attempt to describe they virtually nullified the regulations of companies. tion of operating companies' rates and securities by State agencies. More than that, they became tremendous engines of economic and financial power. A single individual, like Insull, using these holding companies, could buy up control of dozens of electric and gas companies and thus vitally affect the lives and well-being of millions of people; and he could obtain this enormous power by means of money that he got from the public at large. He might not have one cent of his own money in the enterprises, but he could control hundreds of millions of capital and draw off millions in profits for

Let me give you an idea of the extent to which power and wealth have been concentrated by means of the holding-company device in this field. The five largest public-utility holding corporations together show consolidated assets of more than \$7,000,000,000. One holding company alone—the Electric Bond & Share Co.—has consolidated assets of \$2.600,000,000; North American Co. has over \$1,200,000,000 of consolidated assets; and three other holding companies each have more than \$1,000,000,000 of consolidated assets. When you remember that each of these companies is run by mortal men, with human failings, that each has one man as its president and a few men as directors, I think you will agree that we face an appalling situation. So much wealth simply cannot safely be placed in the control of a few men—particularly in an industry which vitally and directly affect every man, woman, and child in this Nation. This state of affairs has been appropriately called a "form of private socialism, inimical to the institutions of a free Let me give you an idea of the extent to which power and wealth

"form of private socialism, inimical to the institutions of a free

people."

More than this, recent history shows that this power can be and has been abused. Corporation has been pyramided upon corporation has been pyramided upon corporation. tion; millions of dollars of holding-company securities have been tion; millions of dollars of holding-company securities have been sold to the public that are without any substantial basis in the assets or earnings of the issuing corporations; exorbitant charges have been made for so-called services rendered by the holding-company systems to operating companies; overloaded corporate structures have resulted in excessive rates to the millions of families that use gas and electricity; and the concentration of control in the hands of a few people over properties scattered all over the country has resulted in inefficiency, waste, and a form of absentee landlordship which involves many of the hateful aspects of feudalism. feudalism.

All of these things the Holding Company Act seeks to correct. It provides machinery whereby the Securities and Exchange Commission can prevent excessive and unwise issues of securities; regulate charges for engineering, accounting, and other services; control the dealings between companies in the same holding-company system; simplify the crazy pyramids of these systems and bring order and sense to the complex corporate structures; and compel

order and sense to the complex corporate structures; and compel holding companies to give up control over empires which are so large as to constitute a public menace and that are so scattered as to be inefficient, wasteful, and anarchistic.

I have not the time to do more than mention these provisions of the act. In my opinion this statute is one of the most precious achievements of this administration. I am glad to have had a part in its drafting and enactment into law while I was in Congress, and I am glad that I now have the opportunity to participate in its administration as a member of the Securities and Exchange Commission.

In its administration as a member of the Securities and Exchange Commission.

The personal allusions I have just made bring to mind the strenuous fight that was waged in 1935 by special interests to defeat the Holding Company Act in the House of Representatives. The interests won the first round in June, but the Senate investigation of lobbying activities conducted by Senator (now Justice) Black during the summer caused enough misled Congressmen to see the light so that the bill became law in August.

Among the Members of the House who voted for the bill on

see the light so that the bill became law in August.

Among the Members of the House who voted for the bill on final passage was your own Congressman, the Honorable John M. Houston. Not the least of my satisfactions in being with you tonight is the opportunity it gives me to meet face to face so many of Jack Houston's home folks in the district that he represents with such great distinction in the Nation's Capital. I shall carry through life the delightful recollections of our happy and, to me, helpful associations through the years that I served with him as a fellow Member of the House. This progressive and discriminating congressional district will, I am sure, keep him at his post as long as he can be persuaded to stay, to continue as the worthy successor of that other distinguished son of Kansas, the Honorable William A. Ayres, with whom I also served in the House, and whom I am also proud to call my friend.

William A. Ayres, with whom I also served in the House, and whom I am also proud to call my friend.

To return from my digression, permit me now to consider one aspect of the Public Utility Holding Company Act that I think it appropriate to comment upon at greater length, since it is so closely allied to the basic philosophy of Thomas Jefferson. Jefferson had an abiding faith in the capacity of the people to govern themselves, and a firm distrust of financial institutions which were so power that see that the property with the right of the people to control their ful as to interfere with the right of the people to control their own destinies. You will recall his great fight upon the first Bank of the United States. He fought this proposal because he believed that the bank would become an instrument by which the moneyed interests could exercise an unhealthy influence over the Government. The danger he feared, namely, that execessively large and powerful financial agencies (of which some of the public utility holding companies are examples) can exercise excessive influence upon our governments, is much more serious today than it was in Jefferson's time. It need not remind you that in some States the great helding governments, is much more serious today than it was in Jefferson's time. I need not remind you that in some States the great holding companies have in the past poured millions of dollars of money, obtained from the people through charges for electricity and gas, into propaganda and political campaigns. These and many similar facts were developed at length in the notable investigation of public utilities conducted by the Federal Trade Commission, of which your own Billy Ayres is a valued member.

Jefferson saw that the best answer to this problem was to make it possible for the people to govern themselves and to control their own institutions. This cannot be done, of course, if private institutions are more powerful than the people themselves or the people's government. And unquestionably the great public-utility holding companies have in the past been in this category both politically and financially.

people's government. And unquestionably the great public-utility holding companies have in the past been in this category both politically and financially.

The Holding Company Act gives the Securities and Exchange Commission the power to put an end to this intolerable situation. It is designed to make our public utilities, under private ownership, more responsive to the interests and needs of consumers and investors and to save the industry itself from the ruin to which a few financial wizards were fast carrying it. It makes it possible for the control over local companies—which enter virtually every home in every city and village—to be exercised by the people through their local governments. It requires that every holding company restrict its operations to a single area or region which is not so large as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation.

These simple words—localized management, efficient operation, and the effectiveness of regulation—are, in my opinion, a new charter of democracy for the people of this country. They are of tremendous significance as applied to the vital electric and gas industries, which are literally the nervous system of our national economy. But, more than that, I believe they point the way to a greater, healthier, and more stable America of tomorrow.

America must move forward; and the emphasis upon the breaking

America must move forward; and the emphasis upon the breaking America must move forward; and the emphasis upon the breaking up of feudalistic financial empires and upon the strengtnening of regional businesses and regional financial control, which is found in the Holding Company Act, points the road along which we may travel with profit. Too long has this section of the country—the far West and the South—been bound to the great financial centers of the East by the interwoven golden threads of remote but effective control. Too long have the essential industries of these regions been in bondage to the financial centers of the country. The result has been the unsympathetic administration which always ac-

companies absentee rule and the slow starvation which always occurs under the typical absentee landlord who feels no obligations to or dependence upon his tenants.

Under the leadership of William O. Douglas, who next Monday lays down the chairmanship of our Commission and takes his seat as a Justice of the Supreme Court, the Securities and Exchange Commission has made a beginning, within the narrow scope of its powers, on the task of regionalizing and localizing the Nation's financial machinery. In this, I am happy to say, we have had excellent cooperation by progressive leaders of industry and finance who are sincerely concerned over the necessity for putting our business and financial house in order. We have encouraged regional and local markets for securities; we have started a study of the financial needs of small business and of ways and means to meet those needs; we have attempted to standardize and simplify our regulatory duties under the statutes so as to facilitate the issue and sale of small amounts of securities to obtain capital for small enterprises; and under the Holding Company Act a variety of measures have been taken—in addition to those I have already described—that are designed to encourage local participation in the profits and control of local business. This is, of course, a bare beginning on a problem which has been too long neglected and which now imperiously demands solution. Under the leadership of William O. Douglas, who next Monday

beginning on a problem which has been too long neglected and which now imperiously demands solution.

There is one further aspect of the work of the Securities and Exchange Commission upon which I wish to comment. Jefferson wrote: "The execution of the laws is more important than the making of them." If that was true as to the laws that were in force in Jefferson's day, it is particularly true of the administration of these upwards by complex and technical laws that Generals and the complex and technical laws that Generals are the complex and technical laws. of those unavoidably complex and technical laws that Congress has entrusted to our Commission. It is only natural, therefore, to find that the Securities and Exchange Commission, like many similar that the Securities and Exchange Commission, like many similar agencies, has been given the power to determine whether or not certain activities should be permitted or proscribed, and under what circumstances others may be conducted. Such authority was necessarily conferred upon the Commission in order that it might adequately cope in the public interest with the intricacies of expanding business activities that are Nation-wide in their impacts and therefore beyond the control of State and municipal governments.

ments.

Administrative adjudication is flexible and pliable. The administrative agency is the mechanism by which a responsive government works responsibly; a means by which informed judgments may be made on a multitude of technical problems that are vital to the public interest. It would be hopeless to attempt to exercise the workaday powers of government by any other means. And administrative agencies have creditably borne their responsibility. Administrative agencies have been critically judged and, in impartial quarters, have been found not wanting.

Administrative agencies have been critically judged and, in impartial quarters, have been found not wanting.

In the heat of political debate these great nonpolitical reforms of the New Deal are often forgotten. They are overlooked simply because they are no longer a subject of debate—because they are accepted almost unanimously. With characteristic courage and sympathy for the needs of the Nation, President Roosevelt drove with the the heat of the foundation. sympathy for the needs of the Nation, President Roosevelt drove right to the heart of the financial evils. He called for and obtained laws governing the activities of those who descerate the temple of democracy with dishonest financial schemes. He insisted that in their dealings they be governed by old-fashioned, simple standards of honesty and fair play. He demanded that the control over the Nation by a handful of powerful and selfish men in the East be broken. What he has accomplished here is a monument which will long stand as another great memorial to the vitality of the real brand of Jeffersonian democracy in this country. It is in the best American tradition. It is in the best Jeffersonian tradition. It is in the best Roosevelt tradition. Without Roosevelt, and without such other far-seeing liberals as Jack Houston, Billy Ayres, George McGill, Ed Patterson, Randolph Carpenter, and Katherine McCarthy, that Kansas has contributed to our national councils, the program would not have been possible. Most of the bills were enacted into law over strenuous opposition from vested interests which always resist every effort to suppress monopolistic activities or to deprive them of valuable franchises for exploitation. These measures are all necessary to preserve the capitalistic system These measures are all necessary to preserve the capitalistic system for the common good and to prevent its destruction. In that sense,

for the common good and to prevent its destruction. In that sense, I say that they are truly and genuinely conservative.

How much governmental intervention there must be in the process of translating these laws into action that will effectively "promote the general welfare" depends upon industry. In this connection I quote a pertinent paragraph from an address delivered by Chairman (now Justice) Douglas a year ago:

"The social and economic objectives which will be won in this country have been clearly defined by the administration. If industry regulates itself in accordance with these standards, there will be no need or excuse for prodding from Government. If industry—whether it be an exchange on the one hand or a utility company on the other—will work with the law rather than around it, setting the pace in tune with the national will, as defined by the legislation, it will produce results which will make it necessary for Government it will produce results which will make it necessary for Government

to act only in a residual role.

"I know that there are sufficient brains, courage, and integrity in business to do this. Those who made industrial America can provide anew a leadership under this new social contract. They will find cooperation in those terms in Washington. They will find fairness, intelligence, and tolerance, and genuine assistance in solving their problems. If they will recognize and accept the new social contract which the times and the affairs of men have written and which this administration has articulated, they will find that they

can assume a real position of leadership and proceed under their own motive power without pushing and prodding by government."

Before I conclude, may I refer to the comment too often made that Thomas Jefferson opposed change and the expansion of governmental regulation. I think it is time that this notion be corrected. If it is true that Jefferson affirmed his belief that the government which government which government which government which government which government which governs least governs best it is also true that government which governs least governs best, it is also true that

he lived to decry it.

he lived to decry it.

It is utterly superficial to appraise Jefferson's political philosophy as expressed in his early writings, apart from the institutions of his time. His was essentially an agrarian outlook. Jefferson thought in terms of individuals, families, and small communities, quietly managing their own affairs. In 1816 he wrote to a friend reaffirming his basic faith in the citizenry and its ability to govern. At the same time, he acknowledged that the government which he had envisioned in his early youth was necessarily "a government restrained to very narrow limits of space and population."

Because Jefferson deemed it the duty of government to promote the welfare of the man, he knew that democracy would not work unless it accepted the principles of change. Shortly before he became President, Jefferson expressed his impatience with those who "look backward instead of forward * * * and recur to the annals of our ancestors for what is most perfect in government." And later he wrote:

And later he wrote:

cannot be touched nor modified, even to make them answer their end, because of the rights gratuitously supposed in those employed to manage them in trust for the public may, perhaps, be a salutary provision against the abuses of a monarch, but it is most absurd against the Nation itself." "The idea that institutions established for the use of the Nation

against the Nation itself."

The powers which Jefferson during his long years of struggle against tyranny and privilege thought should alone properly be entrusted to government proved inadequate when he became the responsible head of the Nation. And it is a credit to him as a thinker that he saw so many of the weaknesses in his earlier opinions and modified his views as he realized their deficiencies. As an outstanding advocate of "free commerce with all nations, political connections with none," he later sponsored the imposition of an embargo; as an outstanding opponent of the First United States Bank he is reported to have urged his party to support the creation of the Second Bank of the United States; and as an advocate of strict construction of the Constitution he was prepared to ignore his earlier ideas in order to justify his purchase of the Louisiana Territory. Enough has been said to show that Jefferson took a broad view of the Constitution in practice. We are now not concerned with pushing forward our geographical frontiers as was Jefferson and his age, but we are still concerned indeed, we are greatly concerned—with adapting our laws, habits, and institutions so as to improve the lot of mankind and to destroy and institutions so as to improve the lot of mankind and to destroy its bondage to privilege.

It is interesting to find that less than a decade after his retirement from public life he wrote to a friend:

"Some men look at constitutions with sanctimonious reverence "Some men look at constitutions with sanctimonious reverence and deem them like the Ark of the Covenant—too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment. I knew that age well; I belonged to it and labored with it. It deserved well of its country. It was very like the present, but without the experience of the present; and 40 years of experience in government is worth a century of book reading; and this they would say themselves were they to rise from the dead.
"I am certainly not an advocate for frequent and untried changes

"I am certainly not an advocate for frequent and untried changes in laws and constitutions. I think moderate imperfections had in laws and constitutions. I think indersate imperiections had better be borne with, because, when once known, we accommodate ourselves to them and find practical means of correcting their ill effects. But I know also that laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the

new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy, as civilized society to remain ever under the regimen of their barbarous ancestors." Jefferson lived too early to visualize clearly the industrialism which began to appear on the horizon in his later years, but he was conscious of its coming. By 1816 he was prepared to acknowledge that the agricultural society of his day was yielding its supremacy and that a place must be made for industrialization in the Nation. By that time his party had moved far on the road toward nationalism. Sentimentally Jefferson could only road toward nationalism. Sentimentally, Jefferson could only regret this trend, but, as a wise and understanding statesman, the aged leader looked down from his Virginia mountaintop not

disapprovingly.

disapprovingly.

Jefferson, accordingly, if he were to apply the talents of his statesmanship to the solution of today's pressing problems, would certainly stress the need for greater buying power in the masses of our citizens who produce the wealth of the Nation. The deficiency in such mass buying power is at least one (and probably the most important) of those business and economic factors that are beyond the purview of the Securities Act and the Exchange Act, and that, as I have heretofore stated, can alone determine whether our industries and mercantile establishments are efficient, solvent, and successful. I speak of the subject here not as an S. E. C. Commissioner but as a middle westerner to whom these problems have tremendous significance.

As a practical matter, the word "masses" is synonymous with the farmer and the laboring man. They are the two legs of our great "economic man," and unless both legs are strong and healthy he cannot stand erect. And this he must be able to do, else our profit system will not survive. Nor can we expect the return of normal reemployment unless he does stand erect.

The numerical importance of workers in agriculture and workers in industry in our population is so great that they are unquestionably the key to normal reemployment, if for no other reason than their reciprocal capacity to consume one another's products. In Jefferson's time American agriculture bartered its surplus products. for industrial goods from Europe. I say "bartered," because there were then no appreciable tariffs or other artificial impositions to

were then no appreciable tariffs or other artificial impositions to interfere with fair exchange. There can be no doubt that in these times Jefferson would be the first to recognize the unbalance that exists as a result of the progressive shrinkage in the comparative exchange value of the money return, both gross and per capita, that now for almost two decades has been occurring in agriculture and only to a lesser degree in labor.

Knowing these things, our Government seeks to achieve a larger income for both these basic economic groups by protecting the farmer from surplus-glutted markets and by helping labor to protect itself from labor surplus. National welfare requires—in fact, sound and lasting prosperity requires—that the farmer receive a reasonable profit over his costs of production and that the wages of labor be maintained.

of labor be maintained.

A government which had a farm program and no labor program would be as hopelessly lopsided as one which had a labor program.

A wage earner who cannot earn a fair would be as nopelessly lopsided as one which had a labor program and no farm program. A wage earner who cannot earn a fair wage, can never pay a fair price for his goods, nor can he consume a fair amount. A farmer who cannot sell his products at a fair price and in fair volume can never consume the products of industrial labor. Farmers and labor are the Siamese twins of our capitalistic economy. They cannot live alone. They cannot move in different directions. Jefferson saw this at the beginning. Roosevelt sees it now velt sees it now.

Today—thanks to a government that stands ready and willing to help both labor and agriculture to attain a healthy balance—they each have a great opportunity. Labor can increase its annual wage level, establish a true partnership with industry, and, with the farmer as an ally, can become a powerfully constructive force in

our national economy.

If, therefore, in the light of our expanded industrialism, one would speak with that kind of unenlightened literalism which is always inaccurate, it might be said that we can have no Jefferis always inaccurate, it might be said that we can have no Jeffersonian democracy because we no longer have a Jeffersonian country. But his statements on the essential ends of government have never been successfully challenged. Certainly it cannot be gainsaid that in any age, those who are beneficiaries of an unjust economic and social order would do well to keep his philosophy in the background. While conservative in the highest and truest—the most altruistic and democratic—sense, his precepts contain no comfort for the stand-patter or the reactionary. Rather his was the conservation that stems from the admonition Rather his was the conservatism that stems from the admonition of the Apostle Paul to "prove all things" and then to practice conservation by "holding fast to that which is good." Jefferson's teachings insist upon human values and call for change whenever such values are forgotten or disregarded. It is no wonder that he has never been a favorite of the money changers and that the

unfortunate have ever regarded him as their champion.

It is said that the last whispered words of John Adams' failing breath were: "Thomas Jefferson still lives." Thomas Jefferson has passed from the earth but John Adams' words were true. They are still true and they will continue to be true so long as men shall yearn for peace and freedom.

W. P. A. Pressure

EXTENSION OF REMARKS OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1939

Mr. GRANT of Indiana. Mr. Speaker, the Congress has now appropriated an additional sum of \$100,000,000 for W. P. A. for the present fiscal year. When this is added to the original appropriation for this agency of \$1,425,000,000 and the first deficiency appropriation of \$725,000,000, passed by the present Congress in its early days, we find that there is a total appropriation of two and one-fourth billion dollars for the Works Progress Administration for the fiscal year 1939. This is important to keep in mind not alone for the staggering sum that it represents but to bring us to a realization that after 6 years of priming the pump with its constant approach toward national bankruptcy, we still have some 11,000,000 or more unemployed, and business threatened by confiscatory taxation and hesitant to go ahead. These facts should give us all cause for much concern.

Will the administration work with Congress in a sincere effort to make the present appropriation reach as far as possible for the benefit of those people for whom it was intended, or will it carry on its policy of unconcern in its effort to prove to the country that its original estimates were right and that Congress was wrong? Would the administration rather win an argument than make a real attempt to cut out waste in the administration of the taxpayers' money?

The problems that we have before us do not revolve about the question as to whether or not these people actually in need shall be given aid. All are agreed on that. The question is, rather, Shall we continue to pile up an ever-increasing national debt to burden our children and their children in the face of the fact that 6 years of experimentation have shown its futility? The question is whether we shall continue to appropriate billions of dollars of the taxpayers' money in the face of generally accepted facts of waste, extravagance, and partisanship in its administration.

We are hopeful that the investigation that is now under way by the Appropriations Subcommittee will make it possible to enact remedial legislation to cure these glaring evils.

In my home city of South Bend, Mr. Speaker, we are fortunate in having a township trustee who is taking it upon himself to make a case-by-case investigation of W. P. A. employees to determine those not actually in need. Already the investigation has made some startling disclosures. This investigation should have been made long ago by the administrative offices of W. P. A. itself. It is now long past due, and it is encouraging to report that there are those in public office who are anxious to correct the evils that exist in the administration of this agency.

In addition to the fact that there are those on the rolls who are not entitled to such assistance, I submit that some effort should long since have been made to effect economies and to reduce wastes in administration. It was shown in the hearings in the last deficiency appropriation that for the month of January 1939 W. P. A. spent \$150,174.22 for communications and \$488,929.62 for travel and subsistence. If this agency has any concern for the taxpayers of America or for the solvency of our Federal Government, what reasonable excuse could be given for such excessive expenditures? In the name of justice to the American people of this and the next generation, it is high time that we called a halt to such waste and extravagance.

It was also shown in the hearings, Mr. Speaker, that for a 6-month period W. P. A. carried on its Federal art projects at a net cost to the Government of \$19,000,000, and that the W. P. A. is nearing completion of a building on the site of the New York World's Fair that will cost approximately \$250,000, such building to be used to exhibit the glories of W. P. A. to the world. It is a far cry from the abiding concern of the American people in their unfortunate brethren to the wholly unwarranted and unjustifiable promotion of theatrical projects and the construction of a permanent building that is proposed to be donated to the city of New York at the conclusion of the fair.

Mr. Speaker, those unfortunate people on W. P. A. who, as victims of the world conditions in the early thirties were unable to carry on, do not want W. P. A. jobs but rather want real jobs at real wages. They are coming to the realization that a continuation of the present program holds out nothing secure for them in the future. The security that they want comes from an opportunity to work, to send their children to school and to college, and to provide for them in a manner that they as American citizens are justly entitled. They realize, more and more every day, that this cannot and will not come under a continuation of the present program of waste, extravagance, and uncertainty.

A few days ago Elliott Roosevelt, second son of the President, is quoted by the newspapers as saying:

The pump-priming theory was an abortive means to an end—a hit-or-miss program. The New Deal planners seem to have over-

looked the fundamental fact that without healthy competition and adequate returns there can be no healthy trade.

The jobs in private industry that these people want cannot come until this "healthy trade" is returned.

The President, speaking in Pittsburgh on October 19, 1932, said:

I regard reduction in Federal spending as the most direct and effective contribution that Government can make to business.

After 6 years of reckless experimentation, it is high time that this "direct and effective contribution to business" be made.

Mr. Speaker, I ask leave to include in my remarks a well-considered and thorough editorial, entitled "W. P. A. Pressure," which appeared in the issue of April 10, 1939, of the South Bend Tribune.

The editorial is as follows:

[From the South Bend (Ind.) Tribune of April 10, 1939] W. P. A. PRESSURE

So long as any persons not in need of the relief are maintained by the W. P. A. there cannot be any excuse for withdrawing W. P. A. relief from needy persons. The township trustees in St. Joseph County are to be commended for making an issue of that. Every taxpayer should give maximum support to the trustees in their effort to avert an increase in local direct-relief costs that cannot be justified by actual conditions. So long as the W. P. A. administrative expense account is inflated there can be no legitimate excuse for penalizing needy persons.

excuse for penalizing needy persons.

It looks as if an effort is being made to stir up resentment among the truly needy against legislators in Washington who are trying to bring about a relatively small reduction in the W. P. A. appropriation for the remainder of this fiscal year. The entrenched, extravagant W. P. A. bureaucracy, with Presidential assistance, is assuming a rule-or-ruin attitude. It is a dangerous game, socially as well as economically, and every thoughtful American should be deeply resentful and determined to thwart those bureaucrats.

deeply resentful and determined to thwart those bureaucrats.

They have not submitted proof that the appropriation sought by them is vitally necessary. Their plan evidently is to inflict suffering upon some W. P. A. dependents and rely on a wave of emotionalism to bring about a congressional surrender. If the W. P. A. appropriation reduction were to make actually necessary a cut in the amount paid to truly needy persons, it could be spread without dropping any needy person from the roll. As matters stand, however, there is no conclusive evidence that W. P. A. payments to truly needy persons must be cut at all.

ever, there is no conclusive evidence that w. F. A. payments to a dry needy persons must be cut at all.

W. P. A. workers and the general public ought to be impressed by the fact that no economy has been undertaken in the higher reaches of the W. P. A. The high bureaucrats who are throwing needy W. P. A. workers onto direct local relief because Congress is honestly trying to solve a serious financial problem have not reduced their administrative expenses. For administration they are spending \$5,000,000 a month. For telephoning and telegraphing they spend \$150,000 a month. The W. P. A. administrative expense every month is more than the administrative expense of the Reconstruction Finance Corporation, the Civil Service Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, the Railroad Retirement Board, the Federal Trade Commission, the Federal Power Commission, and the Social Security Board.

It is the most inflated administrative agency in the generally

It is the most inflated administrative agency in the generally bloated Federal Government. Its infliction of distress upon needy W. P. A. workers has an ugly implication that no genuine American can consistently ignore. It ought to reduce administrative expenses considerably and expel the "chiselers." Then the appropriation, even if Congress cut it by \$150,000,000, probably would be adequate for maintenance of the truly needy on the present scale.

Repatriation of Filipinos

EXTENSION OF REMARKS

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. WELCH. Mr. Speaker, the bill H. R. 4646, which passed the House today, is to encourage the voluntary application of noncitizen Filipino residents in continental United States, its territories, or possessions to return to the Philippine Islands, their transportation to be provided for by our Government.

This bill is for the reenactment of a law which has been in force and effect for 4 years and offers further opportunity for Filipinos to return to their native home if the application is filed prior to December 1, 1940.

A great many Filipinos are now on relief, and inasmuch as the last W. P. A. relief bill contained a provision prohibiting aliens from securing relief, it is, therefore, most urgent that this bill be enacted into law so that they can return to their homeland and be taken care of from the resources of their own country and thereby not only lift the burden from the United States insofar as relief is concerned but also would help the unemployment situation in this

The only Filipinos who are eligible to United States citizenship are those who served in the Army and Navy, and, as stated above, being aliens, would preclude them from receiving relief under the recent law just passed by Congress.

The departure of the Filipinos from this country is absolutely voluntary and is not to be considered as a deportation matter. However, if a Filipino returns to his native land, he will not be permitted to return to this country, except as an alien-quota immigrant, which is limited to 50 immigrants per year, as provided for under the Immigration Act of 1924.

As stated before, the Government is offering to pay the expense of their return, including their sustenance, which should be taken advantage of by the Filipinos due to economic conditions in this country. It has been said the Philippine Islands have known no depression and I am sure the Filipinos could find work there and thereby make a place for the Americans to obtain the work they have been doing, and thereby diminish the number of our own citizens on relief rolls.

The enactment of the legislation is very imperative in view of present conditions and I sincerely trust, if passed, the Filipinos will appreciate what is being offered to them to return to their homes and friends and to an environment which is familiar to them.

Neutrality

EXTENSION OF REMARKS

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 18, 1939

EDITORIAL FROM THE FORT WAYNE (IND.) NEWS-SENTINEL OF MARCH 30, 1939

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the following editorial by William J. Gross, which appeared in the Fort Wayne (Ind.) News-Sentinel on March 30, 1939:

[From the News-Sentinel, Fort Wayne, Ind., of March 30, 1939] PASS HOUSE BILL 163

One, and only one, bill before the Congress at this time (or, more accurately speaking, before the House Committee on Foreign Affairs) has even a reasonable probability, if enacted, of assuring

American neutrality in a foreign war.

That bill (H. R. 163) was introduced last January 3 by Representative Louis Lublow, Democrat, of Indiana. At the command of administration forces, acting on instructions direct from the White House, this measure has slumbered in committee ever since—despite the fact that it unquestionably represents majority

American opinion.

This is not to be confused with the so-called Ludlow amendment, This is not to be confused with the so-called Ludlow amendment, a proposal to write into the Federal Constitution a requirement that no war other than a war of defense be waged by the United States outside of the Western Hemisphere except after a referendum vote of the whole American people.

The Ludlow amendment or war referendum amendment is one thing; the other Ludlow bill, accurately entitled "A bill to establish the neutrality of the United States," is another thing.

For the moment, public attention should be concentrated on the Ludlow neutrality bill; and public petition should be addressed to Representatives and Senators demanding that this bill (H. R. 163) be enacted into law.

It is important that such demands be registered promptly and urgently to offset the stampede toward the distinctly unneutral measure introduced by Senator PITTMAN (S. J. Res. 97) to please

the White House.

The Ludlow bill (H. R. 163) is short and simple.

It provides that upon the outbreak of war between two or more foreign nations, the President "shall issue a proclamation forbidding (1) exports of all kinds and (2) loans and credits to said belligerent countries or to the nationals of said belligerent countries." Nothing "discretionary" about that. Nothing left to Presidential judgment. In the event of a foreign war, the President shall do so and so.

And this mendatory prohibition by the President "shall be made.

And this mandatory prohibition by the President "shall be made effective in a similar way by proclamation against nations that may enter the war subsequent to its outbreak and the nationals of said nations and to factions engaged in a civil war."

The Ludlow bill (H. R. 163) further makes it unlawful for any vessel of American registry to be chartered or used to transport goods in violation of the President's proclamation forbidding shipments, and it prescribes penalties.

It also provides that upon the outbreak of war between two or

at also provides that upon the outbreak of war between two or more foreign nations the President shall issue a proclamation notifying American citizens that "travel on the vessels of belligerent nations shall be at the traveler's own risk."

H. R. 163 also wisely provides that "whenever during a war between two or more foreign nations it shall come to the notice of the Secretary of Labor that any alien is engaged in the United States or any possession thereof in propagands activities other than tween two or more foreign nations it shall come to the notice of the Secretary of Labor that any alien is engaged in the United States or any possession thereof in propaganda activities other than the legitimate exercise of free speech, and by such activities is seeking to win the favor of the United States for one or more of the belligerents or otherwise to interfere with the neutrality of the United States, the Secretary shall immediately order the arrest of such alien and shall as soon as practicable deport him to the country from which he came."

This Ludlow neutrality bill also contains the perfectly wholesome provision that "recruiting in the United States in behalf of any belligerent foreign nation is forbidden," and sets the penalty for violating this prohibition at \$10,000 or imprisonment for not more than 5 years, or both. If law to that effect had been on the books a couple of years ago, the "red" brethren would not have found it so easy to enlist American boys for deadly duty in the Loyalist armies of Spain in a combat unit bearing the inappropriate title of "Abraham Lincoln Brigade."

Finally, the Ludlow neutrality bill provides that "whoever (1) disguises the identity of a consignor or (2) camouflages the nature or the destination of goods intended for ultimate delivery to a belligerent nation or to nationals of a belligerent nation shall be subject to a fine of \$10,000 or imprisonment for not more than 5 years, or both."

If it's neutrality the American people want, then they should by all means demand that their Congress enact H. R. 163. No other pending measure so simply, clearly, and straightforwardly provides for American neutrality, makes a policy of neutrality mandatory upon the people and their President, and thereby lessens the risks of all that war must mean.

of all that war must mean.

Spare the Prisoners

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 18, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. MARTIN J. KENNEDY. Mr. Speaker, in these days of hypocrisy and chicanery, with shadows and overtures of blood and thunder, it is refreshing to hear the voice of religion and human love calling the world to peace and mercy. It is even more refreshing to have a newspaper, steeped as the press necessarily is today in stories of war, crime, and human degradation, devoting editorial thought to praise and endorsement of the call to peace and mercy.

The calm, clear voice of His Holiness Pope Pius XII, in a message to Franco, asked the victor to spare the innocent. Today the Herald Tribune, in most convincing language, approves the message. Congress should join in this sentiment, which I am sure every Member of the House shares with me. This is the editorial, a model of fine sentiment and clear reasoning:

> [From the New York Herald Tribune] SPARE THE PRISONERS

It was in singularly moving words that Pope Pius spoke to "his beloved children of Catholic Spain," and with accuracy described the "cruel ruins" heaped up by the war. His praise for those who died for their faith was natural and deserved.

Yet it is the broader plea, underlying his whole address, which will especially stir sympathy the whole world around. He spoke of "those who have been deceived into errors of materialism." He applauded the victors' policy of pacification, which he declared to be in accord "with the wise principles inculcated by the church" and defined as "justice toward crime but benevolent kindness toward those who have been led astray." So far as phraseology goes he adopts the language of General Franco, to whom he gives high praise. The spirit in which the words are interpreted is what matters, however, and there can be no mistaking the fatherly and generous tone in which His Holiness, speaking in the Spanish tongue across the waters of the Mediterranean, addressed his followers in the peninsula.

erly and generous tone in which His Holiness, speaking in the Spanish tongue across the waters of the Mediterranean, addressed his followers in the peninsula.

Memory turns back to a noble precedent. The episode occurred in another and earlier war in which the passions of religion and revolution were also strangely mingled—the tragic struggle of the Catholic royalists of La Vendée, in the west of France, to halt the French revolutionists. In a bloody defeat at the Battle of Cholet, in 1793, the leader of the Vendéan peasants, the Marquis de Bonchamp, was mortally wounded. His soldiers, overwhelmed by his fate, resolved to execute the republican prisoners in their hands, to the number of 5,000, according to tradition. Dying, the last words that the general spoke were "Grace aux prisonniers!" His men obeyed the command, the prisoners were spared, and the words appear carved on the monument to Bonchamp in the Vendéan town on the banks of the Loire, where he died. Americans can, perhaps, feel an especial interest in them, since the soldier who uttered them gained his first military experience in the American Revolution.

We have refused to believe that General Franco will interpret his policy of pacification in an ungenerous sense, and we shall continue to hope that our faith will be justified by events. By the letter of his formula he could slaughter almost anyone. Applied in the spirit urged by Pope Pius, it would end the lives only of those guilty of actual crimes of violence and no others. Political disagreement, as conscience, would go free. Civil war, when fanned by the flames of religion and revolution, has a long and bloody record to its discredit. Yet, as in 1793, that past has been lit by moments of noble generosity, to be long remembered by mankind. General Franco has the opportunity to stand with these great of spirit. May he accept it wholeheartedly!

Whose War Would It Be?

EXTENSION OF REMARKS

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL OF APRIL 13, 1939

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of April 13, 1939:

> [From the Milwaukee Journal of April 13, 1939] WHOSE WAR WOULD IT BE?

Can President Roosevelt and the Washington Post commit the United States in advance to a war if Britain and France either decide there shall be a war or have war forced on them?

This question has suddenly taken the place of all others in the

This question has suddenly taken the place of all others in the forefront of America's anxiety.

Mr. Roosevelt, on ending his vacation in Georgia, told the Georgians, "I'll be back in the fall if we don't have a war." That could mean "if war doesn't come to Europe." The Washington Post raised the question whether it could not equally mean "if war has not come to the United States." And the President read the Post's article to correspondents with approval.

No one who knows this country can imagine that the American people will approve going to war by fall. Even if the worst befalls in Europe and the great powers are at war tomorrow, it is inconceivable that this country could be forced into war to defend itself by the end of the summer. And that is the only kind of war which

the Government has any excuse for entering until the Nation is plainly convinced that no other course is open.

The editorial article to which President Roosevelt calls attention argues that war can still be averted "if the free nations are willing to show that they will take a stand before it is too late." Taking

a stand, it explains thus:

"Nothing less than a show of preponderant force will stop them (Germany and Italy), for force is the only language which they understand."

The "force" meant is the declaration that Britain, France, such allies as they can command—and—the United States shall make it clear that they will fight if the Rome-Berlin axis goes beyond a certain line.

certain line.

The theory has some merit and deserves to be examined. It is that in the event of any prolonged European war the United States would ultimately be drawn in. This is what many Americans believe. And, further, that it is common sense and realism to make this clear in advance and so—we hope—avert war.

The argument is that if Germany had known in 1914 that Britain would fight, she might not have forced war; that if Germany had realized when she began attacking American vessels that America would eventually enter the war and could transport millions of men, she would not have launched the ruthless submarine campaign.

There is a good deal to be said for that theorizing. But it is not enough to persuade the American people that we ought now to issue an ultimatum which, if rejected, would plunge us immedi-

ately into war.

ately into war.

The significant warning of Bernard Baruch only last week against an economic war applies with tenfold force to what the Washington Post openly, and President Roosevelt by implication, proposes. Said Mr. Baruch: "If our economic war fails, we will be in a military war."

America is not ready for a military war until she is convinced that it is inevitable. America to be convinced must know what she is fighting for.

is fighting for.

Who would set the limit to German-Italian aggression? what principle? We have seen the European democracies bristle against aggression, even introduce half-hearted economic sanctions,

against aggression, even introduce half-hearted economic sanctions, and then surrender to the successful aggressor.

What is the principle of justice for which we would fight? Was it right to let Japan seize Manchukuo and go on to conquer China; was it right to recognize Mussolini's conquest of Ethiopia; was it justice for Hitler to take over Czechoslovakia; may the Rome-Berlin axis have Albania and welcome? But if British control of the Mediterranean is endangered; if it is suggested that France let go of some colonial possessions in Africa, then must the free nations of the world spring to arms or hide their faces in shame? Is that the proposal?

We fought a war. We made victory possible. We saw Mr. Wilson trying to insist on some principles of human justice. We took nothing for ourselves. But when the smoke had cleared away, we saw that we had taken a good deal for other nations.

saw that we had taken a good deal for other nations. After that, can we give assurance to any nation or group of nations that "when you say it is time to fight, we will be with

If we had followed the temper of the eastern seaboard in 1915, we would have been in the last war 2 years earlier than we were. Our money would have poured across the Atlantic, and, all unprepared, our men would have dribbled across. Does anyone think that would have been better? For ourselves or even for those who became our allies?

Suddenly, without discussion, has come a crisis in this Nation. Not in 20 years has so grave a decision faced us. It is the duty of Americans everywhere to speak out and say whether they approve entrusting our fate to the decision of any other nation. Today we know no better counsel than the words of Lincoln:

"If there be an object to hurry any of you in hot haste to a step which you would never take deliberately, that object will be frus-trated by taking time; but no good object can be frustrated by it."

Lawlessness-A National Menace

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 18, 1939

ADDRESS BY. J. EDGAR HOOVER, NOVEMBER 14, 1938

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by J. Edgar Hoover, Director, Federal Bureau of Investigation. United States Department of Justice, delivered before the Economic Club at Detroit, Mich., November 14, 1938:

It is indeed a pleasure and a privilege to be permitted to address the membership of the Economic Club, representing as it does the highest level of business and professional intelligence. I am particularly gratified to be able to meet with you to discuss the problem of lawlessness, because as a national menace it has a very definite relationship to economic problems, particularly since the business interests depend upon national and local business security. Organized or the problems of the problems.

interests depend upon national and local business security. Organized crime, unless it is checked to a marked degree, threatens the economic and industrial interests of our Nation.

Crime and criminals have received much public attention in recent years, although crime has existed from the beginning of time. It is, of course, recognized that we always will have a certain amount of crime. None of us can hope that lawlessness can be completely eradicated from the fabric of modern civilization. The warfare between crime and the forces of law and order has been the

warfare between crime and the forces of law and order has been the topic of narration and writing since prehistoric man learned to speak and write. Philosophies and religions center upon a basic theory concerning the struggle between the forces of good and evil. However, we can become too philosophical and complacent about the inevitability of crime as a dominating factor in our civilization. In fact, all of history unites in telling us that when and where crime or a disregard for law and order attains definite proportions the State itself deteriorates. It is the necessity for a firm existing

the State itself deteriorates. It is the necessity for a firm existing basis in our economic life of respect for and allegiance to the forces of law and order that I want to emphasize in my remarks to you. When we pass from the realm of a theoretical consideration of the ever-recurring struggle between the forces of good and evil, we are impelled individually and collectively to face that struggle in our daily lives. Some may say that we of law enforcement have overemphasized the significance and danger of the crime problem; that we have become unduly alarmed at existing conditions. Yet, indisputable figures prove that criminality and criminals today present a problem of disturbing import which must be solved if our traditions and institutions, which have been handed down to us as a heritage of the struggle and sacrifice of our forefathers, are to be safeguarded. are to be safeguarded.

are to be safeguarded.

First and foremost, we can point in terms of actual figures to the criminals themselves who threaten society with their depredations. This army of criminals numbers at the present time over 4,600,000 persons. This number of individuals banded together for any definite purpose might well be considered to constitute a very serious challenge. Four million six hundred thousand individuals constitute as a constitute as a constitute of the viduals constitute an army greater than any that overran Europe and Asia in ancient times. Well organized and armed, it casts an ominous shadow over the peace of the world and threatens our

ominous shadow over the peace of the world and threatens our own individual security and safety.

Are these figures fully understood? Would these facts be more realistic if I pointed out that last year in this country a serious crime was committed every 22 seconds; that 3,879 serious crimes were committed every day; that nearly 1,500,000 serious crimes, such as murder, manslaughter, rape, robbery, burglary, and aggravated assault, were committed during the year; that 37 murders were committed every day; that 1 burglary was committed every 1¾ minutes; that 1 robbery was committed every 9 minutes; and that 1 larceny was committed every 40 seconds?

I shall neither weary nor shock you by relating the extent of other crimes or by going further into the report, not of alarmists, not of hysterical individuals with no knowledge of existing conditions, or theorists who prate of things they do not know, but actual crime reports received from police officials in every section of the country, who are carrying a burden which should be shared by every citizen interested in the peaceful pursuit of his private life.

life.

Perhaps you, as economic leaders, might be still further alarmed if you consider that we are dealing with probably the largest enterprise in the United States, particularly with regard to the expenditures it involves. The annual cost of crime in this country is estimated to be \$15,000,000,000, and it may be said that a \$15,000,000,000 enterprise even in these days and times is large in every sense of the word. This predatory activity levies and collects a yearly tax of nearly \$120 for every man, woman, and child in our Nation.

In order to present the problem in a still more realistic manner, may I say that this \$15,000,000,000 annual cost of crime is 400 percent greater than the national annual cost of education, which is \$3,000,000,000. In other words, the onslaughts of these criminal hordes are costing us 400 percent more than we are spending in the education of the juvenile members of our communities. Perthe education of the juvenile members of our communities. Perhaps if we spent more upon constructive education, our crime bill might be less. It may be further noted that the cost of law-lessness is 25 percent more than our total annual tax bill of approximately \$12,000,000,000.

The menace of crime applies not only to the immediate victims of the criminals. It also affects most intimately the families of these 4,600,000 criminals, who suffer the pangs of humiliation, disgrace, and serious want when breadwinners are incarcerated in institutions for the protection of the public.

Any reference to the crime problem would, of course, be incomplete without calling the attention of practical men to the fact that it is not the ostensible individual criminals alone who must be combated in protecting our communities from the results of crim-

combated in protecting our communities from the results of crim-

inality. Criminals, in their individual capacity, or even collectively, would be practically powerless were it not for the fact that they are supported by a national organization of corrupt bondsmen, fixers, go-betweens, pay-off men, aiders and abettors of an apparently respectable character, harborers, shyster attorneys, crooked physicians, as well as some persons in public office whose support is given either tacitly or actively. It would be difficult to estimate the size of the army that supports the flying squadrons of criminality. Add any estimate, however, no matter how conservative, to the number of known criminals and you will have some general idea of the far-reaching ramifications of the crime problem confronting us.

fronting us.

Too often in dealing with this problem we think only of spectacular crimes of violence. Our citizens feel that if others can be murdered and slugged, maltreated, and robbed at the point of a gun, this can also happen to them, and citizens should entertain this view. However, too little attention is often paid to the most flagrant crimes which are perpetrated behind the guise of psuedo-respectability by certain unscrupulous individuals in banking, finance, industry, and every other walk of life. We cannot forget the untold harm done to thousands of our citizens in our communities by depredations on the part of those individuals who, responsible for the conservative well-being of our financial institutions, have failed in their trust and have gone to jail in part payment for their recreant actions and failure to realize or recognize the sacredness of the responsibility imposed upon them. payment for their recreant actions and failure to realize or recognize the sacredness of the responsibility imposed upon them. These instances of just punishment will not, however, return lost happiness to the unfortunate ones who find their life savings swept away, who are compelled to face their declining years helpless, a burden upon their friends, their relatives, and their communities. The gun-toting hoodlum is far less reprehensible than the despicable thief who, clothed in respectability, violates the confidence imposed in him by thousands of honest but trusting citizens.

citizens.

The crimes of pseudo-respectable crooks are closely alined with the present-day menace of venal, corrupt politics. I feel that the problem of inefficiency, the waste, the stifling influence of corrupt politics with regard to law enforcement will particularly appeal to those accustomed to meeting and solving business and economic problems upon a large scale. Much has been said about the menace of venal politics to modern law enforcement but little has been done to correct the situation. The businessman and community leaders should insist upon honesty in public office. There can be no honesty in a public office which does not permit law-enforcement officers to function independently of all corrupt influences, the worst of which is venal politics. the worst of which is venal politics.

The splendid progress of law enforcement in the past few decades is amazing when we consider the tremendous handicaps and hindrances that it has been necessary to surmount in corrupt, egominded politicians. The real "public enemy No. 1" against law and order is corrupt politics. As businessmen and citizens desirous of our country's good, I know of no more worthy endeavor in which you can engage than in eliminating every vestige of corrupt political influence from the administration of criminal justice.

True public servants interested solely in the general welfare of

cal influence from the administration of criminal justice.

True, public servants interested solely in the general welfare of the people whom they serve, skilled in the science and art of government, must supplant the exponents of lawlessness and greed. The title "politician" is an honorable one, and representatives of this ancient calling, assisted by honest citizens everywhere, must constantly be vigilant to insure against its being alined with lawlessness. Law-enforcement officers are public servants, but they cannot exemplify law and order until and unless they are freed from this appalling burden that hinders and corrupts the proper enforcement of law in so many of our communities.

from this appalling burden that hinders and corrupts the proper enforcement of law in so many of our communities.

It is, of course, unbusinesslike, unnecessary, and highly undesirable, to say the least, that law enforcement continues to be a political football. It is only necessary that you consider the situations existing in practically any large city in order to convince yourselves of the menace of venal politics in law enforcement and the absurdity of the criminal waste resulting from this condition. In one large city, for instance, there have been 31 chiefs of police in 63 years. I wonder what degree of efficiency could possibly exist in the various enterprises for which you as businessmen are responsible if you were compelled to accept a change of administrators at periodic intervals. This, of necessity, would prevent them from acquiring little more than a superficial knowledge of the many intricacies and problems of your business.

In this regard, I might call your attention to the Federal Bureau

In this regard, I might call your attention to the Federal Bureau of Investigation, of which I have the honor to be Director, which during the past 14 years has functioned totally free of all political influence of any kind or nature whatsoever, with regard to appointments, promotions, and every other phase of its maintenance and development. This has been possible, of course, because of the far-sightedness of such splendid officials of the public good as the present Attorney General, Hon. Homer Cummings. That it has been accomplished, however, is an indication that it is an actual, practical possibility, and a necessary condition for efficient and effective law enforcement.

I take pleasure in saying that of the 139 kidnaping cases which have occurred since the passage of the Federal kidnaping statute in 1932, 137 have been successfully and completely solved by the Federal Bureau of Investigation, with the excellent assistance and cooperation of many local law-enforcement officers. It is also with a sense of pride that we have viewed the great growth of the Identification Division from a few hundred thousand sets of fingerprints in 1924 to what now totals over 9,500,000 sets of fingerprints— the largest repository of criminal identifying information in the world—available to each and every law-enforcement official and

world—available to each and every law-enforcement official and agency without cost.

In the field of bank robbery it is interesting to note that since the passage of the Federal bank robbery statute in 1934 such robberies have been reduced by over 75 percent, with the consequent result that bank robbery insurance rates in 35 States have been reduced over 30 percent. In cases of all types investigated by the F. B. I. convictions have been obtained in the Federal courts of over 95 of every 100 persons brought to trial, and, while our total cost of operation last year was \$6,200,000, the total value of recoveries effected, fines imposed, and savings to the Government in cases investigated by the Bureau totaled over \$47,000,000.

ment in cases investigated by the Bureau totaled over \$47,000,000, a return of \$7.64 for each dollar spent.

Another very important phase of law enforcement, or a condition which seriously affects law enforcement and government, is one which desperately needs the intelligent consideration and pracone which desperately needs the intelligent consideration and practical attention of our country's leading economists, businessmen, and industrialists. I refer to the much discussed question of parole. "Whom the gods destroy they first make mad," and if I were a member of the group of professional sentimentalists who misinterpret, distort, and destroy the essential validity of the parole principle, I believe I should fear something more or less immediate in the way of destruction. It may be generally noted that, presumably lacking arguments in refutation, they now indulge in a vicious attack upon the principles and beliefs of those who contend that parole should be a medium for the protection of society as well as a device permitting the release of persons capable of reformation. of reformation.

of reformation.

Through years of experience in the law-enforcement field law-enforcing officials have attained some measure of comprehension as to the scope and importance of the principle of parole. We are real-istically concerned with parole not only so far as its influence upon the individual criminal is concerned but also mainly and basically with the influence of unrestricted, ill-considered parole upon the interests of society. We of law enforcement feel that this is a problem in which we should receive the enthusiastic support of practical men who must grapple with the country's economic problems. All that we ask, those of us who protest against the theories which would set free from our penitentiaries habitual criminals of the most sordid, vicious, irreclaimable types, is that the interests of society be considered first and foremost and that a common-sense viewpoint be taken of the principle of parole as a whole and the execution of that principle in particular.

We join with all those who hold that there are certain types of criminals, youthful for the most part, who are subject to reforma-

We join with all those who hold that there are certain types of criminals, youthful for the most part, who are subject to reformation and rehabilitation. It is well that this is so and it is well that this should be recognized by the practical criminologists of the day in order that every effort can be made to support those who would reclaim for society the members who have strayed from the beaten tracts of rectitude and honor. Reformation, theoretically, is always possible, but reformation, practically, of confirmed, habitual criminals is so rare that in applying the parole principle it becomes a crime and nothing else to indulge indiscriminately in the hope that this type of criminal can be reformed and to make society pay the penalty for what is so often proved to be an error in judgment, based upon a sentimental, ill-considered viewpoint of individual criminals, rather than a consideration of the entire problem.

We need your aid in this crusade for a policy of practical parole

rather than a consideration of the entire problem.

We need your aid in this crusade for a policy of practical parole that will tend to insure the safety and continued protection of the helpless members of society, of your wives and children and the wives and children of the law-abiding elements in all parts of the country. Obviously, since these are in the majority and, obviously, since their interests and safety and their defense against the brutality and violence of those whose only place is behind prison bars is or should be a primary consideration, we feel that we can well appeal to the sound common sense and rational judgment of our citizens to bring about an immediate comprehensive reform in certain corruptions of the original workable theory of parole.

one more point or phase of the crime problem should be brought, I believe, to your attention. All of the law-enforcement agencies in the world combined cannot successfully cope with the criminals that society can produce. With increased scientific methods at the disposal of well-educated criminals, and with a continuing increase in the ratio of criminals produced by society, we might well be pessimistic about the future of the race. It is for this reason that continuing, broadening, and increasing efforts should be made by all of those interested in law enforcement to clarify the stream at its source. its source.

The solution of the crime problem is comparatively statement, and, in the same breath, the most difficult of all human problems in execution. It consists in the rearing of law-abiding problems in execution. It consists in the rearing of law-abiding youth. The functioning of youth movements has an inestimably beneficial effect upon the welfare of the juvenile members of our communities, and any work which improves the moral outlook and character of the younger members of society justifies itself in the dividends which posterity will receive.

Our youthful delinquency is a problem which strikes into practically every home in America. Every parent should give the deepest consideration to this problem because the responsibility

for youth in crime today rests on the doorstep of the home. We have youth in crime because of the lessening of parental responsibility and family discipline. It is due to a tendency to evade responsibility that parents in many instances have allowed their children to stray. In straying, they commit crimes which send so many of our boys and girls into penitentiaries and reformatories, which in reality are "criminal colleges," where they are either educated into further criminality by hardened recidivists or pampered by crime-coddlers into the belief that they can commit new infractions with impunity. commit new infractions with impunity.

None of those interested in law and order can afford to over-

None of those interested in law and order can afford to overlook the splendid work which is being done in the field of crime prevention. The bringing of opportunities to young boys for supervised recreation, affording them possibilities of developing athletic skill in all kinds of sports, bringing them together for rational, decent social diversions, permitting them to acquire a balanced, sane outlook upon life by reason of their association with adults whom they admire and who can directly, by example or otherwise, instill the highest moral principles and ideals—all of these movements are worthy of enthusiastic and continuing support from those interested not only in the problem of crime and the criminal, but in the well-being of humanity at large.

Apprehending criminals and punishing them is only a part of the solution to the problem of crime. Producing honest citizens is the major objective in which we are all interested. This can only be done if the home life is of an uplifting character and if those men and women who have the interest of their country at heart devote some time, thought, and attention to the discharge of this

devote some time, thought, and attention to the discharge of this

most important duty.

Law and order present to the citizens of this country a problem in Americanism, and particularly is this true today. It behooves us to retain that spirit of Americanism that was handed down to us by the founding fathers. We have in this country a treasure us by the founding fathers. We have in this country a treasure which we must preserve, protect, and defend. Subversive alien theories and isms are not only a drastic contrast to American ways of thinking, feeling, and acting, but they stand for a complete overthrow of established ideals of American life and the philosophy of government to which America is dedicated. This encroachment must be met, countered, and overcome. We must hold fast to those original ideals of democracy which were promulgated at the birth of the Nation and which have promoted its growth and development throughout the years.

throughout the years.

Among the essential, native American traits has always been a respect for law and order, a determination that the laws of a demo-cratic country must be enforced and that the free will of the people, as expressed in its legislative mandates and moral codes, must be sacredly observed and obeyed. If they are preserved, there can be no doubt as to the future of law enforcement. The soil that nurtures our cherished institutions and way of life must be kept clean if we are to continue in the unchallenged enjoyment of our inheritance of liberty under law and peace with progress.

Are 3 Years Long Enough to Teach a Deserving Democrat to Pass a Postmaster's Examination?

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 18, 1939

Mr. REED of New York. Mr. Speaker, there has been an acting postmaster at Chautauqua, N. Y., since July 1, 1936. Two Civil Service eligible lists have been established, but no one has been appointed from either list. The acting postmaster failed in both examinations to attain a place among the first three applicants. So a third examination has been

If anyone has taken seriously the merit plank in the tumbled-down Democratic platform, or the claims of President Roosevelt and the Honorable James A. Farley to the extension of the merit system, I would remind him that the post offices were first filled with Democratic politicians in the capacity of acting postmasters who are permitted to hold on to the offices until they can pass an examination.

None of the three eligibles in the first two examinations at Chautauqua was acceptable to the Democratic machine. When the third examination was announced I was amused at the efforts to disqualify Mr. George A. Ross, the gentleman who had headed the eligible list in the first two examinations. He lives on the same route, the same distance from

the post office as does the acting postmaster; he has not changed his residence for 10 years; twice he was certified as the highest eligible. When the third examination was announced last fall he was advised by the Civil Service Commission that, on account of his residence, he was not eligible to try this examination.

I brought to light this bit of political chicanery and the decision was reversed, permitting this candidate to take the examination.

In the meantime, however, one of the first three eligibles has grown too old to take the examination. Thus, at last, a deserving Democrat may forge into one of the first three places and the "merit" system may be permitted to operateafter 3 long years.

If the Democrats were to do directly that which they are doing indirectly, civil service would be abolished, the Democratic organization would make the appointments, and the acting postmasters would be confirmed as soon as they could be tutored to pass an examination, even though it required

Obligations to the Federal Government of Farmers in Drought-Stricken Areas of Minnesota

EXTENSION OF REMARKS

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1939

JOINT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Mr. H. CARL ANDERSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint resolution recently adopted by the Legislature of the State of Minnesota:

Joint Resolution 17

The Legislature of the State of Minnesota, in regular session assembled, memorialize the Congress of the United States to enact legislation relieving the farmers who gave their notes for feed during the drought years 1933 and 1934 from cash payment

Whereas the citizens of the State of Minnesota witnessed a severe drought during the years 1933 and 1934, which drought worked a tremendous hardship on the farmers of this State and

made it necessary for them to purchase feed for their animals; and Whereas the Federal Government found it necessary to ship large quantities of feed to the drought-stricken areas which was

large quantities of feed to the drought-stricken areas which was sold to the farmers at exhorbitant prices, in excess of the present price tenfold, and for which the farmers gave their note to the Federal Government; and

Whereas it was to the advantage of all the people of our State that those animals should be and were fed; and

Whereas the farmers who were forced to purchase such feed at unreasonable prices have been and still are unable to pay the notes in cash due to the distressing economic conditions which prevail but are willing to discharge them by way of work on Federal or State projects; and

but are willing to discharge them by way of work on Federal or State projects; and

Whereas the Federal Government pays annually to the State of Minnesota large sums of money for relief and road projects, part of which could readily be diverted to the retirement of notes given by the farmers by permitting the farmers to work on Federal projects and on the roads: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota in regular session assembled, That we memorialize the Congress of the United States to enact legislation that will permit the farmers of the State of Minnesota to discharge the notes given by them for feed during the years 1933 and 1934, such legislation to take the following form:

1. Transfer the notes from the Federal department now holding the same to the Federal Emergency Relief Department and grant that department authority to allot such notes to the State of Minnesota in payment of relief appropriation to the State, with authority in the Governor and State relief department to permit the makers of the notes to discharge them by means of labor; or

2. If the legislation set forth in the preceding paragraph is not feasible at the present time due to a lack of time or for other reasons, that the notes be canceled outright; or

3. That the notes be transferred by the Federal Government to the State relief department, with authority granted to the Governor

of Minnesota to prescribe rules and regulations for the honorable discharge of such notes by the makers thereof.

Be it further resolved, That the secretary of state of the State of Minnesota he, and he is hereby, instructed to transmit a copy of this joint resolution to the Honorable Franklin D. Roosevelt, President of the United States, and to each Member of the Senate and House of Representatives of the United States from the State of Minnesota. Minnesota.

The Tennessee Valley Authority

EXTENSION OF REMARKS

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. McKELLAR. Mr. President, a few days ago the Senator from New York [Mr. Mead], who now happens to be occupying the chair, delivered a most interesting and instructive address, over the Columbia Broadcasting System, on the Objectives and Accomplishments of the Tennessee Valley Authority. It is an able address. The Senator from New York was on the committee investigating the Tennessee Valley Authority, and has first-hand knowledge of the matters of which he speaks. I ask unanimous consent to have the address printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

During the past 12 months, as a member of a joint committee appointed by Congress, I have been privileged to participate in a searching and intensive examination into the affairs of the Tennessee Valley Authority. The work of this committee was concluded and its report filed with Congress on April 3.

Three of the Republican members of the committee chose to file minority reports, in which they contend that the investigation has not been thorough. An examination of the majority report is sufficient answer to this contention. Likewise, the record shows that the minority members have been compelled to support their so-called constructive criticism of the T. V. A. with the same discredited arguments used by the opponents of this project since its creation. its creation.

To fully understand the objectives and accomplishments of the T. V. A. and to make any appraisal of its work requires recognition of the fact that the Government of the United States has a solemn obligation to conserve and develop the natural resources of the country for the benefit of its people. During these critical days when the world is striving to avert another great war, it requires little analysis to conclude that if the economic and social security of the countries of the world were secure the present threat to

our civilization would not exist.

In 1933 President Roosevelt addressed a message to Congress in which he recommended the creation of the Authority to be "charged" with the broadest duty of planning for the proper use, conservation, and development of the national resources of the Tennessee River drainage basin * * for the general social and economic welfare of the Nation."

welfare of the Nation."

The question naturally arises, Why was the Tennessee Valley region singled out and given this special treatment? On inquiry, several pertinent facts make their appearance. It is found that since the time of President Monroe the Federal Government has been urged to make the Tennessee River navigable. It is to be remembered that during the late war the importance of this portion of the country in the national-defense program was emphasized by the construction of Wilson Dem and the Musel Shoels. sized by the construction of Wilson Dam and the Muscle Shoals nitrate plants. However, more important is the fact that the social and economic ills which have affected all regions of this country and economic ills which have affected all regions of this country are found to a marked degree in the Tennessee Valley. For example, we find in this particular region the river, a natural highway that could not be economically used due to its undeveloped condition. Floods periodically brought tragedy and destruction to those who had endeavored to build homes and livelihood. The health of the people was jeopardized by prevailing diseases. The soil became exhausted, and the forests were depleted. The income of the region diminished instead of increased, causing many of those of employable age to leave their homes and crowd into the industrial cities. Thus, for the first time, a coordinated effort was made by the Federal Government, through the Tennessee Valley Authority in cooperation with the States, to solve the grave problems of a region. Previously, in other areas, the Federal Government endeavored, with some success, to conserve our natural resources. Waterways were improved. Attempt was made to control destructive floods.

The Department of Agriculture and the Forest Service did heroic work in replenishment of the soil and reforestation of the hillsides. But in the majority of instances the cost of these vast undertakings

has fallen on the taxpayer.

It must be remembered that it takes more than 6 years to over-come the neglect of decades. The wisdom of the Tennessee Valley project, where all of these problems are attacked on the broad front, can be appraised by the accomplishments to date. In addi-tion to the advantage of the coordinated attack, this project will be self-liquidating.

Under its creative act the Authority must provide and maintain a 9-foot navigable channel 650 miles long from Knoxville to Paducah, where the Tennessee River joins the vast inland waterway system of the Mississippi. It is obligated to provide flood control not only on the Tennessee River but also to assist this effort on the lower Ohio and Mississippi.

It is important to note that, as far as may be consistent with these purposes, the Authority is authorized to generate and sell power, to encourage increased use of electricity, and to assist in liquidating the cost of the projects. This latter direction adopts a principle enunciated by President Theodore Roosevelt in 1903 when in considering a similar project, he stated: "The improvement should be made to pay for itself so far as practicable."

The Authority is authorized to construct such dams and reservoirs as are needed to provide the necessary navigation channel and to control the destructive floodwaters. It likewise is empowered to equip these dams with power-generating facilities and to build transmission lines. Important, too, is a direction to the Authority to improve, increase, and cheapen the production of fertilizer.

to improve, increase, and cheapen the production of fertilizer. In addition, it is obligated to cooperate with the States and to plan

for the general well-being of the people living within the area.

Thus, the program set forth in the T. V. A. Act does not depart from the traditional American policy of developing and conserving its national resources for the public use. It is new only in that, for the first time, a program is provided which coordinates all developmental activities in an entire region.

To accomplish the desired results a splendid corps of engineers, headed by Arthur E. Morgan, evolved what is now called the "unified plan." This plan, using the basic material compiled by the Corps of Army Engineers, provides for the construction of an interlocking series of dams and reservoirs on the main stream and interlocking series of dams and reservoirs on the main stream and the tributaries of the Tennessee River. The dams are so designed that they can be operated as a system in order to obtain the most efficient navigable channel and provide maximum control of destructive floodwaters. Most of these dams will be equipped with generating facilities which will turn the waste water into power to be made available at the lowest cost to domestic and rural consumers or directed by the set.

be made available at the lowest cost to domestic and rural consumers, as directed by the act.

Even though only four of these dams are now completed and in operation, the results achieved prove conclusively the feasibility and merit of the unified plan. Not until all of the dams on the main stream are completed will Knoxville be linked to the Mississippi with a 9-foot navigable channel. However, already the value of these dams in controlling destructive floods has been demonstrated, and power is being distributed for the benefit of urban and rural consumers.

It is with reference to the generation and sale of electricity that

and rural consumers.

It is with reference to the generation and sale of electricity that the controversy regarding the T. V. A. has been most bitter. Private power companies have for many years concluded that they had a natural monopoly in the areas they served, and any competitive influence has been greatly resented and discouraged.

Had the Federal Government been content to forego the benefits available from the generation and sale of power and burdened the taxpayers with the cost of the navigation and flood-control features of this undertaking, most, if not all, of the objections of the T. V. A. would have been removed.

The term "yardstick" has been used rather freely in these past 5 years, and until the committee made this investigation its meaning has been much confused. The committee finds that the rates charged to the ultimate consumer of T. V. A. power are a fair yardstick of what rates should be, whether produced by private utilities or by Government operation.

An attempt is made to discredit the power operation of the

An attempt is made to discredit the power operation of the T. V. A., and the yardstick has been violently criticized as unfair. Whether through ignorance or with intent, the result has been to add confusion to a question already complex. It has been asserted that because T. V. A. power is produced by multiple-purpose structures, and the T. V. A. is not obligated to pay taxes on its physical properties, but only on its gross revenue, the wholesale rates of the T. V. A. are subsidized and are not, therefore, comparable with

the T. V. A. are subsidized and are not, therefore, comparable with the rates of private utilities. Unfortunately, these critics fail to distinguish between fact and argument, nor do they recognize the difference between wholesale T. V. A. rates and retail T. V. A. rates. It should be clearly understood that in producing electricity the taxpayers of this country are not subsidizing the T. V. A. in its power program. The committee's engineers, in their impartial study, have obtained convincing evidence that, without any subsidy, the T. V. A. wholesale rates are sufficient to cover all costs to the Government, including interest on investment, all taxes, and still provide a profit.

the Government, including interest on investment, an ease, and still provide a profit.

The T. V. A. yardstick is not in the wholesale operation but in the retail distribution. The evidence shows that the T. V. A. wholesale rates are substantially the same as the wholesale rates of private utilities for power delivered to the distributor. The retail rates are fixed in the contracts made by the T. V. A. with its distributors,

and the evidence shows that, even though T. V. A. retail rates are lower than those charged by private utilities, the revenues provide a fair profit after paying all costs any private distributing power company is obligated to pay. Thus the real yardstick is in the spread between the wholesale rates and the retail rates charged to the ultimate consumer.

In this connection it is interesting to note that since the T. V. A. commenced its power operations and initiated its retail rates in the Tennessee Valley area, retail rates of private utilities have been decreased at least one-half, power consumption has considerably increased, and a fair return is still being made by the private power

companies

companies.

Equally important to the taxpayers of this country is the fact that the impartial study made by the committee's own engineers establishes that, within 50 years, the revenues received from the sale of power will be sufficient not only to pay all operating expenses and capital charges for the power-generating facilities, but also to liquidate the entire investment for the multiple purposes. But this is not all of the picture. Much has been said concerning the fertilizer program of the T. V. A. Its importance can only be emphasized when one accepts the fact that, should the present practices in soil depletion continue, within 240 years the fertility of all of the land in this country will be lost, with the resulting degeneration of our form of civilization.

The Authority has been successful in improving fertilizers more effective than any developed to date, and, coupled with its soil-

effective than any developed to date, and, coupled with its soil-replenishment program, eroded hillsides and exhausted farms are being rapidly reclaimed. Satisfying two great needs, the control of water and the conservation of natural resources, scarred forests are being replanted; eroded and gullied lands are being terraced and covered.

To encourage the development of local industries, mineral de-posits and other natural resources are being developed. Thus, emphasis is being given to all phases of economic and social life,

emphasis is being given to all phases of economic and social life, with the objective of providing a well-rounded, balanced economy. Obviously, in a program as comprehensive as that being carried on by the T. V. A. differences of opinion will exist. Such differences did exist between the former Chairman and the other two members of the T. V. A. Board. However, after making an exhaustive investigation of the charges made by the former Chairman, the committee is convinced that such charges were unfounded and that the T. V. A. is in the hands of well-qualified men, absorbed in performing an efficient job of public service.

It has been asserted that the T. V. A. invades the rights of the sovereign States. In my opinion, one of the most hopeful things is the amicable and cooperative relationship of the Authority to the States. Problems are being solved which could not be done alone either by the Federal Government or by the States. The technique which has been developed by the T. V. A. in this mutual work is an outstanding contribution to Federal and State relationships.

tionships.

Today Congress is concerned with national defense. Today Congress is concerned with national defense. In 1917 the country faced a similar grave concern. At that time it was decided as an aid to national defense to construct the nitrate plants at Muscle Shoals. The nitrate plants were not completed until the war was over. Today these plants are in existence and can be used, among other things, for the manufacture of phosphorus, a wartime need. In the Tennessee Valley rich deposits of war minerals have been located and are now susceptible of development, a work in which an availability of abundant power will be a vitally important factor.

The navigable channel will connect this region with some of the largest producing and industrial centers of the country through the inland waterway system, and in addition will have an outlet to the sea. This territory, lying behind natural fortifications, is an important asset in national defense. However, much more important is the fact that this program carried on by the T. V. A. demonstrates that the economic and social stability of a country is its best defense.

is its best defense.

Is its best defense.

The benefits of the Tennessee Valley program are not confined to the seven valley States, but its influence extends over the entire country. It points the way for the coordinated development and conservation of the natural resources in other regions elsewhere in the country. Through experiments and demonstrations it has shown the way to replenishment of the soil. Its fertilizer developments will be of immeasurable benefit to the farmers of this country, no matter where located. The yardstick provided by the T. V. A. retail rates not only affords a means of comparing retail rates in other localities but assists the private utilities in developing methods of distribution whereby electricity can be made available to the domestic consumer at the lowest possible cost.

Obviously, time does not permit any extended description of all of the elements that made up the T. V. A. program. On the question of the yardstick, hours could be spent explaining its application and the benefits to be derived. The fertilizer program is a dramatic story of man's effort to save the land.

The point must be emphasized and be kept clear that, although

The point must be emphasized and be kept clear that, although the primary objective of the dams constructed on the Tennessee River and its tributaries is to provide for navigation and the control of floodwaters, such programs as soil replenishment, reforestation, development of natural resources, and regional plansing and the recovery which has received and that recovery which has received and ning, are all interrelated, and that power, which has received so much emphasis, is important only in relation to the other parts of the program and as a means of liquidating the expenditures Address by Hon. Edward C. Johnston to Brazilian **Publishers**

EXTENSION OF REMARKS

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

RADIO ADDRESS BY HON. EDWARD C. JOHNSTON, AUGUST 31,

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting radio address delivered by Hon. Edward C. Johnston, vice president of the Western Newspaper Union, over Hora do Brasil, the Government radio hour, Rio de Janeiro, Wednesday, August 31, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I appreciate very deeply this opportunity afforded through the invitation and kindness of Dr. Lourival Fontes, director of the Brazilian Propaganda Department, to say a few words to you and to convey the greetings of my colleagues amongst newspapermen in the United States to the publishers of Brazil and to all of you

listening in at this time.

I left Washington by airplane last Saturday afternoon and I left Washington by airplane last Saturday afternoon and boarded the Panair Clipper in Miami Sunday morning, arriving in Rio early last Thursday afternoon. Each stop-over which the great Clipper ship made en route to Rio opened new vistas of interest. From Trinidad southward I enjoyed the extremely pleasant companionship of Mr. Warren Lee Pierson and his charming wife. Mr. Pierson, as you doubtless know, is president of the great United States Export-Import Bank. He has come to Brazil to study how his great bank may be of assistance in stimulating the increasing trade relationships between your country and mine.

At Belem came aboard the Clipper ship your Dr. Evandro Chagas, of the Institute Oswaldo Cruz. Mr. and Mrs. Pierson and I considered ourselves very fortunate indeed to meet this distinguished sidered ourselves very fortunate indeed to meet this distinguished scientist. During the following 2 days aboard the airplane Dr. Chagas was most kind in conveying to us interesting and authoritative information regarding the part of Brazil over which we were then flying, and told us much about the problems, obstacles, and then flying, and told us much about the problems, obstacles, and accomplishments of the people of these areas. May I be permitted here and now to congratulate most heartily the people of Brazil on their good fortune in having such a devoted public servant whose special talents are thus made available to the service of all the people in Brazil? The tremendous practical value of the great work which Dr. Chagas and his associates of the Institute Oswaldo Cruz are doing, is, I am sure, universally appreciated.

I believe the people of Practice.

I believe the people of Brazil generally know much about the I believe the people of Brazil generally know much about the great world's fair which will be inaugurated in New York next April. I wish to assure all of you listening in that the world's fair authorities are especially anxious to welcome visitors from Brazil to see that you are well taken care of, and with the assurance that every facility will be extended to you at this great exposition, of which the theme will be The World of Tomorrow. Sixtytwo nations will participate. Over 60,000,000 visitors are expected to attend the exposition.

to attend the exposition.

Shortly before I left New York City the officials of the United States Maritime Commission announced the inauguration of the new steamship service to the east coast of South America. Three new steamship service to the east coast of South America. Three fine turboelectric ocean liners, the Brazil, the Argentina, and the Uruguay, which President Roosevelt has been pleased to refer to as the "good-neighbor fleet," start with the first sailing from New York on October 8. This new, improved, American-flag passenger service will be classed among the finest luxury passenger liners in the world. With this fortnightly service of luxury ships, the authorities of the New York World's Fair earnestly hope that many, many citizens of Brazil will avail themselves of this improved steamer service or the faster Clipper ships of Panair and come to New York during the exposition. You may be assured of a sincere and cordiel welcome. a sincere and cordial welcome.

During this week you have had further practical evidence of our good-neighbor policy in the presence of our newest airplane carrier, the great ship *Enterprise*, and the *Shaw* now in Rio Harbor.

It is unnecessary, I am sure, for me to refer to the traditional friendship of our two great countries. Here is a case where, over the years "actions speak louder than words." For more than 100 years this friendship and mutual regard has prevailed. Now, I think you will agree, the people of both countries have come to a realization of this very real partnership. What are the reasons

for this enduring friendship? What are the controlling forces which have brought it about? Is it not the great gifts of nature showered on both of our countries? Is it not also due in large measure to the spirit of adventure and the spirit of enterprise which have motivated both of our peoples? And is it not the spirit of fair play throughout which has actuated both peoples? This has surely contributed greatly to our enduring friendship? Indeed, I think you will agree that no national mysticism and no kind of political demagoguery will ever secure the support of public opinion in either of our respective countries to suspend temporarily or abandon this friendship of our two Nations.

Last Sunday as we flew over the great delta at the mouth of the

Last Sunday, as we fiew over the great delta at the mouth of the Amazon, I was reminded of an old story, which, it seems to me, carries a moral that is significant in view of recent and apparently impending developments in Europe. It seems that in the old days of the sailing vessels, a ship sailed from Newcastle, England, with a cargo bound for the Rio de la Plata. As the story is related, the ship experienced many severe storms. Day after day it was buffeted by hurricanes until it was well off its course. They were short of water. They had no condensers in those days. The ship floundered about until her supply of fresh water aboard was exhausted. Presently they sighted another vessel. One of the sailors went up the mast and when they came within hailing distance he called, "Water, water, for God's sake give us water." The response from the other vessel came back, "Dip your buckets where you are." Again the sailor on the mast called "Water, water, we want water." And the final response came as the ship slowly pulled away, "Dip your buckets where you are." In desperation, as the space lengthened between the two vessels, they put a bucket overboard, pulled it up, and found it filled with fresh water. The floundering ship in fact was less than 100 kilometers off the mouth of the Amazon, and, as you all know, the mighty Amazon retains its stream and carries fresh water out into the Last Sunday, as we flew over the great delta at the mouth of the off the mouth of the Amazon, and, as you all know, the mighty Amazon retains its stream and carries fresh water out into the ocean for a hundred kilometers.

When we of the two Americas, North or South, are assailed by any of the alien political philosophies so foreign to our traditional democratic institutions, let us remember the words of the great Bolivar. You will recall he maintained that "the people should Bolivar. You will recall he maintained that "the people should grow up by the hard knocks of experience, but always with the ultimate heritage of manhood ever held before them." Let us, the citizens of the 21 republics of the two Americas, then, be not led astray when we are assailed by these philosophies alien to our traditional democratic institutions; let us stand together and "dip our buckets where we are." Let us continue to "dip our buckets" in the fresh waters of democracy and not be led into the brash, salt waters of the various European "isms" by whatever name they may be called.

In closing may I sgain express my appreciation of this concre

In closing may I again express my appreciation of this opportunity to talk with you? When I leave your beautiful Rio aboard the Pan American "thunderbird," as the Peruvian Indians first called the airplane, southbound for Argentina and up the west coast of South America, it is with the profound hope that I may be permitted to return soon for another and much longer visit to your marvelous country.

Withdrawal of Thomas R. Amlie Nomination

EXTENSION OF REMARKS

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

LETTER FROM THOMAS R. AMLIE AND PRESIDENT'S REPLY THERETO

Mr. SCHWARTZ. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a letter signed by Thomas R. Amlie, under date of April 7, addressed to the President of the United States, and the President's reply thereto of April 15. The letters relate to the matter of the nomination of Mr. Amlie to be a member of the Interstate Commerce Commission and the subsequent withdrawal of his nomination.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

> 138 HOUSE OFFICE BUILDING, Washington, D. C., April 7, 1939.

President Franklin D. Roosevelt, The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: On January 24, 1939, you sent my name to the Senate as a minority nominee to the Interstate Commerce

Commission. A reactionary press and an unscrupulous political cabal immediately seized the occasion to transform the public debate and the Senate hearings over my confirmation into a veri-

table witchcraft trial.

Because I had in the course of my 8 years' agitation for a permanent solution of our mass unemployment problem expressed doubts at times as to the ability of unregulated capitalism to solve this problem, I was branded as a Communist and subverter of American institutions. Because I had expressed my sympathy for the late loyalist government of Spain I was accused of being an accomplice in the "promiscuous slaughter of Christians and their apostles." Because I had at various times proposed Government of the religence I was accused of wishing to when our apostles." Because I had at various times proposed Government ownership of the railroads I was accused of wishing to wipe out the savings of widows and orphans.

The bitterness of the attacks directed against my confirmation The bitterness of the attacks directed against my confirmation recalls the similar campaign directed against the confirmation of Justice Brandeis 23 years ago. However, in Justice Brandeis' case, his long career as a fighter for the public good, during which he clashed with so many powerful interests, and the consequent fear of what he might do in his position of authority as a Supreme Court Justice may serve to explain the bitterness of the campaign against his confirmation. In my own case, the modest character of my public career, and the relative lack of power of an Interstate Commerce C Commerce Commissioner belie such an explanation. As the magazine Time observed, I could do the railroads no harm and might serve to stir up the Interstate Commerce Commission to activity.

The real explanation of the savage attack on me lies not in my own deeds or misdeeds but in the political calculation that by branding me as a Communist and an antichrist, a real blow—a blow below the belt, to be sure, but nonetheless a real blow—could be struck against you, Mr. President, and your administration.

The fact that your responsibility in nominating a minority member of the Commission is strictly limited and does not involve ac-

ceptance of the political philosophy of the nominee or of the party he represents does not interfere with this calculation. When the whole campaign is based on witchcraft psychology, it is futile to

whole campaign is based on witchcraft psychology, it is futile to carp at the lack of logic at any of the stages.

You will recall how in the British electoral campaign of 1924 the Conservative Party press published a purported letter of Gregory Zinoviev, head of the Third International, giving instructions for the setting up of a Communist dictatorship in Great Britain. The letter was, of course, a forgery, but the Conservative Party won power on the basis of that letter. Many times during the past 2 months I have wondered whether it is not the intention of the American conservatives to turn me into another fake Zinoviev letter and conduct the campaign of 1940 on the basis of garbled and adulterated extracts from my Forgotten Man's Handbook.

You can understand my embarrassment under these circum-

and adulterated extracts from my Forgotten Man's Handbook.

You can understand my embarrassment under these circumstances. The thing nearest my heart is, of course, the desire to get the American people to do some fundamental thinking on the problem of unemployment and the danger to democracy in the economic disfranchisement of 20 percent of our population. Under other circumstances, I should have welcomed the high-powered publicity given to my economic writings of the past 8 years. But a hearing and debate on the nomination of a minority member to the Interstate Commerce Commission hardly offers a free and proper the Interstate Commerce Commission hardly offers a free and proper forum for the discussion of such topics. I have felt that in justice to you, who passed only on my qualifications to serve as a minority member of the Interstate Commerce Commission, I should refrain from forcing a debate on the floor of the Senate—where I could

nom northing a departe on the noor of the senate—where I could not myself defend my views—on the merits of the various economic proposals which I had advanced since I entered Congress in 1931. There is one issue, however, which, though it has nothing to do, or rather should have nothing to do, with the question of my fit-ness to serve on the Interstate Commerce Commission, I should ness to serve on the Interstate Commerce Commission, I should have liked to see fought out not only on the Senate floor but before the whole American people. I refer to the right of a minority party to proper participation in the process of democratic government. It is the position of my critics that under the Constitution I am, of course, free to advocate any ideas I please, but it is grossly improper for the national administration to appoint me or any member of a similar political group to take part in the work of a governmental commission. This is equivalent to setting up a doctrine of second-class citizenship. Full citizenship, full participation in democracy, is to be accorded only to those whose ideas are acceptable to the American Liberty League; to the rest, only second-class citizenship.

able to the American Liberty League; to the rest, only second-class citizenship.

With dismal ignorance and unmitigated arrogance, the partisans of such a doctrine speak of it as Americanism. A glance at American history and at American traditions reveals what would have happened had this doctrine prevailed. This doctrine would have barred from full citizenship Abraham Lincoln, who wrote that it was wrong that "some have labored, and others, without labor, have enjoyed a large proportion of their fruits," and that it is a "worthy object of any good government" to "secure to each laborer the whole product of his labor as nearly as possible."

The same doctrine would have condemned Thomas Jefferson as a despicable red for suggesting that "a little rebellion now and then is a good thing." "The tree of liberty," he said, "must be refreshed from time to time with the blood of patriots and tyrants. It is its natural manure." Yet Thomas Jefferson became the third President of the United States, and the revered founder of the Democratic Party.

Democratic Party.

The same doctrine would have condemned to second-class citizenship Benjamin Franklin, who, in 1783, wrote:

"All the property that is necessary to a man, for the conservation of the individual and the propagation of the species, is his natural of the individual and the propagation of the species, is his natural right, which none can justly deprive him of; but all property superfluous to such purposes is the property of the public, who, by their laws, have created it, and who may therefore by other laws dispose of it, whenever the welfare of the public shall demand such disposition. He that does not like civil society on these terms, let him retire and live among savages. He can have no right to the benefits of society, who will not pay his club toward the support

And yet these utterances did not bar Benjamin Franklin from playing a leading role in the Convention of 1787, which drafted

our present Constitution. It is because I see what it would have done to the past of America that I fear for the future of American democracy if such a doctrine is once allowed to take hold and become a guiding precedent. It matters very little whether I serve as Interstate Commerce Commissioner, but it matters very much whether the leaders of the American people continue to serve the cause of

For this reason I have been extremely anxious to see fought out For this reason I have been extremely anxious to see fought out the issue of the democratic right of progressive groups to take part in our government. But I have at length concluded to request you to withdraw my nomination as Interstate Commerce Commissioner, because I do not believe that there is any great eagerness among the members of either the Democratic or Republican Party in the Senate to defend the great principle of minority representation. I desire no reluctant nor apologetic champions of my position, and I have no wish to conciliate those who cannot read the signs of the times. the signs of the times.

The people are becoming impatient with temporizing measures. If unemployment is to be eliminated, if equality of opportunity for the average man is to be restored, and if every American is to be insured the right of a job, "radical" measures are necessary. "Radical" measures are as necessary to meet the urgent needs of the largest people of the Nation in readition measures are as necessary to meet the urgent needs of our day as they were to meet the urgent needs of the Nation in 1787 when Washington said to the Constitutional Convention: "My wish is that the Convention may adopt no temporizing ex-pedients, but probe the defects of the Constitution to the bottom, and provide radical cure."

I am satisfied that it is not necessary to continue the fight for purposes of personal vindication, since even Senator Reed, speak-ing for himself and his Republican colleague, declared at the

hearings:

"I do not think anybody has ever questioned Mr. Amlie's character or integrity, or his very great ability. It seems to me unnecessary to add anything upon either of these three points. It is do not think Mr. Amlie needs any defense as to his character and integrity, and surely in his lengthy statement before this sub-committee he has demonstrated ability. Now, whatever views the members of the subcommittee may hold, or conclusions they may reach, certainly on neither one of these three points is there any controversy."

I deeply appreciate the confidence you have reposed in me by I deeply appreciate the confidence you have reposed in me by nominating me to this post, all the more so since I have so frequently been a critic of New Deal policies. It is unfortunate, but not altogether surprising, that such a high spirit of responsible nonpartisanship should be regarded by timid politicians as a dangerous political liability, and by a hysterical press as a veritable trafficking with the devil.

Very sincerely yours,

THOMAS R. AMILTE

THE WHITE HOUSE, Washington, April 15, 1939.

Hon. Thomas R. Amlie.

House Office Building, Room 138, Washington, D. C.

My Dear Mr. Amlie: I have your letter requesting me to withdraw your nomination as a member of the Interstate Commerce Commission. I am doing so shortly.

I deeply regret that a certain type of opposition should deprive the Interstate Commerce Commission of one as able and as whole-

heartedly devoted to the public service as you are.

You and I have often differed on important issues, but I can assure you nothing has occurred to alter my belief in your qualifications to serve as a minority member of the Interstate Commerce Commission.

Those who for political reasons have called you a Communist do not perhaps realize that such name calling ill serves the democratic form of government which this Nation as a whole wishes to

A quarter of a century ago I too was called a Communist and a wild-eyed radical because I fought for factory inspection, for a 54-hour-a-week bill for women and children in industry, and similar measures. You are still young, and I hope that you will continue to work for the improvement of social and economic legislation under our framework of government.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Jefferson Day Dinner

EXTENSION OF REMARKS

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, APRIL 14, 1939

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Pennsylvania [Mr. GUFFEY] at the Jefferson Day dinner held at Uniontown, Pa., on April 14, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, the proudest tradition of the Democratic Party is the fact that it owes its beginning and its political creed to the immortal Thomas Jefferson. Conscious of that fact, I am happy to join you tonight in paying honor to the greatest liberal leader the world has ever known.

To give Jefferson first rank among those who sought to make

To give Jefferson first rank among those who sought to make democracy a living fact may seem like exaggeration. Yet, I feel confident that if you examine the record without prejudice or preconceived notions, you will agree with me that the magnificent form of government which we enjoy today had its inspiration to a large degree in the voice and pen of the sage of Monticello. In many respects, the age in which Jefferson lived was similar to our own. He saw the rise of dictatorship in Europe during the Napoleonic era and he recognized the menace to human liberty and heaviness that stems from the hourdless ambition of smell.

and happiness that stems from the boundless ambition of an allpowerful ruler. At an earlier time, he saw the French Revolution at first hand, sympathizing with many of its aims while deploring the terror and tyranny which it brought about. He was a driving force in the struggle of the colonies to win their independence from the mother country and in the subsequent battle to establish

from the mother country and in the subsequent battle to establish a just and lasting form of government on American soll.

Jefferson lived in a time of turmoil and furious conflict in human affairs. Although a philosopher at heart, he did not remain apart from the arena of practical affairs, but devoted all his great energies to the triumph of the cause in which he so passionately believed. He was respected and admired by those who knew him, and reviled and hated by those who misunderstood his purpose. He knew the terrible wrongs and cruelties that men inflict upon each other in the heat of passion, and yet he never lost faith in his belief that popular government was the salvation of mankind. of mankind.

Today democracy in the United States is having a rebirth. In the light of happenings in Europe and elsewhere we have a new understanding of what it means to enjoy freedom of speech, freedom of thought, and liberty of conscience. We appreciate, perhaps more than ever before, what a blessing it is to have a voice in Government and the right to work out our own destiny, free from the dictates of a political overlord who places his own pride and ambition above the general welfare. From platform and pulpit and through the press the lesson is being hammered home that the right of popular sovereignty is the noblest heritage we possess. Refugees from other lands, made homeless and penniless by ruthless oppression, look to America as the brightest beam of light in a darkened world.

In this new evaluation of the worth of democracy we should reexamine the part played by Thomas Jefferson. The Declaration of
Independence is rightly looked upon as the fountain spring of the
American way of life. This sublime charter of human rights expressed the basic idea of decent government held by most of the
delegates who attended the convention at Philadelphia, but the
stirring phrases employed to express the idea were very largely the
handiwork of Jefferson. He phrased the preamble, which set forth
the fundamental truth that "governments derive their just
powers from the consent of the governed," and he added the undying truth that in a free society every citizen is entitled to the
"unalienable right to life, liberty, and the pursuit of happiness."

These truths, set forth by Jefferson in clear and forceful language, are the foundation stones of free government. In the
century and a half since they were first written they have become
familiar to every school boy and school girl in the land. They have

familiar to every school boy and school girl in the land. They have influenced the growth of government and guided the course of public action. They have stood the test of time and lived to vindicate those who dared to believe that men were fit to govern themselves. Countless other men since then have tried to sum up the meaning of democracy in a few words, but no one has ever achieved what Jefferson achieved in those brief and brilliant sen-

tences of the Declaration of Independence.

Thomas Jefferson performed another great labor in the task of protecting and preserving the fundamentals of American liberty.

When the original Constitution was framed, the founders did an excellent job of setting up a form of government that would be stable and lasting. They wanted to establish a Nation that would be strong enough to withstand internal disorders and the threat of foreign aggression. They accomplished their purpose in the document which was struck off at Philadelphia, Jefferson was in Paris at the time on a diplomatic mission. When the new Con-Paris at the time on a diplomatic mission. When the new Constitution was brought to his attention, he immediately saw a defect, which, in his judgment, might prove fatal. There was no Bill of Rights explicitly guaranteeing to the citizens of America the degree of personal and political security which they had a right to expect.

Jefferson was unmoved by the argument that these fundamental rights were implied in the new organic law. Acting without de-lay, he put his pen in motion once again to bring about the changes he thought necessary. At his instigation, James Madison introduced in Congress the first 10 amendments to the Constitution which have since become known as the Bill of Rights.

It is not too much to say that Jefferson's foresight in sponsoring the Bill of Rights was one of the greatest contributions to free government ever made in the history of mankind. It has been well described as a bloodless revolution—a victory as important to the future of the young republic as the victories of the Revolutionary War itself. Through his efforts the basic rights of free men were set forth in words so simple and plain that they could never be meighternested. never be misinterpreted.

never be misinterpreted.

The proudest boast of the United States is not the fact that a higher standard of material living has been achieved here than anywhere else on earth. Far more important is the fact that the individual still has liberty of conscience and freedom of action. The humblest citizen is able to voice his thoughts on political questions without fear of reprisal. He can worship as he likes without State interference and he can rest secure in his own home without fear of arrest and detention at the hands of some tyrannical Government official who happens to be in power at the moment. We owe these blessings to the existence of the Bill of Rights which Jefferson fathered.

It was during Jefferson's two terms in the Presidency that the

Rights which Jefferson fathered.

It was during Jefferson's two terms in the Presidency that the struggle really began between those who wished to make the new republic a bulwark for the protection of special privilege and those who wished to make it a democracy in fact as well as in name. The idea that the people should have control of their own political destinies was abhorrent to those who believed with Alexander Hamilton that the best government was the one which Alexander Hamilton that the best government was the one which served only the best people—meaning, of course, those who owned the Nation's wealth. In his gallant struggle to overthrow the forces of autocracy and to secure the rule of the people, Jefferson laid the groundwork for the great political party which, ever since that time, has been carrying on the battle for the preservation of popular government. Despite occasional lapses and the mistakes of a few misguided leaders, I think it can be stated honestly that the most constructive force for liberal government this country has ever known has been the Democratic Party. It

honestly that the most constructive force for liberal government this country has ever known has been the Democratic Party. It was true in the time of Jefferson, Madison, Monroe, and Andrew Jackson; it was true in the period when Woodrow Wilson was in the White House; and it is true today under the guidance of that matchless leader of men, President Franklin D. Roosevelt.

Jefferson gave the Nation political freedom in the Bill of Rights; Jackson drove out the last foreign invader, serving notice to the world that the United States intended to remain free and independent; Roosevelt is waging the good fight to make economic freedom the companion of political freedom. He has persevered against tremendous odds and when the political firing has died down I predict that his accomplishment will take rank with those of his illustrious predecessors.

When reforms are in process of taking shape it is easy for those who oppose them to employ the methods of obstruction—to block the wheels of progress under the pretext of doing what is

to block the wheels of progress under the pretext of doing what is best for the public good. Every single step taken by the present administration to make Government the servant of the people has been opposed by those who profited under the old order of things. They fought the insurance of bank deposits, the enactment of social security, the adoption of minimum-wage laws, the measures for relief of the farmers and the unemployed—in fact, every single piece of legislation designed to protect men and women against the hazards of a harsh industrial system. These wholesome reforms were condemned as un-American and socialistic by those who dislike progress, simply because the purpose of these measures was to improve the standards of all the people instead of a privileged few.

The present administration has been compelled to undertake an

unprecedented series of reforms, because the general welfare was neglected and forgotten during the years when three successive Republican administrations were in power at Washington. The United States was allowed to fall behind other nations in adopting protective measures for those classes of citizens who were victims protective measures for those classes of citizens who were victims of the economic system. President Roosevelt has been reviled and abused for daring to do what should have been done years before. He has placed constructive reforms on the statute books, and these reforms will never be erased by any political party because the American people will never stand for their repeal. No matter what the critics of the moment say, history will show that Roosevelt was right and that, like Jefferson, he was able to see far beyond the limits of those who sought to block his path.

There are two great duties which devolve upon the occupant of the White House, regardless of what political party he happens

to be a member. He must foster domestic stability and prosperity and he must guard the Nation against foreign aggression or foreign war. I submit that in a time of unprecedented world disorder and economic upheaval, President Roosevelt has performed those two solemn duties with the greatest possible degree of success. He has brought the ship of state safely through the tempest and given

has brought the ship of state safely through the tempest and given a new breadth and a new meaning to the tenets of democracy. Who are his critics? First, we have the eminent gentlemen who brought about the economic debacle of the early 1930's by their blundering and short-sighted leadership. He rescued them from disaster, and now they complain that in doing so he rescued the rest of the people as well. What did they propose to substitute for the Roosevelt leadership? Does anyone contend that the Nation would be better off if the Republican candidate of 1932, Mr. Hoover, had been given another term in office? Does anyone contend that had been given another term in office? Does anyone contend that the weak and inexperienced Mr. Landon, the Republican candidate of 1936, would have been able to cope successfully with the series of world shocks that have occurred in the last 2½ years? Who can say what would have happened in the explosive field of foreign

of world shocks that have occurred in the last 2½ years? Who can say what would have happened in the explosive field of foreign affairs if Mr. Landon had been at the helm?

Amidst the constant clamor of those who seek to fog the issue, it is well to remember that President Roosevelt has been eminently successful in keeping the United States free of foreign entanglements and disastrous wars. Without sacrificing a single basic American right, he has consistently avoided the causes and incidents that lead to armed conflict, despite the fact that chaos has superseded order and justice in the sphere of world relations. He skillfully avoided entanglement when a cruel war in the Orient threatened to involve American rights; he kept the country aloof from the tragic Spanish conflict, the Ethiopian conflict, and the successive crises that have threatened to inflame the whole of Europe. Could any of his critics have done better in serving the cause of peace? Foreseeing the growing menace of imperialism abroad, he had the wisdom and the courage to undertake the rebuilding of defensive armaments before it was too late. Thanks to this wise policy, the United States stands before the world unchallenged and unafraid because it has the power and the might to defend its honor and its people against aggression.

A single misstep in the handling of delicate foreign negotiations during the past few years could have brought disaster. Under the wise guidance of the President, no misstep was taken. He has preserved the national honor and at the same time confounded those self-appointed guardians of the peace, who, by their unfounded attacks upon the purposes of the Chief Executive, sought to weaken the position of this country in its dealings with foreign powers. I submit that no other man now in public life could have done the job as well as he has done it. The cause of peace is safe in his hands.

foreign powers. I submit that no other man now in public life could have done the job as well as he has done it. The cause of peace is safe in his hands.

The past 6 years have been a period of imperishable gain for the United States. The administration has gone ahead courage-ously at the task of curing old wrongs and abuses in the economic system that should have been corrected years ago. The type of reckless speculation with other people's money that brought on the business depression of the Hoover administration has been outlawed for all time to come. The banking system has been overhauled and made to operate for the benefit of all the people. Labor has been given a new bill of rights and the farming population has been given an ew bill of rights and the farming population has been given more consideration by Congress than it ever had before. The faith of millions of Americans in the worth of democratic institutions has been restored.

We know from experience that it is impossible to accomplish even the most badly needed reforms in political life except after prolonged and bitter struggle. The forces of reaction are powerful and they never yield until resistance is no longer possible. I do not contend that everything President Roosevelt has attempted

do not contend that everything President Roosevelt has attempted has been perfect. He has never made that claim for himself. But I do wish to point out that those who criticize him most severely never gave him the slightest aid in bringing about those reforms, the necessity for which is now conceded by every fair-minded man. The President found only hostility when he should have found helps befored him dead unreceptive experience experience.

minded man. The President found only hostility when he should have found help; he found blind and unreasoning opposition when his efforts should have been applauded by every man who had the interests of his country at heart.

As a Democrat, I am proud of the record of constructive reform achieved by the Democratic Party during the past 6 years. Taking over the reins of government at a time when chaos and fear were in the saddle, it has moved steadily forward along the path of decent and progressive government laid out more than a century ago by its immortal founders, Thomas Jefferson and Andrew Jackson. For the apathy and indifference of the previous Republican leadership, it has substituted decisive action and a sympathetic understanding of modern needs and problems. In fact, the thetic understanding of modern needs and problems. In fact, the mighty task of restarting the economic machinery of the Nation was accomplished, not with the aid of the Republican Party, but over its stubborn opposition.

The United States may look to the future with confidence and hope. Secure in the knowledge that a firm foundation has been

hope. Sective in the knowledge that a firm foundation has been laid for prosperity at home and peace abroad. We are coming through this period of world adjustment, that has proved too severe for many other nations, with our liberties intact and our form of government stronger than it ever was before. It is a triumph for democracy, due in large measure to the high purpose and dauntless courage of our leader, President Franklin D.

No War For Us

EXTENSION OF REMARKS

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

EDITORIAL FROM FARM JOURNAL AND FARMER'S WIFE

Mr. BONE. Mr. President, in the city of Philadelphia is published a magazine bearing the title "Farm Journal and Farmer's Wife," one of the best-known farm publications in the United States. Its popularity is indicated by the fact that the May 1939 issue has a circulation in excess of 2,400,000 copies. So, it is probably as representative a farm journal as is to be found in the United States.

In the issue of May 1939 appears an editorial on war, headed "No War For Us." I ask unanimous consent that this editorial from the Farm Journal and Farmer's Wife be printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Farm Journal and Farmer's Wife of May 1939]

NO WAR FOR US

Are we Americans, without full information, being tricked into

Are we Americans, without full information, being tricked into supporting another world war?

Europe's age-old feuds are flaring. The greeds and hatreds that poison and corrupt the old Continent are seething. Across the Atlantic cynical statesmen, ruthless leaders, 500 differing ethnologi-

cal groups, and ignorant populations growl in a godless turmoil.

The bitter game of Old World diplomacy is played for personal and national aggrandizement. Principle has small part in such maneuvering, except as artificial bait for American idealism.

The common people of Europe do not want war. But wars do come whom provide principles and the provider of the pro

come where proud kings, pagan dictators, and scheming ministers count each boy baby as one more stalk of cannon fodder and each girl baby as a future brood mare.

These are times for Americans to be just as realistic as Europe's cunning contrivers.

Americans owe Europe nothing. This country cannot hope to regulate international morals, nor to establish morals where there

We were propagandized into trying to regulate Europe in 1917. The reward of our idealistic response was the killing of our boys, waste of our substance, depression, unemployment, two decades of disturbance, unpaid war debts, and a world reputation as the great suckers of all history.

There need be no next time for the United States. But there will be unless the wisdom of the people provided.

There need be no next time for the United States. But there will be, unless the wisdom of the people prevails. The fathers and mothers of America who will provide the soldiers have both the wisdom and the courage for peace.

But do the Nation's leaders? Does the press? Does the radio, blaring its hourly alarms into our ears?

Can Americans resist the penetrating propaganda that foreign nations are trying to filter into our minds? That depends almost wholly upon the common-sense citizens of the farms and towns. The power of propaganda's appeal to our emotions cannot be overestimated. It fires our prejudices, inflames our feelings, warps our judgment.

That is why we are writing this editorial now. A time may come when the truths in this page may be branded as unpatrictic.

That will not happen, however, and our country will not go to war, if these printed words can rouse the fervor that will move the two and one-half million families of Farm Journal and Farmthe two and one-half million families of Farm Journal and Farmer's Wife, and their friends, to write today to their Senators and Congressmen, to speak up in their meetings, to talk with their neighbors. You can create public opinion for an America at peace. Send stern and vigorous warning to your servants in Washington, by voice, letter, resolution, and wire. Don't ask them—tell 'em! America's best contribution to peace in the world lies in the strict minding of our own business.

Most of our ancestors came to the New World for exactly that purpose. Seeing no future as pawns and cannon fodder in Europe's power politics, they came here to be free—free to worship and to work as they chose.

work as they chose.

Let's keep the kind of America they made!

Saber rattling in Washington will not keep it so, and will not make peace, abroad or at home. Epithets by important officials saying "we do not like" some foreign governments are childishly stupid and unforgivably dangerous. They may express our true feelings, but they don't serve our determination to keep America at peace.

You know what will happen if ever the United States again becomes the sucker for Europe.

America's young men, boys from our farms and small towns, will go out to face bullets, poison gases, and disease in camp and

True prosperity will disappear from the hopes of this generation and the next. A nation with a \$40,000,000,000 debt and a foreign war on its hands can expect the virtual disappearance of private property rights.

Rigid regulation will determine almost every act of life. Remember meatless days, gasless Sundays, and the sugar rationing of 20 years ago? They were nothing. * * Each citizen is to be told where he shall work, what his wife and children shall do, how much they all shall be paid. This is dictatorship.

No one can guess how many years a war may last. Certainly the years of after suffering will be many. Probably the post-war years would see no return to free government.

Why risk all or even a part of this misery in another vain effort to reform the Old World, with its new kinds of czars and kaisers and tyrants?

America is between two wide oceans. We can stay at peace. We can preserve the rights of man, religious freedom, liberty to choose, if we will—by refusing to be drawn in, and compelling our leaders to listen to the will of the people.

No "aggressor nation" can hope, even with aerial warfare, to bring armies sufficient to occupy our territory. Their only possible chance would be to acquire landing bases in the Western Hemisphere.

sphere.

James Monroe realized that more than a century ago, and laid down the Monroe Doctrine. That is a simple warning to Europe to stay out of the Americas.

And George Washington warned Americans to stay out of Eu-

rope. Washington and Monroe gave us foreign policy enough.

Maintain strong defensive power. Make America economically strong. See that we have, within our own boundaries, every supply needed for Army, Navy, air force, and for our civilian population.

And let's see that the Nation's leaders, now in effect sicking Europe on to fight, keep their minds on America's real problems. We have no desire to sprout world heroes.

Americans would rather lead the world in prosperity, in peace,

and in courageous Christian decency, than in slaughter.

Death of Col. John Jacob Astor in the "Titanic" Disaster

EXTENSION OF REMARKS

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

ARTICLE FROM THE ATLANTIC CITY PRESS OF APRIL 15, 1914, AND LETTER WRITTEN BY E. A. HIGBEE

Mr. SMATHERS. Mr. President, I ask unanimous consent to have published in the appendix of the RECORD an article which appeared in the Atlantic City Press, Atlantic City, N. J., on April 15, 1914, in which Mr. Daniel H. V. Bell, city clerk of Atlantic City, paid a tribute to Col. John Jacob Astor at a ceremony of the Spanish War Veterans observing the second anniversary of the Titanic disaster, together with a copy of a letter written by the Honorable E. A. Higbee, under date of April 16, 1914, to Mr. Daniel H. V. Bell, congratulating him for the beautiful language contained in the eulogy of Col. John Jacob Astor.

There being no objection, the article and letter were ordered to be printed in the Record, as follows:

[From the Atlantic City Press of April 15, 1914]

IN MEMORY OF TITANIC TRACEDY—SALUTE FIRED OVER DEAD OF THE SEA FROM DOWNTOWN PIER YESTERDAY

In the heavy rain that came driving out of the northeast yesterday the members of Col. John Astor Camp, No. 28, United Spanish War Veterans, observed the second anniversary of the *Titanic* disaster in ceremonies held on the seaward end of the Million Dollar

Following a salute from the camp's battery, Rev. Dr. Thomas J. Cross, pastor of the Chelsea Baptist Church, delivered a patriotic address, and his reference to the acute situation in Mexico provoked cheers from the large crowd that had gathered despite the

City Clerk Daniel H. V. Bell delivered an eulogy on Colonel Astor's conduct during the panic aboard the disaster. Mr. Bell said:

"Two years ago on the broad Atlantic, in the darkness of the night, the forces of Nature and of man met; a mighty vessel of the sea and a stern sentinel from out of the frozen north. Instantly occurred a tragedy of the sea that sent a shock of horror throughout the modern world. Men, women, and children were awakened from slumber to face the hardest fate that old ocean holds for travelers. holds for travelers.

"We are here today beside that same ocean to commemorate the memory of one who freely gave up his life on that occasion. And to learn anew a lesson of patriotic devotion that from the earliest days of this Republic has ever upheld, the lofty ideals of the American soldier. From the days of Washington to the present time the soldiers of our country have willingly answered to every

call of duty.

"On the *Titanic*, out of the multitude, was a figure heroic. Possessed of great wealth, with every allurement that life can hold to one who has the capacity to enjoy it, he put all things aside— "Women and children first'—and bravely did the work go forward. "Col. John Jacob Astor had heard his country's call during the days of '98. Gave from his own purse to the American Army the Astor Battery, and to make his service complete enlisted for the war. His record as citizen and soldier of the Republic was full and complete. complete.

"But in that hour when the souls and hearts of men and women

"But in that hour when the souls and hearts of men and women were tested as in a fiery furnace, Col. John Jacob Astor answered every test. And gave the last full measure of his devotion to humanity. He gave his life that the weak and helpless might live—'Greater love hath no man.'

"In paying our tribute to his memory let us not mourn, but rejoice and be glad, that when the time of danger came Col. John Jacob Astor proved to the world, if proof were needed, the worth of an American gentleman and the valor of the American volunteer soldier." soldier.'

ATLANTIC CITY, N. J., April 16, 1914.

Mr. Daniel H. V. Bell,
City Clerk, Atlantic City, N. J.
My Dear Mr. Bell: I read in the Evening Union of yesterday
your very eloquent and interesting eulogy of Col. John Jacob
Astor, who gave his life in consideration of others.

Astor, who gave his life in consideration of others.

I want to express to you my appreciation and admiration of what you said. I have not had the pleasure of reading anything for sometime that so impressed me as did your address. I know of nothing in the English literature that says so much, so forcibly, and eloquently in so few words as that except Lincoln's Address at the dedication of Gettysburg.

I am not prone to thus compliment people upon what they say and you may therefore rest assured that this is not said in the spirit of flattery, but from the deep sense of appreciation as above

spirit of flattery, but from the deep sense of appreciation as above stated. I have cut it out of the paper and will paste it in my scrapbook to be handed to my children as one of the things which I regard as worthy of perpetuation. Yours very truly,

E. A. HIGBEE.

Foreign Aggressors-Address by Father Coughlin

EXTENSION OF REMARKS

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

RADIO ADDRESS BY FATHER CHARLES E. COUGHLIN, APRIL 16, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to print in the Congressional Record the very able and eloquent address of Father Charles E. Coughlin, delivered over the radio Sunday, April 16, 1939. It deserves careful reading and should receive the thoughtful consideration of the United States Senate and the great American public.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"Where can I obtain profitable work?" asks the laborer. "How can I save my farm and sell the fruits of my toil at a profit?" questions the farmer.

"How is it possible to procure security for my children?" is the worry of every parent.

These should be questions of prime concern. Unfortunately, however, the mind of America is concentrated upon European affairs in general and, in particular, upon the stark probability of our engaging in wer. our engaging in war.

That we are so inordinately concerned with Europe and its dictators, its aggressors, and its imperialistic plunderbunds is lamentable. It means that we have permitted ourselves to become putty in the hands of the propagandists. It means that we have forgotten why our ancestors fled from the unbearable hardships imposed upon them in England, Ireland, France, Poland, Germany, Italy, and every other country abroad. And possibly it means that we are leging our natifolic enpreciation for those stalwart men who are losing our patriotic appreciation for those stalwart men who rallied around George Washington, who suffered at Valley Forge, who risked their lives to establish a new country with new ideals independent of European intrigues and oppressions. And, above all, it means that we have permitted ourselves to be distracted from solving the problems of our national depression.

Meanwhile we grow very indignant at the mere mention of the phrase "unjust aggressor," forgetting that 30,000,000 Americans are victims of local aggressors. We wax very idealistic at the sound of the word "democracy," forgetful that if we engage in a foreign war there will be no more democracy.

As a preface to the remarks I am about to make, let me state that no real American, should extend any support or four to-

As a preface to the remarks I am about to make, let me state that no real American should extend any support or favor towards either nazi-ism or communism. These forms of government are totally foreign to our concept. Furthermore, insofar as we Americans do not profess the doctrines of imperialism; insofar as our Nation was established in direct opposition to British imperialism, we entertain no fondness for that form of government. Consequently, even though President Roosevelt's peace efforts fail, we are not prepared to assist Germany or Russia or imperialistic France and England in their European wars.

All of them have been unjust aggressors in the strict meaning of the word. None of them are democracies in the American meaning of the word.

meaning of the word.

As for Germany and Soviet Russia, no one whose opinion is valued disputes the charge of "unjust aggressor" to these

governments.

As for Great Britain, all Americans are not in agreement. Many deny that Great Britain has been an unjust aggressor; others affirm it.

Permit me to remind you that Great Britain has been and is an unjust aggressor. As such she is not deserving of the expenditure of one American boy's life.

How did England acquire her far-flung colonies? By sword an conquest. As far back as the year 1172—nearly 800 years ago—Great Britain began to play the role of the unjust aggressor against Ireland.

In the year 1795 when the Irish people endeavored to emulate what our founding fathers accomplished in 1776, history records that the English troops slaughtered 160,000 sons of Erin—in the

name of aggression.

In 1916 and again in 1919 England sent her Black and Tan troops throughout Ireland to encroach upon the liberties of thousands and thousands of innocent, defenseless citizens who were deprived of their homes, their property, and oftentimes their lives—in the name of aggression.

Almost to this present year Britain kept the yoke of oppression firmly fixed upon more than 3,000,000 Irish people—in the name

Following the seizure of Ireland, Scotland and Wales succumbed to the unjust aggressors operating from London. Territory after territory fell within the orbit of the British Empire, not through

purchase, but through the force of arms, until today approximately one-fourth of the entire world is British owned and dominated.

And this is the empire which today is clamoring about unjust aggression—an empire which is paraded before us as a democracy; an empire that insists upon others ceasing their unjust aggressions while she holds fast to India, Egypt, and parts of Ireland and to the unpaid billions we loaned her.

Not so long ago Italy was thoroughly condemned for its unjust aggression against the Ethiopian people. No one in America defends the Italian policy in that instance. But how many of our rends the Italian policy in that instance. But how many of our excited population realize that in 1920 both the imperial Republic of France, together with imperial Britain, signed an agreement with Italy to encroach upon the territory of Ethiopia? The agreement read that if and when Ethiopia was conquered, the railroad leading from the capital of French Somaliland to the capital of Ethiopia was to be ceded to France and that the territory around Lake Tana in Ethiopia was to be given to Great Britain. Italy's share was the land itself.

These are the facts of the Ethiopian agression—facts which indicate that Italy alone was not the unjust aggressor.

Some Americans maintain that the United States is likewise an empire because of its aggressions in Cuba and the Philippines. Following 1898, what was our attitude toward Cuba? We expended them properly and energy to medicarize at least in extended. pended men, money, and energy to modernize, at least in part, the little island and to restore it to the people to whom it belonged. That was our identical attitude toward the people of the Philippines. Our democracy has never been an imperialism by which we won at the point of a bayonet vast territories and held them to exploit the people resident there for our own commercial

benefit.

What business have we Americans taking sides with such an unjust aggressor now that Britain fears the dissolution of her ill-

gotten empire?

As for Europe, it is still Europe. Its entire history has been a history of aggression. Following each hateful war, European diplomats gathered around the council table; the victors dictated a peace treaty which the vanquished were forced to sign-a peace treaty which in every instance proved to be another scrap of paper. Not one international document terminating an European war has

been honored by its signatories.

Who, therefore, entertained the thought that the Treaty of Who, therefore, entertained by all its participants? Does not the Versailles would be honored by all its participants? Does not the vast majority of historians regard it as an unjust document?

Was not its chief objective the dismemberment of the German

Empire?

Did it not impose a fine of \$57,000,000,000 upon a penniless people from whose treasuries there had been removed the last ounce of gold?

Did it not shackle the German people to the pillar of oppression when it virtually forbade her to trade with other nations: Did it not dispoil Germany of all her colonies?

And in a spirit of revenge and barbarism instead of peace and humanity, was not the Treaty of Versailles instrumental in removing more than a million milk cows upon which depended the little children for their food?

Certainly Germany signed the Treaty of Versailles because there was no alternative—a treaty that will go down in history as the most inhuman aggression ever committed against any people in the entire history of the civilized world; an aggression which was not aimed at the Kaiser and at those who were responsible for Germany's participation in the World War, but at the poor, victimized people who remained behind when the malefactors had fled in

When we, therefore, become aroused at the mention of the word "aggression," what aggression equals in its cruelty, its injustice, and its insanity the aggression perpetrated by the Treaty of Versailles? The majority of historians recognized even at the time of its composition 20 years ago that it was the breeding ground for more

composition 20 years ago that it was the breeding ground for more aggressions and for another war.

Twenty years have passed and behold those who were the unjust aggressors at the peace table of Versailles—particularly Britain and France—are now loudest in advertising to the world the unjust aggressions of Germany and Italy. According to the theories of England and France, any nation which desires them to surrender their ill-gotten goods or to restore their ill-gotten colonies is an aggressor.

The sacred status quo must not be disturbed even though it runs foul of the law of self-preservation.

There are other reasons which escape the notice of most persons

There are other reasons which escape the notice of most persons which explains why Europe has been a constant battleground throughout the centuries—reasons explaining why the territory of Poland has been partitioned and repartitioned; why Alsace-Lorraine has been an international football; why the Balkans have been a constant powder keg of revolution; why European nations for more than 200 years expended more money upon arms, munitions, and war than upon peace and prosperity.

Consider these facts: The population of Europe comprises approximately 425,000,000 persons. They are crammed into a little territory practically equivalent in area to the States of Texas and Oklahoma combined. The majority of Europeans is forced to dwell upon land which is totally unproductive of many commodi-

territory practically equivalent in area to the States of Texas and Oklahoma combined. The majority of Europeans is forced to dwell upon land which is totally unproductive of many commodities such as cotton. Their struggle for life always has been a struggle which we Americans in nowise appreciate—we with our vast expanse of territory, with our flowing fields of grain, with our well-equipped factories, and sources of natural wealth.

our well-equipped factories, and sources of natural wealth.

Is it any wonder that 425,000,000 persons constantly cry for more territory; constantly demand expansion? Is it any wonder why the "have-not" nations constantly have had recourse to arms against the "have" nations, especially when unsound peace treaties and wicked programs of economy were conceived to starve the masses and prosper the few?

Keeping these thoughts in mind, is it not evident that Europe's problems are primarily economic problems? The struggle impending in Europe today, therefore, is not based so much upon ideologies of government as it is upon economics. Positively there can be no lasting settlement and peace for Europe until the European nations themselves are willing to break down the economic barriers by which the "have-nots." "have-nots."

"have-nots."

What Englishman admits that 45,000,000 inhabitants of his little island can subsist upon its lean, hard soil, which is devoid of many of Nature's gifts? England could not manage. Therefore she was forced to adopt the policy of imperialism; forced to build a navy and merchant marine; and forced, according to her philosophy, to exploit India, Australia, and South Africa for the maintenance of her own population. The same analysis holds good for Belgium, for Germany, for France, and for Italy. Russia alone, of all the European nations, is self-sustaining.

I repeat, therefore, that the problem of peace in Europe is primarily an economic problem. It is impossible for 425,000,000 people to subsist in contentment penned up in quarters no larger than Texas and Oklahoma and not one-half so fertile and productive.

That is the reason why every generation of Europe's "have-not"

That is the reason why every generation of Europe's "have-not" nations has risen up in protest against the subjugation imposed upon them by the victors in the previous war. And that same reason will obtain as long as Europe is Europe; as long as the present economy predominates.

For ages the history of Europe has been a history of unjust aggressions. Wherefore the cry of "unjust aggressor" is nothing new. It was raised in the days of Kaiser Wilhelm II. It was on the lips of the Frenchmen in the days of Napoleon Bonaparte. It was the same cry which impelled Charles V in the fourteenth century to reduce the peoples of Europe under his sovereign rule.

LXXXIV-App--97 Being advised of this, why should we Americans of this generation be deceived by a catchword when it is so evident that Europe can never have peace as long as it protects its age-old economy of might and oppression and as long as the economic destinies of Europe are wedded to gold?

No wonder there is unrest in Europe today. Both Great Britain and France, who have dominated European trade for centuries, have insisted that commerce be carried on through the transfer of gold. The "have-not" nations lacking gold are compelled of gold. The "have-not" nations lacking gold are compelled either to submit to exploitation, or to starve, or to form alliances against their economic aggressors.

against their economic aggressors.

Supposing the United States of America were divided into 48 nations; supposing the people of Iowa or Kansas or Nebraska, where there is no gold, were forced to trade with the people of Illinois or Kentucky or New York on the basis of gold or else starve; would they be content? That is absolutely the sentence imposed upon the majority of European nations today by France and Frederick they are the United States in whose coffees three-fourths. and England and the United States in whose coffers three-fourths of the commercial gold of all the world is hidden.

While Mussolini and Hitler are engaged in their recent terri-

torial aggressions, the financial aggression perpetrated by the goldhoarding nations has done more to breed wars and unrest amongst the European nations which lack both colonies and gold than has

other factor.

It is true we Americans do not like the dictatorial forms of government in Germany, in Italy, and elsewhere. We prefer our own democratic system. Nevertheless, it is time for us to recognize that the advertised opposition to the Fascist nations is not so much related to the forms of government which they sustain as to the fact that the warmongers in America, in England, and in France are more concerned about the prospect of the gold-lacking nations combining against the gold-hoarding nations. Opposition to them solely because of their political ideologies is pure propagated.

Basically, the disturbances in Europe are more than political. They are economic and financial. Those who endeavor to tell us they are only political are either unmindful of the facts which I have cited, or are accomplices trying to deceive the American people to perpetuate the poverty, the exploitation, and the misery which an immoral system of finance and economy has foisted upon every

an immoral system of finance and economy has foisted upon every nation of the Old World—the same system which fails to abolish the depression in the New World.

If America goes to war, the outcome will be no different than that following the World War. Propaganda will advertise that we are virtuous in helping to save democracy. But the truth is that we are helping to perpetuate the power of the international bankers. Since the year 1694, when the privately owned Bank of England was established, its owners gradually gained domination over the destinies of Europe and the monopoly of industry. But most important, this bank and the other central, privately owned banks established gold as the medium of international trade. As a result, nations without gold were practically outlawed.

Always Great Britain has been successful in getting other people

Always Great Britain has been successful in getting other people to fight her wars and protect the fruits of her age-old gold policy of aggression. Therefore Great Britain will defend her possess today and tomorrow until the last American doughboy is dead.

It is almost ludicrous to find that we Americans are more anxious to engage in Europe's chronic wars to defend the status quo of iniquity and oppression than are our neighbors to the north,

in Canada.

Our Nation is a giant in territory compared to pigmy Europe.

Our population is small compared to the large masses of people who are huddled together from Moscow to Madrid. Our natural resources are infinitely superior to those of the old land. Our constitutional form of government, our superior training in mechanics, and our well-trained executives are without doubt the finest in the modern world. Despite all that, we have 12,000,000 unemployed, modern world. Despite all that, we have 12,000,000 unemployed, 22,000,000 on the dole, more than one-third of our population lives below the bare standard of existence, and \$16,000,000,000 of this lurid gold is buried at Fort Knox, Ky. Shall we who will not use it to rectify our economic conditions at home engage in a world war to starve out of existence those who have no gold abroad? Shall we be duped by the international bankers to preserve their status quo, which literally drains the lifeblood from India, from Africa, and from Australia, to maintain an oligarchy of wealth in their palaces and force the masses to live in their hovels?

Ladies and gentlemen, my criticism is in nowise leveled against the people of England and France, whom I deeply respect and with whom I sincerely sympathize. It is intended only for those who have exploited them, together with the people of Europe and the people of our own country. All peoples want peace. Peace can come only with justice, and justice can flourish only when men and women of any country are permitted to live and earn their bread free from the artificial impediment of gold.

If there need be talk of war, let us organize our forces in America

If there need be talk of war, let us organize our forces in America to make war upon this same oligarchy of gold which has closed our factories, confiscated our farms, bred class hatred in the hearts of our citizens; but let us do it in a peaceful, American, intelligent, and devectation manner.

and democratic manner.

Be not deceived by the mirage of glowing words which pictures the blessedness of social reform or the charity which begins abroad and closes its eyes to the needs of home.

Be not deceived by the fictitious appeal to democracy which exists nowhere in all the wide world as it does here in the United States of America

Be clear-headed, practical men and women, capable of facing facts as we find them, and judging reformers, internationalists, and warmongers in the scale of results rather than in the scale of promises.

Once the European chancelories are notified through the passage Once the European chancelones are notined through the passage of a neutrality act that we in America refuse to supply men, munitions, and money to fight their ever-recurring wars, then, and not until then, will Chamberlain, Daladier, Mussolini, Hitler, Stalin, and the rest of them sit down at a common table to discuss their common needs for the purpose of arriving at an agreeable peace and of abandoning the policy of a forceful gold aggression.

If history has taught one important lesson it is this, namely, that European wars never settled anything and never will settle anything as long as they are conducted upon the basis of sustaining

thing as long as they are conducted upon the basis of sustaining the status quo of exploitation. History has also taught us that the peace treaties which concluded every European war were notorious for their force and notable for their lack of justice. That is why they have been scraps of paper, as they should be scraps of paper. That is why they have been breeders of bigger and better wars.

In 1914 European dislocates who were numbers of the oliganths.

In 1914 European diplomats who were puppets of the oligarchs of wealth sounded the trumpets of patriotism and beat the drums of war. But in 1914 it was well known that the victims of war, for the most part, would be the young men who fought in the

trenches

In 1939 there is not the same readiness to declare war on the part of the diplomats or their financial masters. The oligarchs in London, Paris, Berlin, Rome, and Moscow and in every other capital are aware that the 1939 style of front trenches will be their palaces and their front lawns upon which destruction will rain down from bombing planes—destruction with its poison gas and disease germs; destruction not for the young men in the trenches but for the diplomats, the aristocrats, and the financial oligarchs who support economic aggression and create wars.

To summarize, therefore, what I have said, remember what a small portion of this world Europe is; what a tremendous population lives upon its soil; what a perpetual struggle for existence is necessitated by reason of an economic system which is maintained to protect the great empires which, with bayonet and gun and gold, conquered more than one-quarter of the world's territory. Remember that the gold nations insist that trade be carried on through the medium of gold. Remember the law of self-preserva-In 1939 there is not the same readiness to declare war on the

through the medium of gold. Remember the law of self-preserva-tion which from the beginning of time until the end of time will always agitate the oppressed to rise in rebellion. More than 20 years ago we Americans were deceived by the sanctimonious references to democracy. Instead of making the world safe for that ideal form of government we made it safe for depression; safe for the old corporate graters which her header depression; safe for the old economic system which has been flooding us with bonds and debts, with poverty and financial slavery.

As much as we dislike Hitler and his persecutions; as much as

As much as we dislike Hitler and his persecutions; as much as we detest Stalin and his atheism; as much as we are out of tune with England and France and their imperialism which subjugates more than 400,000,000 people in Asia, we Americans of this generation are convinced that our place is in America. We are determined that it is our business to fashion a foreign policy which will keep us absolutely free from European and Asiatic entanglements.

My fellow Americans, I am absolutely convinced that the common peoples dwelling in Europe do not want war. They detest war. What is difficult for us to understand is why certain leaders in America are courting a world war even before it happens. They

in America are courting a world war even before it happens. They seem to be disappointed because Mr. Chamberlain signed the Munich Peace Pact. In fact that was the signal for us to cast aside all our traditions and to begin playing the game of "might is right" on the other side of the English Channel. Moreover, since 1937 we, the most peace-loving Nation in all the world, have witnessed our official spokesmen parading a vocabulary of belligerency which matched anything either Mussolini or Hitler or Stalin ever enurgicated. ever enunciated.

In October 1937 Mr. Roosevelt intimated that there was danger of European aggressors coming to America to destroy us. What absurdity! Referring to what was happening in Europe, he said: "If those things come to pass in other parts of the world, let no one imagine that America will escape, that it may expect mercy, that this Western Hemisphere will not be attacked." It was on that occasion that he invited us to cooperate in quarantining the dictator nations.

Following that speech we began to ask ourselves, "What of the League of Nations? What of the World Court? Did not the American people and the United States Senate once and for all settle those questions?

"Is our President going over the heads of the people and the Senate to establish a new League of Nations described as democ-racies—nations which were really the gold-hoarding nations of the universe, dominated by the international bankers?

"Did this Chicago speech mark the passing of our ancient tradi-

tion of no foreign entanglements?

"Was Uncle Sam about to become the policeman of the world with the hope of restoring law and order and justice on the other continents at the very moment when our own country was suffering from more lawlessness, more disorder, and more economic privation than at any other time in its history?

"Did this quarantine statement of Mr. Roosevelt mean that our first line of defense would be established wherever an international banker and gold worshiper decided to move it?"

It is true that in 1937 the flames of passion were beginning to burn flercely in Europe. It is true that every informed man and woman in America knew how wicked the Peace Treaty of Versailles

was—that it kindled those flames of passion.

Was not Chicago, then, the opportune place and 1937 the opportune time to invite the European leaders to undo the harm which resulted from Versailles or was it the proper place and time

to add oil to the conflagration?

Following Chicago there was occasion for the President to visit Canada for the dedication of an international bridge. Speaking in the name of the people of the United States, Mr. Roosevelt said that if Canada were attacked, the United States would not stand

idly by.

Why obtrude such militaristic thoughts upon a peaceful people; and who, in the name of common sense, can attack either Canada or the United States 3,000 miles distant from Europe and 6,000

miles distant from Japan?

Then came the President's message to Congress in January of this year. He said: "Words may be futile but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor government of the contract of the contract.

ernments the aggregate sentiments of our own people."

What methods did he mean? The boycott? Although Germany and Italy choose to live under a different form of government than the one which we sustain, what unjust aggression have they made against the United States?

Every person understood whom President Roosevelt meant on that occasion because his spokesman, Senator Key Pittman, some days before this message to Congress, officially informed America that the people of the United States do not like the Government

that the people of the United States do not like the Government of Japan nor the Government of Germany nor any form of dictatorial government, communistic or fascistic.

Certainly we American people do not like the Government of Japan, of Germany, or of England, for that matter. We do not like them in the sense that we like our own better.

And finally came the Warm Springs speech as Mr. Roosevelt was terminating his spring vacation. "I will be back in the fall if we don't have a war."

How many Americans are aware that, according to our Constitution, it is not the business of President Roosevelt or any other President to determine our foreign policies? That is the business of the United States Congress.

the United States Congress.

Was it the United States Congress that said we would back European democracies against dictatorships in every way short of

war? It was not.

Now, I ask you: What is the reason for all this war talk in America? Why are we so interested in protecting democracy where there is none? Why are we so determined to preserve the status quo of the Peace Treaty of Versailles, which every person recognizes as unjust? Why are we so anxious to meddle in European affairs when we have such great difficulty in handling our own?

Pause, my fellow Americans, to recollect that the disaster which is about to overwhelm Europe is of Europe's own making, a small territory overpopulated with teeming, starving masses; 425,000,000 persons exploited by an unjust economic system predicated upon gold and operated by the oligarchies of finance.

Why should America or Americans become a party in perpetuat-

Why should America or Americans become a party in perpetuating such injustices?

Why should we forsake our own problems and sacrifice our youth and our wealth and our property to sustain a status quo to which the common people of Europe themselves are opposed?

Why, therefore, should we consider writing a neutrality act which will permit our President, first, to name the unjust aggressor and, secondly, to sell arms and munitions and airplanes to the nation against whom he deems the aggression had been committed and thereby incur the enmitty of the other nations?

gressor and, secondly, to sell arms and munitions and airplanes to the nation against whom he deems the aggression had been committed and thereby incur the enmity of the other nations?

Why should we be distracted from the manifold economic problems which oppress us and thereby become participants inevitably in the world war which will follow?

If we serve notice upon Britain and France, upon Germany and Italy and Russia, that in no way will we participate in their continental affairs any more than we will permit them to participate in our continental affairs, there will be no world-wide confiagration. Sooner or later the nations of Europe will sit down at a council table and revise their programs of economic aggression and decide to live as God intended them to live—as neighbors and as brothers of Jesus Christ. The status quo of exploitation must be abandoned. Justice for all must prevail.

Meanwhile Washington is filled with propagandists who talk of peace and democracy and who desire war and dictatorship. There are more than 4,000,000 members in the League for Peace and Democracy, which is wedded to communism—the same organization which petitioned Congress to lift the embargo on Spain, the same organization which applauded the slaughter of Christians in Spain. These propagandists are active. They are intelligent. They are resourceful. And, above all, they are in league with the Bolsheviks, whose main desire is to keep America in turmoil, to inject America in war, and to see American democracy vanish in the smoke of destruction as it has in every other country.

What opposition can you offer to them? The officials of the League for Peace and Democracy are the front men for the warmongers.

Will you permit them to proceed unchallenged under the banner

Will you permit them to proceed unchallenged under the banner Will you permit them to proceed unchallenged under the banner of peace and democracy—peace that means war and democracy that means bolshevism! If I know the American public who fought the League of Nations propagandists, who defeated the World Court radicals, who triumphed over the reorganization bill advocates, I am sure that once again the Paul Reveres will ride; the steadygoing American men and women will rise to action this week and next week in defense of George Washington's principle "of no foreign entanglements."

There is still the United States Senate with whom these forces

There is still the United States Senate with whom these forces must contend—a Senate safeguarded by the Constitution of our

Nation.

With your moral support it was the United States Senate which kept us free from the World Court and the League of Nations. It was the United States Senate which kept us from lifting the embargo against Spain. It will be the United States Senate which will succeed finally in passing a neutrality act that will be a neutrality act and therefore in nullifying the policies of hate and bleedshed and of world wer. bloodshed and of world war.

Erasing from our hearts all animosity toward all peoples— English, French, German, Italian, Russian; and toward all races— Jew or gentile—let us contribute our part toward formulating a policy of world peace. Let it be a peace established upon the firm foundation of justice, not upon the quicksands either of financial

or commercial aggression.

To accomplish this objective, under God, stand by the Senate and

In addressing a letter to a group of students who asked some enlightenment on European conditions, Senator Borah said:

"It was the democracies of Europe which wrote the secret treaties

"It was the democracies of Europe which wrote the secret treaties by which all the spoils were divided even before the World War was closed. It was the democracies of Europe which wrote the Versailles Treaty, not a peace treaty, but a spoils treaty. It was the democracies which for twenty-odd years refused to make any changes in the Versailles Treaty looking toward peace.

"These European powers, whatever may be their idea of ideology or political views, pursue one and the same course when they come to deal with international affairs. They all alike violate treaties, disregard the most fundamental principles of right, pursue methods which inevitably lead to war, and then call upon the United States, Canada, and other nations to save them from their own intolerable and vicious methods."

I have every reason to maintain confidence in our United States Senators. There are many more of the same caliber as Senator Borah, whom I have just quoted. Possibly they may be influenced by the filthy propaganda of the war mongers. But most probably I am certain that they will be influenced in behalf of peace if you and your neighbors take time to write a letter this week imploring them as your representative to stand by the Constitution insofar as it is the business of the Senate to determine our foreign policies and to write a neutrality law which will keep America free from all foreign entanglements.

Hell's Canyon

EXTENSION OF REMARKS

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES Wednesday, April 19, 1939

ARTICLE BY RICHARD L. NEUBERGER

Mr. McNARY. Mr. President, the current issue of Harpers Magazine contains an inspiring and comprehensive article, Hell's Canyon, the Biggest of All, by Richard L. Neuberger, an able columnist of the Oregonian, published in Portland, Oreg.

The article is particularly pertinent and timely because of the survey being made by the National Park Service as to whether this project reaches the high standard of national parks.

I ask unanimous consent that it may be printed in the Appendix of the Congressional Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Harpers Magazine] HELL'S CANYON, THE BIGGEST OF ALL (By Richard L. Neuberger)

For nearly a century now it has been axiomatic that the Grand Canyon of the Colorado River is the deepest cleft on earth. That Canyon of the Colorado River is the deepest cleft on earth. That this is not true is a fact which geographers are just beginning to recognize. The Grand Canyon is not so deep as the basalt and granite gash made by the Snake River between the States of Oregon and Idaho in the Pacific Northwest. Along a mountain-serried stretch where the brawling waters of the Snake twist northward, Hell's Canyon averages 5,510 feet in depth for 40 spectaular miles. Here 6,000-foot expanses are not uncommon. At one point the canyon is 7,900 feet deep, a mile and a half from rim to river. This considerably exceeds the 6,100-foot maximum depth of the Grand

The canyon hollowed out by the Colorado River is 217 miles long; that by the Snake River, 189 miles. The Grand Canyon is 15 miles from rim to rim at its widest point; Hell's Canyon, 10 miles. The famous Bright Angel Point towers 5,650 feet above the Colorado; the bluff of White Monument, an equal horizontal distance from the Snake, is 5,922 feet higher than the river. In the Grand

Canyon the Colorado River drops approximately 10 feet a mile; the Snake in Hell's Canyon descends about 12½ feet a mile.

Both chasms are built of many levels. These levels rise terrace-like above the rivers. From the water only the first rims can be seen, but there are many rims beyond until the last embayments are reached.

Peculiar to the Grand Canyon are its lavish coloring and its array of buttes, mesas, rock temples, and flat-topped hills. The walls eroded by the Colorado are more or less uniform; they are long sheer cliffs approximately 1,500 feet high to the level directly

The Snake, however, is flanked by shale slides, then by timbered slopes, and finally by granite and lava precipices. Where Hell's Canyon spreads out below Hat Point its sides consist of countless Canyon spreads out below Hat Point its sides consist of countless evergreen hills and bare basalt crags piled on top of one another in magnificent disordered array. A few miles downstream the scene changes sharply, and water-worn granite and basalt sweep down to the Snake in majestic stratified escarpments amazingly like the buttes that typify the Grand Canyon of the Colorado.

Dr. Otis W. Freeman, of the American Geographical Society, one of many authorities who concede the greater depth of Hell's Canyon, says that it is certainly "both the narrowest and the deepest gash in the North American continent." The Geological Survey has lately called attention to it as one of the great scenic resources of the Nation. Why, then, has it been overlooked?

Only its remoteness and inaccessibility can account for the fact that Americans are almost completely unaware of its existence, that encyclopedias and atlases and other sources of general information scarcely mention it, and that the thorough Britannica accords it only passing reference.

accords it only passing reference.

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The name of this chasm is symbolic. The frontiersmen of years ago called it Hell's Canyon because of its sinister splendor. Escarpments of granite rise from the river like gloomy battlements. On wet, windy days wraiths of clouds swirl and break around the lagged basalt crags far above. No gulf anywhere has rougher rock surfaces. Bluff is piled on bluff in huge torn chunks of black and lagged basalt crags far above. No gulf anywhere has rougher rock surfaces. Bluff is piled on bluff in huge torn chunks of black and gray lava. Sheer and rugged walls are interspersed with slides of shale and ragged hillsides of cheat-grass. Creeks tumbling down long gullies add their pittance to the river. The Snake surges an angry white through much of the abyss. At a dozen rapids its foam-topped waves are still wearing away the rock. "La maudite rivière enragée!" exclaimed the early French-Canadian voyagers, and the pioneers of the Oregon Trall paraphrased them in English: "The accursed mad river." Here and there in the canyon, hackberry bushes and Ponderosa pines and Douglas firs, growing tenaciously on steep slopes and fringelike bars, provide contrast for the harsh bleakness of the precipices.

The sun's rays reach the waterway at the bottom of the chasm only a few hours each day, particularly in the winter months. The nocturnal tones of the cleft are broken only when sunlight softens the rim rock and the shadow from one bluff gently blankets the opposite wall. Then Hell's Canyon seems filled with a thin blue haze; seen from afar up its craggy trench, it is like the background of one of the painted fantasies of Maxfield Parrish. In such interludes, brief though they are, the reaches of the mountain river show themselves clean and clear, and the canyon takes on enough color to lose some of the ominous aspect that in 1812

enough color to lose some of the ominous aspect that in 1812 brought this quaintly worded report from Robert Stuart of the Pacific Fur Co. to his chief, John Jacob Astor:

brought this quaintly worded report from Robert Stuart of the Pacific Fur Co. to his chief, John Jacob Astor:

"The whole body of the River does not exceed 40 yards in width and is confined between Precipices of astonishing height, Cascades & Rapids succeed each other, almost without intermission, and it will give a tolerable idea of its appearance were you to suppose the River to have once flowed subterraneously through these mountains, and in the process of time, immense bodies of Rocks were detached occasionally from the ceiling till at length the surface of the Heights descended into the Gulph and forms at present the bed of this tumultuous water course. Mountains here appear as if piled on Mountains and after ascending incessantly for half a day, you seem as if no nearer the attainment of the object in view than at the outset."

Hell's Canyon has not the bright glory or magnificent mesas of the cleft of the Colorado. Its grandeur is the majestic mystery of sheer size. The bottom of the canyon is a pit of unbelievable depth. From it the rim seems studded with tiny green bushes—until Forest Ranger Fenton Whitney says they are Ponderosa pines 100 feet high. Up the side ravine dug by Deep Creek a wanderer with stout wind can climb, after hours of terrific effort, to the top. The Snake, way below, is now a slender strip of green; white flecks indicate rapids with waves as high as breakers. Upward, rim succeeds rim to a horizon dim and far off. The climber seems standing in the core of the world, like Astor's courier of long ago who, too, made the heartbreaking ascent of "mountain * * * piled on mountain."

Ages ago there was no Hell's Canyon. The events directly responsible for its creation began in the Cenozoic Era, just as the remote forerunners of man were coming on the planet.

Over the granite uplands of what is now the Pacific Northwest poured the Tertiary lava flows. They inundated dales and valleys and came to rest against peaks and ridges like water shoving at a dam. The liquid basalt buried some hills

rock quilting the land, the crust of the earth began to stir again. The Wallowa Mountains were joited 10,000 feet into the sky near where the border of Oregon now is. The Seven Devils Range was wrinkled almost as high along the present boundary of Idaho. After this rampant vulcanism, ice sheets moved out of the north and sheathed the region. They gouged out lakes and began U-shaped dips that would later be canyons. One of these dips was between the outlying ramparts of the Wallowas and Seven Devils. Then the ice melted and receded. Into the jumbled mass

of granite and lava a river pushed, the Snake.

The river is still pushing today. A mile through the hardened lava flow the Snake has cut, and into a thousand feet of the granite bedrock besides. The foothills of the Wallowa Mountains lie along the western rim of the chasm. The steep slopes of the Seven Devils form the opposite wall.

A college triend of mine named Arms, Pure is one of the few

Devils form the opposite wall.

A college friend of mine named Amos Burg is one of the few men who have risked going by boat through both Hell's Canyon and the Grand Canyon. Some of his observations are significant. He says that to look up from either the Snake or the Colorado at the rimrock so far above makes one dizzy. Despite its murky and forbidding appearance as compared with the Grand Canyon's splurge of color, Burg calls Hell's Canyon "a more hospitable abyss." This is primarily because of regional characteristics. The Grand Canyon is part of the arid Southwest. Its vegetation is negligible. No soil cloaks the rocks. The Colorado River is full of silt and sand and practically devoid of fish life. It carries a million tons of "dust bowl" sludge through the canyon each day.

The somber Hell's Canyon, by contrast, is typical in many respects of the lush Pacific Northwest, although it is outside the rain belt of that fertile region. Trees dot the bars and upper slopes. There are trout and sturgeon in the Snake and occasionally even a giant Chinook salmon from the mouth of the Columbia 500 miles away. The defiles that merge with Hell's Canyon are gloomy and narrow, but through them pour clear mountain creeks. Deer introduced artificially into the Grand Canyon frequently die; bighorn sheep and deer and elk lived in the chasm of the Snake before the white man came. So, paradoxically, the very qualities that give Hell's Canyon its grim aspect actually make it more a land of the living than the gayly tinted canyon of the Colorado.

The Grand Canyon is cut through a desert plateau. That is why it is easy to get to and why the many times of the canyon.

The Grand Canyon is cut through a desert plateau. That is why it is easy to get to and why the many rims of the canyon are as level as a railroad grade. Hell's Canyon penetrates two mountain ranges. That is why it is difficult to reach and why its rims are irregularly broken.

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The Snake River is the least-known major waterway of the continent. Millions of Americans have never heard of it, yet it is more than three times as long as the Hudson and its drainage area is eight times as great—including nearly all of Idaho and parts of Washington, Oregon, Wyoming, Utah, and Nevada. Only three rivers in the United States—the Columbia, the Colorado, and the Tennessee—excel it in hydroelectric power potentialities. Compare its 18,081,000,000 kilowatt-hours of latent energy with the 3,017,000,000 available in the Potomac River, for example. The Snake is 1,033 miles long and the principal tributary of the vast Columbia River system, which is second in the country only to the network formed by the Missouri and Mississippi.

The Snake is primarily a wilderness river, more so than any other stream in the Nation. It drains our last great frontier. Its basin, though twice as large as the State of New York, contains considerably fewer people than the city of Buffalo. The biggest population center in the basin is Boise, the Idaho capital, with 21,500 inhabitants. There are about 4 persons per square mile in the Snake River basin; in Massachusetts each square mile

mile in the Snake River basin; in Massachusetts each square mile

with 21,000 innabitants. There are about a persons per square mile in the Snake River basin; in Massachusetts each square mile has 528 persons, and even in rural Iowa there are 44. From its origin just west of the Continental Divide to its meeting with the Columbia, the Snake flows through a lonely hinterland.

After rising near Yellowstone National Park, it courses through Jackson Hole in Wyoming and then rushes toward Idaho in a chasm half a mile deep. The chasm bisects the Teton Range and is called the Grand Canyon of the Snake River—a name conferred by men who knew nothing of the infinitely greater canyon 600 miles downstream. Continuing into Idaho, the Snake cuts a wide valley for 65 miles and then flows on to the soil-mantled rock of the Snake River Plain. Here is one of the principal irrigated sections of America. Four million acres need only moisture to produce almost any crop. Two Federal dams span the river and plenish the canals which crisscross the 120,000 acres of the Minidoka potato and beet-sugar project. This important chore requires huge draughts of water, but the hard rock underneath the reclaimed land returns to the river nearly all the water used. So the Snake as it leaves its peaceful plain is at full force for the grim business ahead. grim business ahead.

grim business ahead.

It moves faster now. Into it pour the Thousand Springs, the outlet of prehistoric creeks that got lost beneath the lava ages ago. These subterranean streams constantly add to the Snake enough water to provide each inhabitant of the Nation's cities with 120 gallons a day. At the hamlet of Milner the river begins a gorge through the basalt plateau. By this time it is a chute of foam plunging over a succession of cataracts and crashing down the 212 feet of Shoshone Falls.

At Huntington it touches the Oregon boundary. Here the outlying palisades of the Wallowas and Seven Devils begin to enclose the waterway. Passengers on the Union Pacific get a tantalizing glimpse of the head of the canyon as its trains clatter across the

Snake and use two locomotives to climb out of that frowning terrain. Sixty miles down the river from Huntington the practically deserted mining colony of Homestead is the lone settlement along this wildest stretch of all. Below Homestead the ever-rising slopes straighten into the crags of Hell's Canyon. This is the river's supreme achievement.

Hell's Canyon falls away near the Idaho town of Lewiston.

There the river, at last free of its granite and basalt shackles, flows westward across 141 miles of Washington wheatland. At its end-

westward across 141 miles of Washington wheatland. At its ending in the Columbia it is a mighty waterway with a greater average flow than the Colorado or the Rio Grande. The rivers meet about midway between the huge dams which the Government is constructing on the Columbia at Grand Coulee and Bonneville. How little do we know about this country of ours! No room for the German refugees, we say almost categorically—yet the Federal Government owns more than half the land of the vast State of Oregon. Are the unemployed going to be on our backs forever? we ask in despair; yet Grand Coulee Dam will make fertile a potential farming section twice as large as Rhode Island. There is no place for the surplus population to find sanctuary, we lament—yet the national forests alone in the Snake River Basin are as big as the whole State of Maine, and one rural county in Washington with a whole State of Maine, and one rural county in Washington with a handful of inhabitants is as big as Delaware, Connecticut, and Rhode Island combined—and there are 10 people a square mile in Oregon and 6 in Idaho, against 537 in New Jersey and 214 in Pennsylvania

White space on the United States census maps means fewer than two persons a square mile. The only white space east of the Mississippi River is a tiny patch indicating the swampy Everglades of Florida. But white space almost predominates in the great basins which the Columbia and Snake Rivers have carved in the Pacific Northwest. In these pages not long ago Carl Dreher wrote that the outpost regions, always an avenue of escape from the dilemmas of civilization, have been closed. Yet Congress recently authorized Secretary Ickes to open for settlement in the far West 5-acre tracts of public land equal in aggregate size to the State of Texas; and the Secretary has just quarreled with the Governor of Washington over whether a new national park shall encompass a million or only 600,000 acres. Perhaps the frontier is gone as the force in our national development which Frederick Jackson Turner considered it—yet can we wholly forget that the wilderness is still so boundless that in it many of our geographers and encyclopedists have lost track of the deepest canyon in America, if not on earth? White space on the United States census maps means fewer than have lost track of the deepest canyon in America, if not on earth?

Only once did the most famous exploration in American history ever turn back. That was when Lewis and Clark encountered the "miles of white water and snow-covered mountains" of the Salmon River Canyon, which enters the Snake in Hell's Canyon. "This formidable barrier." as Captain Clark called it, proved too much for formidance parrier, as Captain Clark caned it, proved too much too them. Wearly they climbed out of the main tributary of the Snake and sought another route through the fastnesses. They finally reached the Snake itself near Lewiston and paddled down it to the Columbia. Hungry and exhausted, they sent Sgt. John Ordway up the river to look for fish and the roots of kouse plants. He was the first white man to see Hell's Canyon. Meriwether Lewis, in that autumn of 1805, had been the first to see the river and Captain Clark named it for him. But today other rivers honor the explorer's name, and whether the Snake is named for the Snake Indians or because of its serpentine windings no one is certain.

Not so many years ago a hunter on the river unearthed the great frontiersman's branding iron:

US Capt. M. Lewis

John Jacob Astor corresponded with Jefferson and read the journals of Lewis and Clark. He decided that it might be profitable to

John Jacob Astor corresponded with Jefferson and read the journals of Lewis and Clark. He decided that it might be profitable to own a string of trading posts between the Plains and the Far Northwest. The Pacific Fur Co. was organized and Astor dispatched a ship, the Tonquin, to the mouth of the Columbia by sea.

The principal party of 64 men he sent overland in 1811 under the leadership of Wilson Price Hunt, who was in charge of the venture in the field. This was the first push toward the sundown after Lewis and Clark. The trek was uneventful until the party stood on the banks of the Snake River. Against his better judgment, Hunt agreed to follow the churning waterway to the Columbia. It was a fatal blunder. Near the present village of Milner the expedition lost five canoes and its best voyager, Antoine Clappine. A Scotchman, saved by clutching at a rock, named this vortex the Caldron Linn, meaning boiling water.

The adventurers continued on foot. Uplands turned into mountains and the men were in Hell's Canyon. The bluffs became so steep they could not get down to the river for water. They dropped kettles on ropes, an experiment which frequently failed. When they tried to follow the Snake, "it passed through such rocky chasms and under such steep precipices that they had to leave it and make their way, with excessive labor, over immense hills, almost impassable." It was a winter of famine, the Indians said, and the men were driven to munching on moccasins and beaver pelts. Once they were spared starvation only by a channe shot that killed a bighorn sheep. The Devil's Scuttle Hole they called a particularly ominous part of the cleft, and Ramsay Crooks, who years later became president of the American Fur Co., attempted to lead a handful of men over the wall of this dreadful place. After a day of slippery climbing the famished wayfarers "found they were not half way to the summit, and that mountain

upon mountain lay piled beyond them in wintry desolation." They crawled back into the chasm.

A third of the way through Hell's Canyon, Hunt disconsolately gave the order to turn back. He had lost two more members of the party and a third had gone mad. Others refused to brave the chasm any farther. Astor's hopes and plans never survived that ordeal. The morale of the expedition was gone. The men who eventually reached the Pacific Ocean in February of 1812 were not the confident voyagers who 5 months earlier had neared the Caldron Linn. Disaster capped disaster; the crew of the Tonquin was massacred by Indians and the stockaded settlement was finally

Caldron Linn. Disaster capped disaster; the crew of the *Tonquin* was massacred by Indians and the stockaded settlement was finally abandoned. Today Astoria, at the mouth of the second greatest river of the United States, is a salmon-fishing colony. For 20 years after Wilson Price Hunt's tragic journey no white men peered into Hell's Canyon. Then westward trudged a romantic, vagabonding army officer in the fur trade, Capt. Benjamin L. E. Bonneville, on whose possible secret military mission Bernard De Voto speculated some months ago in this magazine. It was characteristic of Bonneville that he wanted to find out for nard De Voto speculated some months ago in this magazine. It was characteristic of Bonneville that he wanted to find out for himself if Hell's Canyon could not be made a route to the Columbia. Yet he confessed to trepidation when he saw the Snake twisting between "tremendous walls of basaltic rock that rose perpendicularly from the water edge, frowning in bleak and gloomy grandeur." Two horses stumbled in swift eddies and were swept away; the riders saved themselves by grabbing hold of rocks. The cliffs loomed higher and steeper, in places overhanging the river. At last Bonneville, like Ramsey Crooks before him, tried to climb over the walls, and after ascending to what appeared to be the summit, "found the path closed by insurmountable barriers." Daylight showed Bonneville and his followers that "although already at a great elevation, they were only as yet upon the shoulder of the mountains." For the first time in his life the soldier of fortune admitted discouragement. He led the way back into the gulf in search of another exit. search of another exit.

A week of struggle and effort eventually got the party out of the canyon. As he sat on the last rim and looked down on the Snake far below and remembered 4 years of wandering across the

Shake far below and remembered 4 years of wandering across the Nation, Bonneville wrote in his journal:

"The grandeur and originality of the views presented on every side beggar both the pencil and the pen. Nothing we had ever gazed upon in any other region could for a moment compare in wild majesty and impressive sternness, with the series of scenes which here at every turn astonished our senses and filled us with

That was the end of Hell's Canyon as a way to the rich valleys of the Oregon country. The oncoming settlers shunned it, and the covered wagon trains forded the Snake above Huntington and creaked away from the Wallowas and the Seven Devils. A few bold pioneers traveled to the head of the canyon but none attempted to pick a trail through its depths. Some called the cleft Box Canyon and others referred to it as the Seven Devils Gorge, but mostly they spoke of it as Hell's Canyon and agreed that the name was appropriate.

A century has passed since the days of Bonneville, yet the canyon of the Snake River is still remote and difficult of access.

Only about 175 people live in the hinterland between Homestead

Only about 175 people live in the hinterland between Homestead and Lewiston. Some of these are ranchers back in lonely draws in the hills. Others are cowpunchers with scattered herds of cattle to watch. Along the river itself a prospector here and there sifts the gravel bars for gold which Mr. Roosevelt's government will buy at \$35 an ounce. On narrow flats in the upper canyon an occasional dilapidated barn or gaunt cabin tells where a settler retreated before so hostile an environment.

Some of the backwoods inhabitants have radio sets operated by atteries, but it is 100 miles to the nearest doctor and as far to a

Some of the backwoods inhabitants have radio sets operated by batteries, but it is 100 miles to the nearest doctor and as far to a store bigger than the 2-by-4 tobacco and bean counter which Bill Rolfing keeps in the post office at Homestead. A sure-footed pony can cut down the distance. The W. P. A. Guide for Idaho blames the inaccessibility of the section for the fact that the Seven Devils Range, "potentially one of the richest mineral regions in the world,"

has yet to be tapped for its resources

There is no railroad. About a decade ago the people of Lewiston began clamoring for rail connections with the lower part of the State. Why not a line through Hells Canyon? The Union Pacific made a survey and learned that a right-of-way, if it could be hewed out of the rock at all and maintained between avalanches from above and sudden rises in the river from below, would cost \$198,434 a mile. This initial investment was prohibitive, decided the Interstate Compares Companies. the Interstate Commerce Commission.

the Interstate Commerce Commission.

If there are no rail lines, automobile roads are not much better. Down the Oregon bank to Homestead a careful driver can get, and even a few miles farther on a narrow road, to the abandoned Red Ledge Mine. Over the Idaho wall opposite Homestead a spine-tingling road creeps. It is wide enough for one car. There is no railing. In several places where it is 2,000 feet above the river the road switches back sharply; the motorist must reverse a few feet to make the turns, with his gasoline tank and spare tire hanging out over space. This is not a pleasant drive.

Other methods of getting about are similarly circumscribed. The region is without level tracts that might serve as airplane landing fields. "Never again!" swore the World War aviator who in 1927 flew the length of Hell's Canyon taking aerial photographs for the Union Pacific.

for the Union Pacific.

River travel is equally hazardous. Under favorable water conditions a pair of experienced boatmen, Press Brewrink and "Cap" MacFarlane, can coax their flat-bottomed *Idaho* 95 miles upstream from Lewiston. There, beneath slopes more than a mile high, the rocks block further navigation. On a sandy bar the *Idaho* unloads its cargo of mail and supplies for prospectors and settlers and scoots back to civilization. Other rivermen have not attained this comparative success. Several boats have been lost in the Snake in recent months. Amos Burg twice had his canoe sloshed out from under him on his trip through the chasm. Two engineers from under him on his trip through the chasm. Two engineers drowned when a railroad survey was made. The Salmon River, also in a cleft deeper than the Grand Canyon, is even more unmanageable. It is called "The River of No Return" because of the impossibility of bucking its current. A National Geographic Society expedition termed it "the wildest boat ride in America."

Even on foot this wilderness is traversed with difficulty. Listen to the leader of the railroad survey as he testifies before the Interstate Commerce Commission: "Little that is good and much that is bad can be said of the river and ravine trails. For the most part they are extremely narrow, winding difficult, steep, and

part they are extremely narrow, winding, difficult, steep, and ill-kept."

ill-kept."

A hundred years earlier Wilson Price Hunt had told Washington Irving almost the same thing about the Indian paths. That suggests how superficially time has touched Hells Canyon. This remarkable abyss is virtually unknown even to people living comparatively nearby. Sixty miles away at the Cornucopia gold mine, the girl who kept books said she had heard vague talk of a great chasm beyond the Wallowas. Had she ever been there? She shook her head. Had any of the men at the mine? She knew of none.

none.

All over the Northwest the story is the same. In the Oregon town of Baker, 105 miles from the canyon, the men playing cards in the biggest pool hell in town had scarcely any idea where it was. And, buying post cards in a Baker drugstore, another newspaperman and I assumed heroic stature in the clerk's estimation when with proper modesty we admitted to him that our tattered appearance was the result of a trek to Hells Canyon.

This wilderness has a folklore all its own. There is the yarn of the Squaw Creek hermit who fed his chickens on flour and water until they were blinded by paste—and the fable of the deer on Studhorse Creek that knew so little about men that a hunter could measure them with a tape before shooting.

And in Homestead, Bill Rolfing told me about the "wheelbarrow woman." A middle-aged woman had come down the rutted road from Huntington lugging a massive bundle. She had set it down in the dust and gone back up the road for another just like it.

in the dust and gone back up the road for another just like it.

That was more than Bill could stand. He resurrected a rusty wheelbarrow from his cellar and presented it to her. She disappeared in

barrow from his cellar and presented it to her. She disappeared in the fastnesses on the Oregon shore.

Twelve miles down the Snake from Homestead, Forest Ranger Robert Harper pointed across the river. On a sloping bench of Hell's Canyon a cabin perched precariously. "Who lives there?" I asked. Harper pointed again. Across an open space on the bench—I swear it—a woman pushed a loaded wheelbarrow. After that I was ready to believe the story about the prospector in the Salmon River Canyon who had conferred with Captain Meriwether Lewis the pright before election and heen advised to yote a straight. Lewis the night before election and been advised to vote a straight

Democratic ticket.

Democratic ticket.

How do these people vote? The Smith Mountain precinct in Oregon gave 22 votes to President Roosevelt, 3 to Mr. Landon, 1 to Mr. Lemke, and none to Mr. Thomas. It voted for a public power bill 10 to 8, and endorsed the Townsend plan, 11 to 6. Although overwhelmingly for the President, it inconsistently approved, 12 to 2, an antilabor initiative measure which the A. F. of L. claimed would destroy trade-unions in the State. At the Iron Dyke precinct in Homestead, with a smattering of labor sentiment left over from the bygone mining days, sentiment for Mr. Roosevelt was about the same; but the public-power scheme and the Townsend plan were voted down and opinion on the antiunion bill was equally tlivided. Across the canyon in Idaho the backwoods voters of the Cuprum precinct favored the President over the Governor of Kansas, 33 to 8, and gave Senator Borah a 5-to-2 majority over his Democratic opponent.

over the Governor of Kansas, 33 to 8, and gave Senator Borah a 5-to-2 majority over his Democratic opponent.

Foreign affairs are not discussed with particular zeal by these people. After all, the dark pit below White Monument seems a long way from Seattle and Portland and Salt Lake City, let alone Berlin and London and Shanghai. I would not like to be the recruiting officer who has to convince Herb Potsch that he must sail for Europe to defend his canyon shack on Deep Creek from Esseign aggression.

Fascist aggression.

Fascist aggression.

Yet perhaps the dwellers in the hinterland are not so different.

As Fenton Whitney and I walked down toward the Snake at night, a radio blared loudly in one of the four or five farmhouses in Homestead. We listened. From New York City over a national hook-up a synthetic cowboy was singing Home on the Range.

As soon as winter relaxes its grip on Hell's Canyon the National Park Service will begin an investigation of the region. Should the canyon and the adjacent territory be added to the Nation's public parks? If the report of the service is favorable, Senator McNary, of Oregon, will sponsor a bill in Congress. Borah may help him. Both these men are ardent conservationists, and both are extremely influential. McNary is the Republican spokesman. They may have the assistance of the President, for Mr. Roosevelt likes the hinterland. likes the hinterland.

But should Hell's Canyon be a national park? Why not leave this bit of unknown scenic splendor for those willing to be incommoded to see it? Who wants it cluttered up with professional tourists, tired businessmen, junketing politicians, knicknack peddlers, and glamour girls and boys? Surely it merits a happier fate than that. The acquisitive instinct is powerful, but Bill Rolfing assured me emphatically that he has no desire to turn his country assured me emphatically that he has no desire to turn his country store into a tourists' hotel. Idaho has Sun Valley; Oregon has the sumptuous Timberline Lodge which Mr. Hopkins' W. P. A. built for the wealthy; let these resorts take care of the dude ranchers and the sightseers and the Tyrolean-clad ski artists. Why not leave the Snake River and its chasm for those who would see the West almost as it was when Lewis and Clark arrived? The Forest Service has just set aside 223,000 acres on Eagle Cap above the canyon as a primitive area to be untouched by man; only enough trails for forest-fire protection will invade it.

Eventually, to be sure, Hell's Canyon will probably be a national park. There is something to be said for the argument that America's natural wonders should be available to everyone. I have a hunch, however, that the forthcoming report this summer may be adverse. Railroad connections are 50 or 60 miles away over rugged terrain, and adequate highways would require generous chunks of public money. Washington is not in a spending mood right now unless the spending pertains to national defense; and Hitler can hardly be said to have Freeze-out Saddle as his next objective.

as his next objective.

For a while, at least, Hell's Canyon will probably remain a sort of American Erewhon, tucked away beyond the ranges. Yet what a paradox this is. The palisades of the Hudson, the Virginia Natural Bridge, a dozen other scenic centers would be only rock deformations down there among that dark conglomeration of bluffs and crags and hills and mountains. From the last rim the Snake and crags and hills and mountains. From the last rim the Snake looks like a rivulet, like the river one sees on a panoramic map made from an airplane flying high. How could the Nation have overlooked this mighty cleft, particularly when it was discovered and explored at so great a price in suffering? Down there is where the frontiersmen struggled and froze and starved and turned back. And down there the champing waterway is still at work on

On windless days the only sound from Hell's Canyon is the roar, faint and far off, of the mountain river, gnawing at the rocks

the earth spewed up long ago.

We Can Have Neutrality if We Are Willing to Pay the Price for It

EXTENSION OF REMARKS

HON, LOUIS LUDLOW OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

Mr. LUDLOW. Mr. Speaker, in considering neutrality legislation I take it that the first and most important question we should ask ourselves is, How deeply and sincerely and earnestly do we desire to keep America out of war?

It is one thing if we are just benevolently disposed and altruistically inclined and would like to avoid war, provided it is not too inconvenient to do so and does not impinge too

much upon our pocketbooks.

It is another thing if we are really determined to save America from the horrors of another war and have an inflexible will and an iron purpose to accomplish that end, even to the extent of being willing to sacrifice the profits of commerce with belligerents to keep America at peace with the world.

Unfortunately, there are too many people tied up with various interests who would like to see America kept out of war, with a reservation, the "but" being, "But, of course, we would be foolish to turn our backs on the trade and financial advantages that will come to us when other nations get to

The person who takes that view of our neutrality reminds me of the tightwad at a charity meeting who closed a resounding speech, pouring out sympathy for the underpriviledged and unfortunate, by proposing "three cheers for the poor," but failed to drop anything in the plate when it was passed around.

The contribution to the cause of peace of the type of neutrality advocate referred to is just as worthless as that flamboyant orator's contribution was to the cause of charity.

We may as well make up our minds right now that we will never have any guaranty of isolation from war unless we are willing to pay for it. What is the first fundamental proposition to be considered in writing neutrality legislation? We are not going to have freedom from war unless we are willing to give up the trade profits that drag us into war. We cannot have our cake and eat it, too. We can, in my opinion, have a very great measure of insurance from war if we make up our minds now that we will forego the captivating trade opportunities that first lure, and then betray us when war comes.

After all, is it not better to give up millions in war profits, if need be, without the surrender of a single life, rather than go into a war that will cost billions in money, the deaths of untold numbers of our fine young men, and that may mean the destruction of our free government? Surely it does not require the vision of a seer to see the best end of

that bargain.

There are several outstanding neutrality proposals vignetted on the legislative calendar at the present time and a brief discussion of each of them may be in order. First, I would mention the bill of Senator Thomas of Utah, because I think it is the most unreasonable of all and the one that should be most quickly disposed of. His bill, in substance, would permit the President to name the aggressor in a war between two or more foreign countries and to apply embargoes in accordance with his judgment or desires. This bill is unthinkable.

It would take the war power right out of the hands of Congress and place it in the hands of the President, who already has too much power in respect to making war. power to fix the guilt of a foreign nation is too dangerous a power to exercise unless we are ready to follow it up immediately with our battalions and battleships. The Thomas bill would open a sure and quick way to involve the United States in war and it is a grotesque misnomer to call it a neutrality bill. It should be called "a bill to put the United States into every war that may arise in the future."

Then there is the bill of Senator PITTMAN, of Nevada, chairman of the Committee on Foreign Relations, which, to my way of thinking, is almost as bad as the Thomas bill.

To be sure, the Pittman bill does not make the mistake of trying to name the aggressor, and on its face it does appear to be impartial, but its impartiality is only superficial. It opens up unrestricted trade to belligerents on a "cash-andcarry basis," the title to the goods to pass to the purchaser before the goods leave the water's edge. What this bill would do, therefore, would be to make the United States the ally of Great Britain, France, and Japan, because those are the nations that have the ocean carrying facilities to come to our shores and get our products. Many Americans sympathize with Great Britain and France, but how many sympathize with Japan, and want to help her in her atrocious and barbarous warfare? The Pittman bill is not a neutrality bill. In fact, it is a very unneutral bill. In framing it I fear the author was influenced by his very well-known and extreme predilection in favor of Britain and France.

A vast trade in war supplies, built up with a belligerent. would be a tremendous force to upset the neutrality of the United States. It would have the power of a million hawsers, pulling America into war on the side of the belligerent, with whom our citizens have these favorable trade relations. It is nothing more nor less than human that the beneficiaries of such trade would bear down upon our Government to protect their enormously profitable business, and all of this would add to the complexities of maintaining a status of neutrality, and would certainly enhance the probability of America becoming involved in war. The Pittman bill would expose American neutrality to too many dangers to be seriously considered.

Another proposal, equally untenable in my opinion, is that of Senator King, of Utah, who proposes to repeal all neutrality legislation outright and to rely upon international law.

The best reply to proponents of this suggestion is that there was no neutrality legislation on the books 20 years ago, but that did not prevent us from being dragged into the World War. Our nationals had their rights of the ocean under international law, and by asserting their rights under the doctrine of the freedom of the seas, we became involved in the World War. A mere laissez faire attitude of falling back on international law will not keep us out of future

Because I think it is of the highest importance that we shall have real neutrality legislation with teeth in it that will protect America and keep us out of foreign entanglements, I introduced on January 3, the opening day of the present Congress, House Resolution 163, of the Seventy-sixth Congress, which reads as follows:

A bill to establish the neutrality of the United States

Be it enacted, etc., That upon the outbreak of war between two or more foreign nations the President shall issue a proclamation forbidding (1) exports of all kinds and (2) loans and credits to said belligerent countries or to the nationals of said belligerent countries. Said prohibition shall be made effective in a similar way by proclamation against nations that may enter the war subsequent to its outbreak and the nationals of said nations and to factions engaged in civil war. factions engaged in civil war.

SEC. 2. The penalty for violating such proclamation shall be a fine of \$10,000 or imprisonment for not more than 5 years, or both. SEC. 3. No vessel of American registry shall be chartered or used to transport goods in violation of the President's proclamation forbidding said shipments, and the penalty for violation of this section shall be cancelation of the registration of said vessel.

SEC. 4. Upon the outbreak of war between two or more foreign

nations the President shall issue a proclamation notifying American citizens that travel on the vessels of belligerent nations shall be at the traveler's own risk: *Provided*, That the notification shall not apply to a citizen on a voyage begun in advance of the date of the President's proclamation, if he has had no opportunity to discontinue his voyage after that date.

SEC. 5. Whenever during a war between two or more foreign nations it shall come to the notice of the Secretary of Labor that any alien is engaged in the United States or any possession thereof in propaganda activities other than the legitimate exercise of free speech and by such activities is seeking to win the favor of the Livited States for one or more of the bulliarrents or otherwise to United States for one or more of the belligerents, or otherwise interfere with the position of neutrality of the United States, the Secretary shall immediately order the arrest of said alien and shall as soon as practicable deport him to the country from which he came.

SEC. 6. Recruiting in the United States in behalf of any belligerent foreign nation is forbidden. The penalty for violating this section shall be a fine of \$10,000 or imprisonment for not more than 5 years, or both.

SEC. 7. Whoever (1) disguises the identity of a consignor or (2) camouflages the nature or the destination of goods intended for ultimate delivery to a belligerent nation or to nationals of a belligerent nation shall be subject to a fine of \$10,000 or imprisonment for not more than 5 years, or both.

If we are sincere, as I am sure 99 percent of the people of our country are, in desiring to erect every safeguard to keep America out of war, here, I believe, is a bill that merits the very closest scrutiny. I am confident it would do more than any other neutrality bill that has been proposed to keep us free of foreign entanglements. On the outbreak of war it would be mandatory, under this bill, for the President to issue a proclamation forbidding (1) exports of all kinds, and (2) loans and credits to both or all belligerents.

There are many supplies and manufactured articles, not strictly munitions, which a nation must have to carry on a war, and the export of these articles, as well as arms and ammunition, to belligerents, would be forbidden by my resolution. It is a notorious fact that enormous quantities of scrap iron furnished by the United States to Japan have been a great factor in enabling that power to carry on its unconscionable and atrocious warfare in China.

Are we willing to pay the price of peace which my bill requires? That is a question for the Foreign Affairs Committee and the Congress to consider. As I stated at the beginning, we cannot have our cake and eat it, too. cannot have peace and freedom from foreign imbroglios unless we are willing to do what is necessary to obtain that peace and freedom.

In conclusion I hope that, with proper modesty, I may quote briefly from an editorial printed a few days ago in the Fort Wayne News-Sentinel, one of the leading newspapers of our State, a newspaper which I respect highly, though it is not of my political faith. The editorial says in part:

One and only one bill before the Congress at this time (or more accurately speaking) before the House Committee on Foreign Affairs, has even a reasonable probability, if enacted, of assuring American neutrality in a foreign war. That bill (H. R. 163) was introduced last January 3 by Representative Louis Ludlow, Democrat, of Indiana.

If it is neutrality the American people want, then they should by all means demand that their Congress enact H. R. 163. No other pending measure so simply, clearly, and straightforwardly provides for American neutrality, makes a policy of neutrality mandatory upon the people and their President, and thereby lessens the risks

of all that war must mean.

The Manganese Situation in the United States

EXTENSION OF REMARKS

HON. CHARLES I. FADDIS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 19, 1939

LETTER FROM J. CARSON ADKERSON AND COMMENT THEREON

Mr. FADDIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from J. Carson Adkerson, of the American Manganese Producers' Association, of which I received a copy, and of which I presume other Members of the House received one also, and my remarks upon the same and an analysis of its contents:

Comments by Hon. Charles I. Faddis, of Pennsylvania, on J. Carson Adkerson's Letter to the Chairman of the Military Affairs Committee of the House, Dated March 28, 1939

AFFAIRS COMMITTEE OF THE HOUSE, DATED MARCH 28, 1939

Your attention is called to a letter to the Honorable Andrew J.
May, chairman of the Military Affairs Committee of the House, dated March 28, 1939, and signed by J. Carson Adkerson, president of the American Manganese Producers Association. This letter has been circulated to Members of Congress with the intent and purpose again to mislead this honorable body into unwise and unsound legislation regarding strategic materials. I have been a Member of this body for more than 6 years, during which time I have been vitally interested in our deficient mineral problem. I have on more than one occasion come in contact with Mr. Adkerson and his American Manganese Producers Association, so I speak with some authority when I say that, in my opinion, this is one of the most vicious lobbies existing in Washington. It has cajoled Congress into unwise legislation on manganese that has cost the American public some \$70,000,000 in a futile attempt to develop a domestic manganese industry by the imposition of a heavy import duty.

The time has come when the American public should be informed as to the real facts regarding Mr. Adkerson's lobbying activities. I shall shortly present a careful analysis, paragraph by paragraph, of Mr. Adkerson's letter to Mr. May, which will show that it is nothing more than a mass of misleading propaganda. Before doing this, however, I should like to review briefly the previous activities of the so-called domestic manganese producers in order that you may properly appraise this most recent outburst.

Many of you recall the sad plight of the United States during the last war when the inadequacy of domestic resources of manganese ore was so clearly demonstrated. Under exorbitant and unprecedented prices, domestic producers were able to supply but 35 percent of wartime needs, and this material was of such inferior grade that the technique of steel making had to be revised in order to use it. Despite the extraordinary ingenuity of American metallurgi Your attention is called to a letter to the Honorable Andrew J.

metallurgists we were forced to reduce the quality of steel required for munitions purposes, and had we not been able, with great difficulty and expense, to draw on Brazil for greatly expanded tonnages, American industry would have collapsed and been unable to supply the munitions needed to prosecute the war successfully. After the war, millions of dollars were paid by the Government to the wartime producers under the War Minerals Relief Act. erals Relief Act.

erals Relief Act.

With the resumption of normal conditions in trade after the close of the war, prices returned to normal and with it the uneconomic, domestic wartime manganese industry. Domestic producers came to Congress with a plea for a tariff to sustain their alleged industry. They made most extravagant claims as to the possibilities of domestic production under the proposed protection. Congress was misled by their plea, and in the Tariff Act of 1922 provided an import duty of 1 cent per pound on the manganese content of foreign ores imported into this country. During the following 6 years, 1923–28, there was no appreciable increase in production, the total domestic output amounting to less

than 9 percent of our total requirements of high-grade manganese ore and to only 5 percent of that type of ore required for the manufacture of ferromanganese, which is by far the most important alloy used in the manufacture of steel. Despite this failure of the domestic producers to make good their promises, Adkerson requested that the duty be still further increased to 1½ Adkerson requested that the duty be still further increased to $1\frac{1}{2}$ cents per pound, in the hearings on the Tariff Act of 1930. Again extravagant claims were made as to what the domestic industry could do under proper protection. While Congress did not grant all of Adkerson's request at this time, it did extend the previous import duty to ores heretofore exempted.

Results under this increased protection were equally disappointing. Domestic production of high-grade ore decreased from 62,695 tons in 1929 to 20,079 tons in 1932 and increased to only 42,584 tons in 1937, notwithstanding the fact that prices had increased substantially in the latter year. In the 4 years, 1934-37, domestic mines contributed only 1 percent of the ore used in the manufacture of ferromanganese.

facture of ferromanganese.

facture of ferromanganese.

In negotiating the reciprocal-trade agreement with Brazil, the Government finally recognized the futility of attempting to develop a domestic manganese industry by tariff protection and accordingly reduced the duty 50 percent, the maximum cut allowable under the law. Immediately the country was flooded by misleading propaganda from Adkerson's manganese lobby, so victous that eventually the patience of even our forbearing Secretary of State was exhausted, and he was prompted to issue publicly a stinging rebuke to Adkerson and his henchmen, as will be shown later.

The foregoing comparison of promises and performance on the part of the domestic manganese producers would seem to indicate they are either individuals too visionary to face the realities of their situation or individuals engaged in a ghoulish attempt to loot the United States Treasury, either of which would be sufficient grounds for denying them further consideration from the Congress.

In the hearings recently conducted by the Military Affairs Committee of this House domestic producers were given every opportunity to present their case. Some of the witnesses presented clearcut, honest statements without any intent to deceive. A careful study of the record, however, unfortunately reveals that once again Adkerson is up to his old trick of attempting to influence Congress by misleading and false information. Fortunately for the American public they were not successful in this latest effort, as the committee decided that this bill should be framed as an honest nationaldefense measure and not as an undercover means of providing addi-tional subsidies to Adkerson and his greedy crowd. Having failed in dissuading the Military Affairs Committee from pursuing their patriotic duty, he is now engaged in still another program in an attempt again to cajole the Members of Congress into unsound

action.

Careful analysis of Adkerson's activities and his present letter to Mr. May does not indicate that he is a naive or visionary individual unwilling to face realities, but does indicate that he is a propagandist deliberately intent on disseminating misinformation. I singardist deriberately intent on disseminating misinformation. I sin-cerely hope that the Members of this Congress will not be misled by his false and inaccurate statements, but that they will take action to discredit Adkerson and his lobby before the bar of public opinion in order that we may be forever rid of his sinister influence. The following comparison of Adkerson's statements with the real facts adequately supports this request:

J. Carson Adkerson's letter

The expenditure of \$100,-000,000 for strategic minerals should accomplish a twofold purpose. 1. Build up a stock pile. 2. Develop American re-sources. The Faddis bill, H. R. 5191, will not do this. Comments

It is true that the bill has a dual purpose, but it will be noted that the primary objec-tive is "to provide for the com-mon defense." The primary requisite for this purpose is the requisite for this purpose is the immediate acquisition of stock piles, and sections 2 to 6, inclusive, of the bill are designed to accomplish this. Section 7 provides for an investigation of domestic resources of deficient minerals by the Secretary of the Interior with a view to developing ways and means of supplies. ing ways and means of supple-menting stock-pile supplies from domestic resources in the event of an emergency, and to explore the possibilities of encouraging peacetime development of our domestic resources. Nothing should be injected into this bill that would limit its effectiveness as a national-defense measure.

If the bill, in its present form, becomes a law, it is most likely that at the end of the first year the United States Government will be out \$100,000,000 and still there will be no larger stock pile of managenes in the stock pile of manganese in the United States than now exists.

The insinuation in this paragraph of Adkerson's letter is that the Government departments responsible for advocatments responsible for advocating this bill in the interests of national defense would be so negligent as to permit the expenditure of the funds mentioned without advancing the cause of national defense in any way. This insinuation is so conJ. Carson Adkerson's letter-Continued

Comments-Continued

MANGANESE—continued

Testimony before your committee shows that stocks of manganese ore in United stocks of n United States Government bonded warehouse yards on November 30, 1938, amounted to 851,879 30, 1938, amounted to 851,879 long tons, and that privately owned stocks, on which the duty had previously been paid, would bring the total tonnage of foreign manganese now within the United States to well over 1,000,000 tons. This is the largest stock pile of manganese in the history of the United States.

If \$100,000,000 is made available the first year, it would simply mean the transfer to the Government of 554,000 tons of manganese ore already in the United States and now owned by steel companies, and at the end of the year the net result would be no actual increase of stocks of manganese in the United States; the steel companies would have the American taxpayers' money; American manganese mines would conmanganese mines would continue idle; the United States Government would carry the bag for American steel com-panies; and still there would be no adequate national defense. temptible as to require no fur-

It is true that consumer stocks of foreign manganese ore at the present time are unusually high, but this is due largely to the sharp decline in consumption as a result of the industrial recession in 1938. Adkerson carefully refrains from stating that in 1936, the year of stating that in 1936, the year of substantial activity in the steel industry, domestic stocks of manganese ore dropped to 366,-381 tons, the lowest point in many years. Even in this year the steel mills were running only at about 70 percent of canacity. capacity.

Adkerson's statement is an excellent example of intentional misinterpretation of the purpose of the bill. The object of the legislation is to increase the supply of certain proven deficiency materials in the United States. If the executive depart-States. ments charged with the administration of the provisions of the bill should be so lacking in intelligence and derelict in their duties as to purchase materials already available in this country without adding appreciably to that supply, then the na-tional defense is in the wrong hands. Adkerson's argument, therefore, is of no practical significance. Moreover, if the extravagant claims made by him and other domestic producers in the committee hearings as to the possibilities of developing domestic resources are true there would be no reason for including manganese ore as of strategic importance; but the United States industry uses 20 percent of the world's produc-

cent of this ore so used. The zeal with which Adker-The zeal with which Adkerson is now attempting to divert this \$100,000,000 to his alleged domestic producers is hardly consistent with his testimony. His statement, "American manganese mines would continue idle," infers that many manganese mines in the United States have recently been forced to dispare to the control of have recently been forced to dis-continue operations. The facts continue operations. The facts are that in 1937, notwithstanding the 50-percent cut in import duty imposed in 1936, pro-duction of domestic manganese ore was higher than in any year since 1930. It should be noted, however, that only about 4 per-cent of the national industrial requirements of high-grade ore in 1937 was supplied by domes-tic mines, and during the past 10 years only 7 percent has been obtained domestically in spite of substantial tariff subsidy. These figures show conclusively that for all practical purposes a manganese industry is nonex-istent in the United States.

tion of manganese ore of ferro

grade and imports over 90 per-

With reference to the rotation provision carried in the bill, witness for the Navy De-partment testified before your committee that the purpose of this was to replace manganese in stock pile to avoid "deteriora-tion." The net result of this provision would be to permit Here again Adkerson is engaging in the questionable art of deception at which he is so adept. The record shows clearly that the rotation provisions of this bill were inserted solely for the purpose of safe-guarding stock piles of rubber, silk, and other perishable nonJ. Carson Adkerson's letter— Continued

Comments-Continued

ROTATION—continued

the same steel companies, from time to time, to buy back from the Government this same manganese, presumably at greatly reduced prices, to avoid this so-called "deterioration." It might be added that man-ganese does "deteriorate," but just the same as iron ore and pig iron, or building brick and building stone, will deteriorate.

mineral strategic commodities. Adkerson's loose statement is directed at impeaching the in-tegrity of responsible Govern-ment officials rather than pro-viding the Congress with useful and helpful information. This is typical of the Adkerson technique. Time and again responsible Government officials who have refused to be bludgeoned into supporting his scandalous into supporting his scandalous program for robbing the Public Treasury have been accused of partiality to the "steel inter-ests" or the "international bankers" or, as in this present letter, "followers of an 'interna-tional control of minerals group who are definitely on record as seeking development of manganese resources in forof manganese resources in for-eign countries and suppressing developments in the United States." It is regrettable that certain Members of this Con-gress have allowed themselves to be misled into this program of vilifying honorable and patriotic Government experts.

WAR DEPARTMENT WILL ADMINISTER

Your report says that the War Department may be depended upon to administer the act fairly. However, the bill itself provides for the joint administration by six Government de-partments. The War Depart-ment's hands are therefore tied. Evidence before your committee will show that several of these Government departments are permeated with members and followers of an "international control of minerals" group, who are definitely on record as seeking development of manganese resources in foreign countries and suppressing developments in the United States. The bill does not provide "for the joint administration by six Government departments." It does provide that the Secretary of War and the Secretary of the Navy shall direct the Secretary of the Treasury to make pur-chase of materials in accordance with War and Navy Department with War and Navy Department specifications. Provision is also made, and rightly so, for recom-mendations from other govern-mental agencies qualified to furnish necessary and impartial information and pertinent data, but final responsibility is placed directly upon the national-defense departments. No evidence other than the unsupported statements of this more ported statements of this pro-fessional lobbyist supports the contention that Government departments are permeated with members seeking to suppress development of domestic mineral resources. On the contrary, it was brought out by the committee that the development of mittee that the development of domestic resources to the maximum extent possible was favored by the Government representatives. They were unwilling, however, to endanger the safety of the Nation by placing reliance on a resource already proven inadequate. It is my well-considered opinion that the qualified experts of the Army, the Navy, and other departments concerned can be trusted in the patriotic duty of national in the patriotic duty of national defense. Years of wide discrep-ancy between promises and performance demonstrates conclusively that Adkerson and his cohorts cannot be trusted.

CONGRESS SHOULD OUTLINE POLICY

This same dependency on policy was left by Congress to the administrative departments of the Government in passage of reciprocal trade agreements leg-islation. The President, Frankislation. The President, Frank-lin D. Roosevelt, in his message to Congress, March 2, 1934, ask-ing for this legislation, said: "You and I know, too, that it is important that the country possess within its borders a nec-essary diversity and balance to

It is true that the duty on manganese was halved in the trade agreement with Brazil. In negotiating the reciprocaltrade agreement with Brazil, the Government finally recognized the futility of attempting to develop a domestic manganese industry by tariff protection and accordingly reduced the duty 50 percent, the maximum cut al-lowable under the law. This act was so vigorously protested J. Carson Adkerson's letter— Continued

Comments-Continued

by Adkerson that the Secretary

of State was prompted to pub-lish the following stinging re-

CONGRESS SHOULD OUTLINE POLICY—continued

a rounded national maintain life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advan-

In testimony before congressional committee, Francis B. Sayre, Assistant Secretary of

State, said:

"The whole purpose of this program of trade bargaining is this: To restrict the commod-ities covered in the agreement with any specific country to commodities of which that country furnishes the chief source of supply of importation into the United States."

In spite of this, the duty on manganese, the "No. 1 strategic mineral," was among the first items cut through the trade agreement with Brazil, although Brazil supplies only minor quantities of manganese to the United States, Soviet Russia being the major shipper. In the year 1933 Brazil shipped no manganese at all to the United

buke on February 9, 1935:
"I feel that some notice should be taken of the grossly exaggerated and misleading propaganda which is being circulated by the combined lob-bies seeking to kill all efforts to restore normal world trade—a trade upon which the employ-ment of millions in this country ment of millions in this country and tens of millions in the world is dependent. "This propaganda would make it seem that the proposed re-

duction of the duty on man-ganese ore from 110 percent for 1933 to 55 percent will throw many thousands of American wage earners out of employment and wreck a great Nationment and ... wide industry.

"The fog of propaganda cannot obscure the truth. First, the number of wage earners mining manganese ore in the United States is only a few hundred of a total of nearly 45,-000,000 Americans gainfully employed. Despite the tariff benefits of 69 to 110 percent paid since 1922 by the general public, this is the total employment which the industry has been able to offer to Americans. Secondly, the expension of the control of the cont ondly, the amount of American production of manganese after all these years is less than 10 percent of the amount consumed in the United States. The other 90 percent and more The other 90 percent and more must be imported as it has been done in the past. Furthermore, the sum total of the results of domestic efforts to produce manganese has declined for a number of years."

The fact that no imports were received from Brazil in

were received from Brazil in 1933 is related to inactivity in the steel industry for Brazil supplies important quantities of manganese ore to this country and during the last war it was the principal source of supply. The reduction in duty had no appreciable effect on the domestic situation for pro-duction has been of little con-

duction has been of little consequence since the war.

The reference to other agencies leaves an implication but states nothing specific. Considering the fact that consumers in the United States since 1922 have paid some \$70,000,000 in import duties to sustain an industry capable of protain an industry capable of producing only 5 percent of our vital manganese requirements, who dares say that the Presi-dent and the Secretary of State did not perform a patriotic duty and serve the public well when they put an end to this racket to the extent permitted by law.

This statement is an intentional distortion of the purpose of the Buy American Act and of its method of administration.
The act permits exceptions in

cases vital to the public interest. In some instances, where urgent Government programs would have been delayed to the public detriment by insistence on purchases of steel made with J. Carson Adkerson's letter-Continued

Comments-Continued

CONGRESS SHOULD OUTLINE POLICY-continued

Secretary of the Navy, H. L. Roosevelt, to Senator James E. MURRAY, with special reference to the use of domestic manga-nese under the Buy American law:
"It seems that the State De-

partment is endeavoring to carry out the purpose of the law enacted by the Congress to pro-mote foreign trade and any attempt on the part of the Navy Department to exclude foreign manganese ore admitted under this trade agreement might be held to be in conflict with the action of the State Department."

domestic manganese, the Buy American Act was waived as pro-vided for in the law. In these cases manganese represented only a very small part of the total value of the product. However, in recent purchases of fer-romanganese for a stock-pile reserve, the Navy adhered to the Buy American Act. The aver-age price paid for the domestic material was \$114.45 per long ton, while the low bid on the same contract for imported fer-romanganese was \$78.30 per long ton. The difference, \$36.15 per long ton, or 46 percent, was the protection the domestic industry had by virtue of the tariff and of the Buy American Act. Do these facts sustain the charge that the Government has "consistently refused to enforce the Buy American Act"?

EDUCATIONAL ORDERS FOR MANGANESE

Report No. 283 of the House Military Affairs Committee, ac-companying H. R. 5191 to the

floor, says:
"The committee has written into the bill a declaration of congressional policy, the effect of which is to encourage, as far as consistent to do so, the dis-covery and development of the sources of raw material in this country, and it is felt that the situation is similar to that which requires the placing of what is known as 'educational orders' with dormant and inactive factories."

Under other national-defense bills, "educational orders" provide for the purchase of manufactured products without the usual competitive bidding against imported products, without bond, and under the law there is no specified price limit. Under the strategic minerals bill, there are no such provi-sions to cover the purchase of manganese or other raw materials. In the case of manganese, discoveries have already been made, developments have already been carried forward, and what the producers now want is a market and an opportunity to ship on a parity basis with steel products and under the terms of laws already passed and which should now be fully in effect.

Mr. Adkerson here has utilized the committee's reference to educational orders as a means of introducing statements quite at variance with the facts in the

Even a cursory reading of the legislation authorizing educa-tional orders for munitions would show that competition is intended between manufactur-ers competent to produce the ers competent to produce the munitions in an emergency. The act reads: "* * bids shall be solicited only from such establishments as in the Secretary's judgment will be competent in time of war to manufacture the particular manufacture the particular class of special munitions with respect to which the bid is so-licited." In carrying out this requirement, no contracts have been placed for educational or-ders until at least three qualified producers have been in-vited to bid. Furthermore, contrary to the

statement of Mr. Adkerson, the educational orders legislation makes no stipulation that a performance bond shall be waived. In administering the act a bond may be required when in the judgment of the contracting officer the protec-tion of the Government makes

a bond necessary. With respect to making the awards, the educational orders legislation also provides that "in the determination of which of the solicited bidders is to be awarded any contract, the Secretary shall have regard solely to the selection of such classes of special munitions, and of such bidders as will, in his judg-ment, under all the circum-stances, best serve the interest of the United States and best promote the cause of national defense."

The bill, H. R. 5191, reported The bill, H. R. 5191, reported out by the committee in fact gives far greater protection to possible domestic producers of strategic materials than does the educational orders legislation in protecting the manufacturer of munitions. For example, the combination of existing tariff blus the protection of the protection existing tariff plus the protec-tion of the Buy American Act in effect under this bill gives a total subsidy to the domestic

In testimony before your committee, it was repeatedly stated, in effect, that no one could doubt the patriotism of the administrative departments the administrative departments of the Government and that Congress could depend upon them to protect the domestic manganese industry. Likewise, it might be said that no one could doubt the patriotism of the President of the United States or the Assistant Secretary of State but unfortunately. tary of State, but unfortunately there are other agencies at work within the administrative de-partments of our Government.

Furthermore, the administra-tive departments of the Government have consistently re-fused to enforce the Buy American Act and require the use of domestic manganese in steel purchased for Government contracts, as provided in the

I quote from a letter dated June 12, 1935, from the Acting J. Carson Adkerson's letter— Continued

Comments-Continued

EDUCATIONAL ORDERS FOR MANGANESE-continued

producers of manganese of over 50 percent of the foreign price. Further governmental assist-ance is provided the domestic producer through the Bureau of Mines and the Geological Survey.

EXCHANGE OF GOVERNMENT-OWNED COTTON AND WHEAT

This provision might serve to deny American farmers that portion of a foreign market for portion of a foreign market for their privately owned cotton and wheat which they otherwise might enjoy. Particularly, if sold to Soviet Russia, it is possible the Soviets may resell these agricultural products in the world's market at any price they would bring in order to obtain foreign cash or credits, just the same as they have done many times in the past. This would serve to lower the world price of these farm prodworld price of these farm products and thereby injure the American farmer. Most certainly the American farmer has little to gain by this proposed

This provision was inserted This provision was inserted for the specific purpose of aiding the American farmer by helping to dispose of surplus crops. It is expected that those administering the act will not defeat their own objectives by allowing the condition referred to by Mr. Adkerson to arise. In view of the fact that many Government departments will cooperate in carrying out the legislation, I am convinced that his argument has little weight.

FOREIGN DEBTS

Although World War debts are not specifically mentioned, they are included in the provi-

they are included in the provi-sions of this bill.

Domestic manganese produc-ers, as well as producers of other raw materials listed in the hear-ings and subject to purchase under this bill, will ask why they are being specifically called upon to shoulder the World War debts. Certainly, manganese. upon to shoulder the World War debts. Certainly, manganese, the "No. 1 strategic mineral" should not be loaded with this burden during this emergency. Manganese producers, as the producers of one raw material alone, feel that this burden should be shouldered by all, in-cluding domestic producers of

cluding domestic producers of manufactured products.

The expenditure of \$100,000,-000 for strategic materials of foreign origin will hardly be a drop in the bucket toward adequate national defense. There were 38 raw-material items submitted by representatives of the War Department in testimony before your committee as essential to our national defense, necessary to be imported from foreign countries, and subject to purchase under this bill. Even should the entire \$100,-000,000 be spent for manganese alone, it would still not mean adequate national defense in manganese, as no one can foretell how long an emergency may last. Domestic manganese deposits would still have to be developed and mines put into operation, at emergency costs, and it may not be done in time. So why not, during peacetimes, encourage developments of these available materials within the united States when producers are ready to go and, one by one, remove such items from the strategic materials list.

It has long been apparent that if any payment is to be obtained on the war debts owed us it must be largely in ma-terials or goods. The list of strategic materials is composed of commodities not produced in appreciable quantities in this country and therefore most acceptable to us as imports because least in competition with democities producities. domestic production. Mr. Ad-kerson, however, would have us accept foreign manufactured products as well, thus bringing thousands of our factory work-ers into direct competition with ers into direct competition with the low-wage producers of Eu-rope. As a member of the com-mittee I disapprove emphati-cally of any such solution and prefer, as provided in the bill, to accept strategic materials which compete very little with established American industry.

It is conceded that \$100,000,-problems and provide stock piles for use in a national emergency. On the other hand, if the enon the other hand, if the entire sum were to be spent only for the purchase of domestic manganese ore, it is my belief that nearly half of it would be dissipated as a bonus to the domestic producers. In view of the dismal failure of the manganese industry to develop up. the dismal failure of the man-ganese industry to develop un-der 13 years of protection equivalent to an ad valorem duty of from 50 to over 100 percent, Adkerson's suggestion that the entire sum be spent for the encouragement of domestic resources of strategic minerals resources of strategic minerals so that one by one they may be removed from the strategic list, can hardly be given serious consideration. The stock-pile question is purely one of national security or insurance, and as even Adkerson admits that the sum provided in the bill is inadequate, it is all the more J. Carson Adkerson's letter— Continued

Comments-Continued

LOOK AHEAD—continued

imperative that every penny spent should buy the maximum amount of high-grade material

amount of high-grade material attainable.

There is no restriction on anyone attempting to develop possible deposits of deficient minerals in the United States. The incentive of profit is, of course, lacking. The 100-year history of the production of manganese in the United States brings out clearly that only a manganese in the United States brings out clearly that only a small part of the manganese ore produced from domestic mines during the entire history of the United States has been produced at a profit. What benefit can accrue to the United States from the standpoint of national defense by giving some fantastic bonus to domestic producers? If domestic production could be made at current tion could be made at current prices and standard grade, and could fulfill the requirements as to time and quantity, there is no doubt it would be given preference.

It is true that domestic producers of manganese have spent many hundreds of thousands of dollars in a vain attempt to put domestic manganese mines on a profitable basis. With the ex-ception of the work done at Butte, Mont., there has been no real contribution toward national self-sufficiency. The deposit at Butte, from the standpoint of grade and size, is the outstanding deposit in the United States, but even in this case the Montana operation has been marginal, and in most other cases they have been submarginal.

Due to the activities of such organizations as the American Manganese Producers' Association, under the leadership of Adkerson, the Government has Adkerson, the Government has given unwarranted support to promoters as a direct result of which many worthy men have lost heavily, as illustrated by the history of the Georgia Manganese Mining Co., Cartersville Ga.; the Crimora mine, in Virginia; the Three Kidds mine, in Navada: the Miller and Rine-Nevada; the Miller and Rine-hart property, in Arkansas; as well as the Mineral Ridge mine, Virginia, owned at one time by Adkerson himself.

The fact that the steel indus-

try has not thrown money away in a hopeless attempt to de-velop a domestic manganese industry is not surprising. Representatives of steel companies have maintained consistently from 1922 that domestic resources would not support industry and experience to date has proven the correctness of their judgment.

The claim that the domestic producers have had no assistance from the Government may be questioned. As brought out in the testimony before the House Committee on Military Affairs, in 15 years, 1923-37, due to the Tariff Acts of 1922 and 1930, \$66,066,652 in import duties was collected. During this same period only 690,802 tons of domestic manganese ore, much below standard grade, were produced. The

Domestic producers of man-ganese ore have expended years of work and many hundreds of thousands of dollars in the de-velopment of domestic manga-nese and have contributed more toward the solution of the problem of manganese for national defense than all other groups and agencies combined, including the entire steel industry of the United States and all the the United States and all the administrative departments of the Government. This has been done by domestic manganese producers with private funds and not with the taxpayers' money. We justly feel that domestic manganese producers are entitled to proper consideration and encouragement at the and encouragement at the hands of our Government in

the national-defense program.

J. Carson Adkerson's letter-Continued

Comments-Continued

LOOK AHEAD-continued

consumer was thus forced to pay an average tax of \$95.64 on every ton of domestic ore purchased.

Adkerson's proposal is noth-ing more nor less than a scheme to milk the consuming public still more. If the domestic manganese producers are en-titled to further consideration and encouragement at the hands of the Government, let us separate this phase of the question from that of national defense, and not jeopardize the defense, and not jeopardize the welfare and security of a nation of 130,000,000 people by delaying further the acquisition of stockpiles so vital to national security. The domestic producers have never made good their claims in the past and the prospect of their doing so in the future is too remote to be considered further in relation to national defense.

Adkerson's plea for the incor-

To carry out the purposes of the act and the will and intent of Congress "to encourage the of Congress "to encourage the development of these resources within the United States" as expressed in the bill, may we recommend that the language of sections 5 and 6 in Faddis bill, H. R. 5191, be eliminated, and in its place insert the language contained in sections 5 and 6 of the Thomas bill, S. 572, as approved by the Military as approved by the Military Affairs Committee of the Senate.

Adkerson's plea for the incor-poration of clauses 5 and 6 of the Thomas bill in the Faddis the Thomas bill in the Faddis bill, H. R. 5191, is an admission of the inability of domestic manganese producers to meet the primary objective of this bill. Such action would force the Government to delay at least 1 year the accumulation of stock piles so vitally needed in the present situation. By making the waiver of a bond mandatory, bidding on Government contracts would be open to all irresponsible parties under no compulsion to meet contractual obligations. This will encourage the further promotion of unscrupulous mining ventures unscrupulous mining ventures and will react to the detriment of the few responsible producers.

In conclusion, Adkerson's activities in Washington as a lobbyist In conclusion, Adkerson's activities in Washington as a lobbyist have extended over a period of years and indicate that large sums of money have been spent in disseminating propaganda which has delayed consummation of an adequate national-defense program. Aside from the operations at Butte, controlled by the Anaconda Copper Mining Co., and the operations in Cuba, controlled by the Freeport Sulphur Co., which has the benefit of the tariff under existing trade treaties, it is evident that the financing of this campaign would have been a decided drain upon the measure resources of the other have been a decided drain upon the meager resources of the other small operators if they had been asked to contribute their share. It would be pertinent to the Members of Congress to have Adkerson state the sources of his income and thus make evident what interests have been back of his unscrupulous activities.

Problems of Labor Legislation

EXTENSION OF REMARKS

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

ADDRESS DELIVERED AT LAW INSTITUTE HELD UNDER THE AUSPICES OF THE LAW SCHOOL OF EMORY UNIVERSITY, IN COOPERATION WITH THE GEORGIA BAR ASSOCIATION, AND OTHER SIMILAR ORGANIZATIONS, AT ATLANTA, GA.,

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me on Saturday last:

In ancient days the relationship between workers and their employers was that of master and servant. Today there are some who say that the relationship has been reversed. Of course, I do not subscribe to that statement, but I do realize that many changes have occurred.

These changes have come slowly over a period of hundreds of years and have been accompanied by and accomplished through many bitter struggles.

Partly, at least, because of the bitter struggles, the relation between employer and employee lives in the field of controversy. That is one of the problems of labor legislation.

Many employers, though by no means all of them, seem to resent the changes that time has wrought in this ancient relationship. They view such changes as an interference with their rights. They resist any curtailment of the ancient policy of absolute dictation of the terms of employment by the employer. That is another of the problems of labor legislation.

In the earlier days of our country, the pioneer days, the employee who became dissatisfied with working conditions could, and did, move on to new frontiers, or moved to a new section where free

move on to new frontiers, or moved to a new section where free land was available.

In those days employment was generally in small groups, and the relationship between the employer and his workers was a more personal one. Today working conditions have changed; large corporations have replaced the individual employer; the relationship is no longer so personal. New problems have been created by this change, and the worker, to meet this new status, has organized and seeks to meet group employment by group action in the form of labor unions. That is another of the problems of labor legislation lation.

lation. Business generally tries to lower its labor costs, and I do not quarrel with that effort if the benefits are properly distributed; but we must realize that labor has a stake in this. The constant substitution of machinery for hand labor vitally affects the opportunities of employment, often throws out of employment men and women whose best years have been devoted to a particular occupation, thus making it necessary for them to change their habits of a lifetime. That is a very vital problem affecting demands for legislation. a lifetime. legislation.

All legislation is a matter of compromise. The final form of a legislative proposal must reflect that upon which an agreement can be had by those supporting a certain objective. It does not and cannot reflect the views of those totally opposed to the object

of the proposal.

Since those who support the objective must write their legislation to meet the views of groups favoring it, often they are forced to disregard entirely the interests of persons in opposition. It is well known in legislative bodies that opponents of the object

sought to be accomplished by legislation have little, if any, influence upon the contents of the final form of the law.

As illustrating the opinions I have expressed, I would like to discuss two Federal laws passed within recent years, with which I am well acquainted. It has been my fortune, whether good or bad, to have had a part in the drafting and the passage of both

of these laws.
First, I will discuss the National Labor Relations Act. It was

First, I will discuss the National Labor Relations Act. It was proposed for the purpose of insuring to labor—that is, to the workers—their common-law right to belong to labor unions. The courts had recognized this right, but some employers had effectively denied it to their workers by various means.

This proposal was almost universally opposed by the employers of our country. They denied the right of Congress under the Constitution to deal with the subject. They contended that the proposal was not constitutional and backed this denial with an opinion from more than 50 of the most prominent lawyers of the Nation.

The proposal was considered in an atmosphere of the most bitter controversy. In framing this legislation Congress was denied the refining influence of conservative opinion because that influence was in bitter opposition and therefore was in no position to con-

was in bitter opposition and therefore was in no position to contribute to the contents of the act.

We did not have the benefit of the constructive criticism which we might have received if we could have had support of the objective by large groups of employers. It was necessary to write the bill in accordance with the views of those supporting it.

In my opinion we could have written a better statute if the conditions had been different. If more employers had been willing to support the objective of the act, their influence would have

conditions had been different. If more employers had been willing to support the objective of the act, their influence would have been reflected in the contents thereof.

Being without the benefit of support from the conservative employer, we were forced to write the law to reflect the ultraliberal views of those who did support the objective. The result has not been pleasing to many of our people. I do not challenge their right to their position, nor do I question the sincerity of their opinion, but I do raise the question of whether or not they served the general welfare, or even their own welfare.

I sincerely believe that the objective sought by the National Labor Relations Act was sound, that it was within the powers of the Congress—which view the Supreme Court has sustained notwithstanding the contrary opinion of the eminent lawyers—and I also believe that when the right of employees to organize is accepted generally, labor conditions will be promptly improved.

I do not approve of many things done by the National Labor Relations Board. It is my opinion that Chairman Madden has done his best, under difficult circumstances, to properly administer the law. Mistakes have been made and they have cost dearly in the loss of public confidence in the Board.

I believe that the Board has been mistaken in refusing to hold elections for determining representation of employees upon the

elections for determining representation of employees upon the request of an employer, under proper conditions. The present law gives the Board that right and it should be amended now to require the Board to hold elections, under proper conditions, when requested to do so by an employer.

I also believe that the Board has made many unwise selections of subordinates. These employees of the Board, in many cases, have treated employers without due courtesy and have often appeared to be crusaders in the interest of labor organizations. Such was not the intent of Congress. It has been charged that the Board and its employees have been partial to one faction of the organized labor movement. I do not propose to go into the question of the truth or falsity of these charges today, but I have

the organized labor movement. I do not propose to go into the question of the truth or falsity of these charges today, but I have reached the conclusion that to preserve the purposes of the law, Congress should abolish the present three-person Board and substitute therefor a five-person Board. These five persons should be selected from different sections of the country and it might be wise to have them represent the two major political parties.

In making these criticisms of the administration of this act I am not unmindful of the fact that, in part at least, the responsibility must rest upon those who have continued to oppose the purposes of this statute, even after the Supreme Court had sustained its constitutionality and had approved its legal procedure.

The House Committee on Labor, of which I am a member, will within a few days begin hearings on proposed amendments to this law. I hope that those representing employers will try to help us make it a better law. Any effort to make the law ineffective will, in my opinion, not only fall but may prevent the adoption of proper amendments. May I urge you as members of the great legal profession to advise your clients who are interested in this matter to adopt a helpful attitude rather than to attempt to destroy the act. The latter course will again force Congress to seek support from other sources.

act. The latter course will again force Congress to seek support from other sources.

The Fair Labor Standards Act, generally referred to as the wage and hour law, was also enacted in bitter controversy.

In the beginning we tried to set up an independent board with broad powers of discretion, so that the law might be adapted to the varying conditions existing in this broad land of ours.

Business not only opposed to law in toto but a perfect wave of propaganda was spread over the country to the effect that no more boards or bureaus were wanted, having power to tell business what to do. We were told not to enact the law at all, but if we did enact it, to make it specific and rigid.

The Rules Committee of the House was persuaded to block consideration of the law. The sectional issue was injected into the fight and this finally resulted in the passage of a more drastic law than first proposed.

than first proposed.

than first proposed.

The factional fight in the ranks of organized labor also entered into this controversy. Such were the problems faced by those of us supporting the law. Although in favor of the object sought to be accomplished, I could not vote for the sectional bill finally passed by the House.

When the bill went to the committee of conference representing the two Houses of Congress, we found it possible to make some compromises and to remove some of the harsh features in the House bill. However, we did not secure as reasonable a bill as would have been possible if we had not faced the bitter opposition encountered in the first session in which the matter was considered.

sidered.

Here again the legislation was framed for those who gave it support. The advice and counsel of the conservative element had no voice in the result. By the fury of the opposition Congress was driven to accept the proposals of the more radical thinking groups offering support, and some of their views were incorporated in the law. The injection of the sectional issue by some of our friends in the South brought support from the North, but this support came with conditions more hereby in their effect on our support came with conditions more harsh in their effect on our

section.

The Labor Committee of the House is now attempting to ease some of these harsh conditions, but we cannot now go as far as we could have gone in 1937 if we had then had some support from the

could have gone in 1937 if we had then had some support from the business interests of our section.

Again I do not question the sincerity or the right of those who opposed the law. They certainly acted within their rights; but I again raise the question whether they served themselves, their own interests, or the general welfare. It was evident from the beginning that the bill would eventually pass in some form. In my opinion, it would have been a much better law if that self-evident fact had been accepted and Congress had had the tempering influence of some of those who opposed it to the bitter end.

Times have changed all over the world in recent years. I do not believe that as long as we maintain a free government, a government by the people, we will again see the worker treated as a servant, as one at the mercy of an unfair employer. Rather, I believe that most employers now realize that the rights of labor must be safeguarded, that the fair and reasonable employer must be protected from the minority who seek to attain a competitive advantage

be safeguarded, that the fair and reasonable employer must be protected from the minority who seek to attain a competitive advantage through the exploitation of workers.

Our people are rapidly becoming social minded, but it will always be necessary to curb the minority. That means legislation. I am appealing today to my fellow lawyers to help the Congress and the State legislative bodies to wisely frame the legislation needed to insure our new views on labor relations.

insure our new views on labor relations.

insure our new views on labor relations.

May I urge you to advise your clients to adopt an attitude of cooperation so that we may have the benefit of their experience, the wisdom of your counsel, and the assurance of support for reasonable laws. I believe that such an attitude will result in better legislation, in more peaceful conditions between employer and employee, and that all of this will promote the general welfare.

America and the world today face conditions weighted with the possibility of serious consequences. It is no time for class to assail class. It is no time for bitter factional or sectional differences. If we weather the storms that we may encounter in the coming

years, we must have harmony and cooperation. It will take the combined efforts of businessmen, lawyers, farmers, labor leaders, and all other groups of our people, working in unity and peace, to bring the country we all love safely through the critical period in which we live.

To the accomplishment of this purpose I know the lawyers will do their full share, as they always have done, and I assure you that we of the Congress need and welcome such assistance.

Our Neutrality Policy

EXTENSION OF REMARKS

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA IN THE HOUSE OF REPRESENTATIVES

RADIO ADDRESS BY HON. JAMES E. VAN ZANDT, OF PENNSYL-VANIA, APRIL 18, 1939

Wednesday, April 19, 1939

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me yesterday over the radio:

Good evening, ladies and gentlemen, in a broad sense, neutrality means "taking no part on either side of a contest." Narrowed down to nations, neutrality means "taking no part, directly or indirectly, in a war between two powers." Hence, the big idea

behind neutrality is keeping out of war—other people's wars.

Neutrality, of course, is by no means as simple as it sounds.

On the contrary, nothing in international law is quite so complicated and complex as neutrality. Once war starts, neighboring nations that would be neutral always have had a hard time keeping out of it. As science cut the size of the world by speeding up all means of transportation and communication, it became increasingly difficult to dodge war. And now that civilization chooses up

ingly difficult to dodge war. And now that civilization chooses up sides for war, it has become well-nigh impossible to maintain neutrality in a crowded world.

Nevertheless, some nations succeeded in remaining neutral throughout the World War. What one nation has done, another nation—especially one in such a fortunate geographical situation as the United States—should be able to do. But there must be a will to neutrality before we can find a way to it. No nation can remain neutral for long, however, if it insists upon sticking out its neck. And that's what the United States is doing right now.

In spite of such flippant or fatalistic farewells as "I'll be back in the fall if we don't have a war," some competent and less credulous authorities cite very sound reasons why this so-called inevi-

lous authorities cite very sound reasons why this so-called inevitable European war is 1, 2, or 3 years away. In fact, they see now it can be averted altogether. And in any event, they insist there is no occasion for the American people to have their collective neck stuck out for them.

lective neck stuck out for them.

Even if war does come to Europe, they are confident the United States, at least, could avoid that war. It would be necessary only to remember the lessons we learned in the World War. On the other hand, they are just as sure we are going to get socked on the chin if we keep on asking for it.

History proves the rights of neutrals never have been respected by either side in a major war, unless the neutrals had armies and navies to enforce respect. Hence, a powerful national defense such as we are building is the first essential of neutrality. If both sides in a war realize a would-be neutral is strong enough to turn the tide of war either way by joining one or the other, both sides are likely to respect the rights of that nation.

American unpreparedness in the early years of the World War

American unpreparedness in the early years of the World War affords a shining example of the pushing around a weak neutral gets from both belligerents. First, we were on the verge of a break with Britannia when she waived the rule of "freedom of the seas" to suit her own purposes and declared everything from acetic acid to yeast contraband of war and hauled our ships into price courts.

into prize courts.

After suffering injury heaped upon insult for 2½ years came the rupture with the Central Powers over Germany's ruthless and unrestricted submarine warfare. Suave diplomacy on one side and stupidity on the other, combined with Germany's desperate gamble, were the factors responsible for the eventual decision of the United States to cast our lot with the Allies and win the war for them.

If we had been as well prepared during the period of our outraged neutrality as we are right now, it is quite probable that neither Britain nor Germany would have dared trifle with us in any such high-handed fashion. The bad men of Europe and Asia may make faces at us and call us some uncomplimentary names, but they are going to think twice before they throw any

punches in our direction.

Despite all the efforts of peace-loving men the world over to develop rules to protect the rights of neutrals and keep them out of other peoples' wars, neutrality is something like a cross-word puzzle with a key word missing. With our interests in Europe,

Asia, and South America all differing as widely as those areas are separated, it seems impossible to write a hard-and-fast neutrality law that will fit all three at one and the same time.

law that will fit all three at one and the same time.

In view of the failure of experts to find a foolproof formula for neutrality, I see no reason why I should be ashamed of my amateur standing in that field. I refuse to concede that neutrality is a myth. I still believe it is a powerful instrument of peace. I am for neutrality even if we have to fight for it. I certainly am not going to lie down and say, "Skip it."

However, if the present law has outlived its usefulness, let me tell you the miscalled Peace Act of 1939, proposed by Senator PITTMAN, with the left-handed blessing of the administration, would guarantee our entrance into another world war, if one comes. Moreover, it would automatically make us allies of the so-called democracies.

comes. Moreover, it would automatically make us allies of the so-called democracies.

The Pittman proposal piously professes to treat all nations alike. In reality it would make us the ally of nations in control of the seas. Under it we would hang out a sign, Arms for Sale to All Nations. Any nations which could lay cash on the barrel-head and carry off the arms in their own ships could buy from us. Inasmuch as Britain and France are the only European nations with the cash, the merchant marine to transport and navies to protect their transports, we would actually cast our lot on the side of

their transports, we would actually cast our lot on the side of that pair in any European war.

Instead of the Peace Act of 1939, the title should read: "An act to select in advance the side on which American boys will fight and die in the next war, while the American people pay for the whole show and for any other purposes dictated by Britain and

Certainly, no measure could more perfectly fit British and French policy and purposes if it had been drafted in Downing Street, London, and been okeyed in the Quai d'Orsay, in Paris.

My complaint is not against the side that measure would choose

Street, London, and been okeyed in the Quai d'Orsay, in Paris.

My complaint is not against the side that measure would choose in advance for the United States in the next war. I protest against American boys being thrust into any war on either side in the Old World. I want peace, not war; neutrality, not an alliance that would drag us into Old World wars. And that's what the American people demand.

Let me digress at this point from the narrow question of neutrality to the broader question of peace. Let me also emphasize at this point that I am a Republican and a partisan on domestic political issues. There should be no partisanship on the question of peace.

I wish to commend President Roosevelt for his effort to preserve the peace of Europe. He may have an opportunity to do humanity a priceless service, if Hitler and Mussolini are sensible enough to accept his proposal for a 10- to 25-year peace pact. But there can be no peace unless the so-called democracies are willing also to make some sacrifices in yielding some of the swag they secretly agreed upon before the last shot was fired in the World War and then took at the miscalled "peace" conference at Versailles.

It is quite possible, of course, that Hitler and Mussolini may reply: "No, we had one peace dealt by an American President. It took us 25 years to get out of the strait jacket. We cannot see far enough ahead to pledge action for even 10 years."

Despite the fact that this pair of international hijackers will grab any land where they meet no resistance, both profess to be men of peace. Certainly Mussolini's "invincible legions" have shown no stomach for real war, and Hitler got away with his phantom menace at Munich. Most assuredly, the German people do not want war. After Munich, I am informed by an eyewitness, when the German people realized that war almost came to them, a wave of intense horror swept over them. The German people thought first of defeat, then depression, then inflation—another generation of want and misery.

In view of that, the

toward Addis Ababa; Tunisia.

2. Germany: Polish corridor; present Reich boundaries; oil concessions on a fair economic and mutually advantageous basis in Soviet Russia; the Caspian Sea area; naval base off Spain, Atlantic side.

If that second reply should come, the President would indeed have an opportunity to do humanity a priceless service. He could say he recognized the demands as having possible merit and call a conference of the nations concerned. By open diplomacy at the conference table, the claims could be weighed, and if the nations content to the conference table, the claims could be weighed, and if the nations content to the conference table. tions participating really want peace, a fair adjustment might be made.

made.

Nor would this conference necessarily be a purely altruistic gesture on the part of the United States. It would give us an opportunity to remove all threats against the peace of the Western Hemisphere by presenting our claims for solidarity and the preservation of the Monroe Doctrine in its pristine purity, and, last but not least, we might effect a settlement of the musty and almost forgotten war debts still owing us by our noble Allies. A threat to withdraw economic support might be sufficient to make Britain and France see the light of cooperation.

In return for our services as a patron of peace, Britain might gracefully cede us Bermuda, the British West Indies, and Trinidad in return for credit on her war debt. British Guiana and French Guiana might go to Venezuela; British Honduras to Guatemala and Mexico, and the Falklands back to Argentine.

Mexico, and the Falklands back to Argentine.

While we were at it, an attempt should be made to limit armaments, the size of armies and navies among all the powers concerned. It would be a boon to all humanity to lift the terrific load of armaments, under which the world is staggering to ruin. And in view of our national-defense bill which will amount to about \$2,000,000,000 this year, the American taxpayers would bene-

about \$2,000,000,000 this year, the American taxpayers would benefit enormously from any such agreement.

And now that the President has at least given Europe an opportunity to accept this noble service to humanity, he might render a great service to the American people. There are no strings attached to this opportunity. All he needs to do is to sit down in the quiet of his study next Sunday evening and hold a "fire-side chat" with the American people.

Would it he to much to sek the President to take the American

Would it be too much to ask the President to take the American people completely into his confidence and clear up all the doubts people completely into his confidence and clear up all the doubts and fears that beset them tonight lest the train of events take us to war? Anxious American mothers and fathers, wives, sisters, and sweethearts all over this land of ours will be listening. They are listening to the radios every day and every night fearful lest they hear the fateful words, "America goes to war!" If ever these words come, the listeners know it may be the last time they will look upon their loved ones. To some of the boys who return death would have been merciful. For they would join the thousands of veterans of the World War who now wait for their rendezvous with death in a Government hospital. There they lie, 20 years after the last shot was fired in France, thousands of men still suffering with lacerated flesh, suffocated lungs, shattered legs, mangled bodies, and shadowed minds.

Writers known to be White House intimates assert the recent

Writers known to be White House intimates assert the recent utterances of the President, when added up clearly, imply that the United States would participate in what so many call the inevitable European war. Let the President make this simple state-

ment:

"The United States never again will go to war on foreign soil if I can prevent it."

That's what the American people want to hear. They would rather have that forthright assurance from the President than any

Then let the President transmute his words into deeds and he need never doubt about his place in American history or in the hearts of his countrymen.

The Visit of Crown Prince Frederick of Denmark

EXTENSION OF REMARKS

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

Mr. BOLLES. Mr. Speaker, the United States are being honored at this time by a visit from Crown Prince Frederick and his wife, the Princess Ingrid, of Denmark and Iceland. In a few days they will arrive in the National Capital. My State of Wisconsin is being signally honored by these representatives of one of the most democratic governments of Europe; my district, the one I represent in Congress, will on Monday, April 24, pay tribute to these Danish friends with proper ceremonies at Racine, Wis., where there are 1,800 or more Danish people, descendents of Danish immigrants of 90 years ago.

These are among the finest citizens of our State. They form, with descendants of other Scandinavian nations, Norway and Sweden, the actors in that viking saga of Norsemen written on the shores and in the interior of a new world. They fought recalcitrant nature and built themselves into a prosperous people, taking part in American life, literature, and in religion.

The Danes were early interested in America. It will be remembered that King Christian I of Denmark sent the John Scolvus expedition to America in 1467 to discover the "codfish country." In 1568 King Frederick II sent an expedition to rediscover Greenland. In 1579 he sent another expedition to find Greenland, and after that various parties were sent in 1605, 1607, 1612, 1652, 1653, 1654, and so forth. In 1721 Hans Egede, a Norwegian pastor, was sent to Greenland to take up missionary work, and in 1619 the Norwegian captain Jens Munk was sent by King Christian IV to find the Northwest Passage. Munk rediscovered the Hudson Bay only 8 years after Hudson himself, and took possession of Canada, naming it New Denmark. He had along a Lutheran pastor, Rev. Rasmus Jensen-Aarhus-who was the first Lutheran pastor in America. In 1724, King Frederick IV sent Vitus Bering on an exploring expedition, which resulted in the discovery of the Bering Strait between Asia and North America. In 1733 Denmark bought the Virgin Islands in the West Indies from France, and in 1916 these islands were sold to the United States.

It has been claimed that Henry Hudson was a Dane. However that may be, it is certain that there were Danes with him when he discovered the Hudson River, which he at that time called Mauritius Floden. There were many Danes in those days that made the trip between the Danish West Indies and Denmark and many who were in the service of Holland. Capt. Henrik Christianson, for instance, made 10 trips between New York and Holland in the years 1611-14. In 1614 he was killed by his Indian friend, Chief Orson, at Fort Nassau.

There were many prominent Danes in the Dutch colony at New York; perhaps the most noted of these was Jonas Bronck, whose name is perpetuated in Bronx Borough of New York, Bronx Park, and Bronxville. Bronck came to New York in 1639 and died in 1643. Another Dane who had given his name to a section of our country was Peter Lassen, who in 1841 founded the first permanent American settlement in California. Mount Lassen, the only volcano in the United States, is named after him; also Lassen County, Calif., Lassen Pass, and Lassen's Big Meadows of Feather River. The Danes were distinctive in Washington's army and in all the more recent wars. The Danish farmers, dairymen, and butter makers are famous in this land. The first creameries, the first cow-testing association, the first cooperative dairy farming on a large scale, were established by Danish farmers.

Qualities of good citizenship are highly developed in Danes. Recognition of this was given by Theodore Roosevelt in referring to his friend Jacob Riis as "the best American citizen." Riis was a social worker in the slums of New York, and is the author of "How the Other Half Lives" and "The Making of an American."

With that background of the past, we may give enthusiastic greeting to the representatives of the Crown of Denmark and Iceland. Racine early felt the Danish influence. The first Danish churches were erected there, the people who came there from Denmark became assimilated into the body politic. They became American citizens and while giving loving remembrance to the motherland, its heroes and its traditions, they were Americans.

We greet with kindly hearts and most cordial friendship the Crown Prince and Princess.

Business Conditions in the United States

EXTENSION OF REMARKS

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, April 17, 1939

ADDRESS BY JOHN E. GALVIN

Mr. JONES of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks made by John E. Galvin at the March 31, 1939, meeting of the Ohio Congressmen and 225 Ohio businessmen in Washington, D. C., sponsored by the Ohio Chamber of Commerce:

I am going to talk to you the same as I would to one of the 1,000 wage earners who are associated with me in a business in Ohio which has been able to make ends meet in only 2 years out

of the last 9.

In a letter that I received in October 1931, when prosperity was just around the corner, an economist who held a very high position in the present administration said that in all of his studies he

had failed to see where action by government had ever helped a country out of a depression and he thought that he saw many instances where it had lengthened it and deepened it. And there was no guaranty that recovery would come soon or for 3 or 4 years yet, and that it would get much worse before it got better. I think that part of this statement "lengthened it and deepened it" applies particularly to measures undertaken by the New Deal and that before we can have recovery there must be action by the Congress to drastically modify, and in many cases repeal these

measures.

During a period of progressive depression it is in the self-interest of individuals to do things which in the interest of the community they should not do. It is in the interest of businessmen to cut down their inventories, which throws men out of work, reduce their pay roll, postpone replacement, and plant expansion activities, convert as much of their assets as possible into cash balances and short-term investment paper. It is in the interest of consumers to restrict their expenditures in order to build up savings as against emergency need in case of unemployment. They do numerous things, and every one of these steps tend to have disastrous consequences for the community as a whole. They all tend to reduce the rate at which potential purchasing power flows into the hands of income receivers and/or to reduce the rate at which income receivers make use of their available purchasing which income receivers make use of their available purchasing power.

Here is where the theoretical economist steps in. He says that

Here is where the theoretical economist steps in. He says that this deficiency in spending by individuals and corporations must be made up by Government spending. However, they don't take into account human nature. After a short time citizens become alarmed at the Government expenditures and they contract their buying in a greater measure than the Government is able to spend, thereby more than offsetting Government action.

The failure of business to expand as expected apparently is causing concern in official circles even though a drop was indicated for the first quarter. The recent statement of Governor Eccles, the foremost proponent of the spend-recovery program, in which he openly challenged Congress to vote the Budget-balancing economies which it seemed to want and which "a great majority of the people appear to believe" would restore business confidence, either is evidence of this concern or is an attempt to shift responsibility. A sharp reversal of the present spending program, however, without a change in the Government's philosophy with respect to capital taxes and profits, would not be very effective in stimulating business. Important as is a balanced Budget, it alone cannot guarantee the confidence which businessmen require before expenditure of capital funds in any volume can be expected. can be expected.

can be expected.

In the first P. W. A. program, Secretary Ickes was allotted the stupendous sum of \$3,300,000,000. This frightened a great many people, but it took him about 3 years to spend that money. Government spending can't compete with private expenditure when business is active, or even inactive. In the 1920's the building industry alone used to spend more than \$3,300,000,000 every 6 months, and that is only one branch of private industry.

These theoretical economists are like the teacher who had a class in arithmetic in a school in one of Ohio's numerous cities who posed the question, "If there were 12 sheep in a field and 5 jump the fence, how many are left?" She asked several pupils and got numerous answers: Some said three; some said nine; and some said

the fence, how many are left?" She asked several pupils and got numerous answers: Some said three; some said nine; and some said six. She asked Johnnie, who had recently moved in from the country, and his reply was "No sheep left." She told him that he was mistaken and that if 5 sheep out of 12 jumped the fence there would be 7 left. His answer to the teacher was that she might know arithmetic but she didn't know sheep. The theoretical economists might know economics, but evidently they don't know human nature.

economists might know economics, but evidency they don't know human nature.

The S. E. C. recently announced that total securities registered in February under the Securities Act of 1933 amounted to only \$21,676,000. This was the smallest gross amount reported for any single month since January 1935. It compares with \$141,000,000 new capital registrations in February last year when business generally was at very depressed levels. Of the total over \$5,000,000 represented exchange issues. Of the \$16,000,000 remaining, proposed for sale by the issuers, over \$15,000,000 was for already established enterprises, only one million being for new ventures.

It is this element in the economic picture which needs correction most. The new capital markets showed some improvement last summer. This was hailed as a sound factor indicating further possible business gains, but it proved to be short-lived. As most

possible business gains, but it proved to be short-lived. As most orthodox commentators on business have been saying, capital expenditures in new as well as existing fields must occur in rather substantial volume before business can be expected to rise much beyond its present level. Efforts made recently to ascertain whether capital expenditures would be made in the Fourth Federal Reserve District this year in any substantial amount were not very fruitful. Some new business was contemplated and about the same amount was being spent for new equipment and repairs as in other

amount was being spent for new equipment and repairs as in other recent years, but a wait-and-see attitude is very prevalent.

My part in this program is to talk particularly about the tax situation. No matter what other action is taken, and there are many that you should take, it will not bring recovery unless you reverse the tax philosophy and repeal or drastically modify these confiscatory, suicidal, and social-objective taxes, and I mean by that not only the undistributed corporate surplus tax, the excess-profits tax, the capital gains and losses tax, the unemployment-insurance tax, and the modification of the corporation tax so that the losses of I was can be used to offset the rains in other years. the losses of 1 year can be used to offset the gains in other years

(probably that should be put in groups of three or four years), but also the punitive personal high income tax on large incomes

and the punitive inheritance and estate taxes.

Of the latter, the President said in his message to Congress in June 1935 that the transmission from one generation to another generation of vast fortunes by wills, inheritance, or gifts is not consistent with the ideals and sentiments of the American people. That's an appeal to class prejudice. Very few fortunes last from generation to generation. The present tax policy is to punish people for being successful, and it is just another example of class betted. O course if we persist in the present nuntitive tax policy. people for being successful, and it is just another example of class hatred. O course, if we persist in the present punitive tax policy, in a few years there won't be any large fortunes to transmit because there won't be any acquired, and when this point is reached the underprivileged third is going to be worse off than ever before. There won't be any Charley Schwabs, Alfred Sloans, Bill Knudsens, Henry Fords, or Walter Chryslers.

You can't redistribute wealth and income and raise the standard of living for when you redistribute wealth the sure result will be a lower standard of living for everybody. Continuing prosperity depends on an increasingly higher standard of living for all groups and classes. The rich man can't be prosperous unless the lower-

depends on an increasingly higher standard of living for all groups and classes. The rich man can't be prosperous unless the lower-income man is also prosperous, and the low-income man will not be prosperous unless the higher-income man is prosperous. The standard of living and prosperity depend upon the production of goods and services, and the largest consumption of these goods and services is in the low-income groups when they have jobs.

I think statistics show that at present more than 89 percent of the income of the people of the United States is in incomes of \$3,000 a year and less.

\$3,000 a year and less.

Some years and less.

Some years ago a very prominent Democrat said that the punitive tax program was this: "Robbing the poor in the guise of soaking the rich." Now, I'm not criticizing the New Deal administration alone. You Republicans don't want to be crying about Mr. Roosevelt's incitement of class hatred and then turn right

Mr. Roosevelt's incitement of class hatred and then turn right around and vote for the retention of these high punitive tax rates. When you do that you know that you are appealing to the mob and to class hatred and envy.

Men with large incomes are the "spark plugs" of industry and prosperity, and if you cripple them the machine won't operate satisfactorily; they are the ones who should take the risk of new enterprises. Businesses have mortality the same as human beings, and statistics show that the average life of a business in the United States is 62/ years and more then 90 percent of all new enterprises.

and statistics show that the average life of a business in the United States is 6½ years, and more than 90 percent of all new enterprises fail. Men with small incomes, as a rule, should not put their money in new enterprises; they should buy securities of established companies, insurance, homes, and the like. Venture capital should be furnished by men with the larger incomes.

Since October 1937 we have been lending money to our wage earners to save their homes and furniture, to help pay their doctor and hospital bills, and for numerous other things when they are hard pressed. These men are sent to me. I take the opportunity of discussing matters with them, and you would be astonished to know the things that interest them. More than 60 percent are interested in taxes. They feel that these high taxes are preventing them from having steady work. Part of my conversation with them usually runs like this: "Jim, if you had an income similar to what Mr. Mellon had, you would be willing to pay from 60 to 75 percent on the income you had over \$100,000 a year." Invariably he says, "Sure, I would." "Well, Mr. Mellon probably paid that." I only use Mr. Mellon as an example for all of them knew of him. "Let's turn it around and look at it from the other end. He was able to pay it, but you couldn't afford to have him pay it. that." I only use Mr. Mellon as an example for all of them knew of him. "Let's turn it around and look at it from the other end. He was able to pay it, but you couldn't afford to have him pay it. In effect the Government is saying to you, 'Jim, you can't have any of Mr. Mellon's money because we are going to take from him 60 to 75 percent of all of his present income above \$100,000, and as a result he is not going to put up a new business here in this community to bid for your services or your boy's services because if he does he stands 9 chances out of 10 of losing his money, and if he doesn't lose it, and the company is successful, we are going to take from 60 to 75 percent of the money he gets from that company.' As a result he doesn't start the new company, and you and your boy have to work for your present employer for the wages he can afford to pay you when he has the work." The answer from the wage earner usually is, "Well, I have never looked at it that way before."

Another question: "Do you play poker?" "Sure!" "Would you sit in a game where some outsider took out of every pot you won 6 or 7 chips out of every 10 in the pot for the 'kitty'?" "I should say not." "Well, that is what business is facing with the Government taking the same percentage from the wealthy businessman." Now, I am not the only fellow who is talking to the wage earner like that. You see signs all over the United States, "Less taxes—more work" and "What helps business helps you," and the wage earner and the low-income man are beginning to understand that, and I think they are going to so express themselves at the polls. In March 1938 I wrote a letter to Senator Bulkley in connec-

and I think they are going to so express themselves at the polls.

In March 1938 I wrote a letter to Senator Bulkley in connec-In March 1938 I wrote a letter to Senator Bulkley in connection with reducing the punitive undistributed corporate surplus tax. I suggested to him that, if the administration was going to insist on having this tax measure, they should give capital expenditures—that is, money spent for improvements and expansion—the same status as dividends, and that this would do three things. It would take a lot of men off the relief rolls; it would decrease the Government's requirements for funds for relief, and would increase the government's requirements for funds for relief, and would increase profits in the capital-goods industries for the Government to tax.

The last paragraph was this:
"An overdose of poison is frequently its own cure, and personally I am not worrying very much about the matter for a thing

that is not right will not prevail. If Congress does not take out of the hands of the vindictive emotionalists and back into its own hands control of the taxing power and the spending of the people's money and substitute a sane and reasonable taxing program for the raising of funds to support the legitimate activities of the Federal Government and all provided the result of the the Federal Government, and eliminate the punitive and social features of the present laws, economic forces will start doing so at the ballot box next November and will complete the job 2 years thereafter.'

That prophecy was fulfilled with much more of a bang than I ever thought it would be.

My income doesn't run up into these high brackets, and I don't want you to think that I am here pleading for the rich man. I am talking for myself and a thousand men who are associated with me in an enterprise out in Ohio, all of whom have been having a difficult time.

difficult time.

In January of this year I wrote to one of our Representatives. was not in connection with taxes but it applies to this discussion

was not in connection with taxes but it applies to this discussion as well as to the one about which it was written:

"I am not worrying about it for the immediate effect it will have upon our company or me for without boasting I may say that the managers of industry have ability above the average and they will be able to take care of themselves. They will at least have all the comforts of life and some luxuries; whereas, the low-income groups are going to be shoved still further into the slough of depression.

"We can't have real prosperity unless the man in the lower income brackets is prosperous, for it is that group that consumes 90 percent of our products, and I am concerned from a selfish standpoint about anything that tends to impair its purchasing power."

Now, these punitive, unfair, confiscatory, and suicidal taxes do impair its purchasing power because they remove and destroy all incentive for the wealthy man to risk his capital necessary to provide the worker with the tools of production. Unless you men of the Congress reverse this trend there isn't going to be any continued recovery. It will probably be saw-tooth in shape with a very narrow base at each tooth that marks recovery and a wide base on each tooth that marks depression. You are going to say, "Well, we have to have the income. We can't cut down these tayes."

to say, "Well, we have to have the income. We can't cut down these taxes."

A few weeks ago Mr. Morgenthau made the statement that he couldn't understand the attitude of businessmen whom he had contacted and who were saying, "Oh! what's the use."

I can understand it because many of them said to me, "What is the use of playing in a ball game where you are called out at first even if you bat out what ought to be a home run?"

I say to you that the patient is desperately ill and these measures that you have taken so far are simply narcotics and anesthetics. They don't cure the patient. The patient needs a radical operation, which will probably for a time make him sicker than he is at the present, but the chances are that if he has this radical operation he will be in very good economic health in a very short time. tion he will be in very good economic health in a very short time. It might be a two or three or even a four-stage operation, the same as the surgeon does when his patient is desperately ill.

If you do this, I believe that practically all employers will within 1 year have signs hanging out reading, "Help wanted." The measure of recovery is going to be in the reduction of unem-

To achieve a reasonably lasting recovery Congress must, among other things, really restore the profit system, repeal all punitive and social objective taxation, and say to all the people of the United States, "Let's go, let's all be prosperous and all enjoy the fruits of our labor and enterprise.

Thank you.

The Oklahoma Run

EXTENSION OF REMARKS

HON. MIKE MONRONEY OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 19, 1939

EDITORIAL FROM THE GUTHRIE LEADER

Mr. MONRONEY. Mr. Speaker, at this time I desire to call attention of the House of Representatives to the celebration of the opening of Oklahoma Territory for white settlement.

This week throughout the State of Oklahoma, the fiftieth anniversary of "The Run" is being commemorated. It was

the most dramatic birth of any State.

A large portion of what is now the State of Oklahoma was thrown open to white settlement at high noon, April 22, 1889. At that time, lining the borders of the Territory were more than 200,000 homeseekers, awaiting homes and farms | in the new country.

Because of its dramatic opening, I would like to submit the following editorial from the Guthrie Leader by Raymond Fields, editor and State commander of the American Legion, that graphically describes this historic occasion:

[From the Guthrie Leader]

Today's issue of the Guthrie Daily Leader is dedicated to the purpose of congratulating Oklahoma and Guthrie on the fiftieth

purpose of congratuating Ostational and Ottaine on the internal anniversary of founding.

There is no more single colorful chapter of pioneering in the history of this comparably young nation than the establishment of Oklahoma Territory, the "run for homes," and the subsequent development into a Commonwealth that rivals in wealth,

Culture, and enterprise any of the sister States.

A half century ago, 200,000 persons were assembled on a line that marked the boundaries of what is now seven central Okla-

homa counties.

The line was material in that barbed wire showed where the

The line was material in that barbed wire showed where the surging tide of home seekers must await the signal, in that soldiers of the United States Army patrolled with open holsters to be certain there was no premature infringement of prize territory. For days—yes, weeks—the mass of home seekers had gathered and camped awaiting high noon April 22. This was a cosmopolitan assemblage from every State and Territory in the United States. Hundreds of racial qualities were represented; thousands of provincial and local instincts were blended into the mass.

There was bound to be that element that wished to live the

There was bound to be that element that wished to live the easy life, prey upon the pioneers, take any possible advantage of them. Then there was a necessary group to traffic and barter in food, clothes, and provisions for "the run."

But the impelling thought, the mass hysteria, was land—a

Some were determined to locate on a quarter section, bottom land if possible, but a quarter section. Others had in their mind's eye town lots in communities that would arise into cities overnight

From the prairies.

But the magnet was home—a home they could own themselves.

At noon April 22, 1889, came the bark of the soldiers' pistols.

Headlong across the line came the thousands. Fast-riding horses had been trained for weeks. Plunging teams galloped in double harness, pulling heavy wagons behind them with jangling families clinging to whatever they could grasp. There was buckboard and surrey, even foot racers. Trains filled to overflowing augmented the crowd.

Homes! Homes!

Homes! Homes!

The mass thinned out as the miles wore away. Some were ahead, some behind, some had stakes driven on town sites and the coveted quarter sections.

coveted quarter sections.

Nightfall saw busy tent towns, Guthrie and Oklahoma City having an estimated population of 15,000 each on the first night.

Thousands of campfires fingered skyward from claim-holding pioneers' bivouac. The night was typically springy.

Men walked in files to get water from handy springs. Women busied themselves with preparation of a campfire meal. Children tugged to the skirts of the pioneer woman.

From somewhere in the mass of new homesteeders came the gry

From somewhere in the mass of new homesteaders came the cry into the night: "Oh, Joe! Here's your mule!" It was picked up and carried on, pioneer to pioneer, until it reached Joe whose tethered animal, priceless for the plowing of new lands, had broken away, and the neighborly restoration brought unbounded joy to his open home.

Joy to his open home.

For 50 years, the cry: "Oh, Joe! Here's your mule!" has come down to new generations of Oklahomans, typifying the mutual helpfulness, the neighborliness, the friendship of the people of this State—strangers only for a minute, friends forever thereafter. The story of Oklahoma Territory for the first few days, weeks, months, and years would require volumes.

On the second day permanent preparations were compared.

On the second day permanent preparations were commenced. For these people had cast their lot with the new Territory and they had come to stay. Tents started giving way to lumber structures in the towns, to log and sod lean-to homes on the quarter-

sections.

There was trouble about the "jumpers" and "sooners" to be sure,

There was trouble about the "jumpers" and "sooners" to be sure, but this was scattered, considering the thousands of claims established in so short a time. There was tragedy and even death in defense of claims, but the incidents were comparatively few.

Effigy figures of claim-jumpers hanging with noose around their necks in most of the pioneer towns and villages were gruesome warnings as to how legal claims would be regarded by the people as a whole.

Such, in brief, was how Oklahoma came into being 50 years ago. Anyone living in the State can reflect with pride on her glorious half-century of history, without comparison in the Nation's history. There is no necessity for the referee to undertake writing a picture of the Oklahoma of today. We all know her well,

love and respect our Soonerland.
We can also look to the future with confidence.

We can also look to the future with confidence. The resources have developed rapidly and often with waste, but Oklahoma continues a leader among the commonwealths in respect to natural resources, agriculture, and in some departments, manufacturing. On the occasion of the golden anniversary of the opening of Oklahoma Territory, we can pride ourselves on being Oklahomans and we should take that pride and translate it into future development for our State—our home.

Automobiles Under Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 19, 1939

Mr. REED of New York. Mr. Speaker, automobiles are our most important manufactured export commodity, both in value of exports and in number of workers in the industry. Since the volume of exports of this commodity has been retarded by various trade barriers set up by foreign countries, whether or not these barriers have to any marked degree been lowered through the Roosevelt-Hull trade agreements is one of the best tests of the economic success of this pro-

Figures from official sources show that the trade agreements have not been particularly helpful to the automotive industry. In 1937 the value of all domestic exports was 62.9 percent of the 1929 total, while the value of all exports of automobiles, parts, and accessories was 64.3 percent of their 1929 value. However, the value of exports to tradeagreement countries which reduced tariffs to this country was but 60.9 percent of their 1929 value, while value of exports to all other countries was 66.9 percent of their 1929 value. Thus it is obvious that the nine concessions made by foreign countries have not been especially helpful in returning automobile trade in these countries to the 1929 level.

By far the most important branch of the automotive industry is the production of passenger cars. In 1937 the total number of passenger cars and chassis exported was 67.6 percent of the number exported in 1929. However, exports to trade-agreement countries which reduced tariffs were but 57.4 percent of their 1929 number while the exports to all other countries were 71.3 percent of their 1929 number, thus showing more rapid increase to all other countries than to agreement countries which reduced tariffs.

Thus we have found that automobile exports in 1937 were still below the 1929 level and that exports to agreement countries which reduced their tariffs were further below the 1929 level than were exports to the rest of the world. There is no evidence from the trade statistics to prove that the trade agreements have helped the automotive industry as exports to countries which have made no concessions to the United States have increased at a more rapid rate than they have to the countries which reduced tariffs on automobiles. This is further evidence that the reciprocal tradeagreement policy is not reciprocity but a device for lowering tariffs in an unconstitutional and undemocratic manner.

That the United States is the world's most efficient producer of automobiles is questioned by no one. Therefore, if the Roosevelt-Hull agreements had been an economic success our proportion of total world production would be greater today than in 1935 or at least the trend would be toward a greater share instead of a smaller one. But in 1937 world production was 100.9 percent of 1929, United States production was but 89.7 percent of 1929 and the production of the world excluding the United States was 164.9 percent of 1929.

In 1937 Secretary Hull's plea for the extension of the Reciprocal Trade Agreements Act was that the agreements were helping to bring about world peace. A world whose attitude is becoming less belligerent does not think of increased armaments nor of plants which can be converted into munition factories in time of war. Most of the increase in motor vehicle plant capacity in recent years has been part of the military policy of the nations of the world as an automotive plant can quickly be converted into a munitions factory.

World business conditions were better in both 1936 and 1937 than in any of the 4 preceding years. However, in these years we produced a smaller portion of the total world output. Production outside of the United States increased 40.8 percent more rapidly than in this country. At the same time our exports of motor vehicles of a military nature increased materially. It is unfortunately apparent that Secretary Hull's peace efforts have been in vain, for the world is arming for war and producing foodstuffs and war materials as abundantly as possible, regardless of the cost. With such conditions in the world are real reciprocal-trade agreements possible? The State Department is aware of these conditions. Therefore is it not reasonable to assume that their real purpose is to lower tariffs in an unconstitutional and undemocratic manner?

Farm Interest Rates

EXTENSION OF REMARKS

HON. VINCENT F. HARRINGTON OF IOWA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

RESOLUTION ADOPTED BY NATIONAL FARM LOAN ASSOCIATIONS OF ORANGE CITY, HAWARDEN, AND HULL, IOWA

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a resolution adopted by the National Farm Loan Associations of Orange City, Hawarden, and Hull, Iowa. In view of the distressed financial situation of our farmers, I heartily concur in the recommendation that the interest rates on Federal land-bank and commissioner loans be permanently fixed at 3½ percent and the principal payments of these loans be extended over a period of 30 years.

The resolution is as follows:

Whereas long-term loans and low interest rates help materially to stabilize the agricultural industry; and
Whereas the emergency farm loan interest rate of 3½ percent, made possible by special action of the National Congress to the farmer borrowers having Federal land-bank loans, expires July 1, 1940, and the emergency farm loan interest rate of 4 percent, made possible by a special act of the National Congress to the farmer borrowers having land-bank-commissioner loans, expires July 1, 1940; and

Whereas thousands of farmers have Federal land-bank and land-bank-commissioner loans, and because of the fact that the interest rates are not definitely fixed at a low rate and because of the fact that principal payments of at least 5 percent per annum are required on land-bank-commissioner loans there is much

are required on land-bank-commissioner loans there is much uncertainty and indefiniteness in the plans of such farmer borrowers; and

Whereas it appears to be possible to extend lower interest rates to the farmers without an excessive burden to the taxpayer and with almost no administrative costs and that interest rates on Government loans to other industries are considerably less than those fixed for the farmer of the Middle West; and

Whereas it is our opinion that low interest rates and small principal payments accorded to farmers through the Federal land-bank system would contribute much to the stabilization of agriculture: Therefore be it

Resolved, That we, the members of the Sioux National Farm Loan Association, Orange City, Iowa, respectfully petition the National Congress to make the interest rate on all Federal landbank and land-bank-commissioner loans 3½ percent for the life of the loans and that principal payments on land-bank-commissioner loans be extended over a period of not less than 30 years. sioner loans be extended over a period of not less than 30 years: Be it further

Resolved, That a copy of this resolution be sent to our United States Senators, Hon. Guy M. Gillette and Hon. Clyde L. Herring; to our Congressman, Hon. Vincent F. Harrington; and to the land-bank commissioner and the Federal Land Bank of Omaha.

The above resolution was unanimously adopted at the annual meeting of the members of the Hawarden National Farm Loan Association, Hawarden, Iowa, held on February 7, 1939, at the annual meeting of the members of the Sioux National Farm Loan Association, Orange City, Iowa, held on February 9, 1939, and at the annual meeting of the members of the Hull National Farm Loan Association, Orange City, Iowa, held on February 9, 1939, and at the annual meeting of the members of the Hull National Farm Loan Association, Hull, Iowa, held on February 14, 1939.

G. J. Slobe,

Secretary-Treasurer.

Farm Imports

EXTENSION OF REMARKS

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1939

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks in the RECORD I am submitting a comparison of agricultural imports for the months of January and February 1938, and January and February 1939. These figures are secured from the United States Department of Commerce.

	January and February	
Products	1938	1939
Cattle head	46, 100	184,000
Hogspounds	15, 766	15, 055
Meat productsdo	16, 433, 181	19, 219, 000
Butterdo	513, 347	164, 884
Cheesedo	6, 854, 611	8, 339, 000
Oatsbushels	4, 432	88, 485
Corndo	79, 540	49, 824
Wheatdo	79, 356	1, 873, 744
Barleydo	100	559
Barley malt pounds Flaxseed bushels	22, 625, 252	12, 482, 685
Cottonseed oilpounds_	3, 255, 979	4, 360, 000 12, 948, 775
Wool and mohairdo	2, 162, 647 8, 260, 000	39, 213, 000
Molasses (inedible) gallons	27, 647, 495	31, 618, 114
Eggs in shell dozen	38, 671	73, 799
Eggs, in shelldozen Vegetables and preparationsvalue	\$3, 974, 735	\$3, 371, 000
Hides and skins nounds	23, 164, 000	61, 015, 000
Hides and skins pounds Tobacco, unmanufactured do	9, 057, 000	11, 312, 000
Cotton, unmanufactureddodo	14, 023, 000	16, 090, 000
Vegetable oils, edibledo	17, 401, 000	31, 485, 000
Cottonseed oildo	2, 163, 000	12, 949, 000
Olive, corn, other oilsdo	15, 238, 000	18, 536, 000
Maple sugar, sirupdo	108,006	1, 305, 829
Soybeando	3, 224, 000	4, 420, 000
Cottonseeddo	888, 000	4, 284, 000
Linseeddo	1, 286, 000	2, 607, 000
Coconut or coprado	12, 477, 000	19, 723, 000

The International Situation

EXTENSION OF REMARKS

HON. HENRY C. DWORSHAK OF IDAHO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

EDITORIAL BY L. R. SCOTT

Mr. DWORSHAK. Mr. Speaker, today Americans are overwhelmed with editorials in large daily newspapers reflecting a concerted effort to inflame their passions and subtly influence them in favor of the so-called democracies of Europe. There is little disposition to present the truth or accurately portray the diplomatic and historical background of affairs in Europe today, so that public opinion may be properly informed.

Editors of large dailies do not always submit their personal views, and necessarily must be governed to a large extent by the policies of publishers. However, there is a large and influential group of editors on thousands of country newspapers in the United States who are constantly in touch with citizens on the farms and in the smaller communities. These editors are solely actuated by a desire to give constructive expression to untrammeled views, and therefore are in a position to reflect this sentiment.

The following editorial written by L. R. Scott, of the Power County Press of American Falls, Idaho, is indicative of how Americans in rural communities view the present interna-

tional situation:

CONGRESS SHOULD NOT ADJOURN

Because of the crisis in Europe Congress should stay in session. Not for the purpose of declaring war but for the purpose of keeping us out of war.

President Roosevelt has stuck his neck out so far into European affairs that he may need help to get it back and hold it. In other words, he has already taken sides in a European war before

it has started.

It has started.

We see no reason yet why we should in any way become involved in their quarrel. They say Germany and Italy have broken treaties. That is true, but England and France have certainly broken their ageement with the United States also to the extent of several billions of dollars that the citizens of this country will have to pay in taxes. They say we must fight to save democracy. It is rather difficult to know how we can ally ourselves with communistic Russia in a fight for democracy.

They say we must fight the totalitarian governments now or fight them alone after they control all of Europe. Perhaps so, but if they have a fight to the finish in Europe it would be 50 years before they would recover sufficiently to wage another war, and by that time North and South America will be some power to be reckoned with. And then we don't know but what England would do the same thing if she won the war. England has tried to control this country by armed force twice in the past and she may want to do so again. Neither Germany nor Italy have ever attempted to take control of the United States by armed force.

Just a few days ago a British statesman in Canada stated that the United States was a parasite because we did not take a stronger stand to protect England and France. Fact is that if it was not

stand to protect England and France. Fact is that if it was not for the money furnished by citizens of the United States to pro-mote Canadian enterprise our neighboring country to the north would still be a frozen desert. And their farmers would be hungry now if they were not allowed to ship their commodities to this country under the reciprocal-trade agreement in competition with

the farmers of this country.
It seems to us that the United States Government should spend millions, or even billions for defense. Tell the kings and dictators of Europe we are not interested in their quarrel. But also tell them not to interfere in affairs of America or any of our possesthere will be war, and prove to them that we mean sions or

exactly what we say.

Shall Congress Investigate the R. F. C.? Destructive Intent Evident in Proposed Loan to M. & St. L. Railway

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 19, 1939

Mr. ALEXANDER. Mr. Speaker, I have just received the following communication from the International Association of Machinists, Lodge No. 477, of Minneapolis, regarding a matter which is very vital to my district and to laboring men and residents of that section. I shall insert the letter herewith and then make some remarks regarding the Reconstruction Finance Corporation which, I believe, if half we hear about it is true, is about due for a thorough investigation by Congress. The machinists' letter follows:

INTERNATIONAL ASSOCIATION OF MACHINISTS, LODGE No. 477, Robbinsdale, Minn., April 15, 1939.

Hon. John G. Alexander,
House Office Building, Washington, D. C.
Dear Str.: In behalf of Machinists Lodge No. 477, affiliated with
the International Association of Machinists, I am writing you
with reference to the proposed reorganization plan of the Minneapolis & St. Louis Railroad.

We understand that plans for the reorganization are being pushed forward quite rapidly and wish to voice our doubts as to the possibility of every angle being considered in such haste.

e understand that, despite expected denial, the railroad will be divided into two parts; one corporation will own all the good line and all the rolling stock, the other will be the part they have wanted to abandon and will be organized simply for the purpose of abandonment.

Since this was one of the main reasons for the concerted drive against the recent proposed split-up plan, we are, of course, vigorously opposed to this action.

The plan also calls for moving the shops, now located at Cedar Lake, to Marshalltown, Iowa, which would result in a loss of some

400 employed people to Minneapolis.

Also, the proposal calls for \$1,503,000 attorneys' fees—this to be paid in bonds. When you add this to the \$800,000 already paid,

and place that bond load on the new corporation to start with, it will, of course, be difficult to give labor fair treatment.

We wish to go on record as being opposed to this move as

proposed, and ask your wholehearted cooperation in working for a fairer plan for the workers and communities before it is too late. Yours truly,

J. H. GILCHRIST, Recording Secretary.

I have also had similar letters from other groups of citizens and organized labor which are unanimously on record in opposition to the proposal by the Reconstruction Finance Corporation. After watching and having had some close personal contacts with this agency during the past several years, I am wondering if the name should not be changed to Rooters for Communism, Reconstructed Federal Chumps, or Ready for Cleaning. Perhaps the latter is most appropriate if we are to judge from not only this immediate case, but also the recent one in which newspapers have reported they have made arrangements to loan \$6,000,000 to a couple of friends formerly employed in the R. F. C., so they could build a building in Washington, worth perhaps two-thirds that amount in terms of what the same building could be built for elsewhere; and then they lease it to the Government at a rental predicated on the purported or kited cost of the building. So the R. F. C. not only makes a questionable loan of our money, but thus makes it possible to rook the Government over a term of years with an exorbitant rental.

Under the terms of the present loan now proposed to be made to the attorneys and bondholders of the Minneapolis & St. Louis Railway, we find the following interesting facts and figures in a letter from the Railroad Brotherhoods' Legisla-

tive Board of Minnesota:

RAILROAD BROTHERHOODS LEGISLATIVE BOARD, STATE OF MINNESOTA, April 10, 1939.

Hon. John G. ALEXANDER, Congressman, State of Minnesota,

Washington, D. C.

My Dear Congressman: We are enclosing a copy of memorandum dated March 4, 1939, in regard to the petition of Coverdale and Colpitts for allowances of maximum fees in the proposed reorgan-

You will notice in this memorandum that corporation B, which is west of Winthrop, through to South Dakota, and south from Winthrop through New Ulm to Tara, Iowa, will be completely divorced from corporation A, which will operate the lines from Hopkins, Minn., through to Peoria, by way of Albert Lea.

Line B has between 20 and 25 train and engine crews operating upon it as well as a great number of men in other branches of the services which will be completely divorced from corporation.

the service which will be completely divorced from earnings and benefits of corporation A.

We are of the opinion that this reorganization is nothing more than the original dismemberment proposition that was submitted some time ago and upon this basis we feel that the \$5,000,000 loan from the R. F. C. should be given very, very careful attention before being granted so that the benefits that may be derived from it would be apportioned out to corporation B as well as corpora-

Trusting you will give this your careful attention, we remain, Fraternally yours,

F. H. WILSON, Order of Railway Conductors. F. W. SPENCER, Brotherhood of Railroad Trainmen. P. J. Burns,
Brotherhood of Locomotive Engineers.
P. F. De More, Brotherhood of Locomotive Firemen and Enginemen.

In re petition of Coverdale and Colpitts for allowances of maximum fees in the proposed reorganization of the Missouri & St. Louis.

This firm filed a petition with Judge Booth dated February 17, 1939, for maximum allowances for reorganization purposes to which is attached four exhibits, two containing letters from Jesse H. Jones, third a tentative plan of reorganization, and the fourth allowances suggested to reorganization managers in connection with the matter. An order to show cause was issued to be heard on March 6 at 10 o'clock a. m., before Judge Booth. According to this document it empears that Jesse H. Jones is willing cording to this document it appears that Jesse H. Jones is willing to loan \$5,000,000 for an issue of 4-percent 25-year bonds secured against property which would be owned by the first corporation. Exhibit 3 is an outline of money required for reorganization.

Allowances for fees to mortgage trustees and counsel, previously made by the court but not yet paid, to be paid by \$300,000 4-percent income bonds.

Reorganization expenses and court costs to be paid in

Allowances to officers of court and reorganization man-ager and others, to be paid by income bonds._____

\$260,000

100,000

853,000

363,000

Amount necessary for bidding to be paid in foreclosing mortgages, to be paid in cash	\$100,000
Rehabilitation and improvement program, to be paid in	
in cash	2,978,000
Equipment paper	816,000
Receiver's certificates (to be paid in cash)	326,000
Preferred claims allowed by the court, of which 40 percent is to be paid in cash and the remainder in income bonds with no interest to be allowed in computing	
the total	1,748,000
Merriam Junction-Albert Lea mortgage, of which 80 per- cent is to be paid in cash and the balance with interest	
in income bonds	950,000
	200

tingencies to be paid in cash... Under the plan of reorganization two corporations will be formed.
Corporation A will own all of the property except the lines west
of Winthrop and the lines south of Winthrop, through New Ulm, to
Tara, Iowa. Corporation B will own all lines west of Winthrop and
the line from Winthrop south, through New Ulm, to Tara, Iowa.
Corporation A will operate all of the existing lines of the railroad,
both its own lines and the lines of corporation B, which latter will
lease its lines for operating purposes to corporation A.
In one of Mr. Jones' letters, that of February 11, he writes: "Our

All other mortgage bonds outstanding (\$44,285,000) to be paid for in 120,000 shares of capital stock; con-

In one of Mr. Jones' letters, that of February 11, he writes: "Our commitment will be conditioned upon the remaining part of the railroad, against which we would have no claim, being conveyed to a separate corporation. Our mortgage would provide that no part of the earnings of the road should be diverted to the other corporation."

COMMENT

The total sum requested for fees in reorganization including contingencies is \$1,116,000, of which \$100,000 is to be paid in cash as well as the item for contingencies. The allowances suggested on page 4 of the exhibits are subject to criticism. They amount to \$853,000 out of which \$350,000 would be paid to the reorganization managers and the balance to the receiver, his counsel, officers of the railroad, some employees, and \$10,000 to Mrs. Smith and \$15,000 to Mrs. Bremmer. Officers and employees of the corpora-tion are working on regular salary and it is indeed difficult to see how they would be entitled to anything beyond their salary for how they would be entitled to anything beyond their salary for such work as they may do during the receivership. The receiver is now getting \$25,000 a year. There is also a suggestion for an allowance to Messrs. Carlson and Boutelle, attorneys for preferred creditors, of \$100,000, of which 40 percent is to be paid in cash and the balance in income bonds. This is to be paid out of the sum going to preferred creditors. I do not see why the court should be called upon to treat with compensation this firm is to get from the funds payable to preferred creditors. That is a matter of contract between the attorneys and the clients. Under no possible circumstances would the I. C. C. approve those items and I do not see upon what basis the court can be asked to pass upon maximum allowances to be considered in a reorganization because, maximum allowances to be considered in a reorganization because, after all, the Commission must approve of a reasonable plan together with expenses and fees. In many reorganization plans the Commission has been very severe in its treatment of claimants for

The plan of reorganization seems to fall in line with the testimony and opinions of witness Baringer in Dismemberment case. He stated that the plan then under consideration would save that part of the railroad which could be made to pay, and his judgment included only the line from Hopkins to Peoria. All the rest of the line should be left out of the picture. True, the new plan does not swallow Baringer's idea in full because it includes as a part of corporation A the line to Winthrop and the line from Albert Lea to Fort Dodge and then to Des Moines. That retains That retains for corporation A the favorable connections with business to the south and east through Peoria. The provision that the first mortgage bonds issued by corporation A shall provide that none of the earnings of that railroad shall be diverted to corporation B simply means that corporation B could not live, and in a short period of time it would have to cease operation and the line be abandoned.

To me the plan seems to be entirely inconsistent with the atti-To me the plan seems to be entirely inconsistent with the attitude expressed by officers and managers of the property in the Dismemberment case. They all felt the property could continue to operate, pay its way and earn enough to pay dividends on the mortgage of from ten to twelve million dollars. All parties opposing the dismemberment plan wanted to preserve the present system. This position was taken because it was in the public interest to have the railroad service and because employees should be continued in employment. It is difficult for me to see, in view of these facts, how the receiver and counsel for the receiver and managers of the property can consistently promote this plan. It of these facts, how the receiver and counsel for the receiver and managers of the property can consistently promote this plan. It represents a change of face which doesn't look good. Probably their attitude is influenced by the generous allowances which are provided for in the plan. Unquestionably the plan will be opposed. Employees whose tenure of jobs will be made uncertain should oppose it. Commissions of Minnesota and South Dakota should certainly oppose and it may be that the commission of Iowa will do the same thing. Communities along the line to be served by corporation B should be just as much interested in opposing this plan as they were before because it is just as certain as daylight that corporation B cannot continue to exist. I cannot as daylight that corporation B cannot continue to exist. I cannot understand how second-mortgage bondholders can agree to take

stock for their interest. Under the dismemberment plan they would have been allowed 3 percent, here they get a piece of

worthless paper.

To me the whole plan is so incredible and so notoriously unfair to preferred creditors, second-mortgage bondholders, employees, and the general public that I am certain it will not be approved by the Interstate Commerce Commission.

In other words, only \$2,978,000 are to be used for the purpose of rehabilitating the railroad—a thing which we are all in favor of and realize the need for, not only in the case of this railroad, but most of the railroads of the country-and \$1,116,000 are to be used for attorneys' and receivers' fees. On a loan of \$5,000,000, can any stretch of the imagination justify such a manifest juggling of our public funds for the benefit of a very limited number of people? If we are going to loan money for rehabilitation purposes, let us distribute it so that it will benefit our unemployment situation, as was the original intent when we set up this Government agency.

In view of the apparent misconceptions on the part of the R. F. C. officials of their duty and purpose, and in view of the fact that this same question has previously been before the Interstate Commerce Commission and rejected after full and extensive hearings and investigation, I suggest it is about time for Congress to institute an investigation of the R. F. C. to determine whether there is not malfeasance in the conduct of their duties and to definitely establish proper limitations beyond which they shall not be permitted to go in encroachment on our legislative prerogatives.

The Press Subsidy

EXTENSION OF REMARKS

HON. ROBERT J. CORBETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

Mr. CORBETT. Mr. Speaker, under leave to extend my remarks in the Record, I wish to point out an amazing event—unique, I believe, in the history of our democratic government. I refer to the highly commendable action of the Pittsburgh Press in advocating the elimination of a Federal Government subsidy from which it directly benefits. In this day when pressure groups of all sizes and varieties are seeking to get every possible penny from the Public Treasury; when public morality has sunk to the level that almost everyone is talking about what they can get from society rather than what they can give to society, the attitude of the Pittsburgh Press stimulates like a breath of fresh air in crowded smoke-filled room.

The following editorial from its pages illustrates one of the things we must do if we would win back prosperity and sets an example that requires no comment:

Over the years this newspaper has criticized the subsidies in general and subsidies in particular. Yet each time we point to the mote in the other fellow's eye, we have to remind ourselves of the beam in our own.

For the publishing business has a pet subsidy which is just as indefensible as any other.

The following table, from the Post Office Department's operations of 1938, tells the story:

	Revenue	Cost of han- dling	Deficit
Publications exempt from zone rates on advertising portion	\$1, 997, 695. 89 8, 281, 747. 33 3, 403, 464. 73 9, 461, 878. 80	\$15, 567, 293. 34 36, 696, 510. 93 16, 002, 288. 73 36, 541, 056. 00 8, 115, 069. 74	\$13, 569, 597. 45 28, 414, 763. 60 12, 598, 824. 00 27, 079, 177. 20 8, 115, 069. 74
Total, publishers' second class	23, 144, 786, 75	112, 922, 218. 74	89, 777, 431. 99

The Post Office Department showed a loss of about \$47,000,000 in its 1938 operations. If it hadn't been for the deficit of nearly \$90,000,000 which the Department says it suffered in the handling of newspapers, magazines, and other periodicals—the figures above are the Department's own, of course—then the Postal Service last

of newspapers, magazines, and other periodicals—the figures above are the Department's own, of course—then the Postal Service last year would have shown a handsome profit.

The accuracy of the figures may be open to debate. We can't understand, for instance, how it is possible to compute that the cost of free delivery inside the county of publication—the particular boon of small-town dailies and weeklies—was exactly \$8,115,069.74. Rural mail carriers have to make their rounds anyway. Yet it is only fair to assume that the Department has a dependable formula for assessing the costs of its various services. And whatever formula was used to require a 3-cent stamp for a first-class letter, a 6-cent stamp for an air-mail letter, and the graduated charge for parcel-post mailings—for the purpose of making each of those services self-supporting—should be applied to newspapers and magazines for the same purpose.

Speaking for ourselves, the Pittsburgh Press and the Scripps-Howard organization, of which we are a member, want no free ride at the taxpayers' expense. We are willing to pay the costs of distributing our newspapers. And we should like to see other newspapers and magazines join in asking for abolition of this Government subsidy. Those who refuse need not be surprised if their editorial utterances against the Government's other borrow-and-spend gratuities fail to convince.

The New Deal Administration

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Thursday, April 20 (legislative day of Wednesday, April 19), 1939

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, APRIL 19, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an able address delivered by the junior Senator from New York [Mr. Mead] at the luncheon of the National Democratic Council at the Cosmos Club, Washington, D. C., April 19, 1939.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

When President Roosevelt assumed his present position, condi-

When President Roosevelt assumed his present position, conditions throughout the country were so distressing as to be without precedent in all the history of the Republic.

Economic and business processes were in a state approaching complete collapse. Our financial system, with hundreds of bank closings occurring daily, was in a state of prostration. Deflation had reduced the national income by more than 50 percent. The sources of Federal revenue were dried up. Industry and agriculture were impoverished to a point approaching bankruptcy. America was so near the brink of the precipice of ruin that despair was written on the faces of the people, while terror gripped their hearts. That was the break-down of an old political order; that proved the futility of the forces of reaction.

the futility of the forces of reaction.

President Roosevelt and the Congress, with extraordinary speed and effective decision, invoked the powers of the Federal Government, expeditiously instituting one drastic innovation and reform after another, until finally the situation was brought under control, and hope and confidence displaced terror in public thought. That was in 1932

was in 1933.

was in 1933.

The plans and policies, invoked by the President and approved by the Congress, to save the country from inevitable collapse, to advance the public welfare, to establish order, and promote national prosperity are now commonly referred to as the New Deal.

We are all familiar with that record. We know the reason for its origin. Its accomplishments thus far have resulted in its receiving widespread public approval. The people generally understand and approve the New Deal recovery program; they realize that its operation, sympathetically administered, is intended to promote social justice, greater equity between citizen and citizen, and to enhance national prosperity by observing the principle of balance in social and economic relations.

There is no mystery behind the reason, the source, or origin of

There is no mystery behind the reason, the source, or origin of the New Deal. It is not the handiwork of a President, a Cabinet, or a Congress. The compelling cause that made its creation inevitable as a matter of social and national self-preservation can be traced to the complete break-down of the previous Republican

administration.

Let me declare, as emphatically as I may, that the advent and institution of the New Deal, through the broader function of the

Government to make it operative, is not solely due to the planning of President Roosevelt or the Congress; it came because there

as no other way.

In the light of America's progress in productive efficiency and In the light of America's progress in productive efficiency and social interdependence, it was necessary to protect our country from disasters unspeakable. It emanated from the hearts and minds of the people of America. It was the outgrowth of economic pressure represented by every unemployed worker, impoverished farmer, and bankrupt businessman in the country.

There was no other way, and because there was and is no other way, our critics, after they derisively call the roll of our recovery enactments, are intellectually bankrupt in advancing or proposing any substitute or alternative plan to enhance or protect the public

any substitute or alternative plan to enhance or protect the public

interest.

interest.

The sole purpose of the opposition, leveling as it has a "pop-gun" attack on the recovery program, is to cause confusion of thought through the partisan barrage of accusations, in the vain hope that the people will be confused.

The New Deal recovery program has proved itself. Its multiplied activities coordinate into one broad economic and social plan that maintains intact the integrity of American ideals and institutions, and responds to the character and the needs of our people.

In the light of our Nation's history, political, social, and economic, the New Deal program is working in harmony with our natural development. It follows the course that progress must take. Unless it is sabotaged, it will continue to be a great success.

natural development. It follows the course that progress must take. Unless it is sabotaged, it will continue to be a great success. Every permanent New Deal agency has long since won the approval of the American people, as well as the right to become permanent fixtures in our national set-up. Call the roll of the New Deal agencies and you will find their objectives are to prevent a recurrence of the disaster of 1929, to protect the people's wealth, to conserve their natural resources, and to provide for a greater degree of economic security.

serve their natural resources, and to provide for a greater degree of economic security.

Through higher wages and shorter hours an answer to machine productivity is found. Through the Agricultural Administration Act an answer to productive efficiency on the farm is being worked out. Through pensions and retirement systems an answer for our older worker's problems will be developed.

The presentant of the Tansportation Act, the creation of the

The enactment of the Tansportation Act, the creation of the Bituminous Coal Commission, the T. V. A., the Wagner labor law, the Securities Exchange Act, and every other governmental establishment were prompted by a purpose to protect producers and workers from economic disorganization that overproduction brings.

They diffuse the benefits of technocratic advances. They give us

They diriuse the benefits of technocratic advances. They give us better economic balance.

There exists but one choice between the New Deal recovery program, which was inevitable as a matter of social and national self-preservation, and the futile policies of the National Republican Party. That choice is to stand by the New Deal; to give its sweeping program the support its success, already attained under trying circumstances commands.

sweeping program the support its success, aiready attained under trying circumstances, commands.

There is no choice between the philosophy of our Democratic Government and the violent or despotic types and systems adopted abroad. Their leadership might be more effective for the time being, but their formulas are temporary, transitory, and will pass with the passing of the dictators. Our laws are permanent in character. Theirs are the edicts of a despot.

While violence has been done to democracy in the last score.

character. Theirs are the edicts of a despot.

While violence has been done to democracy in the last score of years, we can dismiss the thought that the new formulas established abroad are lasting or enduring.

Our system has stood the test for 150 years. Every crisis has brought forth successful leadership, because of the intelligence and the patriotism of our people.

Man has tried all types. Democracy best fits his nature, and in more normal times, if he should wander away, he will come back to it again.

Now, looking backward for the moment: We have plugged the leaks, eliminated the evils that led to the crash of the ill-fated Hoover administration. We have adopted a conservation program that will stop the destruction of our resources and preserve the soil for the generations to come.

We have expanded the principles of democracy by giving labor the right to bargain collectively under democratic formula. We have laid the mud sills, deep in our soil, of a vast social-security program, which will expand and develop until it will care for the wildow and orphan, the blind and disabled, the unemployed, and the aged throughout the Nation.

And now, looking ahead at this point, we can see the completion of the reform program and with it a more permanent prosperity, a better economic order. When the legislation, resulting from the monopoly inquiry, becomes a reality—when international order takes the place of international chaos—we may expect to enjoy improved trade and commerce with the nations of the world. When stability of the currency of the nations of the world approaches normalcy, our prosperity will be heightened. Domestic conditions, under the recovery program, are bound to improve in response to enlightened public opinion, and the powerful leadership for peace, asserted by President Roosevelt, must—at least we hope—grow better day by day.

At any rate, when this troubled world has recovered from the hysteria which grips it today, and international relations are normal again, America's New Deal recovery program will prove its effectiveness in establishing a better economic balance and a more enduring prosperity. And now, looking ahead at this point, we can see the completion

enduring prosperity.

To change political theories at this time, to turn back now, to embrace the old order again would be fatal to our political and economic well-being. To advance on all fronts, to perfect the agencies already established, to amend the statutes when improvement will result will lead us onward and upward to enjoy the sunshine of a new day. It will enable us, by the powerful force of good example, to win a world back to the ideals of democratic government.

Jefferson and Monroe

EXTENSION OF REMARKS

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES Thursday, April 20 (legislative day of Wednesday, April 19), 1939

RADIO ADDRESS BY HON. GUY M. GILLETTE, OF IOWA, APRIL 19, 1939

Mr. HERRING. Mr. President, last night there was broadcast over the Columbia Broadcasting System an address by the senior Senator from Iowa [Mr. GILLETTE], delivered at a meeting of the Society of Virginia of the District of Columbia, at the New Willard Hotel, the meeting being in celebration of the anniversary of the birth of President Jefferson and President Monroe.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nothing could be more fitting than a joint celebration of the birthdays of Jefferson (April 13) and Monroe (April 28), for throughout their public careers their lives were closely inter-

Jefferson, a young man of 33, gave to his country the Declara-tion of Independence. In the same year 1776 Monroe, a youth of 18, laid aside his studies at William and Mary, joined the Army of Independence and fought in every important battle from White Plains to Monmouth, freely shedding his blood at Trenton.

Then he studied law under Jefferson, who was Governor of Virginia, and an intimate lifelong friendship developed.

Jefferson's second greatest contribution to his Nation was probably the Louisiana Purchase. To assure its success he appointed Monroe Envoy Extraordinary, who joined Ambassador Livingston at Paris, and they successfully negotiated the purchase with Napoleon.

Upon retiring from the Presidency, Jefferson recommended Madison as his successor. Madison selected Monroe as his Secretary of State. The War of 1812 went badly until Madison appointed Monroe Secretary of War as well as Secretary of State. Then the tide of battle turned, concluding in Andrew Jackson's great victory at New Orleans.

Jefferson, the lifelong leader of the Democratic Party, endorsed Monroe for the Presidency in 1816. His term of office was one of great progress and prosperity for the Nation. He had the unique distinction at his second election of securing every electoral vote

but one.

So we see that the two great Virginians whom we honor this evening were very closely alined in their public lives.

Virginia, one of the mother States, has contributed among her great sons and daughters some of the outstanding figures of our national history. We find Virginians scattered throughout the world, and they make splendid citizens wherever they go. Speaking of Virginians, upon this very pleasant occasion I am reminded of a story told me by the genial president of this society, Col. Edwin A. Halsey. He said it is generally known that Virginians are proud of their association with the Old Dominion, and told of a little boy who, on a social occasion, was asking each of the are proud of their association with the Old Dominion, and told of a little boy who, on a social occasion, was asking each of the guests where they were born. While the little boy proceeded with this questioning, his father heard him and said, "Son, you must not ask people where they were born because it is not polite. Don't you know that if they were born in Virginia they will tell you, and if they were not, why embarrass them?"

We, in the Middle West, and my own State of Iowa, laugh with you because we feel the same way about our heritage and the prestige of our paye good State.

you because we feel the same way about our heritage and the prestige of our own good State.

I shall address myself this evening principally to the career of President James Monroe.

In commemorating the anniversary of the birth of James Monroe, we instinctively turn to that event which, time has demonstrated, is the crowning achievement of his Presidency. In two brief sentences, of less than a dozen lines, in our fifth President's annual message of December 1823, lies the heart of a political doc-

In clear, concise words, Monroe enunciated the policy of the United States with respect to foreign interference in the affairs of this continent, and his announcement is now regarded an an epitome of the principles of this country concerning the development of the American States. This doctrine is as vital today as it was when it was written, 116 years ago, and the passing years have only served to strengthen it. Its added power and significance are strikingly obvious, as we read it in the light of present-day conditions. I quote:

"The occasion has been judged present or asserting as a service of the strength of t

day conditions. I quote:

"The occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers. * * *

"We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers (European powers) to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety."

That is the Monroe Doctrine which its author's biographer Gil-

That is the Monroe Doctrine, which its author's biographer, Gilman, refers to as "a political dictum, which is still regarded as fundamental law, and bears with it the stamp of authority in foreign courts as well as in domestic councils."

Although Monroe and his Secretary of State, John Quincy Adams, as well as Jefferson, Madison, Calhoun, and others whom he consulted, recognized the importance and necessity of such a policy at suited, recognized the importance and necessity of such a policy at the time of its adoption, it is doubtful if either Mr. Monroe or his advisers at the moment realized the lasting effect which his pronunciamento would have upon the future of America and the world. Jefferson, perhaps, with clearer vision than any, comprehended the full import of the proposed declaration of policy. Replying to President Monroe, who had consulted him, as well as the Cabinet, after Prime Minister Canning had proposed to Mr. Rush, American Minister in London, that the United States should cooperate with England in preventing European interference with the erate with England in preventing European interference with the Spanish-American colonies, Mr. Jefferson, in language even stronger than that employed in the Monroe Doctrine, said:

"The question presented by the letters you have sent to me is the most momentous which has ever been offered to my contemplation since that of independence. That made us a nation; this sets our compass and points the course which we are to steer through the ocean of time opening on us. And never could we embark on it under circumstances more auspicious. Our first and fundamental maxim should be never to entendia currely in the fundamental maxim should be never to entangle ourselves in the broils of Europe. Our second, never to suffer Europe to intermeddle

with cis-Atlantic affairs.

"America, North and South, has a set of interests distinct from those of Europe and peculiarly her own. She should, therefore, have a system of her own separate and apart from that of Europe. While the last is laboring to become the domicile of despotism, our endeavor should surely be to make our hemisphere that of

Three years before his correspondence with Monroe, Jefferson had envisioned such a policy as the Monroe Doctrine, and the germ of it is found in a letter to William Short, August 4, 1820, in which Mr. Jefferson refers to the importance of "an American system of policy totally independent of and unconnected with that of Europe," and added:

"The day is not distort when we new formally require a partition."

"The day is not distant when we may formally require a meridian of partition through the ocean which separates the two hemispheres on the hither side of which no European gun shall ever be heard, nor an American on the other; and when during the rage of the eternal wars of Europe the lion and the lamb within our regions shall lie down together in peace * * *."

"The farseeing significance of the Monroe Doctrine, if perceptible to no one else, was at least clearly seen by Daniel Webster," says the late Senator Henry Cabot Lodge. In a speech in the Senate, April 14, 1826, Daniel Webster said:

"I look on the Monroe message of December 1823 as forming a bright page in our history. I will neither help to erase it nor tear it out; nor shall it be, by any act of mine, blurred or blotted. It did honor to the sagacity of the Government, and I will not diminish that honor. It elevated the hopes and gratified the patriotism of the people. Over these hopes I will not bring a mildew, nor will I put that gratified patriotism to shame."

The sugged American conception of the Monroe Doctrine is no.

The rugged American conception of the Monroe Doctrine is nowhere more tersely or better expressed than by the late Champ Clark, when he referred to it as "America's most important contribution to the code of international law," and "the political life preserver of the Western World."

One of the finest tributes paid to Monroe, the statesman, and perhaps the one that more nearly reflects his true character and work, is that of Dr. Alderman, formerly president of the University

of Virginia:

"His strength lay in a spotless character, a robust common sense, and a pure and complete patriotism. By the exercise of these elemental virtues and through the enunciation in his message to Congress on December 2, 1823, of the purpose of the young Nation to preserve forever "America for Americans" and to consider any at-

tempt on the part of European nations to extend their system to any portion of this hemisphere as dangerous to our peace and safety, Monroe enrolled himself among the great never-to-be-forgotten Presidents of the United States."

Jefferson, in his forceful appraisal of his protege and understudy in law, says of Monroe:

in law, says of Monroe:

"I clearly think with you on the competence of Monroe to embrace great views of action. The decision of his character, his enterprise, firmness, industry, and unceasing vigilance would, I believe, secure, as I am sure they would merit, the public confidence and give us all the success which our means can accomplish."

So much for the man with whose name is linked forever a great principle of government and rule of conduct which has not only been accepted by the Americas but by other nations of the earth under one interpretation or another.

one interpretation or another.

Primarily the Monroe Doctrine is essentially American, and, as
Dr. Alderman has so well said, it preserves "America for Americans."

We are determined always to keep it inviolate for America and

Americans

In this laudable resolve, however, we need not place too local a meaning or application upon the doctrine. While safe and secure in its enjoyment, ourselves, is it not in the nature of Americans to hope to extend similar blessings to other peoples less fortunate who would emulate our example? Surely, if this great code of international ethics could be extended to other portions of the world, serving as a powerful deterrent of war and a vital moral force toward preserving peace and security among nations, we, as a people, should wish that everything humanly possible be done to speed that benign result.

speed that benign result.

Today history is repeating itself. President Roosevelt is reiterating the principles of the Monroe Doctrine and, observing the grave threat to the democracies of Europe and the ruthless invasion of helpless small nations, as America's constitutional spokesman in foreign affairs he is warning aggressor nations against any violation of the peace and security of the Americas. He has said, in his recent Pan American address:

"The American peace which we celebrate today has no quality of weakness in it. We are prepared to maintain it and defend it to the fullest extent of our strength, matching force to force, if any attempt is made to subvert our institutions or to impair the inde-And in his earlier statement, issued after the violation of Albania, the President went further, and said:

"The forceable and violent invasion of Albania is unquestionably an additional threat to the peace of the world.

"It would be shortsighted not to take notice of this further development. Any threat to world peace seriously concerns all nations and violates the will of all peoples in the world that their governments shall lead them not toward war but along paths of peace.

Secretary Hull has said:

"The American republics have in clear and unmistakable terms expressed their determination to assure peace on this continent. * * *

"The devotion of this hemisphere is to an organization grounded on juridical equality of all nations, on respect for the sovereignty of each, and on understanding so complete that every question can be dealt with by reason and peaceful discussion."

It will be noted that both the President and the Secretary of State have been very careful to confine their demands to the rights of the Americas in the Western Hemisphere; and that the President has made it equally clear that his role in European affairs is that of intermediary. In restating the principles of the Monroe Doctrine at this time, therefore, they have put America on record not as seeking war but as very earnestly desiring peace.

Time will not here permit a review of the often recurring instances, through more than a century since its adoption, that the Monroe Doctrine has been invoked to protect the interests of the Monroe Doctrine has been invoked to protect the interests of the United States in this hemisphere. Known as the unwritten constitution, without legislative sanction, by its sheer moral force it has gained the recognition and respect not only of governments on this continent but of those in Europe who have any regard for a code of national honor and justice. Although Monroe made many valuable contributions to his country, the outstanding contribution, not only to the United States but to the Western Hemisphere and of the world, was the Monroe Doctrine. It belongs in the same category as the Washington Farewell Address and those great charters of liberty, the Declaration of Independence and the Constitution, the spirit of whose authors is found also in the Doctrine. During all the vicissitudes of our national also in the Doctrine. During all the vicissitudes of our national existence, these great guaranties have proven beacons to guide America's ship of state away from the shoals on the sea of international and domestic complications. In every crisis affecting our foreign relations on this continent, when darkening shadows overcast the Nation, the Monroe Doctrine has broken as a great light on our pathway to peace and security. In the present international crises, let us hope that the Doctrine may again stand us in good stead.

Long live the Monroe Doctrine and long live the memory of the great Virginian, its author.

Suffrage in the South

EXTENSION OF REMARKS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES Thursday, April 20 (legislative day of Wednesday, April 19), 1939

ARTICLE BY BARRY BINGHAM

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Louisville Courier-Journal on Sunday, April 9, 1939, by Barry Bingham, entitled "Do All Americans Have the Right to Vote?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal of April 9, 1939] Do All Americans Have the Right to Vote?—Not in Eight South-ern States, Where Poll Taxes Still Limit Suffrage—Nearly Twice as Many Kentuckians as Tennesseans Voted in the 1936 ELECTION

(By Barry Bingham)

Is the United States a free country, where every man and woman enjoys the right to vote? If you were to ask that question of any 100 American citizens of the upper income brackets, 99 would probably answer "yes." Our Constitution, as amended by succeeding generations of Americans, guarantees the right of suffrage to all, and provides that this right "shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude," or "on account of sex." of sex.

Yet there are millions of people in America today who are not enjoying the right to vote. Many of them are Negroes, but far more than a majority of them are white. They live in eight states, all in the South. The States are Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia and Carolina, Texas, Carolina, Ca

Those States have a voting population of 11,606,046 people over 21, but in 1936, a presidential year, only 2,679,473 of those people voted. In other words, less than one qualified voter in four cast a ballot in those eight Southern States, while in the other States of the Union 72 percent, or almost three out of four, of the adult population voted. What ails those Southern States? Have their people lost interest in a democratic form of government?

POLL TAX IS HEAD TAX

That is not the answer. The answer can be summed up very largely in two words, poll tax. What is a poll tax, that it can have the power to bar three people out of four from exercising their rights as citizens to cast a ballot?

The phrase poil tax means simply head tax. In early England, down through Shakespeare's day, the word "poil" was used in common parlance to mean "head," and a poil tax was therefore a tax on every head or every person, without regard to property or ability to pay. It is a direct tax that every person is expected to pay

on every head or every person, without regard to property or ability to pay. It is a direct tax that every person is expected to pay simply for the right of being alive.

The poll tax has always been hated because it falls heavily on the poor man and lightly on the rich. Its history is a long and turbulent one. Back in the days of the Roman emperors, the tax was levied on conquered peoples, and was commonly known in the days before Christ as a "badge of servility" or a "mark of slavery." It was a head tax, imposed by Caesar Augustus, that Joseph went up into Bethlehem to pay on behalf of himself and of "Mary, his espoused wife," as St. Luke relates, when the town was so filled with those who came to pay the levy that Mary had need to bear her child in a manger. Even in Biblical times the tax was often levied on oppressed nations, and always it reaped a whirlwind of resentment. The poll tax established in England was the prime cause of the peasants rebelling led by Wat Tyler the following year. Again, under Charles II, the device was used to raise money for the Again, under Charles II, the device was used to raise money for the expense of foreign wars and native mistresses, and as always the public turned angry and rebellious. In 1698 the poll tax was thrown out forever in England, but it is interesting to note that the tax was clapped on the American colonists by their English masters in the days before our own revolution.

DARTMOUTH STUDENTS HAD A REMEDY

The traditional resistance to the poll tax took an amusing modern form not many years ago at Hanover, N. H., when the townspeople decided to levy such a tax on the students at Dartmouth College.

The students, according to the Reader's Digest, "retaliated by attending the annual town meeting where, greatly outnumbering the townsfolk, they passed a law requiring that Hanover build a town hall 1 inch square and a mile high, also a sidewalk with a canopy over it to Colby Junior College, a girls' school 40 miles away." The following year they devised even more desirable projects for the startled township. "They put through a law calling for a subway to Smith, a mere 110 miles away, and an eight-lane concrete highway to Skidmore," thus assuring access to every group of girl students in that part of New England. "In desperation the town of Hanover begged the State legislature to annul these laws. The students thereafter went untaxed."

Despite its shady history the poll tax hangs on today in 34 of

students thereafter went untaxed."

Despite its shady history the poll tax hangs on today in 34 of our American States, but it is slight in amount and very sketchily collected in most of those States. Only in eight States, all in the South, is the payment of the poll tax made a requirement for voting, and there lies the core of viciousness that is capable of producing another Wat Tyler among the submerged classes of our region.

The laws requiring payment of a poll tax as a prerequisite to voting stem from the 1890's and the early 1900's. They were all established in States which had a considerable Negro population, and it has been generally assumed that the desire of the whites and it has been generally assumed that the desire of the whites to protect themselves from political dominance by Negroes gave rise to the whole movement. By a clever device, poll-tax revenues were frequently dedicated to school funds, thereby giving the legislation a double-barreled appeal. A certain gentleman in Tallapoosa County displayed commendable frankness in advocating the poll tax in Alabama in 1907. "What we would like to do in this country," he averred, "more than any two other things, would be to disfranchise the darkies and to educate white children."

KENTUCKY STEERED CLEAR

That was a popular rallying cry, and the poll tax as a requisite to voting fastened itself on Alabama and nearly every other Southto voting fastened itself on Alabama and nearly every other Southern State. (I am glad to say that Kentucky steered clear of this issue.) It is interesting to note, however, that this apparent effort to protect white supremacy against the Negro who had the audacity to vote did not occur until three decades after the War between the States, and long after the worst days of Reconstruction. The nineties, on the other hand, were marked by the rise of the Populist movement, that curiously American form of radicalism that once loomed rather large on our political horizon, In 1892 it will be remembered the Populist candidate for Presicalism that once loomed rather large on our political horizon. In 1892, it will be remembered, the Populist candidate for President carried five States and gave the Democratic Party a run for its life in Georgia and Alabama. William Jennings Bryan also emerged in that era as a leader of the underprivileged classes. Isn't it possible that certain members of the entrenched ruling class in the South became apprehensive of the growth of a people's party in the South which reliefs units the interests of the present party in the South, which might unite the interests of the poor whites and the Negroes? Wasn't it a fear of "radicalism" among the sharecroppers and lower class whites that may have been at least partly responsible for poll-tax legislation at the turn of the century, riding into Troy in the wooden horse of protection for white supremacy?

At any rate, the results of poll-tax suffrage in Southern States have been no more disastrous to Negroes than to whites on the lower economic levels. It is estimated that as many as 64 percent lower economic levels. It is estimated that as many as 64 percent of the white adult voters have been disfranchised in the poll-tax States, and in every one of those States more whites than Negroes are barred from the ballot box by the tax. Let me give you the figures for the percentage of adult citizens who voted in each of the poll-tax-suffrage States in 1936, the year of a Presidential election: Alabama, 20.4 percent; Arkansas, 18.5; Florida, 37.8; Georgia, 19.6; Mississippi, 16.2; South Carolina, 14.1; Tennessee, 33.5; Texas, 26.2; and Virginia, 25.7. That works out to an average of 24.1, the worst voting record shown anywhere in the world under even a pretense of a democratic system of suffrage. Even in Mexico, twice as many people cast their ballots as the 24 percent who vote in our poll-tax-ridden group of States.

ONE DOLLAR MEANS SACRIFICE

How does this disfranchisement of voters work out so strikingly? The amount of poll tax runs from \$1 to \$3 annually, which may not seem so terribly high, but can anybody expect a Southern tenant farmer to spend even a dollar for a ballot when he can't eat that ballot or wear that ballot or patch his dilapidated cabin with it? Those are people, remember, who have an average yearly income per person of only \$73. Even one dollar out of that sum means a mighty big sacrifice for anything as unsubstantial as suffrage. suffrage.

But that isn't half the story. Several of the States make payment of the poll tax retroactive, so that a voter can't cast his ballot unless he has paid up his tax for several years back. In Alabama, that retroactive clause is so stringent that it is possible Alabama, that retroactive clause is so stringent that it is possible for a man to be required to pay \$36 before he can cast his vote. And in addition, several States require the payment of the tax months in advance of election day, and only the most wary citizen is likely to remember to pay up in time to save himself from disfranchisement. That is only one of a welter of restrictions that serve the sole purpose of confusing and confounding the would-be voter, to such an extent that in Arkansas and Virginia, for instance, it is not unusual for a citizen to require the services of an attorney before he can assure himself of a vote.

TOTAL VOTE DECLINED

We have seen what the result has been in the voting record of these Southern States. From 1896 to 1916, the total vote of the poll-tax suffrage States actually declined 18 percent, though the population of those States increased 50 percent, Virginia, the mother of Presidents and the cradle of our democracy, polled only 26 percent of its citizens of voting age in 1936, as against a remarkable percentage of 92.1 of adult citizens voting the same year in West Virginia, where no poll-tax barrier exists. Are the people of Virginia less capable of governing themselves than the people of West Virginia? Here in North Carolina the poll tax as a prerequisite to voting was repealed in 1920, and the popular vote immediately soared. From 1916 to 1932, the vote in this State actually increased 142 percent. North Carolina sent 839,000 people to the polls in 1936 against a mere 115,000 for South Carolina, which has poll-tax suffrage. Kentucky and Tennessee are almost exactly equal in population, but Kentucky cast 911,000 votes in 1936 against poll-taxed Tennessee's 473,000. Have Americans in some States a better right to vote than Americans in other States? We have seen what the result has been in the voting record of other States?

SOUTH'S VOICE WOULD BE WHISPER

Another serious indictment of poll-tax suffrage is the medium it provides for corruption of elections. Political machines for years have made a regular practice of buying blocks of poll-tax receipts for their henchmen and herding them in to vote the will of the political boss. The system provides an excellent method for machines to control State and local politics. Thomas Jefferson plainly perceived this type of danger from a limited franchise, and reperceived this type of danger from a limited franchise, and remarked that "the Government of Great Britain has been corrupted because but 1 man in 10 has a right to vote for members of Parliament. The sellers of government, therefore, get nine-tenths of their price clear. It has been thought that corruption is restrained by confining the right of suffrage to a few of the wealthier of the people; but it would be more effectually restrained by an extension of that right to such numbers as would bid defiance to the means of corruption."

From the standpoint of purely practical politics, the South is

From the standpoint of purely practical politics, the South is running a strong risk in limiting its vote by the poll tax. At the 1936 Democratic convention the suggestion was put forward that 1936 Democratic convention the suggestion was put forward that the number of delegates from each State at future national conventions should be based solely on the size of the Democratic vote cast in each State at the previous election. If that system is adopted for the 1940 convention, and it would be difficult to make a rational argument against its principle, then the Southern States with poll-tax suffrage would suddenly find themselves reduced to the merest pawns on the party chessboard. The total vote of the poll-tax suffrage States for Roosevelt in 1936 was only 2,457,000, or less than 10 percent of the total Roosevelt vote. New York State alone cast 3 293 2000 Roosevelt votes or pearly a million more than

less than 10 percent of the total Roosevelt vote. New York State alone cast 3,293,000 Roosevelt votes, or nearly a million more than the total of the eight States in the poll-tax suffrage group. On the basis of proportional representation the South's voice would become little more than a whisper in the selection of a Democratic candidate for President, though the South is almost solidly Democratic.

In recent years a fight has been made by some of the Southern States to shake off the yoke of poll-tax suffrage. Following the lead of North Carolina, Louisiana discarded the tax in 1934 and Florida in 1936. Arkansas brought the issue to a vote in 1938, but the heavy artillery of entrenched interests was trained on the effort at repeal. Every daily newspaper in the State, with one exception, fought repeal. The old bugaboo of Negro dominance was raised. School teachers were enlisted in the battle against repeal by the threat of reduced revenues for education. The repeal measure lost by a vote of 2 to 1, but, of course, the Arkansas citizens who would have derived direct benefit from repeal had no opportunity to vote. The 83,000 people who killed the repeal measure represented only about 4 percent of the population of Arkansas, but they were enough to maintain the political dominance of a small, privileged group.

LOSING FIGHT IN TENNESSEE

Still more recently the fight has flared up in Tennessee and Alabama. In Tennessee, the League of Women Voters and other interested citizens succeeded in pledging all candidates in the Governor's race last year to seek repeal of the poll tax as a requisite to voting. The man elected, Governor Cooper, reiterated his pledge after taking office, but when a repeal measure was introduced in the Tennessee Legislature it died in committee, without the slight-est attempt at a rescue by the Governor. The Crump machine, which operates smoothly in Memphis and dominates State politics, finds poll-tax suffrage a handy device which it does not care to relinquish.

relinquish.

In Alabama an attempt was made to alter the poll-tax law so that a voter would need to pay only 3 years' tax in arrears in order to vote, in place of the present maximum of 24 years. The 24 years won. In Virginia an effort is being made to force the collection of the poll tax on every citizen, an oblique approach that may stir a rebellion and cause repeal of the tax.

What is the basis of the effective opposition to poll-tax repeal? Not all the opposition shows itself on the surface, but the two arguments most frequently employed are the danger of Negro political dominance and the danger of loss of revenue to the schools. The white supremacy argument was hammered home in front-page editorials in Arkansas papers during the repeal fight, but statistics from States that have abandoned poll-tax suffrage

prove conclusively that Negro voting does not increase disproportionately after repeal.

The Democratic Party, the traditional "white party" in the South, actually made gains in North Carolina after repeal, cutting down the Republican vote from 42.7 percent in 1920 to 33.3 percent in 1936. There are counties in North Carolina where Negroes predominate, yet there has been no suggestion of Negro political control in those counties since repeal. With only one Southern State now showing as much as 50 percent Negro population, and that proportion steadily declining, it is not flattering to southern whites to suggest that Negroes will capture political dominance if they are allowed to vote.

TAX NOT IMPORTANT SOURCE OF REVENUE

TAX NOT IMPORTANT SOURCE OF REVENUE

The argument that revenues will be dangerously cut by abolition of poll-tax suffrage is almost equally hollow. In the first place, such States as North Carolina have continued to draw revenue from poll taxes without opposition after severing the connection between payment of the tax and the right to vote, and that course is open to other States. In the second place, poll-tax revenues provide only a fitful income which nowhere plays an important part in the State's financial structure. Alabama collects as little as 0.67 percent of its revenue from this source, while Virginia hit a high level when it secured 1.86 percent of its revenues from the poll tax in 1937. It would seem more important to grant all citizens the right to vote than to insist on the preservation of a minor tax source for which a substitute could be found.

The real opposition to the repeal of poll-tax suffrage, however.

could be found.

The real opposition to the repeal of poll-tax suffrage, however, lies beneath the surface of most printed argument. It is lodged in the conviction of a small group of southerners on the upper rungs of the economic ladder that they are more entitled to rule than the public at large. These people often have the saying of Thomas Jefferson and the tenets of democracy hot in their mouths, yet they privately fear the dangerous experiment of a government that is really of, by, and for the people. They mistrust the motives of the man in the street, the man looking for a job, the man working another man's land. They cannot persuade themselves that these men are created equal to themselves. Down in their hearts they treasure a belief in Alexander selves. Down in their hearts they treasure a belief in Alexander Hamilton's extraordinary dictum that "the public is a great

FEW OUTSTANDING MEN CHOSEN

Now an argument can certainly be made for an oligarchy or a plutocracy, a government controlled exclusively by a small class who possess property and position. Such a limited group might theoretically be expected to select the most useful public servants and place only the highest type of citizen in office. But the history of the South in the past 40 years has given cold comfort to such a theory. The States with poll-tax suffrage have elected precious few men of outstanding ability to public office, and they have placed some of the most extreme demagogues the country has known in the seats of the mighty. It was Louisiana before poll-tax repeal that perpetrated Huey Long on the United States Senate; Mississippi's poll-tax suffrage produced "The man" Bilbo, and Alabama's Tom Heflin came up by the same route.

The ferment of social unrest, stimulated by a harsh restriction on suffrage, has pushed the demagogues up through the thin crust of the voting public. The fact that South Carolina, for instance, has sent as little as 6.1 percent of its population to the polls to yote has not assured the election of men of the highest ideals of public service. The politician in the poll-tax suffrage States makes Now an argument can certainly be made for an oligarchy or a

public service. The politician in the poll-tax suffrage States makes on the average just as cheap a campaign and plays just as shamelessly on ignorance and prejudice as the office-seeker who must woo the entire citizenry of a State at voting time.

"RED GALLUS" BOYS USEFUL SERVANTS

In addition, the system of poll-tax suffrage is a direct though un-

"RED GALLUS" BOYS USEFUL SERVANTS

In addition, the system of poll-tax suffrage is a direct though unavowed flouting of the democratic process. It is too easy for a man who owes his election to only 6 percent of the people of his State to represent the interests of that 6 percent to the exclusion of the other 94 percent. Where the voting class is small it is naturally dominated by vested interests, whose greatest desire is to maintain the status quo and assure financial profits.

Some of the cleverest demagogues the South has produced have succeeded in serving as agents of entrenched wealth while posing as the plainest and homeliest men of the people. Among the most useful servants that selfish interests in the South have enjoyed have been "red gallus" boys from the poll-tax States. It is easy to understand why the States with poll-tax suffrage have lagged behind all others in social legislation. The people who want laws to protect labor, the tenant farmer, and the bottom income group from exploitation are seldom the people who can pay a poll tax.

The South produced great leaders in the early days of our history, and that selfsame stock is still in our Southern States. Nobody would argue that poll-tax suffrage has been the only factor in the degeneration of southern politics, but it has played an important part. It was southerners who first dreamed the great dream of a democracy on these shores. Shall it be southerners who will deny that dream? Would we turn our backs on the philosophy of Thomas Jefferson, who said, "Every government degenerates when trusted to the rulers of the people alone. The people themselves, therefore, are its only safe depositories. The influence over government must be shared by all the people. If every individual which composes their mass participates of the ultimate authority, the government will be safe."

Are we southerners prepared to support a democracy on that basis? If not, let us at least be honest and admit that we have

Are we southerners prepared to support a democracy on that basis? If not, let us at least be honest and admit that we have abandoned our faith in Jeffersonian democracy.

Internal Dangers to America

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Thursday, April 20, 1939

ARTICLE FROM NEWPORT NEWS (VA.) DAILY PRESS OF APRIL 16, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the Congres-SIONAL RECORD an article from the columns of the Daily Press, Newport News, Va., issue of Sunday, April 16, 1939—front page—entitled "Warns of Danger to Nation From Internal Enemies and Foreign 'isms' in America," which article reports a talk which I delivered at Hampton, Va., in the county courtroom there on Saturday, April 15.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

WARNS OF DANGER TO NATION FROM INTERNAL ENEMIES AND FOREIGN "ISMS" IN AMERICA—SENATOR REYNOLDS SPEAKING BEFORE VINDI-CATORS SAYS PROPAGANDA RAMPANT FOR ANOTHER WAR

Senator ROBERT R. REYNOLDS (Democrat, North Carolina) bitterly assailed the "isms" which he said today are earnestly at work in America to destroy democracy and "our Government" yesterday afternoon in an address in the Hampton courthouse as he delivered the charter of Elizabeth City County Unit, No. 1, of the American Vindicators Association, an organization which he founded and heads as president.

founded and heads as president.

Scathingly he denounced organizations headed, he said, by foreign elements that would entangle America in war, and called for deportation of those trying to destroy the American fundamentals of government. "The danger today," he said, "is from those enemies boring from within like a lot of termites. Those outside can be intercepted and destroyed but internal enemies are hard to find for they work quietly and secretly," the member of the Senate Foreign Relations Committee and the Senate Military Affairs Committee, warned.

hard to find for they work quietly and secretly," the member of the Senate Foreign Relations Committee and the Senate Military Affairs Committee, warned.

Speaking almost 2 hours, Senator Reynolds brought his address to a close with the presentation of the charter to the county group, the first to be authorized. He said Hampton was selected for the honor because it is the oldest continuous English-speaking settlement in America and since it was destined to play such a large role in American independence, it was only fitting that an organization founded purely to preserve "America for Americans" should be "rooted" here.

Approximately 50 men, identified as charter members of the local unit, heard the Senator speak. Leaders in the unit are William A. Curtis, president; William G. Camp, first vice president, and Fred S. Beighton, secretary and treasurer, all of Kecoughtan Veterans' Administration facility. Most of those in the audience were also identified as facility members.

Senator Reynolds, who said the organization was only 2 months old, had swamped his greatest expectations to date. He mentioned that the membership had reached 60,000, from coast to coast, and that about 200 charters were sought. The next to be presented, he said, will be at Boston, where he expected thousands will attend the ceremony.

OBJECTIVES OUTLINED

He listed as objectives of the Vindicators: Keep America out of war, register and fingerprint all aliens, stop all immigration for the next 10 years, banish all foreign "isms," and deport all alien criminals and undesirables. Each brought forth a detailed comment from the genial lawmaker as he loosed his oratory against war and the totalitarian states.

He displayed a copy of the bulletin which is published by the Vindicators, which he said, is not in competition with newspapers but only tends to serve to show the growth of the organization and reveal the "great imminent danger faced by the American democracy."

Scheduled to speak at 2 o'clock Senator Revnous arrived show

Scheduled to speak at 2 o'clock, Senator Reynolds arrived about 3 o'clock. In a historical résumé he cited the significance of the many colonial shrines which he passed on the journey here. He

many colonial similes which he passed of the journey here. He said he came as a friend, being from a sister State, and a great booster of the Old Dominion.

He declared that such colonial shrines made him reflect the greatness of America and the hardships and strife of those patriots who made this Nation possible. "There would never have been a Yorktown had it not been for those American patriots," he

a verred.

In introductory remarks he paid tribute to HARRY FLOOD BYRD and CARTER GLASS, Senators from the Old Dominion, "my colleagues in Washington."

"My mother was a Methodist and for that reason I am a

"My mother was a Methodist and for that reason I am a Methodist. Had my father been a Republican, I would have been a Republican—at least until I was 21," he humorously added.

These he cited, he said, to show there should be no lines when patriotism is involved.

"For years I have been trying to help American people save America, but in Congress I'm always catching pluperfect hell. I care not one tinker's damn, so long as I am provided the opportunity of bringing these facts to the American people. I tried for 4 years to get the immigration laws changed, but I could never get one out of the committee, much less have it passed. But I have been able to prevent the throwing open of the country to the scum and refugees."

He declared it was necessary for him to filibuster frequently to

He declared it was necessary for him to filibuster frequently to He declared it was necessary for him to fillbuster frequently to prevent such moves. "I was born and am a poor citizen of the North Carolina mountains and sometimes they refer to me as an 'uncouth mountaineer,' but I don't and won't pretend," he added. "My State, North Carolina, has the smallest percentage of aliens, the total being only one-half of 1 percent."

He said the Vindicators welcomes into membership all native or naturalized citizens, white and black, men and women, rich or poor, and is not denominational.

"I voted for hillions for national defense, doing so to appease the

"I voted for billions for national defense, doing so to appease the American people who wanted to be protected. America is not in danger from an enemy from without. We know none will come 3,000 miles to attack. The danger today is from the enemies boring 3,000 miles to attack. The dividing like a lot of termites.

within like a lot of termites.

"Why did we go to war in 1917? Under arms were 4,400,000 men, and the war cost us \$65,000,000,000, a figure likely to mount to \$100,000,000,000, as wise Calvin Coolidge said when he was President. I'll tell you what they said we went to war for: To save Christianity, to spare democracy, and to stop all wars. When I mention that in the Senate, I know what I'm talking about. If you don't know, you better not shoot your mouth off. Did we save Christianity? Lawless nations since then have burned churches, murdered ministers—Japan has murdered 2,000,000 since 1931; Spain, 1,000,000; and Italy, 600,000 in Ethiopia."

CALLS STALIN SLAYER

He pictured Stalin as the world's outstanding murderer and accredited to him the starving to death of three or four millions in the Ukraine in 1933 and 1934.

He said America even has to pay for the ground where 35,000 American men lay dead as the result of the war to stop all wars.

"What good did you get out of it all? That is our first objective—to stay out of war

"What good did you get out of it all? That is our first objective—to stay out of war.

"Never will I vote to send a man to war to save the so-called Christianity or democracy. Propaganda is rampant to get us into another war; and if you don't believe it, all you have to do is to read the daily papers and periodicals. If you had children, would you want to send them to war for other countries—and I don't care whether it is Great Britain, France, or who it is? I'm not procare whether it is Great Britain, France, or who it is? I'm not proEngland, pro-France, or pro-anything, except pro-American. When
they talked about leaving it to referendum whether we go to war
or not, I told them the simplest way was to leave it to the mothers.

"Yet my friend, Senator Bob Wagner, who has an office opposite
mine, is seeking to permit 20,000 German children into this country. They are 14 years and under, and it is true they are orphans,
but orphans here should be considered first."

He pictured the high costs to taxpayers of keeping aliens in jails
and penitentiaries. "It would be cheaper in the long run to deport
them. Even if it is necessary to tie 100 seaworthy barges to boats,
they should be sent back to their lands."

Senator Reynolds launched into a denunciation of the Workers'

they should be sent back to their lands."

Senator Reynolds launched into a denunciation of the Workers' Alliance and the German-American Bund, citing recently held meetings. "Why, in Madison Square Garden 27,000 people paid \$1 to attend the bund meeting, but give a patriotic meeting and charge 10 cents and you wouldn't have enough for a steak dinner."

Senator Reynolds introduced Wesley E. McDonald, his secretary, who, he said, has been selected as national secretary of the Vindicators. He promised after the adjournment of Congress to lead a more strenuous fight for the organization and urged regular meetings of the county unit. He suggested he might be able to attend a huge mass meeting here later.

In introducing the speaker, Curtis read letters from commandants of the Norfolk Navy Yard, the naval training station, and Fort Monroe, who said they were unable to attend because of the fleet. He said the meeting was being held with the endorsement of Mayor James V. Bickford, of Hampton.

Power Over Money

EXTENSION OF REMARKS

HON. JOHN G. TOWNSEND, JR. OF DELAWARE

IN THE SENATE OF THE UNITED STATES Thursday, April 20 (legislative day of Wednesday, April 19),

1939

EDITORIAL FROM THE NEW YORK TIMES OF APRIL 20, 1939

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which ap-

peared in the New York Times this morning under the headline "Power Over Money."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the New York Times of April 20, 1939] POWER OVER MONEY

The report of the Republican House committee on the money question is on the whole an excellent example of what an intelligent opposition should do. It is no merely partisan document, but, with minor exceptions, a series of sound and well-considered recommendations that clearly ought to be adopted. The Republi-

recommendations that clearly ought to be adopted. The Republican report recommends:

(1) That the power of the President to determine the gold content of the dollar, due to expire on June 30, should not be extended. In spite of the fact that a persuasive case may be made for continuing this power, its expiration seems desirable. As long as the President has this power there will be intermittent rumors and guesses regarding what use he will make of it. If we allow the President's discretionary power to lapse we will remove from the present economic situation a major source of continued uncertainty. Even if there is substance in the argument that the value of the dollar may again have to be changed, for whatever reason. tainty. Even if there is substance in the argument that the value of the dollar may again have to be changed, for whatever reason, it may still be pointed out that the power to change it should not rest with one man, but with Congress. If this is not properly a function that Congress should retain for itself, it would be difficult

(2) That a joint congressional committee be named to study the

(2) That a joint congressional committee be named to study the whole monetary question and recommend revision. Such a study could surely do no harm.
(3) That the Silver Purchase Act of 1934 should be repealed. This repeal is eminently desirable. The act, forcing us to buy from foreign countries at artificial prices of our own making huge quantities of silver for which we have no need, is an expensive and fantastic piece of legislation. As the Republican report points out, if we wish merely to subsidize the domestic silver industry, we can do it directly without also subsidizing foreign producers and speculators.

we can do it directly without also subsidizing foreign producers and speculators.

(4) That the section of the law which gives the President the power to issue \$3,000,000,000 in greenbacks should be repealed. There is no good reason whatever for continuing this power. If the President does not intend to make use of it, as is sometimes said, then there is no need for him to have it. If he does intend to make use of the power, then the case for taking it away from him is overwhelming.

(5) The Republican report recommends the continuance of the stabilization fund. This is highly desirable. It suggests that certain limitations be put upon the power of the Secretary of the Treasury in administering the fund. The particular limitations it suggests, however—that he be prohibited from using it "in any manner that might involve us in international hostilities" or "in such a way as to make exchange available for carrying on armed hostilities"—would be unwise. Such prohibitions, even if they were free from other objections, would be ambiguous and subject to too wide a range of possible interpretation. The best safeguard against any abuse of the uses of the fund is publicity. This publicity need not extend to current operations, but there seems no good reason why we could not have at least monthly reports on the position of the fund, even if these did not appear until 2 or 3 months after the period to which they referred.

No realist expects Congress to adopt all these Republican recom-(5) The Republican report recommends the continuance of the

No realist expects Congress to adopt all these Republican recommendations. But some of them ought to have considerable support from the Democratic side. Wholly apart from purely monetary considerations, it would be a highly reassuring sign in a period in which legislatures everywhere have been losing their powers to the executive branch, for our own chief legislature to take back some of the "emergency" powers it has delegated.

President Roosevelt's Message to the Young Democratic Clubs of America

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Thursday, April 20 (legislative day of Wednesday, April 19), 1939

LETTER FROM HON. FRANKLIN D. ROOSEVELT, APRIL 19, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the message addressed by the President of the United States to the Young Democratic Clubs of America, at a banquet held last evening at the Mayflower Hotel, Washington, D. C.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

There being no objection, the message was ordered to be printed in the Record, as follows:

Young Democratic Cluus of America,

May Toung Friends: It is to my great regret that I cannot be with you in this celebration in memory of the first President who demonstrated to the world that democracy was workable. On you now depends the future of the Democratic Party, More important even than that, on you depends the future of our country.

Party organization is the vehicle by which the mobilized sentiment of the United States gets anywhere. If the chauffeurs of the organization are wise in pleking the course, the going is good and the destination aimed at is reached. If, on the other hand, they are wittens, the organization will find itself on a rocky road and the probabilities of flat tires and other break-downs are so great that the will of the people gets nowhere.

This means distress to the party, of course, and likewise distress to the Nation. For in the present political and economic situation the alternative in the event of a failure for our party to keep straight ahead, is for the country to find itself traveling in the direction exactly opposite to that it has in mind.

Incidentally, the progress of our political car is not helped by the clamor of the back-seat drivers who point out the apparent smoothness of the detours of compromise and subterfuge, and complain of the speed of our going.

The Democratic Party of itself camot elect a President. The Republican Party is in the same fix. This is fortunate for all of us, for it means that no party can continue in power unless its policies are such as to add to its basic strength the ten or more millions of votes that are cast for ideas and ideals, rather than because of the emblem at the top of the ticket.

In the campaign we are now approaching there is just one agency potent enough to defeat the Democratic Party, and that is the Democratic Party itself. It can commit suicide by abandoment of the policies that brought it to power. There is no use fooling ours

Suppose, for a change, and you know I am frequently accused of being devoted to change, we learn our lesson this time without being sent to the corner to meditate?

This country of ours is democratic with a small "d." It is never, and never will be democratic with a big "D," except when the two words mean the same thing

with the two words mean the same thing.

With the highest hopes and expectations that the Young Democrats will continue with their youthful enthusiasm, and yet retain their old faith as enunciated by Thomas Jefferson and Andrew Jackson, Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Has Gold a Future?

EXTENSION OF REMARKS

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

ARTICLE BY FRANK D. GRAHAM AND CHARLES R. WHITTLESEY

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article "Has Gold a Future?" by Frank D. Graham, professor of economics in Princeton University, and Charles R. Whittlesey, associate professor of economics in Princeton University, which was published in the current issue of Foreign Affairs:

HAS GOLD A FUTURE?

(By Frank D. Graham and Charles R. Whittlesey)

(By Frank D. Graham and Charles R. Whittlesey)

In 1923 certain British economists, in characteristic half-serious half-humorous vein, proposed that, in the process of paying reparations and interallied debts, Europe should first send her monetary gold to the United States and then turn her back on the gold standard once and for all, leaving this country, quite literally, holding the bag. In the relatively tranquil period that followed, this suggestion, even as an economist's whimsy, fell into the limbo of forgotten things. Today, however, it is becoming altogether too real. The United States is, in consequence, confronted with a gold problem which almost defies solution.

In 1923 the total visible monetary gold stocks of the world.

gold problem which almost defies solution.

In 1923 the total visible monetary gold stocks of the world amounted to eight and a half billion dollars, of which we possessed something less than four billion, or 45 percent. At the present time American holdings are approaching \$15,000,000,000—approximately 60 percent of the world's visible stock of monetary gold. It is true that the present dollars are lighter in gold content than the dollars of 15 years ago; but they represent more, not less, of goods, services, and days' labor. In the past 15 years we have sunk in increments to our gold supply a much greater value of goods, services, and whatever else nations give up in acquiring gold, than the equivalent of the stocks of monetary gold of all foreign countries a decade and a half ago.

We should certainly have been better off if the British econo-

We should certainly have been better off if the British economists' little joke had been realized before it grew stale and then grim. If, in 1923, our debtors on war account had sent us their gold supplies in part payment of their debt, we should, in effect, have obtained the gold for nothing, rather than at the heavy cost at which it has in fact been acquired.

cost at which it has in fact been acquired.

In 1923, of course, we were all concerned about the restoration of the international gold standard. This would probably have been precluded if the United States had then acquired the great bulk of the world's monetary stocks of gold. However, it is open to question whether, even in the sphere of international trade and finance, the restoration did more good than harm. Furthermore, the second break-down of the standard, with its accompanying phenomena, has not only imposed upon us the burden of buying gold already in existence but has compounded this burden by adding the cost of immense supplies which were still in the mines in 1923 and would doubtless in large part have remained there if the British suggestion had been followed. Such a transfer of ownership would not, perhaps, have given the best possible turn ownership would not, perhaps, have given the best possible turn to events but it would certainly have been greatly preferable to what has in fact occurred.

what has in fact occurred.

The prospect of reestablishing once again an international gold standard is steadilly receding and, for the first time in history, the world demand for gold is showing distinct signs of satiety. To the United States at least, gold has now become a nuisance of the first magnitude. We are buying, at enormous cost, gold which serves no useful purpose and which we do not want; the stock already in our monetary system provides a constant inducement to serious inflation so that we are paying heavily for what is a positive bane; so long as present policies continue the evil is certain to grow worse instead of better; and we do nothing about it because we are afraid to face the facts.

Perhaps the most remarkable feature of the whole situation is

It because we are afraid to face the facts.

Perhaps the most remarkable feature of the whole situation is that our gold policy has met with so little condemnation. Critics of the Government's silver policy have very justly, and vociferously, assailed the practice of accumulating large stocks of silver, but they have remained silent concerning the similar but far greater extravagance of adding to our redundant stocks of gold at a cost which makes the outlays on silver pale into insignificance. There is scarcely an argument against the silver purchases which does not apply with greater force to our acquisition of gold.

There is practically speaking no chance whatever that the exist-

There is, practically speaking, no chance whatever that the exist-There is, practically speaking, no chance whatever that the existing relationship between the price of gold and the relatively low money cost of producing it can be permanently maintained. In the long run we have the choice between (1) the maintenance of the present price of gold along with marked inflation, and (2) a reduction in the dollar price paid to producers for new supplies of gold. The former would lower the real cost to the buyer of a given dollar value of the metal and, by increasing its dollar cost of production, curtail output gradually; the latter would lower the real cost to the buyer, and curtail output immediately. The longer we refrain from choosing the second alternative the heavier

¹Nothing, i. e., in excess of what we had already transferred to our debtors during the war. On the principal of our war loans we have not been able to make any net collections and, presumably, never will. Even such interest as was paid on these debts was more or less directly dependent upon the receipt, by our debtors, of a much larger sum in German reparations which, in a similar more or less direct fashion, we may be held to have financed by loans to private German borrowers. Most of the German "securities" have, like the war debts, been repudiated in whole or in part, so that, instead of getting paid by our debtors we actually contrived to secure large payments to them at our expense and, on top of all this, paid them anew for the gold we might have had in lieu of debts that have now gone into the discard.

are the entirely futile outlays with which we saddle ourselves and the greater the danger of serious economic and social disturbances.

At the beginning of 1929 the world's stocks of monetary gold amounted to about 18,000,000,000 present dollars. At the end of 1938 the total value was not far short of \$27,000,000,000 (allowance being made for a certain amount of monetary gold in occidental private hoards). In other words, in the past 10 years the world has added to its monetary gold stocks half as much metal as had been there accumulated in all preceding time. In the same 10 years the dollar value of gold stocks held by governments and central banks rose to nearly 250 percent of the 1929 figure. The increase was made up of an increment of approximately 80 percent increase was made up of an increment of approximately 80 percent in additions to the physical stock of gold while 69 percent came from the reduction in the gold content of the dollar. World production of gold, which is steadily increasing, is now running close to \$1,300,000,000 annually.

Changes in the distribution of the world's stocks of gold are no less striking than changes in the total. The United States has in recent years been absorbing a good deal more than the total increase in the world's supply. Major shifts in the relative holdings of a few of the more important countries are indicated below:

Gold reserves of the central banks and governments of selected countries

(In millions of present gold dollars)

	1913	1929	1933	1938 (Oct. 31)
United States. Great Britian France. Italy. Germany.	2, 184	6, 603	6, 793	14, 065
	279	1, 202	1, 571	1 2, 690
	1, 150	2, 765	5, 117	2, 428
	452	462	630	210
	472	921	155	29

¹Bank of England holdings only. Early in 1939 the Bank of England transferred to the British Exchange Equalization Account \$1,650,000,000 of gold so that the Bank of England's holdings are now presumably not much above \$1,000,000,000. The figures on British gold reserves ought, of course, to include not only the stocks of the Bank of England but, after 1931, those of the Equalization Account as well. The latter are not currently available. Total British gold holdings when this table was prepared are, however, probably not more than \$2,800,000,000.

A map of the world indicating the net international movements of gold from 1933 to the present time would show heavy lines running from the principal gold-producing countries, especially South Africa, to the great gold market at London, there being joined by other lines from the Orient and western Europe representing gold released from public and private hoards, and all moving on in heavy volume to the United States. There would be lighter lines running direct to the United States from other counlighter lines running direct to the United States from other countries, especially Japan. At the end of 1933 our gold stocks amounted to 6,793,000,000 present dollars. At the end of 1937 they totalled \$12,760,000,000 and 1 year later had risen to nearly \$15,000,000,000. Estimates indicate a gold production, in the 5 years 1934-38, of about \$5,800,000,000. Gold released from oriental hoards was about \$650,000,000, while an undetermined but probably smaller sum came out of private hoards in the Occident. This is to say that, during the 5 years in question, this country absorbed not only all new production of gold, plus the amounts released by the Orient and private hoarders in western countries, but also a substantial part of the former monetary reserves of other nations.

As has been intimated, the country from which gold moves to

stantial part of the former monetary reserves of other nations.

As has been intimated, the country from which gold moves to the United States may be simply an intermediary. Since London is the central market for gold it is most important to note the movement and countermovement between Great Britain and the United States. Since 1934 the great influx of gold to this country from Great Britain has, to all intents and purposes, been attended by no countermovement whatsoever. Recurring apprehension as to Europe's political future has set in westward motion tidal waves of gold which, though they may subside temporarily, are soon repeated. In the intervals of comparative calm the gold remains in this In the intervals of comparative calm the gold remains in this country and the result is a persistent accretion to our supplies.

Since we have been purchasing considerably more than the cur-

Since we have been purchasing considerably more than the current world output the cost of buying gold may not remain indefinitely as high as it has been in recent years. As public and private stocks of gold find their way to a greater extent to this country, new purchases will gradually be limited to the volume of gold currently produced. At the existing level of prices, with its prodigious profits to gold producers, this is not likely to decline below the present output for many years so that a continuing cost below the present output for many years, so that a continuing cost to this country of upward of a billion and a half dollars a year is quite possible. Moreover, we must not forget that there still remain outside this country about twelve billion dollars of monetary gold, and a large but not determinate supply of nonmonetary tary gold, and a large but not determinate supply of nonmonetary gold, which may find its way to our shores. It might happen that an improvement of conditions abroad, or some international agreement, would lead to the net absorption of a certain amount of gold by foreign countries. In this case a considerable reduction in the new burdens placed on us, and conceivably even an alleviation of the existing burden through an outflow of the metal, might occur. But to admit that such a development is possible is far from saying that it is probable. It assumes that other countries will be economically blessed to a greater extent than seems likely and that they will be dominated more largely by tradition than by reason. reason.

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A variety of explanations for the unprecedented gold movements of the past 5 years has been offered. It is frequently asserted, for example, that gold has come to the United States as a result of the devaluation of the dollar. It is to be noted, however, that all other currencies have been devalued at least once since the World War, and, since 1931, the price of gold has been raised in terms of most other currencies by as much as, or more than, it has been raised in terms of dollars. There is nothing, therefore, in the dollar devaluation, as such, which would cause a movement of gold to this rather than to other countries.

gold to this rather than to other countries.

Nor are gold flows to be explained on the more sophisticated ground of differences in relative national price levels. If, in comparison with other countries, we were offering more currency for gold than for goods we would tend to get the gold while the other countries got the goods. Such an offer would take the form of a lower commodity price level in the United States than in other countries. For most of the period since the devaluation of the dollar, however, the price level in terms of gold has not been especially low in the United States as compared with that in many other countries. It has, in fact, on a 1929 or any other base, been nearer the top than the bottom of the scale of comparative national price structures. It follows that the price situation arising from the dollar devaluation cannot, any more than the devaluation itself, be accepted as the reason for the flow of gold to this country. this country

This conclusion is confirmed by an analysis of our foreign trad-This conclusion is confirmed by an analysis of our foreign trading situation. From the date of devaluation of the dollar in 1933 until the business slump in this country in 1937—for which international prices, in all probability, were in no way responsible—the ratio of our merchandise imports to our merchandise exports was steadily rising. In addition to confirming the conclusion that the price level in this country has not been unduly low, as compared with price levels abroad, this indicates that, up to a year ago at any rate, the inflow of gold was not in fact caused by excessive exports of American goods.

to a year ago at any rate, the inflow of gold was not in fact caused by excessive exports of American goods.

In the same period, our net annual debit on service items has been rising and our net annual credit on interest and dividends falling. Both phenomena would tend to drive gold abroad rather than attract it. They reinforce the influence of the rising ratio of merchandise imports to exports. The argument that the devaluation of the dollar has been an important factor in diverting gold to the United States is therefore quite without foundation.

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We may turn now to what appears to be the true explanation of the heavy flow of gold.

Since the war it has been customary to regard the United States as a great lending Nation. It will be a shock to many to discover the degree to which we have been reversing our position in this respect. Instead of being a lender Nation on current interdiscover the degree to which we have been reversing our position in this respect. Instead of being a lender Nation on current international account, as had been the situation from 1914 on, we have, in recent years, been a net borrower of billions: \$360,000,000 in 1934; \$1,536,000,000 in 1935; \$1,169,000,000 in 1936; \$1,187,000,000 in 1937; almost certainly not less, and perhaps much more, than a billion in 1938. All of this indebtedness has, in a very real if not literal sense, been incurred in the purchase of gold on which we laid out, net, \$1,134,000,000 in 1934; \$1,739,000,000 in 1935; \$1,117,000,000 in 1936; \$1,586,000,000 in 1937; and \$1,974,000,000 in 1938.

There is, in short, a close connection between our imports of There is, in short, a close connection between our imports of gold and the recent increase in our borrowing abroad. But, as will be seen, the connection is wholly anomalous; it is completely the reverse of what would ordinarily be expected. In former times net gold imports to any country were normally the consequence of, and equal to, a current credit balance on other items in the international account. Gold did, it is true, sometimes move into a country as a result of a current credit balance established by borrowing abroad, but the decision to borrow almost always preceded the acquisition of gold and the initiative lay with the borrower. the acquisition of gold and the initiative lay with the borrower. The acquisition of gold was incidental, was preliminary to the import of capital in the form of goods, and was not expected to be permanent. Only in times of crisis was borrowing undertaken for the purpose of financing a gold import for its own sake.

At the present time, however, our gold imports are the consequence neither of a credit balance on merchandise and service items, nor of a current credit balance on financial account acquired by prior borrowing by this country abroad; on the contrary, they are themselves the cause of our indebtedness. The volume of gold movements has not been determined by the amount of our of gold movements has not been determined by the amount of our borrowing. Rather, the amount of our borrowing—which is largely involuntary—has been determined by the volume of gold movements. That is, since gold is being sent here not to extinguish American claims on the outside world, but to establish foreign claims against this country, we are, without any intent on our part to assume the role, being forced into a debtor position on current international account. The initiative has passed from our hands. We are importing gold not on our own volition but in accordance with the will of foreign sellers.

²The assumption of new liabilities fails to cover the entire cost of our gold purchases. The difference has been made up by the encashment of foreign obligations to this country and by the use of American claims on foreign currencies accruing from interest, dividends, and a current excess of commodity and service exports over imports.

Rates of exchange have no longer any decisive influence on gold movements even though gold movements still have a marked influence on rates of exchange. The significant point is that discretion as to whether gold will be imported or exported, not only in tion as to whether gold will be imported or exported, not only in their own country but here also, rests entirely with foreign monetary authorities who can also dominate exchange rates when they so elect. So long as they possess, will take, or will export, gold, then can put exchange rates practically where they want them; even without gold, they could do this in some degree through the purchase and sale of dollar claims provided we remained ready to buy and sell gold at a fixed price in dollars. On the other hand, if they are indifferent to the exchange value of their currency, they can export, retain, or acquire gold by the simple expedient of changing their daily buying price for the metal in correspondence with current movements in rates of exchange.

The wishes of foreign monetary authorities with respect to exchange rates have not been revealed, but gold is, in any event, coming here solely because foreigners prefer dollars to their own currencies or gold.

currencies or gold.

The motive that inspires the extraordinary export of gold from foreign countries to the United States is, to a considerable extent, fear. But this by itself is not enough. If price-level adjustment, such as the gold standard used to provide, had followed the flow of gold, or if gold did not command a fixed price in dollars, the incentive to transfers would be quickly reduced. The fact that we maintain a fixed price for gold, while failing to have the increase in gold exert its former expansive effect on the volume of disculcing medium. circulating medium, prevents the operation of equilibrating adjust-

ments.

A movement of funds such as that under discussion is not, on the face of it, inconsistent with the traditional international functioning of gold. It is conceivable that it might have arisen under an international gold standard but it is not conceivable that it could have lasted for long. Certain corrective adjustments in the countries losing or gaining gold would automatically have stopped an excessive flow in one direction. The mechanism of this selfan excessive flow in one direction. The mechanism of this self-adjusting system was relatively simple. So long as currencies were attached, by means of certain legal or conventional reserve requirements, to the volume of gold within the gold-standard countries, a change in the international distribution of gold was closely associated with changes in the relative volume of money in the different countries. This resulted in such a shift in relative national price levels, and in the international movement of goods, as to bring about a more even balance in the international accounts and to render further shipments of gold unlikely. Whengoods, as to bring about a more even balance in the international accounts and to render further shipments of gold unlikely. Whenever, for any reason, gold movements in one direction were excessive, the same process of adjustment would in due course lead to a return flow. The quantity of gold held by each country was thus automatically adjusted to the trading requirements of the several countries; there was no question of any one country absorbing an undue share of the world's stocks; and new supplies of gold were distributed in approximate proportion to existing baldings. holdings

Under the ordinary operation of the international gold standard any extraordinary preference for dollars would have been subject to steady diminution when, as a sequel to the movements of gold, prices in the outside world fell relatively to dollar prices. Dollars would then have been in steady process of becoming less valuable in domestic purchasing power relative to the domestic purchasing power of the alternative currencies obtainable with a like amount of sold, so that the trading investment speculative or refused deof gold, so that the trading, investment, speculative or refugee demand for dollars, as against these other currencies, would have rapidly waned. Gold would then have ceased to come to this

country.

At the present time the fundamental bases of this automatic mechanism no longer exist. Only in the United States, and possibly Belgium, does even the outward form of the system remain. Since gold is elsewhere completely divorced from any direct con-Since gold is elsewhere completely divorced from any direct connection with the pricing mechanism, it has ceased to be a regulator of international economic relations. When gold moves today it may leave unchanged—may even aggravate—the fundamental causes of the movement. These observations lead to the extremely important conclusions that gold flows are now in no way automatically corrective or self-limiting and that imports of gold to countries willing to buy it in unlimited amounts may therefore continue indefinitely.

fore continue indefinitely.

Under existing conditions the immediate effect of gold imports into the United States is to depress the exchange value of the dollar. So far, and no farther, does the analogy with international gold standard conditions hold. The tendency for prices in the United States to rise on the receipt of gold is now largely nullified, whereas there is no reason whatever to expect these gold movements to depress prices in other countries. This follows from the fact that gold is no longer used in these countries either as money or as a regulator of the money supply; exports of gold, therefore, have no more influence on prices than exports of any other commodity.³ commodity.3

A decline in the exchange value of the dollar attendant upon gold imports has now a tendency to raise the ratio of American exports to imports of goods and services. This is because the shift in exchange rates makes it easier for foreigners to buy in this in exchange rates makes it easier for foreigners to buy in this country and harder for Americans to buy abroad. Such an outcome is just the converse of the situation under an international gold standard where imports of gold were normally attended by price movements provocative of a fall in the ratio of commodity exports to imports in the country receiving gold. There is now not only no automatic tendency toward the checking of a flow of gold but a strong impetus to its acceleration. The provisional conclusion must be that in the absence of intervention there is no reason to suppose that our gold imports will decline until we have exhausted the world's stocks and are taking all of the then current output of the metal. then current output of the metal.

Even if the fear-motivated flight from other currencies to the Even if the fear-motivated flight from other currencies to the dollar should cease, the statement just made would hold true in the long run. The flight is, indeed, responsible for an undetermined, but certainly sizable, proportion of our recent gold imports. It has been supporting, and even enhancing, the exchange value of the dollar against the tendency of the imports of gold to depress it. If the flight were checked, the presumptive effect would be a drop in the exchange value of the dollar. We should then, in consequence, probably pay for continued imports of gold by an increase in the ratio of commodity exports to commodity imports rather than by the sale of securities or the purveyance to foreigners of what are substantially demand claims to dollars.

"Hot" or refugee money has played so important a role in gold movements that a further word should be said about it. The immediate effect of flight from a currency is to increase the exchange value of the currencies in the countries of refuge. This prompts the sending of gold from the refugee country to prevent an abrupt rise in the price of foreign currencies. Resort to sterling as a refuge has so far been in greater volume than the British retention of gold. That is to say, the British monetary authorities have not kept a gold reserve equal to the demand claims of foreigners on balances arising from shipments of gold to London. London is therefore in a precarious position. Whenever fear develops, the "city" is likely to be subjected to the international analog of a run on a commercial bank. Sterling, however, partly as cause and partly as consequence of the export rather than retention of gold by the British, has tended to rule relatively high on the exchanges. The British ratio of commodity imports to exports has, in consequence, shown a rising tendency and this, in turn, has stimulated exports of gold. If, as seems likely, refuge in the future is sought more in this country than in England the only alternative to a sharp fall in the dollar exchange value of sterling and associated currencies will be further shipments to this country of the red prove held by the British and other foreign monetary associated currencies will be further shipments to this country of the gold now held by the British and other foreign monetary authorities. This would continue until a reversal of the trend in the balance of British and similarly affected trade was accomplished, and it is by no means impossible that British reserves of gold and foreign exchange would be exhausted in the process.

If the United States had not offered an unlimited market for gold at a fixed dollar price, the volume of "hot" money seeking refuge here could scarcely have attained its present proportions, and flights to sterling would also have been curtailed. Any attempted flight to dollars would then have raised the price of dollar exchange in the refugee currencies to levels which would have made the process so costily as to my any effective decrease. dollar exchange in the refugee currencies to levels which would have made the process so costly as to put an effective damper upon it. If the United States, moreover, had not offered the British the prospect of the indefinite continuance of a favorable market for gold, the flight to sterling would have encountered similar difficulties since the British would then have been reluctant to acquire as large gold supplies as they have in fact absorbed. Furthermore, such flights as occurred would, in these circumstances, have been a mere swapping of currencies, with the sellers of dollars or sterling acquiring claims on foreign currencies coincidently with the transfer of claims on dollars or pounds to the buyers. Movements of exchange rates great enough to inhibit flights from currencies might, however, be a seriously disequilibrating factor in international trade.

With the shipping of gold to this country the foreign shipper

With the shipping of gold to this country the foreign shipper acquires indefeasible claims on dollars since we undertake to pay \$35 for every ounce of gold offered; we, on the other hand, do not acquire even a potential claim on foreign currencies since foreign acquire even a potential claim on foreign currencies since foreign monetary authorities can always refrain from purchasing any gold we might later offer them. Foreigners fleeting from their own currency under the influence of fear would, in the absence of gold movements, be obliged to sell us their currency so cheaply that the terms of trade would turn strongly in our favor. The flight of "hot" money would then entail a penalty for the individuals and countries sending funds abroad and a gain for the country to which it was sent. But when foreigners send us gold this does not happen. They are then not selling us their own currency cheaply, or at all, but are buying at fixed rates one form of American currency with another form which used to be, but is no longer, part of their own currency supply, and which will reenter it, if ever, only as they themselves may determine.

that the ever-present possibility that prices may rise in any foreign country, not only in equal but in indefinitely greater degree, than in the United States, is a strong reason for the shift, via gold, from these currencies to dollars.

If prices in the United States should rise under the impact of gold imports from other countries, it is more probable than not that they would not fall, but rise, in at least equal measure, in foreign countries. In England, for example, a loss of gold prob-ably induces a slight immediate, if not necessarily permanent, tendency toward inflation. Space does not permit a discussion of the reasons for this paradoxical tendency, but it should be noted

Since refugee gold, so far as it comes out of the monetary use, is currently supplanted by some form of debt money in the country from which the flight occurs, the reimport of the metal would presumably be superfluous, inflationary, and expensive. Under such circumstances reimports of gold are not likely to be sought for long with any enthusiasm. "Repatriation of capital" will take the form of outpayments of the foreign currency, by the central banks of the countries concerned, in exchange for dollar credits held by their nationals. Refugee gold, like all the rest that has found its way to the American Midas, is therefore not likely to move away even temporarily from our borders.

Such intervention as would reduce our imports of gold, and

Such intervention as would reduce our imports of gold, and perhaps check the flow entirely, need not occur on this side of the water. A drop in the exchange value of the dollar is identical with a rise in the exchange value of other currencies, and the ensuing presumptive increase in the ratio of American commodity and service exports to the corresponding imports is identical with a decline in the similar ratio for foreign countries taken as a whole. To a world still mercantilistic, even if it has lost its hankering for gold, this may not be very palatable, and foreign countries may purchase and hold gold with the deliberate intent of increas-ing the exchange value of the dollar, diminishing the pressure of competition from American commodity exports, and keeping the way open for their own. This may well be the principal basis on which such gold as is not coming to the United States is now being held or purchased abroad and it is probably our best chance being held or purchased abroad and it is probably our best chance of future relief from continuous dumping of the metal. Under existing conditions, the possibility of reducing our imports of gold therefore turns on the outside world being as mercantilistic in pushing commodity exports as we ourselves seem to be in engrossing gold.

Some countries however, are beginning to value commodity imports more highly than exports and to look upon exports solely imports more highly than exports and to look upon exports solely as the means of providing themselves with the desired imports. This sensible attitude is making rapid headway under the course of preparation for war. To such countries the purchase of gold looks like a very poor substitute for direct imports of the materials of war and they are likely to send what gold they have to us in order to enlarge their purchases of those materials. The tendency in this direction is reinforced by the fact that, where gold is no longer turned into currency, it is almost wholly superfluous, while its purchase by the Government involves a direct and uncompensated charge on the Budget. Under this strain many foreign countries are much more likely to move in the direction of reducing than of increasing their supplies of gold. They may therefore show an increasing indifference to a rise in the exchange value of their currencies and may even welcome it as facilitating the imports which they covet. as facilitating the imports which they covet.

as facilitating the imports which they covet.

If this occurs we can, of course, expect from them no intervention to stem the flow of gold, and the existing trend toward the complete absorption by this country of the world's stocks, as well as the new supply from the mines, will be greatly strengthened. Under present legislation there is nothing that we could do about it. Gold would come here whether the exchange value of the dollar should rise, fall, or remain unchanged, since the foreign currency price offered for the metal would be correspondingly set at a figure low enough to prevent any diversion of the gold from this to other markets. this to other markets.

Under the practice of maintaining a fixed dollar price for gold, we can neither refuse to buy the metal nor refrain from selling it freely for purposes of export. This may not inevitably mean that we have no means for influencing exchange rates, since that can be done through the purchase or sale of foreign currencies by our monetary authorities. It does mean, however, that we are powerless to affect gold movements. Any control we might otherwise have over exchange rates is thereby rendered all but completely nugatory. For, if our monetary authorities desire to raise the exchange value of the dollar, and therefore sell foreign currencies, foreign monetary authorities can nullify our action by buying the currencies we are selling with the dollar proceeds of gold remittances to us. If, on the other hand, our monetary authorities desire to depress the exchange value of the dollar, and therefore buy foreign currencies, the foreign authorities can nullify this action by directly supplying us in indefinite volume with their respective currencies (which they can print at will) or by taking in gold.

In a sense, then, our present plight is a consequence of the

In a sense, then, our present plight is a consequence of the general abandonment of the gold standard; but our weakness is attributable not to the abandonment itself but to our resumption of that standard while other countries were leaving it or, if already off, were remaining "unregenerate." We should be at no relative disadvantage if the rest of the world were on gold, but we should similarly be at no disadvantage if we had stayed off gold instead

The unconditional purchase of weak currencies, is, however, ⁴ The unconditional purchase of weak currencies, is, however, a dangerous expedient inasmuch as a possible devaluation may involve the purchaser in heavy losses. Such losses would already have been realized if francs had been unconditionally purchased, over the past year or two, by non-French monetary authorities or anyone else.

⁵ The tripartite argeement on exchange stabilization may be of service to us in this connection but only if the other parties to that agreement are under obligation to buy gold when dollar exchange tends to fall. It is not likely that there is any hard and fast obligation of this sort.

of returning to it. The trouble arises from the fact that we are on gold and the rest of the world is not, and that we have a standing offer to buy gold in unlimited amounts, at a high fixed price in dollars, while the monetary authorities in other countries can take it or leave it at their discretion.

It is somewhat ironical that the "friends" of the gold standard, repeating the history of silver, are proving to be the greatest enemies of the standard they favor. It is they who are largely responsible for an untenable position from which, so long as responsible for an untenable position from which, so long as foreign countries refuse to alter a status in which they are at a marked advantage, we can perhaps best extricate ourselves by the definitive demonetization of gold. Once off the gold standard in 1933, we could easily have avoided the emergence of our present difficulties. But conservative bankers and businessmen protested that failure to tie the dollar to gold was dangerous and that we must return, orthodoxly and at once, to the traditional standard, (The new gold content of the dollar was, they alleged, a matter of secondary import, and they were content to have the dollar stabilized at its then current gold value.) Partly in bafflement and partly in weakness, the administration at Washington capitulated. Some of the monetary policies then in vogue were unquestionably Some of the monetary policies then in vogue were unquestionably ill-conceived, but the establishment of a new fixed price for gold was surely a mistake, even though it was halled by bankers and was surely a miscase, even though it was haned by bankers and businessmen with an enthusiasm which they have accorded to very few acts of the present administration. Whether we should or should not have devalued the dollar is perhaps an open question; but once having broken the link between our currency and gold, we should certainly have been in no hurry to go back alone. If we had not done so we could readily have lowered the dollar price offered for gold when, as now, the occasion required it. As matters stand, however, such an action, for reasons presently to be adduced, could be taken only with great misgiving.

could be taken only with great misgiving.

When foreign countries, exercising their present privilege, refrain from taking gold it must come here because there is nowhere else for it to go. Individual hoarders abroad may, of course, absorb a certain amount of the metal. It is more to the point, however, to turn the gold into dollars, since the value of gold abroad will not go above its present value in dollars unless we perpetrate either or both of the almost incredible follies of further increasing the price of gold or of refusing the right to export the metal. Either procedure would magnify our present difficulties. The belief is professed in some quarters that raising the dollar price of gold would depress the exchange value of the dollar and improve the position of our commodity exporters. This belief is almost wholly illusory and derives from the period when a number of foreign countries were on gold. Raising the dollar price of gold would probably have no effect whatever upon dollar exchange rates against currencies which are in no way tied to gold, except for some slight depression of the dollar attendant upon the increased imports of gold which such a step might occasion. If it were thought, however, that the step would be repeated, the exchange value of the dollar might actually rise by reason of the withholding of gold abroad in the hone of getting a higher the exchange value of the dollar might actually rise by reason of the withholding of gold abroad in the hope of getting a higher dollar price later on. Any movement in exchange rates which might occur would no doubt be followed by a corresponding alteration in the foreign currency price offered for gold, modified

atteration in the foreign currency price offered for gold, modified slightly according as foreign private persons, or monetary authorities, wished to enter on one side of the market or the other. If the real value (purchasing power) of dollars should fall through inflation, the real value of gold, which is tied to the dollar, would fall in precisely the same degree. Except, therefore, on the very improbable conditions stated above, gold can be no better they dollars. But because gold would imprediately fall in on the very improbable conditions stated above, gold can be no better than dollars. But, because gold would immediately fall in dollar value if we should adopt the logical course of ceasing to buy the metal freely, gold may prove very much worse than dollars. Dollars, moreover, can be invested in short-term securities yielding some interest—which cannot be done by holding of gold. No shrewd speculator is therefore likely to purchase gold rather than dollars, unless he has wind that we are about to commit one of the stated follies. He will turn such gold as he has into dollar claims. into dollar claims.

It would be surprising if monetary authorities abroad should fail to be impressed, eventually, by the considerations which must affect intelligent private hoarders. Gold is for those authorities almost solely a means of acquiring dollars. Since dollars can now and apparently always will be able to do practically anything that gold can do, and possess unique advantages besides, there seems to be no reason whatever why foreign monetary authorities should hold on to the metal. This not only involves storage cost, and deprives them of such interest as they might earn by holding dollar credits, but it exposes them to a by no means negligible danger of loss through invasion of their territory. The holding of direct claims to dollars permits them to escape this danger.

Only one remote possibility not yet mentioned would give reason to a preference for holding gold rather than dollars. If, as a re-sult of war or otherwise, we should repudiate foreign claims to dollars, the holders of such claims would perhaps have done better to have gone in for stores of gold; though what they would do with it under those circumstances is worth pondering. It should be borne in mind that in the World War Sweden refused to accept gold in payment for her exports though she eagerly took dollars. This precedent seems likely to be widely copied in any major future

⁶ Some relatively small amounts might be sent to Belgium, if, as is unlikely, the sellers of gold should prefer belgas to dollars.

Since all but the most far-fetched considerations tell in favor of foreigners divesting themselves of their stocks of gold in favor of direct claims to dollars, the hitherto tentative conclusion that, unless we change our policy, we can expect to gather to ourselves practically all the monetary gold in the world, is strongly buttressed. We are already well on the way toward this result and, though we may expect temporary interruptions of the flow and occasional reversals, it seems highly probable that the long-run trend in the present direction will continue. The monetary authorities in countries which still have large holdings of gold will perhaps, for some time yet, fall to recognize that the king is naked and will continue to do obeisance to him under the illusion that he is clothed in royal raiment. But the light will eventually break even in these dusty corners. Even now, fealty shows signs of wavering. Central banks in a number of the lesser countries have, as the occasion seemed to warrant, shifted part of their assets from gold to dollars or sterling; and the British monetary authorities, in turn, do not seem to have been averse to holding dollars.

The fact is that, having ceased to employ gold as money, the public and private holders of gold outside the United States have no use for the metal. It is true that the foreign world has not so far acted in the matter with rigorous logic. Under the influence of tradition, and of the assumption that gold might again be restored to its former sovereignty, foreign holders have not, as a group, consciously sought to rid themselves of it. In some cases they have added to their stocks and, in others, have seen them diminish with regret. As time goes on, however, and they discover that they are not hampered by the loss of gold, especially when it is replaced by claims to dollars, this attitude will almost certainly change so that the transfer to this country of most of the remaining stocks is likely to be accelerated rather than retarded. The present value of gold is purely factitious; it is solely dependent upon the policy of this country and the extremely faint possibility that some other country would, or could, support the price of gold if we should abandon the attempt to do so. So long as we provide an unlimited market at a favorable price, foreign countries would be foolish not to take full and early advantage of the situation.

Even as a war resource, and on the unreliable assumption that we shall not change our policy, it is hard to see how gold can offer any net advantages over claims to dollars. In time of war, those suppliers of materials who would be unwilling to accept in trade the goods, currency, or credit of buyer belligerents, would probably take claims to dollars as readily as gold. The only conceivable exception is that involving two countries both of which in a future war were enemies of the United States and at the same time were suspicious of each other.

VIII

What now remains of the functions of gold and what is now its international role? Of the traditional functions not a single one remains intact. Gold is no longer employed, either as coin or as bullion, to redeem paper currency; its function as a regulator of the money supply has either fallen into complete desuetude or is retained as a fifth wheel; and the sole remainin attribute of monetary gold, that of serving to "adjust" international payments, has been perverted and is now in process of atrophy.

To make the last point clearer it will be well briefly to recapitulate. Gold does, it is true, move between countries, but the movement is almost wholly in one direction. Far from serving to settle inter-

To make the last point clearer it will be well briefly to recapitulate. Gold does, it is true, move between countries, but the movement is almost wholly in one direction. Far from serving to settle international obligations, the flow of gold is now chiefly instrumental in creating them. Nowhere in the world are imports and exports of gold the means of regulating the currency supply. Instead of serving as a stabilizing influence, gold movements are the agency for disturbing flights of capital. Apart from the positively harmful or potentially dangerous aspects of the role now played by gold in international economic life, its chief function is to improve the international position of producers and disbursers of the metal. The total volume of goods, days' labor and the like now annually devoted to paying for new gold (for which the world has no economic need) is more than twice what it was 10 years ago when there was a genuine need for the metal. This is of substantial benefit to producers of gold, but by the same token it represents a corresponding burden to the final purchasers. The same is true as between the disbursers and the buyers of the gold accumulation of the ages. The most significant monetary purpose that gold still serves is probably its use as the basic element in exchange stabilization funds. In this capacity it is one of the instruments whereby monetary control is exercised, rather than, as formerly, the controlling device itself, and for all countries but our own this function can be better performed by the possession of reserves of dollar exchange.

Adequate discussion of different alternatives for meeting the dilemma that faces us is impossible in the space that remains. We must be content with a few general observations and shall have to forego full explanation of why they appear to be justified.

⁷As has been noted, in most countries gold is frankly divorced from the monetary system. In the United States the two have been separated but are now somewhat uncertainly reunited. Even in this country, however, gold exercises over the money supply only a very remote control and is wholly superfluous for that purpose. The cost of separation—or "sterilization"—coupled with our determination to maintain gold, was so great a burden on the treasury that it had to be abandoned.

Restoration of an international gold standard system appears to be very improbable. Sentiment in favor of such a step is not strong abroad, nor are conditions propitious for international loans of the magnitude that would be required if such a system were to be set up. Even more conclusive is the fact that the causes that brought about the second collapse of the international gold standard, beginning in 1931, are still present in aggravated form. These influences were sufficient to destroy the gold standard at a time when its prestige was high; it is most unlikely therefore that the standard, whose prestige has been impaired by the events of recent years, could survive even if it were reinstated by some great coup.

Continuance of the present policy whereby the United States undertakes single-handed to maintain a fixed price for gold is likely to entail upon us a burden more or less equal to the cost it has imposed during recent years. In short, the cost to this country may be expected to amount to something like a billion and a half dollars a year; and there is no foreseeable cessation of the flow through limitation of the current output of the metal.

If we disregard the escape by way of inflation, which is open to all the familiar objections, the obvious solution is to abandon

If we disregard the escape by way of inflation, which is open to all the familiar objections, the obvious solution is to abandon the present fixed price for gold and permit it to find its economic level. This would automatically provide relief from the burden that excessive gold production now imposes upon us. Changing the price of gold would have no great or necessary long-run effects upon important exchange rates, on prices, or, with exception of adjustments to the new dollar value of our gold purchases, on the course of trade. The long-run economic consequences of this step would therefore be far less serious than those of the maintenance of present policies even if, under these policies, inflation is avoided. The short-run effects on countries which are important producers of gold might, however, be devastating and there is a strong probability that there would be extremely disturbing repercussions on our own economy including, as one incident, the rushing of gold to this country to prevent further anticipated loss on a falling market.

The step is open to the very practical objection, moreover, that

anticipated loss on a falling market.

The step is open to the very practical objection, moreover, that it would constitute an admission of error on the part of the administration. Indeed, it would look bad even on the record of any future administration. Every drop of a dollar in the price of an ounce of gold would mean a loss of about \$430,000,000 in the nominal market value of the gold stock we now possess. If the price of gold were allowed to seek its "natural" level, there can be little doubt that it would fall far. Even if the price should fall only to the old mint par of \$20.67 per eunce—and there is good reason to believe that it would go beyond this—the book loss would be about \$6,000,000,000, or well over twice the book profit obtained at the time of devaluation in 1933-34. This would, it is true, be only a paper loss and there is, moreover, much to commend such a move. There is little likelihood, however, that it could be put into effect. The prospect of so great a paper loss is more forbidding, from a political standpoint, than the annual real burden of a billion and a half, or more, that might go on forever.

The substance of the gold problem, then, is this: At present there is a grave disequilibrium between the low cost of producing gold and the high price at which it sells. Existing policies perpetuate this condition and compel the United States to foot the bill. The obvious means of reaching a solution are, for one reason or another, objectionable. A possible compromise is some device that will result in a fall in the price of gold abroad—thus checking production and discouraging the flow of gold to this country—and will at the same time maintain its price within the United States and permit us to preserve the fiction that our gold is worth what it purports to be. Such a two-price system for gold could be created without serious technical difficulty. It would simply call for a sizable import duty on gold. This might be on a sliding scale and accompanied by a corresponding export subsidy to facilitate an efflux of the metal without loss to foreign buyers. The details of such a scheme cannot be elaborated here. It is enough to say that it might be made more effective through an extension of the so-called tripartite agreement to include an undertaking by the six participating countries to aim at the absorption, by each, of stipulated percentages of the new supplies of gold coming on the market.

A device of the type here suggested is, of course, a palliative rather than a solution of the problem. Whether it is to be preferred to more drastic measures is a political rather than an economic question.

In no way are the views advanced in this paper to be interpreted as an attack upon the gold or any other standard. The present monetary outlook is unassuring, whatever standard is employed. However, we may as well face facts. The outstanding facts are these:

1. Barring changes so great as to be all but out of the question, it is improbable that an automatic international gold standard can be restored except as a possible consequence of the abuse of existing or future paper currencies.

Subject to the same reservations, it is likely that, if such an international gold standard were restored, it would fall again within a few years.

3. The present relationship between the price of gold and the cost of producing it is not an equilibrium relationship and, if not modified by positive action, seems certain to collapse with effects not pleasant to contemplate.

4. There is nothing in sight to interrupt a continuance of the

flow of gold to this country.

5. Granted that present policies are maintained, it is therefore not only possible but probable that the United States will come into possession of virtually the entire world's stock of monetary

6. In this event we shall have incurred the enormous cost of acquiring the gold and may find it impossible to avoid the inflation that the gold threatens.

tion that the gold threatens.

It behooves us either to bring gold back into familiar use under conditions favorable to its maintenance as money, or to abandon it as a monetary material. Unless we make of the gold standard something more than a rainbow, the pot of gold in which rainbows are said to terminate is likely to turn to ashes in our hands. To continue to buy gold as at present is not likely to keep this from happening; in the end, it may simply mean more ashes. A complete and final surrender of the use of gold as money would, perhaps, be the better course. Under existing conditions the value of our gold, for any purpose, seems little less evanescent than that of its celestial counterpart. The English economists in 1923 were not offering us an important asset, and they knew it.

Recovery Obstacles

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Thursday, April 20 (legislative day of Wednesday, April 19), 1939

ARTICLE BY MARK SULLIVAN

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Mark Sullivan published in today's Washington Post, entitled "Recovery Obstacles."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From the Washington Post of April 20, 1939] RECOVERY OBSTACLES—SEVEN CONDITIONS LISTED

(By Mark Sullivan)

Men ask, with deep concern, will there be business recovery? But their concern would be greater if all realized that not only is

But their concern would be greater if all realized that not only is business recovery at stake, but much more.

There are at least seven conditions, all domestic, any one of which probably, and the sum of which certainly, prevents business recovery. Because these conditions prevent recovery, they carry America toward a changed form of society—that is, from the system of private ownership to some form of collectivism. Necessarily the conditions which carry America toward collectivism carry it also toward a changed form of government, for it is inevitable that a change in the form of society must be accompanied by a change in the form of government.

The seven conditions overlap and interlock. For the sake of simplicity, they can be stated separately:

(1) Continued spending by Government in excess of receipts, which has now gone on for 8 years, and is still under way, with no end in sight. It remains as true today as when President Roosevelt said it on March 10, 1933, that: "Too often in recent history, liberal governments have been wrecked on the rocks of loose fiscal policy."

"FRICTION TAXES" STALL BUSINESS

"FRICTION TAXES" STALL BUSINESS

"FRICTION TAXES" STALL BUSINESS

(2) Two forms of tax, the capital-gains tax and the undistributed-profits tax. It is not the amount of these taxes that is fatal—the amount is small, relative to the total of taxes generally. The danger in these two taxes is the impediment, the brake, they put on business. It is the quality that causes some Treasury officials to speak of these as "friction taxes." With these taxes repealed (and with other conditions made right) business could go forward to a volume which would produce a much greater total of general taxes. Of all the conditions that prevent business recovery, this is the easiest to remove. High fiscal officials of the Government want it removed. The Democratic leaders in Congress are willing to remove it. The motive of those who oppose removal is not easy to understand. It is impossible not to feel that these do not entertain any great concern for bringing about business recovery. recovery

Triple A. Triple A affects not only farming but all industry, the whole economic structure of the country. Triple A expands, automatically, from within itself—for example, thus: (a) Reduce the amount of cotton grown; (b) this reduces the number of persons employed in cotton planting, ginning, spinning, and in the transportation of cotton and cotton products; (c) this added unemployment reduces ability to buy cotton goods; (d) this reduction of ability to buy cotton goods leads to further reduction of the quantity of cotton grown. And so on around the vicious circle.

TOO MANY LIVING ON GOVERNMENT

(4) W. P. A. as now operated. It is not the amount of money spent on W. P. A. that is the primary danger. The primary danger is the practice of W. P. A. in giving to persons dependent on W. P. A. a slightly better standard of living than is received by persons dependent on private employment, on the economic level just above W. P. A. This practice, if continued, must steadily draw men from private employment onto the lists of those who get their living from government. When the number of the latter reaches—let us take an arbitrary figure—say, 25 percent of the whole, the structure of society will turn upside down, for 75 percent in private employment cannot support 25 percent living on government.

(5) The National Labor Relations Act. This act, combined with some practices of C. I. O., especially the sit-down strike, which C. I. O. has practiced and never repudiated, and which the Labor Board does not completely condemn—this combination is such as to discourage men from setting up new enterprises or expanding existing ones.

ing ones.

(6) Large unemployment. This is not separable from the other conditions—it is a consequence of the other conditions. But large unemployment is important because of the psychological factor it introduces. Men unable to get jobs for a long time become less loyal to private ownership, more ready to listen to proposals that private ownership be abandoned and collectivism substituted. Persons and cults who wish to bring about collectivism necessarily wish to prolong unemployment and not see it end.

RECOVERY OBSTACLES ALL ARE DOMESTIC

(7) A state of mind on the part of some in quarters within government which says, in effect, "the private ownership system is pretty sick, why not let it die?" There are some within government who affirmatively wish to end private ownership and bring about some form of collectivism. There are others who are not especially partisan for collectivism but are not partisan for private ownership either. Private ownership can only be saved, and business recovery brought about, by an attitude which affirmatively and dynamically wishes to bring about business recovery.

All these obstacles to recovery are domestic. All are within our

and dynamically wisnes to bring about business recovery.

All these obstacles to recovery are domestic. All are within our own control to change. It is true there is a foreign condition that is an obstacle. But the foreign condition alone would hardly hold us back if all the domestic conditions were ended. It is not necessary to remedy all the conditions at once. Remedy of a few would create a momentum which would remedy the others automatically.

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Amendment of the Sugar Act

EXTENSION OF REMARKS

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

LETTER FROM THE PRESIDENT TO HON. MARVIN JONES OF TEXAS

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the President of the United States to Hon. MARVIN JONES, chairman of the House Committee on Agriculture:

The White House, Washington, April 18, 1939.

Dear Mr. Congressman: The three departments of the Government primarily concerned with the problems involved in the pending amendments to the Sugar Act have advised me of your courteous reference to them of S. 69 for expression of their views thereon. Since the proposed amendments raise grave governmental problems which transcend the specialized interests and functions of the individual departments concerned, I have been requested by them to set forth the basic position of the administration on the proposed amendments.

Prior to 1934 the sugar industry was suffering from unsatisfactory returns and our exports to Cuba had declined to a disastrously low level. The legislation pertaining to sugar enacted by Congress in 1934, and revised and extended in 1937, and the reciprocal-trade agreement negotiated with Cuba in 1934, resulted not only in a substantial increase in the income of domestic sugar beet and sugarcane growers and processors, but also in a gratifying increase in our export trade with Cuba. Between 1933 and 1937 our exports to Cuba of rice, wheat flour, lard, and other agricultural products were trebled and exports of manufactured articles were increased fourfold.

I am advised, however, that only a year and a half after exhaustive consideration by the Congress and the congress and the consideration by the Congress and the consideration by the Congress and the congress and the consideration by the Congress and the congress and the congress and the congress and a half after exhaustive consideration by the Congress and a half after exhaustive consideration by the Congress and the congress and

I am advised, however, that only a year and a half after exhaustive consideration by the Congress and the administration of the

1937 legislation, the sugar lobbyists, who, in order to justify their employment must be professionally dissatisfied under any conditions, are pressing for drastic amendments to the act which would tions, are pressing for drastic amendments to the act which would disrupt the balance established in the existing legislation as between the opposing interests of the various groups concerned: they would further burden consumers for the additional benefit of producers, seriously impair one of the principal markets for our export crops, and establish discriminations among various parts of the United States. Moreover, the proposed amendments would undermine the basis upon which the trade agreement with Cuba was negotiated, and violate our treaty obligations under the International Sugar Agreement, approved by the Senate on December 20, 1937. ber 20, 1937.

The first paragraph of the bill contains special exemptions from the acreage adjustments now required as a condition for payments under the act, that would operate primarily for the benefit of the large plantation companies in the mainland sugarcane area. Such exemptions would not only constitute a serious discrimination against the domestic insular areas, particularly the island of Puerto Rico, in which area a substantial adjustment of production this year is well under way, in compliance with the provisions of the act, but is also extremely unfair and unjust to provisions of the act, but is also extremely unfair and unjust to the producers in all areas whose great sacrifices in prior years under former sugar programs are directly responsible for the favorable position enjoyed by sugar producers in the mainland cane area in recent years. It is unthinkable that plantation pro-ducers in the mainland sugarcane area should be relieved of any responsibility for their appropriate share of crop adjustment as a condition for payments. condition for payments.

The second amendment in S. 69 would unfortunately delete the present provision in the Sugar Act designed to protect the housewives of the Nation against sugar prices in excess of those necessary to maintain the domestic industry. In recent years the total burden of sugar legislation on consumers, if measured by the full difference between the unprotected price of sugar in world markets and the protected price in the United States, has been equivalent to the purchasing power of approximately 50 quarts of milk and 50 loaves of bread per annum for each family in the United States.

The third amendment of S. 69 discriminates against two sec-The third amendment of S. 69 discriminates against two sections of the United States, Puerto Rico and Hawali, by reducing their present shares of the total domestic quota and by denying these areas their proportionate shares of the large increase provided for in the bill for all domestic areas. The bill would thus create a colonialism of the old-world type in the form of an underprivileged American citizen living in these particular insular parts of the United States. The imperialistic nature of such discriminations against some of our own citizens becomes clear when it is realized that although the Congress could legally destroy the economy of its insular possessions through such destroy the economy of its insular possessions through such discriminatory trade restrictions, the American citizens in those areas would possess no legal right to defend themselves against

such action by erecting trade barriers against products produced in the mainland.

The third amendment also proposes a severe reduction in the Cuban quota which would further curtail our shrunken markets for American agricultural exports at a time when Congress and the administration are struggling with measures to expand such markets

markets.

Furthermore, our principal benefit to Cuba in our reciprocal trade agreement of August 24, 1934, in return for over 400 duty concessions to American goods, was a duty reduction on Cuban sugar negotiated against the background of the quotas provided in the Jones-Costigan Act, upon the assumption on the part of the contracting parties that the quota basis would not be changed to Cuba's detriment. The reduction which this bill proposes to make in the Cuban quota, is so inconsistent with the purposes of the trade agreement and the basis on which it was entered into that it seems at variance with our fundamental principles of fair play and fair dealing which we have been urging as essential to world economic recovery and world peace.

fair play and fair dealing which we have been urging as essential to world economic recovery and world peace.

Under article 9 (a) of the international sugar agreement, we agreed to accept from the full-duty countries every year a quantity of sugar directly proportionate to the small share allotted on a historic basis to these countries under the Jones-Costigan Act in 1937. Under the proposed bill this proportion would be decreased. In addition to losing part of their basic quotas the full-duty countries would lose under S. 69 the important reallocation of the Philippine dutiable sugar deficiency now provided for. The purpose of this provision in the Sugar Act of 1937 is to enlarge the foreign market for American exports.

purpose of this provision in the Sugar Act of 1937 is to enlarge the foreign market for American exports.

Thus, the enactment of the bill S. 69 would be a serious threat to the future of the policy of improved relationships among the American republics, which has become so important and favorable a factor in our international relations in the past few years. We have been bending every effort to develop a vital program of inter-American cooperation. This program is becoming increasingly advantageous. It is earnestly believed that the Congress will not wish to impede its progress.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

FRANKLIN D. ROOSEVELT.

Hon. MARVIN JONES, House of Representatives. LXXXIV—App—99

Fair Labor Standards Act

EXTENSION OF REMARKS

HON. MARY T. NORTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

LETTER FROM HON. ELMER F. ANDREWS, ADMINISTRATOR OF THE WAGE AND HOUR DIVISION, DEPARTMENT OF LABOR

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter to the Speaker of the House from Hon. Elmer F. Andrews, Administrator of the Wage and Hour Division:

United States Department of Labor, Wage and Hour Division, Washington, April 19, 1939.

The Speaker of the House of Representatives.

My Dear Mr. Speaker: The Administrator of the Wage and Hour Division is directed by section 4 (d) of the Fair Labor Standards Act to submit annually in January a report to the Congress and to make recommendations for further legislation in connection with the matters covered by that act. In my interim

Standards Act to submit annually in January a report to the Congress and to make recommendations for further legislation in connection with the matters covered by that act. In my interim report to the Congress last January I referred to a few of the problems which this act presented but at that time I did not feel that the Division had had sufficient experience to justify the recommendation of legislation. Since the submission of that report one of the problems referred to therein has become so serious that it should again be called to the attention of the Congress. Section 7 (c) of the said act provides as follows:

"(c) In the case of an employer engaged in the first processing of milk, whey, skimmed milk, or cream into dairy products or in the ginning and compressing of cotton or in the processing of cotton seed or in the processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap, into sugar (but not refined sugar) or into sirup, the provisions of subsection (a) (requiring the payment of time and a half for overtime) shall not apply to his employees in any place of employment where he is so engaged; and in the case of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables, or in the first processing, within the area of production (as defined by the Administrator) of any agricultural or horticultural commodity during seasonal operations or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a) (requiring the payment of time and a half for overtime), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged."

Section 13 (a) (10) provides, as follows:

"Sec. 13 (a). The provisions of Sections 6 and 7 shall not apply with respect to * * * (10) to any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, g

shall apply and when they shall not apply is given to the Administrator.

As Administrator, I have been beset with manifold difficulties in attempting to issue a definition of "area of production" which would be in accord with the expressed intent of the Congress, and at the same time would avoid the creation of chaotic conditions in the competitive positions of employers similarly situated.

Before exercising the power to define "area of production," I considered the possibility of mapping producing regions for each of the many agricultural and horticultural commodities. This procedure was found to involve the mapping of producing regions and locations of processing establishments and concentration points for several hundred individual commodities, as to many of which area lines could not practically be drawn. That procedure, besides leading to discrimination against plants on the border lines of areas, would have required several years and would have involved great expense. The plan was therefore abandoned as impractical.

impractical.

The term "area of production" is subject to a great variety of possible interpretations. The term was used previously in the N. R. A. definition of agriculture and was the cause of serious administrative difficulties at that time. Its history under the Fair Labor Standards Act has been even more disturbing.

Each industry to which the term might apply interprets it in such a way as to mean complete exemption of all establishments in that industry. Thus, for example, cotton handlers consider the "area of production" for cotton to be the entire area in which cotton is grown, ginned, stored, or compressed, although that means including all or large parts of at least 11 States in the "area of production," or in other words all areas where these "area of production," or in other words all areas where these operations occur. That type of definition, of course, renders the term meaningless in any such limiting sense as the Congress obviously intended. Where the act provides blanket exemptions, it is explicit in so doing. It does not so provide in this section. Labor, on the other hand, would define "area of production" in such a manner as virtually to exempt no one.

Aside from the uncertainty of the term, the basic idea underlying this exemption release a serious economic question. It con-

Aside from the uncertainty of the term, the basic idea underlying this exemption raises a serious economic question. It contemplates exemption of only such employers or employees as are located or employed within the "area of production." It therefore requires the drawing of a line, on one side of which all employers and employees are to be exempt, while on the other side they are not to be exempt. The operations within or without the "area of production" may be the same and may be performed upon the same products.

same products.

No matter what approach is taken to define this term, inequities will result. Some enterprises will be barely within the "area of production" and others, directly competitive, just outside; some farms will be in the area with reference to the processor handling their crops, and others, though growing the same crops, will be outside this area. It is earnestly urged, therefore, that the wage-and-hour coverage of the act should not depend upon the proximity of the operation of the area in which the raw products are grown.

mity of the operation of the area in which the raw products are grown.

I recently presided at a hearing for the consideration of a definition of "area of production" for fresh fruits and vegetables, which was recommended by the chief of our hearings and exemptions section following an earlier hearing at which he presided. I have just issued an amendment to such regulations to provide that with respect to perishable or seasonal fresh fruits and vegetables, an individual is to be considered as employed within the "area of production," if he is engaged in handling, packing, storing, drying, or canning such fresh fruits and vegetables in an establishment which is located in the open country or in a rural community (not including a city or town of 2,500 or greater population) and which obtains all of its fresh fruits or vegetables from farms in its immediate locality (but not beyond a radius of 10 miles). The legislative history of the act, particularly with reference to "area of production," was referring to the "immediate production area" and to "rural areas" and "farm areas." Thus, mileage and population limitations seem clearly to have been contemplated by the Congress in connection with the definition of such area. tion of such area.

The definition was adopted to carry out the expressed intent of the Congress. In my opinion, it produces a minimum of discrimination and economic dislocation. Nevertheless, this definition of "area of production" does give rise to some discrimination between employers, but those discriminations are inherent in the

tween employers, but those discriminations are inherent in the act as it now stands. Roughly one-fourth of the establishments packing and canning fresh fruits and vegetables fall within the area as it has been defined and are therefore exempt from both the wage-and-hour provisions of the act. The remaining establishments do not fall within the area and are therefore compelled to comply with such wage and hour provisions.

The principal need of the fresh fruit and vegetable industries, particularly during periods of peak production, seems to be a flexibility in hours which will permit the expeditious handling of fruits and vegetables, which are highly perishable commodities. The definition which has just been issued, affords an exemption from the hour provisions (as well as from the wage provisions) to only a part of the industries and, therefore, does not meet this need for flexibility in hours.

need for flexibility in hours.

On the other hand, there seems no justification for exempting even a small percentage of these industries from the wage provisions of the act. Every reason that dictated the passage of the wage provisions of the Fair Labor Standards Act is applicable in the sions of the act. Every reason that dictated the passage of the wage provisions of the Fair Labor Standards Act is applicable in the fullest sense to such industries. In the first place, many employees engaged in these industries are not being paid a wage sufficient to maintain themselves at a standard of living necessary for health and decency. Secondly, fresh fruits and vegetables compete in a national market and, because of such competition, those who bring the commodity to the consuming market at the lowest cost play a large part in determining the market price of such commodities. Some employers have used lower wages to gain an unfair competitive advantage. Furthermore, the payment of low wages in competitive industries tends to depress the entire wage structure at the expense of the worker. Thirdly, several States require the payment of minimum wages in these industries, which are equivalent to or higher than the standards fixed in the Fair Labor Standards Act. The Federal Government should, therefore, apply uniform standards so as to make impossible economic advantages for the employers in those States which have no minimum wage rates. Lastly, the labor costs in these industries are extremely low. For example, with but a single exception, wages in the food industries constitute a smaller proportion of the total value of the manufactured product than in any other major group of industries in the United States.

There are approximately 1,000,000 employees who are directly effected by the examptions from the manimum tour requirements.

There are approximately 1,000,000 employees who are directly affected by the exemptions from the maximum hour requirements

of the act in section 7 (c) or from both the wage-and-hour requirements in section 13 (a) (10). It seems to me, upon the basis of the careful consideration which I have given to this matter, that the only sound solution to the problem is an amendment of the act which will (1) eliminate the term "area of production," (2) grant to the industries in question an adequate exemption from the hour provisions, and (3) make the wage provisions applicable to them. The reasons outlined above for granting an hours exemption to the fresh fruit and vegetable industries and denying them a wage exemption are equally amplicable to all the hours exemption to the fresh fruit and vegetable industries and denying them a wage exemption are equally applicable to all the other industries at present affected by sections 7 (c) and 13 (a) (10). The products involved are all perishable, or seasonal, or both. The general limitation of hours prescribed in the act, although suitable and sound elsewhere, may frequently be impractical as applied to these industries. The disadvantages, in fact, outweigh the benefits. On the other hand, for the reasons mentioned above, it is just that these industries should be required to observe the national minimum-wage standards of the act.

It should be observed, however, that although the general hour limitations established by the act are unsuited to these industries, that does not mean that no hour limitations at all are desirable. It is imperative that hours which are so long as to endanger the health and efficiency of the individual worker should be discouraged by the imposition of the overtime penalty. A further reason is that such hour limitations are necessary to give support to the hour standards already established by many States for these same industries. Unless the limitations on hours are made uniform, those sections of the country in which hours of work are unregulated will enjoy a competitive advantage in the marketing of their products.

The Norton bill (H. R. 5435) which was introduced in the House on March 29, 1939, and the Thomas bill (S. 2008) which was introduced in the Senate on March 30, both contain the amendments just discussed. On March 31, I made a recommendation to both Senator Thomas and Mrs. Norton in which I discussed such amendments at length. I stated that such amendments, if enacted, would promote the effective and fair administration of the act, would provide needed flexibility, would assist in enforcement, and would remove a substantial number of annoyances and hardships which harass us and which we are at present powerless to avoid. I urge the consideration of that recommendation by the whole Congress

The economic importance of the fresh fruit and vegetable indus-y and the food-processing industries is apparent. The chief con-The economic importance of the fresh fruit and vegetable industry and the food-processing industries is apparent. The chief concern of these industries has been the hour limitations of the statute. The 14 workweeks exemption, which the statute accords most of these industries each calendar year has expired for those industries whose active season began in January. These industries are faced with a serious emergency by virtue of the requirement that time and a half be paid for all hours of work in excess of 44 per workweek. per workweek. As administrator of the wage-and-hour division, I feel obliged to recommend to the Congress that the amendments previously referred to be given serious consideration to avoid undue hardship.

Sincerely yours,

ELMER F. ANDREWS, Administrator.

Tom Amlie Pays Respects to His Opposition

Ave Caesar, moriturus te saluto. (Hail to thee, Caesar, I, who am about to die, salute thee.)

EXTENSION OF REMARKS.

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

EXCHANGE OF LETTERS BETWEEN HON. THOMAS AMLIE AND HON, FRANKLIN D. ROOSEVELT

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an exchange of letters between the Honorable Tom Amlie, former Member of Congress from the State of Wisconsin, and Hon. Franklin D. Roosevelt, President of the United States. These letters reveal an interesting exchange of sentiments concerning two opposing philosophies of government. Personally, I think Tom Amlie was subjected to unjust treatment. I wish he might have been confirmed. My personal friendship for Mr. Amlie and long association with him probably makes me somewhat prejudiced in his favor, yet we cannot escape the conclusion that Mr. Amlie possesses one

of the most alert brains which has adorned either House of ! Congress for many years.

The letters are as follows:

WASHINGTON, D. C., April 7, 1939.

President Franklin D. Roosevelt,

The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: On January 24, 1939, you sent my name to the Senate as a minority nominee to the Interstate Commerce Commission. A reactionary press and an unscrupulous political cabal immediately seized the occasion to transform the public debate and the Senate hearings over my confirmation into a veritable witchcraft trial.

Because I had in the course of my 8 years' agitation for a permanent solution of our mass unemployment problem expressed doubts at times as to the ability of unregulated capitalism to solve this problem, I was branded a Communist and subverter of American institutions. Because I had expressed my sympathy for the late levelist government. American institutions. Because I had expressed my sympathy for the late loyalist government of Spain, I was accused of being an accomplice in the "promiscuous slaughter of Christians and their apostles." Because I had at various times proposed Government ownership of the railroads, I was accused of wishing to wipe out the savings of widows and orphans.

The bitterness of the attacks directed against my confirmation

The bitterness of the attacks directed against my confirmation recalls the similar campaign directed against the confirmation of Justice Brandeis 23 years ago. However, in Justice Brandeis' case, his long career as a fighter for the public good, during which he clashed with so many powerful interests, and the consequent fear of what he might do in his position of authority as a Supreme Court Justice, may serve to explain the bitterness of the campaign against his confirmation. In my own case, the modest character of my public career, and the relative lack of power of an Interstate Commerce Commissioner belie such an explanation. As the magazine Time observed, I could do the railroads no harm, and might serve to stir up the Interstate Commerce Commission to activity.

The real explanation of the savage attack on me lies not in my own deeds or misdeeds, but in the political calculation that by branding me as a Communist and an antichrist, a real blow—a

braiding me as a communist and an anticrist, a real blow—could be struck against you, Mr. President, and your administration.

The fact that your responsibility in nominating a minority member of the Commission is strictly limited and does not involve acceptance of the political philosophy of the nominee or of the party he represents, does not interfere with this calculation. When the

he represents, does not interfere with this calculation. When the whole campaign is based on witchcraft psychology, it is futile to carp at the lack of logic at any of the stages.

You will recall how in the British electoral campaign of 1924 the Conservative Party press published a purported letter of Gregory Zinoviev, head of the Third International, giving instructions for the setting up of a Communist dictatorship in Great Britain. The letter was, of course, a forgery, but the Conservative Party won power on the basis of that letter. Many times during the past 2 months I have wondered whether it is not the intention of the American conservatives to turn me into another fake Zinoviev letter, and conduct the campaign of 1940 on the basis of garbled and adulterated extracts from my Forgotten Man's Handbook. Handbook.

You can understand my embarrassment under these circumstances. The thing nearest my heart is, of course, the desire to get the American people to do some fundamental thinking on the problem of unemployment and the danger to democracy in the economic disfranchisement of 20 percent of our population. Under these interpretarious Library in the property of the high pr economic disfranchisement of 20 percent of our population. Under other circumstances I should have welcomed the high-powered publicity given to my economic writings of the past 8 years. But a hearing and debate on the nomination of a minority member to the Interstate Commerce Commission hardly offers a free and proper forum for the discussion of such topics. I have felt that in justice to you, who passed only on my qualifications to serve as a minority member of the Interstate Commerce Commission, I should refrain from forcing a debate on the floor of the Senate—where I could not myself defend my views—on the merits of the various economic proposals which I had advanced since I entered Congress in 1931.

There is one issue, however, which, though it has nothing to do, or, rather, should have nothing to do, with the question of my fitness to serve on the Interstate Commerce Commission, I should have liked to see fought out not only on the Senate floor but before the whole American people. I refer to the right of a minority party to proper participation in the process of democratic government. It is the position of my critics that under the Constitution I am, of course, free to advocate any ideas I please, but it

government. It is the position of my critics that under the Constitution I am, of course, free to advocate any ideas I please, but it is grossly improper for the national administration to appoint me or any member of a similar political group to take part in the work of a governmental commission. This is equivalent to setting up a doctrine of second-class citizenship. Full citizenship, full participation in democracy, is to be accorded only to those whose ideas are acceptable to the American Liberty League; to the rest, only second-class citizenship.

second-class citizenship.

With dismal ignorance and unmitigated arrogance, the partisans of such a doctrine speak of it as Americanism. A glance at American history and at American traditions reveals what would have happened had this doctrine prevailed. This doctrine would have barred from full citizenship Abraham Lincoln, who wrote that it was wrong that "some have labored, and others, without labor, have enjoyed a large proportion of their fruits," and that it is a "worthy

object of any good government" to "secure to each laborer the whole product of his labor as nearly as possible."

The same doctrine would have condemned Thomas Jefferson as a despicable "red" for suggesting that "a rebellion now and then is a good thing." "The tree of liberty," he said, "must be refreshed from time to time with the blood of patriots and tyrants. It is its natural manure." Yet Thomas Jefferson became the third

It is its natural manure." Yet Thomas Jefferson became the third President of the United States and the revered founder of the Democratic Party.

The same doctrine would have condemned to second-class citizenship Benjamin Franklin, who, in 1783, wrote:

"All the property that is necessary to a man, for the conservation of the individual and the propagation of the species, is his natural right, which none can justly deprive him of; but all property superfluous to such purposes is the property of the public, who, by their laws, have created it, and who may therefore by other laws dispose of it, whenever the welfare of the public shall demand such disposition. He that does not like civil society on these terms, let him retire and live among savages. He can have no right to the benefits of society who will not pay his club have no right to the benefits of society who will not pay his club toward the support of it."

And yet these utterances did not bar Benjamin Franklin from playing a leading role in the Convention of 1787, which drafted our present Constitution.

our present Constitution.

It is because I see what it would have done to the past of America that I fear for the future of American democracy if such a doctrine is once allowed to take hold and become a guiding precedent. It matters very little whether I serve as Interstate Commerce Commissioner, but it matters very much whether the leaders of the American people continue to serve the cause of democracy. For this reason I have been extremely anxious to see fought out the issue of the democratic right of progressive groups to take part in our Government. But I have at length concluded to request you to withdraw my nomination as Interstate Commerce Commissioner because I do not believe that there is any great eagerness among the members of either the Democratic or Republican Party in the Senate to defend the great principle of minority

eagerness among the members of either the Democratic or Republican Party in the Senate to defend the great principle of minority representation. I desire no reluctant nor apologetic champions of my position, and I have no wish to conciliate those who cannot read the signs of the times.

The people are becoming impatient with temporizing measures. If unemployment is to be eliminated, if equality of opportunity for the average man is to be restored, and if every American is to be insured the right of a job, "radical" measures are necessary. "Radical" measures are as necessary to meet the urgent needs of our day as they were to meet the urgent needs of our day as they were to meet the urgent needs of the Nation in 1787 when Washington said to the Constitutional Convention: "My wish is that the Convention may adopt no temporizing expedients, but probe the defects of the Constitution to the bottom, and provide radical cure."

I am satisfied that it is not necessary to continue the fight for purposes of personal vindication, since even Senator Reed, speaking for himself and his Republican colleague, declared at the hearings:

hearings:

hearings:

"I do not think anybody has ever questioned Mr. Amlie's character or integrity or his very great ability. It seems to me unnecessary to add anything upon either of these three points. It is just a question of taking our time and prolonging the record. I do not think Mr. Amlie needs any defense as to his character and integrity, and surely in his lengthy statement before this subcommittee he has demonstrated ability. Now, whatever views the members of the subcommittee may hold, or conclusions they may reach, certainly on neither one of these three points is there any controversy."

may reach, certainly on neither one of these three points is there any controversy."

I deeply appreciate the confidence you have reposed in me by nominating me to this post, all the more so since I have so frequently been a critic of New Deal policies. It is unfortunate, but not altogether surprising, that such a high spirit of responsible nonpartisanship should be regarded by timid politicians as a dangerous political liability, and by a hysterical press as a veritable trafficking with the devil.

Very sincerely yours,

Thomas R. Amure.

THOMAS R. AMLIE.

MY DEAR MR. AMLIE: I have your letter requesting me to withdraw your nomination as a member of the Interstate Commerce

draw your nomination as a member of the Interstate Commerce Commission. I am doing so shortly.

I deeply regret that a certain type of opposition should deprive the Interstate Commerce Commission of one as able and as whole-heartedly devoted to the public service as you are.

You and I have often differed on important issues, but I can assure you nothing has occurred to alter my belief in your qualifications to serve as a minority member of the Interstate Commerce Commission.

merce Commission. Those who for political reasons have called you a Communist do not perhaps realize that such name calling ill serves the democratic form of government which this Nation as a whole wishes to

continue. A quarter of a century ago I, too, was called a Communist and a wild-eyed radical because I fought for factory inspection, for a 54-hour-a-week bill for women and children in industry, and similar measures. You are still young and I hope that you will continue to work for the improvement of social and economic legislation under our framework of government.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Why Hamstring the Sugar Industry?

EXTENSION OF REMARKS

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

Mr. GILLIE. Mr. Speaker, there has been much talk recently about President Roosevelt's remark that the South is our No. 1 economic problem. Perhaps he is right. I am a freshman in Congress and I will frankly admit that I have not had an opportunity to study all of our national problems.

As a horny-handed Hoosier farmer, however, and as the proud but humble Representative of a highly productive farm district in northeastern Indiana, I have acquired some practical knowledge of another problem—the agricultural problem. And I know I voice the sentiments of my constituents and millions of other Americans when I say that this—not the South—is the No. 1 economic problem today.

Solve the agricultural problem and the economic problem of the South will solve itself. And so will the problems of the

North, East, and West.

My friends in other rural districts know this to be true. The long-distance gentleman farmer in the White House must also realize that if prosperity is to come, if employment is to be increased and relief costs reduced, we must have a return to sound agricultural conditions.

I wish, therefore, to address my colleagues, and indirectly Mr. Roosevelt, Secretary Wallace, and Secretary Hull, on a phase of this great problem as it affects the State of Indiana, and also the neighboring States of Ohio, Michigan, and Wisconsin. I refer to the much-talked-of sugar question.

My interest in this problem will be understood when I explain that I represent the only district in Indiana that raises sugar beets, and the only district in Indiana that has a beet-

sugar processing plant.

I hope that my remarks will reach the ears of my esteemed colleagues on the Agriculture Committee, who have before them the Ellender bill, an excellent measure passed by the Senate several days ago, which for some reason they hesitate to report out. I think the House should have an opportunity to express itself on this measure.

Mr. Speaker, there is no product that comes from God's good earth that is more universally consumed on the tables of American families than is sugar. This product represents one

of our most essential items of food.

It is inconceivable to me, and I am sure it must be inconceivable to millions of other thinking Americans, that today, when we are faced with great national agricultural surpluses, that we should keep our farmers, and laborers, and manufacturers from producing a food product so widely consumed as sugar.

Why, when we have millions of acres of land that must be subsidized because the products from these acres are creating an unwieldy surplus, should we discourage the growth of such a promising agricultural industry as the sugar industry?

Why, I repeat, when we have never at any one time produced in continental United States of America as much as one-third of the sugar we consume?

The control of the cotton crop is a problem that is now confronting our national legislative bodies. What is going to be done about it, and whether it is going to be done intelligently, I do not know.

I do know, however, that in my district corn is under Government seal. I do know that the price of wheat is greatly depressed. I do know that the prices of fats and oils are greatly depressed. And I know that the American farmers, particularly the Indiana farmers, are much disturbed as to the corn allotments they are receiving this spring, and as to the other provisions that are being forced upon them by the Soil Conservation Committee and the A. A. A. regulations.

In the face of all these facts, I again ask you, Mr. Speaker,

why should we hamstring the beet-sugar industry at this time and keep it from doing what it could so easily and profitably do for the well-being of our people.

We hear it said that we have an obligation or a duty to the Philippine Islands and to Cuba. I do not know what this obligation is, neither do I know what it should be. But there is one thing that millions of Americans will agree with me in, and that is this, that whatever obligation we have to the Philippines and the Republic of Cuba, it is a national obligation and not an obligation that should be shouldered on to one American industry.

Why should the sugar industry be singled out to bear the brunt of whatever obligation we might owe to these countries? Let us be realists and acknowledge the fact that whatever obligation we owe these people is a national obligation

and should be met nationally.

I am aware of the facts and the statements presented by the Secretary of Agriculture to Senator Prentiss M. Brown on April 6, 1938, when he declared that it is estimated—

That at current prices American consumers are obliged to pay more than \$350,000,000 per annum in excess of the value, at world prices, of their annual sugar supply (without allowance for the estimated net revenue of approximately \$47,000,000 represented by the difference between disbursements under the Sugar Act of 1937 and receipts from the tariff and the 50-cent tax on sugar, or for the possible increase in world prices that might result from changed conditions. This is equivalent to a tax of approximately \$2.70 per capita on a population of 129,000,000 persons. It means, on the average, a levy of more than \$10 per family, including that one-third of the Nation which is ill-nourished, and it represents an amount of purchasing power equal to more than 50 quarts of milk and 50 loaves of bread for each family in the United States.

This statement of Mr. Wallace seems to be a most misleading presentation of the case. May I analyze in my own way an interpretation that should be made of such a statement?

We agree with Mr. Wallace that we want to have our consuming public buy food products as cheaply as is consistent with an American standard of living, but should we not ask ourselves this question, Do we want the American housewife to have for 1 year the benefit of a price on her sugar below the American cost of production and then run into the hazard of a time which we have already experienced when she will have to pay 30 to 35 cents a pound for sugar?

May I refer to a speech made in this Chamber by the gentleman from Michigan, the Honorable Fred L. Crawford on January 10, 1939, in which he brings out the point, and a point which impresses me very much, that there was a period of 5 or 6 months in 1920 when—

The price of sugar went to \$35 per hundred pounds to the American consumer, because we were then dependent upon Cuba for our supply. We were dependent upon a foreign country for our sugar supply.

As the Secretary of Agriculture is, and we know that he is, sincerely interested in protecting the American consumer in the price of the products that go on the family table, should he not look ahead beyond a period of 1 or 2 years and see that we are not building up a situation whereby the small protection that is provided for a short period of time will be paid for ten to twenty fold?

The Secretary makes much of the statement that the present Sugar Act exacts a levy of \$2.70 per capita on a population of 129,000,000 people, or a levy of more than \$10 per family, or a total levy, as he states it, of around \$350,000,000.

Let us grant that these figures given by the Secretary are correct. Let us grant that it costs the American family \$10 per year to protect the American sugar industry. What of it? On the contrary, let us look to see what the American family is getting for their \$10 per year.

If I know the American people at all, I know that they are not so much concerned as to what a thing costs them, as they are to what it is worth. If the American people can, by the expenditure of \$10 per family per year, protect themselves against runaway prices for one of the most vital necessities of the family table, and protect an industry that spends millions of dollars in labor and brings millions of dollars' return to American agriculture, and uses millions

of acres in the way of producing a cash crop, and year in and year out a more profitable cash crop than any other commodity they can grow, may I ask is this expenditure too much, and who would object to such an expenditure?

We are spending millions and millions of dollars for public relief in one way or another. We are spending millions and millions of dollars for good roads. We are spending millions and millions of dollars for schools, and other purposes. The American people are not adverse to expenditures when they know that these expenditures are not only protecting a necessity of the American table, but also promoting the betterment of our whole economic well-being.

In the year 1933, which year saw, up to that time, the largest production of beet sugar that this country had ever known, we produced East and West 32,826,000 bags of beet sugar. In the year just closed, we produced East and West 33,491,850 bags of beet sugar. In the year 1933, in the so-called eastern area, including the States of Michigan, Ohio, Indiana, and Wisconsin, we produced 4,702,000 bags of beet sugar; and in the year just closed, these same States produced 4,910,000 bags of beet sugar.

I am informed on reliable authority that every 100 pounds of beet sugar produced represents 8 man-hours of labor. At a time when we have from twelve to thirteen million men unemployed, is not such an industry worth while?

For the year 1933, according to some figures introduced into this body by the Honorable Frank C. Kniffen on June 15, 1934, 22 beet-sugar factories in the eastern area used 379,929 square yards of cotton filter cloth; 243,645 barrels of fuel oil; 379,811 tons of coal, coke, and limerock; 6,376,543 sugar and pulp bags; and \$1,882,958 worth of miscellaneous supplies; our railroads and trucking companies received \$3,242,868 for transportation service; the employees of the sugar-beet growers—all 22 eastern companies—received in excess of \$5,000,000 in the form of wages; and the farmers represented in the eastern area received over \$11,000,000 for their crop.

If these figures were accurate for 1933—and I am sure that they are representative figures—you know, as well as I know, that with the increased costs that have taken place during the 5-year period from 1933 to 1938, it would be perfectly reasonable to say that these figures could be increased at least 10 percent and still be representative of the value of the 1938 crop.

Yes; maybe Mr. Wallace's figures are correct. Maybe it does cost \$2.70 per capita on a population of 129,000,000 persons to protect the American sugar industry; but let me say that, assuming we could increase our production to where we would produce in this country 50 percent of our requirements, and assuming that this 50-percent production would cost the American family a little more than \$10 per family, would it not be worth the cost? For this cost the farmer would be receiving a larger return and the American housewife a more stable protection.

The Secretary gives only one side of the picture. Please remember that this \$2.70 per capita, or \$10 per family cost, or whatever it is, goes to the American people. It does not go outside the borders of our own country. When the American housewife buys imported cane sugar, she is paying for peon wages in the bag; she is buying from foreign producers and increasing our unused agricultural opportunities. The money goes out of these United States of ours.

Maybe the father gives the son 25 cents to bring in the wood, but the money is still in the family. What if he gives him 50 cents? It is still in the family,

What a thing costs is of little concern. What it is worth to the receiver is what counts. Much argument is made of the fact that we should subsidize Cuban cane sugar, so that the Cubans would be able to buy more American-made products, and this argument is also used in connection with the Philippine Islands. I am not going to tire you with figures, but I again refer you to the speech of the gentleman from Michigan [Mr. Crawford] on January 10, wherein this argument is statistically refuted.

You know there is an old saying that one can know too much about a subject. I do not claim to know very much about the sugar industry, and I do not think that one has to be an authority to comprehend the real fundamentals of the problem. I would, however, like Mr. Wallace to answer a question or two for me:

First. Why should we prohibit the production of a commodity that we have the ability to grow and the desire to consume when we have millions of acres of good American soil going to waste?

Second. Why should we tell the American farmer that he cannot raise sugar beets, or sugarcane, because we must let Cuba and the Philippines produce our sugar?

Are we not carrying the "good neighbor" policy a little too far? Why not extend it to the folks at home—the American farmers and American laborers? And incidentally, the Indiana beet growers?

It seems to me that we are following a suicidal free-trade policy, regardless of its consequences to the American people. And we are saddling an assumed obligation to Cuba and the Philippines on the domestic sugar industry.

I could say a great deal about the free-trade policy, but I will not at this time. The farmers in my district have asserted their distaste for it in no uncertain terms. There will be a reckoning on this question in 1940. Farmers and laborers are rightfully demanding protection against peop-produced imports from abroad. They are sick and tired of seeing the American market handed over to foreigners. They demand simple justice and they will get it—if not under this administration at least not too far in the future.

The American sugar industry is being sacrificed to the theory of free trade. Why should the sugar industry be penalized to take care of some national obligation we allegedly owe to Cuba and the Philippines? It simply does not stand to any degree of reason. Why not load the obligation on the steel industry or the automobile industry?

From what I can gather, the Department of Agriculture, particularly the sugar section, seems to operate on the theory that the domestic sugar industry is too expensive and that it is a burden on the American housewife. They attempt to support this theory with figures, but they say nothing about the protection that is being afforded the American housewife by keeping alive and encouraging the industry. They do not point out what it would cost us if we had to depend solely on foreign sources for our sugar supply.

The American housewife will never kick on paying 6, 7, or 10 cents a pound for sugar if the American husband has the 6, 7, or 10 cents to pay the bill.

There is one other phase of this situation that I would like to call attention to in conclusion. We are spending millions and millions of dollars in preparation for the defense of our people, our industries, and our form of government. If these expenditures are wise and necessary, then it must follow that we should at the same time promote further protection of the necessities of life, such as sugar, fats, and so forth. If there ever was a time when the American sugar industry should be protected, it seems to me that that time is at hand now.

Under the Sugar Act of 1937 Secretary Wallace has the right to establish marketing quotas for both the beet- and cane-sugar industry. As I understand it, this provision was placed in the act to establish orderly marketing.

Mr. Wallace has presented to both the cane- and beetsugar industry some tentative marketing quotas for 1939, and I have learned from reliable sources that if these quotas are made effective somewhat orderly marketing conditions may be established in 1939, but by 1940 the industry will be in chaos. If these quotas are made effective great hardships will be imposed on many companies by reason of having to carry their sugar over until a period when they are permitted to market it.

Mr. Roosevelt, Mr. Wallace, and Mr. Hull seem bent on ruining the American sugar industry. In view of this obvious fact I cannot, for the life of me, see why Congress has given over to these hands all their rights and duties in the control and regulation of this vital industry.

Mr. Speaker, the Ellender-Adams sugar-quota bill is a move in the right direction. Let us get this bill out of committee, where it now seems destined to die. Let us take back the responsibilities that belong to us and save American agriculture, and the domestic sugar industry, from being crucified on the cross of free trade and a misguided "good neighbor" policy. [Applause.]

United States in Peace or War?

EXTENSION OF REMARKS

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

Mr. HARTER of New York. Mr. Speaker and my colleagues, I am all too conscious of the domestic problems of our great country, but I cannot be too conscious of those domestic problems. I am all too conscious of what is transpiring in portions of the world outside of the Western Hemisphere, and I think to a degree, at least, I could well afford to be less conscious thereof with accompanying more consciousness of our domestic problems.

Who can help but be conscious of world goings on? We thought we were subjected to propaganda following the 1914 debacle, but today and many more days to come will make the nineteen and teens propaganda look like the work of an amateur. We are so modernized that, to screen and print we have added the perfected voice from the ether and who knows what day the screen will accompany that voice into our homes, as television is truly here.

Today let us vividly remember at least one wise warning given to us by the immortal Washington against habitual hatred or passionate attachment toward any particular nation or group of nations.

Today let us vividly recall the futility of war as known by those of us remembering the war to end all wars or the war to save the world for democracy.

Today let us vividly recall the awful suspense watching for the casualty list after the United States entered the World War in 1917. Let us vividly recall the list of "missing in action," those slaughtered in action, those maimed in action, and those shattered minds and bodies that are still with us or in the institutions of our land. Remembering these horrors, let us spread the gospel to keep our boys within the bounds of these great shores that none shall pass but all may visit as friends and we can insure against the blood-scaked bodies of our boys lying on any bloody international battlefield.

It is hard to keep aloof from international indecencies that make our blood boil. It is harder than ever to do, in face of the clever propaganda coming from all quarters. It is hard for the younger generation to see the horror of war, but easy to see pictured the beauty of the lithe body incased in a splendid new uniform, marching to marshal airs and to envision the glory and honor of being gallant in again fighting to end all wars. Let us look about us reflectively, however, and contemplate what was existent then and what is existent now.

We were in the midst of downward-plunging farm prices, low wages, desolate and idle factories, soup kitchens, hunger, and suffering in 1913, but 1914 brought the war and we thought prosperity—bought at the price of spilled human blood. The propagandists worked "overtime." First, our money went. It was easier for the propaganda after that, for we were told we had to save ourselves from being invaded and, incidentally, but not stated, save that money.

Through this period President Wilson was credited with keeping us out of war, but in April 1917 we entered the bloody fray which ended in 1918. That holocaust officially ended with the controversial Treaty of Versailles and our spoils of war were loss of manpower, money, and faith.

We started to reap in 1929 the crop that was sown from 1914 to 1918. No work, no income, surplus farm goods crying to be used, and relief, with all its horrible implications. I need not cite the present domestic condition, with millions crying for jobs, other millions begging for necessary food and clothing; idle factories; huge Federal, State, and municipal debts; loss of homes; loss of farms; and the multitudinous other experiences that are kept with us and still coming on us 10 years after we started to reap.

Do not be fooled by propaganda, young and old, either from within or without our country—war does not pay. A short time of seeming prosperity, but the ever-present whisper of "blood," "maimed bodies," and "death" always has and always will follow, and after that inevitable day of reckoming

and accompanying want, distress, and depression.

Bend your ears to what is being done to settle our knotted domestic troubles. Put the spotlight of publicity on those problems and throw the searching eye into every corner of all propaganda and activities which tend to move us toward the brink of another international war. Come, war veterans, with your wives, parents, and sisters, lead the clergy, the radio, and the press in overcoming this propaganda, and with reasonable national preparedness and bending our efforts to honestly put our own house in order, our boys will not go over there and those over there will not come over here.

These views are not original, but are developed from the many, many pleading letters received by me—not dictated from behind a desk, as a rule, but laboriously written in long-hand—praying that nothing be done to start us over the bloody brink and imploring that everything possible be done

to put us back to work.

We are an enlightened people and our fight is not on the gruesome battlefield, but on the battlefield of America's daily industrial, agricultural, home, and political life. Labor and business must fight shoulder to shoulder to bring forth, manufacture, transport, and merchandise our divers products, the while backing and being backed by the farmer in the field, in order for us to produce the wherewithal to balance our scales of "the American standard of living," while parenthood in the home knits and molds the America of tomorrow in our children of today, with all watching with unabated interest the accomplishments of those in charge of our instrumentalities of government to insure restoration of a solvent, potent, democratic government, minding America's business, however, moving sympathetically but independently among the other nations of the world. Eternal vigilance in battling on the battlefield of our domestic problems is the best antidote against another war involvement by us in any "over there."

It was the great Edmund Burke who said:

All persons possessing any portion of power ought to be strongly and awfully impressed with an idea that they act in trust.

You and I are possessed of a portion of power. You and I must act in trust, and first and above all act to restore and maintain the greatest, grandest, and only truly great democracy of the world—as much as we abhor indecencies prevailing elsewhere.

Americans—everywhere and everyone! Let us mend our fences, and it will be United States in peace!

The H. O. L. C. Was Intended To Be a Human Agency. Let Us Hasten to Make It Such

EXTENSION OF REMARKS

HON. EDWARD W. CURLEY

IN THE HOUSE OF REPRESENTATIVES
Thursday, April 20, 1939

LETTER TO HON. HENRY B. STEAGALL, OF ALABAMA

Mr. CURLEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include a copy of my letter to the Honorable HENRY B. STEAGALL, chairman of the Committee on

Banking and Currency, in support of legislation to relieve [distressed home owners.

The letter is as follows:

APRIL 18, 1939.

Hon. Henry B. Steagall, Chairman, Committee on Banking and Currency,

Chairman, Committee on Banking and Currency,
House of Representatives, Washington, D.C.
My Dear Mr. Chairman: Due to illness I am precluded from
personally appearing before your committee today in the interest
of the pending legislation for the relief of our distressed home
owners. I will be grateful, therefore, if you will be kind enough
to have my views on the subject, herewith submitted, inserted in the hearings held before your committee.

Early in the last Congress I introduced H. R. 7132, for the relief of distressed home owners, and spoke over the radio in support thereof. Thereafter I received thousands of letters from all over the country citing the urgent need of such legislation and urging its enactment. Every letter was turned over to the H. O. L. C. for review and such action as was consistent with the law and regulations governing the H. O. L. C. Act. Thousands could not be aided under the legislation as enacted.

At the beginning of the present Congress I found that the situation was materially the same for, although Congress had appropriated \$3,100,000,000 and saved 1,018,000 homes, many, many, appropriated \$3,100,000,000 and saved 1,018,000 homes, many, many, through no fault of their own, caught in the quicksands of the depression, were unable to keep up their payments and were and still are in danger of foreclosure. Many have lost their homes. There are upward of 160,000 of such distressed home owners, since the law does not go far enough to reach those in the lowest strata of the distressed home owners. I, therefore, reintroduced my bill, H. R. 5019, in the present Congress.

It was foreign to the minds of Congress and the President to abandon this helpless class of home owners. Both branches of the

abandon this helpless class of home owners. Both branches of the Government, the executive and the legislative, meant financial relief for the complete rescue of all and not a part of the home owners. Neither did the President or the Congress intend that Uncle Sam should handcuff the weakest home owner with the cruel, legal devices commonly used by private mortgages—fore-closure, followed by the strait jacket of a deficiency judgment. Since this was not true, then the Home Loan Act should be amended to cover all home owners in dire distress. The act was intended to help those who, through no fault of their own, could not obtain employment and thus failed to meet their obligations. This is the plight of over 160,000 home owners, equal to half a

million persons.

These unfortunate victims would pay if they could. I hold no brief for the chiseler who can and will not pay, but the chiseler is the isolated case and that "worm" is found here and there in spots; but why blame all delinquent home owners for the slacker

element in this crisis?

The time has arrived to speak the language of the distressed home owner. This unfortunate group of American citizens is actually crying out to Congress to save them from economic destruction. The ambition and fond hope of these distressed home struction. The ambition and fond hope of these discressed nome owners to have and to hold a small home for themselves, their wives and children, prompts the prayer for the relief they ask. They see their savings of a lifetime, invested to protect the peace, happiness, and security of their families, vanishing in the loss of their homes. Their vision of prosperity, built up through years of hard labor, thrift, and self-sacrifice, seems about to disappear.

of hard labor, thrift, and self-sacrifice, seems about to disappear. The home owners are the backbone of our democratic form of government. We must not let them down. The H. O. L. C. did a marvelous job in rescuing but it did not go far enough in the rescuing operation, because the H. O. L. C. Act would not permit them to. While the H. O. L. C. saved over a million homes, there are still hundreds of thousands of distressed home owners who are delinquent in their payments to the H. O. L. C., the Government rescuing agent. This group is right back where they were when they sought relief from private mortgages. The H. O. L. C., under the present Home Loan Act, is compelled to carry out the same vicious, inhumane, legal practices as the private mortgagees did before the enactment of the Home Loan Act.

The H. O. L. C., under the present existing Home Loan Act, is

mortgagees did before the enactment of the Home Loan Act.

The H. O. L. C., under the present existing Home Loan Act, is not permitted to descend to the strata of the real distressed home owner; so, by a strange twist, we must now rescue the distressed group from the rescuer, the H. O. L. C. Since it is not a 100-percent rescuer, let us make it so by amending the act itself. The H. O. L. C. was intended to be a human agency. Let us hasten to make it such. Do not permit it to revert to the hard-boiled practices of the former private mortgagees.

It is a strange result at times when the operation of law intended to give relief in a trying situation affecting the public, goes into reverse and actually cuts off the head to stop the bleeding. Experience indicates that there are many laws like cobwebs, where the small flies get trapped and the large ones break through with ease. Witness the analogy as applied to the H. O. L. C. Act. It helped the more substantial of total number of home owners in distress but failed dismally in the lowest strata—the least substantial of the group.

If the Nation is handicapped by a temporary financial strait jacket that is no logical reason why the distressed group of home owners.

that is no logical reason why the distressed group of home owners should be singled out to be penalized. The sword of Damocles is hanging over their heads. What can the Government gain by foreclosing on these defaulted properties? Uncle Sam should not even think of deserting the weakest link in his economic structure. Uncle Sam saved the wealthy mortgagees, the banks, insurance

companies, etc. Why destroy the peace and happiness of this unfortunate group of our citizens, the undernourished children of the depression? Why ruin their morale forever by seizing their homes? If the relief sought cannot be granted under the existing law, it must be modified to liberalize its provisions.

My bill, if enacted into law, provides for the additional relief sought by the distressed home owners affected by the existing H. O. L. C. Act.

(1) It will give a breathing spell to this harassed group by an

(1) It will give a breathing spell to this harassed group by an extension of the moratorium feature.

(2) It will prohibit the enforcement of the vicious deficiency

judgment scarecrow.

(3) It will reduce the interest charge.(4) It will extend the amortization period.

It will be retroactive in effect and benefits.

(b) It will be retroactive in elect and benefits.

Until such time as industry absorbs the unemployed, the only remedy to solve the problem of the distressed home owner and bring joy and happiness to this very harassed and dejected group will be legislation of the type proposed in my bill—H. R. 5019.

It is the opinion of a widespread population in America that my bill is a constructive, meritorious bill and should be adopted. I sincerely hope it will be.

With best wishes.

Sincerely vours.

Sincerely yours,

EDWARD W. CURLEY.

T. V. A. Investigation

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

EDITORIAL FROM THE MUNCIE (IND.) EVENING PRESS

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Muncie (Ind.) Evening Press of April 18, 1939:

[From the Muncie (Ind.) Evening Press of April 18, 1939]

From the moment that the joint committee of Congress to investigate the Tennessee Valley Authority was appointed a year ago it was obvious that the new dealers proposed to apply a coating of whitewash to this socialistic undertaking. So thick did the Democrats on the committee apply the whitewash when they presented their report that the odor of lime was discernible from the Capitol to the White House.

In the first place, the New Deal did not want an investigation of the T. V. A. When former Chairman Arthur E. Morgan revealed some of the strange happenings in that agency early last year, Mr. Roosevelt undertook to silence his own appointee by going through the motions of giving him a trial in the White House office—an

the motions of giving him a trial in the white House oince—an unprecedented procedure—and then summarily dismissed him when he refused to cooperate in this little scheme a la Russe.

Then Senator H. Styles Bridges, Republican, of New Hampshire, called on Congress to investigate what was happening down in the Tennessee Valley—only when the American press complained that the whole business needed an investigation—did the new dealers in Congress budge. They agreed to the investigation, but took good care to see that a real investigation would not be made.

First, they kent Senator Bridges off the investigating committee

First, they kept Senator BRIDGES off the investigating committee. Usually the author of a resolution for an investigation, because of his interest in the matter, is named to such committees. Secondly, his interest in the matter, is named to such committees. Secondry, they placed on the committee a majority of ardent new dealers. Thirdly, this majority employed as its counsel in charge of the inquiry Francis Biddle, Philadelphia new dealer, who had demonstrated his dependability by previous chores he had performed for the Roosevelt administration. Since the end of the so-called T. V. A. investigation Mr. Biddle has been rewarded by an appointment to the Federal bench.

ment to the Federal bench.

Once the hearings on T. V. A. got under way it became clearer than ever that the proceedings would be farcical. For instance, T. V. A. officials issued orders that records were not to be made available to Dr. Morgan, the ousted chairman, and T. V. A. personnel were forbidden to discuss T. V. A. matters with him. Yet Dr. Morgan needed these records to testify. Mr. Biddle, who, instead of an investigating counsel, had become the T. V. A.'s defense lawyer, graciously said Dr. Morgan could talk with T. V. A. in his presence.

Let it be said for the whole committee that

Let it be said for the whole committee that such tactics, smacking of Soviet Russia, were too much for it. After this state of affairs was brought to its attention, the committee unanimously ruled that any T. V. A. employee could talk with Dr. Morgan without the presence of T. V. A. representatives or the committee

But the damage was done. Those on T. V. A. pay rolls knew that if they gave the slightest help to Dr. Morgan or the committee

in ascertaining the truth they would be marked men. Indeed, the record contains evidence that the assistant secretary of the T. V. A. record contains evidence that the assistant secretary of the T. V. A. was subjected to a sweating and grilling, along with one of his assistants, by T. V. A. lawyers on suspicion they had given information to Dr. Morgan. Subsequently the assistant secretary was purged from the T. V. A., despite a reputation for competence.

Nor was that all. Although the chief controversies over T. V. A. centered around its financial aspects, the majority of the committee

centered around its financial aspects, the majority of the committee refused to employ independent, trained accountants to assist it. Let it be noted that there never has been a completed independent audit of the affairs of T. V. A. Indeed, the newly appointed comptroller of T. V. A.—named after the investigating committee was created—said he was "somewhat appalled" when he first examined the accounts. He said it would take him 2 years to straighten the mess out. Heaven only knows what has been going in those accounts for 5 years.

Yet the majority of the committee did not think.

Yet the majority of the committee did not think it necessary to have trained auditors among its investigators. The Democrats would not even accept free help. When demands of the Republicans on the committee for trained accountants were refused, friends of Senator James J. Davis, one of the Republican members, employed M. C. Conick, a certified public accountant, to assist him and the minority. Every obstacle was placed in Mr. Conick's way, with the committee refusing to clothe him with the power of subpena.

Moreover, the majority shut off the hearings last December and refused to reopen them, although the Republicans on the committee demanded that approximately 50 material and important witnesses be called. For instance, although the relationship of the T. V. A. with the General Accounting Office was a major issue, the committee failed to call former Comptroller General J. R. McCarl. Nor did the majority even permit the consulting engineer to the com-mittee to appear to explain a report he had submitted and to be cross-examined regarding it. His report was kept secret until after his death.

As Canada Sees Us

EXTENSION OF REMARKS

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

ARTICLE FROM THE TORONTO GLOBE AND EMPIRE

Mr. KNUTSON. Mr. Speaker, under leave to extend my remarks in the RECORD I desire to insert some observations recently made on New Deal spending by the Toronto Globe and Empire, which appeared in the Minneapolis Journal under the capition "As Canada Sees Us." The article follows:

AS CANADA SEES US

[From the Toronto Globe and Empire]

It has been the most colossal spendthrift in history and without results; it has welshed upon its platform promises of retrenchment; it is squandering the money of the people in partisan propaganda; it has elevated many a political accident to high office, including the Supreme Court; it has badgered and impeded business, big and the Supreme Court; it has badgered and impeded business, big and small; it has held up to public ridicule and hate the producers of material wealth—for party purposes; it has built up power by exploitation of the misery of 13,000,000 of unemployed and has accomplished nothing for the latter after 5 years of glib promises and expenditures of \$20,000,000,000; it has sapped the morals of the people by inculcating the idea that the Government owes everyone a living; it has adopted the policy of scarcity, paying farmers for that which they did not raise, and at the same time spent billions to increase productivity of the soil; it has murdered hundreds of thousands of pigs while human millions cried for sustenance; it has encouraged class hatred by abuse from high places; it has set capital encouraged class hatred by abuse from high places; it has set capital against labor and labor against capital; it has tacitly sanctioned mob expropriation of property and it has abridged personal freedom guaranteed by the Constitution.

we are tired to death of pink communism, and sick at heart that a great nation, leading the world in initiative and individualism, should have been brought perilously close to its knees by a pied piper of the air fatuously fluting in ragtime.

Its whole mistaken popularity has been based upon the sob appeal that a third of the Nation is ill-fed, ill-clothed, and ill-housed, and the collateral idea that the national sock is everlastingly stuffed full. No decent man, here or elsewhere, begrudges one penny paid out for the aid and support of those really in want, but the New Deal has squandered billions in deliberate, drunkensailor prodigality and concealment of facts and intent. sailor prodigality and concealment of facts and intent.

We believe the richest country the world has known is headed for New Deal catastrophe if a halt be not called at once; that its people, and there are none finer, are being brought down to shameful misery by the most colossal stupidity that political insanity has devised for its own self-perpetuating ends.

Invasion of Mormon Crickets in Oregon

EXTENSION OF REMARKS

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

ARTICLE FROM THE PORTLAND OREGONIAN

Mr. ANGELL. Mr. Speaker, it will be recalled that when we had under consideration the agricultural bill an appropriation was requested for the control and extermination of grasshoppers, Mormon crickets, and other similar pests. Many of my colleagues are not familiar with the devastation and havoc wrought by these pests.

Recently in my own State of Oregon we have had an invasion of the Mormon crickets. An article appeared in the Portland Oregonian of April 16, 1939, which described in some detail and so accurately the immense damage wrought by these pests that I desire to call it to your attention. The article is as follows:

[From the Portland Oregonian of April 16, 1939]

HOPPERS SWEEP WARM SPRINGS-RESERVATION CALLS FOR AID AS MOR-MON HORDE MOWS ALL IN ITS PATH-MILD WINTER BLAMED FOR REBIRTH OF SCOURGE

(By Herbert Lundy)

A crawling, reeking, countless army of Mormon crickets marched Saturday in a relentless, devastating invasion of the Warm Springs Indian Reservation.

The black, voracious horde of oversize grasshoppers appeared for the first time in history on the reservation last spring, coming on their powerful, wingless bodies from none knew where.

WINTER TOO MILD

WINTER TOO MILD

Indians and whites who live on the reservation fought them as best they could. Government officials promised to spray the eggs in the fall, but reportedly decided not to do so on the theory that a cold winter would kill them. The winter was mild.

Two weeks ago tiny marching 'hoppers swarmed out of the grass and brush and headed for the green alfalfa, garden patches, and fruit trees which dot the valleys of the Deschutes and Warm Springs Rivers. As they advanced they grew in size. Each 'hopper is about an inch long now. Before his destructive life span is ended he will be about 3 inches long.

CALLS SENT FOR HELP

CALLS SENT FOR HELP

Dr. and Mrs. F. B. Friedland, who operate the Hot Springs Sanitarium on 160 acres of deeded land along the Warm Springs River, and A. H. York, of Portland, who owns an acre of alfalfa, fruit, and garden surrounding a house at the springs, sent out calls for aid Saturday.

The starving legions have swept over the sage hills and green valleys of an area at least 50 square miles, said York. They have not crossed the Deschutes to the east shore yet, but they extend from North Junction on the Indian side to a point halfway between the springs and the Warm Springs Agency.

BODIES LITTER ROAD

The road is covered with their tire-crushed, slippery bodies to a point midway between the hot springs and Semnasho, York said.

Dr. Friedland, like Horatio, but without his success, stood on the wooden bridge spanning the Warm Springs River with a portable blower spraying gasoline on the crickets as the horde marched across toward his fertile fields.

The bodies of millions of the hoppers piled up to a depth of several feet, and those that marched behind, pausing for the feast of cannibals, yet came on so fast that they swept over and around

STENCH ROUTS PATIENTS

They moved alfalfa with terrible efficiency, covered houses and buildings completely, clogged the springs' outlet, drove 10 patients from the sanitarium with the stench and repulsiveness invasion, York reported. of the

Dr. Friedland appealed, without success, to agency headquarters for more blowers, and put in an appeal to the C. C. C., which fought last year's invasion. York telephoned Gov. Charles A. Sprague

Thousands of head of Indian cattle are threatened with loss of forage by the Mormon crickets. "Indian leaders," said York, "are alarmed at the threat to their livelihood."

Harry H. Stage, associate entomologist, said that control of the vicious insects was not under his department, but was the charge of L. P. Rockwood, entomologist in charge of forage-crop insects. Mr. Rockwood, who lives at Forest Grove, said that he was unable to handle the matter because it was under the direction of "a man with the Oregon State College entomology department.'

Are We Deserting Our Railroads?

EXTENSION OF REMARKS

HON, GEORGE H. BENDER OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

Mr. BENDER. Mr. Speaker, the Seventy-fifth Congress of the United States was urged to take action on behalf of America's railroads by a host of responsible railroad officers. They pointed out in terms of dollars and cents the inescapable conclusion that our railroads are rapidly reaching an impossible financial situation. Expressed in its simplest terms, railroad revenues have decreased tremendously while railroad expenses have been maintained at the same high level which they have occupied for many years. Competition from trucks and interstate busses has made the transportation problem increasingly acute as traffic is constantly

diverted from the rails to public highways.

For at least a decade the public has been flooded with a host of misleading arguments whose theme has been the assertion that the railroads have only themselves to blame for their sad predicament. Our reading public has been told that the railroads are vastly overcapitalized with watered stock: that their fixed charges are far too high; that they are unworthy of public assistance, and need not compel any anxiety for their future. Every one of these assertions has been completely refuted by the facts. To those who have taken the time and trouble to examine the statistics it is obvious that our railroads have long since squeezed out the "water" which was poured into their original capitalization system. Whatever the evil may have been in the infancy of railroad finance, it has been completely eliminated in recent years. Nor is there any basis today for the accusation that the railroads are paying outrageously high fixed costs which could be decreased by new financing ventures. Economists have long known that the ratio of fixed charges on rail debts to their capital structure is equitable and proportionate to the usual charges in our other industries.

Like so many other problems which confront the Nation, our railroad difficulties will not be easily solved. They may not, for this reason, be simply dismissed. The destruction of our railroad transportation has far too many implications to be lightly ignored. Billions of dollars of investment in land, rolling stock, and equipment are involved. Pay rolls mounting into the highest brackets of our national economy are affected. Investors whose life earnings and security for old age are tied up in the future of our railroads have the right to call upon the Nation's leaders to protect their confidence

in the destiny of one of our greatest industries.

For over 70 years the National Government, through the agency of the Interstate Commerce Commission, has been exercising jurisdiction over the railroads of America. Their financial activities, their labor policies, their rate structure have been subject to the scrutiny of railroad experts. If the railroads are perilously close to bankruptcy today, their plight is in no small measure an indictment of the supervisory machinery of the Federal Government. Under these circumstances, it is cowardice to throw in the sponge and turn the railroads over to the mercy of fate. We are so much to blame ourselves for what has happened that we must not point the finger of scorn and assume the easy role of the mocker.

There are those who argue for governmental ownership of the Nation's rails. Seemingly, they believe that the reward for inept supervision should be outright ownership, a principle difficult to follow. But there are other proposals, less drastic, which have been advanced. One thing seems certain in the midst of this confusion. There is a definite need for a thorough study of the problem of the railroads. We must know more of the facts concerning the diversion of traffic by other modes of transportation, and the reasons for this growing competition. We must properly evaluate the subsidy which is unconsciously given to private trucking interests through

the use of publicly built and publicly maintained highway networks connecting every corner of the Nation.

Not one of these considerations will result in a clear-cut program which will restore prosperity at one stroke. But the study must be undertaken quickly if the Nation is to fulfill its obligation to the millions of American citizens who depend for their incomes upon the success of our great railroad

War Propaganda

EXTENSION OF REMARKS

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

EDITORIAL FROM THE GAELIC AMERICAN

Mr. SWEENEY. Mr. Speaker, the recent order directing our fleet to take its position in the Pacific Ocean has given rise to the usual propaganda that our interests in the Atlantic are well protected by the English and French Fleets. The hysterical propaganda which we experienced from 1914 to the end of the World War is again being spread throughout the land. And we are again told that the United States is in danger of an invasion by some potential enemy.

The following editorial, recently published by the Gaelic American, of New York City, includes an excerpt from the speech made by the great liberator, Abraham Lincoln, on the subject of a prospective invasion of the United States. I submit this editorial in its entirety, in the hope it will allay the fears of the unsophisticated portion of our people who are not

familiar with organized propaganda.

[From the Gaelic American, New York, April 8, 1939] IS UNITED STATES FREEDOM DEPENDENT ON ENGLISH NAVY?

The odd statement that England and France are our protection against invasion by some European or Asiatic Colossus is frequently being repeated at present in special articles and letters in the American press. The same bugaboo was used to intimidate the American people from 1914 until the United States was jockeyed into the World War. "If you don't fight the Germans in Europe, you will have to fight them on American territory" was often heard and read in the nearly 3 years that elapsed before we entered the World War. Most of the alarmists were alien propagandists with a sprinkling of native fools or knaves. How Germany could cross the Atlantic and invade America at a time when she was fighting for her very existence was not explained and those who made the statements studi-ously avoided giving details. This propaganda with little or no change is being again revamped in letters and foreign dispatches to the American press. So far no explanation of how the invasion of America is to be carried out has not been made public. The American who would believe such a fairy tale cannot be envied for his patriotism or intelligence. America could not be conquered by all the nations of the globe combined in the impossible event of their uniting for such a purpose

America is unconquerable while the people respect their own ideals and institutions.

What did Abraham Lincoln say on a prospective invasion of the United States? Speaking at Springfield, Ill., on January 27, 1837,

United States? Speaking at Speaking at Speaking and Speaking at Speaking and Speaking and Speaking and crush us at a blow? Never! All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years."

At the time that Lincoln delivered his speech on a prospective invasion of America the population was less than 15,000,000.

At the time that Lincoln delivered his speech on a prospective invasion of America the population was less than 15,000,000. The propagandist may argue that space and time have been practically eliminated by the telegraph, radio, fast ships, and airplanes, and that conditions are different today from those that prevailed in Lincoln's time. In invention, however, America has led the way, and the airplane as well as the telegraph had their origin in our country, and we continue in all new discoveries and devices, commercial and military, to keep abreast of the times. Today we have a population of 130,000,000, and in a military contest we could defy a world combination.

we could defy a world combination.

The thrilling words of the Great Emancipator should be memorized by those who consider that our continued independence is largely dependent on the English Navy. Those weaklings, victims of English propaganda, are unworthy citizens, without patriotism, understanding, or pride in their great heritage.

APPENDIX TO THE CONGRESSIONAL RECORD

Neutrality or War Trade

EXTENSION OF REMARKS

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

RADIO ADDRESS BY HON. BERNARD J. GEHRMANN, OF WISCONSIN

Mr. GEHRMANN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I recently delivered over the radio:

Ladies and gentlemen of the radio audience, can we keep our country out of war? This is a question of the most vital importance to us all. Well do we remember the fateful days of over 20 years ago. Under a wave of emotionalism and hysterics, over 20 years ago. Under a wave of emotionalism and hysterics, fanned to a white heat by a most adroit propaganda, we embarked upon a crusade to make the world safe for democracy and to fight a war to end all wars. After the armed conflict was over and the facts gradually leaked out, we found that the major propelling force which drew us into that war was to protect our foreign investments and to protect and expand our commerce. This is put-ting it bluntly. But the facts are that our commercial and foreign

ting it bluntly. But the facts are that our commercial and foreign policy gradually but inevitably drew us into the world conflict.

Twenty-two years have passed, and the world is again thinking of war. Nations are preparing for war. Never in all human history has the armament race been carried on on such a gigantic scale as today. All the loss of the millions of young men, and all the destruction of billions of dollars of property, have seemed. all the destruction of billions of dollars of property, have seemingly been for naught. Wars have not ceased, nor are democracles secure. All this supreme sacrifice has been in vain. Instead, in its wake we have the most unprecedented world depression with its suffering and despair. Friendly trade relations have almost been destroyed. Fear has driven nations to intense nationalism. Huge national debts are breaking the backs of the people, and the heels of the dictators are crushing out the last vestige of human rights and liberty. The sum total of that supreme effort has been bets fear less degrain choose hate, fear, loss, despair, chaos.

The present evils and national differences cannot be corrected

by force. If that were attempted, it would result only in another carnage. Only justice based on due respect for mutual rights can heal the wounds of a bleeding and sick world. Then, if more war is not an antidote against future wars, what are we going to do about it?

Let us be realists and look the situation square in the face.

Let us be realists and look the situation square in the face.

Everyone is for peace. At least everyone says so. And most Americans will tell you with great emphasis that they don't want this country to get mixed up in another European war.

But what we want and what we get are sometimes two different things. And generally the thing that determines is how much we are willing to give and to do to get the thing we want.

No great good has ever come into the world and no great evil has ever been kent out of it without a corresponding price reid to

has ever been kept out of it without a corresponding price paid to accomplish that. America will not stay out of war, nor make her contribution to world peace, unless she makes up her mind now to pay the price that will be necessary.

Basically, we have got to decide whether we will choose peace or profits when the pinch comes.

If we adopt a policy of allowing war trade to go on by selling arms and war materials, we would start straight down the road that led to the World War. Our munition factories would be enlarged to meet the war demand. When cash gave out, we would have to extend loans or close our factories, and we would have to help those who have been buying arms from us to win the war. In this connection, the following forwer ore introcepting.

war. In this connection, the following figures are interesting:

Our trade with the Allies up to the time we entered the war
amounted to \$7,000,000,000. The World War has cost us up to
date over \$50,000,000,000.

Here is another way of looking at the question of war profits. In the last war the United States sent 2,000,000 men to France. The pay for the period they were there was about \$1,100,000,000.

This is the sum which one corporation—United States Steel—
made in clear profits, over and above all taxes in 1915—18.

While soldiers fought in trenches for \$1 a day, Eugene G. Grace,

president of Bethlehem Steel, for the single year 1918, collected

a bonus of \$1,386,193.

While 10,000,000 men lost their lives, the du Pont Co. paid While 10,000,000 men lost their lives, the du Pont Co. paid dividends on its common stock of 100 percent in 1916; 51 percent in 1917; 26 percent in 1918; and still had \$50,000,000 to put into a new dye industry; \$47,000,000 to buy 25 percent stock ownership of General Motors; acquired partial or entire control of 26 other corporations, which today gives the du Pont interests their immense industrial power, amounting to approximately \$202,000,000. While 5,000,000 women were being left widows, profits in munitions companies ranged from 22 to 943 percent.

While \$208,000,000,000 were being spent on the war, profits in 1917 in a few of the munitions and supplies companies ranged as

Pe	Percent		
Nagel Steel Co	319		
Utah Copper Co	_ 200		
Calumet & Hecla	_ 800		
Bethlehem Loading Co	_ 362		
Did the second of the second o			

Did it pay to choose profits from munitions sale instead of staying out of the bloody conflict?

Knowing perfectly well that the American people want to do what is right, those who would have us take part in another foreign war are talking a great deal about our duty to be ready to fight for peace.

Just ponder for a moment the wisdom of these words of Senator Norris in connection with this duty of ours to take part in

another world war:

another world war:

"It seems to me that, if we had stayed out of the World War, we in America would have been able to step in at a time when the warring nations were completely worn out, when there was no victory in sight for either side, and help to make a peace which would have been an honorable one instead of the dishonorable peace which was made by the Treaty of Versailles."

And note what President Wilson himself told Frank Cobb the night before he asked Congress to put us into the World War.

And note what President Wilson himself told Frank Cobb the night before he asked Congress to put us into the World War:

"It means that we will lose our heads along with the rest and stop weighing right and wrong. * * It means an attempt to reconstruct a peacetime civilization with war standards, and at the end of the war there will be no bystanders with sufficient power to influence the terms. There won't be any peace standards left to work with. There will be only war standards."

The whole question of peace or war for America is being thrashed out now in Congress in connection with the proposed changes in our neutrality law. There are just two fundamental questions to be settled in this debate, which will probably go on for weeks. The first is, Is one man, the President, to have the power to put this country into a foreign war by helping one side against the other? and the second is, Are we to repeat the same policies which led us into the World War?

The American people must make their choice about profits or

other? and the second is, are we to repeat the same poincies which led us into the World War?

The American people must make their choice about profits or peace. They should make their choice known to their Representatives in Congress. This is a choice which will vitally affect all of our people. Let there be no delay in the people's decision. If there is prompt action by the people, there will be prompt action by Congress. Let that action be for peace instead of profits.

There is one other important phase of the war and peace question which I would like to call to your attention in closing. That is the question of who shall have the power to decide on peace or war when we are not attacked. Many of those listening tonight know that there have been introduced in this Congress various proposals to give the people the right to make the war or peace decision by means of a Nation-wide referendum when the Western Hemisphere is not attacked. These resolutions have been introduced in both the Senate and the House. They say that we shall not engage in a foreign war unless the people give their consent.

This legislation, I believe, is a protection which should be given to the people who, in the final analysis, pay the bills in blood and taxes.

I want to read to you an editorial which has just reached my desk. It is from the Farmers Equity Union News of Wisconsin, my home State. Speaking of this question of a vote on foreign

my nome state. Speaking of this question of a vote on foreign wars, this paper says:

"Isn't it fair for the mothers and fathers of this Nation to determine whether or not they wish to furnish their sons and daughters to be fed to the cannons and machine guns for some supposed to be approximately as a contract of the cannons." supposed to be enemy—an enemy primarily created by war lords, composed of financiers, steel corporations, munitions makers, and individuals seeking power of some nation's leadership?

individuals seeking power of some nation's leadership?

"In a true democracy a vote of the people on foreign wars (except in case of attack) is the honest way to decide the issue.

"But while we are discussing this subject, and it is a timely topic in national affairs, why not conscript all war industry, materials, and finance, and take the profit out of it? Then follow this up by prohibiting any person or relative of a stockholder in the war industry from holding a rank in the Army or Navy above a private, and make it mandatory that they be in the first draft and in the front-line trenches? I believe in letting those who want to fight do the fighting, and let the rest of us do the directing or be the officers. This would take a little starch out of their spine and maybe they would, and could, figure some way of keeping us out of trouble. us out of trouble.

"It's easy to run a roughhouse or get into trouble if you have a good bouncer to do the battering for you."

I believe that Congress will not only think it over but act as soon as you and your fellow Americans make your desires known to your Representatives.

Let us stay out of foreign conflicts. Let us choose neutrality in place of profits. Let us all work to give the people the right to vote on foreign wars. These, I believe, are the things we have to do to stay out of war.

But this is not enough. We must be ready and willing to help the world and our own people achieve the economic security which is the bedrock of a peaceful world. Our contribution as a Nation should be first to put our house in order and give to the world an example of democracy that is working for all.

The Meat Products Under the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

Mr. REED of New York. Mr. Speaker, one of the most important farm crops grown in this country is corn. The major portion of this crop is marketed by the farmer in the form of livestock, and for years this country has been an important exporter of meat products. Therefore any changes in our foreign trade of meat products is of special importance to the welfare of a large part of our farm population.

Naturally meat products have been given special consideration by the State Department in negotiation of trade agreements. Eleven of the twenty agreements in effect have made concessions to this country. It is reasonable to expect that if these concessions are of real value, our exports of meat products would have increased in 1936 and 1937 to the countries which lowered their trade barriers. However, exports to these countries fell 33.2 percent between 1935 and 1937. The Roosevelt administration claims this decrease is due to the droughts and that the concessions are of real value; but exports to all other countries fell but 18.8 percent between 1935 and 1937.

The concessions that have been received on meat products have not even arrested the downward trend in the volume of meat exports. We find that concession countries have been buying a smaller amount of meat products from this country each year since 1929 except in 1933 when they were slightly more than 1932. Purchases of our meat products by countries from which we have received no concessions increased from 1932 to 1934, but from 1934 through 1937, the period in which the Roosevelt farm program has been in effect, they have again been buying less each year. Thus, we find concession countries' purchases have decreased by 33.2 percent from 1935 to 1937, while countries which made no special concessions decreased but 18.2 percent during the same period. Further, our exports to concession countries are but 15.7 percent of the 1929 level, while to other countries they are 30.2 percent of the 1929 level, or nearly twice as high relatively.

But exports do not tell the entire story, because while Secretary of State Hull has been lowering tariffs, Secretary of Agriculture Wallace has been restricting production of agricultural commodities in this country and doing all in his power to raise domestic prices of farm products above the

Figures from the Bureau of Foreign and Domestic Commerce make it evident that these policies have disrupted the normal flow of goods. They indicate a decrease in both exports and imports between 1929 and 1932, the decrease in imports being much more marked than exports. From 1932 to 1934 both exports and imports increased with larger export balances each year. In 1935 exports decreased while imports increased by 75.9 percent. This was due in part to the drought, but in a much larger measure to the pricepegging and crop-restricting policies of the Roosevelt administration. Since 1935, exports have decreased each year and imports have increased, until in 1937 this country imported 68,277,000 pounds of meat products more than we exported. This condition is true in spite of the fact that the Roosevelt administration has obtained concessions on meat products from 11 countries and has not made any concessions on these commodities.

The United States' foreign trade in meat products is further evidence of the contrary foreign and domestic policies of the New Deal. How can a domestic policy of increasing costs of production and prices with a foreign-trade policy of lower tariffs help anyone but the foreign producer?

Puerto Rican Industrial Soldiers

EXTENSION OF REMARKS

HON, SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

Mr. IGLESIAS. Mr. Speaker, I have requested the unanimous consent of the House, and it was granted, to print in the RECORD a resolution from the House of Representatives of Puerto Rico, and also letters received by me from the Secretary of Labor, the Secretary of War, and from Dr. Gruening, of the Department of the Interior, dealing with the same subject matter contained in the many petitions sent by the representatives of the so-called Puerto Rican Industrial Soldiers to the officials mentioned.

The resolution and letters are as follows:

House of Representatives of Puerto Rico, San Juan, Puerto Rico, April 12, 1939.

Hon. SANTIAGO IGLESIAS,

Puerto Rican Resident Commissioner, Congress of the United States of America,

Washington, D. C. SIR: For the information of Your Honor I take pleasure in enclosing herewith both an English and Spanish copy of House Concurrent Resolution No. 1, of the Third Session of the Fourteenth Legislature of Puerto Rico, entitled "Concurrent resolution to petition the Congress of the United States and competent auto petition the Congress of the United States and competent authorities to promote legislation appropriating reasonable compensation for the Puerto Rican laborers who rendered services at various places in the United States in the year 1918 in war industries."

Duly signed by the speaker of the House of Representatives of Puerto Rico and the president of the Senate of Puerto Rico, and certified by the secretary of the House of Representatives of Puerto Rico.

Puerto Rico.

Respectfully,

ANTONIO ARROJO,
Secretary, House of Representatives of Puerto Rico.

Government of Puerto Rico,
Bureau of Translations,
San Juan, P. R., April 6, 1939.

George W. Roberts, chief of the bureau of translations of the
Legislature of Puerto Rico, hereby certifies to the Governor of
Puerto Rico; and Luis A. Deliz, assistant chief of the said bureau,
certifies to the president of the Senate and the speaker of the
House of Representatives of Puerto Rico, that each of them has
duly compared the English and Spanish texts of a certain act
(H. C. R. 1) of the Third Session of the Fourteenth Legislature of
Puerto Rico entitled "Concurrent resolution to petition the Congress of the United States and competent authorities to promote
legislation appropriating reasonable compensation for the Puerto
Rican laborers who rendered services at various places in the
United States in the year 1918, in war industries," and finds that
the same are full, true, and correct versions of each other.

George W. Roberts,
Chief, Bureau of Translations.

Chief, Bureau of Translations.

Luis A. Deliz, Assistant Chief, Bureau of Translations.

Concurrent resolution to petition the Congress of the United States and competent authorities to promote legislation appropriating reasonable compensation for the Puerto Rican laborers who rendered services at various places in the United States in the year 1918, in war industries

Whereas in 1918 expeditions of Puerto Rican laborers were organized which went to various places in the United States to

ganized which went to various places in the United States to engage in war industries;
Whereas these expeditionary laborers cooperated with the American Government at a time when it was involved in the World War;
Whereas the Government of the United States has rendered assistance to the soldiers who went to the battlefield, and to their

Whereas these manual laborers and intellectuals have not been compensated for the disinterested services rendered by them: Now

Resolved by the house of representatives (the Senate of Puerto Rico concurring).

Rico concurring):

First. To petition the Congress of the United States and competent authorities to promote adequate legislation for reasonable compensation to the expeditionary laborers who went to various places in the United States in 1918 to engage in war industries.

Second. To petition likewise that such legislation be made extensive to their needy families.

Third. That a copy of this resolution be sent to the presiding officers of the two Houses which form the *Congress of the United

States, to the President of the United States, to the Resident Commissioner for Puerto Rico in Washington, and to the Governor of Puerto Rico.

MIGUEL A. GARCIA MENDEZ, Speaker, House of Representatives. NOLUARA PAGÁN, President of the Senate.

DEPARTMENT OF LABOR, OFFICE OF THE SECRETARY, Washington, February 14, 1939.

Hon. Santiago Iglesias,
Resident Commissioner for Puerto Rico,

House of Representatives, Washington, D. C.
DEAR COMMISSIONER IGLESIAS: This Department has received numerous communications from residents of Puerto Rico requesting a bonus for civilian service rendered in the construction of Army camps during the World War. In that connection you were kind enough to send me, on January 16, 1939, copies of bills proposing to grant bonuses to civilian employees engaged in the construction of the Panama Canal, together with your suggestion that similar action might be taken with respect to the above-mentioned workers in Puerto Rico.

I am informed that during the World War a number of Puerto Ricans were transported to the States for work in the construction of Army camps; that they were compensated for their labors at the prevailing rate of wages; and that upon the completion of their efforts, they were afforded transportation home. Many of these persons through an unfortunate succession of intervening events have been reduced to dire poverty and they now seek relief in the form of a civilian veterans' bonus.

in the form of a civilian veterans' bonus.

It does not appear that the present claim of these workers is for compensation in accordance with their former employment contract or is in any way concerned with an existing employer-employee relationship. Consequently I do not believe that this is a matter upon which the Department of Labor is qualified to render any particular service. As a matter of public relief or social recognition of wartime services, the proposal of a bonus for the Puerto Ricans engaged in Army camp work falls more properly within the jurisdiction of the Bureau of Insular Affairs of the Department of Interior or of the Department of War. I suggest therefore that this proposal be submitted to those suggest, therefore, that this proposal be submitted to those agencies

Sincerely,

FRANCES E. PERKINS.

FEBRUARY 20, 1939. Hon. SANTIAGO IGLESIAS,

Hon. Santiago Iglesias,

House of Representatives.

Dear Commissioner Iglesias: I have your letter of the 15th instant enclosing copies of correspondence with the Secretary of Labor and copies of bills H. R. 980 and H. R. 1674, with the suggestion that action similar to that proposed in the bills referred to be taken with respect to residents of Puerto Rico who performed civilian service in the construction of Army camps during the World War. the World War.

To avoid any possible embarrassment in the relations between the War Department and committees of Congress, it is a long-standing rule of the Department not to express an opinion on proposed legislation until called upon for a report by the appropriate committee. Therefore I am constrained to refrain at this time from stating the views of the Department as to the merits of a bill such as you propose. I assure you however that should of a bill such as you propose. I assure you, however, that should such a bill be referred to the Department for report thereon by a House committee, it will receive careful consideration.

I am sure that you will appreciate the position of the War Department in this respect.

Sincerely yours, HARRY H. WOODEING

HARRY H. WOODRING, Secretary of War.

United States Department of the Interior, Division of Territories and Island Possessions, Washington, February 23, 1939.

Hon. SANTIAGO IGLESIAS,

Resident Commissioner for Puerto Rico,

Resident Commissioner for Puerto Rico,

House of Representatives, Washington, D. C.

MY DEAR MR. IGLESIAS: I have your letter of February 15. If a bill providing for a bonus or annuity for the Puerto Rican laborers who worked in Army camps here during the World War should be introduced in Congress, the appropriate committee chairman would doubtless call upon this Department for a report. At that time the question would be studied by the Solicitor and a recommendation made.

Sincerely yours,

ERNEST GRUENING, Director.

APPEAL SENT TO THE PRESIDENT

The substance of the petitions is contained in the following appeal sent to the President and which is being presented here.

[Comite pro-expedicionadios, Puerto Rican Industrial Soldiers, New York Committee, 170 East One Hundred and Tenth Street, New York City]

To the Honorable President and Congress of the United States: During the hectic days of the Great War, 1917-18, this country was forced to declare war on the German Empire.

All forces—moral, spiritual, and material—were mobilized for one sole purpose: Win that war and save democracy and liberty everlastingly for humanity.

Soldiers were enlisted throughout the land and her possessions

and rushed to France and other strategic places like the Panama

Canal

Puerto Rico did her bit in that great struggle.
Proud were the natives to fight for justice under the Stars and
Stripes, proud to buy Liberty bonds, proud to suffer shoulder to
shoulder the sacrifices and tribulations with their brothers in the United States.

With the enlistment of men from 21 to 45 years came the scarcity of laborers to work at home in manufacture of explosives, medical and food articles so that the soldiers might fight and be properly

cared for.

To provide that labor the United States Government appealed to the people of Puerto Rico, ever industrious, honest, and the one of her possessions that had easily assimilated in a short time the democratic ideals and institutions that are the backbone upon which this great country has rested, lived, and progressed since they untied thethershifted bonds from Progressed. their political bonds from England.

their political bonds from England.

The War Department, with the assistance of the Department of Labor at Washington and the cooperation of the department of labor in Puerto Rico, established an employment service for the purpose of enlisting the service of boys under the age of 21 and men past 45 to work for the Government for 6 months under the care of the Department of War and with the agreement that they be enlisted immediately in the Army any place they might be and if conditions deemed it necessary.

Over 15,000 Puerto Ricans answered that call with gladness in

conditions deemed it necessary.

Over 15,000 Puerto Ricans answered that call with gladness in their hearts, proud to help the country that ruled their destinies.

U. S. transports City of Savannah, Hancock, and Kilpatrick brought to these shores this industrial and patriotic legion and scattered and placed them to work at munition plants and under Government supervision, guarded by the National Guards of these different States and by strict military discipline.

Sickness ran afoul. Influenza spread to this camp. Dysentery played havoc on the undernourished bodies of these people with such a cruel strength that the mortality rate in such places was surprisingly high.

surprisingly high.

The armistice came as a benediction to the Puerto Rican industrial soldiers.

Men were not given jobs promised them according to their trade and knowledge. Teachers, clerks, accountants, mechanics, carpenters were told and compelled to dig holes, tear down trees, poorly, improperly cared for, and not paid the salary promised and previously expected at and previously agreed at.

Sick men that died aboard these military transports on their trip

Sick men that died aboard these military transports on their trip back to Puerto Rico were buried with the same services given any American soldier and conducted by a military chaplain.

Their relatives never got a penny for their loved ones.

We worked under the most deplorable conditions. We were not treated as American citizens should be treated; men received pay envelopes with nary a single penny for their work, made their complaints to our Resident Commissioner at Washington, D. C., and the Federal Government established an office at San Juan, P. R.

No satisfaction was given, and the articles and money lost were never returned. Wives still feel the loss of their husbands and their sons in the prime of their youth and in whom laid all their

their sons in the prime of their yours and in wholes.

We demand that justice be done to the Puerto Rican industrial soldiers and a compensation be given in the form of a bonus to those affected by said expedition.

By this memorandum we are reminding that good faith and liberal spirit in consenting to give our just claims the attention and satisfactory approval we are entitled to, according to the circumstances: "With justice for all and malice toward none."

VUENTI SANTOS.

VUENTI SANTOS.

The Money Question

EXTENSION OF REMARKS

HON. RALPH A. GAMBLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. GAMBLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of April 20, 1939:

[From the New York Times of April 20, 1939]

POWER OVER MONEY

The report of the Republican House committee on the money question is, on the whole, an excellent example of what an intelligent opposition should do. It is no merely partisan document but, with minor exceptions, a series of sound and well-considered

ecommendations that clearly ought to be adopted. The Repub-

lican report recommends:

1. That the power of the President to determine the gold con-1. That the power of the President to determine the gold content of the dollar, due to expire on June 30, should not be extended. In spite of the fact that a persuasive case may be made for continuing this power, its expiration seems desirable. As long as the President has this power there will be intermittent rumors and guesses regarding what use he will make of it. If we allow the President's discretionary power to lapse we will remove from the present economic situation a major source of continued uncertainty. Even if there is substance in the argument that the value of the dollar may again have to be changed for whatever reason. tainty. Even if there is substance in the argument that the value of the dollar may again have to be changed, for whatever reason, it may still be pointed out that the power to change it should not rest with one man but with Congress. If this is not properly a function that Congress should retain for itself, it would be difficult to think of one that is.

That a joint congressional committee be named to study the whole monetary question and recommend revision. Such a study could surely do no harm.

3. That the Silver Purchase Act of 1934 should be repealed. This repeal is eminently desirable. The act, forcing us to buy from foreign countries at artificial prices of our own making huge quantities of silver for which we have no need, is an expensive and fantastic piece of legislation. As the Republican report points out, if we wish merely to subsidize the domestic silver industry, we can do it directly without also subsidizing foreign producers

we can do it directly without also subsidizing loteign products and speculators.

4. That the section of the law which gives the President the power to issue \$3,000,000,000 in greenbacks should be repealed. There is no good reason whatever for continuing this power. If the President does not intend to make use of it, as is sometimes said, then there is no need for him to have it. If he does intend to make use of the power, then the case for taking it away from him is overwhelming.

5. The Republican report recommends the continuance of the

5. The Republican report recommends the continuance of the stabilization fund. This is highly desirable. It suggests that certain limitations be put upon the power of the Secretary of the Treasury in administering the fund. The particular limitations it suggests, however—that he be prohibited from using it "in any manner that might involve us in international hostilities" or "in such a way as to make acceptance available for carrying on armed manner that might involve us in international hostilities" or "in such a way as to make exchange available for carrying on armed hostilities"—would be unwise. Such prohibitions, even if they were free from other objections, would be ambiguous and subject to too wide a range of possible interpretation. The best safeguard against any abuse of the uses of the fund is publicity. This publicity need not extend to current operations, but there seems no good reason why we could not have at least monthly reports on the position of the fund, even if these did not appear until 2 or 3 months after the period to which they referred.

No realist expects Congress to adopt all these Republican recommendations. But some of them ought to have considerable support from the Democratic side. Wholly apart from purely monetary considerations, it would be a highly reassuring sign, in a period in which legislatures everywhere have been losing their powers to the executive branch, for our own chief Legislature to take back some of the "emergency" powers it has delegated.

The Strecker Case

EXTENSION OF REMARKS

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

OPINION OF THE SUPREME COURT

Mr. MARCANTONIO. Mr. Speaker, the Strecker case, which was decided last Monday by the United States Supreme Court, had aroused a great deal of interest. The International Labor Defense, of which I am the national president, played a very prominent role in the defense of Strecker's rights. Under leave to extend my remarks, I submit herewith the decision and opinion of the United States Supreme Court, sustaining the position taken by the International Labor Defense and its attorneys. I take this opportunity to congratulate the attorneys for Mr. Strecker-Mr. C. A. Stanfield, of Hot Springs, Ark.; Mr. Whitney North Seymour; Prof. Herbert Wechsler; and Mrs. Carol King, of New York.

[Supreme Court of the United States. No. 330. October term, 1938. Eugene Kessler, District Director of Immigration and Naturalization, petitioner, v. Joseph George Strecker. On writ of certiorari to the United States Circuit Court of Appeals for the Fifth Circuit. April 17, 1939.]

Mr. Justice Roberts delivered the opinion of the Court.

The respondent is an alien who entered the United States in

1912 and has since resided here. In 1933 he applied for natural-

ization to a United States district court in Arkansas. He made certain admissions to a district director of naturalization as a result of which naturalization was withheld and his case was

result of which naturalization was withheld and his case was referred to the Department of Labor.

November 25, 1933, the Second Assistant Secretary of Labor issued a warrant for the respondent's apprehension, in which it was recited that he was in the United States in violation of law in that (1) he believes in, advises, advocates, or teaches the overthrow, by force or violence, of the Government of the United States; (2) he is a member of, or affiliated with, an organization, association, society, or group that believes in, advises, advocates, or teaches the overthrow, by force or violence, of the Government of the United States; (3) he is a member of, or affiliated with, an organization association, society or group that writes circulates are approached the United States; (3) he is a member of, or affiliated with, an organization association, society or group that writes circulates the United States; (3) he is a member of, or affiliated with, an organization, association, society, or group that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for these purposes written or printed matter advising, advocating, or teaching the overthrow, by force or violence, of the Government of the United States; and (4) after his entry into the United States he has been found to have become a member of one of the classes of aliens enumerated in section 1 of the act of October 16, 1918, as amended by the act of June 5, 1920, to wit: an alien who is a member of, or affiliated with, an organization, association, society, or group that believes in, advises, or teaches the overthrow, by force and violence, of the Government of the United States.

The respondent was apprehended and was given hearings before

The respondent was apprehended and was given hearings before an immigration inspector, at which he was represented by counsel and testified in his own behalf. The Government offered in evi-

an immigration inspector, at which he was represented by counsel and testified in his own behalf. The Government offered in evidence transcripts of his examination by the Naturalization Bureau of an interview with him by an immigration inspector and his membership book in the Communist Party of the United States of America, issued November 15, 1932, with stamps affixed showing payment of dues to the end of February 1933. The rules of the party, set forth in the book, provided that a failure to pay dues for 3 months automatically results in the loss of membership, and it is admitted there is no evidence respondent continued to be a member after March 1, 1933.

The book contained printed matter stating the purposes and objects of the party. The Government also offered a copy of a magazine called the Communist, dated April 1934, and read into the record excerpts from articles appearing therein. The respondent admitted that he joined the Communist Party in November 1932, asserted that his membership terminated prior to March 1, 1933, and had never been renewed, and professed ignorance of the magazine called the Communist and its contents. In some respects his testimony as to his beliefs and actions was contradictory of his statements on prior examinations, and testimony was elicited from him in an effort to show that his denial of present elicited from him in an effort to show that his denial of present affiliation with the Communist Party might not be made in good faith, but there was no sufficient evidence to sustain that concluraith, but there was no sumcent evidence to sustain that concrusion. After a review of the record by the Board of Review of the Department of Labor, a warrant of deportation was issued by the Assistant Secretary, which recites an affirmative finding as to each of the counts in the warrant of arrest, and orders the respondent's deportation.1

The respondent petitioned a Federal district court in Arkansas for a writ of habeas corpus to deliver him from the custody of the immigration inspector. The writ was denied. Thereafter he filed the petition in the instant case in the district court for Louisiana. In this petition he alleged that he had not been accorded a fair hearing; that the Department of Labor has not correctly construed the immigration laws applicable to his case; that the findings were without support in the evidence; that he had been denied due process of law; and that he is not a citizen of Poland, to which the war-rant directed his remission. The district court dismissed the writ. The respondent appealed to the circuit court of appeals, assigning The respondent appealed to the circuit court of appeals, assigning error to the district court's action in denying each of his contentions. That court found that the hearings had been fair, but held that each of the findings recited in the warrant was without support in the evidence. The court was of opinion the evidence failed to show that the respondent is now a member of the Communist Party or that he or that party, in 1933, taught, advocated, or incited the overthrow of the Government by force and violence, and that the record was bare of evidence to countervail his denial that he had ever taught or believed in the unlawful destruction or overthrow of the Government by force. The court held that the overthrow of the Government by force. The court held that the acts of 1918 and 1920 were passed to meet a situation caused by crises in Russia in 1918 and 1919;² that the major changes in policy and conduct of the Soviet Socialist Republics which had taken place between 1918 and 1933 rebutted the implications arising from membership in the Communist Party at the time the acts were adopted; that mere membership in that party in 1933 is not a statutory ground for deportation. The order of the district court was reversed, and the cause was remanded for further proceedings not inconsistent with the opinion.³

The Government moved for a rehearing, pressing specially the contention that the overwhelming weight of authority is to the

The delay in this case is due to the fact that respondent was born an Austrian subject but was refused reentry into that country on the ground that the place of his birth is now in Poland. Protracted negotiations on the part of the Department were required to obtain the consent of the Government of Poland to his return to that country.

That this view is erroneous is shown by the history of the legislation referred to infra, p. 6. Compare H. Rept. 504, 66th Cong., 2d sess., p. 7; S. Rept. 648, 66th Cong., 2d sess., p. 7; S. Rept. 648, 66th Cong., 2d sess., p. 4.

effect that membership in the Communist Party is sufficient to wareffect that membership in the Communist Party is sufficient to war-rant deportation. The petition was entertained, the judgment was amended to provide: "Reversed, with directions to try the issues de novo as suggested in Ex Parte Fierstein (41 Fed. (2) p. 54)", and a rehearing was denied. Judge Sibley dissented on the ground that on the basis of the respondent's membership book which refers to the Third Communist Internationale, the court could take judicial notice of the objectives and programs of the Com-munist Party and the Third Internationale.

The United States petitioned for certiorari, asserting that the single question presented is "whether the court below erred in failing to sustain an order of deportation against respondent, an single question presented is "whether the court below erred in failing to sustain an order of deportation against respondent, an alien who in 1932 became a member of the Communist Party of the United States." In its specification of errors to be urged the Government enumerated (1) the holding that an alien who became a member of the party in 1932 is not, by reason of that fact, subject to deportation; (2) the holding that the evidence before the Secretary of Labor concerning the principles of the party was insufficient to sustain the order; (3) the remand for a trial de novo in the district court; and (4) the failure to affirm the judgment of the district court. As reason for the granting of the writ the Government urged a conflict of decision on the question whether membership by an alien in the Communist Party of America subjects him to deportation. By reason of the allegation of conflict and the action of the circuit court of appeals in ordering a trial de novo in the district court we granted the writ.

The Government does not attempt to support the warrant of deportation on the second and third grounds therein specified, namely, that the respondent "is a member of or affiliated with" an organization described in the act. The only evidence of record is that his membership ceased months before the issue of the warrant for his arrest. The contention is that respondent is deportable because, after entry, he became a member of a class of aliens described in section 1 of the act, to wit, a member of the Communist Party, an organization membership in which is made a cause of deportation because the organization believes in, advocates, and teaches the overthrow of the Government of the United States by force and violence. This contention presents the question whether the act renders former membership in such an organization, which has ceased, a ground of deportation. Respondent insists that the statute makes only present membership in an organization described in the act such ground.

Section 1 of the act of Octob

Section 1 of the act of October 16, 1918, as amended in 1920,* has to do with the exclusion of alien immigrants and specifies five classes, members of which may not be admitted to the United States. One of these classes—subsection (c)—includes "aliens who believe in, advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group, that believes in, advises, advocates, or teaches * * * the overthrow by force or violence of the Government of the United States * * *." United States

Section 2 of the act of 1918, which was not altered by the act of 1920, deals with deportation. It provides that "any alien who, at any time after entering the United States, is found to have been at the time of entry, or to have become thereafter, a member of any of the classes of aliens enumerated" in section 1, shall, upon warrant of the Secretary of Labor, be taken into custody deported, in the manner provided by law.

Relying on the phrases italicized in the quotation, the Govern-ment insists that the section embraces an alien who, after entry, has become a member of an organization, membership in which, at

has become a member of an organization, membership in which, at the time of his entry, would have warranted his exclusion, although he has ceased to be a member at the time of his arrest. We hold that the act does not provide for the deportation of such an alien. This conclusion rests not alone upon the language, but, as well, upon the context and the history of the legislation.

The phrase "at any time" qualifies the verb "found." Thus, if at any time the Secretary finds that at entry the alien was a member, or has thereafter become and is a member, he may be deported. The natural meaning is that, as the alien was excludable for present membership, he is deportable for present membership subsequently acquired. The Government's construction, which collocates the phrase "at any time" with the phrase "or to have become thereafter" is unnatural and strained. If Congress meant that past membership, of no matter how short duration or how far in the past, was to be a cause of present deportation the purpose could have been clearly stated. The section does not bear this import.

By the first section of the act, as amended in 1920, aliens are to

By the first section of the act, as amended in 1920, aliens are to be excluded who are members of a described organization. The section does not require the exclusion of those who have been in the past, but are no longer, members. When the Congress came to provide for deportation, instead of again enumerating and defining the various classes of aliens who might be deported, it provided that if at any time it should be found that an alien had provided that if at any time it should be found that an alien had been admitted and, at the time of admission, was a member of any of the proscribed classes, or had thereafter become such, he should be deported. It is not to be supposed that past membership, which does not bar admission, was intended to be a cause of deportation. And the fact that naturalization is denied to an alien only on the ground that he "is a member of, or affiliated with, any organization entertaining" disbelief in or opposition to organized govern-

496 F. (2d) 1020.
Act of Oct. 16, 1918, c. 186, 40 Stat. 1012, as amended by the act of June 5, 1920, c. 251, 41 Stat. 1008; U. S. C., title 8, sec. 137

(a) to (e). 40 Stat. 1912; U. S. C., title 8, sec. 137 (g).

ment, and not for past membership or affiliation, lends added

force to this view.

In the absence of a clear and definite expression, we are not In the absence of a clear and definite expression, we are not at liberty to conclude that Congress intended that any alien, no matter how long a resident of this country, or however well disposed toward our Government, must be deported, if at any time in the past, no matter when, or under what circumstances, or for what time, he was a member of the described organization. In the absence of such expression we conclude that it is the present membership, or present affiliation—a fact to be determined on evidence—which bars admission, bars naturalization, and requires deportation. Since the statute deals not only with membership in an organization of the described class, but with affiliation therewith and, as well, with belief and teaching, it enables the Secretary of Labor, as trier of the facts, fully to investigate and to find the true relation, belief, and activity of the alien under investigation.

The legislative history of the statute supports this conclusion. By act of March 3, 1903, Congress directed the exclusion of "anarchists, or persons who believe in or advocate the overthrow by "architect the coverthrow by" force or violence of the Government of the United States, * * *"
and also of any "person who disbelieves in or who is opposed to all
organized government, or who is a member of or affiliated with any

and also of any "person who disbelleves in or who is opposed to all organized government, or who is a member of or affiliated with any organization entertaining and teaching such disbelief in or opposition to all organized government * * * "" The only section authorizing deportation of such persons is directed to an allen found to have entered in violation of the act, if proceeded against within 3 years after entry." These provisions were reenacted without alteration in the act of February 20, 1907."

The first legislation authorizing deportation of persons who had entered lawfully is H. R. 6060, enacted by the Sixty-third Congress but vetoed by President Wilson January 28, 1915. This bill required deportation of "any alien who within 5 years after entry shall be found advocating or teaching" the defined doctrines. It also altered existing law in respect of deportation of those who had entered illegally to provide that "at any time within 5 years after entry, any alien who at the time of entry was a member of one or more of the classes excluded by law" should be deported.

A bill, in substance the same, was introduced in the Sixty-fourth Congress and enacted February 5, 1917, over Presidential veto. While this measure was in course of passage, the chairman of the House committee in charge of it moved, on behalf of the committee, to amend section 19 by inserting the phrase "at any time," so that the section should provide for deportation of "any alien who at any time after entry shall be found advocating or teaching" forcible overthrow of the Government. The act, as adopted, was in this form. The purpose of the amendment was to make plain that no time limit was fixed for deportation of aliens found advocating the doctrine. The act of 1917 was amended by that of October 16, 1918, here under consideration, which, by its title, purported to apply to "aliens who are members of the anarchistic and similar classes * * "."

Section 1 enlarged one of the classes of excludible aliens by the addition of the words "aliens

Section 1 enlarged one of the classes of excludible aliens by the addition of the words "aliens who are members of or affiliated with any organization that entertains a belief in, teaches, or advocates the overthrow by force or violence of the Government of the United States. * * "Section 2 modified the earlier act in respect of deportation, both in form and substance. The provision for deportation of those who, at the time of entry, were members of one of the proscribed classes was retained, but the 5-year period of limitation within which deportation might be had was eliminated. The provision for deportation of aliens of anarchistic and similar classes was expanded by including as causes of deportation all the causes of exclusion enumerated in section 1, which were themselves much broader than those included in the 1917 act. Thus, although there was no provision in the act of 1917 for deportation of aliens who did not personally advocate the proscribed doctrine, but were members of an organization which did, the act of 1918 embodied such a provision. This alteration and the elimination of the 5-year time limitation were the important changes relevant to the question under examination, which the act of 1918 effected in the earlier legislation. These modifications lend no support to the contention that section 2 of the act of 1918 was intended to make quondam membership a ground of deportation. ground of deportation.

Nor is there anything in the formal alteration worked by the act of 1918 which leads to a different conclusion. Section 19 of the act of 1917 dealt in distinct clauses with the various classes of allens who might be deported, specifying in one clause an alien "who at the time of entry was a member of the classes excluded by law" and, in another clause, an alien "who, at any time after by law alle, in another clause, an allen "who, at any time after entry, shall be found advocating or teaching" the obnoxious doc-trines. Section 2 of the act of 1918 combined the clauses dealing with the two groups in a single sentence, with a somewhat different locution. We think this consolidation was not intended to alter the substantive law as it theretofore stood.

Act of June 29, 1906, c. 3592, sec. 7, 34 Stat. 596, 598.

^{*}Act of June 29, 1906, c. 3592, sec. 7, 34 Sta *32 Stat. 1213. *Sec. 2, 32 Stat. 1214. *Sec. 38, 32 Stat. 1221. *I Sec. 21, 32 Stat. 1218. *I 34 Stat. 898, secs. 21 and 38, pp. 905, 908. *I H. Doc. No. 1527, 63d Cong., 3d sess. *I 39 Stat. 874.

See 53 CONGRESSIONAL RECORD, pt. 5, p. 5165, 64th Cong., 1st sess.;
 Rept. 352, p. 14, 64th Cong., 1st sess., to accompany H. R. 10364.
 H. Rept. 645, 65th Cong., 2d sess.

The only decisions which support the Government's position are those in the second circuit. We cannot approve their reasoning or result. It is claimed that the administrative construction has always accorded with the Government's contention in the present case. We cannot find that there has been such a uniform concase. We cannot find that there has been such a uniform construction as requires an interpretation of the act in accordance with that view. The administrative construction seems to have been in favor of the respondent's view until after the decision in the Yokinen case. Is and the construction seems to have been changed in deference to the decision in that case. Is Our reading of the statute makes it unnecessary to pass upon the conflicting contentions of the parties concerning the adequacy of the evidence before the Secretary concerning the purposes and aims of the Communist Party or the propriety of the court's taking judicial notice thereof.

The Solicitor General suggests that the evidence is sufficient to

Judicial notice thereof.

The Solicitor General suggests that the evidence is sufficient to sustain the warrant of deportation on the first ground therein stated, namely, that the respondent believes in and teaches the overthrow, by force and violence, of the Government of the United States. It is said that the error of the circuit court of appeals in reversing the district court is, in this aspect, so plain that we should notice it, although the petition does not present the question. We have the power to do this in the case of plain error, but we exercise it only in clear cases and in exceptional circumstances.

We do not know on what grounds the district judge's action

We do not know on what grounds the district judge's action rested, since he wrote no opinion. The circuit court of appeals held the evidence insufficient to support the Secretary's finding. We think that the record does not justify a reversal of the holding of the court below upon this point.

The circuit court of appeals remanded the cause to the district court for a trial de novo. In this we think there was error. The proceeding for deportation is administrative. If the hearing was fair, if there was evidence to support the finding of the Secretary, and if no error of law was committed, the ruling of the Departand if no error of law was committed, the ruling of the Department must stand and cannot be corrected in judicial proceedings. If, on the other hand, one of the elements mentioned is lacking, the proceeding is void and must be set aside. A district court cannot, upon habeas corpus, proceed de novo, for the function of investigation and finding has not been conferred upon it but upon the Secretary of Labor. Only in the event an alleged alien asserts his United States citizenship in the hearing before the Department, and supports his claim by substantial evidence, is he entitled to a trial de novo of that issue in the district court. The status of the relator must be judicially determined, because jurisdiction in the executive to order deportation exists only if the person arrested is an alien; and no statutory proceeding is provided in which he can raise the question whether the executive action is in excess of the jurisdiction conferred upon the Secretary. It follows from what has been said that, as the Secretary erred in the construction of the statute, the writ must be granted, and the respondent discharged from custody. and if no error of law was committed, the ruling of the Depart

The construction of the statute, the wit must be granted, and the respondent discharged from custody.

The judgment of the circuit court of appeals is accordingly modified and the cause is remanded to the district court with instructions to proceed in conformity with this opinion.

So ordered.

Expanded Spending Against Rigid Economy

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

RADIO ADDRESS BY HON. MARRINER S. ECCLES JANUARY 23,

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a radio

¹⁷ United States ex rel. Yokinen v. Commissioner of Immigration (57 F. (2d) 707); United States ex rel. Mannisto v. Reimer (77 F. 2d) 1021).

(2d) 1021).

¹⁸ H. Rept. 504, p. 9, 66th Cong., 2d sess. Hearings, Communist and Anarchistic Deportation cases, House of Representatives, 66th Cong., 2d sess. Subcommittee of Committee on Immigration and Naturalization, April 21, 24, 1920, p. 17.

¹⁹ See letter of Secretary of Labor embodied in S. Rept. 769, 75th

Cong., 1st sess.

**Mahler v. Eby (264 U. S. 32, 45).

**Pearson v. Williams (202 U. S. 281), Zakonaite v. Wolf (226)

U. S. 272).

22 Zakonaite v. Wolf, supra; Tisi v. Tod (264 U. S. 131, 133).

23 Vajtauer v. Commissioner (273 U. S. 103, 106), Gegiow v. Uhl (239 U. S. 3).

24 United States v. Sing Tuck (194 U. S. 161, 167); Bilokumsky v. Tod (263 U. S. 149, 152, 153).

25 Ng Fung Ho v. White (259 U. S. 276); compare Tod v. Waldman (266 U. S. 113, 119).

address of Hon. Marriner S. Eccles, Chairman of the Federal Reserve Board. Chairman Eccles in this significant address discusses the new economics and shows by forceful argument the important part played by Federal spending in our national business life. I commend its reading to all those who would embark this country upon a course of rigid economy, drastic curtailment of Federal spending, for they are blind to the development of the past quarter of a century.

The address is as follows:

A week ago tonight Senator Byrd, of Virginia, spoke over this station on Government Spending. I am grateful to the National Radio Forum, conducted under the auspices of the Washington Evening Star, for this opportunity to speak to you on the same general subject.

general subject.

What I say represents my own viewpoint as it is now and as it has been consistently for more than 8 years. I do not speak for the Board of Governors or for the Federal Reserve System. I speak merely as one who has had more than 20 years of practical experience in banking, as well as in various business and agricultural enterprises, and who happens to occupy a public office concerned with banking, fiscal, and monetary problems. These are economic problems, and I have always approached them from an economic rather than from a political standpoint. In fact, I cannot approach these questions from any other standpoint, for I have never taken an active part in politics and I have never sought a public office.

The greatest of all domestic problems before this country today is to find steady jobs in private enterprise for all of our unemployed who are able and willing to work.

The fundamental issue between Senator Byrn and myself is

The fundamental issue between Senator Byrn and myself is whether the Government can and should contribute to bringing about an increase in private employment by borrowing idle money, and lending and spending it, at a time like the present when there are millions of people who cannot find jobs in private industry, when there is an abundance of natural resources, unused productive facilities of all kinds, and billions of savings and of bank credit waiting to be used.

waiting to be used.

In the limited time at my disposal tonight I cannot deal with all of the misconceptions of my position under which Senator Byrn evidently labored in his recent statements on this subject. This I expect to do by letter at an early date. The issue between the Senator and myself is not personal, and I ascribe to him, as he does to me, the fullest degree of sincerity.

At the outset I want to clear away some of the more glaring misconceptions of my views. I do not believe in Government spending at any time for spending's sake. I do believe in Government deficit spending in depression periods as a supplement and stimulant to private spending, using only the manpower, materials, and money that otherwise would be idle, and using them only in a way that avoids competition with private enterprise. I believe that inefficiency and waste should be eliminated. Government should get the maximum of value for the money it spends, recognizing the size and inherent difficulties of the unemployment and relief problem—the objective always being a maximum of private employment. size and inherent difficulties of the unemployment and relief prob-lem—the objective always being a maximum of private employment. I abhor politics and favoritism in any phase of Government ex-penditures. I am as anxious as anyone to see the Federal Budget balanced. In my judgment, this cannot be accomplished until the national income is higher than it will be this year. I do not believe it can be done at this time either by reducing Government ex-penditures or by increasing Federal taxes, particularly those that bear most heavily upon consumption. I believe that the only way the Budget can be brought into balance is through increased Fed-eral revenue from an increased national income. eral revenue from an increased national income.

I am just as much against inflation as I am against deflation. However, we do not want to stay in a perpetual deflation because of fear of inflation. Inflation can and should be prevented, and this can be done by giving adequate powers to the Treasury and the Federal Reserve System. I do not see how it would be possible to have a dangerous general inflation so long as we have a large amount of idle men and unused resources. Long before sible to have a dangerous general inflation so long as we have a large amount of idle men and unused resources. Long before inflation could develop we would have a volume of business activity that would increase the national income to a point where the Budget could easily be balanced. I do not believe, and I have never said, that the Federal debt should continue to grow indefinitely and no part of it ever paid. I do believe that it cannot safely be reduced except when national income is high and when private debt is expanding. Reduction of Government debt at such private debt is expanding. Reduction of Government debt at such a time would tend to counteract any trend toward inflation that might develop, just as expansion of the Government debt during depression tends to offset deflationary developments.

I realize that Government spending is not a cure-all or a remedy for all of our problems or for special conditions that may be retarding private employment and investment. Everything should be done to bring about a prompt solution of these problems. In the meantime, I can see no practical alternative except to sustain purchasing power through public employment until private employment substantially increases.

The vigoroint which I have a substantially increases.

The viewpoint which I have outlined relative to the need for The viewpoint which I have outlined relative to the need for Government spending is strongly opposed by Senator Byrn, by most of the press, and by many of the bankers and large business interests of the country today. Most of them still demand, as they did at the bottom of the depression in 1932, that Government expenditures be cut and that the Federal Budget be brought into balance in order to reestablish confidence. Only in this way, they believe, will jobs be provided in private enterprise.

I quite understand why so many of our bankers and businessmen have this viewpoint, for I did also until about 1929. I knew from experience that private investment had led the way out of past depressions without Government spending.

In the face of fundamental changes that have come over our economy—changes that I think many of our businessmen and bankers either have not fully perceived or fully appraised—I can no longer bring myself to believe that the Nation can risk stopping its support to the unemployed in the hope or expectation that, upon doing so private enterprise will move forward on any scale sufficient. doing so, private enterprise will move forward on any scale sufficient

to give them jobs.

To discuss these fundamental changes adequately would take To discuss these fundamental changes adequately would take more time than I have on the air. I can only remind you that we are no longer a nation with rapidly expanding markets at home and abroad, as we were through most of our history. We are no longer pushing our frontiers westward and opening up vast new territories to settlement. We no longer have great incoming tides of immigration. The day has passed when millions can follow Horace Greeley's advice and go west when they fail to find employment or opportunity in the populous eastern centers. The era of railroad expansion has come to an end.

We no longer have expanding foreign markets. We are now a creditor and not a debtor nation, as we were before the war. We are no longer willing to lend billions of dollars abroad, as we did in the twenties, to enable foreigners to absorb American products. The rapid growth of the automobile and related industries, which

In the twenties, to enable foreigners to absorb American products. The rapid growth of the automobile and related industries, which were important factors in the expansion of the twenties, has been greatly slowed down. There are not immediately visible vast markets awaiting production by existing industry. Nor does new invention and new industry, which I should especially like to see encouraged and stimulated, hold out prospects for enough investment and employment to absorb great numbers of the unemployed at this time. at this time.

If I felt that the Government were risking a dangerous inflation, or that it could not afford the expenditures, because of the size of the national debt, I would not advocate a continuance of the present stimulus—on the basis of a deficit. I do not share these fears. I do not agree with those who believe, as Senator Byrd does, that the Government is like an individual in its fiscal affairs and,

therefore, should not spend more than its income, but should always balance its Budget and keep out of debt.

I do not scorn the old precepts of thrift and frugality, as the Senator has said. One of the most familiar of these time-honored sayings is: "Neither a borrower nor a lender be." Admirable as sayings is: "Neither a borrower nor a lender be." Admirable as these maxims are for the individual, they cannot be applied realistically to business or to the Nation. If there were no borrowing or lending in the business world, there would be no business except by the primitive methods of barter. Borrowing and lending means creating debt. We have never had a period of prosperity without an expansion of debt. Conversely, we have never had a period of deflation without a contraction of debt.

I would like to see more equities and fewer debt forms in our economy, but it operates now very largely by the process of debts being created and extinguished. To recognize that debt expands with prosperity, which we all favor, does not mean that one is in favor of debt, but only that under our system we cannot have the prosperity which we all want without the debts which we all dislike.

It is beyond dispute, I think, that as debt contracts or expands, business activity rises and falls and that national income increases or decreases in relatively greater volume. Thus, from 1929 to 1933, total debts, both public and private, contracted by 14 percent. Yet at the same time national income fell by more than 50 percent. As a result, the private-debt structure, even though contracted the structure of the same time national income fell by more than 50 percent. tracted, was so large in relation to the diminished national income

that debts became insupportable. Hence, our entire financial structure collapsed and general economic paralysis resulted.

Had the Government been like an individual, nothing could have been done to help the situation. We ultimately found that only the Government, under such conditions as existed, was able by its lending and spending to stop the tide of deflation and bring about the upturn that we have since had, though it is still far short of the goal of full recovery. However, acting on the advice of the business and financial leaders of the country, the Government did attempt to act like an individual from 1930 until the end of 1933 on the theory that the Government could not afford to do otherwise, and that in order to maintain confidence and keep money sound, it must balance the Budget. Most of you

haven't forgotten the results.

Of course, the Government could not balance its Budget because the incomes and profits of the taxpayers continued to fall or to disappear. Therefore the Government's revenues fell faster than it disappear. Therefore the Government's revenues len last the disappear was possible to reduce expenses. Consequently it had a total deficit of more than \$7,000,000,000 for the calendar years of 1931, 1932, and the policy advocated by those who beof more than \$7,000,000,000 for the calendar years of 1931, 1932, and 1933, while it was pursuing the policy advocated by those who believe as Senator Byrn does. And, mind you, all this happened during the period when everything was being done that business leaders thought would encourage business, even to the extent of setting up the R. F. C. to provide money to support the private financial structure. At the same time the same business and financial leaders, some of whom were the beneficiaries of Government's credit was such that it could not afford to come to the financial assistance of millions of unemployed through creation of beneficial public work in the absence of private work. the absence of private work.

The deficits incurred in 1931, 1932, and 1933 cannot be considered

as being of what Senator Byrn chooses to call the "pump priming"

variety, because they resulted largely from decreased Federal revenues rather than from increased Government expenditures. During this period we had no increase in the national income. In fact, during this period the sum of the annual losses in the national income, compared with the 1929 level, amounted to \$120,000,000,000. This staggering loss, to which Senator Byro makes no reference, resulted from our failure to utilize our idle human and material resources. This is the kind of waste that the Nation can ill afford. We had no increase in the national income until a comprehensive lending and spending program was launched, beginning in 1934, giving aid to farmers and home owners and creating jobs through relief and public works.

relief and public works.

Let us now consider the years 1934-37, inclusive. In this period the Government made cash loans and expenditures, including the soldiers' bonus, of \$11,000,000,000 more than it collected, including pay-roll taxes. This largely resulted from a deliberate policy of stimulating recovery in private activity. During this period the national income rose from approximately \$40,000,000 in 1933 to about \$70,000,000,000 in 1937. The combined increases in the national income for these 4 years, as compared with 1933, aggregated \$70,000,000,000, or more than six times the Government's cash deficit of \$11,000,000,000 for the same period.

\$70,000,000,000, or more than six times the Government's cash deficit of \$11,000,000,000 for the same period.

And then what happened? During the year 1937 the Government contributed about \$3,000,000,000 less to the buying power of the public than it did in the year 1936, so that its cash receipts were only about \$400,000,000 less than it spent. This too rapid withdrawal of the Government's stimulus was accompanied by other important factors, including sharply increased construction costs, large-scale speculative inventory buying, a too rapid expansion of short-term installment credit, serious conflicts between capital and labor, and a widening spread between agricultural and industrial labor, and a widening spread between agricultural and industrial prices. The result was another period of rapid deflation in the fall of 1937, which continued until the present spending program of the Government was begun last summer. The national income has been rising steadily ever since that time.

rising steadily ever since that time.

In the light of this record of the last 9 years—a record which Senator Byrn denounces as one of "fiscal insanity"—does it seem reasonable to believe that, as the Senator said in his letter to me—and I quote: "For every dollar the Government borrows and spends in pump priming, private enterprise is deterred from spending two?" If Senator Byrn really believes this, he should be exerting all of his influence in fighting for an immediate, instead of a gradual, balancing of the Budget, in order to reduce Government expenditures by at least \$3,000,000,000. Such a reduction, according to his unequivocal statement, would bring about an expansion in spending by private enterprise of \$6,000,000,000 a year. I am convinced that the exact opposite is true. Accordingly, I believe that the country can well afford to have the Government continue its stimulus to consumption and thus to business at this juncture. this juncture

We might have had about the same results with less Govern-ment spending had some of it been directed into other channels, or had it been better timed, or if private activity had not felt that there were deterrents due to Government policy, but of one thing I am certain—whatever the deterrents have been, Govern-

ment spending has not been one of them.

As to the burden of the Government debt on our children and our children's children, which also disturbs the Senator, if they reduce the national debt it will probably be because their national income justifies the reduction, and it will be no more of a burden on them than was the reduction of nine billions of the war debt during the twenties. In fact, we could have paid off much more of the war debt if we had not had three major income-tax reductions which helped to encourage stock-market speculation and the making of uncollectible foreign loans.

making of uncollectible foreign loans.

Why not worry also about the burden of all of the private debts on our children and their children, because these debts will also be passed along to future generations who will have to pay the cost of servicing or paying these debts just as in the case of the Government debt. We should know that all debts, both public and private, are passed along from one generation to the next, just as all assets, both public and private, are handed down from one generation to the next. It may be that Senator Byran would be less worried if there were no debts, but in that case there would be no banks, insurance companies, or other financial institutions. The Senator has warned you that the total debt of all public bodies in the United States now amounts to \$430 for every man, woman, and child; that it is a mortgage on you and your prop-

woman, and child; that it is a mortgage on you and your property; and that your children and grandchildren will have to pay off this mortgage. But he failed to tell you who owns the mort-You, of course, know that it is owned by all of the people and amounts to an average of exactly \$430 owed to every man, woman, and child. In other words, all of the people are borrowing

through their public bodies from all of the people.

through their public bodies from all of the people.

The whole problem of internal debt, public and private, must be considered in relationship to the total real wealth of the Nation. Our total debts are great or small, depending upon total national income. The British public debt a century ago was equal to \$4,000,000,000. At the present time it is \$40,000,000,000, or 10 times greater. Their debt has grown, but the income of the British people has grown much faster than the debt. While doubtless it would be better for them if they had less public debt, it cannot be said that the debt has either bankrupted or impoverished the British nation, because their standard of living has increased during this entire period. ing this entire period.

Now, make no mistake, I am not advocating ever-increasing debt, but I am merely pointing out that we should see the problem of

debt in its true perspective. I do not think that alarmist talk about it is calculated to help recovery or to induce private capital

to go to work.

As to the argument that the British achieved recovery by balancing their budget, it would be well for those who cite this to remember that while our national income was falling 50 percent their Government never permitted theirs to fall more than 10 percent, and that British rates of taxation, if applied to the United States, would very likely balance our Budget. Their balanced budget is not due to the fact that they spend proportionately less than we do, but because their income and inheritance taxes are relatively much

Individuals and corporations may become bankrupt; but no nation, having the human and material resources of the United States, need impoverish itself by borrowing from itself. The only way that we can impoverish ourselves is by failing to utilize our idle manpower, resources, productive facilities, and money in the production of real wealth.

I have been talking so far about the economic aspects of the problem of government fiscal policy. In conclusion, I would like to say a word about the human or fundamental aspects of this

problem.

We did not hesitate to have the Government borrow billions of dollars to protect this country against a foreign enemy during the World War. In one year alone we created a deficit of \$13,000,000,000, as much as the entire cash deficit of the Government dur-

ing the past 5 years. We are again proposing to spend billions for preparedness. Yet at the same time many are quibbling about \$150,000,000 necessary to help protect our human resources.

The same Government credit that can be used to protect human lives in time of war against the encroachment of a foreign enemy can also be used in times of peace to protect these human lives against demoralization and despair. There is no more limitation upon a government's ability to fight a depression than there is to fight a war. Both depend upon our human and material resources.

upon a government's ability to light a depression than there is to fight a war. Both depend upon our human and material resources, brains, and courage—and upon nothing else.

The danger for the future of democracy comes from within as well as from without. The leadership of this country, both in Government and in business, must realize that if the American liberal tradition is to be preserved, then for the millions of our citizens the right to work must also be preserved.

Murphy Is Correct

EXTENSION OF REMARKS

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

EDITORIAL FROM THE WEST VIRGINIAN, FAIRMONT, W. VA., OF APRIL 18, 1939

Mr. SCHIFFLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial from the West Virginian, of Fairmont, W. Va.:

[From the West Virginian, Fairmount, W. Va., April 18, 1939] MURPHY IS CORRECT

Attorney General Frank Murphy was not kidding anybody when he declared recently that the New Deal is in danger.

It certainly is.

It is on its way out.

As to the complete lack of substitute program, concerning which the Times worries this morning, the American people will pro-vide that substitute—they have even now started to do so.

We are going back to the American way.

When the New Deal came into being this country was going through a crisis, which was, of course, nothing new in the history of the country. There had been panics and depressions before. Always the American people pulled themselves out the American way.

Mr. Roosevelt offered something attractive to the American mind in his campaign speeches and programs. He was for bring-ing back prosperity, for reducing taxes, for reducing Government bureaus and commissions, for economy in Government. He charged that those in power were wasteful and that a government like a

household must live within its income to be successful, to escape in the final analysis bankruptcy.

In the years since the New Deal came into power we have accomplished none of the things the people had hoped for. And the reason for this is the simple fact that Mr. Roosevelt did not stick to his promises made in his campaigns.

When the New Deal came in the Democratic press relates unemptoned.

When the New Deal came in, the Democratic press relates, unemployment was the Nation's greatest problem. It reluctantly admits that unemployment still is the Nation's greatest problem.

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The New Deal then finds itself in one of these two pots of hot water—either it had no intention of making unemployment a minor problem, or its policies have failed in efforts to cure the situation existing when it came in.

You can't create prosperity by shackling business and private industry; nor by making private capital fearful to make investments. Nor can we spend our way back to prosperity by simply wasting our resources and squandering our national bank account; nor by yet again ever increasing the burden of taxation and ever increasing the patients debt

increasing the national debt.

If Mr. Roosevelt had been capable of taking advice, not alone from Republicans, but Democrats who believe in the American way, he would not be in the fix he is in today. Or things would be different if he had sought to carry on along the lines he proclaimed that he would in various speeches. But he would do

That is why Mr. Roosevelt and the New Deal are fast ebbing away...
Mr. Murphy knows the show is just about over.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

STATEMENT OF THE DEPARTMENT OF COMMERCE AND COMMENT BY THE SECRETARY OF STATE

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement from the Department of Commerce on reciprocal-trade agreements and a comment thereon by the Secretary of

During the 3 years 1936, 1937, and 1938 imports into 16 countries with which trade agreements have been concluded, showed a much larger average rate of increase from the United States over the 2 preagreement years 1934-35 than imports from Germany, the chief exponent of barter, clearing, compensation, or similar trade pro-

Imports from the United States into the 16 countries with which amports from the United States into the 16 countries with which reciprocal-trade agreements were in effect prior to 1938 experienced an average increase of approximately 39.8 percent in value in the past 3 years over the 2 years 1934–35, while imports into those same countries from Germany increased only by an average of about 1.8 percent in value during the corresponding period. In terms of dollars the average annual gain in imports from the United States was approximately \$297,746,000, while that from Germany was only \$12,244,000.

During the past few years there have been several powerful forces operating to influence the flow of international trade. However, it seems very significant that in comparison with the two preagreement years 1934-35 inports into the 16 trade-agreement countries during the past 3 years experienced a far greater average rate of increase in value from the United States than from Germany. The

tries during the past 3 years experienced a far greater average rate of increase in value from the United States than from Germany. The contrast between the relative worth of the two trade programs as a trade-enlarging medium is even more pronounced than revealed by statistical results when account is taken of the heavy export subsidies paid by Germany on many commodities.

An analysis of the individual country imports during the past 5 years brings out some very striking conclusions. First of all, it shows that "the exchange of goods for goods," the thing which makes barter, clearing, compensation, or similar trade programs attractive to other countries upon first trial, is the very thing which limits the expansion of trade under any such system. As an example of this there is a maximum amount of coffee that can be exchanged or sold by Germany to third countries. Consequently, when Germany obtains through barter this maximum amount of coffee from one country it is unable to make similar commitments to the other coffee-producing countries. Thus we find that in the early years of the barter system, when Germany first made barter agreements with Central America and Colombia, imports of German goods into those countries increased sharply, as such imports were in payment for the coffee which had been exported to Germany. Following this, when Germany made large purchases of coffee in Brazil it was unable to continue its large purchases of coffee in Central America and Colombia. Trade between these countries then suffered intermittent declines except in cases where Germany was able to purchase large quantities of other products from them. in cases where Germany was able to purchase large quantities of other products from them.

Another striking conclusion is that with Germany's highly industrial economic life the adoption of the barter or compensation program has necessarily shifted Germany's trade, both imports and exports, to those countries which are in a position to supply raw materials. A close examination of the statistics for the individual

countries shows that Germany has imported large quantities of raw materials which in turn have been paid for with manufac-tured goods. Coincident with this trade, Germany's exports of these manufactures to other nations who are not suppliers of raw

materials declined sharply.

One of the first difficulties to be encountered by countries concluding barter agreements with Germany was the creation of large blocked balances in that country which could only be liquidated by the purchase of German goods. Many countries such as Greece, Turkey, and Yugoslavia faced a difficult task in attempting to liquidate these balances, because in many cases the balances were much greater than that country's normal demand for German goods. Consequently, the complete operation of these barter, compensation, or similar agreements frequently breaks down until the blocked balance can be liquidated. These frequent break-downs have proven a very serious obstacle to the countries exporting raw materials as fooders. terials or foodstuffs to Germany as they have meant a temporary, complete, or partial severance of this outlet for exports with a corresponding gyration in domestic prices of the export commodities involved. Frequently the domestic agricultural interests of these countries have placed considerable pressure on the domestic clearing institutions to reopen these export outlets for their production under these barter arrangements. On the other hand it has often been necessary for these countries to accept inferior merchandise at higher than competitive prices in order to liquidate the balances

In some countries the greatest difficulty encountered in the barter or compensation trade is that Germany has purchased practically the entire output or production of certain principal crops or raw mateentire output or production of certain principal crops or raw materials, effecting virtual economic domination of the country in question. In many cases Germany has resold these goods to third countries at a discount. Thus the country with which Germany had the barter arrangement lost these former customers together with the foreign exchange that was usually paid for such transactions. The surpluses above its own consumption which Germany has sold to third countries at a discount have tended to lower world prices on these commodities and again this has adversely affected the countries producing them.

With the realization that the penalties of large-scale barter or

compensation trade more than offset the advantages of such systems, many of the countries involved have taken steps definitely to decrease such transactions with Germany.

Imports into 16 trade-agreement countries: from all countries, the United States, and Germany, 1934-38 [Official foreign import statistics converted at average annual rates of exchange]

Country	1934 1935	1935	1936 2	1937 3	1938 11	Annual average		Change in 1936–38 over 1934–35	
			n in H		1934-35	1936-38	Amount	Percent	
Total	\$4, 651, 804, 000	\$4, 519, 845, 000	\$4, 900, 022, 000	\$6, 074, 323, 000	\$5, 158, 213, 000	\$4, 585, 825, 000	\$5, 377, 519, 000	+\$791, 694, 000	+17.3
United StatesGermany	738, 966, 000 733, 032, 000	755, 538, 000 656, 013, 000	876, 561, 000 651, 471, 000	1, 167, 954, 000 777, 097, 000	1, 090, 480, 000 691, 734, 000	747, 252, 000 694, 523, 000	1, 044, 998, 000 706, 767, 000	+297, 746, 000 +12, 244, 000	+39.8 +1.8

 ^{1 16} countries with which trade agreements were in effect prior to Jan. 1, 1938; Cuba, Belgium, Haiti, Sweden, Brazil, Canada, Netherlands, Switzerland, Honduras, Colombia, Guatemala, France, Nicaragua, Finland, El Salvador, and Costa Rica.
 2 Honduran imports not included, figures not yet available by calendar years.
 3 Calculations include estimates of 1938 imports into Nicaragua, El Salvador, and Costa Rica as complete statistics are not yet available for those countries.

DEPARTMENT OF STATE

April 18, 1939.

The Secretary of State, Cordell Hull, asked to comment on figures released by the Department of Commerce concerning imports into 16 trade-agreement countries from all countries, United States and

16 trade-agreement countries from all countries, United States and Germany, said today:

"I have naturally been most interested by the memorandum released by the Department of Commerce for publication yesterday, which compares the trends of imports of American products and German products into the countries with which the United States concluded reciprocal-trade agreements effective prior to 1938. This memorandum, which deals with one aspect of the results of the trade-agreements program, clearly suggests that the United States, with its reciprocal trade agreements program, has been far more successful in restoring its trade with this group of countries than has Germany with its policies of heavily subsidized barter and compensation trade. The 16 trade-agreement countries increased their purchases of American goods 39.8 percent between the periods 1934-35 and 1936-38. Meanwhile, these countries increased their purchases of German goods by only 1.8 percent.

"I have frequently had occasion to point out that regimented foreign trade based upon the principle of bilateral balancing, implemented by barter or compensation arrangements, is fundamentally unsound, and that such practices, when adopted as a general policy,

mented by barter or compensation arrangements, is fundamentally unsound, and that such practices, when adopted as a general policy, not only constitute a highly disruptive influence in world commerce but are injurious to the very countries which utilize them. While there may be circumstances under which special types of barter arrangements may be considered necessary to supplement other methods of trade promotion, the substitution of a general policy of barter or compensation trade for normal nondiscriminatory trade methods inevitably leads to a curtailment of total trade and a reduction of living standards in the countries pursuing such policies.

duction of living standards in the countries pursuing such policies.

"The figures compiled by the Department of Commerce serve to emphasize this general truth. They also focus attention upon the fact that our trade-agreement program has proven to be an instrument of policy more than able to hold its own in world markets against the most aggressive trade policies yet devised.

ment of policy more than able to hold its own in world marked against the most aggressive trade policies yet devised.

"The President, in his address at the Pan American Union last Friday, pledged the economic support of this country against economic pressure exerted upon American nations. The trade-agreement program is well calculated to alleviate such pressure in this hemisphere as well as elsewhere. Economic pressure is brought to bear by countries which force barter and compensation trade polices upon those from which they buy. By facilitating normal, profitable, international trade the trade-agreement program is enhancing the ability of the countries with which we conclude agreements to resist economic pressure abetted by barter and compensation arrangements and subsidies.

"Every advance made by the trade-agreement program is an advance for the cause of economic sanity and peace and, as the report in question shows, the program yields substantial economic dividends."

States Alone Have the Right to License Doctors and Druggists to Practice

EXTENSION OF REMARKS

HON, CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

WHAT IS PROPOSAL?

Mr. LEAVY. Mr. Speaker, the legislation we have had under consideration since yesterday has just been defeated by a roll-call vote. It properly should have been defeated.

This legislation in substance would have amended the Pure Food and Drugs Act that becomes effective in all of its provisions on the 25th of June of this year. I voted against the proposed amendment, because to me it appeared clear that its purpose was to permit some gentlemen residing in Mount Gilead, Ohio, to diagnose by mail and to prescribe by mail for unfortunate persons who are suffering from asthma. This diagnosis and this prescribing could be done only by these gentlemen and not by any other duly licensed and reputable physician anywhere else in the United States. It was contended that they should be exempt from the provisions of the Pure Food and Drugs Act, because they possess a prescription or formula that brings relief to sufferers from asthma, as no other prescription or formula known.

All of us feel the deepest sympathy for those unfortunate people everywhere who are afflicted with this dreaded ailment. There are none here who by their vote nor by any word of theirs would deny the greatest degree of relief possible to sufferers from asthma wherever they may reside.

EXCLUSIVE PRIVILEGE CONFERRED UPON TWO PEOPLE

The legislation that we have been considering has been admitted by its sponsors to be for the specific purpose of permitting two doctors to sell to the public a medicine without compliance with the provisions of the Pure Food and Drugs Act and, of course, without regard to State laws.

These doctors acquired for a consideration, many years ago, a prescription or formula known as the Nathan Tucker Asthma Remedy and which they compound at Mount Gilead, Ohio. This legislation would affect no other dispenser of drugs or medicine in the United States except these doctors. Its passage would have meant absolute monopoly; it would have meant a privilege by conferring upon them an advantage given that no other duly licensed physician or surgeon in America would have. This would be Federal legislation conferring private privileges beyond anything that has perhaps ever been proposed.

The fact that we have today, by a decisive vote, defeated this special-privilege legislation does not in any way indicate that the sufferers of this disease need be deprived of the use of this remedy if they desire it. The possessors of this formula under the existing law can make it a patent medicine and thus dispense it through the thousands of retail druggists in the United States, or they can dispense it directly to the patients by complying with the Pure Fcod and Drugs Act by placing the formula on each bottle or they can dispense it directly to physicians generally throughout the United States, who in turn could prescribe it. This they did not desire to do but preferred to have Federal legislation, conferring upon them an exclusive right to practice medicine throughout the United States in connection with their secret remedy.

EACH STATE MUST BE THE JUDGE OF WHO MAY DIAGNOSE AND PRESCRIBE FOR HUMAN HILS.

To me the proposed legislation on general principles is highly objectionable but there is a more important consideration involved here than merely the right of these doctors in Ohio to sell their prescription to suffering humanity throughout the United States. Overshadowing other considerations is involved the all-important question as to whether Congress can ever justify itself in enacting Federal legislation that would nullify the police power of every State in the Union, in reference to the practice of both medicine and pharmacy. By that I mean that had we passed this legislation, these Drs. Robinson of Mount Gilead, Ohio, whom I presume are duly qualified, licensed, and practicing physicians in the State of Ohio, would be permitted to come into my State of Washington and into every other State in the Union, through the use of the mails, and diagnose a human ailment, then prescribe for such ailment, then fill such prescription, and forward the same to the patient. This under the laws of my State, and I am sure practically every other State in the Union, would be a violation of such State laws because these doctors are undoubtedly not licensed to practice medicine nor pharmacy in the States where their patients are living, except those in Ohio. To me the most dangerous feature of this proposal comes by reason of the fact that it would nullify the salutary objectives and purposes of the laws of the various States of the Union in reference to protecting the public welfare and public health, which require a certain standard of persons who seek to engage in the practice of medicine and pharmacy in such

DOES MEDICINE SOUGHT TO BE EXEMPT CONTAIN NARCOTICS?

Mr. Speaker, there are numerous other and compelling reasons why I felt justified and warranted in casting a negative vote on this legislation. I was alarmed when the debates disclosed that there are from 5 to 71/2 grains of cocaine put into each fluid ounce of this compound, and while it was contended that before the compound is sent to the patient for use the decomposition of the cocaine has taken effect to such a degree that it is no longer present in habitforming proportion. The proof of such an assertion should not be allowed to rest within the discretion of one or two men who stand to profit financially, as do the gentlemen who possess the formula sought to be exempt from the provisions of the Pure Food and Drugs Act.

Amendments to Fair Labor Standards Act

EXTENSION OF REMARKS

HON. GRAHAM A. BARDEN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

ADDRESS BY HON. GRAHAM A. BARDEN, OF NORTH CAROLINA, APRIL 15, 1939

Mr. BARDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on April 15, 1939:

My friends of the radio audience, at the last session of Congress a law was enacted known as the Fair Labor Standards Act, but more widely known throughout the country as the wage-hour law. This act provides for a minimum of 25 cents per hour for the first year and increases to 30 cents per hour on October 24 of this year and eventually goes to 40 cents per hour. Hours under the act are fixed at 44 hours for the first year and 42 hours per week for the second year beginning October 24 next and 40 hours on and after October 24, 1940.

When this law was before the House of Representatives Congress clearly realized the effects of increased wages and decreased hours in any long the properties and decreased the effects of increased wages and decreased

hours in employment closely associated with the preparing, packing, processing, and marketing of agricultural commodities. Members of Congress also understood that any increase in the cost Members of Congress also understood that any increase in the cost of these operations is invariably deducted from the price paid to farmers for their products. In other words, it has unfortunately grown to be the custom to make the farmer pay handling and processing charges as long as he is in reach of the one imposing the charges. This is definitely true, for instance, in the case of truck crops, tobacco, dairy products, etc., and with farm income already far too low, we had better find some way to increase the farmers' income before we impose additional charges which would mean additional injury to and further disturbances of the economic situation which confronts him.

Accordingly, with these problems in mind a series of amendments

Accordingly, with these problems in mind a series of amendments were placed in the bill exempting the so-called agricultural trades from the provisions of the wage-hour law. The most important of these exemptions provides that the law should not apply within the "area of production" of any agricultural commodity. This particular section was placed in the law by Congress not only in recognition of the fact that increased costs are taken out of the prices farmers receive for their goods but in further recognition of the fact that in the areas of production surrounding the farms and in the small towns and villages of this country conditions are entirely different from those in our big metropolitan centers. Wages and hours which might be properly applicable to living conditions in New York, Chicago, and San Francisco would be entirely out of line in the small towns and villages in and around our farming communities.

However, the Wage-Hour Administration has practically nullified the exemption intended to be granted by Congress through its interpretation of the phrase "area of production." The Wage-Hour Administration, however, is not entirely to blame for this situ-

Hour Administration, however, is not entirely to blame for this situation in which we find ourselves, because obviously a definition of the phrase "area of production" involves a difficult and trying task, but I am definitely of the opinion that Congress intended that a liberal construction should be given this term.

In order to clarify the expressed intention of the Congress to remove the burdens which the wage-hour law might place upon farmers and to clearly emphasize the fact that in the preparing and processing of agricultural commodities, hours and wages fixed for industry generally should not be mandatory in these handling for industry generally should not be mandatory in these handling and marketing processes which are so closely associated with agriculture, I have introduced a bill, H. R. 5374, in the House of Representatives. This bill was introduced not only at the request of various farm leaders in my own State but also at the request of the National Grange, the American Farm Bureau Federation, the National Cooperative Council, the National Cooperative Milk Producers' Federation and many other noticed and State form ducers' Federation, and many other national and State farm organizations.

These amendments do not interfere with collective bargaining nor with generally recognized industrial labor, nor would they affect or disturb the enforcement of the act as Congress originally intended it.

There is not now, nor should there ever be, a fight between industrial labor and agriculture. Please let me remind you of this unfortunate situation in which the farmer finds himself. The prices on practically every commodity purchased by him, including farm machinery and supplies, is fixed in the large industrial centers, and he must pay that price. At the same time the prices on practically every commodity sold by him is fixed in those same metropolitan centers, and the result of this is known to every farmer in America. The Wage-Hour Administration has suggested certain amend-

ments which they state are to take care of the agricultural situa-tion. As a matter of fact, these amendments, which were intro-duced by Mrs. Norton, chairman of the House Labor Committee, duced by Mrs. Norton, chairman of the House Labor Committee, do not give to agriculture any exemptions which it does not have under the present law. These amendments of Mrs. Norton's would take away many of the exemptions granted to agriculture and would place many operations under the law that are now exempted from the wage-hour provisions. My bill specifically exempts from the wage-hour provisions of the law all employees engaged in dairying, fruit and vegetables, livestock, tobacco prior to storage, poultry, and other agricultural lines.

It does not exempt any of these agricultural industries from complying with the child-labor provisions of the act. This provision Congress intended to apply to all industries. It does not condone obnoxious sweatshop conditions. They do not exist, so far as I know, in any of the agricultural trades.

The exemption of employees whose total compensation inevitably

The exemption of employees whose total compensation inevitably comes out of the price the farmer receives for a product will certainly not be injurious, nor will it affect, the general provisions of the wage-hour legislation. I might point out here that the farmer is a workingman—a laboring man. Not only is this true but in most instances the operation of his farm requires the assistance of his wife and children from approximately 6 years up, and rare, indeed, are those farmers who are making anything like 25 cents per hour for the labor that they and their families put in on the farms, and rarer, if any there be, are those who work less

than 60 hours per week.

Neither the Child Labor Act or any other act will help these men, women, and children on the farm unless the income and purchasing power of the farmers be increased, thereby improving their

economic conditions. If and when this occurs, the farmer can and will gladly pay better wages and carry his portion of the burden.

In view of the present conditions of agriculture, with the long hours and low incomes of our farmers and their families, I have no hesitancy in standing upon the principles that further Federal hesitancy in standing upon the principles that further Federal legislation imposing rigid wage-hour requirements upon the preparing and processing of agricultural commodities should not be countenanced by Congress, certainly not until some definite assurance can be given agriculture of increased income, because, as I have previously stated, the effect is inevitably to lower the already substandard prices received by our farmers throughout the United States. There is no quarrel between agriculture and labor, but so long as conditions continue as they are, and our farm prices remain at their present low ebb, I intend to fight for the protection of the already low and inadequate farm income against further charges, which, if created, would inevitably have to be borne by agriculture.

Permanent Policy for a Reasonably Low Interest Rate on Farm Loans

EXTENSION OF REMARKS

HON. MILTON A. ROMJUE OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Monday, March 27, 1939

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, I desire to call attention to the importance of establishing as a permanent policy a reasonably low interest rate on or for agricultural or farm loans. Congress, within the last few years, has at least twice enacted legislation providing for a temporary low rate of interest for loans on farms, establishing such rate at 31/2 percent on a class of loans and 4 percent on what is known as Commissioner's loans, and at the last session of Congress this was renewed and extended for another period of time.

Some of our Members at that time felt that the policy should be made more permanent rather than for a limited period and some believed that the rate should be made at a somewhat lower percent. To both of these suggestions I was then, and am now, in agreement and accord. Instead of the present 4-percent and 31/2-percent rate, I favor the establishing of a rate of 3 percent on such loans as a permanent policy, and this, in my opinion, should be done, and before the expiration of the present temporary law I propose to join with those who may entertain a similar view to my own in an effort to bring this about, and I trust that such Members as desire to bring this about may give consideration to this subject. It has well been said there can be no perma-

nent prosperity even in such a great country as our own unless the agricultural interests of our people are maintained on a reasonably sound and prosperous basis. I congratulate those who have been helpful in bringing the interest rate down to where it is now on these Government loans, but we need further assistance in this regard for the agricultural sections of our country, agriculture being, as it is, America's most basic enterprise. There can be no lasting and sound industrial and general financial prosperity except it be built upon and reliant upon success and prosperity in agricultural pursuits.

The farmer must have an adequate financial return for his labor and industry in his field of operations, and a reasonably low rate of interest will be of much help. While it has in many cases already shown a helpfulness, the low rate should

be made a permanent policy.

Taking into consideration the condition the farmers found themselves in at the close of 1932, when wheat was then selling at 25 cents per bushel and corn was then selling in the great Corn Belt at 10, 12, and 15 cents per bushel. They are in much-improved conditions in general, however, in addition to that situation, most of the chief farming sections suffered the affliction of two major droughts, against which no human agency could possibly make a complete and fully satisfactory effort. The avenues of credit which had formerly been accessible to the farmer, were by the previous low prices supplemented by the drought and the many bank failures were largely closed to him. In many instances his own money on deposit in some banking institution was wiped out and lost to him. Too much credit cannot be given for the enactment of the law guaranteeing bank deposits. Since its enactment the depositor no longer runs any risk of losing any money he has on deposit up to the sum of \$5,000. Every depositor knows his money in the bank up to that amount is safe and there for him when he calls for it. Financial institutions and banks in general have, ever since being placed under this administration, on a more sound and lasting basis have apparently been unduly slow and reticent in extending financial loans to many farmers even though the Roosevelt administration saved the banking institutions from what was practically a complete destruction. They, forgetting the benefits, in some cases, that they have received, have not only withheld loans that might have been safely loaned to many deserving farmers, but at the same time, while criticizing and professing the Government was almost or soon would be bankrupt, many of these institutions have not only withheld loans to many worthy farmers and have in large measure invested much of their funds in Government bonds.

Government bonds are selling higher now than at any period of our Government's history. All Government bonds for many months have been selling above par, some even selling recently as high as more than 20 points above par. If those who criticize this administration and express a fear for its credit safety still put their money in these highpriced bonds, what can one say as to the confidence or lack of it one should or might have when the word is compared with the act.

The Emancipation of Women

EXTENSION OF REMARKS

HON. RALPH O. BREWSTER OF MAINE

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 19, 1939

ADDRESS BY HON. RALPH O. BREWSTER, OF MAINE, MARCH 21, 1939

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD. I include the following address delivered by me before the annual banquet of the Woman's Christian Temperance Union for the District of Columbia celebrating the centenary of the birth of Frances Willard at the Hotel Roosevelt, Washington, D. C., Tuesday evening, March 21, 1939:

The life of Frances Willard marks an epoch in the history of America that only the centuries can appraise. A philosopher has wisely said that the progress of civilization may be measured by the status of its women. Measured by this standard, civilization reached a new peak in America in the closing days of the nineteenth cen-

During this period woman was emancipated in a variety of ways from the shackles of customs and tradition by which for untold centuries she had been bound. In social, economic, and political life woman found a new freedom. In this emancipation of women from the limitations of the centuries Frances Willard played a

leading role.

The portents had long been forming. Women everywhere were beginning to awake. Men also were awakening to the profound philosophic truth of Emerson's statement: "When one hitches a chain to a slave, one must hitch the other end to one's self." Man gained a new sense of a helpmeet for man and came to desire a companion who should share all the problems and the triumphs of this new economic day.

Every new invention that lightened the labor of mankind and womankind alike, every device contributing to our ease and comfort and pleasure, inevitably involved the further opening of the door that women also might be free.

NINETEENTH CENTURY REVOLUTION

Everywhere traditions were moving rapidly into the discard. In retrospect that is easy to perceive. But if one moves back a century and looks about, the surface would still seem calm. It would seem incredible that in the brief period of a century almost a complete revolution would be wrought in the status of women. The courts then still talked the language of woman as enjoying a legal status little above that of those who were in bondege.

To lead in this liberation required the vision of the prophet and the sturdiness of the pioneer. These qualities Frances Willard demonstrated she possessed in especial measure. In her illusive nature was blended the sweetness and the charm of one who needs not to be irritated because she is above the flesh and at the same time the vision and determination and the steadfastness of spirit characteristic of the pioneer.

ENTER EVERY OPEN DOOR

While Frances Willard is chiefly known for her leadership in the temperance cause and as one of the founders of the Woman's Christian Temperance Union of America and of the world, yet this was only the center of her interest in a variety of activities that encompassed all the problems of mankind and a spirit that ranged the world.

At her magnetic touch doors opened everywhere. Any human problem was simply to her an invitation to bring to its solution all those great qualities of mind and character that should organize the energy and the loving kindness of women everywhere for

Organizing genius of a rare order was required to carry out this work. Yet the first essential in the great crusade was the art of the orator that should both illuminate and inspire the confidence of mankind. One of the first forums in which her eloquence found expression interestingly enough and very properly was the congenial atmosphere of Portland, Maine, where one of her early public addresses was delivered. Very quickly news of her compelling oratory spread throughout the United States and her presence was demanded on every platform as the great temperance crusade spread steadily its beneficent influence.

UNIVERSAL BLESSING

The achievements of her life are to be measured in the richer, fuller life enjoyed by women everywhere. The temperance crusade of the last century dedicated itself primarily to education along temperance lines. Teaching the effects of alcohol, pledging individuals to the path of temperance, and extending a helping hand to those in need was the spirit of the cause. As the crusade waxed in strength more and more territory came to banish the licensed traffic in intoxicating drink until finally the crusade culminated in a constitutional amendment contemporaneously with our efforts to win the war and to return to normalcy thereafter.

With the adention of the constitutional amendment

With the adoption of the constitutional amendment after what had been a long and mighty struggle there was the inevitable tend-ency to let down. All the forces that had cooperated so vigorously in promoting the cause of temperance education and in pointing out the dangers of intoxicating drink tended to consider the battle done and to rest upon their cars and leave the future of the problem to law-enforcement agencies. This was a mistake.

ETERNAL VIGILANCE

In a little over a decade the amendment was repealed as the result of a great campaign of education and propaganda by those who were opposed. Their efforts reached fruition in the depression of the early thirties with the assurance that repeal of national prohibition would solve our economic ills.

Ten million still unemployed testify today that their assurances on this score were seriously mistaken. In spite of the millions received from liquor taxes, the Government is still running an annual deficit of more than \$3,000,000,000. Temperance advocates surely can no longer be held responsible for our economic ills.

WHAT OF TOMORROW?

Meanwhile what of tomorrow? Sometimes there is a tendency to think that all the loving labors in the last century of Frances Willard and Neal Dow and the other pioneers of temperance represent love's labor lost. This would be true only if all the lessons of the last century and the first three decades of this century could be forgotten or ignored. Temperance advocates have as much to learn from this experience as their critics.

Undoubtedly many sincere and honest people advocated the repeal of national prohibition because of the evils which they believed were incident to its operation. With those sincere leaders there is full opportunity to cooperate in what they believe to be a better method to handle a traffic that their own regulations recognized the statement of t nize must be the subject of very specialized control. Every law we have upon the statute books today differentiating alcoholic products from any other item of commerce is a recognition of its

very different character and the social problems which are involved in its distribution.

Even the brewers and the distillers are becoming seriously concerned at the evils that seem inevitably to follow in its wake. There is no necessity to consider that these interests are hypocritical in seeking to ameliorate its evils, since more than any other group they are concerned that its abuse shall not once again bring retribution on their heads and the destruction of their investment.

Liquor is still on trial, as it has been throughout the history of the world. Almost every country on earth recognizes this traffic by special regulations in its laws. Almost every civilized country seeks to ameliorate its evils and encourage temperance in its use.

TEMPERANCE AND ABSTINENCE

The few brief years of the widespread sale of liquor have been sufficient once again to reveal the abuses that almost inevitably result. Quietly but steadily there is spreading the influence of those who find in total abstinence a satisfactory way of life. Innumerable laws have been passed to hedge about the liquor traffic but no law requires that anyone shall drink. Temperance or total abstinence is still recognized as a proper way of life. Against much there is no law

such there is no law.

WINNING FRIENDS

Nor is there any law against inculcating the advantages of temperance or total abstinence so far as liquor is concerned. In this period we hear much of "how to make friends and influence people." Sometimes it is suggested that one must be a good fellow and take at least an occasional drink in order to demonstrate one's good fellowship. Washington presents some rather interesting examples to demonstrate that indulgence in alcohol is not essential to friendship or success. Postmaster General James A. Farley, chairman of the Democratic National Committee, is the most glittering example in the Democratic Party of a total abstainer who is today perhaps the most influential single man within his party ranks and likely to exercise as large an influence as any single individual in the selection of the next Democratic nominee for the Presidency.

Meanwhile Life magazine has recently given Nation-wide publicity to its selection of Representative Joseph W. Martin, Jr., Republican leader of the House, as the most influential Member of Congress.

Representative Joe Martin has achieved this exceptional position of leadership and success without finding it necessary to depart from the example of Jim Farley as far as drinking habits are

This story could be duplicated many other times in Washington and elsewhere as milk bars become more popular and fashionable not only at the Waldorf-Astoria but at all the other centers for

not only at the Waldorf-Astoria but at all the other centers for which the Waldorf sets the style. Young people in particular are beginning to desire a change and find the joy of being different. With the repeal of national prohibition, there was perhaps a natural tendency to overindulgence in strong drink. Medical advice is now leading many men and women alike to give up alcohol for their own good. The stern competition of the modern world requires increasingly clear heads.

LIQUOR INTERESTS

The liquor interests have prudently attempted to restrict in some The liquor interests have prudently attempted to restrict in some measure the character of their advertising appeal, with due regard for the sensibilities of Americans and the temptations to the young. Now, these interests face a challenge as their market begins to shrink as to whether they will seek new avenues of expansion and new methods to advertise or will, in their own interests, as well as in the interest of the country, be willing to content themselves with the market that they already serve.

The liquor interests now enter the valley of decision. This decision may be fraught with as momentous consequences for their future as was faced by the temperance cause in an earlier decade, when in the full glow of what seemed to complete and final victory the temperance forces let down their guard.

It is interesting to note that Gene Tunney, former heavyweight champion of the world, has not hesitated to serve stern warning, as one engaged in the liquor business, as to the consequences that

will follow if they do not use great prudence in exploiting the temporary advantage they seem to have obtained.

TEMPERANCE PROGRAM

Temperance forces may well encourage every sincere effort to hold within bounds the liquor traffic and every sincere advocate of such a cause. While it would be easy to sit back and let license and lawlessness run rampant in order that this seeming evil might more quickly destroy itself, yet that would not seem the path of wisdom nor the way best calculated to serve the youth of the United States who are after all our most precious heritage and concern

Vigilance and organization were never more necessary than today, and the wholehearted cooperation of all those sincerely interested in temperance and in holding the liquor traffic within some bounds may well mitigate the evils that seem so sure to flow.

WOMAN'S CHRISTIAN TEMPERANCE UNION

Meanwhile the life of Frances Willard may well teach us to "enter every open door." All good is the object of those who are allied in this great fight. Temperance is a term far broader than simply

controlling the appetite for intoxicating drink.

A union of Christian women for temperance may well encompass every evil in our land and in the world. A proper conception of temperance properly applied will save this Nation and perhaps the world from another holocaust of war. Temperance in thought and action within our own land may do much to mitigate the tragic consequences of this depression as we seek with temperance and moderation to meet the great economic and social challenge of

this new day.

Christian women with the inspiration of Frances Willard are needed as never before to cooperate with citizens everywhere in coping with the problems that threaten the disintegration of the

civilization produced by our ancestors at so great a sacrifice.

As a result of the loving labors of Frances Willard and her compatriots in the last century women have been liberated for this task. Now it is their duty and their opportunity to carry on, inspired by the example of those who fought so wisely and so well.

On every hand there is the opportunity for service. The pressing social problems invite the service of willing hearts and hands.

No lip service of devotion to their memory can possibly substitute for the daily labor in the highways and the byways to follow the path blazed by these pioneers. The task is far easier because they lived and worked, but the demands are no less imperative if civilization is to continue its onward and upward path.

TEMPERANCE

Temperance in the sense of self-control or calmness is said by Webster's Dictionary to be archaic usage. A revival of both the usage and the virtue would seem to be much to be desired.

Intemperance in speech and action seems to be rushing the

world rapidly toward an abyss—in which civilization itself may soon be enguised as the Dark Ages come again.

Let every American watch well his tongue in these very troublous times. Temperance in thought and utterance is the only thing that can save America from the chaos that now looms. Proper preparedness in arms is imperative in this very troubled world, but engitting preparedness to the other propers. world but spiritual preparedness to use the mighty power of America wisely is more essential than all else. As men's tempers

rise their reason flees. On every hand there are those who seek to inflame America to their own ends. America needs as much today as in the days

of Washington to be ever upon guard.

It is interesting to note that the only time the man of Galilee used force was in purging the hypocrites from the temple. Manused force was in purging the hypocrites from the temple. Mankind today might well declare war on hypocrisy and all its manifestations and the atmosphere would begin to clear. "Let him who is without sin among you cast the first stone." That injunction may well be borne in mind as we move from self-defense to a missionary crusade to save the world.

"I, if I be lifted up, shall draw all men unto Me." That is the gospel that will eventually save the world.

Let America demonstrate the capacity of a self-governing democracy to put 10,000,000 Americans back to work. We shall not then need to worry about any tyranny anywhere in the world. All mankind will wish to follow our glorified example.

Let us individually demonstrate the rich joys of Christian living

Let us individually demonstrate the rich joys of Christian living and all the world will wish to follow like the Pied Piper of Hamelin. How quickly the world forgets! National prohibition came in with the last war as everyone came to recognize the necessity of a supreme effort and the sacrifice of everything that would impede.

Moderation in all things will alone save us from the holocaust. The growth of intelligent voluntary temperance—particularly among youth—is one of the most encouraging signs of these very troublous times.

In the fierce competition of this increasingly mechanized world there is less and less room for intoxicating drink. Everywhere

youth is turning from alcohol to milk. The leaven is working steadily as their thoughts begin to clear.

Youth is getting ready for high adventure as they prepare to ride the storm. The pilots of the future will be found at the milk bars

of today.

Effect of the Reciprocal-Trade Agreements on Leather Boots and Shoes

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

Mr. REED of New York. Mr. Speaker, any legislation which affects the leather-shoe industry affects a large proportion of the wage earners and farmers of this country. In 1935 the industry ranked sixth in the number of wage earners, thirteenth in the value added by manufacture, and sixteenth in the value of products.

In the Tariff Acts of 1913 and 1922 imports of leather shoes were admitted free. This proved to be no hardship to American producers as the World War and post-war conditions created a large export market, and European producers were not in a position to export to us. However, in 1929, imports of shoes rose to 6,182,000 pairs. Realizing the danger to American producers if this trend was allowed to continue, the Republican administration included in the Smoot-Hawley Tariff Act of 1930 an ad valorem tariff of 20 percent on all leather shoes. This tariff was amended in 1932 and the duty was reduced to 10 percent on turned shoes and increased to 30 percent on McKay sewed shoes. This was beneficial in stopping the heavy importations, which fell from 6,182,000 pairs in 1929 to 1,371,000 pairs in 1932, and 1,977,000 in 1933,

Since 1934 the present administration has completed with 17 countries trade agreements designed to aid both participants through the exchange of mutual benefits. Of the concessions granted to the United States, one country, the Netherlands, gave us a concession on leather shoes, but it is difficult to see what benefits have been derived by the shoe manufacturers of this country from this concession, since the increase in our exports has been due to trade with countries other than the Netherlands.

On the import side of the picture we find that Czechoslovakia occupies the whole arena. To combat the tariff on McKay sewed shoes, Czechoslovakia exported cheap shoes, the average value per pair dropping from \$2.36 in 1929 to \$0.74 in 1936 and \$0.80 in 1937. The success of this policy in defeating our tariff barriers inspired other countries to do the same thing, and the average value per pair of shoes from trade-agreement countries and all other countries has experienced a steady decline since 1935.

To stop this was essential to the interests of American farmers, laborers, and producers. If this trend was allowed to continue it would inevitably result in lower annual wages for all laborers, unemployment for many, and a smaller market for the farmer due to curtailed production, or a lowering of the standard of living of both the laborer and the farmer in order to maintain production. But the present administration did nothing. Production of leather shoes declined 1 percent from 1936 to 1937, while imports increased 71 percent and exports but 12 percent for the same period, and the production of women's shoes declined 8 percent while imports increased 92 percent.

In the recent agreement signed with Czechoslovakia, the leather-shoe industry received another boost downward. The tariff on McKay sewed shoes was reduced from 30 percent to 20 percent ad valorem, that on molded soles laced to uppers from 20 percent to 10 percent, and on other shoes except turn or turned and welt process, the duty was bound at 20 percent. The most objectionable provision of this agreement is the binding of the duty on other shoes. import classifications this includes shoes with soles attached by cement process and molded sole sandals. Cement process shoes accounted for 90 percent of our total imports in 1937 and molded sole sandals were second in importance.

The agreement further provides that, should more than 1.25 percent of our average annual production for the last 5 years of all shoes covered by the agreement be imported from any source, the two governments will meet, and, if a satisfactory agreement is not reached through consultation, the United States reserves the right to increase the duty on all shoes entering above that amount. This provision would permit 4.796.000 pairs to enter in 1938, an increase of over 1,100,000 pairs over 1937. Thus does the administration take care of the interests of those who depend on a prosperous leather-shoe industry for their livelihood.

In light of the foregoing analysis, can anyone honestly conclude that the leather-shoe industry has benefited from the reciprocal-trade agreement? Rather, is it not fair to conclude that in its haste to bring about a trade agreement with Czechoslovakia the administration-instead of aiding those who depend on the shoe industry-has brought lower living standards to American laborers by bringing them into direct competition with cheap foreign labor?

"New York City Will Have Coal or Else"

Statement concerning pending strike in the coal mines and its possible effect on New York City.

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, I feel it my duty, as a Member of Congress from the city of New York, to call the attention of the Congress to the imminent danger that confronts New York City of a complete tie-up in traffic and abandonment of business due to the failure of the bituminous coal operators and the heads of the United Mine Workers to reach an agreement. It is difficult for the people of New York City to understand why there should be any labor troubles in view of the tremendous machinery which has been set up by the Government at the expense of our country and taxpayers to adjust labor troubles in every industry. New York, through its Representatives in Congress, and most particularly Senator Wagner, has taken the lead to enact laws to protect the American workingman. I hope that the American workingman throughout the country appreciates this leadership and will respond to the people for whom I am now asking a settlement of the coal situation.

It has developed to a narrow issue, and that is, Shall the so-called penalty clause in the wage contract be eliminated? It is because of the lack of agreement on this issue that people in my city are threatened with a serious interruption of their daily lives and a ruinous stoppage of their business. This penalty clause has been in the agreement for a great many years. I understand that the miners are satisfied with the wage provision of the agreement, but that because the C. I. O. leaders fear that the A. F. of L. may be able to enlist support in the bituminous-coal fields they want the penalty clause removed so that they may be in a position to strike against any operator who permits other than C. I. O. members to work in his mines. People in New York are anxious to see the miners, as well as every wage earner, get an adequate wage, but do not see why they should be destroyed because the leaders of two great labor organizations cannot settle their differences. It is a very easy matter for

those who are of the coal industry, both on the labor side and on the operators' side, to live at New York's most luxurious hotels, but it is a very tragic matter that the patients of our hospitals and the poor of our city should be faced with greater ills than they are now patiently suffering because leaders in labor cannot get together. The observation is frequently made in Congress that there have been so many laws passed in favor of union labor that the laws are almost selfoperative, and that the professional labor leader is no longer necessary. Labor leaders should be intelligent enough to realize that this is no idle statement and should lay aside their personal differences and try to serve the public in much the same way as all other executives. There is also rising a strong resentment among the people at large against the oppressive and high-handed tactics of some labor leaders. Politicians who have been pulling the chestnuts out of the fire for these labor leaders had better realize that they have been elected to serve the entire people and not a selfish minority of obstinate leaders.

Unless an agreement is made very shortly, I shall introduce a resolution in Congress for an investigation which will expose the real motives of the obstructionists and place upon the heads of the guilty parties responsibility for their cruel and inhuman treatment of the miners as well as the general public. It is a sad state of affairs in any such controversy when the mayor of the great city of New York, speaking for its millions of citizens, and the United States Department of Labor, representing the entire country, are given such shabby treatment and virtually rebuffed by these labor dictators.

No one could have greater sympathy than I for organized labor, because my own father was a member of a labor union. and I am thoroughly acquainted with the problems of the workingman; but I certainly do not feel that the petty politics of labor leaders should be permitted to cripple our industry, our transportation, and impose hardships and severe restrictions on our citizens. I hope that the men who have it within their power to settle this question will do so at once for the best interests of the miners and the public.

It is a sad commentary on our democracy if labor czars are permitted to ride around in elegant limousines and live in the best hotels and issue statements threatening the very life of our citizens by suggesting that they will stop our subways

and cut off our food supply.

Democracy has been challenged abroad and is now challenged here. Democracy, to justify itself, must be workable: and in such a catastrophe as John L. Lewis promises to bring to our people the city of New York and the Government of the United States will be justified in taking summary action.

Again the Power Authority

EXTENSION OF REMARKS

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

EDITORIAL FROM THE BUFFALO EVENING NEWS

Mr. DONDERO. Mr. Speaker, under feave to extend my remarks in the RECORD, I include the following editorial from the Buffalo Evening News on the power question:

> [From Buffalo Evening News] AGAIN THE POWER AUTHORITY

The bill introduced by Representative John E. Rankin, of Mississippi, for a Niagara T. V. A. clearly was inspired by the New York Power Authority. All along Chairman Frank P. Walsh and his associates in that body have been urging such a set-up, just as they have been urging ratification of the St. Lawrence seaway treaty; this in defiance of sentiment in the State and in opposition to the New York Senators in Washington.

New York Senators in Washington.

The power authority has thundered at the power companies—and it must be admitted that in times past they were open to severe criticism for high-handed procedure and for mixing in politics—but the authority has refused to cooperate with the public service commission in rate cases. If the companies now display a more accommodating spirit, if they show a disposition to engage public goodwill—and it may fairly be said that they do—no credit belongs to the power authority for the reform. Its policy is constantly to hector and harry them in the interest of the New Deal. Now it proposes to put them out of business.

Mr. Rankin says that a Niagara T. V. A. would save the pecple of New York State \$172,000,000 a year in rates. This figure probably came from the power authority. But such a representation is blatant nonsense. The gross revenues of all the power utilities in the State, as public records show, are \$300,000,000 a year, out of which they pay \$70,000,000 in taxes and \$55,000,000 in interest on bonds. These charges total \$105,000,000,000 so there is left of the

bonds. These charges total \$105,000,000, so there is left of the gross revenues \$195,000,000. Then there are salaries and wages to be paid to thousands of workers; there are upkeep charges; there are the costs of materials; there are amortization charges—all to come out of that \$195,000,000. And this is dwelling on only the

larger deductions.

But let that \$195,000,000 stand as if there were no deductions to make. Take from it the \$172,000,000 which Mr. Rankin says that he would save for the people of this State, and there would be left \$23,000,000 on which all these power utilities in the State would have to be operated. To get a faint idea of how ridiculous the whole thing is, just consider that the annual pay roll of the Niagara-Hudson alone is \$18,000,000 a year. It may be taken for granted that Mr. Rankin would not cut down the operating force or reduce wages. All right; then there would be left \$5,000,000 or reduce wages. All right; then there would be left \$5,000,000 for all the other power utilities in the State. And the Consolidated Edison is larger than the Niagara-Hudson. Don't forget, too, that Mr. Rankin promises "adequate compensation" for the taxes which the State and its municipalities would lose through the setting up of a Niagara T. V. A. And there would be the interest on the bonds that would be issued to establish this governmental agency. One hundred and seventy-two million dollars a year saved in rates. As a dispenser of other people's money Mr. Rankin does little credit to the intelligence of the people of New York State. to the intelligence of the people of New York State.

Further Delegation of Power by Congress Must

EXTENSION OF REMARKS

HON. CLARENCE J. McLEOD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

Mr. McLEOD. Mr. Speaker, I am opposed to H. R. 3325. which provides for the extension of time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised. We are asked by the administration, through this bill, to again assign our prerogatives as members of the legislative branch of our Government to the executive department. As representatives of the people we are urged to delegate their only voice in our government to one man. Supporting this request, the proponents of the bill offer a queer and seemingly paradoxical argument. We are supposed to be taken in by it. It goes something like this: "What you group of men cannot do, one man can do." In an attempt to cure the self-evident failings of this remarkable postulate, they mention: "Only the Executive is a Solomon in time of emergency; his wisdom is boundless, and he and he alone has the faculty to make masterful decisions, and then with the speed of the wind."

In effect, we are urged to believe that section 8 of article I of the Constitution is a mistake; that the opinions handed down by the Supreme Court on this question are in gross error. If we are to believe them, we are to believe that Congress should not have the authority "to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures."

Supposing such gross error does exist—that is, the maldistribution of a major power-where, then, would the analogy fail if we should decide to permit our Executive to declare war for us, to spend our money, to tax us, and be our judge?

This is more than just a political question. I am not opposing this bill because I am a Republican and the Executive is a new dealer, as the gentleman from Illinois implied might be the case in his anticipatory opening speech. I oppose it for the same reasons set out in the minority report of the bill. I oppose it equally as much for the lack of argument made in its behalf by the majority of the committee that considered it. But more particularly and more emphatically do I oppose it because I do not hold any faith in legislation that is contrary to the terms and purport of the Constitution. The gentleman from Illinois has attempted to cast an ill light on all arguments by the opponents of this bill before they are expressed by employing the sly innuendo that politics govern the stand taken by the opposition. But I contend that such strategy cannot overcome the proposition that this is more than a political issue; that the bill strikes at the very foundation of our Government, and that all who favor constitutional legislation must and will oppose it.

For my part, I do not like the tenor or tone of their plea. Listen seriously for a moment to the implications of their invitation: "Come on, boys, be regular about this matter; let us turn over the reins of government to our President.' In the meantime we can go home and engage in our private business. On second thought such a furlough might be beneficial. The gentlemen on the other side could then discover first-hand how the businessman has been harassed and tormented, overburdened and ruined by the spending, the waste, the blundering inefficiency of the present administration. Let us give him another try? Why, the Chief Executive for 7 years has been trying to carry out our duties; the duties delegated to this body by the Constitution.

If the results of the President's efforts to stabilize the currency during the past 5 years, and increase the purchasing power of the Nation, are precursors of what would follow if we extend this power, then I say, speaking for myself and the people I represent, let each of us hasten to reassume all of our duties as legislators. So long as it is necessary that laws be enacted; so long as there is need for some system of human management, there is need for propriety, honesty, and caution. I repeat, if we must enact laws, let us enact them not in haste but only after careful deliberation and sane thought. In making laws for the future let us look to the past as well. The past six and a half years, especially, will reveal much of interest. The great trouble that has beset our Government in the past few years has been the presence of a stupid urge to plunge headlong into grave and weighty matters. Hurry, hurry, hurry, has been the incentive behind many of our actions,

The people have been whipped into a frenzy by the activities of the Federal Government. The laws have piled up so thick and fast, the taxes have so multiplied, and the public debt has risen to such a stupendous figure that not 1 out of 10 businessmen is sure of what he should do or what he should not do; for, as antithetical as it may sound, the only thing certain about the businessman is that he is uncertain. The passage of this bill will do nothing to quell his fears but will definitely increase them. How can business expand and millions be reemployed when their destiny rests with the whims and decisions of one man, a man whose ego will not permit his admission of any of his many grave and costly mistakes?

Admittedly there have been times when haste was of the essence, but there also have been times when the majority of this body forgot the man back home and the possibility of his having any ideas on national affairs. And the results have proven disastrous to our Nation and have brought calamity to other nations besides. Witness the financial plight of China as a result of Presidential manipulating of money.

Briefly the argument resolves itself around our decision as to whose planning we are to cater. Each time I come across that famous phrase "We planned it that way," I recall my college days and the professor who taught me constitutional law. He told us that the Constitution was a magnificent plan of government; that under its protecting system of checks our people would know liberty, happiness, and prosperity forever. Things have not changed. The professor was right. If this country is to know once again the blessings of peace, prosperity, and happiness, it will only be through the Constitution. But how can we expect that instrument to function properly if we fail to abide by its terms? And, certainly, living up to its terms is not accomplished by delegating our legislative powers to the executive branch of our Government; by putting into the hands of one man the authority to run the United States Government. I say, let the executive branch of Government function in its own constitutional sphere, and let this body legislate as it

I exhort each of you never to betray the people of this Nation by discarding their vote-do not still their voices in government. The laws are made for them and should, as Lincoln said, be by them. If we are to listen any longer to that overworked phrase, "We planned it that way," let us associate it with another plan, the plan the creators of our Constitution evolved. Part of that plan is section 8 of article I. After 150 years of progress under that plan, with the exception of a few detours in the past 7 upset years, let us continue to follow it.

Congress Will Carry Out the Wishes of the Overwhelming Majority of the American People and Keep America Out of the Next European War When It Comes

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

EXCERPTS FROM ADDRESS OF HON. MARTIN F. SMITH, OF WASHINGTON

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert certain excerpts from an address which I delivered at the annual banquet celebrating the thirty-fifth anniversary of the founding of James S. Pettit Camp, No. 3, of the United Spanish War Veterans, held in the Capitol Park Hotel, Washington, D. C., April 18, 1939.

The excerpts referred to are as follows:

All the spoils of war for which the nations of Europe would de-stroy each other are not worth one American life or one drop of American blood.

American blood.

Congress will never vote to send our boys across the ocean to participate in another European war.

If the neutrality law is repealed, it should and, I believe, will result in legislation to permit trade with belligerents upon a strictly cash-and-carry basis, so that we receive our money and the goods we sell will have to be shipped in foreign bottoms. Thus we will not become financially interested in the success of either side or expose our vessels to the perils and hazards of submarine warfare as occurred in the World War.

Congress will carry out the wishes of the overwhelming majority of the American people and keep America out of the next European war when it comes.

war when it comes

War or Peace

EXTENSION OF REMARKS

HON. RALPH O. BREWSTER OF MAINE

IN THE HOUSE OF REPRESENTATIVES Wednesday, March 22, 1939

ADDRESS BY HON. RALPH O. BREWSTER, OF MAINE

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following address delivered by me before the Political Study Club;

Every mother in America is wondering whether America is to be involved in war. Warlike talk is more and more heard on every hand, and America seems to be contributing its full share.

Jobless Americans begin to wonder whether war is not perhaps the only answer. Enough hungry millions are always a good preparation for a first-class war.

The government of many a country throughout history has taken the attention of the people away from pressing domestic problems by stirring them to a fury over some supposed foreign foe. Many wars have been simply the red herring across the trail of an utter failure of domestic policies to alleviate social

trail of an utter failure of domestic policies to alleviate social and economic ills.

Two reasons are advanced why America should depart from the historic policy laid down by George Washington in his Farewell Address and enter into the internal affairs of Europe and Asia. Curiously enough, everyone seems to agree that we should adhere more strongly than ever to the Monroe Doctrine, which serves notice on all the world that the United States does not want any European or Asiatic nation to intrude in the affairs of South America. Yet, at the same time, loud voices are raised in America today to insist that we shall take a very active hand in what is going on in Europe and Asia. It is a poor rule that does not work both ways. What is sauce for the goose is usually sauce for the both ways. What is sauce for the goose is usually sauce for the

gander.

The first argument is based solely on sentiment. America's historic sympathy for suffering humanity in the last hundred years led us to serve as a haven for people from almost every land. Now this sympathy is to carry us across the seas to rescue downtrodden humanity wherever they may be found.

This amounts in substance to the suggestion that America shall start out to police the world. America will first establish standards for human relations which presumably will be somewhat higher than our own since we are not particularly proud of our gangster record or of the southern sharecroppers as shown in Tobacco Road.

Then America will see to it by war, if necessary, that every

Then America will see to it by war, if necessary, that every country shall accord to its citizens at least this minimum of human

rights. We shall start out in a great crusade to extend the Declara-tion of Independence to give to people everywhere the right of life, liberty, and the pursuit of happiness. Certainly no sensible person believes the United States can em-bark on any such program in violation of almost every precedent in our life as a nation and in flat contradiction of every rule of interour life as a nation and in flat contradiction of every rule of inter-national law and our own foreign policy over a century.

Don Quixote tilting at windmills would not make a more sorry

Don Quixote tilting at windmills would not make a more sorry picture than Uncle Sam.

Persecution in a righteous cause did not begin and it almost certainly will not end with this generation. "The blood of the martyrs is the seed of the church." America has terrific problems here at home to solve before we start out to clean up the world. Ten million still unemployed seek an opportunity too long denied to provide for 25,000,000 dependent women and children the bare necessities of life. Seven million farmers ask only a chance to live and support their families in an American way of life and to receive for their labor at least their daily bread. The laborer is worthy of his hire and the farmer must receive the cost of his production if he is ever to survive.

Is it not the first duty of America to solve these problems here at home before launching out in a crusade to save the world?

But the second argument for American adventures overseas is more difficult to meet. We are told that America itself is endangered by these aggressive dictatorships. In myriad ways through all the subtle agencies of modern propaganda it is suggested to us that we must fight not only to save people elsewhere but in very truth to save our own hide.

This argument urges that a triumphant Japan, Germany, and

This argument urges that a triumphant Japan, Germany, and Italy will soon be knocking at our doors upon the prostrate forms of Great Britain and France and Russia.

This is the picture that is kept more or less constantly before our eyes and the song that is dinned forever in our ears.

A more improbable picture it is difficult to conceive. Modern wars are fought with raw materials. The dictatorships are whipped before they start, and this they know full well. They possess perhaps 5 percent of the earth's resources with which it is suggested they may seize the remaining 95 percent.

they may seize the remaining 95 percent.

The dictatorships possess approximately 7 percent of the population of the globe with which to dominate the other 93 percent.

Their geography violates every military requirement. Italy is an exposed salient that would be annihilated in any major war with

exposed salient that would be annihilated in any major war with France and Great Britain, and this Mussolini knows better than anyone else. Japan could not carry on a major struggle for 3 months without annihilating the British fleet, because Japan is absolutely dependent upon oil from overseas.

Only Germany has any sort of a compact position with internal lines of communication to essential raw materials. China and Ethiopia are proving very difficult morsels to digest. If China can ever be pacified, it will even then require decades of effort and billions of investment to be converted from a liability into an asset.

asset. Meanwhile Russia, the colossus of the north, lurks in the back-ground waiting the time to strike. With practically unlimited natural resources shielded in the almost impenetrable fastness of the Urals and Siberia, Russia may contemplate the European and Asiatic struggles with an oriental calm—even as may the United States.

It is the same old struggle of the balance of power to defend or acquire gains. Great Britain has played this game for four centuries with an amazing degree of success, accumulating a colonial

empire with 400,000,000 population and a collection of natural resources without parallel in the history of the world. France and Russia have also done very well.

This is not an invitation to a fool's paradise. The Congress is seeing to it with amazing unanimity that America shall be adequately prepared. The Navy, the Army, and the Air Corps are being properly prepared for the defense of the Americas against

being properly prepared for the defense of the Americas against any foreign foes.

Attacks upon other countries by our governmental authorities do not help our trade or our prestige in the world. One does not go around calling names unless he is looking for a fight.

If England does not consider it wise or prudent to sever trade relations with the dictatorships, certainly America may consider well the course.

well its course.

America may wisely mind its own business in the Americas. Let us devote our surplus energies to putting 10,000,000 Americans back to work and to giving 7,000,000 farmers an American market for their products.

Let us be properly and adequately prepared to defend the Amer-

icas and then let us keep out of the European and Asiatic mess.

This generation has given the lives of 50,000 American boys and billions of our wealth to make the world safe for democracy. The sacrifice has seemed to be in vain. Let America now take a lesson from other countries. Let us take advantage of our unique geographical position to preserve here some vestige of civilization. Perhaps America may yet become the "lost horizon," where civilization will be found, as Europe and Asia look across the oceans from the ruin they have wrought.

This is the picture of an America—not as an ostrich, with head buried in the sand, but as a beacon light of peace and ordered progress for the salvation of the world.

There would be no need for concern in the United States if we There would be no need for concern in the United States if we decide first to spare no effort in intelligently maintaining an adequate defense force, hold fast against efforts to involve us in foreign troubles, and make it plain to all concerned, and mean it, that we will fight quicker than a wink if our vital interests are disregarded. We think the prospects of war for the United States will be extremely small if we keep a powerful striking arm for all the world to see, make no secret of our intention of using it on anyone who challenges our vital interests, and then proceed to mind our own business with nothing more than a watchful eye to give to the

own business with nothing more than a watchful eye to give to the follies to which our neighbors may commit themselves.

Relief-Recovery-Reemployment

EXTENSION OF REMARKS

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

RADIO ADDRESS BY HON. J. WILLIAM DITTER, OF PENNSYL-VANIA, APRIL 2, 1939

Mr. DITTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address which I delivered over the Columbia Broadcasting System from station WCAU, Philadelphia, Pa., Sunday, April 2, 1939:

The most important job for Congress today is what it has been for the last 6 years—to put America back to work. That job has not been done. And it never will be done until a radical change is made in Washington—until business is given a real chance to get going. I know and I believe you know this chance to get going has not been given, although a lot of promises to do so have been made. The latest bait is business appeasement. It is intended to take the place of the old "breathing spell" which proved to be mostly spell and not much breathing. Ever so often the New Deal feels compelled to hold out the hope that the Government will stop its war upon business and permit confidence in private enterprise and the normal American spirit of commercial adventure to go ahead with the big job of getting America back to work. It looks as if appeasement will have a shorter life than the breath-It looks as if appeasement will have a shorter life than the breathing spell, for the latest word from the White House indicates that business can expect no help from administration leaders in either policy or program. The hoped-for tax relief has evaporated and the long-promised and eagerly awaited economy program has gone with the wind. In the meantime W. P. A. is the cold comfort held out to the millions of unemployed men and women who are looking for real jobs and real work.

W. P. A. from the beginning has been the favored child of the New Deal. It was a law unto itself and could do as it pleased. Blank checks for billions were given to it to squander as it would. It was shielded from criticism as long as possible and only a national scandal opened the door for a partial examination of its inhuman treatment of the needy unemployed. Every suggestion for a reformation of its policies and an improvement in its administration has been scorned. Instead of being a part of a relief program it has become a gigantic business employing highly paid advertising men, publicity agents, and other specialists such as are found in private business for the purpose of selling merchandise and services. Care and caution have been thrown out the window in the wildest and most extravagant dissipation of public funds ever seen. The whole thing has been misguided and mishandled. With this record, which has not been denied or explained, W. P. A., the petted and spoiled child of the New Deal, now asks for a hundred and fifty million dollars more to continue its joy ride of shameful waste and its hit-and-run treatment of its joy ride of shameful waste and its hit-and-run treatment of the unemployed.

As a member of the Appropriations Committee of the House of Representatives I have seen W. P. A. at close range during the time that it has made frantic efforts to wangle the additional one-hundred and fifty millions from the taxpayers. What W. P. A. needs more than anything is a very fine-tooth combing and no one should demand it more than the men and women who have suffered as a

demand it more than the men and women who have suffered as a result of its inhuman treatment. Who is responsible for this high-handed scheme of waste when there is so much real want?

I believe you want to know why W. P. A. is spending more than \$300,000 for a window-dressing exhibit at the New York World's Fair. Is this economy? I believe you want to know why W. P. A. has an administrative staff of 34,000 employees who are not W. P. A. workers, but 34,000 overpaid Federal officeholders. Is this fair? I believe you want to know why W. P. A. has increased the salaries of countless of these administrative officeholders, why salaries have jumped in W. P. A. from \$2,000 to \$7,500 a year, why \$9,500 a year and traveling expenses is necessary for any W. P. A. official while \$60.50 men are fired. Is this human? I believe you want to know why W. P. A. has spent thousands upon thousands of dollars for elaborately illustrated and expensively bound advertising booklets, the only purpose of which can be to put on a sales campaign for this squandering syndicate. Is this justifiable? In a nutshell you, and many other Americans with you, want to get the low-down on this outfit that has run wild under the pretense of doing a relief job, and that today shows no intention of changing its policy or its methods.

changing its policy or its methods.

Last week the House of Representatives adopted by the overwhelming vote of 352 to 27 a resolution to launch a thorough and searching inquiry into the whole scheme of W. P. A. administration.

Republicans and Democrats alike voted for this proposal, first upon the ground that the issue of honest and efficient relief is a matter far above partisan politics; and, secondly, on the ground that the grave political abuses already brought to light in W. P. A. justify a real house cleaning—to the end that the vast sums assessed against the taxpayers for relief shall actually be spent in assistance to the needy and not to high-paid superintendents and supervisors and to extravagant schemes of political propaganda,

supervisors and to extravagant schemes of political propaganda, nor diverted to political hangers-on.

The W. P. A. hearings before the Appropriations Committee have been most revealing. Inhuman treatment of the relief problem is seen everywhere. Politics, pay rolls, and purges stand out as the main attraction of the big show. In one congressional district W. P. A. workers were assigned to a house-to-house vote solicitation. In another, W. P. A. workers were ordered to paint election posters for a New Deal candidate. In at least two States W. P. A. officials were actually entered as congressional or senatorial candidates, one with the open boast that W. P. A. votes alone would decide the election. Shall we continue to hand over millions of dollars for an administration of relief of this kind when no assurance has been given of a change of heart? Shall we appropriate more millions to encourage such unkind and

when no assurance has been given of a change of heart? Shall we appropriate more millions to encourage such unkind and inhuman treatment of our needy unemployed?

Every honest person must admit that the relief load should be heaviest when business is at low ebb—and correspondingly lighter when business conditions improve. But W. P. A. has operated on an entirely different basis. Their rolls skyrocketed when business was on the upgrade. Let's look at the figures. From May to November last year industrial production increased from 77 persons. ness was on the upgrade. Let's look at the figures. From May to November last year industrial production increased from 77 percent to 103 percent of normal. With this improvement each week saw more and more people back at their regular jobs, and yet the W. P. A. rolls jumped by more than half a million from last May to last November. Of course, you will remember the elections were held last November. Political pay rolls not relief pay rolls consumed the major part of the appropriations made for W. P. A. last year. If these political pay rolls had been eliminated W. P. A. could have met every need for the unemployed out of the original appropriation. Does anyone dare defend such brutal the original appropriation. Does anyone dare defend such brutal treatment of human need?

On the other hand, if W. P. A. does reflect the real unemployment conditions, then the New Deal has failed sadly in its recovery efforts.
Millions of men are looking for jobs; real jobs and real work;
W. P. A. berths do not satisfy them. They want the chance to earn a living; not the privilege of a hand-out.

America wants recovery; not relief—recovery of jobs in industry

wants tecevery, not tener—tecevery of jobs in industry and of hope in the future.

We have heard much of the boasted humanitarianism of the New Deal. With one hand it has expended billions for relief. With the other it has browbeaten business, burdened it with regulations, and throttled it with oppressive taxation. It has lashed it with denunciations, branded it as criminal, and held it up to public contempt. Then, bound and gagged, business has been told periodically to absorb the unemployed.

Unjust as this has been to business, it is no less unjust to the

unemployed, for it cuts them off from private industry, keeps them

the wards of the Government, and robs them of the right to work

In handling the problem of relief, the administration has sought merely the remedy of the suffering caused by the disease of unemployment, rather than the cure. Forgetting that unemployment is the result of the plight of business, it has insisted upon regarding relief as an isolated question. It has ignored the vital relationship of the problem to the entire economic system. At one time it had much to say about the forgotten man. Today the forgotten man is the man condemned to the hopeless future of dependency upon

It will take more than a few soft words to encourage private industry. Actions have always spoken louder. Only by easing the burden under which business is now staggering, only by setting the Nation's financial house in order, will business be encouraged and

enabled to go forward.

enabled to go forward.

Hate won't make work. Fear won't make work. Taxing the life out of business won't make work. Breathing spells won't make work. There is only one thing that will make work, and that is cooperation with business, aiding business, encouraging business, providing for business the one thing it needs—confidence—a confidence that the signals will be set to go by adminstration leaders. istration leaders.

istration leaders.

We must put America back to work. This must be the watchword. Back to work for the unemployed. Back to work for idle capital and empty factories. Back to work for all to the task of creating a better world. Only thus can America be better fed, better housed, and better clad. Only thus can there be life in abundance for all. Who can doubt that there is work to do? A thousand necessities and comforts are yet to be created. There are miracles of science waiting to be discovered to save and to enrich the life of man. Only under an administration dedicated to such a program can America once more more forward.

to such a program can America once more move forward.

The granting of adequate and proper relief has never been questioned or challenged by the Republicans in Congress. We questioned or challenged by the Republicans in Congress. We yield to no party in a sincere concern and deep regard for the needy. We grant no monopoly on charity. We believe that ingrained in the American spirit is the virtue of humble charity, a charity that "valunteth not itself," a charity which enjoins every man to regard himself as his brother's keeper.

We want to give the whole relief dollar to the needy unemployed, not half of it to the political boss.

We want to return the administration of relief to the States where it properly belongs.

where it properly belongs.

We want to restore relief as a national expression of a noble

humanitarian sentiment of assistance.

We want to indict in the fair court of public opinion those who have profaned the ennobling impulses of charity by making of

it a disgraceful political wallow.

We want a policy of genuine appeasement. We want to appease the outraged sense of public morality brought about by W. P. A. In this effort we need the active support of every citizen in the land—for when corruption and a callous sense of moral irresponsibility make their abiding place in government, the soul of a nation persists. a nation perishes.

So Maine Goes

EXTENSION OF REMARKS

HON, RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

EDITORIAL FROM THE BANGOR DAILY NEWS OF APRIL 20, 1939

Mr. BREWSTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Bangor Daily News of Thursday, April 20, 1939, reprinted from the Providence Journal of March 27, 1939:

> [From the Bangor Daily News of April 20, 1939] SO MAINE GOES

(Reprinted from the Providence Journal of March 21, 1939)

Events again have shattered the slogan, "As Maine goes, so goes the Nation." Maine, which, with Vermont, once declared it would rather be right than be the President's, increased its Federal incometax collections almost 25 percent this month, while receipts throughout the rest of the country declined on an average of 30 percent

Not only was Maine the only New England State with greater returns during the first 20 days of March this year than during the corresponding period of 1938, but it was the only State in the Union so listed by the Treasury Department. Even Vermont's total fell from \$821,855 to \$507,494, thus proving that 1936 political independence or stubbornness (depending on the partisan viewpoint) had nothing to do with the case.

Local wonder at the record apparently prevents Maine officials from disclosing reasons for the good showing. Rhode Island's decrease, of course, is easily explained. The absence of certain conditions and calamities which played havoc here last year may have improved Maine's condition. In any event, that State remains a part of the United States, and an encouragingly substantial part at that. If the Nation will not always go with it at election time, Maine at least helps the Nation go at income-tax time.

Why Slander a State? — Misleading, Malicious Misinformation Deliberately Distributed—Stop! Look! Listen!

EXTENSION OF REMARKS

HON, CHARLES A. PLUMLEY OF VERMONT

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

ARTICLE FROM THE BARRE (VT.) TIMES

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement from Commissioner of Agriculture E. H. Jones, of Vermont, appearing in the Barre Times, April 18, 1939, refuting certain statements of feature articles in the metropolitan press:

[From the Barre (Vt.) Times of April 18, 1939]

IMPORTED MAPLE SUGAR NOT BRANDED AS VERMONT—COMMISSIONER E. H. JONES, OF VERMONT AGRICULTURE DEPARTMENT, REPLIES TO IMPLICA-TIONS IN SOME METROPOLITAN PAPERS

Refuting statements in certain recent feature articles in the metropolitan press, which implied that out-of-State maple sirup was shipped here, relabeled, and sold as the Vermont product, Commissioner of Agriculture E. H. Jones has sent the following letter to the editors of several large city papers, including the Baltimore Sun and the New York Times:

"The implication made by feature story writers in the metro-politan press that such maple sirup produced in other States is brought to Vermont, processed and marketed as a Vermont product is too serious a charge to be allowed to pass unrefuted. Such propaganda apparently makes good publicity for the locality being featured, but should not be taken seriously by the public, because it is untrue. These inferences are resented by every loyal Vermonter. It is obvious that Vermont would have nothing to gain

it is untrue. These inferences are resented by every loyal Vermonter. It is obvious that Vermont would have nothing to gain by such questionable procedure. Her position of prestige as to the premier maple State could not possibly be enhanced by permitting, let alone encouraging, imported sirup, much of which is inferior in grade and flavor, to masquerade as a Vermont product.

"That some maple sirup is imported from other States by Vermont packing companies is readily agreed. With the charge that this sirup is then sold under Vermont label I vigorously disagree, and as a result of investigations to disclose the facts of the matter, I state that to my best knowledge and belief the accusation is false and without foundation of fact.

"The term, 'Vermont maple,' means a product manufactured only from the sap of maple trees growing in Vermont. The laws, both State and Federal, relative to misbranding of food products are so strict and so rigidly enforced that this charge of open violation is as preposterous as it is unfounded. Furthermore, be it said, the Vermont maple packers are men of integrity, who abide by these laws. Through the courtesy of the secretary of their association I have in my files the written and signed assurance of all of the leading maple packers in Vermont that no sirup imported by them from other States is marketed as pure Vermont maple. Such sirup is branded 'Pure maple,' not 'Pure Vermont maple.'

"In the words of a former Presidential candidate, 'Let's look at the record,' and see if we can determine how this erroneous propaganda may have originated: Vermont is the headquarters for maple products and as the leading packing plants of the country are

the record," and see if we can determine how this erroneous propaganda may have originated: Vermont is the headquarters for maple products and as the leading packing plants of the country are located here immense quantities of maple sirup are shipped into Vermont each year. Large importations come from Canada and New York, lesser amounts from Maine, Ohio, and Pennsylvania, and a little from Maryland and New Hampshire. By far the largest part of this sirup is made into sugar and sold for manufacturing purposes such as the flavoring of ice cream, tobacco, and various other products. Such processing of maple sirup imported into Vermont is comparable to cotton produced in Georgia being woven into fabrics in South Carolina or the distribution of Wisconsin butter in eastern markets without identification of its source. Since there is ample proof that our maple products are not improperly branded the imputation of unethical procedure on the part of the Vermont maple industry may not only be disregarded by the public but should not be further featured by overzealous columnists."

America, What of the Future?

EXTENSION OF REMARKS

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

RADIO ADDRESS BY HON. LEO E. ALLEN, OF ILLINOIS

Mr. ARENDS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered last night over the Columbia Broadcasting System by my colleague from Illinois, Hon. Leo E. ALLEN:

Fellow citizens, I am speaking to you within view of the dome of the Nation's Capitol in Washington. This time I am addressing myself, not alone to you who live on the farm side and in the metropolitan areas of the great State of Illinois, but also to those of you who live everywhere, from the northernmost boundary of our great "north woods" to those who abide in the little "cabins in the cotton" of the great South.

I have come today to speak to you on questions which are of the most vital concern to us here in the Nation's Capital. To myself those questions are, first, the domestic policy within the United States; and, second, our relations toward the question of war or peace in Europe and the Far East.

United States; and, second, our relations toward the question of war or peace in Europe and the Far East.

No Member of Congress, my friends, can think in terms of international relations without having brought to his mind the memories of a great and distinguished citizen of Illinois, the late Senator, the Honorable J. Hamilton Lewis.

Long a powerful and beneficent influence in our foreign affairs, the contractor will in view of its present state of bysteria suffer a

our country will, in view of its present state of hysteria, suffer a great loss by having to endure without his sympathetic understanding, kindly wisdom, and keen insight into the imperialistic designs of both sides to the question of war or peace now agitating the heads of government everywhere.

the heads of government everywhere.

America, as never before, needs the wisdom, the sagacity, and the penetrating vision of its elder statesmen to offset the counsel of bureaucratic, internationally minded economists, who would barter its cotton and its corn in order to impose their personal conception of a better form of government upon the people of

other lands.

What difference, I ask, does it make to our citizenship along what river or chain of mountains the boundaries of the States of central or southern Europe, Africa, or Asia are laid? What matters it to us whose flag and of what empire flies over Djibouti or Tunisia?

What difference to us whether foreign countries be ruled by so-called czars, kaisers, or kings, or whether they be designated as commissars, fuehrers, or duces? They all rule with an iron hand. The type of government they want is for them to decide.

What difference to us in America whether the standing army of soldiers in any European nation be 600,000 or 800,000 men? Rather should we concern ourselves with the standing army of our own

What difference to us in America whether the standing army of soldiers in any European nation be 600,000 or 800,000 men? Rather should we concern ourselves with the standing army of our own unemployed, mounting up into the twelve of millions of our men and women who are walking the streets looking for work.

I would have you believe with me that the true perfection of statesmanship and of administrative leadership rests not in the honeyed words that one speaks but, rather, in the rugged, simple virtues with which he pursues to the realization of his every public promise, beneficence, and accomplishment.

What is our future? Are we to be engulfed in another foreign war? Are we to send millions of our young men to foreign shores to be slaughtered, under the guise of making the world safe for democracy? Our answer is a decided "no." You remember back in 1917, when they told us there wasn't enough democracy throughout the world. Today, 22 years afterward, I ask you if there isn't less democracy throughout the world than there was before we entered that gigantic struggle, a struggle that cost the lives of millions of young men and the destruction of hundreds of billions of dollars in property.

I would ask you if Stalin in Russia hasn't more power than any of the late unsuspecting czars? I would ask you if it isn't true that even though the late Kaiser of Germany had far more power than any good man should possess and more power than any good man would want if Hitler hasn't even more overn? Tabing more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man would want if Hitler hasn't even more power than any good man wou

that even though the late Kaiser of Germany had far more power than any bad man should possess and more power than any good man would want, if Hitler hasn't even more power? Taking you down to sunny Italy, I would ask you if Mussolini hasn't more power than possessed by any of the late Kings of Italy? Coming over to this country. I wonder what that great World War President, that great Jeffersonian Democrat, Woodrow Wilson, would think and say about the usurpation of power by our present Chief Executive, the centralization of power in the hands of one man in this country. The delegation of power by a supine and supercilious Congress to Mr. Roosevelt in violation of the Constitution, and then these powers delegated to a group of crack-brain bureaucrats.

For regardless of the difference of opinion between the great Republican and great Democratic leaders, both major parties up to 1933 believed in certain American principles. They both believed in the sovereignty of the people, in three independent branches of our Government, free from interference. Both major parties believed the best government to be that government that governed least. Both major parties believed it best that the least centralization of power in Washington the better. Both major parties, until 1933, held the Supreme Court in reverence and respect. So to you men today who helped make the world safe for democracy, to you men today who helped make the world safe for democracy, to you people who contributed much for a successful conclusion of the war, I would say: "Let us remain out of those many foreign controversies. Let us insist that our Government formulate a foreign policy designed to keep us out of foreign entanglements. Let us plainly and in no uncertain terms advise them of our attitude: policy based on fairness, not only to all foreign governments but, above all, based on fairness to our own people; a policy that they might easily comprehend; a policy that our own people can clearly understand, instead of the present indefinite policy, based on uncertainty, blindness, and intrigue." Above all, I would say: "That the mouthings of high governmental officials should cease, and cease immediately." Utterances of unthoughtful governmental officials will do more to get us into another war than any other thing. But, as acute and as serious as our foreign relations are, our internal problems are greater. We must not be unmindful that our for-eign problem can easily be solved if we remain out of foreign argueign problem can easily be solved if we remain out of foreign arguments, if we have a strong Army and Navy for defense purposes only, if we discontinue arraying class against class in our own country and give the local people peace and contentment, in order that we can have a united people in this country. Above all, we must insist on the deporting of aliens who are bringing arguments; ideas, and doctrines of the Old World to our shores. They must be told in no uncertain terms that we have no place for those things in the Inited States. United States.

To most of us, the solution of our own economic problems is more important than the solving of world problems. In the United States we still find ourselves in a depression equally as bad as during the world depression. But while other nations have economically improved themselves since 1934, our Nation has not made any permanent gain.

When I became a Member of Congress in 1933, I resolved that I would applied the sound policies of the Roosevelt administration and give constructive criticism to the unsound policies. I think most of you would do the same. By reason that the different bureaus in Washington hire hundreds of publicity men at the taxpayers' expense to extol to the world the virtues of the New Deal, there isn't any need of me elaborating on the sound policies upon which we agree. Carloads of New Deal publicity from the various departments of our Government leave Washington daily. various departments of our Government leave Washington daily. Each hour you can hear some New Deal exponent on the radio broadcasting to the people how much the New Deal has done for them. Therefore, I am going to devote my short time to constructive criticism. I realize that new dealers object to constructive criticism. They say: "The Republicans and the 'horse and buggy day' Democrats haven't any plan or program. But we have, The best program I know that would bring this country back to a normal condition is the very program, and it was a conservative one, that Mr. Roosevelt ran on in 1932. At that time Mr. Roosevelt had a solution for all our problems. He was going to put everybody back to work; he was going to cut Federal expenses 25 percent; he was going to take the Government out of business; he was going to regain foreign trade; he was going to chase the money changers from the temple. What is the record of his achievements? There are more unemployed than when he took office, an increase in our national debt of approximately \$20,000,000,000, which is now over \$40,000,000,000, our warehouses filled. 000,000, which is now over \$40,000,000,000, our warehouses filled with cotton and agricultural products, and a complete loss in our world trade with the exception of munitions of war, and Federal pay rollers nearly doubled.

As a Republican Member of Congress, I am deeply concerned in the success of our party. However, I am no advocate of a Repub-licanism that places Republicanism above country. The reason the New Deal has failed is because while they artificially and temporarily helped a small percentage of the people, they have brought untold sufferings to a much higher percentage, including genera-tions of unborn. The biggest problem before us is unemployment. Do you know there are over 4,000,000 young men and women in the United States today between the ages of 18 and 24, many of them being a high-school or college graduate, that have never had a job in their lives? Unquestionably there are listeners who sacrificed much to send your children to school who now find there are no positions for your sons and daughters under our present New Deal system of a more abundant life, a life that consists of a C. C. C. job, then a W. P. A. job, finally an old-age pension. You and I know that Mr. Roosevelt hasn't any plan to put the people back to work. In all his fireside chats he never mentions the subject. There isn't any new dealer that can tell you his plan. Ask one and see. You must never forget that a W. P. A. worker is just as sick and tired of the New Deal as the rest of us. They want real

Our country has been constantly warned and constantly led from one emergency to another. One emergency is declared be-cause prices are too high and must come down; another emergency

cause prices are too high and must come down; another emergency is declared because prices are too low and must come up; another emergency is declared because prices are too low and too high at the same time, so they must go up and down at the same time. One time the Chief Executive blames the recession on some unnamed man sitting in a little office in Wall Street and now we find him inferring that if we can restore peace in Europe recovery will be effected in the United States; that unemployment will vanish, relief appropriations disappear, and Government finances find

themselves corrected with a balanced Budget. Again this administration would drag a red herring across the trial of our own economic ills and shift the discussion from a consideration of our national problems to American interest in international affairs. Why has this been done? Come to Washington if you want to learn. Here you will find a fight going on between "third-term Roosevelt new dealers" and the "stop Roosevelt bloc." War talk is the chief weapon of the third-term new dealers. They talk promiscuously of war. The press of London, Paris, and Warsaw are helping the cause of the third-term Roosevelt new dealer by attempting to convince their nationals and colonials alike that America will go to war on their side.

their side.

In conclusion, my countrymen, believe me as a Member of Congress who served in France with the A. E. F., several years before I was of voting age, that I will do all in my power to keep those on the C. C. C., the W. P. A. rolls, and others off the muster and draft rolls of any New Deal American expeditionary forces, and, further, that I will do all in my power to bring peace and economic contentment to the people of this country by insisting on the return of sound and sane legislation in order to instill a much-needed confidence to those who give gainful employment.

In this stand I am sure you will agree with me.

The Farmer and the Tariff

EXTENSION OF REMARKS

HON, ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

ARTICLE BY GEORGE N. PEEK AND HENRY CARTER

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article entitled "The Farmer and the Tariff," by George N. Peek and Henry Carter, published in the Saturday Evening Post of December 10, 1938. I commend this article to the careful consideration of every Member of the House of Representatives and the Senate:

[From the Saturday Evening Post of December 10, 1938] THE FARMER AND THE TARIFF

(By George N. Peek and Henry Carter)

One thing is certain: The farmers of this country are not content One thing is certain: The farmers of this country are not content with their present lot under the New Deal. Farmers don't like acreage control; they don't like competitive farm imports; they don't like loss of markets, foreign and domestic; and they don't like their loss of income under the dual New Deal policies of crop restriction and encouragement of competing farm imports. For all the myriad plans and all the billions of dollars which the New Deal has showered upon agriculture, farm income is still some 25 percent below the average of the twenties, which, be it said, were years of grave agricultural depression. More ominous yet, under years of grave agricultural depression. More ominous yet, under the present regime of control programs, increased farm imports, and failure to hold or regain foreign markets for agriculture, farm income is tending to fall, not to rise.

The farmers don't like it. Half a billion dollars in Government checks is not adequate compensation for an actual loss of two to three billion dollars a year in farm income and perhaps twice that

checks is not adequate compensation for an actual loss of two to three billion dollars a year in farm income, and perhaps twice that in potential income. The farmers want something definite done about it. In some quarters their resentment has found expression in the formation of "noncooperating" associations of farmers, in the erection of signs: "This is private property, A. A. A. keep out." In Iowa there has been agitation for export subsidies. In South Dakota farmers have been urging guaranteeing costs of production for domestic consumption. In the South they are pressing for Federal cotton loans at parity levels. In Kansas and other parts of the Middle West the movement for domestic allotment has reached impressive proportions. On the Facific coast and elsewhere there has been agitation for embargoes on competitive farm imports and for a radical change in Secretary of State Hull's trade-agreements program. The La Follette movement nas found its greatest strength in its denunciations of the Wallace economics of agricultural scarcity. Even Jerome Frank, of the S. E. C., a fervent apostle of New Deal philosophy, has published a significant condemnation of the economics of scarcity and of the errors of our foreign trade and financial policy.

WHAT THE FARM PEOBLEM IS

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To head off the rising storm of farm dissatisfaction, Secretary
Wallace has been talking very fast, indeed. In rapid succession he
has offered a program of export subsidies, has suggested subsidizing
the sale of farm surpluses to the unemployed and those on relief,
has advocated a revival of processing taxes for benefit payments, and
has announced a sweeping reorganization of the Department of
Agriculture, all of which may presage a basic change of administration policy, and which, again, may mean nothing of the sort. What

farmers think it means is suggested by the striking Republican election victories throughout the farm States. In Kansas, Senator election victories throughout the farm States. In Kansas, Senator McGill, coauthor of the 1938 Farm Act, has been decisively beaten. In Idaho, Senator Pope, one of the stanchest supporters of the administration farm and foreign-trade policy, could not even get renominated. And even more pointed repudiation of the administration's farm policy is found in the election returns in Iowa, the home State of Secretary of Agriculture Wallace.

What will come of it all is impossible here to predict. The farmers may again be sold out or overridden, as so often in the past. Again there may be here the seeds of a new farm movement comparable to that of the twenties, which finally overthrew Herbert Hoover and the Republican Party. Whatever the outcome, the American farm problem is still to be solved.

What is the American farm problem? Simply stated, it is that

American farm problem is still to be solved.

What is the American farm problem? Simply stated, it is that the farmer does not get enough for what he raises to buy from tariff-protected industry the things he wants and needs. He lacks buying power. The causes of this lack of buying power are many and complex. The farmer has successively blamed the railroads, the middlemen, the packers and processors, the speculators, the bankers, the trusts, the industrial tariff, and the Government, and often enough he has been right. However, the real problem lies deeper than these. Briefly, it can be described as stemming from the determination of the American farmer that he shall not become the determination of the American farmer that he shall not become a peasant, and his earnestly held conviction that in a country such as the United States this need not and should not be his lot.

a peasant, and his earnestly held conviction that in a country such as the United States this need not and should not be his lot.

He has a good argument. Our characteristics as a Nation and our national needs are not the same as Europe's or Asia's. They are not the same as England's. By the same token, the solution of our problems is not to be found by importing English, European, or Asiatic patterns of policy. We differ from them all in that we enjoy a continental domain which provides very nearly all the resources necessary to complete self-containment. Geographically, we are well-nigh impregnable to any important military attack. Economically and strategically, we are unique in the world. Thanks to our political unification as a Nation, we command within the United States the richest trade area in the world. We have prospered and grown as a nation by keeping that trade area primarily for ourselves. We have done this by avoiding entangling alliances with foreign nations and by our policy of protection—the protective tariff and, more recently, our immigration barriers.

Nevertheless, we still need some foreign trade. We need coffee and tea; we need rubber and silk; we need manganese, nickel, tin, and certain other minerals and raw products for the economical operation of our industries. The rest we have ourselves. We are close to 95 percent self-contained as matters stand now, even though we still find many things which, for the present, it is easier or cheaper to import. To pay for these necessary or wanted imports we must export a part of what we produce—surplus crops and certain of our industrial products, such as automobiles, typewriters, machinery, and other special products, which have in demand abroad. In the case of our export or surplus crops, which we produce in excess of the normal demands of the domestic market, we have an added incentive to export in order to get the surplus which the domestic market will not absorb out of the country, and so prevent it from demoralizing domestic prices. Foreign

THE HOLE IN THE TARIFF WALL

But, aside from these considerations, there is no particular virtue or advantage attached to foreign trade as such—indeed, if the depression has taught us anything, it has demonstrated the folly and danger of depending on foreign markets and on foreign sources of supply rather than making the effort to round out our own production and to develop our internal buying power, including the buying power of our great farm population. Our greatest economic asset is the domestic American market for our own goods. To preserve it against destructive price influences from abroad is our primary task. That is why we have a protective tariff; that

is why we have immigration laws.

is why we have immigration laws.

The tariff principle affords one vital element of protection, although we may have to consider more seriously the question of strengthening it by imposing quantitative and other restrictions on certain of our imports. The immigration laws are a muchneeded protection to our standards of labor and wage scales. But there is one great gap in our protective system. It is our failure to protect adequately the producer of export crops against the impact of world prices in an otherwise protected system. The trouble is that the tariff does not work when it comes to protecting the prices of the crops which we grow in excess of domestic demands, the surplus of which we export for sale on world markets. Upon these crops we have to meet world prices and the competition of countries with low wage or even coolie costs of production, and it is these world prices on our surpluses which in turn have been allowed to influence the domestic price at which such export crops are sold in this country. These export crops—wheat, cotton, to-bacco, corn and corn products, livestock products—make up the major part of our farm production, and yet, in an otherwise probacco, corn and corn products, livestock products—make up the major part of our farm production, and yet, in an otherwise protected economy, they have obtained but little domestic price protection, no matter how high the tariff rates might be set. Thus the producer of export crops is obliged to sell at unprotected—that is, low—prices both at home and abroad, but for the industrial products which he buys he has to pay the world price plus the industrial price benefit of the American tariff. This is a main cause of the disparity between farm and industrial prices of which American agriculture has long complained. This is the gap in our protective system which must be closed. The New Deal, notwithstanding its promises, has not closed it.

A FIELD FOR GOVERNMENT ACTION

Some day the farmer who now produces for export may be able to sell his entire output at home; the increase and spread of domestic purchasing power and, more particularly, the development of new uses for farm products in industry will tend to enlarge his of new uses for farm products in industry will tend to enlarge his domestic markets and to diminish his need of export outlets. But that day is not yet here, and until it is measurably within reach he must continue, in self-protection, to export his surplus. Here lies an obvious and imperative field for direct Government action and assistance. Under the New Deal the farmer is not getting it. Above all else, he needs a fair return for what he sells at home, so that he can afford to buy the tariff-protected products of industry which he can afford to buy the tariff-protected products of industry which he can prove really get it so long needs. He is not getting it, and he can never really get it so long as his return is measured in terms of world prices only without some mechanism to offset the inability of the tariff to protect the prices at which he sells export, or world, crops in the domestic market.

market.

In recent weeks Secretary Wallace has revived the long-agitated plan of paying export subsidies on certain export crops. This proposal has achieved some popularity in certain farm circles as promising to keep surpluses from piling up on the home market and as offering an added return upon our surplus production. At the best, however, under present world conditions this plan can offer no more than temporary relief.

than temporary relief.

From the domestic point of view, it is likely to encourage excessive production for export, with ever-increasing demands upon the Federal Treasury. Further, it would tend to drive down world prices, the more so if other exporting nations follow suit, with inevitably damaging effects upon our domestic price levels. Its success would depend primarily upon a degree of acquiescence or cooperation on the part of foreign governments which nothing in past or present world conditions gives us any reason to expect. Still more important, it does not touch the real problem, which is that of increasing and effectively protecting the return on the portion of those crops which is domestically consumed. Instead, it diverts attention and effort from the main economic problem of our depression, which is that of encouraging and increasing doour depression, which is that of encouraging and increasing do-mestic consumption and domestic buying power, and, above all, of insulating that purchasing power against the ill winds which blow in from all four corners of the earth.

THE PROCESSING TAX

Another approach, and a sounder one in principle, was made under the original A. A. A. in the form of the processing tax. The processing tax as actually applied had grave defects. It was a visible tax, and hence an unpopular one. Moreover, it was linked in its administration to the principle of acreage control. Consequently, when the Supreme Court in 1936 pronounced Federal acreage control unconstitutional, the processing tax received a blow from which it will not easily recover. Nevertheless, given the fact and the nature of our otherwise protected economy, the principle upon which the processing tax was based—that of assuring the export farmer a parity price on what he raised for domestic consumption—was thoroughly correct. This was the basic principle of the old McNary-Haugen bills in the original farm program of the twenties: "An American price for American consumption independent of the McNary-Haugen bills in the original farm program of the twenties:
"An American price for American consumption independent of the
world price for the surplus." This principle was recognized by the
Democratic platforms of 1928 and 1932. It was specifically endorsed
by Governor Smith in 1928 and by Mr. Roosevelt in his 1932 cam
paign. In 1936 it was also accepted in the Republican platform and
by Governor Landon, which should come close to making it unanimous. But it would seem that President Roosevelt, Secretary Wallace, and Secretary Hull had other ideas, for what they have brought about is devaluation, acreage control, decreased protection on farm products in the American market, and declining foreign markets for export crops.

The direct effect of devaluation on farm prices is not easy to determine. At first it was helpful in some special instances. However, as other nations have marked down their currencies to match our devaluation, this advantage has tended to disappear. A bale of cotton, for example, will now bring only a little more than half as much gold as it did before devaluation, a drop which closely corresponds with the actual amount by which the dollar was devalued. Furthermore, devaluation was in the main disapwas devated. Futermore, devaluation was in the main disappointing so far as correcting the disparity between agricultural and industrial prices was concerned, since its inflationary effect applied not only to farm prices but to all prices. Moreover, it failed to increase appreciably the foreign demand for American farm products, as foreign buyers tended to use the vastly increased farm products, as foreign buyers tended to use the vasta purchasing power given them by devaluation for security trans-

purchasing power given them by devaluation for security transactions rather than for the purchase of American goods. Farm exports remained stationary or fell off in value and quantity, but foreign investments in the United States increased by about \$6,000,000,000 during the 4 years 1934 to 1937, inclusive. On the record, devaluation does not appear to have been the answer.

Acreage control has fared little better. We have had 5 years of crop restriction and acreage control from Washington. Two of those years, 1934 and 1936, to the chagrin of the planners, have been years of unforeseen but none the less serious droright, which, coupled with the artificial restrictions imposed by Washington upon our farm production, compelled us to purchase unparalleled quantities of foodstuffs from abroad. The crop year of 1937–38, however, was one of superabundant crops, so much so as to be a headache to the A. A. A. and to cause it to apply new and more rigorous controls for the current crop year. This is hardly an impressive record for the proponents of acreage control, and, in fact, they have recognized it by shifting their present emphasis from acreage control to marketing control, pro-

posing that only limited quantities of certain domestic crops shall be permitted to come on the home market. Yet even behind this camouflage, currently described as the ever-normal-granary plan, lies the same principle of scarcity through restricting production which characterized the New Deal's administration of the original A. A. A. and its successor, the so-called Soil Conservation Act. The trouble with one is the trouble with all—that they presume a control over nature, including human nature, which mankind has never possessed, and in all probability never will. Nature insists on producing and man insists on helping her produce for him. "You can expel Nature with a pitchfork, but she will ever return."

CROP-RESTRICTION PROGRAMS

All this could have been foreseen from the start. What it amounted to was, in effect, an attempt to raise the domestic prices of export crops by raising world prices. As such it was foredoomed to failure, for, rich and powerful though we are, we are not rich enough or powerful enough to underwrite world markets and world prices any more than we can underwrite world currencies or world peace. Instead, acreage restriction and the temporary price rises which were effected in the United States encouraged other nations which were effected in the United States encouraged other nations to increase their acreage—cotton affords a striking example—and to undersell us in our former markets. Internally, these price rises, even though supplemented by half a billion dollars a year in Government checks, have not been sufficient to offset the losses in farm income incurred from restricted production and loss of export markets. And even now those temporary price rises have vanished before the bumper crops of 1937–38. According to Department of Agriculture figures, cotton prices went down to an index of 69 as of September 1938 against 107 in June 1937. Grain prices went to an index of 63 against 139 in June 1937. The ratio of all farm prices received to those the farmer has to pay fell from 93 in June 1937 to 78 in September 1938.

1937 to 78 in September 1938.

Beyond the crop-restriction programs, however, there has been another factor which has produced a complex of New Deal inconsistency and conflict of policy of almost pathological proportions. That factor is the school of thought represented by Secretary of State Hull and his free trade internationalist ideals. In its original fight upon the depression the New Deal, whatever its failures, rightly set the restoration and production of American price and wage levels and employment as its essential objectives. In his wage levels and employment as its essential objectives. In his campaign speeches of 1932, and in his message to the London Economic Conference of 1933, President Roosevelt enunciated and made unmistakably plain his determination to seek these ends primarily by national means. This clearly meant, or should have meant, a policy of economic and financial self-containment, with its concomitant policy of adequate protection, particularly protection for agriculture. Nevertheless, as a result of obscure but compelling political exigencies, President Roosevelt receded from this position. Instead, Secretary Hull was permitted to embark on his long-cherished dream of effecting a general reduction of the tariff, including reductions on the farm products; this in spite of the fact that his undertaking was in patent contradiction to the President's declared policy and ran directly counter to the purpose of the major recovery effort, which was to restore and readjust our internal price and wage levels. price and wage levels.

RECIPROCAL-TRADE AGREEMENTS

Mr. Hull's undertaking is generally known as the reciprocal trade agreement program. This is a misnomer, for whatever the Hull agreements may be, they are not reciprocal. Instead of representing quid pro quo trades with foreign nations, with particular reference to the specific crops and surpluses which were disrupting our economy, the "Yankee trading" of which Mr. Roosevelt had spoken in 1932, the benefits of the Hull agreements have been automatically extended to all other nations—excepting Germany, which, for political and other reasons, has been in Mr. Hull's black books. This has meant a progressive lessening of our prowhich, for political and other reasons, has been in Mr. Hull's black books. This has meant a progressive lessening of our protection against uncontrolled imports from abroad, with their definitely depressant effect upon our domestic price and wage levels. It has also meant a progressive loss of our power to bargain on behalf of our great export crops—cotton, wheat, tobacco, corn, and other products—whose producers were already at the worst possible advantage, owing to the gap in our protective system which leaves the domestic prices of our export crops at the mercy of world markets and world prices. This, the administration could not or would not see. It would not bargain aggressively on behalf of our export crops, and presently it has found itself increasingly unable to do so. The outcome speaks for itself, for on the record practically all the advantages obtained for agriculture through the trade agreements have been confined to specialty crops of relatively small economic importance, and for our great export crops practically no advantages at all have been forth-coming.

coming.

From the start it was clear that the Hull trade-agreement program was hopelessly at odds with our internal program of raising domestic prices; conspicuously so in the matter of domestic farm prices. As has been noted, the A. A. A. program was at first successful in effecting some rises in farm prices. In spite of its errors, it might have been more so if it had been supplemented by an aggressive trading policy on behalf of our major export crops. But it was precisely this aggressive trading which not only was lacking but was actually vetoed by the administration when the Export-Import Bank attempted it. Consequently, under the administration policies, the farmer still sells his export crops substantially at world prices, but has to do his buying at protected prices. The gap in the protective system is still wide open and the administration has, in

Small wonder then that the farmer becomes confused and resentful when he is told, on the one hand, to restrict his production and, on the other, that the United States should increase its imports, including imports of competitive farm products.

What the crop-restriction and trade-agreement program com-bined have done to American agriculture is not cheerful reading. According to Department of Commerce figures, cotton exports or example, fell from the 1921–32 yearly average of 7,554,000 bales—9,059,000 in 1932—to 6,023,000 in 1937, as Brazil, India, Egypt, and other cotton-growing countries took advantage of our restriction policies to increase vastly their own cotton acreages and to undersell

policies to increase vastly their own cotton acreages and to undersell us in our former markets.

Between 1932 and 1937 foreign consumption of American cotton fell off over a third in quantity, while foreign consumption of other growths almost doubled, the American share of the world cotton market dropping from about 44 percent in 1932 to less than 24 percent in 1937. Similarly, wheat exports, which had averaged 126,000,000 bushels yearly, 1921–32 (41,200,000 in 1932), fell to 21,-609,000 bushels in 1937; corn from an ayerage of 40,000,000 bushels in 1937; corn from an ayerage of 40,000,000 bushels. 609,000 bushels in 1937; corn from an ayerage of 40,000,000 bushels, 1921–32 (8,775,000 in 1932), to 5,834,000 bushels in 1937; meat products from an average of 564,000,000 pounds, 1921–32 (191,013,000 in 1932), to 123,639,000 pounds in 1937; animal oils and fats, edible, from an average of 894,000,000 pounds, 1921–32 (612,157,000 in 1932), to 146,375,000 pounds in 1937. A considerable part of these last export losses must, of course, be attributed to the 1934 and 1936 droughts, which, coming on top of the restriction programs, not only nearly wiped out our export of these and other products but led to large increases in our imports of competitive farm products. These in turn helped materially in swelling our total agricultural imports, as reported by the Department of Agriculture, to \$1,157,493,000 in value in the crop year 1937–38, as compared with \$613,-37,000 in 1932–33; \$638,952,000 in 1933–34; \$933,774,000 in 1934–35; \$1,141,191,000 in 1935–36; and \$1,538,327,000 in 1936–37, the drought year.

AGRICULTURE'S GRIEVANCE

AGRICULTURE'S GRIEVANCE
These unfavorable developments in the position of agriculture under the New Deal are not, of course, attributable solely to the trade-agreement program. The onus must also be shared by President Roosevelt, Secretary Wallace, and an inscrutable Providence. However, the charge of agriculture against the trade-agreement program—and it is a serious charge—is that the program has failed to take due account of the special position and special needs of American agriculture; that by making tariff concessions on competitive farm products, notably in the Cuban and Canadian needs of American agriculture; that by making tariff concessions on competitive farm products, notably in the Cuban and Canadian agreements, and by its failure to employ the full bargaining power of the United States on behalf of our major export crops, the tradeagreement program has aggravated, and has not alleviated, the still depressed condition of agriculture and its disparity with industry. Mr. Hull has entered frequent and angry denial of these charges, but the charges still stick. He has let foreign farmers into the American market, and has failed to protect the interests of our major export farmers in foreign markets.

But it is frequently argued, if we don't accept imports, how can foreigners buy our exports, including our farm surpluses? Armed with this axiom of orthodoxy, many of our exporters, bankers, and theoretical economists have flocked to the Hull standard. It is a doctrine which elicits high acclaim in Great Britain

ard. It is a doctrine which elicits high acclaim in Great Britain and other important trading nations with a stake in the American and other important trading nations with a stake in the American market, present and future. It carries on its face a high degree of plausibility and has been further elaborated by some of our most ingenious economic casuists—Secretary Wallace indeed once went to the extent of opposing the development of an American merchant marine, on the ground that it would hurt the profits of foreign shipping interests and hence would impair foreign purchasing power. Nevertheless, whatever force the argument may once have had with relation to international exchanges of mechandise was negated even before Mr. Hull got to work as a once have had with relation to international exchanges of merchandise was negated even before Mr. Hull got to work, as a result of our devaluation of the dollar in 1933-34 and our adoption of a policy of buying gold and silver from all comers at prices greatly above the world market. Under this policy we started importing on a huge scale months before ever the Reciprocal Trade Agreements Act became operative. Under it we have been a great importing nation ever since, our principal imports being gold and silver. Under it these imports have far outweighed any small advantage we may have enjoyed as exporters of merchandise. As a result foreigners have had on net balance during the last 4 years a sum total of excess dollar exchange amounting to five and eight-tenths billion dollars, and, instead of being an exporting nation, we have become the world's greatest importing nation on net balance. nation on net balance.

AMERICAN BARGAIN COUNTER

Against these huge imports of gold and silver there has been no corresponding increase in the purchase by foreigners of our merchandise. In particular they have refrained from purchasing our farm surpluses except when the price has been low enough to suit them. Neither has there been any attempt to make payments on the \$10,000,000,000 worth of war debts owing to us. Instead, foreigners have used this surplus dollar exchange for security transactions, for repurchasing, often at greatly depreciated prices, their own bonds floated in this country—official figures show one series of repurchases of more than \$2,000,000 worth of foreign bonds at an average price of 27½ cents on the dollar—and for the purchase of American long- and short-term securities, American bonds, stocks and repurchased for hulling a back to be a few forms. chase of American long- and short-term securities, American bonds, stocks, real property and for building up bank balances. Figures on the increase of foreign holdings in the United States are not available in definitive form but judging from the reports of the Department of Commerce on the United States international balance of payments these increases amounted approximately to \$6,000,000,000 in the 4 years 1934 to 1937, inclusive, a figure which corresponds significantly with our six and three-tenths billions in net purchases of gold and silver. Altogether they have brought the grand total of foreign investment in the United States to an amount which may be roughly estimated as between nine and ten billion dollars, a factor of very considerable importance in its potential influence on American affairs and American economy, particularly in times of international crisis or war.

In times of international crisis or war.

A variation of the foreign purchasing-power argument in support of the trade-agreement program is found in the claim that the program increases so-called triangular trade and hence world trade as a whole, which, it is argued, in turn must operate to the advantage of American trade. This would be very pretty if true. Unfortunately, it is something less than realistic in that it apparently ignores the revolutionary changes which have taken place in the character of world production and world trade during the past 20 years. In that time modern technology and production methods have made r nbelievable strides. They are spreading to former raw-meterial countries: they are beinging new competitors. former naw-material countries; they are bringing new competitors into world markets; they are cutting new channels of trade. Everywhere they are making possible measures of national self-containment which would have been unimaginable a generation ago. The trend in nearly every country of importance is toward policies of economic self-containment. It is deriving an ever-in-

policies of economic self-containment. It is deriving an ever-increasing velocity by reason of the wars and apprehensions of war which are assailing the world.

The post-war and depression break-down of international currency exchanges has all but destroyed the old pre-war system of settling international accounts, either by gold shipments or by the triangular method of payment. Trade between nations has become increasingly a matter of direct trade, or barter of surplus supplies, agricultural and industrial. League of Nations figures indicate that such increases as have occurred in international trade since the depression have been in the field of direct bilateral trade as contrasted with so-called triangular trade. trade as contrasted with so-called triangular trade.

ENGLAND'S ABOUT FACE

Even England, the mother of free trade and sponsor of the doctrine of triangular trade, has reversed her foreign trade and financial policy. She went off gold in 1931. She has adopted a program for rebuilding her neglected agriculture and of protecting her gram for rebuilding her neglected agriculture and of protecting her industries to such an extent that today, with a population one-third of ours, she collects more than \$1,000,000,000 annually in import duties as compared with our own collections of about \$400,000,000. She has embarked, through the Ottawa agreements and other preferential arrangements with foreign nations, upon a course primarily concerned with the promotion of direct internation trade. This is fundamental British policy, whatever surface concessions she may make to Mr. Hull in the hope of securing his diplomatic support in Europe.

face concessions she may make to Mr. Hull in the hope of securing his diplomatic support in Europe.

Germany has carried this policy of direct internation trade to an even higher stage of development through her system of barter and rationalized foreign trade to supply her needs. With her newly won political and economic hegemony of central Europe, there is every indication that she will carry it still further in the direction of self-containment in the trade and economic area now under her control and influence. This area is a rich market, but one which it will be difficult for us to enter except at the sacrifice of Mr. Hull's theories and methods of foreign trade.

It is not out of place to note that in 1934 and 1935 Mr. Hull re-

of Mr. Hull's theories and methods of foreign trade.

It is not out of place to note that in 1934 and 1935 Mr. Hull refused to sanction the Export-Import Bank's proposal for large-scale sales of cotton to Germany on mutually advantageous terms, that in 1935 he placed Germany on his commercial blacklist, and that he has lost few opportunities to indicate his general dislike of the German Government. Germany may still want or need to do some trading with us, but under present conditions it is more likely to be on her terms than on Mr. Hull's. The expansion of Germany in central Europe affords an important and perhaps decisive impetus to the world-wide trend toward self-containment. This is notes an important and pernaps decisive impetus to the world-wide trend toward self-containment. This is the tide which Mr. Hull has sought to turn by opening up the American market to foreigners at the expense of domestic prices and our domestic producers. The effort may be magnificent, but it is neither good economics, good business, nor good sense.

However, the final plea made for the trade-agreement program rises above such mundane considerations and seeks justification in the high moral glein that he remained the American selection.

in the high moral claim that by opening the American market to foreigners and by seeking to increase general world trade we are promoting world peace. World peace, of course, is a plea which has an especial appeal for the American people, and properly so. On the other hand, when it is made for the purpose of justifying a specific governmental program or course of action, it requires objective examination. Unfortunately for the argument, objective consideration suggests that there is, in fact, no perceptible connection between world trade and world peace, and, further, that trade promotes at least as many wars as it prevents. Certainly the huge international trade of pre-war days did not prevent the outbreak of the World War in 1914. Neither did Great Britain's pre-war policy of free trade operate to keep her out of that conflict. On the contrary, most historians are agreed that the struggle between Germany and free-trade England for control of world trade must be reckoned as one of the basic causes of the war. In like manner, the century-long struggle for the unprotected markets of China may be said to be a major cause of that nation's vicissitudes and her present invasion by Japan.

SIGNPOSTS FROM HISTORY in the high moral claim that by opening the American market to

SIGNPOSTS FROM HISTORY

Germany's aggressive course in central Europe represents in large measure an effort to supply her economic wants by controlling

the trade of that area. Analogous examples can be expanded inthe trade of that area. Analogous examples can be expanded inclefinitely. Confining it to a handful of instances taken from our own history, it is plain that trade was a major factor in causing our Revolutionary War; in getting us into the War of 1812 and the World War; and that, so far as our participation in the latter struggle was concerned, it was in no wise delayed or prevented by the low-tariff policy of the Wilson administration.

As this is written large is completing a conquest of all captures.

the low-tariff policy of the Wilson administration.

As this is written, Japan is completing a conquest of all eastern China; Italy has conquered Ethiopia; the war in Spain is in its third year of destruction; Germany is remaking the map of central Europe; Europe has just escaped the catastrophe of a general war by the narrowest of margins—opinions differ as to whether the crisis has been passed or merely deferred. The United States is entering upon a defense program of unprecedented extent. There has been a disturbing amount of talk in certain high circles to the effect that in case of any major conflict we shall be "inevitably" effect that in case of any major conflict we shall be "inevitably" dragged in; that we cannot stand aloof from European issues of war and peace, but must take a direct hand in their settlement, even to the extent of going to war—indeed, some have seen a veiled statement of this position in President Roosevelt's appeal to the powers

at the height of the war crisis.

In the face of this, if it be true that world trade and the trade-In the face of this, if it be true that world trade and the trade-agreements program are making for world peace, or even for the peace of the United States, the connection is far from clear. Against this is the ominous possibility that the administration policy of tying our fortunes more closely yet with those of Great Britain and the so-called democratic bloc, of meshing ourselves with world economy, is actually making it more difficult, if not impossible, for us to stay out of the next great European war, if and when that war comes. Perhaps the hard fact is that world trade and world peace do not run parallel, but are instead diverging forces sometimes coinciding sometimes not. To regard them as forces, sometimes coinciding, sometimes not. To regard them as synonymous is to ignore history. To declare that the trade-agreements program promotes world peace is as meaningless as to claim that it has abolished or reduced disease. Such justifications of it are either naive or else they are disingenuous. In neither case can they be accepted as a safe guide for the conduct of our national effeits or for the formulation of an economic policy suited to our affairs or for the formulation of an economic policy suited to our needs.

needs.

To meet our needs—the needs of agriculture and of the Nation—drastic changes are necessary. Present administration policies are destroying our unique political, economic, and military security. They are exposing us increasingly to involvement in the economic and political disasters of other nations. Present administration policies are holding open and even widening the gap in our protective system. By so doing they are prolonging unemployment and depression. Finally, by perpetuating and increasing our dependence on foreign sources of supply and upon foreign markets which we may or may not be able to hold, present administration policies are stifling one of the most promising hopes we have of agricultural and industrial progress and of permanent farm and national recovery.

agricultural and industrial progress and of permanent farm and national recovery.

Signs are not lacking that we may be on the threshold of a technological revolution in agriculture no less far reaching than the industrial revolution of the eighteenth and nineteenth centuries. Already we are witnessing such achievements as the utilization of southern slash pine for the making of paper and newsprint now imported; of the use of grain alcohol as a component of motor fuel; of the employment of milk byproducts in the making of paint and plastics; of the transformation of cornstalks into wall-board and other building material. Already cotton is being used of paint and plastics; of the transformation of cornstants into wall-board and other building material. Already cotton is being used successfully as a road-building material, and other new uses for it are being sought. Synthetic rubber and synthetic silk made from common domestic farm growing may be with us any day. Likewise, experience and experimentation are showing that many farm products or their substitutes, now imported, can be advantageously produced here. Vegetable oils and fats are examples; the soybean and tung oil are others. There will be more.

THE BLOCKED RURAL ROAD

It is in new domestic uses and markets for agriculture, in the development of new sources of farm wealth such as these, in the preservation of our domestic market for them, that the future of our agriculture lies. Indeed, with these our farm problem might well become not one of surpluses but rather a question of our ability to produce to meet these new demands. All that this nascent development toward agricultural progress and farm recovery needs is a little protection and encouragement. Yet upon it lies the dead hand of New Deal government with its twin

it lies the dead hand of New Deal government with its twin policies of crop restriction and tariff reduction. Against it stands the outspoken opposition of New Deal leaders; in Secretary Wallace's phrase, "It would displace our imports"; as Secretary Hull might say, "It would interfere with the trade-agreement program." The special, if unintended, victim of these administration policies is the farmer, and gradually he is coming to know it. But the ultimate sufferer is the whole Nation. Without a prosperous agriculture, national prosperity sickens and declines. We cannot build a prosperous agriculture on a basis of peasantdom, repression and restriction of farm wealth. The world, including the farm world, is changing fast. We and our Government must change with it. That way lie progress, recovery, prosperity, security. That road is being blocked by present administration policies. Those policies must be changed. New Deal or no New Deal, that road must be cleared.

Constitution Hall and the Marian Anderson Incident-Rule Followed-No Question of Prejudice, Personality, or Discrimination

EXTENSION OF REMARKS

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

EXCERPT FROM THE FIRST ANNUAL REPORT OF MRS. HENRY M. ROBERT, JR., PRESIDENT GENERAL, DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpt from the first annual report of Mrs. Henry M. Robert, Jr., president general, Daughters of the American Revolution, Forty-eighth Continental Congress, Tuesday, April 18, 1939, which contains the facts in connection with the request for the use of Constitution Hall for a concert by Marian Anderson on April 9, 1939, to wit:

[Excerpt from the report of the president general, Mrs. Henry M. Robert, Jr., Forty-eighth Continental Congress, April 1939]

The fiftieth anniversary approaches. The visits of the president The fiftieth anniversary approaches. The visits of the president general to all parts of the country convince her of the interest of the members, of their eagerness to work, and of their sincerity of purpose. She suggests as the most important step for the next 2 years an effort to know your own society. There are many phases of its activity largely unknown to the general membership. They sometimes look upon the national board of management as something remote and apart from themselves, whereas it is you, yourselves, who make the national board of management.

Every member must know that when any State elects its State regent, it is then choosing a member of the national board of management, and that her duties in that capacity may involve even greater responsibilities than those required as the regent of her State.

As you listen to the reports of the national chairmen, and realize that the activities of this society reach out to touch groups of all races, creeds, and nationalities in every section of the country, and as you look at this great block of properties with the same problems of maintenance, upkeep, and care as any other great city block of buildings, remember that you as individuals within your States and as members of this continental congress are determining the character of the direction of these activities and these proporties in the as members of this continental congress are determining the character of the direction of these activities and these properties in the selection of your national officers and State regents. As members, you should know that this society, although adhering strictly to business principles in its management, has difficulties not encountered by organizations of a purely business or commercial character.

The members of your national board of management serve entirely without compensation. They pay their own expenses, both for traveling and for hotels. They cannot, therefore, be called tofor traveling and for hotels. They cannot, therefore, be called together for special meetings as need arises, because the society has no right to put that added strain upon purely voluntary service, however willing the members may themselves be. Because of the fact that the widely scattered directorship cannot be quickly called together, experience has shown that its daily activities of management must be controlled by rules adopted as necessity arises. This is only a fair protection both to the society and to those officers who may temporarily be in charge in Washington. The society has been obliged to work out a system of its own adaptable to its needs.

If the executive officers of the society were resident in Washington, few or no rules would be necessary, for each question could be decided individually as it arises. These are never adopted arbitrarily, but only as actual experience shows their need. For example, soon after Constitution Hall was opened it developed that it would be arter constitution Hall was opened it developed that it would be manifestly unfair to permit an attraction at night by one company when a similar attraction by another company had been given on the same afternoon. In consequence, as a guide to the managing director for future similar situations, a rule was adopted providing that when the hall was engaged for a definite afternoon, no rival attraction of similar nature would be permitted on the night of the same day. Experience dictated this rule as both necessary and fair.

It should be further noted that, having once been adopted, a rule cannot be set aside by any individual officer. It may be changed or suspended only by the same board or authority creat-

The voluntary basis of service of the society should at all times be recognized. If it paid its board members, their attendance

could be expected whenever needed. The first fact for the general membership to recognize is that with all of the responsibilities of a great business, the society cannot conduct its affairs by the same methods. Members in every State have contributed to these properties. They are the real owners. They erected these buildings for their own use and have a personal affection for them. They have been happy to share their use with others, not for profit, but as a contribution to the cultural life of Washington. If Constitution Hall had been built commercially, the income has not been sufficient to cover interest alone on the investment, even without maintenance and repairs. If it were operated commercially, thus requiring return on investment, the cost for its use for practically all events now held there would be prohibitive. Only because those who built it for their own use, ask no return upon a great investment, is it possible for the people of this community to share at all in its advantages. The only reason the building exists and that it can be opened to others, is that women in every State and in chapters in other countries through the years of hard and united effort brought their gifts to Washington.

In the beginning there were no rules except that all events should be of dignity and refinement and not in contradiction to the ideals of the society. With experience a number of rules developed. If certain plans proved impracticable, they could not be continued. As a result of actual experience, a rule was adopted which has remained in force through parts of four administrations and which has recently been under discussion. That rule arose because of unpleasant experiences in attempting to go contrary to conditions and customs existing in the District of Columbia, as a result of which the society was widely criticized in letters and comments in the press for not cooperating, even though actually all restrictions

had been waived.

Statements were incorrect and were not based upon facts. rience showed the society that it could not go contrary to or further than the customs existing in the city in which its properties were located. There was no question of prejudice, personality, or discrimination. This society has consistently through its nearly 50 years been a friend of, and has worked for, many minority groups.

years been a friend of, and has worked for, many minority groups. It will continue to do so.

The question was merely this: Could the society by continuing a practice contrary to accepted custom cope with its difficulties? In business, if any venture is accompanied with results detrimental to the company or corporation, the practice is discontinued. The rule under question was simply that, under the conditions existing in the District of Columbia, the community did not accept the step which the society had taken. Experience proved that it could not proceed further than local conditions warranted. The very fact that the rule attracted no attention through parts of four administrations indicated that it was in accordance with existing customs.

In January of this year a committee asked for the use of Constitution Hall for a musical event on April 9. The hall was already

In January of this year a committee asked for the use of Constitution Hall for a musical event on April 9. The hall was already engaged by another musical organization for that date. In so informing the committee, the rules were also explained, and the statement made that any request for exception to those rules should be addressed to the president general. Shortly afterward, with no request yet in writing, letters began to appear in the press. Comment and adverse criticism gathered like a snowball. More than 3 weeks after the first approach by the committee, during which time agitation and comment had increased, and the society had been charged with bad faith, the president general received the first communication, and then this asked for April 9, the date which the committee had been informed 3 weeks previously was already engaged. Much conjecture and untruth was published. For example, question was raised as to whether the hall was really engaged, whereas last October the society's magazine published that date as booked, and many subscribers held season tickets including it. season tickets including it.

Information and letters received during this period clearly indicated that the question was not one regarding a single artist but involved far-reaching changing social forces. By the time the national board met on February 1, the real question had become so involved with entanglements that it could not be considered alone. Let it be noted that this date was the first on which a society constituted as ours could consider the question of a change or an exception in its rules.

or an exception in its rules.

An important consideration was that, to make an exception, would be in direct contradiction to existing agreements with concert bureaus who have regularly used the hall for some years and whose agreements cover a period of years. The society would therefore have opened itself to legal responsibility for violation of its own agreements. This was an important factor affecting the action but he heard.

These facts were stated more briefly in a letter to the national board, which includes the State regent of every State. The meeting of the national board, at which 41 members from all parts of the country were present, realized the seriousness of the decision to be made. After careful consideration of all factors involved the board decided, through a ballot vote, that no exception could be made.

The membership should distinctly understand that to have made an exception would not only have been in violation of signed agreements of the society, and customs for all similar properties in Washington, but would have meant that the society retreated under fire of widely scattered groups and organizations, many of

whom knew nothing of the facts, and whose interest had nothing

to do with the real question.

To have changed a rule while it was entangled with so many factors having nothing to do with the rule would have been to surrender the society to influences inimical to its purposes and efforts. When independence of action is threatened, and when fog

beclouds real issues, there can be no surrender.

Let all understand that there was never a question of one person or one artist. The only question under discussion was whether, in view of all existing conditions, an exception could be made in rules of long standing.

If a single inappropriate or undignified comment has been made or published during this discussion, it has been without the authority or knowledge of the national society.

Is it reasonable that one group of women alone, whose properties are privately owned, whose buildings were possible only through voluntary contributions of its members in all parts of the country accumulated during nearly 50 years of effort, be expected to work out the problems of vast groups backed by great changing social forces?

social forces?

Conditions are the same as when experience dictated the need of the rule. This is not a question for the Daughters of the American Revolution alone to solve. When the community at large has worked out its problem, the Daughters of the American Revolution will be willing, as at all times, to adapt its policies to practices and customs in accordance with the highest standards of the community.

If this incident can teach that issues must be kept clear-cut and free from entanglements which obscure the real principles in-

If this incident can teach that issues must be kept clear-cut and free from entanglements which obscure the real principles involved; if it can lead the members to know more of the problems and difficulties of the society and emphasize the necessity of seeing the whole picture before forming judgment; if it can lead those who speak without knowledge to search for truth; if it can emphasize the need of decisions without malice and a patriotism without prejudice, it will have served its purpose.

The War Debts Again

EXTENSION OF REMARKS

HON. CHAUNCEY W. REED OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

Mr. REED of Illinois. Mr. Speaker, I have today introduced House Resolution No. 17. It is similar to one introduced in the Senate a week ago which is now before the Foreign Relations Committee of that body. I realize that this is an unusual resolution. For many years we in the United States have been deeply concerned over the failure of many of the European nations to repay the sums of money loaned to them by our Government during and immediately after the World War. Today when many of these defaulting nations are again talking war and attempting to involve us in their quarrels with each other it seems pertinent to request of them a settlement of that which is so long overdue.

I believe an effort should be made to secure an adjustment of this debt which cost American taxpayers some thirteen

billions of dollars.

While the appointment of ambassadors, other public ministers, and consuls rests solely with the President, upon the advice and consent of the Senate, yet the House of Representatives, upon whom devolves primarily the duty of raising revenue, is deeply concerned in the collection of these war

The Senate resolution and the one I have introduced suggest that the appointment of William Griffin, editor and publisher of the New York Enquirer, as special envoy to Italy, England, Germany-for the Czechoslovakian debt-France, and other nations now in default to this Republic for the purpose of assuring the collection of these debts would meet with the utmost satisfaction of the Members of this Congress.

I am especially pleased to sponsor this vital measure in the House, since Mr. Griffin is a native son of the district in Illinois I am privileged to represent in the House of Representatives. His ancestral abode is in Wheaton, III., county seat of Du Page County, and home of that progressive educational institution, Wheaton College, well known throughout the

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country. The history of this youthful, self-made American publisher has become somewhat of a saga in the State where

I formerly served as prosecuting attorney.

There is still another reason, Mr. Speaker, why we of Illinois would be especially gratified by the passage of this resolution. In a sense it would be a mark of homage and remembrance to our late United States Senator James Hamilton Lewis, a close friend of Mr. Griffin, who made noncancelation of war debts one of the strongest issues in his career as a statesman.

In furtherance of the spirit of the resolution Griffin already has had many face-to-face conferences with the leaders of the war-debt-defaulting nations. Among those with whom this outstanding journalist and publisher has discussed war debts are David Lloyd George, former Prime Minister of England; Winston Churchill, former Chancelor of the Exchequer of England; Albert Lebrun, President of France: Lord Robert Cecil. President, the League of Nations Union and former Minister of Blockade; and Count Galeazzo Ciano, Foreign Minister of Italy. He is well versed in the policies and politics of European statecraft, and if anyone is able to represent America with honor and distinction I am sure he is the man.

Events of the last two decades have demonstrated to the most cursory observer that many of the defaulting debtors, instead of paying Uncle Sam, have turned the money due him into more and more munitions and armaments of war, and he is now confronted with a spectacle of wily European diplomacy intent on involving him in another foreign war.

That great President, Calvin Coolidge, admirably summed up the question of the war debts in his New England nutshell fashion when he remarked of the European defaulters,

"They hired the money, didn't they?"

Radio Discussion of National Labor Relations Act

EXTENSION OF REMARKS

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

RADIO DEBATE BETWEEN HON. EDWARD R. BURKE, O NEBRASKA, AND HON. SHERMAN MINTON, OF INDIANA

Mr. NORRIS. Mr. President, there occurred last night a very interesting debate over the radio between the Senator from Nebraska [Mr. Burke], the Senator from Indiana [Mr. MINTON], and some others on the subject of the National Labor Relations Act. I have a copy of that joint debate in my hand and ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the debate was ordered to be printed in the RECORD, as follows:

> AMERICAN FORUM OF THE AIR NATIONAL LABOR RELATIONS ACT

The National Labor Relations Act was the subject of discussion

The National Labor Relations Act was the subject of discussion here tonight, Sunday, April 23, 1939, by United States Senator Edward R. Burke, Democrat, of Nebraska, and United States Senator Sterman Minton, Democrat, of Indiana.

The discussion was presented by WOL, Washington, in cooperation with WOR, Newark, over the coast-to-coast network of the Mutual Broadcasting System.

Following the discussion, which originated in the auditorium of the Department of the Interior Building in Washington, a panel consisting of the following participants commented extemporaneously on the remarks of the speakers of the evening: Joseph Padway, counsel, American Federation of Labor; Lee Pressman, counsel, Congress of Industrial Organizations; United States Representative Clare E. Hoffman, of Michigan, and Richard Strout, Christian Science Monitor. Christian Science Monitor.

The American forum of the air is under the direction of Theo-

dore Granik, prominent attorney and educator, who presided as chairman of the program.

Announcer McCormick. From the Nation's Capital, we present the American Forum of the Air. WOL, in cooperation with WOR,

presents another in the regular weekly series of forum broadcasts witnessed by a large audience assembled in the studio-auditorium of the new Department of the Interior Building.

The facilities of this auditorium have been graciously extended in the interest of promoting unrestricted discussion of topics interesting to the Nation at large and conducted by a nonpartisan

organization.
You first will hear both sides of the issue discussed by two speakers, representing opposite viewpoints.

Following the speakers, an extemporaneous panel discussion will take place in an endeavor to cover all phases of the subject.

The forum is arranged and directed by Theodore Granik, prominent attorney and educator, who will preside as chairman. Mr.

Chairman Granik. Thank you, Mr. McCormick.
Congressional hearings on the National Labor Relations Act
have once again brought the spotlight of public attention on this
vital problem. After a 2-year struggle in the Congress, the act was signed by President Roosevelt on July 5, 1935. his statement at the time:
"A better relationship between labor and management is the

ins statement at the time:

"A better relationship between labor and management is the high purpose of this act. By assuring the employees the right of collective bargaining, it fosters the development of the employment contract on a sound and equitable basis. By providing an orderly procedure for determining who is entitled to represent the employees, it aims to remove one of the chief causes of wasteful economic strife. By preventing practices which tend to destroy the independence of labor, it seeks, for every worker within its scope, that freedom of choice and action which is justly his."

The act has been the subject of bitter controversy. Critics have demanded its repeal or sweeping revision, as well as complete revamping of its administrative agency. They contend that the Board has been biased and unfair, and that the act, although set up to protect the rights of organized employees, does not protect the rights of employers.

About 10 days ago the Senate Labor Committee began hearings on a series of proposals to amend the act, and similar hearings are expected shortly to get under way in the House. The eyes of the Nation have been focused on these sessions, which will develop in detail the pros and cons of all phases of the problem.

Appearing at his own request as the first witness before the Senate Labor Committee, distinguished Senator Robert F. Wagner, of New York, author of the law and nationally renowned for the liberal legislation he has sponsored, said:

"The National Labor Relations Act, has played a notable con-

of New York, author of the law and nationally renowned for the liberal legislation he has sponsored, said:

"The National Labor Relations Act has played a notable constructive role in our national life. To millions of workers it has brought a better understanding of their employer's problems, and the material and spiritual value of participating in a free organization of their fellows for mutual aid and protection. To most employers who have given the principles of the act a fair trial it has brought labor peace, and, beyond that, a more human relationship with workers based on the mutual respect and understanding that grows out of free bargaining between free men. These employers—and they now represent the overwhelming majority—are among the chief beneficiaries of the Labor Act."

Among those urging the contrary point of view before the committee were Senator Edward R. Burke, of Nebraska, and Congressman Clare Hoffman, of Michigan, who are here with us tonight to amplify their views.

Outstanding leaders in Government, business, and labor will

Outstanding leaders in Government, business, and labor will testify within the next few weeks, with the issue expected to reach the floors of both the Senate and House before this session ends.

The American forum of the air has thought it timely, there-

fore, to present a discussion on the subject tonight.

Senator Burke will open the discussion, and he will be followed by Senator Sherman Minton, of Indiana, who was this week chosen as the Democratic Whip of the Senate, succeeding the late Senator

Immediately following their remarks we will present an informal panel discussion. Our panel members, with Congressman Hoffman, will be Joseph Padway, general counsel of the American Federation of Labor; Lee Pressman, general counsel of the Congress of Industrial Organizations (the C. I. O.); and Richard L. Strout, correspendent of the Christian Science Monitor.

And now we present Senator Burke:

ADDRESS BY SENATOR EDWARD R. BURKE, OF NEBRASKA

Senator Burke. As the first witness to appear before the Senate Committee on Education and Labor in its consideration of proposed amendments to the National Labor Relations Act, Senator Wagner described the hearings now in progress as "momentous." Whether they result in a demonstration that the act needs no change, that its administration has been wise and free from bias

change, that its administration has been wise and free from bias or prejudice, or the contrary is shown, in either event the examination now under way is of the utmost importance. For we are dealing here with a subject that touches very closely the welfare and the happiness of more American citizens than are directly and vitally affected by any other single piece of legislation.

These hearings are momentous. Equally so was the use of that term by the distinguished author of the act, coupled with his further statement that he thoroughly approves of the study being made. That he will actively support any changes which the evidence clearly shows to be necessary. For that has not been and unfortunately is not now the attitude of those extreme partisans who have seized upon this act as an effective means of forcing upon the country far-reaching changes in our economic system. To them this act is sacrosanct. With consummate skill they have been working, day in and day out, to create prejudice against

those who seek by wise amendment to make this law a sound instrumentality of good. Although the most reliable polls of public opinion disclose that not less than 75 percent of the people of the country are dissatisfied with the way the statute is being enforced and favor changes in the law, these ardent advocates have insisted that it must not be touched. There is a general belief that continual harassment of employers, for which the way her been connected to which by the people of outside interthe way has been opened so wide by this method of outside inter-ference in the labor relationship, is the surest method of keeping business and industry from expanding, and millions of willing workers from profitable employment. Yet we are told this law must not be touched.

must not be touched.

On the contrary, the change should begin in the very first section. Instead of declaring that labor disturbances are due solely to the unfair practices of employers in denying to their employees freedom in organizing and in refusing to bargain collectively with them, let the truth be stated. Labor troubles have been due in part to such practices by a limited number of employers, and in part to unfair practices of certain employees and labor organizations. If it is real freedom for the workers of the country that is our goal, let the law protect them from threats, interference, or coercion from any source.

So this section is amended by declaring it to be the policy of the

coercion from any source.

So this section is amended by declaring it to be the policy of the United States to encourage the development of friendly and mutually fair relations between employers and employees by protecting the practice and procedure of collective bargaining, by protecting the exercise by workers of full freedom of voluntary association, self-organization, and designation of representatives of their own choosing for the purpose of negotiating the terms and conditions of their employment, and by imposing reasonable restraints in the public interest upon certain improper practices in the employer-employee relationship, by whomsoever engaged in.

What are those unfair labor practices? As the statute now reads, only an employer can be guilty of wrong. The amendment covers both parties to the relationship. It is now an unfair labor practice for an employer to interfere with, restrain, or coerce his employees

for an employer to interfere with, restrain, or coerce his employees in the exercise of the rights guaranteed in this act. The same prohibition should be made applicable to employees and labor organizations, to the end that the worker may be completely free to join or refrain from joining any labor organization, to continue or cease his employment, and to select his representatives for collective bargaining.

collective bargaining.

Because of repeated interpretations that the Board has placed upon this noninterference section, which rulings have had the practical result of placing all employers in a strait jacket without liberty to pass on to their employees any information or advice that might be helpful to them, even when wholly disassociated from any threat or interference, it has been thought necessary to add a proviso. It shall not be considered an unfair labor practice for an employer to confer with his employees or counsel and advise with them about any matter within the scope of this

Company unions will still be denounced. Likewise any discrimination in regard to tenure of employment or any term or condition thereof for the purpose of encouraging or discouraging mem-bership in any labor organization. It will still be an unfair labor practice for an employer to refuse to bargain collectively with the

accredited representatives of his employees

accredited representatives of his employees.

Employees, in turn, will violate a fair-labor practice if, in the course of a dispute, they violate the laws of the jurisdiction where the dispute occurs. The national policy is to afford the machinery for the peaceful adjustment of grievances through free collective bargaining. If workers take the law into their own hands—say, by engaging in the destruction of the employers' property by using the sit-down strike technique to enforce their demands—they should not at the same time be free to enjoy the great advantages which this act confers.

It is complained that the amendments constitute a restriction on the right to strike. All that is provided is that if the worker wants the protection and benefit of this act, he must stay within certain limits in the method of the exercise of that right. If there is a valid contract not to strike for a certain period, the agreement must not be treated as a scrap of paper. A further, and to me a most reasonable limitation, is that to remain protected by this act a strike may be called only after an affirmative vote by secret ballot of a majority of the workers in the unit

vote by affected.

In his statement to the committee, Senator Wagner said that it In his statement to the committee, Senator Wagner said that it is his aim "to be the friend of every man who works honestly for a living, regardless of what union he belongs to or whether he belongs to a union at all." To that I wholeheartedly subscribe. To carry that principle into effect requires two further changes in this section. To my mind it is an intolerable thing that a man who desires to work honestly for a living, who is capable and efficient in the performance of his duties, an employee who has been honestly working for a living for years, may be told any day that under the law of the country he loves and is ready to defend with his life, he cannot continue to hold his job unless he will join a under the law of the country he loves and is ready to defend with his life, he cannot continue to hold his job unless he will join a certain labor organization. It is immaterial whether his reasons for not choosing to join are good or bad. The vital point is that someone else is permitted to decide the question for him. It approaches hypocrisy to claim to be the friend of every man who works honestly for a living, regardless of what union he belongs to or whether he belongs to a union at all, and at the same time support a statutory, compulsory closed shop which throws the above principle to the winds. Let the union sell to the worker on its merit the benefits of belonging. Let interference with the free exercise of that right by the employer, by the union organizer, or by anyone else, be strictly prohibited. But the closed-shop prin-ciple has no place in this act, which is supposed to guarantee complete freedom to workers.

Nor is the compulsory deduction from a worker's wages of union Nor is the compulsory deduction from a workers was a dues consistent with that freedom about which we speak. It may be a helpful device to keep unwilling members in line. But that is be a helpful device to keep unwilling members in line. But that is all. The closed shop and the check-off can be logically defended only by those who are willing to take the position that there is something more important than the freedom of the individual to make his own decisions. However valuable a strong labor organization may be, when it comes to forcing a worker against his will to join, or compelling him to remain in when he wants to quit,

the sacrifice of individual freedom is too great.

The act should provide for a Labor Board representative in equal number of both parties to the labor relationship—employer and employee. The general public, which is so vitally affected by the maintenance of industrial peace, should also have a voice in its decisions. A board so constituted has been heretofore recommendations. mended by such authoritative spokesmen of labor as Mr. Green, Mr. Lewis, and Secretary Perkins. This change would go far toward convincing the country that Congress is sincerely trying to establish good will in a relationship where real success is otherwise impossible.

impossible.

Procedure must be improved. If a grievance exists, the employer should be promptly notified. He should have a reasonable time to make correction to the satisfaction of his employees. Failing that, and within a limited period, it would be in order for a complaint to be filed by the Board. In getting at the truth, although technicalities should be avoided, there ought to be substantial compliance with the rules of procedure that prevail in courts of law and equity. Findings of fact to be conclusive should be supported by the weight of the evidence. If, despite these safeguards, the accused is not satisfied to have his case judged by the same body that investigated the controversy determined there was same body that investigated the controversy, determined there was, according to its standards, sufficient cause to proceed, and then prosecuted the case, he should have the right of prompt removal to the United States district court for speedy trial

The major portion of these amendments which I propose have just been enacted into law by the Wisconsin Legislature to supplant the so-called Little Wagner Act that has been in force in that plant the so-called little Wagner Act that has been in force in that State. The handwriting appears on the wall. Those who are wise will read and give heed. There should be fundamental changes made in the National Labor Relations Act at this session of Congress. That can be done without impairing the sound objectives of the act. There is danger in delay.

Mr. Granik, Thank you, Senator Burke.

You are listening to the American forum of the air, presenting a discussion on the National Labor Relations Act.

We have just heard Senator EDWARD R. BURKE, of Nebraska. And now we are happy to present Senator SHERMAN MINTON, of Indiana. Senator MINTON.

ADDRESS BY SENATOR SHERMAN MINTON, INDIANA

Senator Minton. The purpose of the National Labor Relations Act was to protect labor in its right to belong to a union and to have that union represent labor in its dealings with its employers. That is what is known as collective bargaining. No one disputes the right of labor today to bargain collectively, just as capital bargains collectively. The board of directors of a corporation or a farm cooperative represent and bargain collectively for the stockholders of the corporation or the members of the cooperative.

Labor asks to do the same thing. You say if everyone concedes this right of labor to join a union, and through that union to bargain collectively, why the Labor Board? Not quite all accept the right, in practice, at least. There still exists a small minority of chiselers that hire spies to spy upon the workers to find out who the union leaders and members are so they can fire them. They spend hundreds of thousands of dollars a year hiring der Head" Cohen and a bunch of pug-uglies to break strikes and assault workers. They spend hundreds of thousands to arm with gas and deadly weapons, thugs to be set upon the workers. They spend thousands in fostering a company union to be run by the employer and to sit upon the employer's knee by Charlie Mc-Carthy, to listen to his master's voice. In short, anything from spying, thuggery, assaulting, and a free use of money is used by the few to halt the organization of labor.

The overwhelming majority of the employers are fair, and want to be fair, to their workers. It is the small minority of chiselers that made it necessary to pass the National Labor Relations Act. It is the Tom Girdlers and Jimmy Rands that make it necessary for all employers to have legislation directed to them. We always have to legislate against the chiseling, racketeering, or criminal minority. The Good Book itself says: "The law was not made for the honest man."

The National Labor Relations Act was passed to enable workers to join the union of their choice, without interference from the boss. What member of the general public is willing any more to leave complete control of workers' destinies in the hands of employers, to discharge and blacklist workers, whose only sin is a desire to join a union, and have that union represent them in dealing with their boss.

The right to organize is just. The device of collective bargaining is a hopeful path to industrial peace. Everyone agrees, so let's stop giving lip service to collective bargaining and give it a chance to

In 1933 the present administration said for the first time that collective bargaining was here to stay. The Republican Party had always pleasantly endorsed collective bargaining, but it never did anything about it. In the spring of 1935 this administration kept its promise to labor and enacted under the leadership of one of the greatest liberals of all time, Senator Wagner, the National

Labor Relations Act.

They could accept the act, Employers had two alternatives. Employers had two alternatives. They could accept the act, and make collective bargaining a reality, such as had been known by the railroads and the Needle and Garment Workers for 20 years. Or, they could defy the act and deny their employees the right to join the union they wanted. The employers chose to defy the act. They suspended its operation for almost 2 years, during which time labor witnessed the boss defying the law, and he defield it in a wave of sit-down strikes. This was labor trouble, but heaves of the National Labor Relations Act, but in defining not because of the National Labor Relations Act, but in defiance

Here are the steps by which, through unremitting publicity and litigation, the chiseling minority of American employers nullified the act and excoriated the Board. The Manufacturers' Association and the chamber of commerce declared the act unconstitutional before it was passed. Fifty-eight Liberty League lawyers signed an cpinion that the act was unconstitutional, and advised the employers to defy the law. One hundred and one employers tied the Board's hands by injunctions. Employers refused to obey the law. Only one of them complied with the Labor Board's ruling during

Only one of them complied with the Labor Board's ruling during the Board's first 18 months of existence.

How did labor feel about all that during those 18 months? Where was its magna carta of rights? Where these long-deferred hopes? Where, indeed! Tied up in injunctions. Throttled over conference tables where, instead of worker and employer representatives meeting to settle their mutual affairs, lawyers and employers' associations met to strangle labor's hopes. Labor lost patience. Workers went back to direct action, and the strikes of the winters of 1936 and 1937 ensued.

In the spring of 1937 the Supreme Court upheld the labor law. The Liberty League lawyers' "kangaroo court" had been overrued. Then, before the law had a chance to work, the Manufacturers' Association, the chambers of commerce, the chiseling employers, and the propagandizing newspapers they control began to yell for repeal and, by misrepresentation, to seek to destroy the Labor Board. Some wanted to kill the act outright—bloody murder! Some, like Senator Burke, wanted to chloroform it, while he proceeded to take out all its vital organs, under the subtle plea of amendment. amendment.

Under these adverse and trying circumstances, the Labor Board Under these adverse and trying circumstances, the Labor Board prepared five cases, upon which the act was upheld by the Supreme Court. It had prepared and brought to the Supreme Court five cases of such unimpeachably sound law and procedure that the Nation, anticipating opposite decisions, was left gasping with astonishment. Under a cloud of hostility and suspected unconstitutionality, the Board had gone about its business. It had persuaded big steel, Goodyear Rubber, International Harvester, and others to give up their company unions. It had established sound precedents in a new body of labor law. It did all this under the most destructive barrage of hostility and misrepresentation that any agency of this Government has ever endured.

Senator Burke says he wants to protect the rights of the workers.

Senator Burks says he wants to protect the rights of the workers and to save the desirable objectives of the act. He has offered a number of amendments. We haven't time to look at all of them. Although on an appeal to the courts by every other federal board, the facts as found, if based upon substantial evidence, are board, the facts as found, if based upon substantial evidence, are binding upon the court, Senator Burke wants the courts not to be bound by the facts the Labor Board finds. That is just a little amendment that takes the heart out of the act! If the Senator wants to be fair, why this discriminatory amendment? Another amendment of the Senator would, in effect, give the employer a change of venue from the Board and permit him to try the case before the court, not simply confine him to his appeal, as is now the practice. the practice.

No other Federal board is subjected to such procedure. Why this discrimination against the Labor Board? "All in the interest of fair play," says Senator Burke.

Labor and its friends will not be fooled by the voice of Jacob

as long as they can feel the hand of Esau.

By propaganda, nurtured by Senator Burke himself, there has been carried on a campaign to discredit the greatest piece of legis-lation ever enacted for the benefit of the laborer, and to discredit the finest administrative job ever done by a Federal agency. This is a campaign to destroy the Labor Act and the Labor Board, not to save them.

In the last session of Congress, Senator Burke made all these threadbare charges against the Labor Board in a resolution which he had heard before the Judiciary Committee, of which he is a member, and the resolution was unanimously voted down by the member, and the resolution was unanimously voted down by the committee, even Senator Burke himself admitting he had no evidence to sustain the charges. That didn't discourage the Senator. He proceeded to get some evidence; if not evidence, at least some propaganda. By the aid of a multigraph in the Senate Office Building and an addressograph in the Manufacturers' Association in the Chamber of Commerce, the Senator began soliciting people to write him and tell him how awful the Labor Act was. The campaign of misrepresentation against the Labor Board has been going on for over a year. The public is led to believe that the Labor Board acts in violation of the Constitution, arbitrarily and without semblance of due process of law.

What are the facts? The Supreme Court, in 13 out of 17 cases before it involving action of the Labor Board, upheld the Labor Board on all grounds 13 times; 2 cases the Board was partially sustained; 2 cases the Board's order was set aside. That is a batting average of .760 for the Labor Board, while all other Federal agencies during the same period in the same Court have an average of only .640. In the circuit court of appeals, out of 45 decisions dealing with enforcement of the act, the Board has been wholly sustained in 32, partially in 2, and its order set aside in 11 cases. That is a

record unparalleled in American administrative law.

You have heard it loosely and freely charged that the labor unrest, sit-down strikes, and other strikes were due to the Labor Act and its administration. The facts are just the opposite. The various labor troubles and sit-down strikes occurred in 1936 and 1937 when the employers had the Labor Act enjoined. Since the Supreme Court upheld the act in 1937 to date the Labor Board has functioned as a constitutional body, and during that period sit-down strikes have disappeared and all strikes have been reduced by half, and only one-third as many nearly were involved in these strikes. So it to a plain third as many people were involved in these strikes. So it is a plain, unvarnished falsehood that the Labor Act and its administration

unvarnished falsehood that the Labor Act and its administration have increased labor trouble.

Two distinguished scholars of Columbia University, Professors Gellhorn and Linfield, after examining meticulously every order and act of the Board since its founding, had this to say about the Board:

"The procedures developed by the Board have been characterized not by a despotic disregard of the Constitution * * * but rather by a lively desire to afford to parties the fullest opportunity to urge their points of view. * * * By some the Board has been denounced for methods alleged to be un-American and not in harmony with the genius of our democratic institutions. The authors are satisfied that the denunciations find no support in fact." satisfied that the denunciations find no support in fact,

In conclusion let me urge you to be fair, and admit that the Labor Board has performed a most difficult task in a highly satisfactory manner. Our experience has indicated a few minor changes in the act may well be made. The friends of labor will not stand for the repeal of this act or its emasculation by destructive amendments. Labor ought to have its rights. Labor intends to have its rights, and despite the unhappy current splits in its ranks, labor will not patiently endure another postponement of its hopes.

Chairman Granik. Thank you, Senator Minton.

And this concludes part 1 of tonight's forum presentation.

Announcer McCormick. The panel discussion will be presented immediately following station identification.

This is the coast-to-coast network of the Mutual Broadcasting Co.

Announcer McCormick. We continue with the second half of the American forum of the air, originating in the studio-auditorium of the new Department of the Interior Building in Washington, D. C. We return you to the chairman, Theodore Granik. Chairman Granik. And now, as part 2 of tonight's forum on The National Labor Relations Act, we present an informal panel

discussion.

Our panel members are: Congressman Clare E. Hoffman, Michigan; Joseph Padway, general counsel of American Federation of Labor; Lee Pressman, general counsel of Congress for Industrial Organizations (the C. I. O.); and Richard L. Strout, of the

Christian Science Monitor.

Mr. Strout will open the discussion.

PANEL DISCUSSION

Mr. RICHARD STROUT. This is one of the most bitter contro-Mr. Richard Strout. This is one of the most bitter controversial subjects in Congress, and you have just listened to two of the hardest-hitting Senators in Congress. We have with us another Member of Congress who represents a third point of view. Fortunately for me, I am just an impartial and supposedly objective newspaper correspondent, and I feel a good deal at the present moment like Daniel in the lions' den. I know these people are aching to go, and I only hope I can climb a tree before I am devoured by the lions. I hope they will fight each other and not eat me.

eat me. Sitting immediately at my right is Congressman Hoffman, who has a third point of view. Then we have the point of view of the A. F. of L., which wants the law amended part way, and the C. I. O., which does not want it amended at all. I understand Mr. Hoffman would prefer to have the law abolished. Is that correct, Mr. Hoffman?

Representative Clare E. Hoffman. No; only so far as the per-

sonnel of the Board may be changed.

Mr. Strout. Isn't that the same thing?

Mr. Steout. Isn't that the same thing?
Representative Hoffman. No. Senator Miniton said no one disputes the right to bargain collectively. I say they do, the Board does, and you can prove it if you look at the record of the Board, because on July 13, 1937, a union representing a majority of the employees of a company petitioned the Board for a certificate of representation. The Board didn't give it, but induced the company to enter into a contract with a rival union, and when they had set the stage to influence the votes they held an election, and when their favorite was defeated the Board still continued to recognize this contract of collective bargaining with the defeated union, and denied the majority of employees the right to bargain collectively. It is the case of Harris versus the Labor Board, decided on the 27th day of February, 1939, by the United States Supreme Court.

Mr. Stroott. Mr. Pressman, as I understand it, you don't want

Mr. Strout. Mr. Pressman, as I understand it, you don't want to have this changed at all. Is that correct?

Mr. Lee Pressman. Mr. Strout, the C. I. O. and its affiliated organizations are absolutely opposed to the amendments which

are now pending before Congress in the several bills. The C. I. O. believes the National Labor Relations Act to really be the Magna Carta for labor. We therefore watch very carefully as to exactly who is opposing the amendments. When we find a Senator, namely Senator Burke, proposing a list of amendments under the guise of expressing the pious hope and desire of protecting every workingman in the country, we also have to notice the fact that Senator Burke was one of the 12 Senators that voted against the passage of the National Labor Relations Act.

We also would like to point out that Senator Burke, on returning from a trip to Europe, including Germany, stated upon his arrival that he thought Mr. Hitler had done a fine job for the workingman. In a country where every right of the workingman had been completely demolished, Senator Burke found a fine job being done!

fine job being done!

So we look over his amendments very carefully and we find among his amendments practically every one intended to emasculate and abolish the National Labor Relations Act. We are absolutely in accord and in sympathy with the views expressed by Senator MINTON.

Senator Minton.
Mr. Strout. The A. F. of L., as I understand it, is halfway between. Is that true, Mr. Padway?
Mr. Joseph Padway. No; you are mistaken, Mr. Strout. The A. F. of L. is not halfway between the other two. The A. F. of L. does not subscribe to the amendments by Senator Burke at all. The A. F. L. still subscribes and adheres to the basic principles of the National Labor Relations Act. I believe that when the act was proposed and was being discussed before Congress it was its strongest proponent. It still is.

But one must distinguish between the basic principles on which the act is founded and the administration of that act. It is one thing to say that an act subscribes to and supports principles of

thing to say that an act subscribes to and supports principles of self-determination, self-organization, freedom of choice of representatives, and quite another to place that authority in a board, and the power and discretion exercised by that board in such a way that many of these fundamental principles are either evaded or entirely denied to those who were to be the benefactors of the

act.
That is the position of the American Federation of Labor, and in proposing its amendments it intends to bring the act back to the fundamentals, to the basic principles under which it was sponsored, and which it was enacted under, and we propose that either sored, and which it was enacted under, and we propose that either this administration, the present Board, or some subsequent board if the present Board is unwilling or unable to do it, shall administer the act in such a way as those basic guaranties remain with and for the workers who are to benefit by it.

Representative Hoffman. Mr. Strout, Mr. Pressman said that he regarded with suspicion the amendments coming from certain sources. I wonder if he has forgotten a long time ago someone inquired whether any good could come out of Nazareth.

Mr. Pressman. I prefer to limit our discussion to the National Labor Relations Act.

Representative Hoffman. That's it, and no one except the labor organizations can propose amendments which will be any good.

I call his attention to the fact that the Labor Board itself denies the right of—

the right of-

Mr. Strout (interposing). I see Senator Burke champing at the bit. I wonder if he wants to come in on this.

Senator Burke. In most debates the one that opens has some opportunity to say something in rebuttal. I had to make my talk and the other gentlemen came on. If I could have a moment or two, without interfering—

Mr. Stroutz About 2 minutes

Mr. STROUT. About 2 minutes.

Senator Burke. What I want to say might take a good deal

longer than that.

As a logical argument directed to the advisability of considering As a logical argument directed to the advisability of considering the adoption or rejection of certain amendments, I thought Mr. Pressman's argument reached a new low in all phases. Mr. Pressman says that instead of looking at the amendments themselves which I presented in general here, that we look at the man who offered them, that Senator Burke voted against this act.

I did; and why? As the record will clearly show, because there was voted down on the floor of the Senate an amendment offered

was voted down on the noor of the Senate an amendment offered in good faith to prohibit coercion, intimidation, or threats coming from any source. When that was voted down I knew this act would not be a success and voted against it, and I am as proud of that vote as of any I have cast in the Senate.

Then he goes on with some misquotation he never read in any newspaper, because it was never quoted as he presented it at all, about some remarks I am supposed to have made on returning from Europe last September, when the labor question was not discussed at all. discussed at all.

But I want to say just this word, and my 2 minutes are not quite up, in reference to Senator Minton, also. I would like to

have about 5 minutes for him.

have about 5 minutes for him.

He said in the first place I offered a resolution a year and a half ago and had to abandon it. I offered a resolution asking the Senate Judiciary Committee to consider the functioning of the Labor Board as a court. The Judiciary Committee decided, and I joined with them because that was the general consent, that this was a matter that ought to be handled by the Committee on Education and Labor, that when they were ready to take up the consideration of amendments, that was the place to consider it, so I gracefully bowed to that.

Just one other thing and I will be through. He said also that the sit-down strike epidemic was caused by the fact that some employers fought against and questioned the constitutionality

of the Labor Act. As a matter of fact, he knows, and everyone here knows, that if the Labor Board had had its way, if the Supreme Court had not overturned it, the sit-down strike would supreme Court had not overturned it, the sit-down strike would be a duly accredited and recognized method of labor warfare in this country today. The Labor Board did everything that it could from the time that epidemic started to encourage it and spread it all over the country. That should not be blamed upon anyone who now wants to amend this act.

Senator Minton. I challenge Senator Burke to show any place in the record where the National Labor Relations Board ever countenanced a sit-down strike.

Senator Burker Senator Minton, if you haven't followed the

Senator Burke. Senator Minton, if you haven't followed the Fansteel Metallurgical case from the place it started until it was decided by the Supreme Court with only two dissenting votes, who didn't themselves attempt to justify the sit-down strike, you ought to know that that is exactly what the Labor Board

Senator Minton. Time won't permit, but it held nothing of the kind. The Senator ought to read the case.

Mr. Pressman. Mr. Strout, may I please answer Senator Burke?
I had attempted to divide my time and give a little more time to Senator BURKE.

I had first attempted to explain how organized labor felt when it heard an expression from Senator Burke about being for the laboring man. I shall now address myself to some of the specific amendments that Senator Burke has proposed.

Senator Burke purports to amend the National Labor Relations Act by providing that even where—give me enough time to answer,

Mr. HOFFMAN.

Representative Hoffman. I was wondering, Mr. Pressman, how this time is divided.

Mr. Pressman. He provided that even where an employer has unfairly discriminated against an employee that even under those conditions, according to Senator Burke's amendment, all the Board can do is hold that the employer has violated the law, yes; but all he need do is pay a little tip, a little severance pay, but but all he need do is pay a little tip, a little severance pay, but that the employee, under this amendment, cannot be placed back to work. What an easy way for employers to break every union and any organization's attempt to organize the employees in its plant.

Another amendment, on which I will be very brief. As Senator

Another amendment, on which and the Minton has stated—
Representative Hoffman (interposing). Mr. Strout, it seems to me this is just like C. I. O. practice. They want everybody to join that, and take their time.

Mr. Pressman. They want to—

Is this a discussion or a

Representative Hoffman (interposing). Is this a discussion or a

Mr. Strout. You have 2 more minutes, Mr. Pressman.
Mr. Pressman. I assume that is the customary way of Mr.
HOFFMAN arguing his case.

Another amendment says that the employers may at any time remove their cases from the Labor Board and take them directly to the courts. That is Senator Burke's idea of playing fair with

an administrative agency.

Another amendment of Senator Burke is to the effect that employers may, regardless of any other provision of the act, confer, counsel, and advise with the employees. In other words, he meant, as we understand the relationship between an employer and employee who is unorganized into a union of his own choosing, that he may tell him whatever he cares to say; he may, through his words, through his actions, show that employee what might happen if he joins a union. But under the words "may confer, counsel, and advise with his employees," regardless of any other provision of the act, that employer will be free from the restraints that this act

attempts to impose on the employer.

Mr. Strout. Now, Mr. Pressman, time does not permit any more.

We want to hear Mr. Padway, of the A. F. of L. I wonder if he

won't come in on this.

Mr. PADWAY. I was trying to get away from this scrap and remain peaceful and quiet.

I would rather confine myself not to personalities but really to one of the real things people should know about it. There are two points that Senator Burke makes, and I would like to respectfully discuss them so that those who are listening in and those who are here may understand them.

I think Senator Burke is wholly in error when he makes the point that a closed shop is a compulsory imposition upon employees and contrary to democratic fundamentals. Let's see. Please don't applaud; I don't want to use too much time. Let's see if I can't get this across. Senator Burke leaves us under the impression that the closed shop is something that is imposed upon employees. Now,

The closed shop is a condition to be bargained for between the employees and their representatives—if it is an exclusive bargaining representative selected by a majority, so much the better—and the employer. The employer doesn't have to grant the closed shop. It is entirely up to him. He may want to do it as a matter of desire. Pardon me if I give you a personal example. All my stenographers and secretaries are in the union.

Mr. Strout. I think we will give you about half a minute more,

Mr. HOFFMAN.

Mr. Panway. All right. I want these people in the union. It is my preference, and the employees don't object. Since they don't, why should I not have that right? In other words, it is a condition to be bargained for, similar to wages, hours, or anything else.

I want to take this half moment to answer this matter of Senator BURKE'S. I think, Senator BURKE, you are wholly in error in the premise that a majority vote is a good thing in order to have a strike sanctioned. The strike on the part of 1 individual out of 10,000 or on the part of a minority, is merely an expression of freedom of speech. A man disagrees with his employer on terms and conditions and goes out on a strike to tell the world about it. That is all.

And the Supreme Court has sanctioned it, and you couldn't con-Mr. Strout. The thing that surprises me in this is the apparent agreement between the C. I. O. and the A. F. of L. I confess I didn't

expect that.

Mr. Padway. Wait until we get before the committee in a few days. We will not be so beautifully agreed.

Mr. Strout. What is the difference? I wonder if you could

explain that.

Mr. Padway. The difference is not between the C. I. O. and the A. F. L.; the difference is between the C. I. O. and the Board and the A. F. L. and the Board. The C. I. O. seems to like the Board and has a good reason. Had the Board treated the A. F. L. as it has treated the C. I. O., we would like it just as much.

Mr. Pressman. It would have been a simple matter for Mr. Padway to address himself to the actual facts in the case, with regard to about 70 cases which have been before the Labor Board, involving the union question, whether craft unions or industrial

regard to about 70 cases which have been before the Labor Board, involving the union question, whether craft unions or industrial unions shall prevail in a particular place.

My understanding of the cases is that in every single case where a craft union has asked for a craft union and a substantial membership was shown by the craft union in that unit, the craft unit was designated by the Labor Board as the appropriate unit. With regard to the other cases—

Mr. Strout (interposing). Just a minute, Mr. Pressman. I think Mr. Hoffman has something to say about it.

Representative Hoffman. Well, if Mr. Pressman permits us to get in. The difference between these two gentlemen arises out of the fact, as Mr. Padway said, that if the Board had treated the A. F. L. as it treated the C. I. O., everything would be fine. The Board just got through skinning the A. F. L. on the west coast and taking away about 13,000 members of the A. F. L., compelling them to go into the C. I. O.

Mr. PRESSMAN. I gathered from Mr. Padway that Mr. Hoffman was

not his spokesman.

Mr. Padway. It strikes me that everyone here can speak for himself.

Mr. Pressman. With regard to another set of cases that I believe has raised an issue between the A. F. L. and the C. I. O. before the Labor Board, namely, the invalidation by the Labor Board of contracts which an employer has entered into with a particular union, we are absolutely in favor of the policy and the interpretation of the act made by the Board, namely, that where the Labor Board finds that a labor organization, whether it be a company union or other-wise, has been assisted in obtaining its membership in a particular

wise, has been assisted in obtaining its membership in a particular plant, and has been assisted in connection with the obtaining of such contracts as part of a pattern and a program for the employer to express his preference for that union against any other union that the employees may choose, that such a contract does not represent the free expression on the part of the employees, free from interference and assistance from the employer.

Mr. Strout. Mr. Padway, does that meet with your attitude?

Mr. Padway. Well, it doesn't quite meet with my attitude, but there is a different way of approaching the thing. First I would like to answer Mr. Pressman's previous statement that figures show that the Board has been kinder or has decided cases more often in favor of the A. F. L. than the C. I. O. You know, that has been bandled around so much, I think it first came out in an article in Fortune, and everybody has picked it up, and I am almost beginning to believe it myself, I have read it so much.

It reminds me of a fellow who comes up before a judge and says, "I am a pretty good fellow. Don't send me to jall. I have done wrong 5 times, but I was a good fellow 25 times."

He tells you it decided so many cases in favor of the C. I. O.

done wrong 5 times, but I was a good fellow 25 times."

He tells you it decided so many cases in favor of the C. I. O. and so many in favor of the A. F. L. Every time the Board took a unit away from the A. F. L. it was committing a wrong, on the basis that it took it away. That is, the Board claimed that it has the power and discretion to say to the A. F. L., with a craft set-up, can say to that craft, "Here, we will say whether or not you can vote as a craft or not." And then it will say, "We find the balance of the considerations to be equal, and you may vote as a craft," or "We find the balance of considerations to be unequal and we won't let you vote as a craft"—willy-nilly, whether the union likes it or not. That never was intended, it is wrong, and we don't want them to have that power. to have that power.

We say the unit itself, the craft group, will decide whether they want to be merged or vote without any right on the part of the Board to say yes or no. That is the way with labor. That was the intention of Congress, the expression contained in the report, and the Board has adopted this unit rule, this doctrine which is a perversion of the very basic principles of the act, from the unit rule. We quarreled with the Board on that and will continue to quarrel until it either changes the rule or Congress does.

In respect to contracts, I guess the appropriate term to be used, and what Mr. Pressman has in mind, is what is known as a coerced

majority. The employer drives a majority into his organization or the one he would like, and thereupon the contract made under such circumstances should be invalidated. The fact of the matter is, such contracts are never majority contracts, and that, Represent-

ative, is never an exclusive bargaining agency. The Board hears the testimony and says, "You are not—"
Mr. Strout (interposing). Mr. Padway, we have only 1 minute

Mr. Padway. Give it to me; you couldn't do anything better.
Representative Hoffman. Mr. Padway represents about 4,000,000
workers, the A. F. of L.; Mr. Pressman claims to represent a like
number. Don't forget there are 20,000,000 workers outside who
aren't organized and who have a right to some representation.
Mr. Padway. Give us time, Mr. Hoffman, and we will organize

them.

Representative Hoffman. You will do it by force, whether they will or not, eh?

Mr. Padway. We don't do it by force. All we ask is that the employer keep his hands off.

Representative Hoffman. The farmer is right there on the job.

Mr. Pressman. I agree with Mr. Padway: if the act will be left intact, so that the workers will really have a complete, free right to organize into unions of their own choosing, it won't take very long before all the workers will be organized.

CONCLUSION

Announcer McCormick. So we conclude another broadcast of The American forum of the air, presented by WOL in cooperation with WOR every Sunday at 8 p. m., eastern standard time.

Tickets to this broadcast may be had by sending your request to station WOL, Washington, or WOR, 1440 Broadway, New York City. In the interest of education Burland Printing Co., of New York and Washington, prints and distributes, free of charge, a limited number of copies of the entire proceedings of this broadcast. Address your requests and comments to WOL, Washington, D. C.

D. C.

The American forum of the air is arranged and directed by Theodore Granik, prominent attorney and educator who presided as chairman tonight.

This is Stephen McCormick speaking.

This is the Mutual Broadcasting System.

American Democracy

EXTENSION OF REMARKS

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

ADDRESS BY HON. EDWIN C. JOHNSON OF COLORADO

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Colorado [Mr. Johnson] in the city of Trenton, N. J., on Saturday night, April 22, before a State-wide rally of Delaware and New Jersey Odd Fellows celebrating the one hundred and twentieth anniversary of the founding of Odd Fellowship.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

THE RELIGION OF AMERICAN DEMOCRACY IS FRATERNITY

In these days of international confusion when political systems are subjected daily to widespread and critical examination, it seems appropriate in a gathering of fraternalists to discuss our own democracy from the standpoint of a fraternalist. We justifiably take great pride in the Government established by the founding fathers of America, and that pride should naturally create in us a desire to learn all about its essential nature so that we may better understand its particular motives and more constructively support its peculiar virtues.

WHAT IS DEMOCRACY?

Democracy is as difficult to describe as is religion and as hard to define as is society. If I should propound the query "What is democracy?" to 10 of my listeners tonight, doubtless I would receive 10 different replies.

One might say: "A democracy is a country in which all men are could."

equal."

Another: "A government of the people, by the people, for the people."

people."

Another: "The greatest good of the greatest number."
Or: "The Golden Rule administered by political agencies."
Or: "Equality of civil rights."
Noah Webster, author of my dictionary, puts it: "Government by the people." Hitler would likely sneeringly shout: "It is a lawless, deprayed, ignorant, degenerate, incompetent failure"; and Stalin would probably thump his chest and gloatingly reply that "democracy is communism." My own definition is that democracy

is a political and social institution based upon civil equality providing for free expression in the arts, sciences, religion, and enterprise, depending for its workability upon the mutual confidence and respect of its citizens and having for its great objective the betterment of man.

the betterment of man.

Before a democracy can function with any degree of success the individuals who compose it must be bound together in common aspirations, common standards of conduct, and common ties of ideals and habits. They must exercise a community feeling of tolerance, patience, loyalty, and patriotism.

It takes an advanced people to assume the difficulties and delicacies of such a government. Under some governments public opinion exists, if it exists at all, in a most limited way, but in our American democracy it determines the whole course of public policy. policy.

ORIGIN OF DEMOCRACY

According to Gladstone, "the American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man." But I do not want to stop with that sacred document—the Constitution. Our form of government expresses the collective soul of our people as it can be expressed in no other way because our democracy goes far beyond its Constitution for the inspiration of its origin. That origin is unmistakably in the hearts of its founding fathers and in no other place. The Constitution of the United States of America makes no reference to God and makes no provision for religious dependence or allegiance of any kind. That fact, however, does not indicate that our democracy has no religion. Only a mistaken conception of both religion and democracy would lead to such an erroneous conclusion.

DEMOCRACY DIFFICULT

Democracies are said to be characteristically indirect in action, awkward in method, delayed in decision, and inefficient in administration. If one were searching for the most efficient government, and if efficiency were all that he were interested in, he would hardly choose a democracy. Governments since the dawn of history have been afflicted with the evils of waste, extravagance, inefficiency, and convention to a greater or lesser degree and these tory have been afflicted with the evils of waste, extravagance, inefficiency, and corruption to a greater or lesser degree, and these vices have been especially difficult for democracies to master. Most emphatically peoples who are backward, disinterested, careless, ignorant, and indolent have no business experimenting with a democracy. A personal government will suit their poor purposes much better. There are millions of human beings throughout the world incapable of forming a reasoned and considered judgment. If they have a conviction, it has been given to them by someone else. Many peoples in the world today are not fitted for anything more difficult than the goose step and the hard, exacting dictator. Only the most enlightened, individualistically inclined, enterprising, ambitious, and idealistic human beings are qualified to operate a democracy. democracy.

In our blind devotion to its blessings of liberty and freedom we In our blind devotion to its blessings of liberty and freedom we would like to see all people have democratic government, but since so many of them are not fitted by political experience for the peculiar responsibilities and the absorbing duties of democratic government, nothing could be worse for the world today than to place all of them regardless of their capacity, their ambition, and their training under such a system. If they do not have an overwhelming desire in their hearts for its liberty and freedom, a democracy ought not be forced upon them, for doubtless they would quickly succumb to the horrors of utter chaos and mob confusion quickly succumb to the horrors of utter chaos and mob confusion as soon as they were left to their own independent action.

BROTHERHOOD VERSUS BRUTE FORCE

There are two distinct influences, either of which is common to all governments. One of them is brute force; the other reason; and when reason is supported by the invisible, intangible, spiritual element of brotherly love, the basis for a successful democracy is at hand.

Men there are who do not admit that there is such a thing as a religion of democracy. But that should not be surprising, for men there are standing in the solemn shadow of silent, majestic men there are standing in the solemn shadow of silent, majestic mountains, whose sharp, rocky peaks reach so high into the heavens that they are perpetually clothed in the white robes of purity, and in that magnificent presence these foolish men, who in contrast appear like mere microscopic pygmies, do deny God. Men there are who look out upon a wide expanse of never-ending ocean and behold the angry, rolling, ominous waves plunging and breaking and lapping like the tongue of a she wolf, and fail to experience the inward emotion which fills an understanding heart until it spontaneously bows in humble supplication to the God who governs such mighty works. Men there are who peer down miles into the spontaneously bows in numble supplication to the God who governs such mighty works. Men there are who peer down miles into the mystery of the narrow chasm of the Grand Canyon with its crazy patchwork of colored walls, or are deafened by the roar of the mighty Niagara, or set their watches by the spouting, boiling geysers of Yellowstone, and yet are not religiously impressed. Men there are who know all about the universe—the stars, the moons, and the suns—without recognizing the implications of a religious

So do not expect man to recognize the most apparent demonstrations of religion. None are so blind and none are so deaf as those having eyes yet see not and having ears hear not. There is a religion of democracy and its power and its force and the phenomena of its manifestations can be understood. I speak not of creeds or dogmas or ecclesiasticisms or bishops or cathedrals. I am thinking about the religion that is inherent in democracy itself, and I am not contemplating, directly or indirectly, a union of church and state. The spiritual factor of democracy is to be found in the heartthrobs of its citizens.

DEMOCRACY OF ANCIENT GREECE

The ancient Greeks established a beautiful democracy that flour-The ancient Greeks established a beautiful democracy that hourished for a time and then vanished as though swallowed by the earth itself. The Roman republic, too, had its glorious day in history before it entered the untimely sepulcher of oblivion. Ancient Greece mistakenly thought the soul of democracy was to be found in art and culture and learning and beauty. But also there was nothing in a culture founded upon paganism that could successfully resist the selfshness that was intrinsically interwoven into site democratic currents. into its democratic system.

I recall a painting supposedly depicting the ancient Greek republic wherein 40 slaves under the lash supported a huge platform upon which 10 artists were at work. Destiny decreed that the culture and art and democracy, and paganism and selfishness of ancient Greece should crumble into dust together and be no more.

THE DEMOCRACY OF ANCIENT ROME

Ancient Rome was more practical and realistic. In fact, she built her democracy around utility. Only useful things in the eyes of the Romans were worth preserving. Efficiency was the watchword and the objective and the purpose and the very soul of this ancient republic. Seeking more and more utility became a Roman passion until that passion strangely enough opened the very grave into which ambitious and selfish men successfully buried the shining light of Roman democracy forever. The goddess of culture was too idealistic to protect the Greek republic against greed and selfishness; and the god of utility, demanding more and more efficiency, as the miser fanatically hoards gold coin upon gold coin, forgot other more important considerations and lost the supreme prize. supreme prize.

A NEW THEOLOGY

These republics thrived and died before the lowly Nazarene had introduced into the world the new theology of the fatherhood of God and the brotherhood of man that was destined to make democracy work. Brotherly love was as foreign to these ancients as the modern automobile. Art and culture and learning and beauty have ever been uplifting influences of manifold importance to the happiness of mankind, but without the support of a constructive religion they are as naught. To get the most possible out of every material thing is certainly advantageous to man and it cannot be denied that the ancient Romans succeeded tremendously in that regard, but democracles like men do not live by bread alone; they cannot endure merely on learning and efficiency. Only by a well-developed conception of fraternity and brotherly love can democracles live, for these things are the very essence of democracy. Man is naturally a cruel, bloodthirsty, destructive, war-loving animal—covetous, selfish, and harboring a vigorous hatred toward everything which he does not understand. It takes something more than an appreciation of art or a devotion to utility to overcome these powerful animal instincts. devotion to utility to overcome these powerful animal instincts.

Christ was nailed to a cross when he attempted to lead men away

Christ was nailed to a cross when he attempted to lead men away from them and his immediate followers were burned at the stake for preaching peace and good will, but slowly man's ferocious character has been gradually subdued as he has grasped more and more the significance and strength of brotherly love.

H. G. Wells asserts that "in the race between education and catastrophe, catastrophe is winning." Catastrophe did win against education in ancient Greece, but in ancient Greece education was nullified by selfishness and paganism. Under American democracy man is recognized as a social being with an appreciation of art and a determination to develop utility but at the same time exercising brotherly love and friendship. Catastrophe will not soon overtake that combination. overtake that combination.

BIRTH OF DEMOCRACY

American democracy lived long before the Declaration of Independence or the adoption of the Bill of Rights. It had its birth in America in the town hall of New England and in the House of Burgesses in the Old Dominion. Roger Williams, a deeply religious man and an early devotee of practical democracy, saw in personal and religious freedom the path to glory. In attempting to understand America we should not forget that it was founded by refugees who had felt the heavy heel of the persecutor and for the most part had migrated to a dangerous wilderness fraught with savages and wild animals, not for adventure or gold, but for liberty and freedom. Taxation without representation drove the colonial fathers into violent revolution in answer to Patrick Henry's dramatic plea for "liberty or death." Democracy has gradually developed and grown up about us through many generations until now it seems as natural as the air we breathe.

I do not know whether the hen came before the egg or whether the egg was first, but I do know that you can have neither hen

the egg was first, but I do know that you can have neither hen nor egg unless you have both. I do not know whether the philosophy of brotherhood came before American democracy or whether American democracy was first, but like the hen and the egg, without both you will have neither. It is my belief that they reached these bleak shores simultaneously and that they will remain together until the end.

GOOD GOVERNMENT AND GOOD MEN

American democracy is not just a pretty ideal. It is the most practical builder of men's souls yet devised by the will and intelli-gence of man, and its principles when applied in the land in which we live give substance and form to the American way of life. Out

of this unique system we secure good, competent government on the one hand, and progressively improved individuals on the other. The men we admire most are the men who cling to high ethical standards, reason well, and act decisively. We would have men be positive and not be negative. Men learn to swim by swimming and positive and not be negative. Men learn to swim by swimming and to act by acting, and to make decisions by making decisions, and in no other way. If man were created a pawn to be moved about at will in someone's game, then it would not be so important that he have the capacity to think clearly, to make decisions wisely, and to act constructively. If man be a dumb, driven ox and nothing more, then religion and fraternity and democracy are all merely a waste of time. But man was created in the image of God, and to him was given the divine blessing of a free conscience to act upon his own determination and to reach his own decisions. decisions.

REGIMENTATION

I have a very dear friend who is without doubt one of the ablest penitentiary wardens in this country. His success in this field has been absolutely phenomenal. Cruel, desperate, daring outlaws under his influence become as docile as little children. This is a statement which this warden recently made:

"When a prisoner comes to us a living example of the failure of church, school, and home, we still know that we can make a good

church, school, and home, we still know that we can make a good convict out of him—and we do. Good convicts are the product of discipline. We do not know what else we can do with him, because agencies better equipped for soul shaping have already failed."

There is food for thought in his observation. This warden's prisoners are quick to learn that if they behave properly they will be treated fairly and given every consideration within the bounds of reason, and if they do not behave they will promptly get what is coming to them in oversized doses. When occasion demands, he does not hesitate to fiog them and give them long "stretches" in solitary confinement. That makes good convicts out of them all right, but it does not necessarily prepare them for their duties as citizens against the day when they are to be released from prison and again take up their lives as active members of society in a and again take up their lives as active members of society in a democracy where men must act, associate with other free men, and make decisions voluntarily on some other basis than the prospect of immediate and certain retribution. In freedom and not in regi-mentation lies the road to progress. In a democracy one is given the full choice over his own conduct and is not charged with misconduct until he wrongs someone else. If man harbors a friend-ship for humanity in his heart, he will not wrong his fellows, and he will be a good citizen not out of fear of punishment but because the desire of his heart will be to serve his fellows to the best of his ability. You have heard of honor among thieves; criminologists who have made a deep study of the subject say there is no honor among thieves. Men who have real friends and who are loyal to that friendship do not become thieves.

SELFISHNESS ENEMY NO. 1

Citizens who are absolutely selfish, without interest in other people, are in no position to contribute anything at all toward democratic government. If they cannot be converted or reformed, they might better be abandoned to the most straight-laced dictatorial government to be found where selfishness can join its bosom torial government to be found where selfishness can join its bosom companion, brute force, and take for its own whatever it has the strength to take, remembering, of course, that whosoever lives by brute force will likely die by brute force. If, on the other hand, one have concern for others, if he be interested in promoting fellowship and mutual understanding and human welfare, and if he loves his fellowman as he loves his own life, then and then only does he have the qualifications presserve to constructively. only does he have the qualifications necessary to constructively serve as a useful citizen in a free democracy. Selfishness and brute force in a democracy, as they are in a fraternity, are wholly out of place.

Our fraternity has declared selfishness to be mankind's enemy

No. 1, and it, therefore, calls for an unrelenting war to the death against this vile monster. Selfishness has not only wrecked innumerable lives and left them dishonest, criminal, and lost, but it numerable lives and left them dishonest, criminal, and lost, but it has been the direct cause of nearly all the wars and all the high crimes of history. A disregard for the rights of others is the unmistakable symptom of selfishness. The greatest threat to American democracy today is the sneaking, unconventional, unsocial outlaw within our borders who mistakes license for liberty and selfishly swindles, robs, and murders with a sneering disregard for the rights and well-being of his fellows.

SCHOOLS, CHURCHES, AND FRATERNITIES

There are at least three well-defined, stabilizing instrumentalities in America which to the extent they prepare the hearts of men for the difficult responsibilities of citizenship facilitate the men for the difficult responsibilities of citizenship facilitate the effectiveness of the democratic processes. I refer to schools, churches, and fraternities. Through one or the other of these great institutions nearly every citizen is reached and influenced at least to some extent. Without them I am convinced that American democracy would give way under pressure to mob rule with all of the mob's hysteria, ignorance, prejudice, and ill-considered action. They stimulate individual improvement in character and that individual improvement is reflected in improved citizenship. When the church or the school or the fraternity starts an individual in the right direction, something is accomplished for the whole democratic society, for the common weal of all is directly affected by the conduct of each. Under a democracy the individual is tremendously important. Under a totalitarian state that is not true.

Totalitarian governments thrive best under pagan religions and widespread ignorance of the people, for they must assume that righteousness and good conduct are not related, that material

things govern, that might makes right, and that man exists for the state and not that the state exists for man. Such a philosophy takes mankind no place. Fraternity is manifestly out of its sphere in such an ideology, since it holds to the diametrically opposite belief. No one realizes that fact better than the dictator himself. Under a despot man needs to know but blind obedience to authority, and the blinder the obedience the better for him. He needs to recognize but one master—the totalitarian state. Like the good recognize but one master—the totalitarian state. Like the good convict in the penitentiary, it is not necessary for him to think or assume responsibility; he needs only to obey. Despots would gladly destroy every church, every school, and every fraternal impulse within their realm because they recognize the spiritual power emanating from such institutions is a direct challenge to their authority based on force. They never place dependence upon the willingness of free men to serve their fellow men. They honor and respect no motive short of brute force. They rely wholly upon power to carry out their will; they depend upon fortifications, armaments, and weapons, and the devastation derived from their use. They have no conception of the virtues and joy of doing right for friendship's sake—they think only in terms of compelling the obedience of all to might.

SAVAGE SENTIMENTS

SAVAGE SENTIMENTS

Il Duce Benito Mussolini in a recent speech to his cheering Black Shirts deliberately spoke these savage sentiments: "What are the three words which form your dogma? Believe,

obey, fight!"

Our three fraternal words are: Friendship, love, and truth. Mussolini continues:

"No matter how things go, we wish to hear no more about brotherhood, sisterhood, and such other bastard relationships, because relationships between states are relations of force and these relations of force are the determining elements of their policy."

America bases her relations with other nations on the invincible policy of being a good neighbor. That is the American democratic way.

"The Italian motto," Il Duce continued, "must be more cannon, more ships, more airplanes."

And now this significant warning: "Woe to the weak."

Our motto, on the other hand, is more charity, more humanity, more peace, and we earnestly plead the cause of the widow and the orphan.

I am not criticizing Mussolini. I quote him to emphasize the fundamental differences between his despotism and our American fundamental differences between his despotism and our American democracy. He has made a very frank, honest statement. He is not a hypocrite. He has given to the world a true description of the nonreligion of the Fascist system of government in forcible, understandable language. Strangely enough, he has adopted the same system of government for freemen which my friend, the warden, found necessary for desperadoes. Under that severe disciplinarian despotism, Italy may become rich in material things, but what shall it profit her if she gain the whole world and lose her own soul? Italy has many desperate problems with which I do not pretend to be familiar, and desperate problems sometimes require desperate methods. It is not for me to choose Italy's form of government; it is enough for me to strive with all my might to keep such a system out of America. I do not want America to quarrel with Mussolini or go to war with him over the political philosophy and the political system which he has every right to adopt, with the consent of his own citizens; but I do want Americans to realize their own good fortune, and I do want to predict that Americans will make far greater progress under our system of government in building the kind of men the Universal. Father would have us be.

PREPARATION

We should learn from a study of the historical experiences of men that a preparation has to be made in their hearts before the kind of government to which we are so wholeheartedly devoted can exist. Under the Treaty of Versailles many democracies were set up here and there only to go down one by one because their citizens either were not interested in performing the grave responsibilities of citizenship required by democratic government or the people in these suddenly formed democracies could not comprehend its virtues or how to use its freedom. Its failure should have caused no surprise—the surprise should have been in its success. It is idle to believe that democracy can be spread throughout the world by the sword or that it can be bestowed upon a people by any outside influence. If there be not an overwhelming desire in men's hearts for the liberty and freedom of democratic government, if they do not have a religious fervor for democratic government, if they do not have a religious fervor for democratic government, if they do not have a religious fervor for its virtues, and if they are not willing to devote thought and time and energy to it, and if need be die for it, then of its own weight, it must fall. Rushing headlong into democracy without cultivating it is sheer folly. I would repeat again and again and again that men must be prepared in their hearts for the trying responsibilities of citizenship under a democracy and they must desire the blessings of liberty and freedom above all things if democracy is to succeed.

Religion, education, and fraternity have rendered a magnificent service in bringing about a very definite awakening of faith in

Religion, education, and fraternity have rendered a magnificent service in bringing about a very definite awakening of faith in America—faith in our way of life, faith in our ability to overcome the influences however subtle that would destroy our democracy. As a result we are now aroused to the necessity of constantly and continuously nurturing, protecting, and stimulating it. We now recognize democracy as a growing, living thing and realize that the great need of the future is for these three agencies to continue to teach and instruct and inspire Americans until they understand that equality and rights and privileges

and liberties can be experienced and guaranteed only so long as they themselves intelligently and voluntarily assume the duties and make the sacrifices incumbent upon democratic citizenship. We hear entirely too much about the liberties and freedom of democracy and not nearly enough about its duties and respon-

RELATIVE AND PROGRESSIVE

All fraternalists are not fraternal to the same degree; some are in the kindergarten of fraternalism while others have advanced until they have earned their master's degree. Fraternalism is relative and it is progressive, just as education and religion and democracy are relative and progressive. As men understand these principles and practice them and live them, they become more and more proficient in them, and the more proficient they become the more forceful and constructive are they as citizens. There is no conflict whatsoever between the ideology of democracy, fraternalism, and a religion that teaches the fatherhood of God and the brotherhood of man. Each contributes toward the other's objectives until they blend into a perfect harmony of purpose and accomplishment. Each of them in its own right makes a mighty fertile field in which the others may develop and grow. in the kindergarten of fraternalism while others have advanced

TRUTH BASIS OF FRATERNITY

Our fraternity places a higher value upon spiritual things than it does upon material things. It teaches that wealth and power are quickly dissipated. It recognizes man as a social being and does everything it can to encourage his sociability. It teaches the joy and satisfaction to be found in friendship; it encourages men to work harmoniously together and it urges them to become their brother's keeper in the truest sense of the term and to make human welfare life's great objective. It preaches that truth is the basis for loyalty and friendship. That kind of fraternity, my

friends, is the religion of American democracy.

Democracies are absolutely dependent upon the confidence of their citizens in each other, and that calls for the exercise of much faith. Fraternity is devoted to the building of faith of man in men. You often hear one say "he is so honest that he thinks everyone is honest." To have confidence that others are thinks everyone is nonest. To have confidence that others are honest, men themselves must be honest. Crooks think that all men are either crooks or fools. They feel that they can depend upon no man because they know in their hearts that no man should depend upon them. It is a great compliment to you if you believe in your fellows, because that indicates that you yourself possess the very qualities which you attribute to others.

AN UPWARD SPIRAL

And now, in conclusion, I must make it perfectly clear that our fraternity wisely refrains from all political and religious con-troversy. As fraternalists we are not interested in creeds or dogmas as such, but as fraternalists we are tremendously interested in the spiritual values of government. We fraternalists see a natural working relationship between brotherly love and the demonatural working relationship between brotherly love and the demo-cratic processes. We are devoted to democratic government be-cause the spiritual implications of that form of government are so completely in harmony with our own fraternal philosophy. Point out to me an American whom you consider to be a true fraternalist and I will tell you without speculating or guessing or error that he is a constructive force of no small proportions in his American citizenship. It cannot be otherwise. If government be conducive to individual development, growth, and progress, spiritual blessings will flow from that happy circumstance as freely as fragrance from a rosebud which in turn will cause government to become more conducive to individual development, growth, and progress. It thus becomes a never-ending upward

spiral.

If one be a believer in the democratic processes as applied to the practical functions of government, he must necessarily have faith in his fellow man, an intense interest in his welfare, a genuine respect for his ideals, a willingness to accept the verdict of the majority and a firm conviction that spiritual things are far more to be desired and sought after than material things, and above all he must have a passion for truth which carries with it the conviction that honesty and square dealing establish the proper foundation for all harmonious human relationships. Fraternity instructs its membership with all the energy it possesses in each and every one of these imperishable truths and these virtues are the spiritual fibers from which American democracy is woven.

America's Foreign Policy

EXTENSION OF REMARKS

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

RADIO ADDRESS BY HON. CLYDE M. REED OF KANSAS

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech recently delivered by the very able Senater from Kansas [Mr. Reed], entitled "A Sound Foreign Policy."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A SOUND FOREIGN POLICY

printed in the Record, as follows:

A SOUND FOREIGN POLICY

We live in a world of alarms. The people of Europe live in constant fear that the immediate phases of the game of power politics may bring open war between groups of nations. This game is not new in Europe. It has been played on that continent for 2,000 years. The present situation is not different in principle from a dozen or a score of similar situations during that time produced in much the same way as the present situation was produced.

As inhabitants of the world, we are interested in what happens in any part of the world. As citizens of the United States of America, living on the Western Hemisphere, we have no immediate concern—at least, we should have no immediate concern—in the results of the game of power politics as played in Europe. This game is just what the term I have used implies. It is a scramble between nations or groups of nations for territory, for economic advantage, for control of land and river and sea, all to their own advantage and to their own glory, if it be such. Alexander the Great and Darius were not essentially different in design or method from Mussolini and Hitler. Through his military genius and the power of his armies, Napoleon changed the map of Europe much more than Adolf Hitler has done so far by threat of force. Mussolini is an insignificant figure compared to Julius Caesar, but the motive moving the heads of European nations today are in no important respect different than they have been through the centuries. Today communication is instantaneous; the world is immediately informed of what has transpired anywhere. Quickened travel and transportation have made this planet into a comparatively small neighborhood. In these two latter respects, and in these two only, do we face any new fundamental factors in the European situation.

I am measuring my words tonight. Our people have been agitated and their emotions constantly stirred by frequent—perhaps planned—expressions from those high in authority, and some not so h

are in the same position. Their concern is with the Old World, and their own affairs, and not ours. I make that declaration in spite of the constantly reiterated intimations that our welfare is bound up in participation, economic as the minimum, and military assistance as a maximum, with a group of nations involved in the European tangle.

Lest anyone charge that this declaration may have a partisan tinge, I quote the words of a Democratic leader, Senator Walsh, of Massachusetts, in a speech as recent as last Monday, when on the floor of the Senate he said:

of Massachusetts, in a speech as recent as last Monday, when on the floor of the Senate he said:

"I deem it is the sworn duty of every American statesman, especially those in the United States Senate, to whose custody and judgment the Constitution fixes responsibility in part for sharing with the executive department of the Government the determination of foreign policy, to speak out frankly and boldly when the occasion demands it to safeguard the interests of the American people and protect our country against the threatening ravages of war. Now, if ever, is the time for plain talk—talk for the benefit of warmongers the world over, so they may know where we stand, what we will undertake to further world peace, and, more specifically, to renounce those obligations sought to be imposed upon us by selfish powers abroad which we unqualifiedly must refuse to assume—talk to reassure the American people that we intend to preserve peace by all honorable means in our power."

I want to read again those words which have especial reference to the point I am taking, i. e., that we have no obligation to interfere or participate in behalf of any power or group of powers in Europe. I repeat these words of Senator Walsh:

"To renounce those obligations sought to be imposed upon us by selfish powers abroad which we unqualifiedly must refuse to as-

"To renounce those obligations sought to be imposed upon us by selfish powers abroad which we unqualifiedly must refuse to assume—to reassure the American people that we intend to preserve peace by all honorable means in our power."

As certain as we are gathered here tonight the people of America overwhelmingly demand peace, not war. We are their accredited and responsible Representatives in the Congress of the United States and our first duty is to maintain peace. Every act of ours should be thoughtfully considered with that primary object in view. We must not be led aside from that purpose by any specious statements of policy—no matter from what source they come. The Congress of the United States is equally responsible with the executive department for the preservation of peace. We are not only entitled but

it is our obligation to exercise, in the final analysis, our own judgment upon these tremendous issues.

My mail is burdened with letters from my own people and from

My man is buttleted with reteets that in my own people and flow all the country beseeching me to avoid war and preserve neutrality. This term "neutrality" is one susceptible of varying definitions. It isn't a simple matter—it is a most complex one. Evil consequences could easily flow from any error that we make. There are pending in both Houses of the Congress numerous bills and resolutions dealing with the question. I shall not undertake to discuss them in detail here. I shall, however, purely as a personal matter, state my own definition of neutrality.

A state of war in any important part of the globe changes many of the everyday rules of life and business for those nations who would avoid being drawn into the conflict. It is difficult, not easy, would avoid being drawn into the conflict. It is difficult, not easy, to walk a straight line in these circumstances and to keep ourselves aloof from the dangers of entanglement. Once war begins in Europe or elsewhere, efforts, open and furtive, will be made to get us to depart from the policy of keeping our hands off. In charting a proper course we must be governed, I believe, by logic and not by emotion. We may like one side and detest the other side. I have that feeling. I can't help it. I am not ashamed of it. It is only the human instinct. But we must face realities. I do not want my sympathies or my detestations to overcome my reason and my logic. In the event of a serious and prolonged war, means of carrying on will be sought in this country by one, and perhaps both, sides.

In the event of a serious and prolonged war, means of carrying on will be sought in this country by one, and perhaps both, sides. We will be urged to do this, and that, and the other. My conception of true neutrality is to treat the rest of the world, aside from the Western Hemisphere, alike. They will want our foodstuffs, our fibers, our metals, and perhaps our manufactured articles. The courses that we may choose to follow and maintain true neutrality are these: 1. To sell nothing to anybody. Or—2. To sell anything to anyendy.

thing to everybody.

I favor the latter course. We are a productive nation and have a surplus of food and other things above our own requirements. There is no reason, in my opinion, why we should deny to any part of the rest of the world, whether engaged in war or not, any part of the surplus we have above our own needs. To do so would not only disturb our own economic situation, but would unnecessarily denring a world needing our surplus and needing it more

essarily deprive a world needing our surplus, and needing it more, perhaps, because of war, than would be the case otherwise.

But to this policy I would attach a condition that a clear title to anything we sell to any nation or group of nations engaged in war must pass from American citizens to a foreign purchased. war must pass from American citizens to a foreign purchased before the commodities purchased leave our shores. You can call this the "cash and carry system" if you will, or the "come and get it" method, if you choose. I have no quarrel with phraseology on this point, but it represents my idea of a correct policy for us

It doubtless will be urged that in following such a policy we might favor one side or the other, depending upon the fact of some nation or group of nations being more able to purchase from us and protect the sea transportation of their purchases to destination. Such an inequality may result. But that inequality is not of our making, and there is nothing that we can do to change the fact. If we hold ourselves out, honestly and sincerely, to permit foreign nations engaged in war to buy under precisely the same circumstances, it is my belief we have fulfilled our whole duty. Once we depart from this policy, there is no place, using the vernacular of the street, "for us to get off."

I am unqualifiedly opposed to the suggestion that the President of the United States (or even the Congress of the United States) should set his judgment upon a foreign war and declare what nation or nations are to be considered the aggressor. Such determinations are not usually simple things and sometimes are matters of controversy which even decades of discussion do not settle. Mostly these things are matters of opinion or viewpoint, not to say

Mostly these things are matters of opinion or viewpoint, not to say bias or prejudice. I have opinions of my own on this point as to conflicts raging, and conflicts threatened in the world, but I, too, may not be free from emotion or bias, and certainly I would not make my own opinion the basis for a national policy for the United States. It is dangerous business for us to attempt to sit in judg-

states. It is dangerous business for us to attempt to sit in judgment, and I think would inevitably lead us into trouble, with grave danger of leading us finally into war.

Neither is it clear to me what we may do "short of war" that would be effective and, again, not lead us eventually into the conflict. Once we determine the "aggressor" and begin to take sides it is difficult, if not impossible, to find a stopping place short of the logical result of our action, which would be participation in the conflict itself.

the conflict itself.

I do not believe we can solve the problems of Europe. I think that those persons in America who believe that we can make any substantial contribution to that end are disregarding the lessons substantial contribution to that end are disregarding the lessons of history. Europe has fought over boundary lines; racial and religious questions; over dynastic ambitions; and over spheres of influence for a thousand years. So far as I can tell, they will be continuing the same old fight in the same old way for the next thousand years. After every period of war and conquest, the conquerers have sought to "freeze" the boundary lines that resulted from the conflict. From Alexander the Great to Bismarck all failed. What is there in the present situation to believe that even with our intervention any different result could be accomplished?

In last year's compagin in Kansas I discussed at length with

In last year's campaign in Kansas, I discussed at length with the people of my State these questions and at the end of this part of my discussion, I always made this declaration: "That if elected Senator, I would never, under any conceivable circumstances, vote to send an American soldier across the sea to fight over a

European boundary line."

I repeat that declaration here now: "As a Senator of the United States, I pledge my faith to the people of Kansas and to the people of this country that I shall live up to that promise."

Seventy-five Years of Wisconsin Cheese Making

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

RADIO ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a speech delivered by me over the radio on April 24, 1939, on the subject Seventy-five Years of Wisconsin Cheese Making.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

This week the whole Nation is helping Wisconsin celebrate the diamond jubilee of cheese making in America's greatest dairy State which I have the honor to represent in the United States

Seventy-five years ago, Chester Hazen, a pioneer dairyman in Wisconsin opened the first cheese factory in the State at Ladoga near Ripon, noted as the birthplace of the Republican Party. Prior to that time cheese had been made in the kitchens of farm homes. Hazen's venture was laughed at. People jokingly referred to the factory as "Hazen's Folly."

But Hazen's vision was not as idle droom. His fectors grow and

But Hazen's vision was not an idle dream. His factory grew and prospered. Gradually other factories were built. Today more than 1,900 cheese factories dot the verdant hills and valleys of Wisconsin. In these factories dot the verdant fills and valleys of Wisconsin. In these factories each year is produced half the Nation's cheese or more than 340,000,000 pounds. The art of cheese making is an ancient and honorable one, going back thousands of years. A sheepherder in Palestine was the world's first cheese maker. Over his shoulder he carried a skin pouch containing a day's ration of milk. Toward the end of the day he sought a shady spot and sat down to refresh himself. Imagine his surprise to discover the contents of the pouch were now a thickened mass. The call's stomach from which the milk rough was made had an environ earliest rount. from which the milk pouch was made had an enzyme called rennet that was still active. The rennet had curdled the milk. The sheepherder tasted the new product—liked it—and mankind had its first cheese.

The early settlers in Wisconsin were hardy pioneers who drove their cattle with them when they came West. Sturdy and industrious people, Scandinavians, Germans, Swiss, Dutch, English, and Irish—contributed to lay the foundation for the 200,000 dairy farms which today make Wisconsin the greatest dairy State in the Nation. These people found in Wisconsin many natural advantages, temperate climate, fertile grasslands, and crystal-clear waters. More than 2,000,000 dairy cows, foster mothers of the human race, today make dairying the backbone industry of the State. Dairying is the largest single agricultural enterprise in the United States.

A pound of Wisconsin whole-milk cheese represents 5 quarter of the state of the state.

of pure, clean milk. Wisconsin natural cheese is high in health and energy-producing qualities. Cheese is the only food that can be served in any part of the meal from salad to dessert, and at

be served in any part of the meal from salad to dessert, and at anytime, anywhere. We urge you to eat Wisconsin natural cheese regularly for its food value, economy, and taste appeal. As I said to the Senate of the United States recently, if you eat Wisconsin cheese, it will not create gas on the brain, and without gas on the brain there will be no war.

We are proud to celebrate Wisconsin Cheese Week in Washington, the Nation's Capital, this week with fitting ceremonies and festivities. Tomorrow morning, Tuesday, April 25, at 11 o'clock, the biggest and best cheese in the world, Wisconsin's 2,200-pound cheese, is being exhibited at the east steps of the Capitol Building. Goliath, as the big cheese is called, has come here from Madison, Wis., under the auspices of the Wisconsin Department of Agriculture and Markets, and will be displayed throughout Washington during the week. A cheese statue of Vice President Garner will be presented to his wife on the Capitol steps tomorrow. tomorrow.

tomorrow.

Luncheon clubs and civic organizations are featuring Wisconsin cheese on their menus this week. Stores in all parts of the city are emphasizing Wisconsin cheese sales. As a climax to the week's cheese activities, Wisconsin natural cheese will be served in the Senate and House dining rooms on Friday, April 28, which is the date of the diamond jubilee birthday celebration. Simultaneously, thousands of people will gather at Ladoga, Wis., on the site of the State's first cheese factory, to honor Chester Hazen, the man whose foresight and courage laid the foundation for a great industry in Wisconsin, America's dairyland.

APPENDIX TO THE CONGRESSIONAL RECORD

District of Columbia Recorder of Deeds

EXTENSION OF REMARKS

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

LETTER BY PROF. KELLY MILLER

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Prof. Kelly Miller, of Howard University, to the editor of the New York Sun, and published in that newspaper of the issue of March 16, 1939. The letter has to do with the effect of the socalled Griffenhagen plan on the office of the recorder of deeds of the District of Columbia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Sun, March 16, 1939] A NEGRO'S OFFICE-THE GRIFFENHAGEN BILL WOULD AFFECT THE RECORDERSHIP

To the EDITOR OF THE SUN.

Sir: When President Garfield appointed Frederick Douglass re-corder of deeds of the District of Columbia and Senator B. K. Bruce corder of deeds of the District of Columbia and Senator B. K. Bruce-Register of the Treasury in 1881 he recognized these distinguished colored citizens because of their standing and worth and service to the Nation and to the Republican Party. It was not a part of his purpose to have these places forever thereafter earmarked as reservations for the colored race under succeeding administrations. When Grover Cleveland succeeded to the Presidency in 1885 he first appointed James C. Matthews, of Albany, N. Y., and then William Monroe Trotter, of Boston, Mass., both Negro Democrats, to the position for which Frederick Douglass had paved the way. Since that time it has become traditional with both political parties to assign a colored man to this lucrative and important post.

Negro politicians throughout the Nation aspire to the recordership of deeds as their peculiar racial patronage. Both the Republican and the Democratic Parties have now come to look upon this office as the position in the Federal service for satisfying the ambition of

Negro politicians.

From time to time there has been repeated effort to deprive the From time to time there has been repeated effort to deprive the Negro even of this small crumb of official comfort. The local District Commissioners have insisted that, as the function of this office is purely local, the appointment of the recorder should come under their jurisdiction. The pending Griffenhagen bill for the reorganization of the District government advocates the city management plan, which would, of course, abolish the national character of this office and limit it to its purely local function. Against all such attempts Negro politicians, North and South, Democratic and Republican alike, have registered an emphatic protest on the ground publican alike, have registered an emphatic protest on the ground that the race would thus be eliminated from the highest responsible

that the race would thus be eliminated from the highest responsible position which falls to their lot under the Federal Government.

The recordership of deeds is the only independent bureau of the Government which remains under Negro handling and control. It is the only assignment which is appointed by the President and confirmable by the Senate and is directly responsible to the President, with no higher intermediate control. The recorder appoints his own personnel and handles his own pay roll, and has full charge of the management of his office.

At one time the Registership of the Treasury and the Ministership to Haiti were assigned to this category. Woodrow Wilson in 1921 endeavored to keep up the traditions by appointing a Negro Democrat to this post, but being unable to secure his confirmation from an unfriendly Senate he withdrew the nomination and sent in the name of a full-blooded Indian as Register of the Treasury. While he was unable to sustain the tradition of a colored appointee he still gave it some semblance of color by the assignment of an Indian substitute. Since then neither a Republican nor a

of an Indian substitute. Since then neither a Republican nor a Democratic President has sought to honor the precedent.

The Ministership to Haiti, because of its diplomatic importance, in light of the Panama Canal and the international complications of the Caribbean situation, has been considered to involved and delect to be hearded by says. of the Caribbean situation, has been considered too involved and delicate to be handled by any Negro citizen. Three Republican and two Democratic Presidents have taken the same view of this appointment and filled this position with a white diplomat. This leaves the recordership of deeds as the only remaining vestige of full authority under the President now exercised by any Negro in the public service.

The recordership of deeds has been under Negro headship for nearly 60 years. The most distinguished names of the race have figured on the list. Frederick Douglass, B. K. Bruce, William Monroe Trotter, C. H. J. Taylor, John C. Dancey, Henry Lincoln Johnson, and William J. Thompkins have been conspicuous among the number.

During all of these years the conduct of this office has been efficient and satisfactory. There has never been any charge of mismanagement or loss of public confidence. The office has measured up to the required standard of the public service and has met the approval of 12 Presidents under whom Negro recorders served.

The Negro press, pulpit, and leaders in public life of all political

parties are now memorializing Congress and the President to defeat the pending reorganization bill and to keep this office under Negro management which has prevailed for the last 60 years. In demanding the continuance of this office as a racial reserva-tion, the Negro advocates may seem to be illogical and inconsistent. Of all men, the Negro insists upon the conduct of public affairs without distinction or discrimination on account of processor colors of tion, the Negro advocates may seem to be illogical and inconsistent. Of all men, the Negro insists upon the conduct of public affairs without distinction or discrimination on account of race or color or previous condition. Race prejudice, however, does not conform to the formulas of logic, the standards of ethics, nor the creed of democracy. The treatment which the Negro receives in church, in schools, in industry, and in public life violates all such canons. Race prejudice makes it all but impossible for the advocates of 100-percent democracy to be consistent and logical, and wholly impossible for the Negro to be so. He is compelled to make the best adjustment possible under circumstances which he does not create and cannot control.

It must be said however, that the recordership of deeds is not

It must be said, however, that the recordership of deeds is not a Jim Crow office and does not operate on the basis of segregation. The personnel of the office consists of five or six hundred appointees divided about equally between the races. Throughout the 60 years under Negro headship there has never been the slightest indication of race friction or antagonism. Indeed, this office furnishes the best laboratory of racial good will in the Federal service.

Kelly Miller, Howard University.

Washington D. C. March 14

WASHINGTON, D. C., March 14.

Proposed Amendment of National Labor Relations

EXTENSION OF REMARKS

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

ARTICLES BY HON. ROBERT F. WAGNER, OF NEW YORK, AND HON. EDWARD R. BURKE, OF NEBRASKA

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an article by the Senator from New York [Mr. WAGNER] on the subject of proposed amendments to the National Labor Relations Act, published in the Washington Post of April 23, 1939, and also an article on the same subject by the Senator from Nebraska [Mr. Burke] published in the Washington Post of April 16, 1939.

There being no objection, the articles were ordered to be

printed in the RECORD, as follows:

[From the Washington Post of April 23, 1939]

SENATOR WAGNER DEFENDS LABOR ACT AS WEAPON FOR INDUSTRIAL PEACE—PROVIDES DEMOCRATIC PROCEDURE, HE SAYS—AUTHOR OF LEGISLATION, NOW UNDER ATTACK, RESTS CASE ON THE RECORD OF JUSTICE IN STRIFE SETTLEMENTS—HOLDS OPPONENTS SEEK TO IMPEDE LAW—SENATOR BURKE'S AMENDMENTS SEEN DEVIATING FARTHER FROM THE "BEATEN PATH" THAN THE PRESENT MEASURE

(By Senator ROBERT F. WAGNER)

The Senate Committee on Education and Labor is now holding hearings on proposed amendments to the National Labor Relations Act. As the author of the law, I welcome this open-minded inquiry, with full confidence that an impartial examination can lead only to vindicating the act in principle and possibly perfecting it in

There are three main avenues of approach which any government may elect in dealing with the relationship between capital and labor in the modern industrial world.

The first is too simple. If there is injustice in industry, if strikes occur, if commerce is interrupted and communities disrupted, if blood runs in civil strife, a government conceivably might turn its back and stop its ears. Our own history is filled with instances where we allowed the human misery and economic waste of strikes to continue until one party or the other was exhausted. When it was all over, we sometimes appointed high-sounding investigatory commissions to perform the unhappy and profitless post mortems.

TOTALITARIAN IDEA ALLOWS NO FREEDOM

The second avenue of approach swings over to the opposite extreme. It is based upon the assumption that an all-wise and all-powerful State should dictate every phase of the relationship between workers and employers, the length of the day, the size of the pay, the amount of production, the terms upon which men must go to their work and leave their work. This totalitarian idea is embodied in the Communist and Fascist regimes.

In consequence of such policies, there are no strikes in Nazi Germany, Fascist Italy, or Soviet Russia. But neither is there political or industrial freedom. Peace has been purchased not by the establishment of justice but by suppressing discontent and forcing it underground. I do not believe that a system based upon that kind of peace can permanently endure.

Between these two extremes, of doing nothing on the one hand and trying to do too much on the other, there is the middle way, the way of industrial democracy, the American system.

the way of industrial democracy, the American system.

THE MIDDLE WAY IS MOST DEMOCRATIC

In economic affairs, this system rests upon "liberty of contract." Liberty of contract in turn depends upon equality of bargaining power. Equality of bargaining power, in turn, depends upon collective bargaining, because the unorganized worker is pitifully weak compared to the organized employer.

For about a century the courts of America, the majority of employers and workers in America, and public opinion in America have expressed their belief in collective bargaining. But until recent years there was a small but ruthless minority who denied to labor the right to organize and bargain collectively which they themselves enjoyed. Discriminatory discharges, yellow-dog contracts, unfair labor injunctions, industrial spies, and privately hired ruffians employed as company police were all weapons in the unfair fight. The consequences were not only injurious to the legitimate aspirations of labor but were equally injurious to the legitimate aspirations of fair-minded, law-abiding, and peace-loving industry.

DESIGNED TO ELIMINATE CAUSES OF STRIFE

DESIGNED TO ELIMINATE CAUSES OF STRIFE

The sole purpose of the National Labor Relations Act was to remove this most troublesome cause of industrial unrest. The act adhered closely to a few basic principles evolved through years of trial and error. It did not propose to establish compulsory arbitration, to fix hours, wages, or working conditions. It did not displace the work of the Conciliation Service of the Department of Labor. It did not interfere with the normal exercise of the employer's right to hire or fire, or to operate his business in his

own way.

All it did was to codify and clarify an age-old bill of industrial rights. The discriminatory discharge, the yellow-dog contract, and the company-dominated union were proscribed. The law required the employer to bargain collectively with representatives chosen by a majority of employees in the appropriate unit, and authorized the holding of elections to determine employee representation. By these means the act was designated to extirpate the main causes of bitter industrial strife and to encourage the voluntary settles. of bitter industrial strife, and to encourage the voluntary settle-ment of differences between industry and labor around the conference table by the methods of industrial democracy.

RESULTS SINCE 1937 ARE CONSIDERED

Because of its purposes, any fair appraisal of the National Labor Relations Act must commence with a discussion of whether it has

tended to reduce strife between employers and workers.

Senator Edward R. Burke, of Nebraska, who severely criticized the act and its administration in an article in the Washington

the act and its administration in an article in the Washington Post last Sunday, seems to satisfy himself with the statement that "What results might have been achieved in diminishing the causes of labor disputes * * must remain a matter of surmise." I am not satisfied, and I do not think that the public will be satisfied, with "surmise" on this vitally important subject. The facts show that promptly following the Supreme Court decisions in 1937, which, by upholding the labor act, afforded the first opportunity for its genuine functioning, there has been a marked decline in industrial strife.

NUMBER OF STRIKES HALVED IN FIRST YEAR

In 1938, the first full year of operation under the Supreme Court's mandate, there were only about one-half as many strikes, one-third as many workers involved in strikes, and less than one-third as much working time lost through strikes as in the year 1937. Less working time was lost through strikes last year than in any year since 1931, although the general tempo of business activity was higher than in 1932, 1933, 1934, or 1935. Indeed, the number of workers involved in American strikes last year, in relation to total population, was substantially lower than in Great Britain, notwithstanding that country's much heralded progress in labor relations. relations.

The proportions of workers involved in strikes over organization or collective-bargaining issues declined in 1938 to a level far lower than the average for the last 10 years. The sit-down strikes, which flared into a national menace during the early months of 1937 preceding the Supreme Court decisions, had virtually disappeared but the hegipting fleet reset.

by the beginning of last year.

In all, the act has provided a peaceful forum for about 20,000 cases involving over 4,500,000 workers. About 95 percent of the cases closed under the act have been adjusted according to its terms without even issuing a complaint or holding a formal beauting. hearing.

ELECTION PROCEDURE NO LONGER CRITICIZED

Resort to the democratic procedure of the ballot box for determining employee representatives has become so frequent that during the last fiscal year it has involved a majority of the employees seeking relief under the act. It is interesting to observe that the election procedure, once vigorously opposed in some quarters when invoked by workers, is now demanded by employers themselves. The act has thus brought lasting benefits to workers, employers, and the people as a whole. Today hardly a responsible person openly challenges its objectives or advocates its repeal. In the

light of this record of unchallenged accomplishment, those advocating major amendments of the act must carry the burden of proof.

PROPOSALS TO CHANGE ACT FALL IN TWO GROUPS

The proposals to change the National Labor Relations Act fail, broadly speaking, into two groups. First, there are proposals to change the administrative framework of the act; and, second, there are proposals to change the substantive features of the act, by which I mean the provisions defining certain industrial rights and prohibiting certain industrial wrongs. Without questioning in the slightest the motives of those sponsoring amendments, I believe that many of the changes proposed would seriously impair the principles of the act and weaken its proper functioning.

Senator Burke, after scoring the administrative features of the law, writes that in matters of administration "it will be far better breachers to follow the bester press."

hereafter to follow the beaten path." Let us see how the Senator's amendments satisfy his own test.

amendments satisfy his own test.

First, Senator Burke proposes that wherever an employer has committed a wrong against an employee under the Labor Act, the employee shall be denied redress by the Board or by the courts if the employer can show that the employee has committed some other wrong. While the doctrine of "clean hands" has some application in courts of equity, it is not the function of a legislature to provide that two wrongs make a right, to substitute recrimination for justice, or to excuse grave abuses because small ones may be committed. Certainly this proposal of Senator Burke's is a marked departure from the beaten path.

BURKE'S ABGUIMENTS ARE DISCUSSED

BURKE'S ARGUMENTS ARE DISCUSSED

Second, Senator Burke proposes that the National Labor Relations Board as an administrative agency shall be bound substantions Board as an administrative agency shall be bound substantially by all the rules of evidence prevailing in courts of law. He also proposes that the courts shall give only prima facie weight to findings of fact by the Board, thus substituting the judgment of the courts for the judgment of the administrative tribunal as to every detail of the case. In both of these proposals, it is transparent that Senator Burke is suggesting an abandonment of the accepted principles of administrative justice which have evolved gradually over 50 years, and which have been acclaimed by practically every leader of the bench and bar, including Chief Justice Hughes. Here, again, Senator Burke is neglecting to follow the beaten path. beaten path.

Third, Senator Burke proposes that a party proceeded against in any case before the Board shall have power to transfer the conin any case before the Board shall have power to transfer the controversy from the Board to the district court. I do not recall any more radical departure from our whole system of administrative justice, and I cannot reconcile this proposal with Senator Burke's avowed determination to "follow the beaten path."

The truth is that it is the present National Labor Relations Act which "follows the beaten path," because the present act is modeled closely upon the Interstate Commerce Act, the Federal Trade Commerce Act and most other Federal trade controlled to the property of the property

mission Act, and most other Federal statutes creating administrative agencies to deal with specialized controversies.

SUPREME COURT HAS UPHELD ACT

The best proof that the National Labor Relations Act is in conformity with our traditional principles of justice is that in 18 successive decisions concerning the act the Supreme Court of the United States has not nullified a single line of it. In the words of Chief Justice Hughes, "We construe the procedural provisions (of the act) as affording adequate opportunity to secure judicial pro-tection against arbitrary action in accordance with the well-settled rules applicable to administrative agencies set up by Congress to aid in the enforcement of valid legislation."

In short, most of the changes in the procedure under the Labor Act recommended by Senator Burke and others represent a striking departure from time-tested principles. Without having that intent, they would, in my opinion, have a particularly devastating effect upon the poor worker seeking to maintain his rights. They would substitute for the easily available methods of the administrative tribunal the costly and complex methods of litigation that are too expensive and time consuming for the poor man to afford. They would burden employers with interminable litigation, and they would choke the courts with countless controversies.

MAJORITY VOTE ON STRIKES MEANS SERVITUDE

Now let us turn to some of the substantive proposals put forward by Senator Burke. In the first place, Senator Burke proposes to make it illegal for workers to strike except by majority vote. This proposal means that a minority group of workmen could be prevented by law from refraining from work, simply because a majority of their fellows were not in favor of refraining from work. Such a proposal smacks of involuntary servitude. I hope that we shall never see the day in America when any group of men is forced under any conditions to sell its labor against its will.

A second proposal of Senator Burke is even more startling. Under the present National Labor Relations Act, where the Board and the reviewing court find that a worker has been discharged unjustly because of collective-bargaining activities, the Board and the court have the power to require that the worker be restored to his employment.

Senator BURKE would remove this protection. He would substitute for it a provision allowing an employer who has acted wrong-fully in this respect to buy off the wronged employee with some-thing called "severance pay," instead of restoring him to his job. I should like to know what kind of "severance pay" can be a just substitute for the right to work. How can "severance pay" ever compensate for the job unjustly taken away from a worker who has tried to protect his standards of living?

UNFAIR CLAIM HAS NO PRACTICAL BASIS

As a third proposal, Senator Burke, along with others, suggests that the Labor Act be amended to prevent "coercion, intimidation, or interference from any source."

This last-mentioned proposal is generally argued for on the following broad ground: Since the Labor Act prevents employers from "interfering" with the self-organization of workers, but does not prevent labor unions from "interfering" with the organization of workers, therefore the Labor Act is "unfair."

It is obvious that this argument of "unfairness" has no practical reality. The right to organize without employer "interference" afforded labor by the act is no greater than the right which employers enjoy to organize without the slightest "interference" from their

workers.

As for the claim that the act should be amended to prevent labor unions as well as employers from "interfering" with the organization of workers, one might as well say that the law should be amended to prevent trade associations from "interfering" with the organizations of employer groups. Participation in the organization of labor is a proper function of labor unions; it is not a proper function of the employer. Violence and racketeering by either party in labor controversies are, of course, already subject to local law.

WOULD PREVENT LABOR ORGANIZATION

The real effect of the proposals to prevent "interference or coercion from any source" is to make it legally impractical for labor unions to engage in the organization of labor, which is the very intent and purpose of labor unions. Such an amendment would restore all the evils of the unfair labor injunction and the whole long train of other unfair restrictions upon the efforts of labor to organize. The consequences, whatever the intent, would be to destroy labor's newly won equality of bargaining power, and restore labor to the status of the economic underling.

economic underling.

While caution should be the watchword in any tampering with a statute that so largely combines industrial peace with economic justice, I have never maintained that the National Labor Relations Act is perfect nor sought to prevent its perfection. I believe, for example, that under appropriate safeguards, employers should be entitled to petition the Board for an election when they are caught between the cross-fire of two rival labor groups. The present hearings may also develop other proposals for strengthening the act and advancing its basic principles.

ACT AN INFLUENCE FOR INDUSTRIAL PEACE

At the same time, since the National Labor Relations Act in its At the same time, since the National Labor Relations Act in its present form has proved a powerful weapon for industrial peace, and since its fundamental principles of industrial democracy are sound, the act must be preserved. It will be a tremendous evil and a tremendous loss to the whole American people if anything is done to impede the act's operation or emasculate its principles. That risk no friend of democracy wants to take.

I feel confident that my approach to this problem is shared, and that whatever action Congress may decide upon will reflect these views.

these views

[From the Washington Post, Sunday, April 16, 1939]

SENATOR BURKE, BRANDING LABOR BOARD UNFAIR, SEEKS WAGNER ACT CHANGE—BELIEVES QUESTION SHOULD BE REOPENED—AMENDMENT TO ABOLISH PRESENT BOARD, AND CREATE AN "IMPARTIAL" ONE URGED AS BASIS FOR INDUSTRIAL PEACE—PRESENT ACT ONE-SIDED, SAYS LEADER-DECLARES IT PLACES ALL THE BLAME ON THE EMPLOYER

(By Senator EDWARD R. BURKE)

A recent reliable poll of public opinion (the Gallup Survey, published in the Washington Post March 10) indicates that twothirds of the people of this country feel that something should be done promptly to make the Wagner Act more of an instrument of good. Outright repeal is favored by a growing number. The tree is so diseased, these people feel, that it cannot be saved by grafting helpful amendments to it. They would abolish the Labor Board, too; make a fresh start in an effort to establish more satisfactory, labor relations. factory labor relations.

There is a stronger sentiment, however, for constructive amendment of the law and improved administration. Many suggestions along this line have been submitted to Congress. The Senate Committee on Education and Labor has indicated a willingness to take testimony and give serious consideration to the problem in its entirety. This seems to the writer the proper course to pursue. its entirety.

ACT'S SCOPE IS NARROW

The principle underlying the Wagner Act is extremely narrow in its scope. It may be stated thus: In our highly complex industrial its scope. It may be stated thus: In our highly complex industrial system the individual worker is at a distinct disadvantage in dealing with his employer in relation to wages, hours, and working conditions. To give the employee equality of bargaining power he must be free to unite with his fellow workers. If labor is permitted to organize at will and choose representatives to bargain for it, justice may be secured without resort to strikes or violence. But employers have not been willing, it is said, to surrender their advantage. They deny their employees the right to organize. They refuse to accept the procedure of collective bargaining. The result—industrial strife.

To correct this situation, the Wagner Act imposes the obligation on employers to bargain collectively with the representatives chosen

by their employees. In order that there may be no interference, restraint, or coercion exercised upon workers in organizing and choosing representatives to speak for them, certain interfering practices that employers have resorted to—or might resort to—are denounced as unfair labor practices. A Government agency is established to investigate complaints, to designate the proper bargaining unit, to conduct elections when necessary, and in general to prefer the rights guaranteed to workers. to protect the rights guaranteed to workers.

CALLS LABOR BOARD UNFAIR

What results might have been achieved in diminishing the causes of labor disputes and bringing about improved conditions in the relationship between labor and management if the enforcement of the act had been placed in the hands of broad-minded, unblased, capable administrators, must remain a matter of surmise. For certainly these qualities cannot be attributed to the three members of the Labor Board and the extensive organization they have built up. built up.

They have demonstrated conclusively that they are zealots and fanatics, more interested in promoting a certain type of unionization than in anything else. They have no patience with the independent-minded workers who prefer to follow a course other than the one the Board thinks they ought to take. The employer has no rights that are entitled to respect. Even a great labor organization declares that in the exercise of the tremendous power vested in it, the Labor Board has been constantly guilty of flagrant bias and prejudice.

prejudice.

To correct this situation I have offered an amendment to abolish the present agency. In its place there would be set up a three-man board, one of whose members would be chosen because of his special knowledge, experience, and qualifications in dealing with the subject of labor relationship from the standpoint of the employee. A second would be selected because of his insight into the employer's side of the problem. The third, in a general way, would be the representative of the public.

Such a well-balanced board could go far toward making the legislative promise of industrial peace a reality. It would be incumbent upon the President to comb the country for the three ablest men in this field, and the duty of the Senate to refuse confirmation unless the choices were well made.

COURT DECISIONS HAVE CHECKED BOARD

Recent decisions, particularly of the Supreme Court, have checked some excesses of the Labor Board. It is considered expedient, however, to write the following safeguards into the statute: The findings of fact by the board shall be conclusive only when sustained by the weight of the evidence, and if the order requires affirmative action, the findings shall constitute prima facie evidence only.

In the conduct of hearings complete fairness in the issuance of subpenas will be required. The rules of evidence that prevail in courts of law and equity shall be substantially followed. (In many, possibly in the great majority of hearings conducted up to this time, there has been a shocking abuse of the privilege granted by Congress to seek the truth without regard to the customary rules of procedure.)

It will be far better hereafter to follow the beaten path. found that the complaining party has violated the law of the jurisdiction where the dispute occurs, has engaged in a sit-down strike or other unfair labor practice, such practice shall be a complete

defense of the accused.

PRESENT ACT ONE-SIDED

The one who would avail himself of the benefits of the act, who seeks the aid of the Board to make his rights effective, must come before it with clean hands. He cannot take the law into his own keeping, destroy the property of others, commit acts of violence, and then demand that the orderly processes of collective bargaining be enforced for his benefit.

Probably the most frequent complaint against the present act is that it is one-sided. It places the blame for labor disturbances upon the employer alone, and applies its punitive provisions to that one party to the labor relationship. Everyone knows that there has been fault on both sides. Some employers have been shortsighted. Some policies of labor have been selfish and productive

of trouble.

If we really want to try out collective bargaining, and if we desire to throw the protection of the law around this guaranteed right, then there must be an amendment that will insure the worker freedom from coercion, intimidation, or interference from any source. Such an amendment I have offered. If adopted, it would thereafter be an unfair labor practice for anyone to attempt to interfere with the right of a worker to join or refrain from joining any labor organization, to continue or cease employment, and to select in his own way representatives to bargain for him.

INTERFERENCE BY RIVAL GROUP RULED OUT

No longer would it be possible for a rival group of employees to interfere with the conduct of a business where there is no dispute between workers and management. The right to engage in lawful strikes would be preserved, but it would be illegal to strike except upon majority vote by secret ballot or to strike in violation of a valid contract.

There is no more un-American policy than that of the closed shop. It violates fundamental rights of the citizen. I believe in unionization—voluntary unionization. No employer ought to be required or permitted to impose as a condition of employment that a worker must join or refrain from joining any organization.

APPENDIX TO THE CONGRESSIONAL RECORD

AGAINST CLOSED-SHOP CLAUSE

That part of the present law that authorizes and encourages the closed shop should be stricken out. Instead, it should be declared an unfair labor practice for an employer to encourage or discourage membership in any labor organization by discrimination in regard to hiring or firing. Remove all interference with the freedom of the worker, and let the benefits of organization be sold on their

merits.

Another interference with the freedom of the employee is the imposition of the check-off system of collecting union dues and assessments. When a worker has been persuaded to join a union he should not be forced to stay in against his will. As long as he is satisfied that the organization is being properly conducted, and is rendering him and his fellow workers a worth-while service, there will be no trouble about collecting his dues. To require that the deduction be made from his pay check is an admission that all is not well, that the individual is not continuing as a voluntary member. tary member.

RIGHT TO ADVISE EMPLOYEES PROTECTED

Another amendment restores to employers a fundamental right denied to them by the Labor Board. That is the right to confer with and advise their employees at all times, providing there is nothing in the nature of a threat or any semblance of coercion or intimidation.

Certainly the employer should have the right to petition for an Certainly the employer should have the right to petition for an election. He is required to deal with the representatives of the majority of his workers. Since this obligation rests upon the employer, it is only fair play that he be accorded the use of the only available means—that of petitioning for an election—to determine whether any contending group actually speaks for a majority.

On the question of designation of the appropriate unit, the present law is clearly defective. The matter is left solely to the discretion of the Board.

CRAFT UNITS GIVEN PRECEDENCE

Immense harm has resulted. This provision has tended to widen the breach between the contending labor factions. One of the amendments offered by me specifices that craft units shall be given precedence in all cases; next come plant units; finally, the employer unit may be imposed only in the absence of a petition for the content of th tion from either craft or plant unit.

The board will be required to consider the will of the employees.

No one else should be permitted to dictate what that decision

ought to be.

Labor organizations that desire to be recognized for collective-Labor organizations that desire to be recognized for collective-bargaining purposes should meet certain requirements. As a condition precedent to certification, there should be kept on file with the Labor Board copies of their constitutions and bylaws, the names of their officers, and the names of those who will act as bargaining agents, all of whom must be American citizens. A current financial statement should be in the hands of the Board, and a copy furnished to each member of the union.

A complaint should not be filed against any employer until after he has been given written notice of the details of the grievance and accorded a reasonable opportunity to correct the difficulty. Stale demands should be barred. If we are seeking peace in industry, we should not sanction the bringing forth of alleged grievances that have been permitted to go unchallenged for more than 6 months.

WOULD PROTECT ALL WORKERS

One of the chief objects of labor legislation is to protect the worker from being discriminated against because of his union activities. In the case of discharge of a worker it is often a most difficult question to determine whether the discharge was due

difficult question to determine whether the discharge was due to such unfair discrimination or was due to actual inefficiency, insubordination, or some other justifiable ground.

The present Labor Board has rendered many outrageous decisions in this type of case, so many that employers today run a great risk in attempting to maintain any sort of plant discipline. It is felt that when an employer has acted wrongfully in this respect he should be required to award to the employee what may be called "severance pay," rather than to order the worker restored to employment.

Where there is an absence of good will it is difficult to see how a proper labor relationship can be established and maintained.

The Board sends out its agents to investigate complaints. If it decides to proceed against the luckless employer it furnishes its own examiners to hear the case and to rule with a free hand on the admission or rejection of evidence.

It provides its own attorneys to prosecute. It grants or denies the issuance of subpenas at will. It furnishes from its staff economic advisers to build up the proper background. When the evidence is completed it calls out whatever may be found of a damaging nature against the employer. Then it is ready, after a customary 30-minute argument, to enter judgment.

NEED REORGANIZATION OF WHOLE SET-UP

To have anything like justice done under such conditions would require a very different board than we have and a complete reorganization of the whole agency. Even then there should be a further check to assure the citizen his day in court.

An amendment is offered to provide that safeguard. Under this amendment anyone against whom a complaint is filed may, within 20 days, have the case removed to the United States district court. Prompt hearing will be required.

The Labor Board, through its attorneys, will present the evidence it has gathered of violation of the act, and shall prosecute the case. The only thing the Board will not be permitted to do, if this procedure is followed, will be to decide its own case. This provision would not necessarily mean that there would be many removals.

WOULD REMOVE NECESSITY FOR DELAY

The existence of the right of removal would of itself be a powerful incentive to insure fair hearings before the Board. But if the right of removal should be frequently exercised, the amendment provides machinery for the appointment of additional judges. The Board is now far behind in its work. This is not meant as a criticism but as a statement of a situation that should be corrected. Delay in these proceedings should not be tolerated.

as a criticism but as a statement of a situation that should be corrected. Delay in these proceedings should not be tolerated. As a final word, let it be said that the amendments that have been offered set forth the national policy to encourage friendly and mutually fair relations between employees and employer.

ACT DOES NOT FOSTER GOOD WILL

The chief weakness of the act, as it stands, and of its administration, has been a complete failure to lay any stress upon the necessity of fostering good will between workers and management. There is no chance for increased production, a larger measure of employment, a constantly rising standard of living, except in continued emphasis upon the mutuality of interest of all who participate in that production, worker measure for the standard of the standard of the production workers measure in the standard of the standard ipate in that production—worker, manager, investor.

ipate in that production—worker, manager, investor.

We must make industry succeed, because this is the only foundation for higher wages, shorter hours, improved working conditions, and a fair return on capital. This is to be brought about by protecting the practice and procedure of voluntary collective bargaining, which an amendment defines in these words:

"The phrase 'collective bargaining' for the purposes of this act shall be understood to mean the meeting together of the employer and his employees, through accredited representatives voluntarily

chosen by them, with the full and free opportunity for negotiating concerning the terms or conditions of employment."

The adoption in major part of the amendments offered will guarantee such a result. Workers for the first time will have full freedom of organization and choice of representatives. Justice to all parties to the labor relationship will usher in an era of industrial peace.

Junior Jackson Day Dinner

EXTENSION OF REMARKS

HON, ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

ADDRESS BY HON. JAMES A. FARLEY

Mr. BARKLEY. Mr. President, I ask unanimous consent to insert in the RECORD a speech delivered here in Washington last Wednesday night by Hon. James A. Farley at the Junior Jackson Day Dinner, sponsored by the Young Democratic Clubs of the District of Columbia, together with the introduction of the toastmaster preceding the speech.

There being no objection, the speech and introduction were ordered to be printed in the RECORD, as follows:

Senator Barkley. Ladies and gentlemen of this great audience in

Senator Barkley. Ladies and gentlemen of this great audience in the Mayflower Hotel, and the greater audience outside—greater in numbers, but not in quality—it is my great privilege at this hour to present to you a great American.

The dictionaries tell us that politics is the science of government, and that a politician is one who is versed in the science of government. The man whom I shall introduce in a moment qualifies under that definition of a politician. Not only is he a great American, he is a great organizer of democracy and, in the true sense of the word, a great statesman. There have been in the history of the Nation many Cabinet members: there has never been sense of the Word, a great stateshall. There have been in the history of the Nation many Cabinet members; there has never been one in any capacity in the Cabinet of any President who performed his duties more intelligently, who was more loyal to the conceptions of democracy under which he has labored, and who has given greater satisfaction to those who honored and trusted him, than the man whom I shall momentarily introduce.

than the man whom I shall momentarily introduce.

Not only a politician in the true sense of the word, but a statesman also, an author also; but greater than all of these, a great American, a great administrator, James A. Farley, Postmaster General of the United States and chairman of the Democratic National Committee.

Mr. Farley, Ladies and gentlemen, being a Young Democrat myself—or at least young in spirit—I am happy to join you tonight in this meeting, the real purpose of which is to prepare ourselves for the common task which lies ahead.

I have learned from experience that Young Democrats are apt to be politically minded, and as I am inclined that way myself, it may be a good idea to talk about the subject in which we all have a lively interest. In other words, during the course of these brief remarks, I propose to say something about the Presidential election of 1940.

We have a saying at party headquarters that elections are worked.

election of 1940.

We have a saying at party headquarters that elections are won between campaigns, and certainly this year is no exception. Victory seldom comes to the political party that sits by in idle contentment, hoping to win the prize by profiting through the mistakes of its opponents. The only safe course is to get ready far in advance, to organize on a sound basis, to work long hours and hard at the manifold tasks which go to make up the framework of a greenerful company.

and hard at the manifold tasks which go to make up the framework of a successful campaign.

Having that thought in mind, I am pleased to note that you are already on the firing line. The Democratic Party has given the representatives of youth an important place at the council table and this wise policy has paid heavy dividends in the election results of the past few years. You may be sure that it will be continued. In fact this willingness to understand the problems of young voters—and to seek their advice and cooperation—has been a major factor in the notable achievements of the Roosevelt administration.

You have a large stake in the outcome of next year's Presiden-

You have a large stake in the outcome of next year's Presiden-You have a large stake in the outcome of next year's Presidential election. It is an old American custom, as each succeeding election comes around, for solemn political orators to warn the voters that the approaching crisis is the most momentous to face the Republic since the time of George Washington. I like to avoid exaggeration. Yet, I think everyone will agree that it is impossible to overemphasize the gravity of the present world situation. The man who occupies the White House during the next few years will be compelled to carry a burden of almost superhuman pro-portions. He will be called upon to make decisions upon the outcome of which will rest the destiny of his own generation and the destiny of generations that come after. In such a situation, a profound duty rests upon those of us who are actively engaged in politics to exercise the utmost care in choosing our course of action.

After a political party has been in authority for a number of years, it is only natural that the electorate should weigh its accomplishments and its mistakes with a critical eye. An administration which honestly attempts to correct social and economic

complishments and its mistakes with a critical eye. An administration which honestly attempts to correct social and economic evils of long standing is certain to awaken the ill-will of a host of discontented foes. When these foes enlist under a single banner for the sole purpose of overthrowing the party that happens to be in power, they make an imposing array, provided they are able to keep their lines intact while at the same time concealing from the voters their real purpose.

It is up to us to appraise the situation with candid eyes, to take stock on the basis of conditions as they exist today. It would be silly and stupid for me or anyone else to assert that the smashing triumphs which the Democratic Party won over a bankrupt Republican Party in the last two Presidential elections will be repeated in 1940. Even the G. O. P. can hardly be relied upon to exhibit the same brand of blind indifference to the national welfare that marked its conduct in those elections. The elephant is a plodding beast but it has a long memory and the old wounds still rankle and smart. Jumbo is a trifle more alert and he has learned that the political tricks which delighted the audience back in the gay days before the 1929 crash are out of date and need revising. He is ready for streamlining if his managers can only do the job.

The Republican Party, in fact, has bowed to the inevitable and is

The Republican Party, in fact, has bowed to the inevitable and is ready to offer the country a diluted brand of Roosevelt policies as a substitute for the original. The party leaders, of course, are just as ready to other the country a thritted trained or Recosevel politics as a substitute for the original. The party leaders, of course, are just as barren of constructive ideas as they ever were. Although 10 years have passed since it first became apparent that new methods had to be devised to meet the needs of a high-speed industrial civilization, the opposition leadership has failed to put forward a program or even a single policy that would help to solve the Nation's pressing problems. I believe that Dr. Glenn Frank's policy committee is still laboring at the task, but the committee's report is now about 2 years overdue, indicating that the discovery of a formula was far more difficult than the membership anticipated. In the meantime, however, the G. O. P. has embraced a sort of part-time program for everyday needs. As experience demonstrates the wisdom of President Roosevelt's policies, whether on banking, or housing, or social security, or soil conservation, the Republican leadership gravely exclaims, "Me, too. That's what we would have done had we been in power." Having placed every possible obstacle in the path of President Roosevelt's reforms, they now insist that they should be given at least partial credit for what he accomplished over their stubborn opposition.

By this process of catching on to the Roosevelt coatalls, the

stubborn opposition.

By this process of catching on to the Roosevelt coattails, the Republicans hope to slip by and capture the great prize in 1940. We should bear in mind that they are masters at the art of intimidating the voters by raising up straw men and predicting calamities that never will occur. They also do fairly well at promising benefits that fail to materialize. They used the "full dinner pail" to capture one presidential election, and several years later they increased the ante to "two chickens in every pot and two cars in every garage." I assume they will be equally generous in their promises next year.

The "outs" in American politics have a tremendous advantage over the "ins." They enjoy the luxury of criticizing the efforts of the administration in power without being called upon to demonstrate what they would do under like circumstances. The

volume of criticism directed against the Roosevelt administration has swollen to huge proportions because the Chief Executive has had the courage to act with vigor and foresight in the face of perils, both foreign and domestic, that could be met in no other way. It is a common human trait for individuals to enjoy the sound of their own voices. The opponents of the Roosevelt administration have been vocal for so long that they mistake their own cat-calls for the solid weight of American public opinion. They made the same mistake 3 years ago.

It is not my purpose to underrate the size or the resourcefulness of the ground reference in the universe that other purposes is to unverse or the resourcefulness of the ground reference in the universe that the size of the ground reference is to unverse the ground overthrow the

It is not my purpose to underrate the size or the resourcefulness of the groups whose purpose is to uproot and overthrow the accomplishments of the Roosevelt administration. The long struggle to restore social and economic justice in America has offended certain financial overlords who conducted the economic affairs of the Nation to their own profit and according to their own notions, during the long years of Republican rule that followed the World War. They are worthy foemen during these times of world-wide economic distress and uncertainty. They care very little about who occupies the White House if only they can "get rid of Roosevelt."

But if they are ready for the fray so are we. I realize that

But if they are ready for the fray, so are we. I realize that optimism is the prevailing note in the ranks of Republican leaders. They hope the long dry spell is about over. When things get dull they even compile fascinating maps and charts, showing that if one more State with a large electoral vote falls into their column, the election is practically over. I admire their zeal but perhaps the time has come for us to do a little reckoning

zeal but perhaps the time has come for us to do a little reckoning on our own account.

Let me say at the utset that pessimism has no place in the Democratic outlook for 1940. While we have no wish to delude ourselves into thinking that another landslide is inevitable, I believe sincerely that the next President of the United States will be a Democrat. The result will be decided by the collective good sense of the American people and the people know that the greatest record of constructive reform in recent history has been brought to reality by the administration now in power. We enter the lists with confidence because the weight of evidence is on our side. And may I add that this confidence will not be shaken by the lists with confidence because the weight of evidence is on our side. And may I add that this confidence will not be shaken by straw votes, test votes, newspaper polls, trial balloons, or gloomy prognostications, no matter from what source they originate or how convincingly they are presented. The business of picking the winner in advance is a delightful pastime, especially for those who find it a means of profit as well as entertainment. During the past 7 years, the Democratic Party has suffered an alarming series of defeats in the game of straw voting. You recall that the poll formerly looked upon as the most reliable of all, consigned the Democratic cause to bitter and humiliating defeat in 1936. We managed to survive that disaster. In fact, during the 7-year period beginning in 1932, despite the warnings of the experts, the Democratic Party has managed to win four national elections by successive majorities hardly equaled in the previous history of the country. I am satisfied with that record and I think you are too. The poll of the electorate continues to be the only one that really matters.

It is well to recall that the opposition party always has the

matters.

It is well to recall that the opposition party always has the advantage until the time comes to nominate a candidate. In the old days the Republicans had a simple formula that very often worked amazingly well. They merely nominated a figurehead, fastened him securely to a pleasant front porch, and then sent forth an army of compelling orators to herald the glad tidings that a new Sir Galahad was about to enter the White House under the stabilizing influence of the G. O. P. That method is now out of date, thanks to the development of modern means of communication and transportation.

The Republican promines selected in 1940 will face the unpleasant of the s

cation and transportation.

The Republican nominee selected in 1940 will face the unpleasant prospect of standing under the spotlight to tell the voters in his own words what he proposes to do about the complex problems of public life. He will be compelled to reveal whether he prefers the sane and forward-looking policies of President Roosevelt or the dismal, do-nothing days of former President Hoover when speculation ran riot and the farmers, the workingmen, and the aged were left to shift for themselves. The Republican candidate of 1936 was caught in a similar dilemma. Unfortunately for him, he decided to sidestep under the advice of presumably clever advisers, and before he got through he made himself the worst defeated candidate for the Presidency in history. The voters dislike evasion, and political dodging has become a very dangerous art.

The only thing necessary for a Democratic victory in 1940 is for us to do our part. The presence here tonight of so many youthful Democrats, filled with zeal and enthusiasm, is ample evidence that you are ready to close ranks and march forward, united and militant, toward the goal we have in mind. A great leader has shown the way and those who enlisted under his banner have not been

disappointed.

disappointed..

A political party to be successful must have a platform that appeals to the electorate. Your platform is the splendid record in office of President Franklin D. Roosevelt. To those who scoff and jeer at his accomplishments—a habit quite fashionable in some quarters—your answer is plain and to the point: There is no man now living who could have carried the Nation through the storms and dangers of the past 6 years as well as he has done. Confronted by problems of appalling magnitude, hampered and hindered by those who should have offered help and encouragement, the Chief Executive has lifted his country from the bog of depression and pessimism in which he found it to the high road that leads to peace,

prosperity, and progress. He has won the great triumph by substi-tuting courage for caution, action for apathy, and statesmanship for

petty politics,
From his predecessor in office President Roosevelt inherited a mass of economic wreckage and a disheartened people. He found it neces sary to restore the fabric of industry and commerce, to curb old wrongs and abuses, to revive the normal channels of trade in a disorganized and disordered world. He found it necessary to carry on a host of emergency activities on top of the arduous duties which always burden the man in the White House. He has done the job ably and well, and again I repeat that no one of his critics could

have done it half as well.

The right to criticize the President has its roots deep in the The right to criticize the President has its roots deep in the American system of government, and no one who sincerely believes in democracy would lift a finger to curb or abate that right. Very often it serves a useful purpose. Yet I should like to point out that many of the most vocal critics should thank their lucky stars that the man at the helm in these trying times has been Franklin D. Roosevelt. Had the destiny of the country been in weaker hands, these dissatisfied individuals might have found themselves far worse off than they are today. Does anyone contend that if the Republican candidate of 1936 had been elected to the White House, the United States would be better off than it is today? Does anyone seriously contend that he was equipped to perform the exacting duties of the Presidency better than the present Chief Executive?

Every nation in the world has felt the menace of chaos and social upheaval in this changing period, and no nation has come through the crisis in better shape than the United States of America. We were fortunate to have a leader who sensed that this age was touched with destiny and the vision to meet the situation before it was too late. I submit that the basic reforms of the Roosevelt administration will never be undone.

of the Roosevelt administration will never be undone.

What are the things for which President Roosevelt has consistently fought and labored? He said it was wrong for the farmers to live on the verge of poverty and he has done everything in his power to lift the buying power of agriculture. He said it was wrong to compel worthy men and women to work for less than a living wage. He said it was wrong for speculators to gamble with If ying wage. He said it was wrong for spectuators to gamble write-out restraint with other people's money. He said it was wrong to abandon the unemployed to their own luckless fate. He said it was wrong to let the old folks face the twilight of existence without security or financial independence. For all of these great evils, he has sought the remedy, and in doing so, he has won the hearty acclaim of every right-thinking citizen in the land. President Roosevelt has given new hope and encouragement to

acclaim of every right-thinking citizen in the land.

President Roosevelt has given new hope and encouragement to millions because he has consistently raised a mighty voice in their behalf. He has restored the old vision of America as a land of opportunity and fair dealing for all. He has revived the moral standards of the Nation and let it be known that the welfare of the humblest citizen is the just concern of government.

This is the record on which we stand. This is the permanent platform of the Democratic Party, and this is the message which you and I and every single worker in the party organization must bring home to the electorate between now and next election day. Tell the voters that the ideals of Jefferson and Jackson still live

Tell the voters that the ideals of Jefferson and Jackson still live in the works and accomplishments of Franklin D. Roosevelt. Let us keep the faith and do our part and we need have no fear of the outcome in 1940. Let us rest our case on the great good sense of the American people.

Forest Products Laboratory

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

STATEMENT BY HON. ALEXANDER WILEY, OF WISCONSIN, BEFORE THE SENATE APPROPRIATIONS COMMITTEE

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by myself today relative to the Forest Products Laboratory before the Senate Committee on Appropriations, which is now considering the Agricultural Department appropriation bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of the committee, in connection with the item in the agricultural appropriation bill for forest products, I wish to present for your consideration the following facts con-cerning the Forest Products Laboratory.

BACKGROUND

The Forest Products Laboratory is the only Federal laboratory devoted to wood utilization; its work is national in scope, relating to wood-use problems in all the States; it is located at Madison.

Wis., and is maintained by the Forest Service, United States Department of Agriculture. It functions in cooperation with the University of Wisconsin.

In recognition of the national importance of the laboratory's work, Congress enacted the McSweeney-McNary Forest Research Act in 1928, which authorized the stepping up of forest-products research from \$500,000 annually to \$1,000,000 annually by 1938. Since then the Federal Government has constructed a new \$900,000 building for the Forest Products Laboratory and expended an additional \$500,000 for new equipment and facilities to take care of this planned expansion.

planned expansion.

In spite of the foregoing, the present appropriation today is only \$628,000, which is \$12,000 less than it was 6 years ago and \$372,000 less than was authorized 10 years ago. The laboratory's unexcelled facilities are being used only at one-half capacity, and its personnel has been reduced about 12 percent since 1929. Actually by a slow attrition process the Federal program for forest-products research is gradually breaking down, yet nobody acquainted with the critical importance of its work believes that this should be permitted.

SCOPE AND PURPOSE OF WORK

The laboratory's work is aimed at reduction of waste, improvements in logging, milling, fabricating and conversion of forest products, and at the development of new markets and new products from wood.

Very serious consideration must be given to insuring adequate new uses and markets to absorb the annual increment of the oncoming forest crop. Research to broaden the uses of wood, and wood fiber, should be expanded now because there is always a serious time lag between the results obtained by researches and their availability and their adaptation to practical uses.

REASONS JUSTIFYING THE \$1,000,000 APPROPRIATION MAGNITUDE OF FORESTRY PROBLEMS

The forestry problem in the United States is concerned with 630,000,000 acres of forest land, of which 462,000,000 acres is classed commercial for growing and marketing of forest crops; this is an area substantially larger than the total agricultural area of the United States.

United States.

Seventy percent of this vast area of forest land is in private ownership which furnishes 98 percent of the products now going into commerce, the processing of which gives direct support to 6,000,000 people, contributes to the support of 2,500,000 farm families, and to the success of industries valued in 1929 at \$10,000,000,000 and to the consumption of forest products valued at \$3,000,000.000. Sustained forest management on private lands is the real crux of the national forest problem, which can be met only to the extent that there appears to be reasonable opportunity for the profitable utilization of the crop.

MARKET FOR LUMBER DECLINING

It is well known that the per capita and total use of lumber by It is well known that the per capita and total use of lumber by the American public declined from 1909 to 1929 during an unprecedented boom period, and has further precipitously declined during the depression. This is not only seriously detrimental to the stabilization of forest employment, but it is also retarding the State, farm, and commercial development of forest lands, upsetting small communities dependent on forest industries, contributing to tax delinquency in local government units, discouraging protection against fire by private owners, and preventing silvicultural improvements of established forests through lack of profitable markets for thinnings and improvement cuttings.

CONTRAST WITH RESEARCH ON AGRICULTURAL CROPS

The Federal Government last year provided for the establishment of four \$1,000,000 agricultural-research laboratories, which will require from \$3,000,000 to \$4,000,000 annually for their operation, to promote the development of new and improved indusation, to promote the development of new and improved industrial uses for agricultural crops, it has also authorized \$1,000,000 additional to study and develop foreign markets for them. This is in addition to \$20,000,000 to \$30,000,000 regularly appropriated annually for research and extension to develop agricultural markets and uses. Meritorious as these appropriations are, they are in strong contrast with a total of \$628,000 now appropriated for scientific research to improve and develop new uses and markets for forest crops.

Certainly one \$1,000,000 laboratory to develop new uses and markets for forest crops is an exceedingly modest program in view of the values at stake in our national forest resources

WHY FEDERAL GOVERNMENT SHOULD PROVIDE FOR FOREST PRODUCTS RESEARCH

The wood-using industry represents, as does the agricultural industry, a tremendous aggregation of small competitive units. With the cutting out of most of the virgin timber, the trend in the lumbering industry is toward many small and scattered operations. Wood-conversion industries also are, on the average, relatively small establishments, often working on a handicraft basis. They are not sufficiently permanent or financially able to maintain extensive research facilities.

Nearly one-third of the forest land is in public ownership and over one-third is in farm woodlands owned by two and one-half million farmers. Millions of dollars are being spent annually by the Federal and State Governments for the growing of forest crops which will not find a market unless the present consumption of forest products is more than doubled.

The Government's obligation to the woodlot owner, the farmer, and to labor to develop markets and jobs resulting from the industrial use of our forest resources is clear.

HOW TO USE THE LABORATORY

All the information that the Forest Products Laboratory has ained through years of research is available to the public. Every gained through years of research is available to the public. Every year thousands of inquiries are answered by letter and problems are discussed with those who come to the laboratory seeking

are discussed with those who come to the laboratory seeking advice on problems of wood utilization.

In cases where the problem presented is of such scope and difficulty as to warrant a cooperative research project, the work will be undertaken if consistent with the laboratory's public objectives and subject to advance agreement as to methods and payment of costs. The laboratory's guiding purpose in such studies is to secure facts that will promote the best use of wood.

ECONOMY

While economy in Government expenditures is a policy to which

we can all subscribe, it should be selective in its action and not directed toward impairing such a constructive agency of Government as the Forest Products Laboratory.

The research program of this institution has in recent years been kept below a proper efficiency standard by appropriations far smaller than Congress itself has authorized. Savings and far smaller than Congress itself has authorized. Savings and economies resulting from its work aggregate annually many times more than its total expenditures for 30 years. Its objectives and its larger potentialities are vital to the proper use of our forest lands, the success of forest industries, and the support of millions of workers. The true economy policy, as proved over and over again in the industrial field, is to strengthen and build a research program such as that of the Forest Products Laboratory, not to handicap and limit it further.

Therefore, I respectfully urge that the amount provided by the

Therefore, I respectfully urge that the amount provided by the House (H. R. 5269, p. 45, line D), \$628,361, be increased to \$1,000,000, and I sincerely trust that it may be the pleasure of this subcommittee to so recommend to the full committee.

Junior Jackson Day Dinner

EXTENSION OF REMARKS

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

ADDRESS BY PITT TYSON MANER

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Pitt Tyson Maner, president of the Young Democratic Clubs of America, at the Junior Jackson Day Dinner held by the Young Democrats of the District of Columbia on Wednesday, April 19, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, distinguished guests, and fellow Young Democrats, it is a real pleasure to be with you tonight on this auspicious occasion. This fine gathering and the enthusiasm and interest demonstrated by it are conclusive proof to me that the Young Democrats are on their toes, wide awake, and prepared to carry

our party to victory in 1940.

At this time I want to pay particular tribute to our great national chairman, whose leadership has been inspiring to every Young Democrat throughout the length and breadth of the land,

Young Democrat throughout the length and breadth of the land, our dear friend and valued adviser, Hon. James A. Farley.

I would also like to pay tribute to a great treasurer of the Democratic National Committee, Oliver A. Quayle, Jr., and to Perry Colman, president of the Young Democratic Clubs of the District of Columbia, for their unselfish devotion of time and energy to the success of this occasion.

Young Democrats from all 48 States are hard at work on plans for what we believe will be our greatest biennial convention to be held in Pittsburgh, Pa., August 10, 11, and 12. I want everyone present to consider this a personal invitation to attend that convention and participate in it so that we may start off the 1940 campaign with the very best, the largest, and the most enthusiastic convention which the Young Democrats of America have ever held.

Tonight a very great pleasure and privilege has been bestowed

Tonight a very great pleasure and privilege has been bestowed upon me. I have in my hand a letter of greeting to this gathering from the truest friend and the greatest leader the young Democrats and the people of America have ever had. It gives me great pleasure to read you this letter from the President of the United States—the Honorable Franklin D. Roosevelt:

THE WHITE HOUSE,

Washington, April 19, 1939.

My Young Friends: It is to my great regret that I cannot be with you in this celebration in memory of the first President who demonstrated to the world that democracy was workable. On you

now depends the future of the Democratic Party. More important even than that, on you depends the future of our country.

even than that, on you depends the future of our country. Party organization is the vehicle by which the mobilized sentiment of the United States gets anywhere. If the chauffeurs of the organization are wise in picking the course, the going is good and the destination aimed at is reached. If, on the other hand, they are witless, the organization will find itself on a rocky road and the probabilities of flat tires and other break-downs are so great that the will of the people gets nowhere.

This means distress to the party, of course, and likewise distress to the Nation. For in the present political and economic situation the alternative in the event of a failure for our party to keep straight ahead, is for the country to find itself traveling in the direction exactly opposite to that it has in mind.

Incidentally, the progress of our political car is not helped by the clamor of the back-seat drivers who point out the apparent smoothness of the detours of compromise and subterfuge, and com-

the clamor of the back-seat drivers who point out the apparent smoothness of the detours of compromise and subterfuge, and complain of the speed of our going.

The Democratic Party of itself cannot elect a President. The Republican Party is in the same fix. This is fortunate for all of us, for it means that no party can continue in power unless its policies are such as to add to its basic strength the ten or more millions of votes that are cast for ideas and ideals, rather than because of the employ at the top of the ticket. of the emblem at the top of the ticket.

In the campaign we are now approaching there is just one agency potent enough to defeat the Democratic Party, and that is the Democratic Party itself. It can commit suicide by abandonment of the policies that brought it to power. There is no use fooling ourselves. If we are to have a reactionary regime—or if that the policies that brought it was a reactionary regime—or if that term is too horrific—call it a conservative regime, you may depend on it that it will be the other fellow's regime.

We shall forfeit the multitude of Republican liberals who voted

We shall forfeit the multitude of Republican liberals who voted with us in 1932 and 1936 if we shift our ground. Even those men and women with little or no affiliation with either party and who went with us because we voiced their principles, will quit us in disgust if we throw them down now.

We can also destroy our chances by fratricide. No victories are won by shooting at each other. There never was and never will be a political party whose policies absolutely fit the views of all its members. Where men are at variance with the course their party is taking, it seems to me there are only two honorable courses is taking, it seems to me there are only two honorable courses— to join a party that more accurately mirrors their ideas or to subordinate their prejudices and remain loyal.

I do not mean by this, of course, that they are not quite within their rights when they seek to change the program. It would be a poor sort of politician or statesman who did not fight for his sincere principles, but that is a different thing from allying themselves with their party's enemies and getting in a stab wherever

and whenever they can do so safely.

I have pointed out the ways in which our party can destroy itself; now may I suggest how victory, which is quite within our

self; now may I suggest how victory, which is quite within our reach, can be won next year?

Instead of suicide or fratricide, what is the matter with our own side? Whenever the party was Democratic it won. Whenever it offered the country an ersatz Republicanism the people spurned the imitation and sent our party to stand in a corner until it had learned its lesson. Unfortunately it sometimes takes from 10 to 20 years to accomplish the requisite reeducation.

Suppose, for a change—and you know I am frequently accused of being devoted to change—we learn our lesson this time without being sent to the corner to mediate?

This country of ours is democratic with a small "d". It is never

This country of ours is democratic with a small "d." It is never, and never will be Democratic with a big "D," except when the two words mean the same thing.

With the highest hopes and expectations that the young Demo-crats will continue with their youthful enthusiasm, and yet re-tain their old faith as enunciated by Thomas Jefferson and Andrew Jackson.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

YOUNG DEMOCRATIC CLUES OF AMERICA, Shoreham Hotel, Washington, D. C .:

Shoreham Hotel, Washington, D. C.:
Young Democrats throughout the United States are in a crucial and strategic position today. We have grown from small beginnings to our present membership of almost 5,000,000 members and have become a potent factor in the dominant party of our country. During the same 6 years there has been a tremendous change in our Government which has meant much to the people of these United States. After a long period of Republicanism, and rule by the few and for the few, our Government has been returned to the people, for the benefit of the many. This change has necessarily been accompanied and accomplished by many long-needed reforms.

We have made wonderful progress in the right direction, but we

We have made wonderful progress in the right direction, but we still have a long way to go before all of our objectives are fully accomplished. We must take no backward step, nor must we let differences in degree of enthusiasm for one or another of our major objectives deter us from a determination to accomplish the

major objectives deter us from a determination to accomplish the task which has been so well begun.

In the great work of consolidating the gains already made, and the greater task of solving the problems yet unanswered, the Young Democrats throughout this country can play an increasingly important part. The young people of America will reap the benefits that will accrue from the accomplishments of this Democratic administration. We must assume the burden here and now of carrying on the battle. No one in America is so deeply concerned. carrying on the battle. No one in America is so deeply concerned in the reforms instituted by this administration for the preservation of democracy, liberty, and human rights as are the young men and women of America. You and I know that we shall be the beneficiaries of the finer, cleaner, saner, fairer democracy with a more just and equitable distribution of prosperity which is the goal of our inspired President, Franklin D. Roosevelt.

You and I know that solving all the perplexing problems and difficulties found in our complex civilization is not a job to be accomplished in a month or in a year. We also know that the

accomplished in a month or in a year. We also know that the great majority of American people are looking to the Democratic Party to carry forward the work that has been begun. It will be your task and mine to see that the great humanitarian program, including workmen's-compensation acts, old-age pensions, the right

including workmen's-compensation acts, old-age pensions, the right of collective bargaining, the security of our banking system, regulation of the stock market, and prevention of security exploitation, as well as the many other permanent changes for the betterment of our Nation are carried through to completion.

The Republican Party talked much and did little or nothing in all the years of its power to accommodate and adjust our Federal Government to the increasingly complex problems developed in this country. Whenever the abuse of power in the hands of a few became intolerable, it remained for the Democratic Party to propose and put into effect the necessary remedies and reforms.

and reforms.

The beauty of our solution of these problems is that we have found a way within the framework of the Constitution, and have not had to sacrifice our form of government or our perhave not had to sacrince our form of government or our personal liberties as have peoples of many other countries in the world. The same problems we are solving have caused dictators to arise throughout the world, and their solutions of economic troubles have been accomplished at the cost of all individual liberty. But we have retained our freedom of speech, our freedom of the press, our freedom to worship as we please, our freedom to express our opinions at the polls, and we are well on our way to relieving all of the maladjustments which developed during the 12 years of Republican freedom to exploit the people.

to relieving all of the maladjustments which developed during the 12 years of Republican freedom to exploit the people.

I know that it is hardly necessary to add that the great strides we have made toward our goal and the remarkable success we have had in preserving our democratic form of government can be traced to the idealism, the patriotism, and the unselfish devotion to the principles of real Americanism, possessed by one of the greatest Americans of all time, Franklin D. Roosevelt.

While the New Deal has been making great strides forward in accomplishing these long-needed reforms, it has also been necessary for the Government to adopt many temporary means of relieving suffering and distress which followed the catastrophe of 1929. The policy of Government expenditure for the benefit of our citizens is not new nor was it begun by the Democratic Party of today. The practice is as old as the Government itself. The only difference now is that the expenditures are larger and

Party of today. The practice is as old as the Government itself. The only difference now is that the expenditures are larger and go to a greater number of people.

Previous depressions and financial panies were invariably relieved by distribution of free land. Public lands, comprising more than half of the area of the country, have in the past constituted the greatest relief fund that this or any other nation has ever dispensed. Large-scale Government relief is long established, but it has remained for this administration to broaden the basis of those eligible for relief to include all classes of people. There is an intrinsic difference between giving a financier who wants to build a railroad a free right-of-way, thousands of acres

wants to build a railroad, a free right-of-way, thousands of acres of free land, and a Government loan of a fortune in cash for each mile, and our present plan of furnishing work so that no one may starve. This difference symbolizes the difference between Republican devotion to big business and Democratic concern for

average man.

The Home Owners' Loan Act, the Farm Credit Act, the slumclearance and Federal housing program, have all played their part in relieving distress and suffering. The C. C. C. has taken thousands of young men off the streets and away from bad surroundings, built them up physically, and given them character training, and at the same time saved untold millions of dollars in fighting forest fires, in reforestation, in flood control, and other

In ingiting forest lifes, in reforestation, in flood control, and other equally useful work.

The results of the money spent in the last 5 years and that now being spent will be felt for many years to come. It actually saved our democratic institutions and our form of government.

Had it not been for this spending policy, I feel certain that our great country would have drifted into communism or fascism; for I believe that rather than suffer hunger and privation, people would sacrifice their personal and political freedom for enslavement by a dictator. ment by a dictator.

ment by a dictator.

America has had no riots, no bloody revolutions, and we have retained every bit of freedom for which our forefathers gave their lives. President Roosevelt has always had the courage to act when action was necessary. But that action has always been carefully considered so that the freedom of our people was not jeopardized. America has no dictator. We will never have one as long as we follow the paths of progress that have been made clear by the leaders of the New Deal.

Our task today, as young Democrats, is to carry forward the torch of progress, while preserving the principles of freedom upon which our country was founded. Our youth, our vigor, our enthusiasm, are urgently needed in the work begun by this Democratic administration. The success or failure of its program will mean everything to you and to me for we will reap the conse-

quences of failure or success. I call upon each of you, individually, to do your part in making it a success, so that the America our fathers fought for shall not perish from the earth.

We will succeed if we wholeheartedly support, encourage, and assist that great humanitarian, our inspiring leader Franklin D.

Roosevelt.

I thank you.

Fiscal Affairs of District and Federal Governments

EXTENSION OF REMARKS

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

ROUND-TABLE DISCUSSION

Mr. THOMAS of Oklahoma. Mr. President, during the past several years the issue over the amount of money which the Nation should contribute toward the expenses of the city of Washington has been a vexatious one to Congress and to the citizens of this District.

I ask unanimous consent to have printed in the Appendix of the Record the text of a recent broadcast on this subject led by Mr. Cam Campbell, and assisted by others, over a local

radio station.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

The Announces. On February 6 of this year a bill was introduced in the Senate by Senator Overton, of Louisiana, entitled "A bill to fix the amount of the annual payment by the United States toward defraying the expenses of the government of the District of Columbia."

Because most of our listeners are taxpayers either to the Federal Government or to the government of the District of Columor both—we know you have an interest in this legislation.

bia—or both—we know you have an interest in this legislation.

You are about to hear a round-table discussion of the bill by a group of Government employees and citizens residing in the District of Columbia. Their discussion will bring out what the enactment of this measure would mean to the Nation in general and the city of Washington in particular. The group is composed of Mrs. Eloise Lavrischeff, formerly a teacher in the public schools of Alaska, and now a Federal Housing Administration employee; Miss Dickey James, a student at Woodrow Wilson High School; Miss Ava Witt, an employee of the Office of Education, Department of the Interior; Mr. Martin Swensen, of the Reconstruction Finance Corporation; and Mr. Cam Campbell, who has been associated with the legislative branch of our Government on Capitol Hill for more than a dozen years. Mr. Campbell will lead the discussion. I present Mr. Campbell.

Mr. Campbell. Good evening, ladies and gentlemen, there is one

Mr. Campbell. Good evening, ladies and gentlemen, there is one big question involved in the Overton bill. The answer to that question concerns every patriotic American citizen. That answer has a direct bearing on the future destiny and greatness of our Nation's Capital. The question is this: "How little or how much will the Congress of the United States appropriate from year to year as a contribution toward the expenses of the District of Columbia?"

Miss James. It's always been a bone of contention, hasn't it, Mr. Campbell, between Congress and the taxpayers of the District as to how little or how much the National Government should provide

Mr. Campbell. Yes, Miss James, it has—for the simple reason that a proper plan of division hasn't been worked out in the past. In order to have a clear understanding of the issues involved in Senator Overron's bill, it's necessary that we review briefly the ways in which Congress in the past determined the amount of such appropriations.

Mrs. Lavrischeff. Hasn't the method always been the same as it

is today?
Mr. CAMPBELL. No; it hasn't. During the first 89 years of our Mr. Campbell. No; it hasn't. During the first 89 years of our Government there was no definite plan of allotments whatsoever. Literally the appropriations for the District were based on thin air—and I don't mean to allude to the "hot air" so often associated in the popular mind with legislative bodies. But there were years during that period when the Federal Government made no contribution at all to the local government. In 1878, however, Congress must have had its conscience pricked. Because in that year it enacted legislation putting the contribution on a 50-50 basis.

Miss Witt. What do you mean by a 50-50 basis, Mr. Campbell?

Mr. Campbell. I mean Congress agreed to match dollar for dollar with the Washington taxpayers in the defraying of Government

expenses for the District of Columbia. The 50-50 basis remained in force for 42 years—from 1879 until 1921, but this division wasn't really based on anything definite.

Mr. Swensen. You mean there was no logical reason for dividing

the expenses on a 50-50 basis?

Mr. Campbell. Exactly; but the plan was continued from year to year as an expedient, often amidst bickering and dickering.

Mr. Swensen. I take it from what you said that plan was repealed in 1921?

repealed in 1921?

Mr. CAMPBELL. Yes, Mr. Swensen; in 1921 Congress wrote into the law a new plan. In doing so it repealed the 50-50 plan by implication. In that year, 1921, Congress adopted a new basis of contribution—40 percent of the expenses to be paid by the Federal Government and 60 percent by the local taxpayers.

Mrs. Lavrischeff. Was this policy like the plans that preceded it—this 40-60 method? Was it based on any definite consideration of the standard country was the Destrict construction was the contribution of the standard country was the property of the standard country was the contribution of the standard country was the contribution of the standard country was the property of the standard country of the stand

of the actual amounts spent by the District government or was it

Mr. CAMPBELL. It was not a mutually satisfactory plan, Mrs. Lavrischeff, and didn't last long. Congress abandoned it in 1925. In that year there was adopted what is generally known as the

lump-sum basis.

lump-sum basis.

Miss Witt. Is the lump-sum plan in effect now, Mr. Campbell?

Mr. Campbell. Yes, Miss Witt; under this method Congress appropriates from year to year as a contribution toward District expenses any amount it can happen to agree upon. It's a hit-orniss plan. It all depends on what frame of mind Congress is in when the vote is taken whether the District gets much or little. Under the lump-sum plan the annual appropriation for the District—that is the Federal Government's part—has ranged from five to more than nine million dollars.

Mrs. LAMPISCHEET, I should think this lump-sum basis would be

Mrs. Laveischeff. I should think this lump-sum basis would be the least satisfactory method of all. It doesn't seem to be fair to the District nor to the Federal Government—if the amount of the

contribution under this method depends entirely on the whim of Congress from year to year.

Mr. Swensen. The plan proposed in the Overton bill now pending, Mr. Campbell, is supposed to rectify the mistakes of the past,

I presume?
Mr. Campbell. It should, Mr. Swensen. The Overton formula Mr. CAMPBELL. It should, Mr. Swensen. The Overton formula gained extended support almost overnight because of its simplicity. Year after year Congress and the District have been searching for a workable plan through which the expenses of the Nation's Capital can be equitably divided between the Federal and local taxpayers without a lot of confusion, arguments, misunderstanding. But it seemed impossible to find such a formula. Expensive investigations yielded nothing worth while—only complicated, unworkable, little-understood plans. Now, this Overton bill we're talking about offers a very simple grangement—one that should regulate automatically a very simple arrangement—one that should regulate automatically from year to year the payment between the two governments—District and Federal. Under the terms of this bill—and right here's the crux of the whole matter—the Overton plan would base the national obligation on the area of land owned by the Federal Government in Weshington. ernment in Washington.

Miss James. With all the land set aside for parks here, I should think the Federal Government would own a considerable amount,

Mr. Campbell.

Mr. Campbell.

Mr. Campbell. It does, Miss James. The Overton formula takes care of that in this way: 44 percent of the park area is counted as representing excess park area in the District of Columbia. This is because comparable cities have only about half the park area Washington has. At the present time this land-area yardstick would make the Federal share of contribution approximately 20 percent. Now when we apply that ratio to the general money requirements of the District for the coming year, the Federal payment should be between eight and nine million dollars for 1940, in place of the present \$5,000,000 lump sum.

Mr. Swensen. I presume the land-area formula was put forward in order to avoid controversy. Differences of opinion naturally

in order to avoid controversy. Differences of opinion naturally might follow if the national obligation were based on property

values here?

Mr. CAMPBELL. Yes, Mr. Swensen, one man's opinion about the value of a piece of property is as good as another's. Whereas the land area can be determined to the fraction of a square foot, and the payment can be automatically adjusted from one year to another—the amount depending on whether the Federal Govern-ment adds to or disposes of its land holdings.

Miss Wirr. I can't imagine any basis for disputes growing out of that plan. It's so simple the Federal Government and the District could readily calculate years in advance approximately what the Federal payment would amount to.

Mr. Swensen. Think of the great advantage this would be in long-range planning, and how helpful it would be in the continued development of the Nation's Capital.

Mr. CAMPBELL. Yes; and I must add another thought: In years Mr. Campbell. Yes; and I must add another thought: In years gone by there have been days and weeks and months of wrangling in Congress about the payment for the District. All this time was wasted, utterly wasted. This constant wrangling has resulted in friction between citizens of Washington and Members of Congress. This condition should not exist. There should be wholehearted cooperation between the two for the Nation's good. Many folk are of the opinion this Overton bill, if enacted, would end this source of ill-feeling, making it possible for patriotic citizens—both in and out of Congress—to pull together for the better development of the Capital of the finest, the richest, and the greatest Nation on the face of the earth.

The Announces. You have just been listening to a round-table discussion of a bill recently introduced in the Senate by Senator OVERTON, of Louisiana, chairman of the District of Columbia Ap-propriations Subcommittee, a bill "to fix the amount of the annual payment by the United States toward defraying the expenses of the government of the District of Columbia." Those taking part in the discussion were: Mrs. Eloise Lavrischeff, of the Federal Housing Administration; Miss Dickey James, a student at Woodrow Wilson High School; Miss Ava Witt, of the Office of Education, Department of the Interior; Mr. Martin Swensen, of the Reconstruction Finance Corporation; and Mr. Cam Campbell, Senate committee clerk on Capitol Hill.

Reciprocal-Trade Agreements and Their Relation to Agriculture

EXTENSION OF REMARKS

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

RADIO ADDRESS BY EDGAR W. SMITH

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address by Edgar W. Smith, of the General Motors Overseas Corporation, in defense of our reciprocal-trade agreements.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

I feel highly complimented at having been asked to speak tonight to a farm audience on a subject which is of great importance to the farmer and the industrialist alike.

You may well wonder why a representative of the automobile industry should feel called upon, as I do, to take a stand on the question of the benefits of the administration's reciprocal trade agreements program to American agriculture. There was a time, not so long ago, when all of us were supposed to stay in our own backyards and tend to our own knitting. The farmer, under this principle, thought exclusively in terms of his crops and his prices; the big manufacturer thought in terms of the goods he produced the big manufacturer thought in terms of the goods he produced and sold; the small merchant kept his eyes fixed very closely on what was going on in his own immediate neighborhood.

what was going on in his own immediate neighborhood.

That experiment in isolationism worked out very badly indeed, and I think we can safely say that the days of narrow self-interest which gave the idea birth are gone with the big wind of the depression. We recognize today that our economy is an economy which is woven and interwoven not only within our own national boundaries, but over the whole face of the globe; that America is prosperous when the world is prosperous; that industry and agriculture and labor, to say nothing of the consumer himself, are interrelated and interdependent threads in the great fabric of our national well-being. There is no more hopeful sign on the economic horizon today than the fact that this new recognition of our mutual dependence on each other has arisen.

economic horizon today than the fact that this new recognition of our mutual dependence on each other has arisen.

The automobile industry is deeply concerned, of course, with maintaining and expanding the market it has found for its product abroad. I can say to you quite sincerely, however, that we are even more deeply concerned in seeing the market maintained and expanded in foreign lands for the agricultural commodities that the farmer produces. If this statement sounds paradoxical, I have only to remind you that the number of motor vehicles sold in the agricultural areas of the United States is far vehicles sold in the agricultural areas of the United States is far greater than the number of vehicles sold in all of our export markets combined. We have no illusions, in the last analysis, as to where our greater interest lies. We want to see farm exports increased because we know that our domestic market for motor rars and other manufactured goods is definitely in jeopardy so long as a lack of foreign demand for American farm products keeps the American farmer from a full measure of prosperity.

There are some who will say that there are other solutions to the farmer's problem than an increase in his export sales. I say

that these other solutions have been tried and that they have falled, and I urge, therefore, that the farmer throw his whole weight behind the effort to expand his foreign markets as the one approach above all others that holds promise of success

without attendant danger.

If any of us are to set about the job of increasing our exports, whether of motor cars or of farm crops, we shall find that the first necessity is to provide a volume of dollar exchange abroad sufficient to enable us to get paid for the things we want to sell. We shall find that the only way this dollar exchange can be created is by a substantial increase in the volume of foreign goods imported into the United States, and we shall find furthermore, that such an increase can occur, from this point on, only if our American tariff structure is revised on a safe, sound, and intelligent basis.

The automobile industry, of all industries in the United States, has given the most consistent and the most vigorous support to the reciprocal trade agreements program sponsored by the Hon-orable Cordell Hull. We have given this support because we believe in the principle of a more abundant two-way flow of American trade with the rest of the world and because we believe that tariff making in the United States is a business problem which ought to be dealt with in a businesslike way. We have supported the Hull program because we believe that tariff making can be dealt with in a businesslike way only if it is taken out of reach of the log-rolling and the back-scratching that has always gone on in Con-gress and put instead into the hands of the executive department. We have supported it because we believe that the executive department can handle the problem, with finality and without risk of a senatorial vote, in the over-all economic interest of the Nation as a

The businesslike manner in which the State Department has dealt with the tariff problem has given us, to date, 19 trade agreements which have greatly expanded our exports without harming, in the instance of the reciprocal imports, a single efficient industry or a single producer of basic commodities in the United States. or a single producer of basic commodities in the United States. If these agreements had not been negotiated finally by the State Department, I think it is safe to say that we would have today, not 19 agreements but 1 or 2 or 3; and that these would have been emasculated by the logrolling and backscratching in the Senate to a point where they lacked any potency or real effect.

Exports of American automobiles have increased under the recurrent trade agreements program and that is one of the recurrent trade agreements program and that is one of the recurrent.

reciprocal trade agreements program, and that is one of the reasons we are enthusiastic about it; but I want to remind you again of what I said about our greater and more realistic interest in farm exports. If we really thought, in the automobile industry, that Mr. Hull had sold the American farmer down the river in the negotiating he has done, I assure you that we would not dare to stand for him as boldly as we do. The accusation that he has betrayed the farmer in the work he has done is incredible, but the accusation has been made, and its very shamelessness demands that it be answered.

I want to cite you, in this connection, three very pertinent questions and three very pertinent answers.

1. Has there been an unprecedented and ruinous flood of imports of farm products into the United States as a result of the

trade agreements program?

No. The value of competitive agricultural imports was greater in 7 out of the 12 years prior to 1932 than the value in 1937. Imports of two types of agricultural products were unusually high in 1937. One type included products such as rubber, silk, tea, coffee, and bananas, which are not produced in the United States

The other type included food and feed crops of which domestic production was severely curtailed by the drought of 1936 which cut our crops from one-fourth to one-half. Drought shortages of these crops cut down the production of livestock and livestock products such as meat and dairy products, and imports of these products made up the balance of our total agricultural imports but they never amounted to more than a small fraction of the losses caused by the drought itself.

2. Were the increased imports in 1937 due to the general lower

ing of tariffs on farm products under the trade-agreements program?

No. Tariff rates on practically all food and feed products are exactly where they were fixed in the Hawley-Smoot Tariff Act exactly of 1930.

3. How have the trade agreements benefited the American farmer?

Since 1934 our exports to countries with which we have trade agreements have increased, year by year, more rapidly than our exports to countries with which we do not have agreements.

In 1937 exports of American agricultural products to countries with which we had trade agreements were 42 percent greater than they were in 1935, when only one trade agreement was in effect, while exports of farm products to non-trade-agreement countries were 4 percent less than in 1935. In the 12 months ended June 30, 1938, our exports of farm products to tradeagreement countries increased in value \$81,000,000, or more than 39 percent, over the value for the preceding 12 months, while exports of these products to non-trade-agreement countries in the same period increased only a little more than 14 percent.

In 1932, before the Trade Agreements Act was passed, American farm cash income on domestic and export sales combined was only 4,328 million dollars. In 1937, when imports were higher, farm cash income was 8,600 million dollars.

As far as I can make out from that analysis, the only agriculturists in the United States who have been sold down the river by Mr. Hull are the banana growers of Idaho, the rubber planters of Vermont, the coffee planters of New York, and the producers of silk and tea and cocoa in Georgia and Kansas and New Jersey. All the rest of the agriculturists who have been critical of Mr. Hull, have, I am afraid, gotten the Department of State mixed up with the Westler Burgery.

have, I am arraid, gotten the Department the Weather Bureau.

As a last word, I want to express again my conviction that agriculture and industry have a common stake in foreign trade which springs from the stake they hold as one in the domestic welfare. We can help ourselves and help each other best, I think, by giving united support to the cultivation of that extra business we are seeking under the liberal principles of give and take for which our great Secretary of State has always stood, and which have served us both so well. Subsidies for Dictators?

EXTENSION OF REMARKS

HON. JOHN A. DANAHER

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

EDITORIAL FROM WASHINGTON POST

Mr. DANAHER. Mr. President, a few days ago the press reported that at one of his press conferences the President had asked to have included in the minutes of the conference, in order that posterity might know his attitude on foreign policy, an editorial from the Washington Post.

As an extension of my remarks today, I ask unanimous consent to include in the RECORD an editorial from this morning's Washington Post entitled "Subsidies for Dictators?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Washington Post of April 24, 1939] SUBSIDIES FOR DICTATORS?

The agreement between President Roosevelt and southern Senators on a bounty of approximately 2 cents a pound on cotton exports ties another knot in one of the most tangled situations in the history of our foreign or domestic trade. Senator Bankhead's announcement of the subsidy plan came on the very day countervailing duties imposed by the United States became effective against subsidized German exports. So far as cotton and wheat are concerned, the administration is resorting to precisely the same policy that it condemns and penalizes when used by other nations. If this device were to be used to move into the world market come of the huge cotton surplus accumulated because of

some of the huge cotton surplus accumulated because of unwise Government loans on that commodity, it could be in some mea-sure defended as an expedient designed to meet an emergency. Indeed, that is what President Roosevelt had in mind when he first proposed cotton-export subsidies. But under the agreement out-lined by Senator Bankhead bounties are to be used chiefly as a means of selling this year's cotton crop. Loan cotton could not be sold until next January 1, and then only when suitable supplies were not available on the domestic market.

So the subsidization of some agricultural exports (bounties have long been paid in the case of wheat) seems to have been accepted by the administration as a routine policy. Having made it more difficult for American growers to sell their cotton abroad, the administration refuses to admit its mistake or to rationalize the policy. its policy. Apparently it is determined to clap on another subsidy to satisfy immediate demands of farmers without regard for the

to satisfy immediate demands of farmers without regard for the long-range consequences.

As recently as last September Secretary Wallace issued a warning against cotton subsidies. "If used on a large scale and over a period of time," he said, "export subsidies employed by competing countries are mutually self-defeating. They amount to an international price war that is bound to be destructive in the end * * . If consumption of American cotton is to be subsidized, the subsidies ought to be applied to domestic consumption rather than exports."

The Secretary's excuse for reversing his stand now seems to

The Secretary's excuse for reversing his stand now seems to be that the dictator nations are using public funds to force exports abroad and that the United States must fight fire with fire. That is an especially strange argument when applied to cotton. It happens that Japan, Germany, and Italy rank high among the foremost purchasers of cotton from this country. Instead of offsetting unfair competition on the part of totalitarian powers in the world cotton markets, Mr. Wallace's proposal would probably result in giving them changes the country.

probably result in giving them cheap cotton.

Congress ought to consider seriously the muddle in which this policy would involve the United States. The Department of State is trying to minimize trade barriers. The administration is using its influence to avert war by discouraging aggression. Yet it is proposed to subsidize the sale of cotton, an essential war material, in a way that would redound to the benefit of the totalitarian

states.

In effect, this scheme would tax the American people to give cheaper cotton to the dictator powers, along with other nations, while denying the same benefits to domestic consumers. Even if the Administration believes such export bounties to be essential, action should at least be delayed so that they might be used as a bargaining point in any economic conference that may result from the President's recent message to Hitler. Otherwise, we would act to subsidize the dictators without even getting assurance that they will preserve peace.

Moreover, subsidized cotton would give textile manufacturers abroad an unfair advantage over American mills that would necessarily call for increased tariff protection. It is impossible to see

how such an expedient can be reconciled with the trade-agreements program or with the Administration's general foreign

policy.

Undoubtedly the barter practices followed by totalitarian coun-Undoubtedly the barter practices followed by totalitarian countries have, as Mr. Wallace points out, minimized the effectiveness of Secretary Hull's trade negotiations. But that is only one factor in the dilemma confronting the A. A. A. Despite our trade agreement with Great Britain, cotton exports to that country have taken a terrific slump. In this and various other cases the production and loan policies followed by the A. A. A. appear to be more responsible than the restrictive trade methods of the dictators. Before asking Congress for funds to imitate those methods, the least the administration could do is to adjust its own policies, which have so extensively contributed to the loss of foreign agricultural markets and the piling up of unsalable surpluses. surpluses.

Columnists and Calumnists

EXTENSION OF REMARKS

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

ADDRESS BY HON. HAROLD L. ICKES, APRIL 11, 1939

Mr. KRAMER. Mr. Speaker, under leave to extend my remarks, I include an address of the Secretary of the Interior, Hon. Harold L. Ickes, delivered on April 11, at New York City before the Newspaper Guild of that city. Since a newspaper publisher's reply to the address was contained in the Congressional Record recently it is thought fitting and proper to insert the address which provoked the publisher's remarks.

The address is as follows:

Entirely as an avocation, I have been interested lately in two subjects—dictators and newspapers. I cannot say that to date I have had much success in coping with the dictators. I am gratified, however, at what seems to me to be an awakening sense on the part of the American people to the danger that would threaten even our institutions if we allowed the black plague of fascism to take root here.

Here in the United States we have felt that our democratic institutions were safeguarded by the system of checks and balances that our forefathers wrote into our Constitution. I do not take any credit to myself for the result, but I have noted that in some other countries a system of checks and balances has also been set the with the Czecke mying for the believes.

been set up—with the Czechs paying for the balances.

The jump from dictators to newspapers is not a violent one because they have many things in common. For instance, I have noticed that both the dictators and the newspapers have failed to credit me even with good intentions. Nevertheless, I am of such a hopeful temperament that I shall continue to offer my read offices to the preparation of the property of th good offices to the newspapers in an effort to help them to be factual in their news columns and fair in their editorializing. So tonight I shall discuss columnitis, that curious, endemic malady which, in these modern days, has infected one newspaper after

which, in these modern days, has infected one newspaper after another.

Since the word "chapel" belongs to newspaper lore, I am encouraged to announce a text for my discourse. So I turn to Revelations, chapter 13, verses 4 to 6, where I find the following:

"And they worshipped the beast, saying: 'Who is like unto the beast? Who is able to make war with him?' And there was given unto him a mouth speaking great things and blasphemies; and power was given unto him to continue forty and two months. And he opened his mouth in blasphemy."

What particularly strikes me in this is the expression, "And there was given unto him a mouth speaking great things."

What a perfect description of a columnist? It would seem, however, that a columnist of that period was a piker compared with his modern prototype; he would run down in "forty and two months." An American columnist is like Tennyson's brook—he babbles on forever. babbles on forever.

I was interested to read what Senator Arthur H. Vandenberg.

I was interested to read what Senator ARTHUR H. VANDENBERG, a lifelong newspaperman, wrote recently as a substitute columnist. "I have always wanted to 'do a column'—about columnists. That's probably just the natural revenge instinct. Some of them know so much about everything. Some of them know so much about nothing. Some of them care so little about facts—just so long as they can sock to the jaw."

May I say that even if Senator VANDENBERG has suffered at the pens of columnists to the extent that this language would indicate, he does not know the half of it. He ought to join the

cate, he does not know the half of it. He ought to join the

new dealers.

A hard-working public official, trying to carry out an assignment which involves decisions affecting thousands of people, hundreds

of millions of dollars, and vast public properties can only marvel at and admire those qualities of omniscience and infallibility that seem to descend upon a man the moment he casts off the habili-ments of the objective news writer, the sports writer, the police court reporter, or the soldier in order to tell a blundering world just what it should do, what it should think, and the manner in which it should behave.

which it should behave.

Westbrook Pegler, perhaps in a moment of self-revelation, summed up the case of the columnists in this language:

"Of all the fantastic fog shapes that have risen off the swamp of confusion since the big war, the most futile and at the same time the most pretentious, is the deep-thinking, hair-trigger columnist or commentator who knows all the answers just offhand and can settle great affairs with absolute finality 3 days or even 6 days a week."

Columnists are obese with knowledge. They even have the gift

of accurate prevision.

Would'st know what's right and what is wrong? Why birdies sing at break of dawn? Ask the columnists.

Does milk come from the milky way? Why do dogs bark and asses bray? Ask the columnists.

Who pronounce decrees of fate, And supervise affairs of State? Who? the columnists.

Who run the earth and sun and moon? Just Thompson, Lawrence, Franklin, Broun, Just the columnists.

Who, knowing their A B C, Rank doctors of philosophie? Who but columnists?

Would'st learn of art, of singing males? Of sharks and minnows, spouting whales, Ask the columnists.

Who expound the Constitution, Adding circum to locution? Why, the columnists! When F. D. R. you want to sock, Page, Lippman, Johnson, Kent, or Krock—Page a columnist.

Who, knowing all from zero plus, Right answers have to this or thus?

Only columnists. I'd like to strut and look profound, And order Presidents around, I'd like to be a columnist.

A columnist, according to the dictionary, is a journalist in charge of a daily column on a daily newspaper. The word "calumnist" has not yet reached the dictionary, but he may be described as an exreporter who wastes good white space to spread injurious gossip and disseminate prevarications and even unpunished libels. The "calumnist's" stock in trade is falsification and vilification. He is journalism's public enemy No. 1, and if the American press is to improve itself it must get rid of him.

Some newspapers print in the masthead pious declarations about

Some newspapers print in the masthead pious declarations about the high moral level on which the paper is edited, while disclaiming responsibility for the mental eliminations of a "calumnist." A ing responsibility for the mental eliminations of a "calumnist." A syndicated column may serve as an escape for a publisher who is willing to print under the name of a "calumnist" matter that he would not dare to publish in his respectable news columns. This is like a hypothetical church deacon testifying to the virtues of temperance at a prayer meeting while taking a pull at the bottle when no one is looking.

I recognize that there is as much difference between columnists.

when no one is looking.

I recognize that there is as much difference between columnists as there is between newspapers. Who, on rare occasions, can doubt my perspicacity when I detect evidences of virtue in the columnist who occasionally says a kind word about me?

Some columnists are fair and reputable and careful to keep within proper bounds; some are unfair and disreputable and recognize no restraints—not even the fear of a libel. It seems to me that a columnist should be entitled to the same rights and privi-leges as the editor of a newspaper, and no more. It might even be argued that he ought to keep well within the limitations of the old axiom that with great power goes great responsibility, because the columnists, according to an estimate made by Fortune, are read by 30 percent of the total adult population of the United

The Merry-go-Round column of Pearson and Allen, for example, is printed in more than 300 newspapers, with an estimated circulation of 12,000,000. Such commentators as Walter Lippmann, Dorothy Thompson, Frank Kent, David Lawrence, and Westbrook Pegler appear in more than 100 papers each and have a combined circulation of almost 35,000,000. So it can hardly be doubted that these modern knights of the typewriter exert a powerful influence on the public mind. As Heywood Broun says, "Three or four well-known syndicated columnists wield more influence than the average lawmaker in Washington." A lawmaker, however, is responsible to his electorate. To whom, I should like to know, are the columnists responsible?

What kind of men are these modern condottier of the Fourth Estate? Do they fight for the public weal or under the standard of The Merry-go-Round column of Pearson and Allen, for ex-

tate? Do they fight for the public weal or under the standard of private prejudice? Let us review some of them in parade. With a proper respect for rank, let us set at the head of our wooden

column a real, honest-to-goodness general, the redoubtable Hugh S. Johnson. Of him a fellow condottiere, the no less valorous Westbrook Pegler, said in Time on September 28, 1936:

"* * I like Old Ironpants' column for the wild, somewhat hilarious joy with which he sails into an argument. Sometimes it is a little cruel because he is such a tremendous puncher, and, like Dempsey, once that bell rings, he knows nothing but punch, punch until something drops * * *."

One cannot help but wonder whether "Old Ironpants," as Pegler affectionately calls him, should be given space in newspapers in order to throw out his chest, flex his muscles, and do "nothing but punch, punch until something drops."

There is something patriarchal about the valiant general. I would have you know that sometimes it hurts him more to chastise than to be chastised. Papa takes son out to the woodshed to switch him because he loves him. For instance, this stern, if tenderhearted, disciplinarian recently broke an unaccustomed silence to confess:

"Many of the men I criticize or praise are personal friends—for

"Many of the men I criticize or praise are personal friends—for example, Henry Wallace, Harry Hopkins, Harold Ickes, John Lewis, and, above all, the President himself."

Lesser men must stand in awe of an inflexible conscience that compels a man to do his duty, despite his deep love for those whom he disciplines—"above all, the President himself." "Whom the general loveth he chastiseth." I do not know how the others named by him in this burst of sentiment feel about it, but, for my part, I would that he loved me much, much less than he does.

Margaret Marshall, writing in the Nation, on March 12, 1938, among other things, said about General Johnson:
"He was born in Fort Scott, Kans., and he has been answering

he was both in Fort Scott, Kans., and he has been answering bugle calls ever since.

"His psychology is that of a top sergeant.

"His mind is a battlefield in which he rushes in all directions roaring at the enemy."

General's admirer and fellow marcher in the column is The General's admirer and fellow marcher in the column is Westbrook Pegler, he of the verbal whiplash, who is a graduate of the sports page of the Chicago Tribune. While Johnson is against only those numerous public officials who are bungling affairs that he could so competently manage, Pegler is against everything and everybody according to his whim. A collection of his essays in book form is characteristically entitled "T Aint Right."

It was of him that the Nation said on March 5, 1938:

"He is 'agin' everything, especially the Government and authority in general. Nothing is what it seems, and both sides in any con-

"He is 'agin' everything, especially the Government and authority in general. Nothing is what it seems, and both sides in any controversy are wrong.

"He brings every issue down to the level of a barroom argument between two 'mugs.'"

I will say for Pegler that, on occasion, he is amusing, a fact that distinguishes him from many other members of his fraternity. Another phenomenon that frequently distinguishes a columnist is that the more violently and indiscriminately he may attack the more sensitive he himself is, even to mild criticism. For instance, on March 10, last, Pegler wrote a column which was as bristling with such words as "lie" and "liar" as a porcupine is with quills. Two men had ventured to take issue with him on something that he had written. Even assuming that Pegler was right, which I am willing to do, it seems to me that the castigation was out of all proportion to the offense.

Mr. Pegler does not confine himself to being "agin everything, especially the Government." He ranges much further afield. On every subject he can speak pontifically—he is a columnist. Hark to his comment on the recent refusal by the D. A. R. of the use of its auditorium in Washington to Marian Anderson:

"Marian Anderson, the victim of a not-too-painful martyrdom in Washington, was excluded from one hall by a ruling which instantly defeated its purpose and made famous a hitherto obscure (sic) singer."

Here is omniscience in its fullest flower. The great sports writer

stantly defeated its purpose and made ramous a interest obscure (sic) singer."

Here is omniscience in its fullest flower. The great sports writer also knows all that can be known about music and musicians. The Marian Anderson who is "an obscure singer," according to Westbrook Pegler, is the Marian Anderson whom other, but doubtless less competent, critics have acclaimed as having the best voice in a generation or even in a century. Toscanini halls her as the greatest living singer. But, of course, Pegler knows better.

Just to show that Pegler's excursion into the field of musical critical critical stantage.

Just to show that Pegler's excursion into the field of musical criticism was not a temporary aberration, let me recall that on another occasion he lined out this home run:

"Singing, of course, should be women's business. * not a natural or happy art for males."

And on March 3 he wrote:

"It is hard to say whether or not a writer is an artist, but, for that matter, is singing ever art?"

You writers should rejoice that Pegler left open the door, even if only a little bit, after he had slammed it in the faces of Caruso and

Scotti and Marian Anderson and Kirsten Flagstad.

If Johnson and Pegler are expert at sniping, there are "calumnists" who specialize in guttersniping. These latter specialize in personal items that are intended to make one appear ridiculous or insincere or incompetent or untrustworthy. And the more shining the target the more poisonous the barb. "Calumnists" of this sort do not permit themselves to worry about the truth or falsity of any choice tidbit that their unpleasant imagination can invent or their shuffling

leg men bring in.

I had an interesting exchange of letters recently with one of the most notorious "calumnists" of Washington, a man whose name is a synonym for irresponsibility even to the point of prevarication. He flatters me by regarding me as one of his pet aversions, a cir-

cumstance which, considering the manner in which he practices his art, gives me great satisfaction. A few months ago he printed three art, gives me great satisfaction. A few months ago he printed three or four inventions about me, none of which contained a vestige of truth. I challenged his veracity. I asked for the source of his misinformation. You know the answer before I can give it. "The source was confidential and his informant must be protected."

I continued to press Mr. Paul Munchausen and I learned later that he tried desperately to find someone who would stand for the story. Then he asked for a personal interview, intending, I was told, to bring in a poor leg man to serve as whipping boy. The long and short of it was that Mr. Munchausen saw the futility of trying to gloss over his lies. He could not justify and neither he nor his syndicate manager, Mr. J. V. Connolly, felt that professional ethics called for a voluntary retraction. So the episode ended—at least for the time being.

It hardly needs to be pointed out that when any newspaper writer runs to cover and attempts to hide behind a punitive "confidential informant" when confronted with a misstatement that might either be an innocent mistake or a deliberate lie,

"confidential informant" when confronted with a misstatement that might either be an innocent mistake or a deliberate lie, then there can be no doubt that a lie has been uttered.

This particular "calumnist" is a practitioner of what is known in the trade as the "whispering technique." This consists of taking a bit of common knowledge based on a formal accredited announcement, preferably a couple of weeks old, and presenting it as a new discovery. It is decked out in language designed to mislead the reader that believing that the practicular head discovery. the reader into believing that the particular hors d'oeuvre was obtained by devious or occult means, the purpose being to deceive him into believing that he is being served a truffle that the trained pig had just surreptitiously rooted out of the earth.

Now, I may be wrong, but I believe that a grave responsibility

Now, I may be wrong, but I believe that a grave responsibility rests upon publishers and editors to deny the use of their columns to writers who take liberties with the truth. A disclaimer of responsibility printed in small type does not meet the situation. It happens that the Mr. Munchausen in question is paid by otherwise reputable journals for a frequently discreditable column that they print daily. Publishers ought to realize without being told that they cannot allow their paper to be "Mallonized."

To turn to more pleasant subjects, I will cite again the Book of Revelations, chapter 3, verses 15 and 16:

"I know thy works, that thou are neither cold nor hot; I would that thou wert cold or hot. So then because thou art lukewarm, and neither cold nor hot, I will spew thee out of my mouth."

Here we have convincing proof that the author of Revelations had the power of divination. What better description could there be of Walter Lippmann, the man who, according to Margaret Mar-

be of Walter Lippmann, the man who, according to Margaret Marshall in the Nation, "writes irrelevant or futile stuff in elegant

Mabel Dodge Luhan said of him, "Walter will never, never lose an eye in a fight." She might have added that he would never even break his wooden sword unless he should trip over it in a

minuet

On the other hand, Dorothy Thompson, the Cassandra of the columnists, has both conviction and vigor. Heywood Broun said of her in the New Republic:

"Miss Thompson's very vigor is a handicap to her emulating Henry Adams and getting an education. If all the speeches she has made in the past 12 months were laid end to end they would constitute a bridge of platitudes sufficient to reach from the Herald Tribune editorial rooms to the cold caverns of the moon."

I had a letter the other day from a correspondent in New York who referred to Dorothy Thompson as "that Florence Nightingale to sick economic royalists."

This may seem a little rough on a sincere and earnest lady who is trying to cover too much ground by setting herself up as a final authority on all social, economic, governmental, national, and international questions. Perhaps Heywood Broun would want to qualify his statement in view of what Dorothy Thompson has written and spoken lately on the subject of foreign dictatorships, which, however, I am bound to say, would be more convincing if it were not for her disposition to see an American dictatorship in every move that is made by the administration for the improvement of our social and economic conditions or in the direction of tightening up the administrative branch of the Government. However, much will be forgiven Dorothy Thompson in view of the really fine stand that she has with both courage and intelligence taken on the subject of dictatorships abroad.

"Pontifex Maximus" Sullivan, an ex-liberal, like Walter Lipp-

mann, would be missed for his personal dignity and charm, even if the world would still manage nicely without the pontifications that waddle through his worried columns. Frank R. Kent is more likely to forget than to forgive—and he has a good memory. He delights in cruel jibes and acidulous comment that he will direct at a straw man if one of flesh and blood is wanting. "Croak" Carter, with man if one of flesh and blood is wanting. "Croak" Carter, with complete self-assurance, could enter any intellectual goldfish-swallowing contest. Raymond Clapper is one of the fairest, most objective, and most intelligent of them all. My old comrade at arms, Frederic W. Wile, G. Gould Lincoln, Herbert W. Agar, Ernest K. Lindley, and Howard Vincent O'Brien are all able to write fairly and to see both sides. Arthur Krock, as well as a number of others, have columns that they fill capably, although Arthur Krock sometimes permits himself, without abating a whit of his stately authoritativeness, to hit too closely to the belt or lend too credulous an ear to backstairs gossip. (By the way, whatever became of Henry L. Mencken, the crusty "Old Baron of Baltimore"?)

Between this group of legitimate political commentators and

Between this group of legitimate political commentators and those others whom former Attorney General Homer S. Cummings,

as a pinch-hitter columnist, recently described as "buzzards soaring high over the country, indifferent to all that is verdant and living," there is a third group that both comments and reports. Here, too, is a fair field if it is fairly covered.

Drew Pearson and Robert S. Allen write a lively and, on the whole,

interesting column of dependable news and of legitimate comment that is both entertaining and timely. They hit many a bull's-eye. Joseph Alsop and Robert E. Kintner are newer comers in the same Joseph Alsop and Robert E. Kintner are newer comers in the same field. They, too, are outstanding and jointly present a wide range of worth-while news and lively comment. Jay Franklin confines himself largely to political news and comment upon political attitudes. He could be depended upon to ride forth for the liberal cause, even if he had to ride alone.

Heywood Broun belongs in a category by himself. Here is a genial philosopher who declines to take himself too seriously and yet one who never nulls his numbers even if he chuckles as he

yet one who never pulls his punches, even if he chuckles as he lands on an eagerly outstretched chin. Nor is his comment any less effective because it is well-tempered and humorous. He, too, like a few other columnists, is a liberal, but he does not have to

less effective because it is well-tempered and humorous. He, too, like a few other columnists, is a liberal, but he does not have to have a victim served up raw to him every day as do those who fight the battle of black reaction.

Whether the columnists are with us to stay or not, I cannot predict. But I suspect that if the vogue is to continue, they who offend good taste or are lacking in ethical standards will have to use their columns for purposes other than to give vent to personal spleen, or to traduce, to misrepresent, to smear. They must lay aside their airs of infallibility. They must at least disguise their deep personal conviction of omniscience. And they ought to be more objective, make some allowance for error, understandingly take into account human frailty and fallibility. They might even occasionally give a victim the benefit of the doubt, assume that all men in public office are not necessarily crooks or that leaders of the opposite party are blacklegs. As quasi public figures themselves, it is their duty to be factual and truthful. Columnists can conform to these standards and still be partisan, as they have the right to be; but if they are partisan, they should not operate as wolves in sheep's clothing, pretending to be detached and objective and nonpartisan, when they aren't anything of the sort.

I suspect that the people are already seeing through the hollow pretenses of certain of our columnists. They may enjoy the sniping of a Pegler or the roaring of a Johnson, but they are not so simple as to believe that these are anything else than sniping and roaring. Some may even self-consciously enjoy the personal gossip in which the keyhole peepers delight, but they know that certainly not the "calumnists" nor even the columnists are Sir Galahads; that none of them is saturated with pontifical wisdom; that they are not supermen and superwomen, immured on some Olympian height where they are able to see the present outlined against all that is past and all that is to come, and thus be able, as Pegl

However, reputable columnists might well do a little housedeaning on their own account, and editors and publishers might do a little fumigating of those columns that, irresponsibly, they have turned over to writers who are no credit to their profession and who do not add to the reputation of the papers that flaunt them.

Perhaps the Newspaper Guild can do something about the columnists. The Guild has already had a marked and beneficial influence not only upon public opinion but even upon the newspapers. There is much more that the Guild can do and will do, not the least of which might be to insist upon just and fair professional papers. There is much more that the Guild can do and will do, not the least of which might be to insist upon just and fair professional standards, particularly for the columnists. The Newspaper Guild has shown itself to be progressive and keenly aware of the need for social reform. I hope that it will continue to interest itself in and make its contributions to the vital problem of how to make our democracy more enlightened and successful. One thing that it can do is to see to it that the columnists, who wield so much influence on public opinion, shall not stray too far from the path of truth, which is the path of progress.

Rev. Francis X. Quinn

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 24, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, Members of the House, I have introduced a bill, H. R. 5564, authorizing President Roosevelt to present, in the name of the Congress. a medal of honor to a clergyman in my district, as a reward for a deed performed by him which is infinitely meritorious. So commendable was the act of the Reverend Francis X. Quinn, pastor of the Church of the Guardian Angel, New

York City, in saving the lives of two elderly persons, that I feel justified in encroaching upon the valuable time of this honorable body to acquaint you with the facts, and to urgently request your favorable consideration of this bill when it is presented to you for consideration.

On the early morning of April 2, 1939, three desperadoes invaded a Manhattan restaurant, and at gun point forced the proprietor and several patrons to surrender their jewelry and money. Fleeing from the scene, their automobile was disabled by a police bullet. The gunmen then engaged in a running gun fire with police, in which more than 40 shots were exchanged and the lives of many persons endangered. One of the gangsters was captured; a second made good his escape; the third, a desperate, hardened criminal, bearing the name of John Naumo, who supports a long criminal record, entered an apartment house in Eighth Avenue. Closely pursued, Naumo sought refuge in the apartment of Mr. and Mrs. Merton A. Nicholas, both beyond the age of . 60 years. A squad numbering 50 police surrounded the building, but, with the aged couple as hostages, the bandit had complete security. Tear gas was ineffective because they were in a sealed room.

Naumo turned a deaf ear to the pleas of police officials, and finally, after a 2-hour vigil, a Catholic priest, the Reverend Francis X. Quinn, was summoned. He made his way up a fire escape into the apartment and was confronted by the terror-stricken elderly couple, behind whom cowered the desperate bandit. Just consider the situation in which this priest found himself. Looking down the barrel of a very businesslike revolver, which endangered not only his own life but the lives of Mr. and Mrs. Nicholas also, Father Quinn pleaded for 1 hour with a crazed bandit to surrender. Because of his criminal record, police predicted that the bandit would not hesitate for one moment to snuff out the lives of this elderly couple, as well as that of the priest, had Father Quinn made one false move. Success was his reward when the bandit finally heeded his pleadings and surrendered himself and his revolver to the priest, who thereupon turned him over to the police. So trying and fraught with danger was the scene that it was necessary to remove the elderly couple to a hospital immediately for medical treatment.

In bringing this record to the attention of the House of Representatives today in support of my bill my only object is to render well-deserved tribute to the gallantry and heroism of Father Francis X. Quinn. I would only add that the ardor of this priest and the spirit which sustained him as he dutifully answered the call which might mean the supreme sacrifice of his life when the power of the State appealed for the help of the church in this emergency is an object lesson to the youth of our country today, regardless of race or creed. If properly comprehended, it signifies the dynamic of religion in a period of human experience which is supposed to have witnessed a decline in spiritual influences. The faith which is typified in this heroic act is available to every human being. It is the philosophy of reverence and love, fellowship and mercy, without which there can be no civilization, no justice. no progress, no peace on our bewildered planet.

What's Right With America?

EXTENSION OF REMARKS

HON. ORVILLE ZIMMERMAN OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

ADDRESS BY CHARLES M. HAY AT JEFFERSON DAY DINNER AT ST. LOUIS, APRIL 12, 1939

Mr. ZIMMERMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by Charles M. Hay at Jefferson Day dinner, St. Louis, April 12, 1939:

In this, the one hundred and fiftieth year since the beginning of our Government, much is being said about what's wrong with the country. In many circles that is a popular, indeed, a chronic

I deem it equally as patriotic and far more sound and helpful, particularly at this time, to say something about what's right with the country. Except for one of a Rupert Hughes or Mencken mind, which surveys the country past and present with buzzardlike propensities, seeking always for carrion, the task is not difficult. Much

can be said and truthfully so.

I shall mention only a few things, confining myself to the big basic things right with the country.

WE BELIEVE IN OUR GOVERNMENT The biggest thing right with the country is this: That in this, the one hundred and fiftieth year of our history, the "vastly preponderant sentiment of the American people favors our form of government" and the principles upon which it is founded. The American people believe today, as they have believed throughout our history, in individual liberty and equal rights. They believe in the rights guaranteed in the first 10 amendments, known as our Bill of Rights: Freedom of speech, freedom of the press, freedom of religion, freedom from unwarranted searches and seizures, the right of trial by jury, and the other great guaranties embodied therein.

Our devotion to these great principles was dramatically made known to the world in the great celebration held in the Halls of Congress on March 4. There assembled on that occasion the highest

Congress on March 4. There assembled on that occasion the highest officials of the Government—legislative, executive, and judicial—and through the President, the Chief Justice, a Senator, and the Speaker of the House of Representatives the faith and devotion of the people were declared in earnest and eloquent words.

It is significant to note that the officials who spoke were the direct constitutional successors of the legislative, executive, and judicial officials of 150 years ago. They and their associates were created as officials under the same Constitution and form of government, dedicated to the same principles, inspired by the same ideals.

created as officials under the same Constitution and form of government, dedicated to the same principles, inspired by the same ideals. The "faith of our fathers," of which we sing, was acknowledged by all of them as their faith and the faith of our people. If, therefore, the country was right 150 years ago, it is right today.

I go further than that. It is my conviction that the devotion of the people to our form of government and the principles embodied in our Bill of Rights is today deeper and more abiding than that of our fathers of a hundred and fifty years ago. We have greater reason for our faith. Then our form of government was untried. The principles embodied in the Constitution had not been put to the test. The faith of the people then rested upon considerations of reason and the teachings of theorists and doctrinaires. Today it rests upon the testing and experience of 150 years. In that period of reason and the teachings of theorists and doctrinaires. Today it rests upon the testing and experience of 150 years. In that period the country has come through quiet and storm, prosperity and adversity, peace and war; the Nation's territory has been expanded, its population has greatly increased, but the people throughout America enjoy freedom of speech, freedom of assembly, freedom of the press, freedom of religion, freedom from unwarranted searches and seizures, and all of the other rights guaranteed in the Bill of Rights. Why should they not believe in our form of government and the principles upon which it is founded with greater assurance and confidence than our fathers of an earlier day? and confidence than our fathers of an earlier day?

THINGS WRONG 150 YEARS AGO ARE RIGHT NOW

Another big thing right with the country today is this: That many things wrong in the country 150 years ago and at a much later date are right now. I mention a few outstanding things: One hundred and fifty years ago black men were slaves, women were denied the right to vote and had limited property rights; labor was denied the right to organize or bargain collectively and the wages of workers were fixed by the will of employers; the aged were left to shift for themselves or starve; and free education was unknown. unknown.

unknown.

To remind you of things wrong yesterday, but right today, I need but mention the constitutional provisions denouncing slavery; granting women equal rights; the Railway Labor Act and the National Labor Relations Act safeguarding the rights of workers to organize and bargain collectively; the Fair Labor Standards Act; the minimum-wage laws; the Social Security Act extending aid and succor to the aged, to mothers, and dependent children, to the unemployed and other distressed groups; our giant scheme of free education, our great conservation program.

LABOR YESTERDAY AND TODAY

As an evidence of the long road of progress we have traveled consider alongside the labor and wage laws of today the first wage law ever enacted in this continent—the maximum-wage law enacted by the Massachusetts Bay Colony in the seventeenth century fixing the maximum wage for free labor at 48 cents per day! In the latter part of the eighteenth and the early part of the nineteenth centuries men were prosecuted and convicted for organizing to increase their wages.

As you contemplate the great body of laws enacted to give effect to the social concept and conscience of the people of our day, who is there among us that pines for a return of the "good old days"? Who is there here who will deny that the endeavor of the American people to establish justice and achieve equality of rights and opportunities for all approximates fulfillment today to a greater degree today than ever before in the history of our country? There are more things right with the country today than at any period of our history. our history.

WRONGS DISTURB US

Another big thing right with our country is this: That whatever right whatever we recognize as wrongs and our faces are set toward righting them. We have problems, of course, but we recognize them as problems and are determined to solve them. If the wrongs we have we neither recognized as wrongs nor, if recognizing them, cared nothing about them, then, indeed, would there be something wrong, fatally wrong, with the country. We may disagree on measures to right the wrongs, but so long as we all recognize them as wrongs we may make equal claims to patriotism may make equal claims to patriotism.

UNEMPLOYMENT PROBLEM

We have, for instance, an unemployment problem, but we recognize it as a problem and are set upon the path of solution. We

nize it as a problem and are set upon the path of solution. We care about unemployment.

Since this problem became acute, following the business collapse of 1929, we have written a glorious record for the conscience of America. That conscience was given expression not only in the utterances of a great President in his inaugural address in 1933, but in the commitment of the people to the employment of men by the Government whom industry had cast out of their jobs, and to the feeding and clothing of those for whom employment could be found neither in industry nor in Government. Never in our history have the people acted through their Government in such striking demonstrations and exemplifications of their belief in the principle that all men are entitled to life, liberty, and the pursuit of happiness.

SPENDING

Giving effect to the social conscience of the people in the effort to care for the unemployed and other dependents has required the expenditure of vast sums of money, but I remind you that this expenditure has represented the conscience of the people, and not their greed and gambling instincts as in the spending carnival which led up to the crash of 1929.

CRIME PROBLEM

We have a crime problem—always have had and always will have. We have here and there a venal official, a corrupt political leader and dishonest, crooked businessman, but for every such there are hundreds of fearless, unpurchasable officials, clean, patriotic political leaders and straight, honest businessmen; and these determine the soul and conscience of the country. That's a big thing right with the country!

RIGHT LEADERSHIP NOW

Another thing right with the country at this hour is this: That we have at the head of this great Nation a leader dedicated to the proposition that all men are created free and equal and are entitled to life, liberty, and the pursuit of happiness. The greatest treasure a people can have is a leader consecrated to that belief and principle with the capacity to give his devotion effect in practical politics and statesmanship. Such a leader the people have today in the person of our great President Franklin D. Roosevelt.

SUPREME COURT RIGHT NOW

We also have at this hour a Supreme Court which has rediscovered and revitalized the Constitution of the United States. We have a Court now which reads the Constitution, not for the purpose of finding out what the people cannot do through the Government to serve themselves, but what they can do. The day of nullification by constricted and erroneous construction is at

Lawyers trained to study and give force and effect to the Constitution itself and not to what someone has said about the Constitution, lawyers trained to think in terms of the rights of the people rather than of the interests of private corporations, now constitute a majority of the Supreme Court. That's another and no little thing right with the country at this hour.

LET AMERICA FIND THE ROAD TO PEACE

Another thing right with the country is our devotion to peace as national policy. We hate war and do not propose to foment war

a national policy. We hate war and do not propose to foment war or be drawn into any war not involving our rights and vital interests.

In these days of stress and strife in the Old World, we have no greater task ahead of us than so to conduct our affairs—national and international—as to preserve peace for America and encourage

peace in other parts of the world.

The nations of the Old World seem helpless to avert war and a collapse of civilization. Is it possible that this greatest of nations is powerless to furnish the leadership for peace so desperately needed at this hour?

Let us pray that in this dark hour some word may be spokensome move made by this mighty Nation that will bring peace to a troubled world.

He who, in this tragic hour, would embarrass this Nation in its search for the road to peace is false to his country and to mankind.

The Constitution of the United States-The Charter of Our Fundamental Laws

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 24, 1939

ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, APRIL 22, 1939, AT CEREMONY HELD IN LINCOLN MEMORIAL CIRCLE TO COMMEMORATE THE SESQUICENTENNIAL OF THE CONSTITUTION OF THE UNITED STATES, UNDER THE AUSPICES OF THE AUXILIARIES OF THE UNITED SPANISH WAR VETERANS, DEPARTMENT OF THE DISTRICT OF COLUMBIA

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert the address delivered by me April 22, 1939, at the ceremony held in Lincoln Memorial Circle to commemorate the sesquicentennial of the Constitution of the United States, under the auspices of the Auxiliaries of the United Spanish War Veterans, Department of the District of Columbia.

The address is as follows:

Mme. President, members of the United Spanish War Veterans' Auxiliaries, Department of the District of Columbia, and ladies and gentlemen, we are met here in Lincoln Memorial Circle to commemorate the sesquicentennial of the Constitution of the United States. I shall on this historic occasion confine myself to a consideration of the broad outlines and dimensions of the Constitution as a whole, in order that we may catch something of its real spirit.

Its real spirit.

The Constitution of the United States emanated from the people. It is "of the people, by the people, and for the people."

As was said by Mr. Justice Matthews, speaking for the Court in Hurtago v. California (110 U. S. 516): "The Constitution of the United States was ordained, it is true, by descendants of Englishmen, who inherited the traditions of English law and history; but it was made for the undefined and expanding future and for a people gathered and to be gathered from many nations and of many tongues." many tongues.

"A constitution, from its nature, deals in generals, not in details. A constitution, from its fautie, deals in generals, not in details. Its framers cannot perceive minute distinctions which arise in the progress of the Nation, and therefore confine it to the establishments of broad and general principles." (Chief Justice Marshall in The Bank of the United States v. Deveaux et al., 5 Cr. 98.)

"Constitutions of government are not to be framed upon a calculation of existing exigencies; but on a combination of these with

"Constitutions of government are not to be framed upon a calculation of existing exigencies; but on a combination of these with the probable exigencies of ages, according to the natural and tried course of human affairs. They ought to be a capacity to provide for future contingencies as they may happen" (Federalist, No. 34).

The Government of the American Nation is, then, "emphatically and truly a government of the people. In form and in substance it emanates from them. Its powers are granted by them, and are to be exercised directly on them and for their benefit." Chief Justice Marshall in McCulloch v. Maryland (4 Wheat. 405), a statement, the grandeur of which was to be enhanced 44 years later, when standing on the battlefield of Gettysburg, Abraham Lincoln said that "a government of the people, by the people, for the people, shall not perish from the earth."

Beveridge says: "The nationalist ideas of Marshall and Lincoln are identical, and their language is so similar that it seems not unlikely that Lincoln paraphrased this noble passage of Marshall and thus made it immortal. This probability is increased by the fact that Lincoln was a profound student of Marshall's constitutional opinions and committed a great many of them to memory."

The famous sentence of Lincoln's Gettysburg address was, however, almost exactly given by Webster in his reply to Hayne. "It is * * * the people." But both Lincoln and Webster merely stated in condensed and simpler form Marshall's immortal utterance in McCulloch v. Maryland. (The life of John Marshall, by Albert J. Beveridge, vol. IV, p. 293. Note.)

The Constitution was written in the spirit of the Declaration of Independence, the greatest exposition of the rights of the people which has ever been given expression by the heart and mind of man. The Constitution is to be interpreted and construed in the light of its preamble: We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defen

It is worth while to recall the words of James Wilson, who said in reply to the objection that the Federal Constitution had no bill of rights (which was later met by the adoption of the first 10 amendments): "Here the fee-simple remains in the people, and by this Constitution they do not part with it. The preamble of the proposed Constitution, 'We, the people of the United States * * * do establish,' contains the essence of all the bills of rights that have been or can be devised."

The Constitution is not a creature of circumstances and in

The Constitution is not a creature of circumstances, and, in order to meet the necessities of the people, should always be treated as an enunciation of fundamental principles rather than as declaratory of cramped and cabin'd rules of law, which latter canon of interpretation would make it an instrument of oppression instead of one of beneficiaries.

sion instead of one of beneficence.

The Supreme Court of the United States has not lost sight of The Supreme Court of the United States has not lost sight of this fact. If there ever was a time when the truth of the words of Chief Justice Marshall in the celebrated case of Gibbons against Ogden was apparent, that time is now. Chief Justice Marshall said what we have again witnessed "Powerful and ingenious minds, taking, as postulates, that the powers expressly granted to the Government of the Union are to be contracted by construction into the narrowest possible compass, and that the original powers of the State are retained, if any possible construction will retain them, may, by a course of well-digested but refined and metaphysical reasoning founded on these premises, explain away the Constitution of our country and leave it a magnificent structure, indeed, to look at but totally unfit for use. They may so entangle and perplex the understanding as to obscure the principles which were before thought quite plain, and induce doubts where, if the mind were to pursue its own course, none would be perceived."

This is the very thing that eminent lawyers are doing by arguing

This is the very thing that eminent lawyers are doing by arguing that the Federal Government does not possess the power to save the commerce and lives and institutions of the people in what everyone, even they themselves, admit to be a serious crisis and

everyone, even they themselves, admit to be a serious crisis and national emergency.

What did Chief Justice Marshall mean when he said that "The Government proceeds directly from the people," and "Its powers are granted by them and are to be exercised on them and for their benefit." Are not the courts a part of the Government? If not, why not? Shall only the executive and legislative departments be responsive to the will of the people? Should the judicial department nullify the will of the people and render our republican government a sham and a pretense?

Is the Federal Government, helpless and imposent to act in a

Is the Federal Government helpless and impotent to act in a great national emergency? The Selective Service, Espionage, War Industries Board, Food Administration, Control of Railroads, Industrial Mobilization Acts passed by Congress during the World War and upheld by the United States Supreme Court furnish the negative answer. Justice Brandeis in the more recent case of the New State Ice Co. v. Leibmann (285 U. S. 262; 76 L. Ed. 769) has correctly said: "The people of the United States are now confronted with an

said: "The people of the United States are now confronted with an emergency more serious than war."

Henry Upson Sims, one of the leaders of the American bar, and president of the American Bar Association in 1929–30, has well said: "It is gratifying to realize that there have been statesmen enough among the judiciary of this country to prevent the legal framework of the Constitution, which the early political statesmen drew for us, from being laid aside like the garments of childhood. The courts of the early days of our history may not have foreseen the proportions of the present industrial and commercial age. Of course, Marshall did not see it. But they did see that the constitutional provisions are rules of social order rather than mere laws to be interpreted in the light of the limited environment of the be interpreted in the light of the limited environment of the draughtsman."

In its classical decision in Gibbons v. Ogden (1824), the Supreme Court inaugurated its interpretation of the so-called commerce clause of the Constitution and held that Congresses possess the right to regulate commerce and navigation, domestic and foreign—gave Congress exclusive power over interstate commerce—and yet almost 100 years elapsed before Congress passed the Interstate Commerce Act. Equally remarkable is it that the general welfare clause did not receive judicial construction until 1896

In a decision rendered by the Supreme Court more than 50 years later, 1877, Pensacola Telegraph Co. v. Western Telegraph Co., it is said that: "The powers thus granted are not confirmed to the instrumentalities of commerce or the Postal System known or in use when the Constitution was adopted but they keep pace with the progress of the country and adapt themselves to the new developments of times and circumstances. They extend from the horse with its rider to the stagecoach, from the sailing vessel to the steamboat, from the coach and the steamboat to the relivence of the reliv

boat to the railroad, and from the railroad to the telegraph."

And we may now add, to the airship, the radio, as well as to any future means of transportation and communication.

any future means of transportation and communication.

The meaning of the power to regulate commerce must keep pace with the development of modern conditions, for with changes in conditions the meaning of words change, and this also necessarily reflects itself in the process of interpretation.

Thus W. B. Munro, in The Government of the United States (Macmillan, New York, 1930, p. 311), speaking of the commerce clause, says that the elasticity of the written word finds more ample illustration here than in any other field of American constitutional development; that a definition of the commerce power today would

be out of date tomorrow, and an exact definition cannot be given of anything that changes its form and scope so frequently as the commerce power does.

Speaking of the Constitution, Mr. Justice Story said: "It is not

Speaking of the Constitution, Mr. Justice Story said: "It is not intended to provide merely for the emergencies of a few years, but was to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence."

In the case of South Carolina v. United States (199 U. S. 448) Mr. Justice Brewer said in delivering the opinion of the Court: "The Constitution is a written instrument. As such its meaning does not alter. That which it meant when adopted it means now. Being a grant of powers to a government, its language is general, and as changes come in social and political life it embraces in its grasp all new conditions which are within the scope of the powers in terms conferred. In other words, while its powers granted do not change, they apply from generation to generation to all things to which they are in their nature applicable."

Cooley says: "The principles of republican government are not a set of inflexible rules, vital and active in the Constitution, though unexpressed, but they are subject to variation and modification from

unexpressed, but they are subject to variation and modification from motives of policy and public necessity."

I believe that those who are inveighing against the constitutionality of the series of acts of Congress designed to aid the people and the country in the present national emergency would do people and the country in the present national emergency would do well to read and ponder the address of Hon. John J. Parker, judge of the United States Circuit Court of Appeals for the Fourth Circuit, delivered in 1933 before the annual convention of the American Bar Association at Grand Rapids, Mich. It should be noted that not so many years ago Judge Parker's nomination for appointment to the United States Supreme Court was rejected by the United States Senate on account of his alleged conservatism. I would like to read just two paragraphs from the masterful address of this learned turist and student of constitutional law. His logic and

like to read just two paragraphs from the masterful address of this learned jurist and student of constitutional law. His logic and reasoning seem to me to be unanswerable. Judge Parker said:

"It is no sign of the abandonment of our constitutional theory that the activities of the Federal Government should have increased greatly with the passage of time; for this increase has been in accord with the Constitution and not contrary to it. The Federal Government must necessarily control interstate and foreign commerce; and it is manifest that the scope of this control must have been enlarged as interstate and foreign commerce became more and more important with the development of transportation and interstate communication. The Sherman Act passed in 1890 was no more important with the development of transportation and interstate communication. The Sherman Act passed in 1890 was no departure from constitutional theory, but arose out of the necessity of curbing monopolies, which were growing up in interstate commerce and the realization that because of the control vested in Congress over such commerce, the States were powerless to deal with the problem. The same was true of the Clayton Act and the acts creating the Federal Trade Commission and the Interstate Commerce Commission. For this reason I am not excited over the passage of acts further regulating interstate commerce. Certainly, if Congress may legislate for the purpose of preserving free competition, it may, when this free competition is on the verge of destroying industry itself, legislate to eliminate its destructive features and in the interest of controlled cooperation.

"And I have the same feeling about increased activities of the Government under the general-welfare clause. The people of the United States constitute a great nation. There is no reason why their National Government should not foster the healthy growth and development of that National Development of the National Constitution. their National Government should not foster the healthy growth and development of that Nation by encouragement to agriculture, industry, education, road building, and other activities essential to the natural welfare; and in time of national distress, when the industry of the country is prostrate as a result in large measure of the collapse of interstate and foreign commerce, there is nothing in

the collapse of interstate and foreign commerce, there is nothing in our constitutional theory which prevents the National Government using its powers for the relief of suffering and to place industry again on its feet. It is the only agency which the people have of sufficient size and power to approach the problem presented with any hope of success, and I see no reason why it should be precluded from exercising the power."

Thus we find that the people possess plenary power under the Constitution and that such power was to be enjoyed by them for all time. The Constitution was made for the people, not the people for the Constitution. Further evidence of this is found in the fact that ours is a republican form of government.

Our forefathers discarded the old Articles of Confederation and adopted the Constitution during a time of extreme distress and emergency. The whole document, indeed, was not so much a declaration of faith as of fears, for it was put together in an atmosphere of restlessness—at a time when business conditions in the Thirteen States were about as bad as they could be. "Independence had been gained by war, but not prosperity," says W. B. Munro in the Makers of the Unwritten Constitution.

The conditions of the Colonies are hard to realize in our day.

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Mr. Lawson has referred to them in his exhaustive work on the
general welfare clause. I quote: "Dark as was the foreign outlook for America, her domestic situation was worse. Mutual jealousy and antagonism dictated the policy of the States toward each
other. Commercial rivalries and unfriendly imposts irritated the
feelings of all. They quarreled over their lands, over payment of
their debts, and over the apportionment of expense. All Government was threatened with dissolution."

It was imperative to adopt the Constitution to prevent national anarchy, Washington declared. He said, "We are descending into the vale of confusion and darkness. The confederation appears to me to be little more than a shadow and Congress a nugatory body. To me, it is a solecism in politics—that we should confederate as a Nation and yet be afraid to give the rulers of the Nation who are

the creatures of our own making-sufficient powers to order and

direct the affairs of same."

In a letter to Carter he wrote that it was his "decided opinion that there is no alternative between the adoption of it (the Con-

that there is no alternative between the adoption of it (the Concommerce power does.

The wings of Washington's wrath carried him far.

"Good God," cried he, "who, besides a Tory, could have foreseen, or a Briton predicted," the things that were going on. "The disorders which have arisen in these States, the present prospect of our affairs * * * seems to me to be like the vision of a dream. My mind can scarcely realize it as a thing in actual existence * * *. There are combustibles in every State, which a spark might set fire to." (Washington to Knox, December 26, 1786.)

In other words, the Constitution is not a fair-weather state

spark might set fire to." (Washington to Knox, December 26, 1786.)

In other words, the Constitution is not a fair-weather state paper, intended only for days of sunshine and calm. It came into being during the days of adversity and distress, of panic and storm, of darkness and despair, a period not at all unlike that in which we are living today. Yet there are those who would contend that that same Constitution is an absolute harrier to a that in which we are living today. Yet there are those who would contend that that same Constitution is an absolute barrier to a fulfillment of the people's needs and desires, that Congress is a "nugatory body" and does not possess "sufficient powers to order and direct the affairs of the Nation," and that we must look almost exclusively to the State governments to restore commerce, industry, and agriculture in these United States, and that the Constitution forbids the Federal Government to do so.

It is rather within the power of Congress to act in accordance with State Bank v. Haskell (219 U. S. 111) as "held by the prevailing morality or strong and preponderant opinion to be greatly and immediately necessary to the public welfare."

Let it be said to the everlasting credit and honor of the members of the United States Supreme Court, as again indicated in their recent decisions, that they have taken this latter view of the Constitution and have seldom nullified Federal legislation which was meritorious and needed to meet the demands of the national emergency. There are mirrored in their decisions the

which was meritorious and needed to meet the demands of the national emergency. There are mirrored in their decisions the ever-changing and progressing economic and social conditions of the American people. Our republican form of government would become a mere fiction today if the constitutional obstructionists had their way, but they will not. The Supreme Court has never construed the Constitution to consist merely of dead letters of faded ink upon a crumbling parchment. On the contrary, they have, by their decisions, rendered the charter of our fundamental laws a living, breathing, vital, growing document, with a soul and a spirit, expressing eloquently the hopes, the desires, the aspirations, the longings, the yearnings of the great heart of America for truth, for justice, for progress, for the welfare and the happiness of all her children.

The Economic Problem as I See It

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

ARTICLE BY THORWALD SIEGFRIED

Mr. VOORHIS of California. Mr. Speaker, the following analysis of our economic problem should prove as stimulating to other Members who will take the trouble to read it as it has to me. It is for that reason that I ask leave to insert it:

THE ECONOMIC PROBLEM AS I SEE IT (By Thorwald Siegfried)

The economic problem relates itself ultimately to useful goods and what they have to others who can supply something else in return. Balanced exchange is lacking. That is the end product, the result. Most economic discussion at this time consists merely in enumeratable. ing and describing particular instances where this general result appears actively.

Under the surface of experiences that illustrate unbalance, unem-

Order the surface of experiences that inustrate unbalance, unemployment, poverty, there are processes at work, erroneous processes of which bad effects are the symptoms. A major question in tracing the problem is whether the symptoms (effects) or the processes (causes) are the seat of the difficulty. A decision on this point will indicate the kind of effort we will make for reform and where it will be capited. be applied.

Plainly, most efforts to solve the economic dilemma have been pplied to the symptoms. That is why they fail, however well

intended.

In a population of great industry and technical skill, with an abundance of raw materials at hand, a dearth of goods may occur, but only through external or artificial means. Disasters, like earthquakes and droughts; foolishness, like war; ignorance, like that of the child who still thinks that twice 2 may make 9 or 11—these may frustrate the bounties of nature.

The dearth we now experience, however, arises not in the field of productive effort. The goods are produced but they cannot be distributed fully. More can be produced, but less and less of the increase can be distributed. That fact is also an effect, rather than a cause, although it also produces other effects. Even though

than a cause, although it also produces other enects. Even though it is but a symptom, it serves to localize the problem in the distribution and exchange field.

At this point students may agree easily that money is the pivotal factor in distribution and exchange and that monetary defects constitute the key to the problem, but they may and do differ widely on the next steps in the analysis.

differ widely on the next steps in the analysis.

We see now that during the 1928-29 boom, society was carrying perhaps 5,000,000 unemployed whom it had not discovered as a mass problem. During that time, while these people had too little money, there was too much money in Wall Street and in the banks. The banks had their own to lend, and also were lending "for the account of others"—private corporations. Moreover, figures show that a redistribution of the excesses of concentrated funds, by division among the poor, would have yielded too little to make much difference. The process of which concentrations are the result, rather than the concentrations themselves, is the problem. problem.

What is that process?

What is that process?
History, common sense, and science show that when a dollar is spent in making marketable goods, that dollar is available as purchasing power to buy other goods. Conversely, the dollar spent for making the other goods is in the market to buy the item first mentioned. Each can be sold for the other; money is the middle factor, through which the producers can trade their goods, even though they do not know one another and though the goods are valued in odd and different figures rather than in even dollars. When every dollar spent in making and marketing useful goods is matched by the existence of a dollar of money there is an obvious market balance, and all goods can be moved at some price, some making profits, some making losses. If there are fewer money dollars than goods offered for sale—the goods will have some difficult to match the goods offered for sale—the goods will have some diffi-

dollars than goods dollars in the market—that is, too few dollars to match the goods offered for sale—the goods will have some difficulty in finding customers; that difficulty will be roughly proportional to the degree of disparity, and the prices of goods will fall accordingly. Thus in a market with two units of goods for every unit of money we might reasonably expect to find it twice as hard to sell the goods and to see the prices of goods fall to one-half of their costs. Production would slow down and unemployment would follow. That was the process of the poverty and unemployment of the years prior to 1909. Wealth and miserliness were somewhat synonymous. synonymous.

A market that has in it more money dollars than goods dollars that is, too many dollars to match the goods offered for sale—has about the same result so far as poverty and unemployment are concerned. They arrive by slightly different channels. With two units of money for every unit of goods we might find it twice as easy to sell the goods for just a moment only, and prices might double. If the excess money were distributed evenly among producers—that is, if wages doubled—prices might double without injury to anyone. Whether wages are 1 cent or \$10 a day is important only when we know whether goods are priced at 1 cent or \$10 per unit. But if the excess money is issued only to a minority—and, worse still, to a minority who are not producers—prices will still rise, but the producers, who are the vast majority, will not be able to pay them. The goods will become even more difficult to sell than they were when dollars were too few; poverty will be more acute and more desperate; unemployment will engulf us. Extravagance will then be the earmark of wealth and of government. The extravagance will arise from necessity, as did the miserliness before 1909. that is, too many dollars to match the goods offered for sale—has

extravagance will arise from necessity, as did the miserliness before 1909.

If we can imagine a condition where every person had a chest full of gold and silver dollars which he could use only for the expense of making useful goods, and which would automatically disappear back into the chest when the goods had been traded for other goods, the blockage of exchange would not exist as it does. When the goods disappeared from the market, through consumption, the money would also disappear into the chest.

We have too little gold and silver to carry on the Nation's business, and bank credit has become the real money of commerce. In fact, we must overlook and forget metal and paper money before we can understand the functions of modern exchange. The ledgers of the banks are the equivalent of the chest we have imagined; figures written on these ledgers are the keys that unlock the chest for producers; when these figures are erased, crossed off, balanced, the credit dollars disappear into the vacuity from which they issued. All the checks issued today will be canceled tomorrow.

We all know that the credit chest exists in the banks. We know that it does not issue credit to producers in balance with their costs of production. To some it issues too little; it starves them. To others, mainly speculators, it issues too much. Before 1909 it issued too much to all. The excess that it issued, above the costs of producing goods, could not be redeemed, and it remained

issued too nuch to all; beginning then and culminating in 1928-29 it issued too much to all. The excess that it issued, above the costs of producing goods, could not be redeemed, and it remained over from year to year as debt. The accumulated debt of two decades of mistaken finance bore us down in 1929. The process of accumulation did not cease then, but goes steadily forward. This is the problem.

When the problem is clearly seen, its cure will also become apparent. By the law of common arithmetic we must see to it that the credit chest of banks issues its dollars only to producers for their expenses. If because of bad habits we have formed we find it impossible to stop issuing excessive credit dollars by banks or

Government, we can recapture them when they cease to buy goods. It is the same alphabet whether it is spelled from A to Z or from Z to A.

Neutrality

EXTENSION OF REMARKS

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, just a little over 22 years ago in this very Chamber the United States was plunged into the World War. Few, indeed, are the men here today who were here then. But here today there are many of us who fought and bled on the fields of a foreign land in that war. We were not here when the last war was declaredwe were adventurous, patriotic youngsters standing in line waiting to enlist in the armed forces of our country, believing that our cause was holy and war a great adventure. Our minds matured with intoxicating swiftness when we lined up in the trenches of a foreign land.

In the Congress of 1917 there were few men who knew from experience the real meaning of war. True, some had seen service in the Spanish-American War, but modern war was yet unknown. In the Congress of today there are scores of us who have come face to face with all the forces of modern war and bear the scars of battle. We know—as no one else can know—what war really is. Our minds cannot expel the imprint of its fury; our ears cannot be closed to the dying prayers of our brothers in arms; and our eyes can never be dimmed to the sight of falling men and mangled flesh. That is why I believe that the Congress of today is our greatest guaranty of peace. That is why I believe that Congress will halt any attempt by overzealous statesmen to project this Nation into another foreign war.

Let not my remarks be taken to mean that the veterans are afraid or unwilling to shoulder arms in defense of our beloved country. We would be the first to strike the enemy if our Nation were attacked, but we will have no part in sending the youth of America to fight Europe's battles as

the Congress of 1917 sent us.

This is not just another patriotic or political "sound-off," but a deeply rooted and sincere presentation of my opinion as a war veteran, as a Member of Congress, as the father of a family, and as an American. Let me preface my remarks on neutrality by saying so that all can understand that I believe the United States should have the most efficient, the most powerful, and the most invincible machinery of defense in the world. We have the means, we have the ingenuity, and we have the greatest right on earth to make our Nation impregnable against all aggressors. No pricenot even life itself-is too high to pay for democracy and freedom, in America.

The situation that confronts us today is similar in many respects to our situation prior to the World War. The same cries are being raised; the same kind of propaganda is being poured out; and the same issues are being raised, namely that only by America's entry into another war can democracy be saved. But there is one difference in the situation today that every sane person, from the President down to the humblest laborer, should not forget, and that is the lesson of the World War. Are we expected to forget that we were goaded into that holocaust by propaganda establishing the belief that we were fighting "a war to end all wars" and a war to bring everlasting peace and democracy to Europe? What has been the result? There have been several great wars since that time, and the imminent danger of the greatest of all wars breaking loose at any moment is now upon us. Democracy is at a lower tide today than at any time in the last hundred years. The bill for our services in saving Europe in the last war stands unpaid and repudiated, and once more America is on the verge of being used as the tool of Britain and France in a predicament that is largely of their own making. Remember, England and France, who managed to survive the World War on the strength of our aid, have put forth no greater effort than the vanquished enemy, in repaying their debt to our Nation. And by debt let us not think only in terms of dollars, but let us remember the thousands upon thousands of American boys who died and are yet dying as a result of our determination to fight for Britain and France in 1917. The wounds of that war bleed still and besmirch our economic and social structure to this day with the gore and grime of war. How awkward; how ridiculous; how ashamed must Britain and France feel in pleading again for our help while their debt to us for past services stands in dishonor and repudiation.

While I have the greatest affection for Great Britain and France as great democratic nations, and while I realize that the strength of our arms might insure them victory on the battlefield, yet my affection and my love for America is greater. Ours is a task of self-preservation. Ours is the battle to retain democracy here in America. Our entrance into a foreign war might save what they are wont to call democracy in Europe, but it would augur the end of democracy as we know it and cherish it here. There are several reasons why this is true.

The first is we cannot afford a war. Our national debt approaches \$45,000,000,000. When we entered the World War our debt was less than \$5,000,000,000. That war cost us in the neighborhood of forty billions and a war today would cost twice that figure. In 1917 we had no serious problem of unemployment; we did not have 12,000,000 people living on the bounty of the Federal Government by means of various forms of relief; every channel of taxation had not then been explored and put to use; and we did not have thousands upon thousands of maimed and crippled veterans to be hospitalized and pensioned as we do today.

Our financial problem is already of the gravest concern. Perhaps we might manage somehow to finance a war, but the pay-off would come at the expense of our liberty and freedom. The great masses of our people would face as never before the impoverishment of unbearable taxation. Our standards of living would soon give way before the flood and you can believe me, the American people are unwilling to make this sacrifice unless it be necessary to protect and defend their own nation and their own homes.

Whether this Nation can remain free of the impending struggle in Europe depends largely upon our ability to think clearly as a nation and upon our capacity to properly evaluate and check the vast surge of propaganda that is being loosened from every side. We must be careful not to be taunted into the arena of combat, for already the old but well-oiled propaganda mills are beginning to roll. Much space and comment was given to a Canadian member of Parliament who recently said that the United States ought to be willing to go to the front for England without hesitation, because, he says, we have been able to build up our democracy and retain it on the strength of Britain's mighty Navy and prowess in arms. About the same time there comes a story of an Englishman in Commons who holds United States responsible for the victory marches of the dictators because we have thus far indicated our unwillingness to fight another war in Europe. Such utterances can be little more than well-planned propaganda calculated to arouse public spirit to a point where we will be taunted into saying, "Who's afraid of the dictators? We'll show them."

This type of subtle propaganda is augmented by overemphasizing certain incidents that transpire in the so-called dictator nations, by sensational and fantastic but unreal stories of European threats to America, and by falsely coloring the effects of American commerce and trade with the undemocratic nations.

As Americans, we should be the first to accord to other peoples the right to govern themselves as they see fit. We first exercised our belief in this right in the Revolution that gave birth to our Nation, and we have been vigilant always in our insistance upon respect for that right. Naturally,

we who love and cherish democracy and who are willing to die for its preservation, can neither accept nor approve fascism, nazi-ism, communism, or any other form of dictatorship. But we must accept and recognize the right of other nations to espouse such types of government if they so desire. We who represent democracy at its best are bound by its creed to recognize in other nations their right to whatever form of government they choose to follow or tolerate. On the other hand, we owe it to ourselves and to the world to show our positive unwillingness to permit the spread of un-American propaganda and activities in the United States. We cannot but feel a righteous resentment of such things as the Nazi bund and Fascist societies here in America. There is no place for them here and thanks to the Dies committee, they are being exposed to public gaze in which they cannot long survive. Let it be said here that the Communist is and ought to be held in the same degree of disfavor as the Nazi and the Fascist; as an enemy of democracy he is just as deadly. I know not what line of thought produces an appreciation of the Communist as a democrat; or Russia, the cradle of communism, a democracy. But for myself, I prefer to class the Communist along with the Nazi and the Fascist as a real enemy of democracy. Therefore, it is clear that our relationships with all nations will be more conducive to lasting and permanent peace if we recognize the right of other nations to governments of their own choosing, but at the same time letting them know that their beliefs have no place in America and that any attempt to force them upon us can meet only with the most drastic consequences.

Let it always be remembered that we have every desire to remain at peace with all nations. We have every reason to desire friendly relations with Germany and Italy as with any other nation. But let them remember that the price of our friendship and good will is full and complete respect for our rights and ideals and what we as a nation stand for. Let it be forever known that any attempt to make inroads upon this Nation or in the Western Hemisphere can mean just one thing—war.

There is another safeguard against our entry into a foreign war that is worthy of our attention. The people generally are aware of the vast profits that accrued to certain classes from the last war and they are aware that nothing has been done to prevent a recurrence of such outrages in the event of another war. Taking a cross section of American thought today, I believe we are correct in concluding that the overwhelming sentiment of the people is not only against our entry into a foreign war, but equally opposed to the entanglement of the United States in foreign disturbances through alliances or promises. In other words, America today has been educated to know and realize the utter futility of our participation in the eternal strife of Europe. Those who doubt that this is true will soon reap the harvest of their folly if, by their lack of respect for public opinion, we become embroiled in the wranglings of foreign nations.

Having in mind our firm desire to remain free of both foreign wars and foreign entanglements of all kinds let us ask ourselves what can best be done to protect our continued neutrality.

I am convinced that we must not scrap our Neutrality Act as some suggest. I am convinced that this act has done much to keep our hands out of the fire and should not only be retained but broadened in scope. Some contend that our Neutrality Act works to the advantage of dictators. But let us remember that our concern is, How can the United States stay out of war? One good way is to mind our own business in every war that does not concern us just as we were able to do in Spain because we had the Neutrality Act. That war has come to an end and we have no quarrel with anyone and there is no ill feeling against us from any quarter and we can look forward to our relationship with the new Spanish Government with confidence because we maintained an absolute neutrality. What could we have gained by selling arms and munitions to the participants in the Spanish struggle? A few dollars perhaps for the munitions makers at the cost of a decade of ill feeling and misunderstanding. Because we had the Neutrality Act we were able to maintain a hands-off

policy for which we can be thankful.

At this juncture I should like to consider for a moment the much-talked-of cash-and-carry policy with regard to the sale of munitions and implements of war. Offhand it sounds plausible, but let us realize that it can work just as well for the aggressor as it can for the defender. I ask you, How would it affect Japan, and do we look upon her as an aggressor? In these days when machines of war travel from continent to continent and ocean to ocean in a few hours it is possible that our sale of munitions to belligerent nations, even though they transport their own purchases, might make our factories the target of attack from the air as military objectives and involve us thereby in a war that wisdom and foresight might well have averted. Let us use American arms and American munitions to defend America only. The profit that might accrue to the munitions makers from sales to belligerents is certainly not worth the risk of war. path of neutrality opens out into the broad highway of peace.

Another primary consideration is America's policy with regard to our investments abroad. How far will we, or how far should we go, to protect these investments? To me the answer is plain. We ought to accord every protection to our foreign investments that is consistent with our firm resolution to remain free of all foreign war. All the billions of American dollars that might be invested abroad are not worth the blood of one single American boy. I have always believed that those who elect to invest their money or efforts abroad should be willing to accept the risks of the venture. They have no right to expect such investments to be protected to the extent of asking the Nation to make the supreme sacrifice of war. The Nation's neutrality and the lives of hundreds of thousands of its citizens are far more important than the foreign investments of a few individuals and corporations.

The concluding consideration is our national defense. I repeat again, let us spend our money in making this Nation absolutely impregnable. Let us put our money into the most powerful defensive Army and Navy in the world. But let us not reduce the efficiency of our defense and the worth of our dollars by building an Army and Navy to operate throughout the world. We have no right, and our people have no desire, to police the world. But they do demand, and have a right to insist upon, a defense machine that is invincible. It is within our power and within the duty of our office to follow such a program.

Seven-Year Report, Reconstruction Finance Corporation

EXTENSION OF REMARKS OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES Monday, April 24, 1939

REPORT FROM FEBRUARY 2, 1932, TO FEBRUARY 2, 1939

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the complete 7-year report of the Reconstruction Finance Corporation.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RECONSTRUCTION FINANCE CORPORATION 7-YEAR REPORT TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES RECONSTRUCTION FINANCE CORPORATION,

Washington, February 2, 1939.

Washington, February 2, 1939.

To the President and the Congress:

I give you a summary of R. F. C. activities since its organization February 2, 1932, 7 years ago.

In addition to the original purposes of the Corporation and the many amendments to the act from time to time which have expanded the scope of its direct operations, our activities have also been carried on through: Commodity Credit Corporation, organized October 17, 1933; The RFC Mortgage Company,

organized March 14, 1935; Federal National Mortgage Association, organized February 10, 1938; Electric Home and Farm Authority, organized August 1, 1935; Disaster Loan Corporation, organized February 15, 1937.

Total R. F. C. authorizations have been \$13,206,639,807. Of this

amount, \$2,900,601,066 was by direction of Congress in which our directors had no discretion.

February 1938 we asked Congress to direct the Secretary Treasury to cancel our notes given to the Treasury for disbursements which were in effect appropriations by Congress made through the R. F. C. and for which the R. F. C. received no benefit The act was approved February 24, 1938, and our notes aggregating \$2,699,236,946 have been canceled. This includes \$282,825,767 of The act was approved February 24, 1938, and our notes aggregating \$2,699,236,946 have been canceled. This includes \$282,825,767 of the \$299,984,999 advanced to States, political subdivisions, and Puerto Rico for relief under the Emergency Relief and Construction Act of 1932, \$17,159,232 of these advances having been repaid; \$1,499,999,010 advanced for relief in 1933, 1934, and 1935 by direction of Congress; \$863,234,749 in connection with advances to and purchase of stock of other governmental agencies; and \$33,-177,420 interest paid the Treasury on money borrowed to make these disbursements. Approximately \$850,000,000 of this amount, exclusive of the interest paid the Treasury, is now carried by the Treasury and other agencies in the form of capital stock of governmental corporations, or other obligations, or has been converted into cash. No debt due the R. F. C. was canceled.

Authorizations for which our Directors have responsibility aggregate \$10,306,038,741. Of this amount, \$2,293,568,866 was withdrawn or canceled, either the purposes for which the authorizations were made were not carried into effect or the applicants found they did not need the money; \$7,243,873,197 has been disbursed and \$5,-372,565,029, or 74 percent, repaid; \$768,596,678 remains available to the borrowers or for the purposes for which the authorizations were made.

Attached is a breakdown of R. F. C. authorizations, cancelations, disbursements, repayments, and other credits, and balances outstanding; also financial statements of the several agencies. A condensed summary follows:

Loans and other aid to agriculture Loans to banks Preferred stock, capital notes, and debentures of banks Closed bank loans Drainage, levee, and irrigation loans Self-liquidating loans Railroad loans Loans to business and industry Mortgage loans Loans to insurance companies Loans to building and loan associations
Loans to banks Preferred stock, capital notes, and debentures of banks Closed bank loans Drainage, levee, and irrigation loans Self-liquidating loans Railroad loans Loans to business and industry Mortgage loans Loans to insurance companies Loans to building and loan associations
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Railroad loans Loans to business and industry Mortgage loans Loans to insurance companies. Loans to building and loan associations
Leans to business and industry
Mortgage loansLoans to insurance companiesLoans to building and loan associations
Loans to insurance companies Loans to building and loan associations
Loans to building and loan associations.
Loans to public school authorities
Loans to State funds created to insure deposits of public moneys_
Mining loans
Rural electrification loans
Commodity Credit Corporation
The RFC Mortgage Co
Federal National Mortgage Association
Electric Home and Farm Authority
Disaster loans

LOANS AND OTHER AID TO AGRICULTURE

Agriculture in one way or another has been accorded loan author-

Agriculture in one way or another has been accorded loan authorizations and allocations of \$3,101,673,840.

Of this, \$399,636,000 was to Federal land banks, \$29,035,359 to joint-stock land banks, \$9,250,000 to Federal intermediate credit banks, and \$199,072,648 to livestock and agricultural credit corporations to provide funds to meet the needs of farmers and stockmen. Twenty-three million five hundred thousands dollars was authorized to the Secretary of Agriculture to acquire cotton pursuant to the Agricultural Adjustment Act, but only \$3,300,000 of this was used. of this was used.

One billion eight hundred forty million seven hundred seventy-four thousand one hundred and seventy-eight dollars was for loans four thousand one hundred and seventy-eight dollars was for loans through Commodity Credit Corporation and other agricultural agencies to producers of cotton, corn, wheat, tobacco, turpentine, resin, wool, mohair, hops, figs, dates, raisins, prunes, peanuts, butter, and pecans in 39 States.

Cotton loans were made in Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

Corn loans were made in Colorado, Illinois, Indiana, Iowa, Kansas,

Corn loans were made in Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, and Wisconsin.

Wheat loans were made in Arkansas, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, New York, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

Tobacco loans were made in Kentucky, Tennessee, Virginia, and

Wisconsin.

Turpentine and resin loans were made in Alabama, Georgia, Florida, Louisiana, Mississippi, and South Carolina.

Wool and mohair loans were made in California, Colorado, Idaho,

Indiana, Iowa, Kentucky, Massachusetts, Minnesota, Missouri, New Mexico, North Dakota, Oregon, Pennsylvania, Texas, Utah, Wiscon-

sin, and Wyoming.

Loans on figs, dates, raisins and prunes were made in California; on hops in Washington; and on pecans in Georgia.

Peanut loans were made in Alabama, Florida, Georgia, North Carolina, South Carolina, Texas, and Virginia.

Loans were made to cooperative associations on butter produced in California, Illinois, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, Ohio, Oregon, Pennsylvania, and Washington; \$83,370,955 was authorized to finance the exportation of some of these commodities; \$115,000,000 was allocated to the Secretary of Agriculture for crop loans; \$40,500,000 was allocated to the Governor of the Farm Credit Administration and used in part to provide capital of the Production Credit Corporations; \$61,934,700 was allocated for the capital and expenses of the Regional Agricultural Credit Corporations and \$97,000,000 for the capital of the Commodity Credit Corporation. Of \$202,600,000 originally allocated to the Farm Credit Administration for loans to farmers and to Joint-stock land banks, \$200,000,000 was reallocated and used to provide the capital of the Federal Farm Mortgage Corporation. These items were by direction of Congress and their outstanding balitems were by direction of Congress and their outstanding bal-ances were included in the items for which our notes were canceled in accordance with the act of Congress approved February 24. 1938.

LOANS TO BANKS

Loans were authorized in the aggregate amount of \$1,334,744,454 to 5,816 going banks, principally in 1932 and 1933; \$196,378,317 of this amount was not used; \$1,138,217,337 was used; and 39 percent has been repaid. The purpose of these loans was to enable banks to meet the abnormal demands of depositors, occasioned by the Nation-wide depression and consequent fear by depositors for the safety of their funds. Notwithstanding these loans, made to aid these banks, 2,128 of them failed after receiving the loans, but 3,688 were enabled to continue, thereby saving millions of depositors and stockholders from loss and inconvenience.

Because of the widespread interest in the \$90,000,000 loan to the Central Republic Bank & Trust Co., Chicago, in June 1932, I give the following information regarding its present status:

Repayments, including interest, have been \$62,383,207, and the receiver of the bank has on hand \$7,300,000 collected from stockholders' assessments. This will be paid over when the judgment of the lower court fixing the assessments has been confirmed. (Since the date of this report the circuit court of appeals handed down an opinion confirming the judgment of the lower court.)

The estimated value of the unliquidated collateral appears to be about \$15,000,000. So, assuming that the stockholders' assessments are effective and the remaining collateral is worth this estimated figure, our loss will be in the neighborhood of \$5,000,000, in addition to interest and the expense of handling the loan.

PREFERRED STOCK, CAPITAL NOTES, AND DEBENTURES OF BANKS

Banks needed capital more than loans in 1932 and 1933. Loans had the effect of preferring depositors, because as long as banks were able to they paid their depositors, first come, first served. They borrowed as long as they could hoping to avoid failure.

By the R. F. C. furnishing banks with capital, depositors were, in large measure, insured, no depositor being preferred over another. In many cases depositors voluntarily permitted a part of their deposits to be used in recapitalizing or reestablishing banks after they were closed. In some instances large depositors took more of the burden on themselves by permitting their deposits to be used for that purpose, so that the smaller depositors might be naid first. paid first.

Our bank capital program was in operation prior to the creation of the Federal Deposit Insurance Corporation, and the announcement that the R. F. C. had agreed to supply banks with

nouncement that the R. F. C. had agreed to supply banks with capital stopped or prevented many bank runs.

We were given authority to buy preferred stock, capital notes, and debentures in banks, and to make loans upon preferred stock in banks, by an act of Congress, approved March 9, 1933. We agreed to put capital in 6,853 banks in the aggregate amount of \$1,349,234,714. Seven hundred and fourteen of these banks did not take the capital, finding they could get along without it, but our agreement to furnish the capital enabled them to carry on with confidence. Our actual investments in bank capital, except for \$47,500,000 invested in the preferred stock of export-import banks, have been \$1,099,090,662. Approximately 51 percent has been retired. retired

have been \$1,099,090,662. Approximately 51 percent has been retired.

The terms on which this capital is invested contemplate that it will be retired out of approximately, but something less than, one-half of the net earnings of the bank after dividends or interest on our capital, but not more than 5½ percent of the original investment is required to be placed in the retirement fund in any one year. This will be increased to 5¾ percent for the year 1940 and 6 percent thereafter, provided the percentage of the bank's earnings, on the basis above indicated, is sufficient for these amounts to be placed in the retirement fund. However, at the option of the bank, R. F. C. capital may be retired earlier if permission is obtained from the supervising authorities. Twelve hundred and eighty banks have retired all of their R. F. C. capital and 3,088 banks a part of it. Eighty-four percent of all banks in which we still have capital are current in interest or dividend payments. To save so many banks in such a short period through putting new capital in them, in the manner authorized by law, required not only extraordinary effort, but necessarily some risk to the capital invested. We were greatly aided in this work by the various bank supervising authorities. Of the 6,120 banks in which we have invested capital, only 206 have since been closed. We will probably recover our entire investment in 49 of these and the loss in the remaining 157 will not be relatively large. Other losses may occur, but, treated as a class, our bank capital investments

should entail no net loss. Dividends and interest collected in excess of the cost of money to the Corporation should cover the individual losses. During the year ending February 1, 1939, we authorized \$29,448,625 new capital in 60 banks.

Assisting banks through providing them with capital was reassuring to depositors. Without this assistance a great many more

would have closed.

CLOSED-BANK LOANS

In the original R. F. C. Act, we were limited to \$200,000,000 for loans to closed banks or banks in process of liquidation, but, because of the great number of banks that had failed, our law was

because of the great number of banks that had falled, our law was further amended June 14, 1933, removing the limit.

Loans have been authorized for distribution to depositors in 2,773 closed banks in the aggregate amount of \$1,331,814,759; \$327,511,981 of this was not used; \$983,701,788 has been used and 93 percent repaid. A good many million depositors benefited from these loans. Depositors upon the average have received approximately \$5 percent of their deposits in closed banks.

mately 65 percent of their deposits in closed banks.

Stockholders in closed banks suffered much worse in proportion to their investment; usually they lost their entire investment, and in many cases were subject to assessments for an equal

amount.

DRAINAGE, LEVEE, AND IRRIGATION LOANS

During the decade prior to the depression, laws were passed in many States providing for the creation of drainage, levee, and irrigation districts with authority to issue bonds. Many such projects were promoted that found the taxes and water charges much greater than the farmers could pay. On May 12, 1933, Congress authorized us to make loans to these districts to enable

Congress authorized us to make loans to these districts to enable them to reduce and refinance their outstanding indebtedness.

We have authorized loans to 632 such districts in the amount of \$142,845,995, of which \$20,480,759 was not used. Eighty-five million six hundred thousand four hundred and thirty-three dollars has been disbursed and the balance remains available to the

borrowers

borrowers.

The holders of the old bonds have received an average of 48 percent for their bonds. By this reduction of 52 percent in the amount of the bonded indebtedness of the districts, and by our giving longer time, usually 30 to 33 years, and a lower interest rate, 4 percent, the water and bond service assessments to landowners have been reduced to approximately one-third of what they previously were.

Before their reorganization, the districts were badly in default due to the fact that the charges were so heavy the landowners could not pay them. Now 99 percent of the reorganized districts are current in interest and principal payments due the Reconstruction Finance Corporation.

SELF-LIQUIDATING LOANS

Our authorizations for self-liquidating loans, including security purchases from P. W. A., have been \$954,058,325. Of this amount, \$741,744,404 has been disbursed and securities aggregating \$457,826,219 have been retired or sold at a premium of \$21,016,493 over cost. We feel there will be no net loss from the aggregate of those not yet sold.

The self-liquidating loans made by the R. F. C. made possible

the construction of many useful projects throughout the country, including a highway and railroad bridge across the Mississippi River at New Orleans for which there had long been a need; the River at New Orleans for which there had long been a need; the San Francisco-Oakland Bay Bridge (a highway and interurban railway bridge), costing \$73,000,000; and a 240-mile aqueduct, costing \$208,500,000, to carry water from the Colorado River in Arizona to southern California. This aqueduct will insure an adequate supply of water for all purposes to Los Angeles and a dozen other smaller cities in southern California, including some irrigation; \$75,056,000 of these bonds have already been sold at a substantial premium. The project was begun the early part of 1933 and will be completed in about another year. Our first authorization of \$40,000,000 was made September 13, 1932. These bonds are supported by general taxing authority, but should be retired from water charges.

We financed the construction of a power line from Boulder Dam

ater charges. We financed the construction of a power line from Boulder Dam Los Angeles, costing \$22,800,000. This line carries electric curto Los Angeles, costing \$22,800,000. This line carries electric current generated by Boulder Dam to Los Angeles, providing a market for the power and revenue for the Boulder Dam investment, also insuring fair rates to the users of electricity. These bonds have

been sold.

We authorized \$8,075,000 for the Knickerbocker Village, N. Y. we authorized \$8,075,000 for the Knickerbocker Village, N. Y., low-cost housing development; \$6,090,600 to the Middle Rio Grande Conservancy District, N. Mex., for the completion of an \$8,500,000 irrigation project; \$1,300,000 for an airport at New Orleans; \$3,400,000 for the Rip Van Winkle Bridge across the Hudson at Catskill, N. Y.; \$2,815,000 for the Niagara Frontier bridges near Buffalo; \$5,050,000 for the construction of causeways, bridges and other improvements in connection with Jones Baselo. bridges near Buffalo; \$5,050,000 for the construction of causeways, bridges, and other improvements in connection with Jones Beach State Park, Long Island, N. Y.; \$3,200,000 for the Saratoga Springs Spa, Saratoga Springs, N. Y.; \$2,430,000 to the State of Georgia for the repair of public buildings; \$3,520,000 to the State of Washington for the construction of a vehicular bridge at Puget Sound; \$2,181,000 to the city of Greenville, Miss., for a bridge across the Mississippi River; \$2,500,000 for a vehicular tunnel under the Mobile River on the Spanish Trail Highway; \$1,983,500 for a vehicular bridge over the Mississippi River at Natchez, Miss.; \$35,000,000 for the construction of a highway from Pittsburgh to Harrisburg, Pa.; \$3,000,000 to the Tennessee Valley Authority; \$5,000,000 to the Lower Colorado River Authority for the purchase of light and power plants in the vicinity of this project (the Authority expects to sell some of the units to the cities and towns in which they operate); \$6,000,000 to the cit of Knoxville to buy the Knoxville power plant from the Tennessee Public Service Co. (with our commitment it was able to get the money from private sources); \$7,900,000 to the city of Utica, N. Y., to buy its waterworks system; \$1,800,000 to Westchester County, N. Y., for a bridge; and many other smaller loans to cities and towns for the construction of bridges, waterworks, sewer systems, State and city college dormitories and other nublic projects of equal importance construction of bridges, waterworks, sewer systems, State and city college dormitories, and other public projects of equal importance to their respective communities. In addition to our loans, some of the borrowers received grants from P. W. A. It is contemplated that the revenue from the projects will liquidate the loans. Many of the bonds have already been sold at some premium.

These self-liquidating loans have provided useful public facilities and have been a great stimulus to business and employment.

RAILROAD LOANS

Of the \$1,248,348,560 loan commitments to railroads (\$200,460,500 representing securities purchased from P. W. A.), \$307,561,724 was not used, either because the purposes for which the authorizations were made were not carried into effect or because the roads, having an R. F. C. commitment, were able to get the money from private sources; \$326,773,161 has been disbursed to 82 roads; \$346,509,316 of this has been repaid, leaving a balance outstanding of \$480,-263,845 due from 50 railroads; 32 roads have repaid their loans in 263,845 due from 50 railroads; 32 roads have repaid their loans in full; 19 were placed in receivership or trusteeship after receiving loans; 3 of these are no longer indebted to the Corporation. The balance due from the remaining 16 roads in the custody of the courts aggregates \$168,565,837. Interest is being paid currently on two of these loans which aggregate \$25,825,227.

We shall have losses on some individual railroad loans, as in other classes of borrowers, but, treated as a class, there should be little, if any, net loss on railroad loans.

To be more specific in view of your interest, and that of the country generally, in the railroad situation, we have collected \$86,335,352 interest from railroad loans, and in addition to this have approximately \$15,000,000 interest accrued that we believe will be paid. The margin in interest received over the cost of money to the Government will, in our opinion, cover the individual

LOANS TO BUSINESS AND INDUSTRY

Seven thousand three hundred and seventy-nine loans have been authorized to business enterprises, aggregating \$447,324,578. Banks have agreed to take participations in the amount of \$61,492,756 in 1,661 of these loans, their participations ranging from 10 percent to 75 percent of a loan. The banks and R. F. C. share proportionately in security and repayments. Of the R. F. C. part of these loans \$86,027,903 was not used and \$144,192,699 remains available to the banks and borrowers when called for. Two thousand seven hundred and twenty of these loans, or 37 percent of the total number, have been for \$5,000 or less. (During the past 12 months 49 percent have been for \$5,000 or less.) Fifty-three percent of the loans have been for \$10,000 or less, 83 percent for \$50,000 or less.

In addition to the participations taken for their own account. Seven thousand three hundred and seventy-nine loans have been

for \$50,000 or less.

In addition to the participations taken for their own account, banks hold \$57,552,558 of these loans with a take-out agreement from the R. F. C. For the take-out agreements the R. F. C. gets a part of the interest paid by the borrower. This is 2 percent per annum where the bank's participation is less than 25 percent of the loan; 1½ percent where the bank's participation is from 25 percent or more.

Participation agreements and take-out commitments are executed.

Participation agreements and take-out commitments are executed when the loan is made, and the take-out commitment insures the bank against loss on that part of the loan covered by the agreement. It is necessary to exercise the same care in insuring part of a loan as in making the entire loan. The same investigation is required and the same expenses incurred.

In April and May 1938 we made commitments to lend apple growers in the State of Washington up to \$2,000,000. Under these commitments we authorized 960 loans to 716 applicants in the amount of \$1,025,120, of which \$991,506 was disbursed.

In addition to the foregoing loans to business, the Electric Home and Farm Authority buys installment contracts from dealers in electrical appliances. These are small loans to business. To date, 2,573 dealers have been furnished with capital for their credit sales in this manner. The contracts carry the unconditional endorsein this manner. I ment of the dealer.

We shall probably have a substantially larger percentage of losses from industrial loans than from any other class. Forty-six of these (representing loans in the aggregate amount of \$3,009,092) these (representing loans in the aggregate amount of \$3,009,092) have already been foreclosed and the security reduced to possession. Properties securing three of these loans, which amounted to \$234,905, have been sold at a net loss to the Corporation of \$31,003. Five hundred and forty-three loans to business, aggregating \$21,-427,000, are in default and 60, aggregating \$3,588,000, are in process of foreclosure, usually after several extensions and supplemental loans. In addition to these, the loans to apple growers are in default.

We have authorized two loans at the request of the Maritime Commission, one to the American President Lines, Ltd., \$2,500,000, secured by a first mortgage on 13 ships, and another for building ships at Tampa, Fla., \$300,000. Local banks took an additional \$200,000 participation in this loan.

When the President authorized us to resume lending, about a resume lending, about a resume lending, about a resume lending, about a resume lending.

year ago, we wrote the banks of the country—every bank in the United States—asking them to cooperate with us in meeting what-ever legitimate demand there was for business and industrial

We asked them to consider originating and taking parloans. ticipations in leans; and where leans were of such a character that they felt they should not take any participation in them, we asked them to accept applications for the R. F. C. and forward them to our agency serving their district, with such information about the applications as the banks could furnish. We sent our loan application blanks to the banks and have continually urged their cooperation. I am glad to be able to report that since bank supervising authorities have adopted a uniform and more considerate attitude toward longer-time business loans, the banks are more inclined to make them and to cooperate with us in this character of lending.

Within the past year our Board has authorized approximately two out of every three applications presented. Each application receives the most sympathetic consideration, and when it cannot be approved as submitted, every reasonable effort is made to find a basis upon which a loan can be approved.

MORTGAGE LOANS

The total amount authorized, \$608,597,899, includes the capital stock of the RFC Mortgage Co., \$25,000,000, and loan authorizations to the RFC Mortgage Co. of \$160,021,276. It also includes the capital stock of the Federal National Mortgage Association, \$11,000,000, and loans to it of \$50,000,000. It includes \$362,576,623 in loans to privately owned mortgage loan companies made printered. cipally in 1932, 1933, and 1934 to prevent the companies from ing, and to enable them to grant extensions to their borrowers. Of the total amount authorized, \$418,662,964 has been disbursed and \$298,016,329 repaid.

of all loans to privately owned mortgage companies, we shall have only one loss of any consequence, a loan to the Prudence Co. of New York City. This loan was for \$20,000,000 made in March and June 1932 on sundry collateral, in an effort to prevent failure of this large mortgage guaranty company. Mortgage guaranty companies leasted to the bands of increase of the contraction of of the con panies located in New York had outstanding in the hands of investors guaranteed mortgages in the approximate amount of \$2,000,000,000. Notwithstanding our efforts and assistance, prac-

tically all of these companies failed.

Mutual savings banks

November 1933 we aided the savings banks of New York State by authorizing the investment of \$50,000,000 in the capital notes of the Savings Banks Trust Co., which company the savings banks of New York organized to assist any of their banks that might need to realize on their mortgages. None of this money was used. We authorized \$86,000,000 to the Institutional Securities Corporation, also organized by the savings banks for the same purpose. Only \$14,312,567 of the amount was used, and it has all been repaid. November 1933 we aided the savings banks of New York State by

Publication of this procedure by the R. F. C. and the savings banks was so reassuring to depositors that the banks were soon able to remove the restriction on withdrawals allowed under the law.

We aided individual mutual savings banks principally in the New England States, New York State, and Ohio, through buying their notes containing provisions of subordination in favor of depositors, in this manner giving to the savings banks the same assistance provided for National and State commercial banks.

LOANS TO INSURANCE COMPANIES

Loans were authorized to 133 insurance companies, principally in 1932 and 1933, in the aggregate amount of \$104,439,750 to enable these particular companies to meet the demands of policyholders and other creditors; \$13,331,442 of this was not used; \$90,693,210 has been disbursed and over 95 percent repaid. Loans were authorized and disbursed on the preferred stock of six casualty and three fire insurance companies in the amount of \$34.425,000; \$7,655,-955 of this has been repaid. The majority of insurance companies were able to meet their obligations without borrowing from the Government.

LOANS TO BUILDING AND LOAN ASSOCIATIONS

We have authorized loans to 1,023 building and loan associations and receivers of building and loan associations aggregating \$154,-240,454. Of this amount, \$29,028,416 was not used; \$118.221,763 has been disbursed, and over 98 percent repaid. Loans to the open institutions made funds available to meet withdrawals of shareholders and depositors without foreclosing on the property of borrowers. The loans to closed building and loan associations enabled the receivers to make distribution to depositors and other creditors.

LOANS TO PUBLIC-SCHOOL AUTHORITIES

Because of the great amount of delinquent taxes in the city of Chicago from 1928 to 1934, public-school teachers were forced to go without pay from November 15, 1933, to May 31, 1934. August 1934 we loaned \$22,300,000 to the Chicago Board of Education to pay back salaries to 15,000 school teachers. The loan was secured by valuable income-bearing real estate belonging to the public-school system of Chicago. The real estate is situated in the Loop school system of Chicago. The real estate is situated in the Loop district and was ceded by the United States Government to Illinois for public schools when that State entered the Union in 1818. In order to mortgage the property it was necessary for the State Legislature of Illinois to pass an act permitting it to be mortgaged. Legislature of Illinois to pass an act permitting it to be mortgaged. This act was approved by the Governor February 28, 1934, and by the court under a test case July 31, 1934. The act provided that the property could only be mortgaged to an agency of the United States Government. We made the loan August 27, 1934, and sold it to Chicago banks a few months later, at a substantial premium. We authorized \$2,086,800 to other school districts for refinancing indebtedness. One million, sixty-seven thousand and three hundred dollars of this was canceled and \$150,000 disbursed.

LOANS TO STATE FUNDS CREATED TO INSURE DEPOSITS OF PUBLIC MONEYS Due to the great amount of public funds tied up in closed banks in 1933, belonging to cities, towns, and counties in the State of Wisconsin, we loaned \$13,064,631 to the "Board of Deposits of Wisconsin" to free these funds. It was all soon repaid.

MINING LOANS

One hundred and forty-four loans in the amount of \$12,655,500 have been authorized to 126 borrowers for mining, milling, and smelting ores and development of ore bodies. Of this, \$7,392,-000 has been canceled and \$4,179,700 disbursed; \$1,531,252 has been repaid; 87 of these loans aggregating \$1,440,500 have been approved under the section of the act which authorizes loans up to \$20,000 to one borrower for development; \$716,000 of this has been withdrawn or canceled. These development loans will entail a large percentage of loss.

RURAL ELECTRIFICATION LOANS

Loans to the Rural Electrification Administrator are made by Loans to the Rural Electrification Administrator are made by direction of Congress upon the request of the Administrator and the approval of the President; \$146,500,000 has been authorized and \$47,700,000 disbursed. These loans are made on collateral consisting of notes evidencing loans made by the Administrator, which in turn are secured by mortgages on the projects he finances. We lend up to 85 percent of the face of the collateral. These loans bring electricity and the use of electrical facilities to great many people living in rural districts who otherwise would a great many people living in rural districts who otherwise would not have them.

COMMODITY CREDIT CORPORATION

Commodity Credit Corporation was organized October 17, 1933, pursuant to Executive order, with capital stock of \$3,000,000 provided from funds made available by the National Industrial Recovery Act. In April 1936 Congress directed the R. F. C. to increase this capital to \$100,000,000 by buying \$97,000,000 of the Corporation's stock.

Commodity Credit Corporation's principal purpose is to make loans to producers to finance the carrying and orderly marketing of cotton, corn, wheat, and other agricultural commodities. It has done this principally with R. F. C. loans and credits. In an act approved March 8, 1938, Congress authorized Commodity Credit Corporation to borrow directly with Government guaranty, instead of depending entirely upon the R. F. C. This act also directed the Secretary of the Treasury to appraise the assets of Commodity Credit Corporation at the end of March each year and to maintain its capital unimpaired at \$100,000,000, and authorized appropriations for that purpose. This was to bring to Congress each year the loss, if any, in commodity loans.

R. F. C. commitments to Commodity Credit Corporation have been \$1,754,712,665 and disbursements \$767,716,962, all of which has been repaid to R. F. C. commodity Credit Corporation's disbursements have been \$897,779,520, of which \$522,093,139 has been repaid. Loans now outstanding are \$360,296,170 and loans held Commodity Credit Corporation's principal purpose is to make

bursements have been \$897,779,520, of which \$522,093,139 has been repaid. Loans now outstanding are \$360,296,170 and loans held by banks which Commodity Credit Corporation has agreed to purchase, if tendered, aggregate \$387,152,033.

The capital of Commodity Credit Corporation and the amount it may borrow with Government guaranty aggregate \$600,000,000, of which \$316,174,000 is outstanding. To enable Commodity Credit Corporation to comply with the mandatory provisions of the Agricultural Adjustment Act of 1938 and make wheat and corn loans in the summer and fall of 1938, the R. F. C. agreed to buy producers' notes from Commodity Credit Corporation, without recourse on notes from Commodity Credit Corporation, without recourse on Commodity Credit Corporation, should it become necessary for that Corporation to obtain additional funds to carry out its commitments to take up notes for loans on such commodities as might be tendered to it by banks.

Commodity Credit Corporation is managed by a board of directors composed of representatives of the Department of Agriculture, Farm Credit Administration, Export-Import Bank, and the R. F. C. The agencies and facilities of the R. F. C. are used in making and

administering the loans.

The Corporation's policy has been to lend only on such commodities as are recommended by the Secretary of Agriculture and approved by the President. The Agricultural Adjustment Act of 1938 directed that loans be made on cotton, corn, and wheat of not less than 52 percent of parity and not more than 75 percent of parity, the loans to become mandatory when the price of these commodities is less than 52 percent.

Parity, generally speaking, represents the price that would give the commodity a purchasing power to the farmer equivalent to its purchasing power in a base period, which for tobacco is the 10-year period from 1919 to 1929, and for other commodities the 5-year period 1909 to 1914, taking into consideration the size of the crop

and other factors.

The 1938 loan on cotton was approximately 52 percent of parity; on corn, 70 percent of parity; and wheat, 52 percent of parity. The loans were authorized after the commodities reached these

levels.

Loans are made to individual producers and associations of producers. Approximately 3,500,000 individual loans have been made. When loans are authorized at a fixed rate per unit on basic commodities such as cotton, corn, wheat, or wool, the producer may obtain them from banks and other local lending agencies, on forms which are provided by Commodity Credit Corporation, under an arrangement whereby such loans as are in acceptable form will be purchased by the Corporation at face value plus accrued interest at 2½ percent, the producer's note bearing a 4-percent rate. The difference in interest accrues to Commodity

Credit Corporation for its expense and undertaking. The producer may also obtain a loan directly from Commodity Credit Corporation through R. F. C. loan agencies.

At the time such loans are authorized it is impossible to determine accurately the amount of the commodity which will be borrowed on. This depends upon the ultimate volume of the commodity produced and the market. It is necessary in such cases to provide funds in the maximum amount that may be needed.

THE RFC MORTGAGE CO.

Because there was practically no mortgage money available to deserving borrowers to protect their business properties from foreclosure, and to aid in the reorganization of properties covered by excessive mortgages and mortgage bond issues, Congress, at our request, authorized the R. F. C. in January 1935 to invest in the capital stock of mortgage companies up to \$100,000,000 when any such investment was approved by the President.

Following the approval of this act, we endeavored to interest private capital to organize mortgage companies, offering to take preferred stock in the companies. Meeting with no success in this effort, we, with the approval of the President, organized the RFC Mortgage Co., March 14, 1935, with a capital of \$10,000,000, later increased to \$25,000,000. The stock is all owned by the R. F. C. The company has authorized \$137,969,839 loans on income-producing business properties, borrowing its requirements come-producing business properties, borrowing its requirements from the R. F. C.

F. H. A. insured mortgages

Because banks, insurance companies, and other private investors were reluctant to buy F. H. A. insured mortgages, we announced August 27, 1935, that the RFC Mortgage Co. would buy these mortgages at a discount of one-half to 1 percent and sell them at some premium, sufficient to cover the cost of operation. The mortgage company has authorized the purchase of 23,020 F. H. A. insured mortgages aggregating \$96,955,222, and has completed the purchase of 18,433 of these, totaling \$73,083,604. It has sold 3,956, aggregating \$16,604,899, to private investors at a modest premium. Eight thousand nine hundred and fifty-four, totaling \$34,108,848, have been transferred to the Federal National Mortgage Association. Of the total number of F. H. A. insured mortgages bought. 102

Of the total number of F. H. A. insured mortgages bought, 102 loans, aggregating \$400.845, have been foreclosed, for which the mortgage company holds or will receive F. H. A. 2¾- or 3-percent debentures carrying Government guaranty, dated as of the date of institution of foreclosure proceedings, for the unpaid balance of the mortgages. The loss arising from foreclosure has been less than 10 percent on the mortgages foreclosed, and to date less than one-tenth of 1 percent of the total amount of mortgages purchased.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The National Housing Act, approved June 27, 1934, provided for the organization of national mortgage associations, and to aid in the establishment of these, we offered, at the request of the Federal Housing Administrator, to match dollars with private capital by taking preferred stock in national mortgage associations. Even on this basis the Administrator received no applications, and, with the approval of the President, we organized the Federal National Mortgage Association February 10, 1938, with a capital of \$10,000,000 and a surplus of \$1,000,000. It is owned and operated by the R. F. C. and deals exclusively with mortgages insured by the Federal Housing Administrator.

It has authorized the purchase of 26,276 mortgages aggregating \$111,470,381. Purchases have been completed on 22,684 of these aggregating \$92,083,405. It has been necessary to start fore-

It has authorized the purchase of 26,276 mortgages aggregating \$111,470,381. Purchases have been completed on 22,684 of these aggregating \$92,083,405. It has been necessary to start fore-closure on only 25 of these aggregating \$105,288. The Federal National Mortgage Association is financed through the sale of its notes to the public; \$85,240,000 of these notes have been sold; \$29,748,000 bear 2 percent and mature May 16, 1943; \$55,492,000 bear 1% percent and mature January 3, 1944. They are not guaranteed by the Government or by the R. F. C., but constitute a sound investment, enjoying certain income-tax exemptions. The Federal National Mortgage Association offers to buy at par and accrued interest any mortgages insured by the Federal Housing Administrator on new homes, including large-size housing projects. The RFC Mortgage Co. buys insured mortgages on old homes at par and accrued interest.

old homes at par and accrued interest.

ELECTRIC HOME AND FARM AUTHORITY

Electric Home and Farm Authority was incorporated under the laws of the District of Columbia August 1, 1935, to aid in the distribution and sale of electrical equipment in homes and on farms at low financing cost. It has a capital of \$850,000, provided from funds made available by the National Industrial Recovery Act, and held by its trustees for the United States. It borrows its requirements at low rates with R. F. C. backing and manage-

It has purchased from 2,573 dealers in 32 States 101,953 installment contracts, covering installment sales for home electrical appliances, aggregating \$15,573,318, of which \$7,703,924 has been retired. These contracts usually run from a few months to 3 years,

retired. These contracts usually run from a few months to 3 years, the average being about 2 years.

Electric Home and Farm Authority operates in cooperation with utility companies and with dealers who sell the equipment. The dealers guarantee the notes and the utility company makes collections with its monthly bills. It is helpful to householders who find it necessary to buy on installment.

Buying these contracts is making loans to business enterprises, to dealers upon the security of the equipment sold and the obligation of the purchaser of the equipment. Payments are made promptly and there are no losses to speak of.

APPENDIX TO THE CONGRESSIONAL RECORD

The R. F. C. extends these small loans to business through Electric Home and Farm Authority.

DISASTER LOANS

By special direction of Congress, the R. F. C. from 1933 to 1936 made loans for rehabilitation of property damaged by floods, earthquakes, or other catastrophes; \$16,784,521 was authorized for this purpose, \$12,003,055 disbursed; \$4,278,027 of this has been repaid. Following the Ohio River flood in January 1937, Congress directed us to organize the Disaster Loan Corporation and provide it with capital up to \$20,000,000 to make loans to those who suffered losses from the flood or other catastrophes in the year 1937. This act was later amended to include catastrophe losses that

This act was later amended to include catastrophe losses that occurred in the years 1936 and 1938.

Immediately following creation of this Corporation, we established offices for making disaster loans at Cairo, Galena, Harrisburg, and Metropolis, Ill.; Evansville, Jeffersonville, and New Albany, Ind.; Ashland, Frankfort, Louisville, Paducah, and Smithland, Ky.; New Orleans, La.; Cincinnat, Cleveland, Ironton, and Portsmouth. New Orleans, La.; Cincinnati, Cleveland, Ironton, and Portsmouth, Chio; Dyersburg and Memphis, Tenn.; and Huntington, W. Va. Loan committees composed of local citizens were set up to recommend loans. These committees served on a voluntary basis and were of great assistance to the Corporation in meeting the emer-

gency.

Seven thousand five hundred and fifty-five loans aggregating \$8,805,051 were authorized as a result of the Ohio River flood; \$1,574,504 of this was not used; \$6,785,729 has been disbursed and \$1,752,542 repaid. It is significant of the character and integrity of the American people that 80 percent of these loans are current

in their payments.

in their payments.

We are now making disaster loans as a result of the hurricane in September 1938, principally in the New England States. Immediately after the hurricane we established offices at Hartford, New London, and Norwich, Conn.; Athol, Boston, Fitchburg, Gardner, Lowell, New Bedford, Orange, Springfield, Winchendon, and Worcester, Mass.; Concord and Keene, N. H.; New York City, Montauk, and Quogue, Long Island, N. Y.; Newport, Providence, and Westerly, R. I.; and later at Charleston, S. C.; with loan committees composed of local citizens to recommend loans. These mittees composed of local citizens to recommend loans. These committee members also served on a voluntary basis and have been most helpful.

committee members also served on a voluntary basis and have been most helpful.

Loans aggregating \$3,764,625 have been authorized to 1,526 applicants who suffered losses from the hurricane. We are lending to salvage the very large amount of blown-down timber. It is estimated that 3,000,000,000 feet of timber is down in New England as a result of the hurricane, and effort is being made to salvage as much of it as possible. Probably 25,000 farmers and landowners lost their timber. The facilities of the Forestry Service and the Federal Surplus Commodities Corporation are being used to salvage the timber.

Disaster and catastrophe loans have been made in 33 States, Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, and West Virginia.

The beneficiaries of R. F. C. activities have been almost entirely people of relatively small means or business interests. It is estimated that loans to closed banks benefited 20,000,000 depositors in these institutions. Putting capital in banks probably saved another 20,000,000 depositors from loss or inconvenience. More than 3,000,000 commodity loans have been made to 1,500,000 farmers averaging less than \$400 per loan. Probably 150,000 stockmen received loans averaging \$1,600. More than 130,000 farmers and landowners in 26 States have benefited by loans to drainage, levee,

and irrigation districts. More than 10,000 borrowers have received disaster loans averaging approximately \$1,300, and 102,000 house-holders have received loans averaging less than \$150 for the purchase of electrical appliances

chase of electrical appliances.

Two thousand seven hundred and twenty of the 7,371 loans to business enterprises have been for \$5,000 or less, and 1,150 between \$5,000 and \$10,000. Six thousand and eighty-eight of all loans to business have been for \$50,000 or less. These loans to business have maintained employment for more than 400,000 people and have provided additional jobs for 225,000. Employment has been increased and business stimulated through the purchase of more than 32,000 home mortgages averaging approximately \$4,000. Loans for the construction of business buildings and large-size housing projects have likewise increased employment and stimulated business.

Mining loans have created 1,500,000 days work. Self-liquidating loans, exclusive of security purchases from P. W. A., have produced 181,000,000 man-hours of work, not counting the additional employment made necessary in the fabrication of materials for the construction involved and the employment of all classes of workers serving the business concerns which furnished the materials.

serving the business concerns which furnished the materials.

Loans to railroads for maintenance and for the purchase of equipment have been translated immediately into work for hundreds of thousands of workers, both skilled and unskilled—probably 20,000,000 days' work. Loans for payment of interest on railroad obligations went largely to savings banks, insurance companies, and other trust funds.

With the exception of loans on commodities, which are made largely by direction of Congress, both as to amount and basis, and upon which there will be some loss, this vast contribution to the business and economic life of our country during the past 7 years has been without any loss or cost to the Government.

In addition to R. F. C. loans authorized, and credit actually used, we have assisted a great many borrowers in getting loans from private sources by bringing borrower and lender together when, in our opinion, the loan applicant could properly be taken care of by banks or other private lending institutions, and by indicating that if necessary, to protect the applicant from failure or unnecessary loss, we would make the loan.

The R. F. C. has a capital stock of \$500,000,000 appropriated by Congress January 27, 1932. In addition, the Corporation has been given authority, from time to time, to borrow, with Government guaranty, the funds necessary to do the things that Congress has authorized and directed it to do. Prior to July 1938 we borrowed from the Treasury, except that in buying preferred stock, capital notes, and debentures in banks that needed capital but did not need cash, we sometimes sold them our notes. These notes have been paid.

We now have outstanding in the hands of the public our notes aggregating \$211,460,000 maturing July 20, 1941, and \$297,439,000 maturing November 1, 1941. We are selling another issue of approximately \$300,000,000 maturing January 15, 1942. All of these notes bear seven-eighths-percent interest per annum. After paying notes bear seven-eighths-percent interest per annum. After paying the Treasury the proceeds of this last issue we shall only owe the Treasury approximately \$400,000,000.

We have paid the Treasury \$194,801,847 interest on borrowed money and \$24,507,637 interest to others. Our operating expenses have been slightly less than 1 percent.

In addition to the foregoing we have accumulated operating reserves in excess of \$200,000,000, which in the opinion of our Reard is sufficient to cover all probable lesses

Board is sufficient to cover all probable losses.

In conclusion, I should like to say that our Directors are ever mindful of their responsibility to the President and the Congress in

administering the affairs of the Corporation.

JESSE H. JONES, Chairman.

Reconstruction Finance Corporation-Summary of activities-Feb. 2, 1932, through Feb. 1, 1939

	Authorizations	Cancelations	Disbursements	Repayments and other credits 1	Balance out- standing
For benefit of agriculture	1, 331, 814, 759 1, 349, 234, 714	\$982, 459, 540 196, 378, 317 327, 511, 981 169, 593, 552	\$1, 446, 284, 760 1, 138, 217, 337 983, 701, 788 1, 146, 590, 662	\$1, 414, 958, 458 1, 060, 626, 324 920, 580, 062 562, 558, 630	\$31, 326, 302 77, 591, 013 63, 121, 726 584, 032, 032
rot securities) To business enterprises To drainage, levee, and irrigation districts. To railroads (including receivers and trustees) For loans to and capital of mortgage loan companies (including \$25,000,000 capital The RFC Mortgage Co. and \$11,000,000 capital Federal National	954, 058, 325 1390, 816, 097 142, 845, 995 1, 248, 348, 560	44, 719, 243 86, 027, 903 20, 480, 759 307, 561, 724	741, 744, 404 160, 595, 495 85, 600, 433 826, 773, 161	457, 826, 219 49, 697, 449 3, 204, 792 346, 509, 316	283, 918, 185 110, 898, 046 82, 395, 641 480, 263, 845
Mortgage Association) For loans to and capital of insurance companies. To building and loan associations (including receivers) To public-school authorities Catastrophe rehabilitation loans. To State funds for insurance of deposits of public moneys. For mining, milling, and smelting businesses.	154, 240, 454 24, 586, 800 16, 784, 521 13, 087, 716	103, 599, 895 13, 331, 442 29, 028, 416 1, 267, 300 4, 139, 466 23, 085 7, 392, 000	418, 662, 964 125, 168, 210 118, 221, 783 22, 450, 000 12, 003, 055 13, 064, 631 4, 179, 700	298, 016, 329 95, 374, 562 116, 255, 022 22, 301, 000 9, 546, 494 13, 064, 631 1, 531, 252	120, 646, 635 29, 793, 648 1, 966, 761 149, 000 2, 456, 561 2, 648, 448
For other purposes	669, 057	54, 243	614, 814	514, 489	100, 325
Total, by directors of the Corporation Allocations and loans to other governmental agencies and for relief by direction of Congress	10, 306, 038, 741 2, 900, 601, 066	2, 293, 568, 866 15, 001	7, 243, 873, 197 2, 801, 096, 178	\$ 2, 753, 398, 603	1, 871, 308, 168 47, 697, 575
Grand total	13, 206, 639, 807	2, 293, 583, 867	10, 044, 969, 375	1 8, 125, 963, 632	1, 919, 005, 743

¹ Includes \$25,111,268 credited on indebtedness for property taken over for debt.

² Total loans to business of R. F. C. and participating banks, \$447,324,578. Bank participations \$61,492,756, including \$4,984,275 R. F. C. loans taken up by banks.

³ Includes \$2,699,236,946 cancelation of Corporation's notes pursuant to act of Congress approved Feb. 24, 1938.

Reconstruction Finance Corporation: Statement of the close of business Feb. 1, 193		Reconstruction Finance Corporation: Statement of the close of business Feb. 1, 1399—Cont	
Cash: General account \$16,510,611.68		MEMORANDUM—continued Undisbursed allocations and loans to other gov- ernmental agencies (including advances under	
Expense account 158, 103. 17 Held by custodian banks		1933 Relief Act) Undisbursed authorizations for advances for care	\$138, 989, 886. 86
And trustees		and preservation of collateral, etc	351, 660. 27
United States Government securities (par)	\$18, 292, 744, 46 48, 020, 200, 00	Total	907, 938, 225. 39
LoansPreferred stock, capital notes and debentures: Banks and trust companies \$576, 732, 549.27	1, 166, 401, 027. 64	Commodity Credit Corporation: Statement of conclose of business Feb. 1, 1939 ASSETS	dition as of the
Insurance company 100,000.00 Installment sales contracts_ 98,650.00	576, 931, 199. 27	Cash on hand and on deposit ————————————————————————————————————	\$149, 704. 83
Capital stock of other agencies: The RFC Mortgage Co 25,000,000.00 Federal National Mortgage		R. F. C\$14, 505, 570. 32 Accrued interest367, 641. 38	14, 873, 211. 70
Association 11,000,000.00	36, 000, 000. 00	Commodity loans_1 \$360, 296, 170. 19 Accrued interest_ 6, 248, 244. 12 366, 544, 414. 31	
Securities purchased from Federal Emergency Administration of Public Works (par \$170,065,-406.12)	139, 772, 165. 97	Less balance of appropriation to cover losses 74, 289, 160.05	
Notes and accounts receivable	369, 268. 33 1, 119, 486. 27	1937–38 cotton collateral purchased 1937–38 corn pool Miscellaneous receivables Claims in process of settlement	10, 124, 278. 14 64, 756, 01
advances for care and preservation, and expense) \$30,073,325.09 Less proceeds of liquidation and income 8,754,222.28	(f)	Advanced to employees for travelEquipment, fixtures, and furniture	450.00
Accrued interest and dividends receivable	21, 319, 102, 81 27, 116, 609, 08	Total LIABILITIES AND CAPITAL	317, 598, 997. 39
Reimbursable expense Furniture and fixtures (less depreciation) Other	1, 475, 117. 60 501, 081. 68	Notes: Held by Treasury (½ percent due Aug. 1, 1939) \$10,000,000.00	
Total	2, 037, 863, 757. 83	Held by others (series C, 3/4 percent due Nov. 2, 1939) 206, 174, 000.00	
Notes:		Accrued interest navable	216, 174, 000. 00
Held by Treasury \$709, 763, 054. 17 Held by others:		On notes held by Treasury 3,561.64 On notes held by others 396,114.73	399, 676. 37
Series K, 1½ percent, due Dec. 15, 1938 180,000.00 Series N, % percent, due		Miscellaneous payables Suspended credits unallocated Cash collateral Capital stock paid in	972, 570, 79
July 20, 1941 211, 460, 000. 00 Series P, % percent, due Nov. 1, 1941 297, 439, 000. 00		Capital stock paid in The capital stock paid in was \$100,000,000. Pursuant to the act of Mar. 8, 1938, the capital	100, 000, 000. 00
Liability for funds held: Cash collateral 677,957.11	1, 218, 842, 054. 17	must be maintained unimpaired at this amount by appropriation to be made soon after Mar. 31	
For other governmental agencies: The R. F. C. Mortgage Co Disaster Loan Corporation Federal National Mortgage As-		each year, upon appraisement by the Secretary of the Treasury of the assets and liabilities of the Corporation to determine the impairment, if any. The impairment Mar. 31, 1938, was esti-	
sociation 8, 369, 839. 83 Export-Import Bank of Wash- ington 20, 000, 000. 00		mated to be \$94,285,404.73, which was paid to the Corporation by the Secretary of the Treas- ury under the act. Of this amount \$19,996,-	
Commodity Credit Corpora- tion14,494,463,36	47, 057, 604. 76	244.68 represents operating expenses and losses actually sustained on commodities sold up to Feb. 1, 1939.	
Receipts not allocated pending advices from fiscal agentsOther liabilities (including suspended credits)		¹ In addition \$387,152,032.76 in loans are carried other lending agencies which the Corporation has chase if and when tendered at par and accrued into	s agreed to pur-
Interest paid in advance and unearned discount Interest and dividend refunds payable Accrued interest payable: On notes held by Treasury \$622, 512.06	138.39	1¼ and 2½ percent. The difference between th percent, which the loans bear, accrues to C. C. C. f to purchase.	ese rates and 4
On notes held by others 1,660, 205. 35 Other 573, 298. 24	2, 856, 015, 65	The R. F. C. Mortgage Co.: Statement of condition of business Feb. 1, 1939	n as of the clase
Deferred credits: Premium from sales of secu-	2, 650, 015. 65	ASSETS Cash, general account	\$1,270.75
rities purchased from other governmental agencies 15,750,806.10 Other 9,063,580.61	04 044 000 74	Cash, expense account. Cash on deposit with Reconstruction Finance Corporation:	4, 419. 7 4
Capital stockSurplus and reserve from opera-	24, 814, 386. 71 500, 000, 000. 00	General fund	
tions \$219, 318, 763. 04 Reserve for self-insurance 200, 000. 00	010 510 500 51	Unallocated credits, miscellaneous cash collections by R. F. C. not	
Total	219, 518, 763. 04	allocated 126, 084. 8	57 — 1, 729, 162, 5 8
	2, 037, 863, 757. 83	Loans (less repayments and other re- ductions) secured by first mort-	
Undisbursed authorizations and conditional agreements to make loans, purchase preferred		gages: For new construction 5,886,589. For refinancing 30,812,596.1 Secured by mortgage bonds or	19
stock, capital notes, and debentures, etc. (including \$1,229,418.23 agreed participation by third parties)		certificates of deposit 4,077.	50

APPENDIX TO THE CONGRESSIONAL RECORD

Commodity Credit Corporation: Statement of condition as of th	e Federal National Mortgage Association: Statement of condition as
close of business Feb. 1, 1939—Continued ASSETS—continued	of the close of business Feb. 1, 1939—Continued LIABILITIES AND CAPITAL—continued
Mortgages purchased (less repay-	Accrued interest payable \$76, 176, 70
ments): Insured by Federal Housing Ad-	Deposits for the payment of taxes, insurance, etc 1, 101, 577. 75 Due R. F. C. for disbursements not yet allocated by
ministrator\$18, 602, 832. 63 Other than insured by Federal	R. F. C84.92 Suspended credits:
Housing Administrator 1, 343, 970. 33	Commitment fees 120, 632, 00 6 Loan 13, 585, 20
Debentures of the Federal Housing Administrator 327, 193.	
Certificates of claim, Federal Housing Administrator_ 24, 140. 0	Reimbursable expenses 5.00
Property acquired through foreclo- sure:	Service charges accrued
Original cost \$102, 392, 42	Cash receipts—unallocated pending advices 134, 779, 63
Expense 779.98	Income less expenses 625, 286. 97 Capital surplus—paid in 1,000,000. 00
103, 172. 40	Capital stock 10,000,000.00
Less proceeds of liquidation and	Total98, 339, 463. 64
income1, 628. 18	2
Advances (less repayments) 246, 161. 1	
Accounts receivable—miscellaneous2, 354.4 Accrued interest receivable152, 085.0	0 disbursed 16, 463, 315. 20
Reimbursable expense due from applicants 17, 283. 5	
Service charges prepaid 304.8 Unallocated charges (miscellaneous disbursements	Total 16, 463, 496. 99
by R. F. C. not allocated) 153, 043.4	0 —
Total 59, 409, 029. 3	Electric Home and Farm Authority: Statement of condition as of
LIABILITIES AND CAPITAL	ASSETS Cash\$167, 601. 86
Notes payable to Reconstruction Finance Corporation 31,598,786.6	United States Savings Bonds2,098.25 Installment contracts receivable:
Interest accrued on notes payable 487, 996. 5	A
Service charges accrued (insured mort-	77 Appliances \$7,869,393.34 Wiring 5,230.35 7,874,623.69
gages purchased) 5,730.2 Interest receivable prepaid 27,492.3	4 Accounts receivable 4, 549, 32
Accounts payable:	Notes receivable 250.13 Dealer repossession accounts 14, 165.82
Reimbursable expense for account of applicants\$17, 283.53	Repossessed appliances 20, 198. 26
Reimbursable expense—administra-	Fixed assets: Office furniture and fixtures \$9,978.06
tive7, 622.40 Miscellaneous disbursements by	Less depreciation 2,069.85
R. F. C. not allocated 153, 043. 40	7, 908. 21 3 Discount on notes outstanding 16, 571. 87
Suspended credits—miscellaneous de-	
posits 1, 212, 092. 4	4 Total8, 107, 967. 41
Unallocated credits: Miscellaneous cash collections by	LIABILITIES AND CAPITAL
R. F. C. not allocated\$126, 084, 57	Notes outstanding held by banks (1 percent) 8, 222, 000.00
Loan and interest collections by R. F. C. not allocated 136,015.17	Accounts payable: Accrued expense \$5, 193, 65
Proceeds of debentures and certifi-	Accrued billing fees 9,766.46
cates of claim	Accrued booking fees 2, 727.00 17.687.11
Income less expense 1	2 Liability to dealers for reserve withheld
	_ Unearned income less estimated acquisition cost of
Total 59, 409, 029. 3	8 business 517, 815. 78 Net worth:
MEMORANDUM	Capital stock\$850,000,00
Undisbursed authorizations and conditional agree-	Surplus 60, 987. 67
ments to make loans and purchase mortgages 29, 490, 215. 8	5 910, 987. 67
Undisbursed authorizations for advances for care and preservation of collateral, foreclosure ex-	Total 8, 107, 967. 41
pense, etc 7,864.1	
Total29, 498, 079. 9	business February 1, 1939
	ASSETS
¹ Before adjustment of expenses with R. F. C.	
	Cash—General account\$1,000.00
Federal National Mortgage Association: Statement of condition	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81
Federal National Mortgage Association: Statement of conditional of the close of business Feb. 1, 1939	Cash on deposit with Reconstruction Finance Corporation
Federal National Mortgage Association: Statement of condition as of the close of business Feb. 1, 1939 ASSETS	Cash on deposit with Reconstruction Finance Corporation 3,124,358.81 Loan disbursements (less repayments) 7,853,533.95 Checks held by agents—loans in process of closing 1,000.00 Notes receivable 50.00
Federal National Mortgage Association: Statement of conditional as of the close of business Feb. 1, 1939 ASSETS Cash on deposit with the R. F. C	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81 Loan disbursements (less repayments) 7,853,533. 95 Checks held by agents—loans in process of closing 1,000.00 Notes receivable 50.00 Advances for care and preservation of collateral (less repayments) 1,125. 99
Federal National Mortgage Association: Statement of condition as of the close of business Feb. 1, 1939 ASSETS Cash on deposit with the R. F. C	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81 Loan disbursements (less repayments) 7, 853, 533. 95 Checks held by agents—loans in process of closing 1,000. 00 Notes receivable 50. 00 Advances for care and preservation of collateral (less repayments) 1, 125. 99 Reimbursable expense 16, 924. 66
Federal National Mortgage Association: Statement of conditional soft the close of business Feb. 1, 1939	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81 Loan disbursements (less repayments) 7, 853, 533. 95 Checks held by agents—loans in process of closing 1, 000. 00 Notes receivable 50. 00 Advances for care and preservation of collateral (less repayments) 1, 125. 99 Reimbursable expense 26, 924. 66 Collateral purchased: \$19, 569, 00
Federal National Mortgage Association: Statement of conditional of the close of business Feb. 1, 1939 ASSETS	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81 Loan disbursements (less repayments) 7, 853, 533. 95 Checks held by agents—loans in process of closing 1, 000. 00 Notes receivable 50. 00 Advances for care and preservation of collateral (less repayments) 1, 125. 99 Reimbursable expense 26, 924. 66 Collateral purchased: \$26, 924. 66 Cost. \$19, 569. 00 Expense 1, 069. 54
Federal National Mortgage Association: Statement of conditional of the close of business Feb. 1, 1939 ASSETS	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81 Loan disbursements (less repayments) 7, 853, 533. 95 Checks held by agents—loans in process of closing 1, 000. 00 Notes receivable 50. 00 Advances for care and preservation of collateral (less repayments) 1, 125. 99 Reimbursable expense 26, 924. 66 Collateral purchased: \$19, 569. 00 Expense 1, 069. 54 Judgments (less repayments) 20, 638. 54 Judgments (less repayments) 1, 813. 30
Federal National Mortgage Association: Statement of conditional of the close of business Feb. 1, 1939	Cash on deposit with Reconstruction Finance Corporation 3, 124, 358. 81 Loan disbursements (less repayments) 7, 853, 533. 95 Checks held by agents—loans in process of closing 1, 000. 00 Notes receivable 50. 00 Advances for care and preservation of collateral (less repayments) 1, 125. 99 Reimbursable expense 26, 924. 66 Cost 50 Cost 1, 069. 54 Loan disbursements (less repayments) 26, 924. 66 Cost 1, 069. 54 Loan disbursements 1, 125. 99 Logonome Cost 20, 638. 54 Loan disbursements 20, 638. 64
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Come to Work

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 24, 1939

REVIEW OF BOOK WRITTEN BY VICTOR E. WILSON

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks I am pleased to include the following account of a challenging book recently written by one of my fellow citizens of southern California, Mr. Victor E. Wilson. Whether or not one fully agrees with Mr. Wilson, he certainly makes you think; and it will be difficult to refute his fundamental thesis.

COME TO WORK (By Victor E. Wilson)

A book that promises to become a national sensation is newly A DOOK that promises to become a national sensation is newly off the press in New York (House of Field, Inc.). It is entitled "Come to Work," and the author is Victor E. Wilson, a former railroad commissioner and legislator in Nebraska. Dr. Edwin F. Bowers says in the introduction that the treatise "is perhaps the most competent and adequate diagnosis that has yet been made relating to the economic and social ills of the world today."

The first part of the work is devoted to establishing the cause

relating to the economic and social ills of the world today."

The first part of the work is devoted to establishing the cause of depression. "It is obvious," says the writer, that this cause must be found "isolated, as the doctors say of disease. Otherwise, there can be no treatment of it." The professional economists say that this cause is a "mystery," that they are unable to determine the reason for the many break-downs in the industrial order. Yet here, apparently, in a study made by a layman, the cause of every depression in history is laid bare in convincing fashion.

fashion.

The author finds his answer to the problem in the fundamental nature of our system of private enterprise. He goes to the "grass roots" and shows that where goods and services are converted into money, in place of being bartered as in primitive times, all of the money must, in turn, be used to buy goods and services for the system to function successfully. Hoarding, or the withholding of incomes from the market in any considerable amount, for any reason, is bound to result in an unsold surplus and, hence, in

reason, is bound to result in an unsold surplus and, hence, in depression.

This is not a new discovery, says Mr. Wilson, and he quotes Adam Smith, Ricardo, John Stuart Mill, and nearly all of the earlier economists as recognizing this natural law of a division of labor economy, and as holding that the depressions of their time were due to failure to spend the whole of incomes in the market. Modern economists, however, lost sight of this law and during the last half century have been floundering about among surface symptoms in their search for the cause and with complete surface symptoms in their search for the cause and with complete

failure as they admit.

Facts are marshaled which support the law—facts as to every depression in the last 100 years. Beginning with the 1929 collapse he shows that from ten to eleven billion dollars of individual and corporate incomes were not spent for the articles of commerce in that year and lesser amounts annually back to 1923. Mr. Wilson says that had it not been for the large increases in bank loans and installment sales in the twenties the depression would have come

much earlier, and that the break came when those spending substitutes reached the saturation point. The idle money of the period was being speculated with largely in the stock market and in real estate, and over \$9,000,000,000 went into foreign loans and

in real estate, and over \$9,000,000,000 went into foreign loans and investments, over and above the balance of foreign trade in the country's favor, says the author.

Then follows a review of the business situation prior to the many previous depressions, beginning with the 1837 panic. Some of them were preceded by large advances in the price of iron and steel and other building costs, resulting in "strikes of capital" until prices came down. Others had to do with monetary and tariff troubles, and with war or fear of war, which led to the hoarding of incomes generally. Stock-market and real-estate booms were also in evidence prior to the crash in many cases, with their illegitimate use of incomes. use of incomes.

High authority is given for all statements of fact. As Dr. Bowers says, the work "bristles with carefully sifted evidence" and is "replete with informative material of the most impressive character."

REASON FOR NONSPENDING IN RECENT DEPRESSIONS

Mr. Wilson goes a step further before offering his remedy. says that there is only one reason for this nonspending in recent years, namely, the concentration of wealth and incomes in the hands of the few. The Brookings Institution of Washington, D. C., is his authority for the concentration in incomes—taken from a report of that body as to the cause of the present depression. He quotes President Moulton as saying in Income and Eco-

from a report of that body as to the cause of the present depression. He quotes President Moulton as saying in Income and Economic Progress that the way the national income "is distributed among the various groups which comprise our society lies at the root of our difficulties. * * The rich (prior to the depression) received incomes too large for consumption and the Nation did not need all these excess incomes for new capital. * * In 1929 as much as 25 percent of the national income (went) to 1 percent of the people."

Also, from the Brookings report, that total savings in the Nation in 1929 amounted to between fifteen and sixteen billions dollars, of which persons and families with incomes over \$10,000 numbering 747,000, and corporations, failed to spend over fourteen billions of their incomes, and that the remainder of the people saved from one to two billion dollars only. Further, that only about \$5,000,000,000 of these savings were used to buy goods and labor—by way of loans and investments used in that manner, and it was the failure to use the whole savings that brought on the depression.

As to the concentration in wealth, the author shows by other good authority that approximately 3 percent of the people of adult age, in 1929, owned 71 percent of all wealth in the country, and still higher percentages with the coming and progress of the depression. This is an appalling situation, says Mr. Wilson, and presages revolution and the downfall of the present system unless remedied in some manner.

Looking still further, the author shows that the main sources of

some manner

Looking still further, the author shows that the main sources of these high incomes and savings is our monopolies, both natural and artificial, and that their profits in normal times range from 10 to as high as 40 percent on their capitalizations. Specific instances are given of such profits. Another of these "golden geese" is city real estate, the ownership of which is highly centralized. And still another is our interest-paying public debt.

MR. WILSON'S REMEDY

The author's first line of attack is monopoly profits, and he takes as his measure of what should be permitted "the lowest possible figure required to secure the services of capital." That figure is given as the Government's credit rating—the interest it pays on its given as the Government's credit rating—the interest it pays on its bonds—and he proposes that the Government guarantee that rate of profit to our monopolies, based on the value of their necessary facilities. He argues that this would enable the public utilities and large manufacturing and mining concerns, which comprise these monopolies, to secure the additional capital required from time to time at a cost of from 2 to 2½ percent per annum—the amount of the viarranty.

Then, sensing that concerns under the guaranty might lie back in the cellar and depend on the Government for any deficit in the guaranteed profit, Mr. Wilson proposes an additional profit of 1 to 1½ percent, if earned. All profits above the combined rate to go to the Government.

Mr. Wilson also shows that profits above the combined rate to

Mr. Wilson also shows that practically all of our basic commodities in consumable form are controlled by monopolies, and he argues that obviously under the high earning power of monopoly the guaranty would not cost the Government anything except administrative expenses, and that the resulting reduction in the incomes of the rich would be enormous.

In addition, he maintains that concerns thus protected as to In addition, he maintains that concerns thus protected as to profit would doubtless be willing to operate their plants to capacity, and thus put everybody at work. Also, that with profits greatly reduced, either wages would rise or prices would fall, and labor could buy its proper share of the output. There would be no object in maintaining the present high earning power of monopoly, with surplus profits going to the Government.

The author's next line of attack is the high profits of chain and department stores, which he says are about the same as with the monopolies. He shows that they arise out of the extra discounts and bonuses demanded and received by big buyers, and he would cure this evil, first, by separating production from discounts.

he would cure this evil, first, by separating production from distribution, and, secondly, by requiring producers to sell at the

same price to everybody regardless of the quantity purchased. The independent merchant would then come back in large force, says the author, and the resulting competition would not only greatly reduce the volume of profit in this field but would distribute it widely, thus operating to bring it into the market.

As to the excess incomes derived from Government securities

As to the excess incomes derived from Government securities and city real estate, Mr. Wilson recommends that the income tax be adjusted so as to absorb unspent surpluses whatever the source. He says that Government revenues of all kinds are spent rather quickly except payments on the public debt to people already burdened with large incomes.

The author goes even further with the idea of a Government guaranty of profit. He shows the practicability of its application to agriculture. The additional profit would have to be larger than with the monopolies, he says, in order to secure a proper measure of efficiency and management, but the administrative details would amount merely to an extension of the work of the

ADDITIONAL FEATURES

Mr. Wilson's plan has several additional features, chief of which are liberal old-age and disability pensions, and child benefits, to encourage general spending and the gradual nationalization of all natural resources by confining future sales to the Government. This to prevent the dumping of incomes into idle investments of this nature, and to forestall future accumulations of large fortunes through increases in value. Land thus acquired, which would not include improvements, to be leased to users in the customary manner, with the rental going to the Government. He uses the term "national dividend" in preference to "pensions" and "benefits," arguing that, as a matter of right, the people as a whole have a substantial equity in our highly mechanized system of production, since it is largely the result of the labor of previous generations.

generations.

The remaining items of the plan arise out of the loss of revenue to the States resulting from the proposed land nationalization. Mr. Wilson would offset this loss by transferring the support of the public schools, and the enforcement of felony laws, to the Federal Government. He says these changes are decidedly in the public interest of themselves. One chapter is devoted to showing the constitutionality of the plan, and insofar as the Government guarantee of profit is concerned, the author says that it is merely an improvement and extension of the principles of railroad and public-utility regulation.

ANDREW G. BRICE.

A Permanent Public Works Administration

EXTENSION OF REMARKS

HON. ELMER J. RYAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 24, 1939

Mr. RYAN. Mr. Speaker, today from our constituents on every side, each of us is receiving demands for the stabilization and coordination of the gains we have made in the past 6 years. We here have talked of giving business an increased opportunity to go ahead unmolested, and to see with certainty into the administration's program for the future.

To stabilize our gains we must look closely to those agencies of the Government which were created for an emergency period but which are now an integral part of the Nation's economic structure. I submit to this House that the Public Works Administration is and has been for 6 years a great stabilizing force in our fluctuating economic system. Theoretically and actually public works have proved to be the program which can level off the peaks and valleys of the economic cycle. In the P. W. A. region of which my State is a part—the fourth region, made up of Iowa, Minnesota, Missouri, Nebraska, North and South Dakota, Montana, and Wyoming—the strengthening effects of these public-works programs have been noticeably felt. Although this region is primarily an agricultural area, such important industries as brick and tile, cement, steel, coal mining, transportation, woodworking, stone cutting, and equipment manufacturing have increased their production to meet demands for materials for P. W. A. projects. And, of course, increasing the purchasing power of industrial workers, and spreading employment automatically speeds up the demand for the farmers' products. We see, therefore, that the public-works program has its telling good effects in the heart of the Corn and Wheat Belt as well as in the Nation's industrial centers.

Smoothly and quietly this agency has gone forward with With no major scandals and scant its appointed task. criticism, it has revived the heavy industries. I need not recall to your minds how the P. W. A. program literally lifted industry out of the 1937 recession. Reliable graphs and indices show clearly that the P. W. A. program gradually and firmly resuscitated our major industries after the depths of 1932 up to 1937; how industrial production hurtled downward simultaneously with the let-up of P. W. A. construction in the summer and fall of 1937. Now, once again, we see industry slowly regaining its feet as the 1938 public works get under way. All industrial and commodity production have followed closely the life-giving progress of the public-works program. Every business and every community has gained new strength and new hope from this lift that business needed. Manpower unused is manpower lost forever. The maintenance of industrial production means the conservation of human energy, the preservation of morale, and the framework of national security. The Public Works Administration has shown itself capable of controlling, on a Nation-wide scale, the fluctuations in production.

To successfully cope with the ebb and flow of economic tides, any governmental agency must be well-organized, flexible, and capable of great speed as it goes into action. During the past 6 years the Public Works Administration has conclusively demonstrated that it has competent personnel and an experienced organization which, with the backlog of applications that have been examined and are ready to go in time of emergency, can put a program of public works into full swing without loss of time or effort. We here in Washington know this, and the people in my part of the country have seen it work. For example, I want to quote from a newspaper which shows clearly the opinion of those who have watched with particular interest our establishment of national-recovery agencies. The Virginia (Minn.) Enterprise said, in part, on August 9, 1938:

On July 23 the city council's application was submitted to the P. W. A. regional office in Omaha, and received almost immediate approval. On July 27 the application was forwarded to Washington, D. C., and on August 6 the final approval was gained. In a week the City Council of International Falls will be advertising for bids. If this is a sample of the manner in which P. W. A. now functions, it must be agreed that there is very little red tape involved.

Gentlemen, it is only this immediate response of the central government to needs of far-flung communities which can hold together a democracy such as ours. The Federal Government must be alive to the wants of the smallest and most isolated group of citizens. Fortunately in these past 6 years the great public-works organization has had its finger on the pulse of the Nation, as this case in point will show. Out in South Dakota last summer a tornado struck a sparsely settled section of the State and totally destroyed a small township school. On July 16 the school board of that little rural school applied for a grant that would aid them replace their ravaged educational facilities in time for the opening of the fall semester. On the 21st the application had cleared the Omaha regional office, on the 23d the Washington office approved the application, a week later the allotment was made, and in just 5 days the P. W. A. had offered a grant to that small country-school board. In other words, just 19 days elapsed between the application date and the offer from the P. W. A. That kind of action proves the presence of an alert organization, experience, and flexibility.

Last June President Roosevelt signed the act creating a 1938 public-works program. The Congress set dead lines for applications, beginning construction, and completion which were almost unreasonable. And yet the Public Works Administration successfully met all three of those dead lines, and on January 1 had 7,853 projects costing \$1,574,769,686 in construction. In the fourth region 2,613 projects costing an estimated \$407,038,013 have been or are being built with

P. W. A. aid. These projects have been much-needed and fully appreciated schools, college buildings, streets, highways, bridges, hospitals, waterworks, sewer systems, light and power projects, and many other structures that contribute to the health, morale, and education of our people in the Middle West. The celerity with which the present program went into action was possible because of the reservoir of accumulated applications which were already examined and approved. With a continuous backlog of worth-while applications on hand, the P. W. A. can plan a sound program for the future, a program which can go into high gear at a day's notice, placing immediate profits and extended credit in the hands of producers, manufacturers, transporters, and contractors.

As this House analyzes plans for establishing a fundamental economic structure, our criteria must be: Will results of the proposed plan be material, productive, and permanent? Building schools for our children, developing health and recreational facilities for our people, constructing roads-of vital importance in rural areas-increasing power production and adding substantial and efficient public buildings to community assets, compose the plan which meets every test of a sane national economic program. Our people back home, also, are aware of the value of the P. W. A. program which is attaining material, productive, and permanent results. I have here a letter which will interest you because it was voluntarily written by a representative school superintendent. Mr. L. S. Graves, superintendent of the Morton, Minn., schools wrote to the regional P. W. A. office in Omaha:

As a schoolman I believe that the foundation of every community is formulated in the schools, the homes, and the churches of the community, and that from the school, the homes, the business enterprises, and the welfare of the whole Nation have their beginnings. I also believe that assisting of communities to build better school buildings is one of the finest and best projects of the Public Works Administration. In our case we would not have been able to finance a building program equal to our needs without help. As it is we have a fine plant that should be adequate for a numbers of years. * * * I hope that P. W. A. may continue to help communities get more adequate schools.

And do not let anyone tell you that communities in the Middle West do not want these projects, or that they do not need them. The press recognizes these interests of the people as the Des Moines (Iowa) Tribune, of January 18, 1939, stated in its lead editorial, which read, in part:

Iowa's share in this program represents a widely diversified and a geographically well-distributed range of projects, so genuinely wanted by the Iowa communities that they were willing to assess themselves for 55 percent of the total cost.

The Public Works Administration is providing these critically needed projects and has reestablished the Nation's business structure along purely American lines. Even those who are the most bitter critics of the administration and almost the entire New Deal program, wholeheartedly support this business-like Federal agency. A splendid example of this hearty approbation comes from Mayor Charles A. Shaw, a typical Republican mayor, of Clayton, Mo., a typical Republican town. Mr. Shaw was quoted in the Maplewood (Mo.) Observer of July 28, 1938, to this effect:

I make this appeal in no sense as a New Dealer. I was born a Republican; I have lived a Republican, and I expect to die a Republican. I do not subscribe to the political philosophy of the W. P. A., but the P. W. A. is vastly different. P. W. A. funds are judiciously spent, and there are no politics in any of its operations * * * I have heard, from round about sources, that some tions " I have heard, from round about sources, that some court house people have promised jobs in return for votes and support for the bond issue. I want you to say that Charles Shaw says that is a damnable lie Nobody can give jobs on a P. W. A. project. If reconstruction of the courthouse was being planned, and it was being handled by W. P. A., then jobs could be promised, and contractors could be favored, but anything like that is wholly and utterly impossible under the P. W. A.

That is a good example of how those who, to say the least, are nonpartisan in their attitude toward the administration's recovery program feel about the Public Works Administration.

I submit to this House that the present Public Works program is the American way to combat depressions and recessions. Local governments are given the opportunity to initiate a partnership with the Federal Government for the construction of earnestly desired public works in their communities. The fact that they must bear the larger share of the cost assures that they build only those facilities which they need. Once requested and approved, the work gets under way with practically no so-called governmental redtape and delay. All jobs are carried out in the normal progress of the owner-contractor relationship with which American business is at home and in harmonious agreement. Through scientific planning there is the guarantee of national security, only possible with this kind of a public-works program. And finally, American workmen are given honest work, on honest jobs of which they can be proud, and they get honest wages for an honest day's work. That is all any American workman asks of his Government.

This highly successful national agency has, down through the past 6 years, done the job with which it was charged. Today the Public Works Administration is better equipped and better manned than ever before to carry on as the balance wheel of the Nation's economic machinery.

War-Overproduction-Unemployment

EXTENSION OF REMARKS

HON, JAMES E. VAN ZANDT OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

EDITORIAL FROM THE IRON AGE OF MARCH 16, 1939

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Iron Age of March 16, 1939:

> [From the Iron Age of March 16, 1939] WAR—OVERPRODUCTION—UNEMPLOYMENT

Following along the lines of thought expressed last week on this page, namely, that invention and improvement are not to blame for present unemployment, let's think about what war—and the preparation for war—does to a nation's industry. First, it develops

an unnatural and abnormal expansion of productive capacity.

Those of you who are old enough to remember what went on in 1917 and 1918 may remember the mushroom growth of plants,

in 1917 and 1918 may remember the mushroom growth of plants, financed by Uncle Sam, that occurred during this period.

What happened to these plants after the war? What happened to the new machinery with which they were equipped? Were the plants burned down and the machinery thrown on the scrap pile? No, indeed. Uncle Sam, with characteristic liberality, sold these buildings and their equipment to private industry.

And private industry, no longer facing a market and a demand for war material, turned these plants over to the production of preacetime products.

peacetime products.

There was plenty of labor then to man these plants. To man and to woman them. For you may also remember how, to make up for the boys who went abroad to fight for democracy, we combed the Nation for able-bodied housewives who were willing to swap aprons for overalls in return for \$6 a day.

And so what happened? Just this. Whereas under normal conditions industrial plant capacity and the number of people engaged in industry increase in accordance with the normal increase in consuming power of the Nation, the abnormal demands of war and armament production induced a sudden and unwar-ranted jump in both that normally might have been justified 10 years later.

And again, what happened? Spurred by the false impetus of huge Government spending, we entered the golden 1920's 10 years too big for our breeches. The golden era when half of the servant girls in America had a credit balance at some stockbroker's office. The silk-shirt, crap-shooting era with two cars in every garage and two chickens in every pot.

Then came the deluge. And now we hear people say that invention and improvement are to blame for it.

When a man climbs to the top of a 20-story building and then jumps off, you can hardly blame the architect or the builder.

A product—almost any product—can be used constructively or destructively. Should we condemn the chemical industry, which produces so many remedies to save and lengthen life, for the relatively few cases of accidental or intentional poisoning which take place?

So it is with the machine and mechanization. In view of what these have done for this country, should we condemn them be-cause of mistaken judgment in their use?

Senator Taft on Ballyhoo

EXTENSION OF REMARKS

HON. W. O. BURGIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

ARTICLE BY WALTER LIPPMANN

Mr. BURGIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Walter Lippmann, which appeared in the Washington Post of Saturday last:

> TODAY AND TOMORROW-SENATOR TAFT ON BALLYHOO (By Walter Lippmann)

According to Senator Taft the concern shown by the President

According to Senator Taff the concern shown by the President over the danger of a world war is "ballyhoo" to divert the attention of the people from the failures of the New Deal. The Senator, who is a leading candidate for the Republican nomination, made this charge at an official dinner of his party. It is really a very serious accusation. Made by a Senator with Mr. Taff's responsibility, it is just about the most serious accusation that it would be possible to make at this time.

If it is true that the President of the United States is playing politics with the question of war and peace, if he is inventing, imagining, or exaggerating the seriousness of the danger, then he is guilty of an unpardonable thing. If Mr. Taff is right that the danger is just ballyhoo, he ought to do something more about the situation than talk casually about it at a partisan dinner. He ought to produce the evidence which causes him to say what he is saying. He will have a receptive audience. Anyone who he is saying. He will have a receptive audience. Anyone who can prove, or even make a good case, that there is no need to take very seriously what seems to be happening abroad will help millions to sleep better at night.

PRESIDENT'S OFFICE DESERVES RESPECT

But if Mr. TAFT cannot do that, then he should consider whether it is fitting for a Senator of the United States to impugn the honor

It is fitting for a Senator of the United States to impugn the honor and to seek to destroy the influence of the President of the United States. There is a respect due to the office of the President, and a proper respect for that office requires that an accusation like Mr. Taft's should not be made unless it can be su'stantiated.

Mr. Taft might, perhaps, occupy the office of President some day. If he does, he will expect his political opponents to measure their words when they are talking about issues that are of vital concern to the Nation as a whole. He will expect his opponents to assume, however much they differ with him on specific measures, that he will not prostitute the office of President.

For he will realize that if the people cannot rely upon the good

that he will not prostitute the office of President.

For he will realize that if the people cannot rely upon the good faith of the President, even when they disagree with his policies, orderly government becomes impossible. Mr. Taft must know that. He must know that if everyone in public life is going to go about casually accusing everyone else of acting on the basest motive, then public discussion will become sheer bedlam. If a man whose father has been President and Chief Justice, who is himself a Senator, is to set an example of this sort, to what level will political debate be dragged by men who have had none of Mr. Taft's opportunities for learning the rules of fair debate?

ROOSEVELT NOT ALONE IN FEARS OF WAR

On the merits of the question of how great is the danger which is threatening there is, of course, ground for legitimate difference of opinion. It is arguable that the world war will not take place. It is arguable that, if it does, it will not have vital consequences for the United States. But Mr. Taft cannot argue that the President and Mr. Hull and his other advisers stand alone in thinking that there may be a world war, and that it would affect greatly the United States. Too many people who are not new dealers share this opinion to justify Mr. Taft in saying that the danger is being bally-hooed to cover up the failure of the New Deal.

If the danger is not a real one, what on earth are we to make, for example, of the whole behavior of Mr. Chamberlain? Are we to suppose that all this feverish arming in Great Britain, this intense diplomatic activity, these movements of fleets and mobilization of armies are all imaginary or are not to be taken very seriously? If the danger is not real, if the condition of the outer world is something that we can complacently disregard, why did the Congress of the United States, with almost no dissent, vote our own great armament program?

armament program?

Is it all ballyhoo? Is everyone mad? Is everyone having a hallucination? Does Mr. Taff have any knowledge not now available to almost all the rest of mankind which enables him to suggest so confidently that the whole situation is a manufactured scare?

Rehabilitation of Great Lakes Cut-Over Area

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

CONCURRENT RESOLUTION BY LEGISLATURE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution recently adopted by the Legislature of the State of Minnesota:

Concurrent resolution memorializing the President and the Congress of the United States to enact legislation to rehabilitate the Great Lakes cut-over area

Whereas the problems of unemployment and relief in Minnesota

are especially acute in the sparsely settled areas of the north central and northeastern portions of the State, where the forests were formerly the great natural resource; and Whereas the economic situation of this region has steadily become less favorable since the lumber industry passed its peak early in the century, culminating with the depression years since 1929; and

Whereas the relief measures undertaken during this depression period, though timely and effective for relief, are not designed to achieve substantial and permanent rehabilitation of the region, which will make it self-supporting to the same degree as other portions of the State; and

Whereas such rehabilitation is in the interest of the Nation as

a whole, as well as the State and the region itself; and
Whereas the President of the United States, through the National Resources Committee, has directed that an "economic survey

flonal Resources Committee, has directed that an "economic survey for the Great Lakes cut-over area" be made, such area consisting of large areas in the northern portions of the States of Michigan, Wisconsin, as well as Minnesota; and

Whereas, through such direction, the Northern Great Lakes Regional Committee of Sixteen has been set up, consisting of four members from each State and four Federal representatives, and such committee has been working diligently for 8 months in making plans for the rehabilitation of the region, in collaboration with more than a hundred associates selected for their special knowledge. more than a hundred associates selected for their special knowledge of conditions in the region, such associates being in part scientists connected with the universities of the three States, in part Federal, State, and local officials, and in part leading citizens from the three States; and

three States; and

Whereas the report of the Northern Lakes States Regional Committee, outlining a plan for such rehabilitation, which is nearing completion and about to be published and issued by the National Resources Committee, recommends a program for rehabilitation based on the encouragement of agriculture in the region through aids and measures which will tend to stimulate individual self-help and initiative, the restoration of the original great forest resource both for its own sake and as a means of providing useful employment within the region during the period of rehabilitation, the more extensive development of the recreational possibilities, and the utilization of all industrial opportunities; and

Whereas it appears that such a program embodies the considered opinion of those who have been most intimately concerned with the problems of the region with many years of experience, and is capable of making progress toward the complete rehabilitation which is necessary, and will be effective if persevered in; and

whereas the report recommending such a program is the direct result of the expressed direction of the President of the United States; Now, therefore, be it

Resolved by the Senate of Minnesota (the house of representatives concurring), That this Legislature of Minnesota memorialize the President and Congress of the United States to take cognizance of the report of the Northern Lakes States Regional Comzance of the report of the Northern Lakes States Regional Committee, and to enact such legislation supported by adequate financial provisions as may be necessary to aid the State and local governments and the people of the region in rehabilitating the Great Lakes cut-over area; be it further Resolved, That attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, to each Member in Congress from the States of Michigan, Wisconsin, and Minnesota, to the Governors of such States, and to each House of the Legislatures of Michigan and Wisconsin.

The Past and Future of the Catholic Hospital in the Growing Health Service of the Pacific North-

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

ADDRESS BY MOST REV. EDWIN V. O'HARA, D. D., BISHOP OF GREAT FALLS

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I include herein a notable address by a great Roman Catholic Church leader on the subject of Catholic contributions to hospitalization and public health in the Pacific Northwest. The address, in my judgment, is worthy of widespread distribution and careful scrutiny by all thoughtful citizens.

It is as follows:

Certainly an ample topic! Since Mother Joseph and her intrepid companions arrived in the Northwest on December 8, 1856, and 2 years later fitted up as a hospital at Vancouver, Wash., a log cabin 16 by 20 feet in size, no decade has passed without witnessing the 16 by 20 feet in size, no decade has passed without witnessing the amazing growth and extension of hospital service under the direction of the devoted sisterhoods. In the pioneer settlements, the Sisters took care of the sick, not only in their own institutions but it was no unusual thing to see them visiting the sick poor in their homes. The health needs of the entire community were provided for, but the poorer and less fortunate could always depend upon the special solicitude of the Sisters.

The care of the indigent—before the expression "medically indigent" had been coined—of the aged, of the chronic sick, of surviced and medical cases of the accident case before and since

surgical and medical cases, of the accident case before and since its multiplication and by the advent of the automobile, maternity hospitalization, provision for babes deprived of their parents, kindly hospitalization, provision for babes deprived of their parents, kindly responsibility for the health of the native Indian population, cooperation with the growing industries—logging and sawmills—in the care of their men and of their employees' families, a large sharing in the health problems of the growing towns and cities, making available laboratories for health offices, providing both hospitalization and nursing facilities in times of epidemics, establishing bread lines at the hospital door when unemployment deprived multitudes of the means of support, these are a few of the services rendered to the public by the early Sisters' hospitals. Nor should there be forgotten their share in the growth of orthopedic hospitalization, of clinics, out-patient departments, and hospital social service. social service.

Other services, however, though indirect, were not less real. There is no responsible physician who is not willing to admit the debt which the medical profession of the Northwest owe to the Sisters' hospitals, by making provision for medication and surgery which would otherwise have been impossible in the days before which would otherwise have been impossible in the days before the governmental agencies began to pour their funds into such services. Nor was the Sisters' hospital less serviceable in furnishing nurses; the Sisters themselves and the hundreds of young women trained in their nursing schools. The Sisters' hospitals have been identified with the growing provision for health care in the North-west during the past 80 years. Their records are woven into every stage of its development. For a long period in great sections of the Northwest, they were exclusively responsible for the health care and in every decade the Sisters' hospital has cooperated with every agency of government in promoting public health and has played

agency of government in promoting public health and has played a major part in that development of program.

For the future. We are passing through a time of profound reorganization of health service due to the vastly enlarged participation of Government funds in provision for public health. There are some who see in this development the end of private initiative, are some who see in this development the end of private initiative, the swallowing up of all private social institutions by mammoth superagencies set up by the city, State, and Federal Government. That such a view is entirely unwarranted may be seen from many considerations. First of all the President of the United States has had the clearness of vision to point out that no such eventuality is either desirable or practicable.

In his address on Mobilization for Human Needs, President Roosevelt observes: "There are some persons who say that the need for voluntary private agencies has decreased. They say that the Government—Federal, State, and local—has moved in and taken over part of the jurisdiction of the private agencies. Such persons talk as if the scope of voluntary action and of mutual aid

over part of the jurisdiction of the private agencies. Such persons talk as if the scope of voluntary action and of mutual aid had been limited, or even eliminated.

"Private community effort is not contradictory in principle to Government effort, whether local, State, or National. All of these are needed to make up the partnership upon which our Nation is founded. The scope of voluntary action cannot be limited be-cause the very desire to help the less fortunate is a basic and spontaneous human urge that knows no boundary lines. It is an urge that advances civilization. I like to think it is a national characteristic." characteristic.

That is, indeed, a statesmanlike pronouncement.

That is, indeed, a statesmanlike pronouncement.

The most important statement on this subject in the face of the new emergence of public agencies in the health field, is the memorandum handed on November 21, 1938, to the Federal Interdepartmental Committee to Coordinate Health and Welfare Activities by a joint representation of the American Hospital Association, the Protestant Hospital Association, and the Catholic Hospital Association. The emphasis in this document is not a demand for governmental subsidies, but an expressed desire on the part of the private hospitals to be allowed to continue in the care of the poor. They ask not to be prevented by governmental action from continuing their participation, which has resulted in the present excellent standard of public health in this country. The private hospitals demand recognition of their right to care for the poor and indigent as an act of Christian charity. Catholic hospitals are not merely business institutions. The Sisterhoods have been created to care for the poor and underprivileged. It is by fidelity to this basic responsibility that vocations to the religious life are fostered and the spirit of self-sacrifice and Christian charity is kept alive. tivities by a joint representation of the American Hospital Associakept alive.

kept alive.

It was pointed out that for many decades the responsibilities for safeguarding the public health was maintained by private hospitals without any governmental aid at all. Consequently, the wise program for the future is "to alter to the least possible extent the existing plan of cooperative understanding between public and private agencies."

Certainly there should be no intrusion of governmental agencies into work which private agencies are perform more effectively.

Certainly there should be no intrusion of governmental agencies into work which private agencies can perform more effectively. We welcome the increased interest of the Federal Government in the health problems of the Nation, and we are anxious that this interest "should stimulate insight into the proper relations between private and public health agencies."

We look with favor on the enlargement of grants under the Social Security Act for the care of the sick unemployed, child welfare, maternity welfare, and the care of crippled children. In regard to the extension of public-health services, however, as for example in the erection of new hospitals, such action should only regard to the extension of public-health services, however, as for example in the erection of new hospitals, such action should only be taken after a survey of the local need has been conducted and recommendations made, based on such a survey. It is absurd to build hospitals where there is no prospect of having either medical or nursing professional facilities adequately provided. Political considerations have often dictated the erection of governmental institutions "which, once they have been erected, have not only consumed enormous sums in their operation but also have tended toward weekening the effective constitution of existing institutions" toward weakening the effective operation of existing institutions." It must also be remembered that in the development of outpatient departments and clinics, vast progress has been made by private agencies which should not be destroyed but should be aided to make further development possible. To destroy these agencies by governmental competition would be to throw an unwarranted burden on Government finances, since large funds have already been invested by these institutions in the service of public beautiful.

The care of the indigent is, indeed, a responsibility of society, but society is something far wider than the State and it includes all private philanthropic associations. It is only when these varied social agencies are unable to care for the poor that the State has an obligation to intervene. The statement of the three great hospital associations to which we have referred, devotes a pregnant paragraph to this subject. They say, "We should like to emphasize the development of cooperative plans by the public and private agencies. * * If the cooperative plan is to be intensified, there may be an opportunity for the wise and profitable expenditure of public funds to remunerate in part the private institutions for the public service which they are rendering and able expenditure of public funds to remunerate in part the private institutions for the public service which they are rendering, and thus increase their effectiveness for the promotion of the public welfare. The allocation of tax support for these public services would stimulate the private institutions toward still greater efforts and would, we hope, place at the disposal of the medically indigent and the indigent facilities which the Government would undoubtedly find it extremely difficult to duplicate."

In the future care of public health, it may be expected that private institutions will be greatly helped by the extension of bosnital insurance plans which on a nonprofit and voluntary

hospital insurance plans which, on a nonprofit and voluntary basis, will provide prepayment for hospital care. These group plans which have already achieved success, will go far to provide for adequate hospitalization for the great body of the middle class

and wage earners.

We look back then upon a most creditable record of public service in the Pacific Northwest rendered by private hospitals during the past century of our growth. On the basis of that record and of the traditions of American cooperation between public and private agencies, we look forward with hope to an extension and an intensification of the labors of Catholic and of other private agencies in the great program for the improvement of the public health which lies ahead.

Practical Patriotism

EXTENSION OF REMARKS

HON. RENÉ L. DEROUEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

ADDRESS BY HON. ROBERT L. MOUTON, OF LOUISIANA

Mr. DEROUEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. ROBERT L. MOUTON, representing the Third Congressional District of Louisiana, before the members of the Constitution Chapter of the Daughters of the American Revolution, Washington, D. C., at their annual regents' luncheon held in the Garbo Room of the Shoreham Hotel, April 18, 1939:

Mme. Toastmaster, Worthy Regent, distinguished guests, members of the Constitution Chapter of the D. A. R., I am very happy to be here with you all, here today, for many reasons. As a Southerner, and a lonely bachelor, I am more than just duly a Southerner, and a lonely bachelor, I am more than just duly appreciative of feminine pulchritude, and especially so when it is massed in such a gorgeous, springtime array, as here now. You know, there is something about this spring finery that women wear, something in the lovely color effects and styles, that brings out, shall I say, the finer points of feminine loveliness, that causes a flutter in the heart of even a most hopeless, and most abandoned bachelor; and far be it from me to prove the exception.

I have always entertained a deep, abiding, and genuine admira-

doned bachelor; and far be it from me to prove the exception.

I have always entertained a deep, abiding, and genuine admiration for you women who comprise the Daughters of the American Revolution; you women who guard so jealously and vigilantly, and labor so diligently and conscientiously, to keep alive the sacred and hallowed traditions of our glorious Revolution. To me, your splendid organization will always symbolize the ne plus ultra, the ultimate in patriotism, because it is composed of sacred and hallowed traditions of our glorious Revolution. To me, your splendid organization will always symbolize the ne plus ultra, the ultimate in patriotism, because it is composed of unselfish women who are determined that all of the institutions of liberty and freedom wrought by the blood and sacrifice of our glorious forefathers will live eternally. I have applauded your efforts to stamp out the noxious isms that would substitute alien and undemocratic forms of government. I have noted with satisfaction that your body always has adopted a sane, common-sense, realistic attitude toward national preparedness against war, and has advocated consistently preparedness that will insure adequate security against aggression; and that, my friends, is more than can be said for some members of my own sex, who, apparently, still believe that in a national emergency an army of "pitchfork soldiers," organized overnight, could withstand an aggressor, as one of our statesmen once declared while on an emotional flight into the stratosphere of pacifist oratory.

There never was a time in the history of our great Nation more fraught with uncertainty; never a period in our national existence that called for more clear thinking or more courageous, resolute action. And there never was a greater need for organizations like the Daughters of the Revolution, and others whose efforts are

action. And there never was a greater need for organizations like the Daughters of the Revolution, and others whose efforts are directed toward unselfish patriotism. Events in Europe and Asia have progressed to the point where Old World institutions are hovering dangerously on the brink of chaos; where civilization itself faces what may mean oblivion. To those who regard the past with realism, to those who choose to view the existing situation honestly and not through rose-colored glasses, it should be apparent faces what may mean oblivion. To those who regard the past with realism, to those who choose to view the existing situation honestly, and not through rose-colored glasses, it should be apparent that there will be no peace, there will be no security, there will be no brotherhood among nations, so long as international banditry is on the loose, so long as the stronger nations are allowed to throttle the weaker ones, and so long as might is permitted to gain the ascendancy over right. This is the era of international terror. Selfish men, drunk with power, have erected military frankensteins, they can no longer control. Conquest, pillage, rape, and plunder are the rule. Humanitarianism, honor, chivalry, and decency the exception. Time and space have been overcome and made to serve the purpose of the militarists. The war of today, though several thousand miles removed, may be curs of tomorrow. Bombing planes that shower death and destruction in Europe and China can well duplicate the inhuman slaughter within our territory. No boundaries are secure against madmen who thirst for power and glory; no nation is secure against madmen who thirst for power and glory; no nation is secure against leaders who respect neither pledges, treaties, nor international law. And if any here present have any doubt, consider the fate of Manchuria, of Ethiopia, of Austria, of Czechoslovakia, of Memel, and now of poor little Albania.

Most of you ladies are familiar with what has been transpiring in Latin America. All of you know, I am sure, that German, Italian, and Japanese agents are swarming the gospel of totali-

Italian, and Japanese agents are swarming the gospel of totali-

tarianism, fomenting dissatisfaction and distrust against the United States, and trying, by fair means and foul (mostly foul) to ruin our profitable export markets there. Agents of the totalitarian powers have expended millions of dollars in Latin America propaganda, in gifts of munitions, in staffing universities with their own professors, in lecture tours, and in vast radio projects. South America is a vast storehouse of treasures; rich in fertile lands, in mineral wealth, and colony sites, it holds forth the very things, the raw materials, they need desperately. And though the Latin-American republics have resisted valiantly this

the very things, the raw materials, they need desperately. And though the Latin-American republics have resisted valiantly this political propaganda campaign, tremendous inroads have been made. The Nazis have virtual colonies that well dominate two of the most fertile states in Brazil; the Japanese have large agricultural holdings in the rich Amazon Valley and are leading cotton producers; and the Italians, not only in Brazil, but in the Argentine, in Peru, and elsewhere, have enrolled millions in their "Latin Cultural League." And now, with Spain their ally—Spain, the mother country of all the Latin-American republics—their prestige and power is bound to be enhanced.

The campaign for Latin America—a campaign that, if successful, will bring bombing bases virtually to our borders' edge—the campaign for Latin America now is limited to political maneuvering and propaganda. What will it be if the totalitarian powers become masters of Europe and Asia? What form will it take when they no longer have to consider formidable democracies like France and England? Isn't the answer obvious? German, Italian, and, perhaps, Japanese minorities in the various Latin-American countries will complain of oppression, just as they did in Austria, in the Sudetenland, in Memel, and are doing now in Danzig. And the mother countries will take a hand, will supply munitions at first, and then large bombing planes, and planes that will find bases a few hours' distance from the Panama Canal, even from our eastern and western seaboard cities. And if we are not prepared, and have an umbrella man, there may, Heaven forbid, be an American Munich, with all of the gall, all of the humiliation, and all of the shame that went with the original tragedy enacted in that quaint German city. And if such a horrible event were to come to pass, if the American people were caught unprepared, and were credulous enough to adopt the defensive tactics of the ostrich, as advocated by some of our leading pacifists, who right now are appearing under other colors a of our leading pacifists, who right now are appearing under other colors and other auspices, if the American people should follow these misguided prophets of appeasement or whatever it may be then, it will be interesting to hear the explanations of our present-day isolationists.

I am not an advocate of so-called entangling alliances; I believe in letting European and Asiatic nations wash their own very dirty linen. And I do not believe that another American expeditionary linen. And I do not believe that another American expeditionary force should be sent beyond our confines of the Western Hemisphere. But I do believe, and favor, open, avowed, and generous assistance to England and France, in the form only of planes, munitions, and war materials. And I advocate this for a practical reason. France and England are the only formidable barriers in the Old World. The effort they are now making is directed toward preparation for a job that will be ours if they fall. If the totalitarian powers destroy them, if they are reduced to vassalage, then will our own troubles begin; then will the real, the formidable effort against Latin America begin. And that effort my friends. effort against Latin America begin. And that effort, my friends, whether you choose to believe it or not, will involve the Monroe whether you choose to believe it or not, will involve the Monroe Doctrine, for that policy means today exactly what it meant at the time of its formulation. It is a warning to nations beyond the hemisphere to keep out, let us and our democratic neighbors live in peace, as democracies. And if an effort is made to acquire territory in the Western Hemisphere—in whatever guise or form, directly or indirectly—it means, so far as we are concerned, fight! Isn't it more prudent then, for a selfish reason if for none other, that we assist the nations in Europe that are girding for the task of stonying totalitarian powers before they can reach out to our of stopping totalitarian powers before they can reach out to our

of stopping totalitarian powers before they can reach out to our shores?

All of this adds up to the fact that we here in the hemisphere are not, by any means, immune to the totalitarian horror; that bombing planes have a way of shattering the smug complacency of peoples that luxuriate in the tragic assumption that their nation, because of what was once a protection—remoteness—will deter invasion, and that those nations that make up the totalitarian unholy alliance will heed solemn pledges.

It means, too, that you who are members of a great patriotic body, and others who are affiliated with like organizations, should make your convictions known in no uncertain language; should come out clearly for the national-defense program; and should see to it that the Congress should give to the people of that nation every form of defensive factor that will insure security from attack. Our Navy should be second to none in numbers and efficiency. Our armadas of the air should be large and powerful enough to make those who enforce their will on totalitarian peoples think several times before starting anything against us; our antiaircraft defense, our tanks, our machine guns, our motorized equipment—everything necessary to build up our national security—should be made available promptly and without diminution.

necessary to build up our national security—should be made available promptly and without diminution.

The language of the dictators is a language of guns and munitions, of planes and battleships. They understand no other when it comes to an emergency. Diplomacy to the totalitarians is just "talk" unless it has the backing of guns; they must be able to speak with assurance, to convey the inescapable impression that acts

most assuredly can be brought into the picture where words fail. The dictators by their own acts have transformed this age into one of force; and our only alternative, if they would have it that way, is to meet force with force—and a little extra to boot. If that is the manner in which the international game must be played, and if they have made the rules, let's prepare to give them all they desire of the game in their own way and under their own rules. And let's discourage this "Casper Milquetoast" policy of avoiding any inter-course with France and England, lest the bad, bad, totalitarians get mad at us and have Herr Goebels, their propagandist extraordinary,

mad at us and have Herr Goebels, their propagandist extraordinary, call us a lot of naughty names.

I should like to see initiated a vigorous program for the elimination of organizations that mask as American, but, in reality, are fronts for the most dangerous type of anti-American and anti-Democratic propaganda. Among these organizations are the various German bunds, the Communist organizations, and others. There are thousands of aliens here who have enjoyed the security and hospitality of these shores for years, without making the effort to become American citizens. It is my conviction and my sincere hope that your great body will sponsor and push legislation by the Congress requiring an alien, after 5 years of residence here, to become a citizen or take his departure. After all, this is America—a great democracy—offering to humans more, in the way of living, than any nation under the sun; freedom of speech, of asliving, than any nation under the sun; freedom of speech, of assembly, of worship, and other privileges and rights, long since throttled in the homeland of most of the aliens living here without citizenship. Why should these aliens be permitted to enjoy these privileges and still retain allegiance to their homeland? If American citizenship isn't good enough for them, then America is in the same category and they should be sent on their way with Godspeed for happiness in lands where it is "verboten" even to breathe God's air without permission.

And now, my dear ladies of the D. A. R., I wish you to know that it was a happy privilege to address you all here today; and that leaving you, brings to mind the French proverb, "De dire adieu, c'est de mourir—un petit pau." "To say farewell is to die—a little bit."

Spanish Embargo

EXTENSION OF REMARKS

HON, CHARLES A. PLUMLEY OF VERMONT

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

A MESSAGE FROM HOME TO A YOUNG REPORTER

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a short article on the Spanish embargo, written by Miss Betty Barton; in itself a comprehensive picture of the situation. Incidentally it might be suggested that the distinguished father of the young lady never said more in as few words than has his daughter in the following dramatically written exposure of the paradox which she so colorfully illustrates in words:

When President Roosevelt lifted the embargo on Spain the day

When President Roosevelt lifted the embargo on Spain the day after that war was over, I had to laugh. And my laughter was not happy or relieved laughter—it was sad and full of tears.

For I had known a young soldier in Spain, a young American who went to fight and did not return.

He was about 23. He was not very tall, but he was slim and his eyes looked steadily at you and he rarely spoke. He was a shy boy and no one really knew him for he never showed himself to anyone. He worked on a newspaper in New York for a while and then they sent him to their Paris office. He worked hard in Paris and covered small stories which didn't interest him much.

and then they sent him to their Paris office. He worked hard in Paris and covered small stories which didn't interest him much. He wanted to do something bigger.

When the war in Spain started he was only mildly interested in it. He thought, as everyone did, that it would soon be over and that it did not matter who won, anyway. Spain was always having wars. So when the paper he worked for sent him down to cover the Loyalist side of the Spanish war for them he went off with a newspaperman's curiosity—nothing more.

He walked through the trenches and the battle lines armed with his curiosity and a notebook. He watched the fighting and listened to the soldiers talk. And his curiosity slowly changed into the belief that these men were fighting the greatest battle that had ever been waged for civilization. They were stamping out fascism. They were crusading. And as he watched and listened some more this belief strengthened itself and the young man lay down the reporter's notebook and took up real arms this time to fight.

They tell tales of his heroism still. It seems impossible that any man can be a hero in a modern war, but here was one. Nothing could stop him now that he was convinced that his cause was right. He was fanatical in his untiring vigilance and desire to fight. He would not be stopped. He rarely slept. He ate little. And the men did not know him well, for he showed himself to no one.

But the war seemed to be drawing to a close and the Loyalists were losing. The volunteer brigade was called home. It was to be disbanded. The night before they were to go home there was a call for men to go out and locate an insurgent machine-gun nest. call for men to go out and locate an insurgent machine-gun nest. The young man was the first to volunteer, and with two other men he walked across "no man's land" toward the nest. When they almost reached it the young man stopped his companions and said he would go on alone, and the others consented, for they knew it was no use to try and stop him. They stood back and watched him advance slowly upon the nest. Then there was a sudden flash of flame and a great explosion. There was a cry torn from the throat of a man and all was still.

It took them a long time to convince us that he was dead. We

It took them a long time to convince us that he was dead.

It took them a long time to convince us that he was dead. We thought he might be a prisoner. We thought he might have been lost and not reported. We could not believe that he was dead. Then one night in a college auditorium many months later a young man gave a speech. He was a Spanish war veteran. And he spoke of the young reporter who had given his life in the war he thought was a big war, in the war which seemed great to him and yet was only a small one. And he told of his bravery. And after he was through a girl went back stage and talked to him. How well had he known the reporter? Very well. Was he sure he was dead? Yes; he was sure. Why? she asked, why?

Well, the veteran said, when it was safe we walked out to the place where it had happened and there could be no mistake about it. We saw it and we got a piece of the shell. You did? the girl said, and her eyes were bright with tears. Yes; we did. We picked up a fragment of it and we turned it over and on the side it was marked plainly there on the back "Pittsburgh, Pa." What a laugh that was. Right from his own country; made over here.

Right from his own country; made over here.

So the Spanish embargo made me laugh when I thought of this—

laugh until my eyes were wet.

Lard Under Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

Mr. REED of New York. Mr. Speaker, since lard has been one of the most important of our many farm exports it was logical to expect the State Department to ask for concessions on lard in negotiations under the Reciprocal Trade Agreements Act of 1934. In fact, concessions were made in the first three agreements-Cuba, Belgium, and Haiti. During 1936, 6 additional concessions were received, 1 more in 1937, and 1 in 1938. Thus we find that this country has received 11 concessions on lard through the trade agreements.

With these concessions it is apparent we should have had increases in exports, especially from the concession countries. However, our total exports of lard in 1937 were but 16.4 percent of the 1929 level, to concession countries but 12.1 percent, and to all other countries but 19.7 percent of the 1929 level. Exports of lard have decreased each year from 1929 through 1934, with the exception of the year 1933, due to the decreased volume of world trade from 1929 to 1932, to the continuous growth of trade barriers, and to the increases in domestic production in important importing countries. Exports dropped 77.6 percent between 1934 and 1935 due to the above causes-to the drought of 1934 and to the Roosevelt farm program.

However, in 1934 the first trade agreement granting the United States concessions on lard was made with Cuba. This agreement became effective in September 1934 and did not have a great deal of effect on our exports to Cuba in that year. Our exports to Cuba in 1935, the first year of the agreement, were less than in 1934. In both 1936 and 1937 there has been an increase over the previous year, but economic and social conditions have been much better in both of these years, too. The Cuban concession probably has been helpful in bringing about this increase, but in 10 con-

cessions, all of which have been effective during this period, surely one should be of some value. Since exports to countries other than Cuba have decreased throughout the period from 1929, and especially so after 1934 when the trade agreement became effective, it is evident that the trade agreements other than the Cuban have been of absolutely no value in

advancing this country's foreign trade in lard.

Business Recovery

EXTENSION OF REMARKS

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

Mr. MARTIN of Massachusetts. Mr. Speaker, 2 months now have passed since Secretary of Commerce Harry L. Hopkins in a speech at Des Moines announced to the country that the New Deal was ready to take positive steps toward a business appearement program to restore economic recovery. Assumed to be speaking for the Roosevelt administration, Mr. Hopkins' announcement aroused widespread enthusiasm and raised high hopes in all parts of the country and among adherents of all political faiths.

Since that speech, however, the only specific action taken by the administration to encourage recovery was the recommendation of the Secretary of the Treasury for cancelation

of the increased pay-roll taxes.

Correction of defects in the Social Security Act, however, is but one step in a necessary business recovery program. Other steps must be taken-and taken now-if a solid foundation is to be laid for business revival. The expected spring

improvement in business failed to materialize.

An increasing flood of mail to Congress from all parts of the country complains of conditions. Factory and shop workers write me they are footsore and weary seeking employment. Farmers tell me their condition is desperate. Young men and women, unable to get jobs, beg for a chance to make a start in life. All want to know why their Congress and their Government are doing nothing to restore normal conditions

The Roosevelt administration is torn by conflicting opinions of what should be done and is unable to act because of indecision. Therefore Congress must assume the lead in taking steps necessary to guide the country back to economic recovery and restore our millions of unemployed to jobs in

private industry at decent wages.

Republicans are ready to support all steps necessary to promote business revival and reemployment. We call on all Members of House and Senate to join with us in working earnestly and unceasingly to bring about the following

First. Keep the United States out of war.

Second. Move immediately to curb unnecessary, wasteful, and reckless spending.

Third. Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.

Fourth. Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.

Fifth. Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.

Sixth. Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end present paralyzing discord.

Seventh. Define specifically the area of Government competition with private enterprise so that business may be able to create jobs with some certainty as to the future.

Eighth. Restore American markets to the American farmer and wage earner and develop new markets for agricultural products.

Ninth. Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.

Tenth. Create a special committee of Congress to inquire into the effect of the reciprocal trade-agreement policy on American industry and agriculture.

Eleventh. Clarify Federal rules and regulations so industry and business may know what to expect.

Twelfth. Reject all experimental legislation not clearly helpful in promoting recovery, or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.

We are convinced that no progress can be made toward restoring this country to a sound and permanent prosperity until a program along these lines is adopted and put into

effect.

We are convinced if this program in its entirety is adopted by Congress and accepted by the President, our country will immediately take on new life and vigor and will presently begin again to enjoy economic stability and a higher standard of living. Panaceas and short-cut methods have been tried and found wanting. The time has come to go forward to fundamentally sound principles.

Words are not sufficient; action is imperative now!

War Debts and Coastal Islands

EXTENSION OF REMARKS

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

RESOLUTION OF GARRETT COCHRAN POST, NO. 1, AMERICAN LEGION

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by Garrett Cochran Post, No. 1, of the American Legion, Department of Pennsylvania:

Whereas the Government of the United States of America is contemplating large expenditures to provide an adequate national defense, the cost of which will impose an excessive burden of tax-

ation upon the citizens thereof; and

Whereas the Allied Powers, and especially Great Britain and France, during and after the World War borrowed large sums of money from the United States, which, since 1932, they have failed to pay, and which default approximates \$13,000,000,000 and repre-

to pay, and which default approximates \$13,000,000,000,000 and represents borrowings by the United States upon its bonds sold to and held by the citizens thereof; and

Whereas it is apparent that the Government of the United States, through taxation of its citizens, will ultimately be required to pay said bonds, not only because of the failure of said allies to pay their said war debts, but because it has become impracticable for them to do so through the ordinary and normal methods employed to settle international obligations, to wit, by money, goods, and/or services, and at the same time increase their own

employed to settle international obligations, to wit, by money, goods, and/or services, and at the same time increase their own armaments as they are now doing; and

Whereas said allies, especially Great Britain and France, are the owners of a number of islands off the eastern coast of the United States of America, namely, Bermuda, the Bahamas, Windward and Leeward Islands, Barbados, Trinidad, Tobago, Jamaica, Martinique, and others, together with British Honduras in Central

America; and

Whereas it would seem desirable for the United States to acquire the same as a total or partial liquidation of said war debts for the

following reasons:

1. In order to salvage something on account, or in full payment, of said indebtedness due to the United States from Great Britain and France; 2. In order to extend the eastern outposts of the United States

beyond its shores on the Atlantic Ocean.

3. In order to secure better control of and protection for its Atlantic coast line and to control the Gulf of Mexico and the Caribbean Sea, thereby providing additional protection for the Panana Canal, better enabling the United States to enforce the Monroe Doctrine;

4. In order to reduce thereby the number of ships necssary for such coastal protection and first line of defense for its eastern shores, which should result in a substantial saving to the taxpayers of the United States; and

Whereas believing the acquisition of said islands by the United States to be vitally necessary and essential for the reasons hereinbefore set forth, it is hereby

Resolved by Garrett Cochran Post, No. 1, the American Legion, Department of Pennsylvania, at a regular meeting of its members held Tuesday, April 18, 1939, That the substance of the foregoing

preamble be, and it is hereby, recommended to the Federal Government as part of its present policy of national defense, and that said Federal Government, through its proper representatives, nesaid Federal Government, through its proper representatives, negotiate with said defaulting allies to the end that their said coastal islands and possessions be ceded to, and become vested in, the United States of America as full or partial payment of their said war debts; and that the Federal Government, if the same are so acquired, develop thereon the necessary naval, military, and air bases for the purpose not only of protecting our own eastern shores from foreign attack but, as well, to strengthen the ability of the United States to enforce the Monroe Doctrine; and it is further

it is further

it is further

Resolved, That in order that the foregoing preamble and resolution may be submitted to the Congress of the United States under the united sponsorship of this post, the department of Pennsylvania, and the national convention, a copy of said preamble and resolution be forwarded to the department of Pennsylvania for its approval, and if by said department approved, that it then be submitted to the national convention for its approval and submitted to the national convention for the States Convention of the Control of the States Convention of the States mission to the proper authorities of the United States Govern-ment for final action in accordance therewith; and that in the meant for final action in accordance therewith; and that in the meantime copies hereof be certified by the adjutant of this post and forwarded by the post solicitor to the national organization of the American Legion and the United States Senators from Pennsylvania, the Congressman from this district, and to United States Senators Borah and Pittman of the United States Senators Foreign Relations Committee.

Approved April 18, 1939.

RESOLUTIONS COMMITTEE OF GARRETT COCHRAN POST. No. 1. THE AMERICAN LEGION, DEPARTMENT OF PENNSYLVANIA, By CARL W. HERDIC, Chairman.

And now, April 18, 1939, the undersigned hereby certifies that the foregoing preamble and resolution were unanimously adopted by the members of Garrett Cochran Post, No. 1, at its regular monthly meeting duly called and held this day at its post home in the city of Williamsport, Lycoming County, Pa.

CHARLES E. MAHAFFIE, Adjutant.

Keep America Out of Foreign Wars

EXTENSION OF REMARKS

HON, HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, April 24, 1939

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK. APRIL 21, 1939

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio speech I delivered over the blue network of the National Broadcasting Co. on Friday evening, April 21, 1939:

America faces another international crisis. Are we drifting into another world war and toward a dictatorship of our own? The issue is so vital and urgent that it demands the serious and immediate consideration of all the American people regardless of party affiliations

The time to wage war on war is in time of peace. The time to wage war on war is in time of peace. If we do not speak out now, it will be too late after war is declared. I call on all American citizens to participate in a campaign to keep us out of all foreign wars, unless we are attacked. We are willing to spend billions for national defense but not a single dollar to send American soldiers to foreign lands to fight other people's battles or repeat the folly of trying to make the world safe for democracy. If we do, we will lose our own free institutions and come out a Fascist or Communist nation.

I call upon all would-be Republican and Democratic candidates for President in 1940 to make their position known, without evasion or reservation, on this issue of keeping out of foreign wars. The people have a right to know how every candidate stands on collective security, entangling alliances, military and naval pacts,

collective security, entangling alliances, military and naval pacts, armed intervention, secret diplomacy, war commitments, and delegating to the President discretionary war-making powers. delegating to the President discretionary war-making powers. There should be no compromise or quibbling on this greatest of issues, and the people should have an opportunity of a clear-cut referendum on this question in the general election in 1940, as they did on the League of Nations in 1920.

We know where the New Deal administration stands. It stands for internationalism, intervention, collective security, secret diplomacy, military alliances, and against our traditional American foreign policy of neutrality, nonintervention, peace, and no entangling alliances.

New Deal spokesmen, have stirred to the property of the property

New Deal spokesmen have stirred up war hysteria into a verit-ble frenzy. The New Deal propaganda machine is working overable frenzy.

time to prepare the minds of our people for war, and to send our youth to be killed on foreign battlefields.

What is behind this far reaching and continuous campaign of hate, emanating from New Deal sources, that discovers daily a new crisis? One word from the White House would stop the hysnew crisis? One word from the White House would stop the hysteria and talk of war; not only is there no such word but instead there is a steady flow of alarming and provocative statements that add fuel to the war flames. On April 11, President Roosevelt endorsed as his own views an editorial in the Washington Post that stated if war broke out in Europe our participation in it would be a "virtual necessity."

While I commend President Roosevelt for his belated peace move, and sincerely hope that it will have some effect toward averting war in Europe, I do not believe, being sponsored by the President, it will amount to more than a sensational and dramatic gesture. I am afraid that the President's references, and those of his Cabinet, to totalitarian states as vandal, gangster, and diseased

President, it will amount to more than a sensational and dramatic gesture. I am afraid that the President's references, and those of his Cabinet, to totalitarian states as vandal, gangster, and diseased nations precludes any acceptance of peace overtures from him. If he had not engaged in name calling and hymns of hate his plea to avert war would have stood a far better chance of success.

For the first time in our history our foreign policy has been based upon hatred, threats, and attacks on the forms of government and rulers of foreign nations. It is the most amazing departure from American traditions and has created war hysteria at home and hatred abroad.

Over 2 years ago I urged the President to call a peace and economic conference for the purpose of assuring foodstuff and raw materials for Germany and Italy with their growing population in order to head off another armed conflict. It is self-evident that both Germany and Italy must have an assured supply of grain for their people and raw material for their factories to survive. Instead of cooperating we have denounced their barter system, which is their only means of trade, as they have no gold or foreign exchange, and placed a 25-percent additional duty on their exports to America.

I am convinced that if President Roosevelt had refrained from meddling in the European situation by encouraging England and France to believe that we would fight their battles they would have long ago reached an agreement by peaceful means to protect their own colonial interests.

Unfortunately, President Roosevelt is largely responsible for the fear that pervades the Nation and that has given the stock mer-

tect their own colonial interests.

Unfortunately, President Roosevelt is largely responsible for the fear that pervades the Nation and that has given the stock market and the American people a bad case of jitters.

It is the duty of all those Americans who desire to keep out of foreign entanglements and the rotten mess and war madness of Europe and Asia to openly expose the war hysteria and propaganda that is impelling us to armed conflict. We are still a free eople and have as much right to criticize the dangerous foreign

people and have as much right to criticize the dangerous foreign policies of the New Deal as we have any of its disasterous domestic policies. Actually, I believe it is far more important to oppose our entrance into any secret naval or military alliances or war commitments than any other issue before the people.

I believe the American people, regardless of their antipathy to nazi-ism, are opposed to sending their sons to fight over the possession of Memel or Danzig or any other territories seized under the Versailles treaty, or to be slaughtered in defense of communism and Soviet Russia, or to defend the French and British colonial empires. With Soviet Russia, the most despotic and dictatorial nation in existence, allied with Great Britain and France, a European world war would not be over ideologies and democratic forms of government but for world power and to maintain vast colonial empires.

It would be well for the European nations, before it is too late, to understand that President Roosevelt not only has no power to declare war, but has no power to determine the aggressor nations, or to quarantine them by economic sanctions or armed force.

The Congress has no intention of surrendering its constitutional authority to declare war or to give President Roosevelt the power to select and punish the agressor nation, which would be equivalent to delegating to the President its war-making powers. The Congress still is the final arbiter of war and peace, in spite of all war mongering from the White House.

I do not believe that one-third of Congress has any sympathy for the provocative and inflammatory propaganda that has been emanating daily from the White House or its spokesmen. I doubt if there would be a corporal's guard in Congress who would vote for war on orders from the White House, if the people back home

make their views known in time.

It is the duty of all American citizens who want to stay out of foreign wars to write their Representatives and Senators and express their sentiments in no uncertain language. It is very apparent that there is a great difference between the foreign policies of former President Woodrow Wilson and President Franklin Roosevelt; President Wilson tried to keep us out of war until repeated attacks of German submarines on our ships without warning forced us in, whereas President Roosevelt is an interventionist; and believes thet he has been evolved by represident to

warning forced us in, whereas President Roosevelt is an interventionist and believes that he has been anointed by providence to quarantine and police the world with American blood and treasure.

What are the underlying motives behind the New Deal hymns of hate and threats of war against the totalitarian states?

I accuse the administration of instigating war propaganda and hysteria to cover up the failure and collapse of the New Deal policies, with 12,000,000 unemployed and business confidence destroyed.

I accuse the administration of deliberately scrapping our traditional foreign policies for internationalism, collective security, economic sanctions, naval alliances, and war commitments without the consent of the Congress or of the American people.

I accuse the administration of conducting a childish and un-American campaign of name calling, hatred, and abuse that inflames the war passions of foreign nations and our own people. I accuse the administration of leading the American people to a rendezvous with war, death, and bankruptcy. The American people want no rendezvous with that kind of destiny.

What we need in America is a stop war crusade, before we are forced into a foreign war by internationalists and interventionists

forced into a foreign war by internationalists and interventionists at Washington, who seem to be more interested in solving world problems rather than our own.

The answer to the dictatorships is not force, compulsion, threats, abuse, and hatred, but to make democracy work in our own country, by keeping out of the eternal wars of Europe and Asia, putting our own house in order, restoring confidence, and putting

our own wage earners back to work.

The facilities of the President and the New Deal administration to disseminate war propaganda and hysteria and to prepare the to disseminate war propaganda and hysteria and to prepare the youth of America for another blood bath in Europe are so enormous that it is essential to form a national organization to counteract these un-American, provocative, and dangerous policies with every resource available and to conduct an open and militant campaign of education through organization, the press and the radio, to keep America out of foreign wars.

With this in view, 50 Members and former Members of the House of Representatives have formed a National Committee to Keep America out of Foreign Wars. Its main purpose is to provide a national nonpartisan, nonprofit, and nonsectarian organization through which the American people can express their determination to keep out of European and Asiatic conflicts and to promote peaceful relations throughout the world.

It is likewise proposed to combat the spread of nazi-ism, fascism,

It is likewise proposed to combat the spread of nazi-ism, fascism, and communism throughout our Nation, and to safeguard America for Americans, regardless of race, color, creed, or politics.

A permanent organization has already been formed, of which I was elected chairman. Representative Harold Knutson, of Minnesota, who voted against war 22 years ago, first vice chairman; former Representative John J. O'Connor, of New York, and Democratic chairman of the Rules Committee, second vice chairman; former Representative Samuel B. Pettengill, of Indiana, a distinguished Democratic Member of the House for many years, third vice chairman. Former Representative Royal C. Johnson, of South Dekots, who yedd against war but who served in our armed forces.

guished Democratic Member of the House for many years, third vice chairman. Former Representative Royal C. Johnson, of South Dakota, who voted against war but who served in our armed forces overseas and was severely wounded in battle, was elected secretary. Walter L. Reynolds was elected treasurer.

An executive committee, including the officers, consisting of 50 Representatives and former Representatives was appointed, as follows:

Representatives: Allen T. Treadway, Massachusetts; J. Will Taylor, Tennessee; Roy O. Woodruff, Michigan; John M. Robsion, Kentucky; Albert E. Carter, California; Pehr G. Holmes, Massachusetts; Martin L. Sweeney, Ohio; Jesse P. Wolcott, Michigan; Leo E. Allen, Illinois; J. William Ditter, Pennsylvania; Charles A. Plumley, Vermont; Dewey Short, Missouri, Ralph O. Brewster, Maine; Usher L. Burdick, North Dakota; Frank Carlson, Kansas; Francis H. Case, South Dakota; Edward H. Rees, Kansas; Paul W. Shafer, Michigan; John C. Schafer, Wisconsin; Homer D. Angell, Oregon; Robert B. Chiperfield, Illinois; Robert J. Corbett, Pennsylvania; Carl T. Curtis, Nebraska; Henry C. Dworshak, Idaho; Leland M. Ford, California; Robert A. Grant, Indiana; Forest A. Harness, Indiana; Frank O. Horton, Wyoming; Ben F. Jensen, Iowa; Robert W. Kean, New Jersey; Frank B. Keefe, Wisconsin; Earl R. Lewis, Ohio; William J. Miller, Connecticut; Harry Sandager, Rhode Leland, Andrew C. Schiffer, West Virginia, Levis See William J. Miller, Connecticut; Harry Sandager, Rhode Island; Andrew C. Schiffler, West Virginia; James Sec-combe, Ohio; Henry O. Talle, Iowa; Oscar Youngdahl, Minnesota.

Former Representatives: Carl G. Bachmann, West Virginia; John M. Baer, North Dakota; Edward Keating, Colorado; Ralph A. Horr, Washington; Fred S. Purnell, Indiana; James Simpson, Jr., Illinois; Bertrand H. Snell, New York.

The chairman was authorized to appoint an advisory committee

The chairman was authorized to appoint an advisory committee of 50, outside of Congress, composed of prominent men and women in all sections of the country, which is now being organized. It was unanimously decided to proceed at once to set up a national organization, including a women's division, with units in every State, to combat the war propaganda and hysteria and to keep us out of foreign wars. All interested groups and individuals are invited to cooperate or affiliate with the aims and purposes of the committee. the committee.

the committee.

The treasurer, Walter L. Reynolds, room 1424, House Office Building, Washington, D. C., was authorized to accept contributions to carry out the keep out of war program.

None of the officers will receive any compensation, but funds will be necessary for paid organizers, traveling expenses, and for an adequate office staff to handle the mail, which is growing into huge proportions. If sufficient contributions are raised, it will be used to carry on a radio campaign to combat war propaganda with peace propaganda.

peace propaganda.

However, it must be clearly understood that this is not a pacifist organization. We stand squarely for adequate national defense and for the Monroe Doctrine.

There are no membership dues, but funds are needed to carry out this program, and contributions of whatever amount will be welcomed.

welcomed.

Our committee believes that the American people are in sympathy with and want such an organization to be established throughout the Nation. It is intended that this will be the people's organization, and will be used by them to express their sentiments against being eased into war without their consent.

I urge all American citizens who want to cooperate to write or send me or the committee a postal card to Washington, and we will see that detailed information and speeches are sent to them. The extent of the activities of the national organization will depend largely on the support of the people themselves.

The Committee to Keep America Out of Foreign Wars is opposed to delegating the constitutional power vested in the Congress to the President, whether a Democrat or Republican, to declare war, or its equivalent; to select and punish the aggressor nation. It is opposed to granting unwarranted discretionary power to the President in any neutrality bill that might involve us in foreign wars. foreign wars.

Let's have an end to all this war talk and hysteria, provocation, gambling, and flirting with war, and try to solve some of our own problems back home for the best interest and welfare of our unemployed and all the American people.

As for me, I do not propose to give or ask any quarter in my efforts to keep our country out of war. I shall continue the fight both in the Congress and elsewhere, to oppose all war mongers and to keep America out of foreign entanglements, military alliances, and foreign wars. and foreign wars.

If you want to stop the internationalists and interventionists in

their efforts to compel our participation in the eternal European blood feuds, our committee offers you that opportunity by uniting in a Nation-wide organization to keep America out of foreign wars.

Southward the Course of Empire

EXTENSION OF REMARKS

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. RANKIN. Mr. Speaker, there appeared in the Washington Post this morning an article by Roger W. Babson, one of the world's greatest business analysts, headed Fastest Growing States Are in the South.

In that statement, extracts from which I am inserting as part of these remarks, Mr. Babson gives his reasons why he regards the South as the coming section of this country, which means the coming section of the world. In the course of that statement, he says:

After a winter spent in the South it is hard to be pessimistic on this section even though cotton is selling for only 8 cents a pound. Far from being economic problem No. 1, I think the South is possibility No. 1 of the United States. Eliminate freight-rate differentials, speed up the diversification of the farms, utilize the waterpower developments, and Dixle can lift the United States into a revised of hydroges property. period of business prosperity.

The South is making huge progress each year. The growing States in the Union are nearly all in the South. growing States in the Union are nearly all in the South. Texas, Florida, Louisiana, the Carolinas are boosting their populations about three times as fast as the North. Literally hundreds of communities that were unheard of 10 years ago are thriving towns today. Every one of the chief cities in the United States whose populations have doubled since 1920 is below Mason and Dixon's line.

The story of the South's industrial growth is even more sensational. More than half the new factory development of the entire country in recent years has been down there. Today Dixie has over 25 percent of the manufacturing establishments of the United

over 25 percent of the manufacturing establishments of the United States. And they keep mushrooming up everywhere. Northern concerns continue to flow toward the Gulf, while entirely new industries are springing up all across the South. Reasonable labor costs, savings in fuel, nearness to raw materials, cheap power, low taxes, and water transportation are among the big sales points in the South's spectacular growth.

Latest new industry is newsprint. The first mill is under construction in Texas. It may be the forerunner of a southward trek of northern and Canadian newsprint mills. Slash pine is the raw material. It grows three times as fast as northern spruce. Other branches of the paper industry—particularly kraft—are going strong in Dixle. The southern chemical business is growing by leaps and bounds. Textile mills continue to multiply. Seventy percent of our rayon output comes from the South. The center of the booming petroleum business is in the Southwest. percent of our rayon output comes from the South. The of the booming petroleum business is in the Southwest.

The end of the so-called basing-point price system for steel should help all southern industry. Once it was just as cheap to buy a ton of Pittsburgh-made steel delivered at Birmingham as it was to buy a ton of Birmingham-made steel. Now the ton of southern steel is cheaper. Hence, foundries, forges, stamping mills, southern steel is cheaper. Hence, foundries, forges, stamping milis, and other metal fabricators that have concentrated around northern steel towns will find it advantageous to have branch factories near the southern steel industry. All winter Birmingham steel mills were much busier than those in the North.

Present freight rates are unfair to the South. Smash up these rates and the products of southern factories and farms can be laid down at northern doors at a real saving to consumers. If we believe the gradual lowester of world trade burriers we sught to

believe in a gradual lowering of world trade barriers, we ought to eliminate such barriers within our own borders. Present freight rate differentials amount to a tariff on southern products. The biggest boon to the South now would be the changing of these

rates.

The problem which has plagued Dixle for years—dependence on one crop—is on its way to solution. Diversification of farms is speeding up. Low feed costs are stimulating livestock raising and dairy farming. Meanwhile, the chemists are finding industrial uses for new crops, such as soybeans, tung trees, and sweetpotatoes and for older crops, such as cotton, tobacco, and peanuts. Hence, while King Cotton is a mighty sick man, the southern agricul-

while King Cotton is a mighty sick man, the southern agricultural outlook is very bright.

Among the South's greatest assets are her water-power resources. The T. V. A. development is a great thing. If it is administered wisely and fairly, the huge power surplus should be completely utilized. Air conditioning has played a big part in recent southern growth, and stimulated by cheap power, will continue to do so. We hear much about low wages in Dixie. People overlook the fact, however, that living costs in the South are very cheap. A house costing \$5,000 to build in New England can be put up in the South for about \$3,500, and can be heated for about \$50 per year less. Food—particularly farm produce—sells for a song. After lower living costs are considered, southern wages are not too far out of line. Certainly if I were a young man, I would come down here in the South to "seek my fortune." We need more trained men here. Why stay in New York, Philadelphia, or Boston and starve when you can come down here where you can live comfortably and where you are really needed? Today, for instance, 9 out of 18 States which are rated as excellent business territories on my sales map are in the South. Get in on the ground floor of this southern growth just as your forefathers got in on the ground floor of the industrial growth of the West. Decentralization of industry through the industrial use of farm products is on the way. What better spot in the world for it than bere in the "south".

use of farm products is on the way. What better spot in the world for it than here in the "sunny" South.

You will note Mr. Babson says that instead of the South being the Nation's economic problem No. 1 it should be placed as No. 1 from the standpoint of the Nation's possibilities.

That is true. With its gentle climate and its fertile soil, which Henry Grady once said "yields to the husbandman every product of the Temperate Zone," with her monopoly on cotton and cottonseed and with the world's reserve supply of timber, coal, iron, oil, gas, and water power, the South is bound to lead the world's march of progress in the years to come.

She would have been doing so for the last 50 years if she had not been ravaged by civil war, outraged by reconstruction, robbed by tariffs and other indirect taxes, discriminated against in transportation rates, plundered by utility rates, as well as interest rates, and subjected to a constant barrage of abuse and misrepresentations at the hands of the very interests that were profiteering at her expense.

Every conceivable falsehood that could be manufactured about a section or its people has been paraded throughout the North for the last 75 years concerning the South and the southern people-not about the Civil War but about the South itself and everything that pertains to the South.

It is written into their schoolbooks and taught to their children, with the result that they grow up not only in utter ignorance of the South but so badly misinformed on the subject that if and when they go South they carry their ignorance and their prejudices with them and invariably make themselves so ridiculous to the people with whom they come in contact that they learn little or nothing about the South and come away confirmed in their own erroneous opinions or have to stay there for years before they come to realize the error of their ways.

Histories taught in northern schools are literally reeking with misrepresentations about the South, about southern people, and southern conditions. These misrepresentations have been echoed by the press, heralded from the platform, and even from the pulpit, and over the radio to crystallize and perpetuate anti-southern sentiment, of which the average person afflicted with it is, unfortunately, wholly unconscious, with the result that even today every communistic attack made on the South is taken up and blazoned in screaming headlines, or heralded in radio broadcasts, as confirmations strong as proofs of Holy Writ.

Mr. Babson suggests three things that should be done to enable the South to "lift the United States into a period of

business prosperity":

First. He would eliminate freight rate differentials. other words, he would put a stop to penalizing the South by charging them higher freight rates than are paid by other sections of the country, and especially in the Northeastern States. The one-way freight rates by which the South and

West are penalized must be terminated.

Unless that is done the South and West are going to have to take care of themselves, which they can do by patronizing home industries and home enterprises. That would build up southern and western industries and would be a terrific blow to the industrial East. But if the East persists in attempting to cut our throats with these discriminatory freight rates, she will have no right to complain if she loses the trade of the South and West, upon which she now has to depend for markets for her manufactured articles. The South can live without using a single thing produced in the East. She can become self-sustaining, and will do so if necessary, and the same thing is true of the West.

For these discriminatory freight rates are also penalizing the West, and the West is joining with the South in this fight for common justice, common honesty, and common decency in transportation charges. We are bound to win.

As Abraham Lincoln once said:

A house divided against itself cannot stand. This Nation cannot remain half slave and half free.

If the influences of these selfish interests in the East are strong enough to prevent Congress from correcting these injustices that are penalizing the South and West in freightrate discriminations, then they may look for the South and the West to fight back with retaliations that may forever spell the doom of eastern industries. For without the markets of the South and the West the grass would grow in the streets of eastern industrial cities. The South and West can manufacture their own goods and keep their money circulating in their own localities, and in that way enrich their own people and make them independent.

The next suggestion of Mr. Babson is that the South speed up diversification of its agriculture. That is being done now. The South is getting away from the one-crop system and building up its dairy industry, its fruit and vegetable industries, and its poultry and livestock industries, while manufacturing enterprises of all kinds are seeking locations in

the Southern States.

The next suggestion Mr. Babson makes is that the South develop its waterpower resources, and he calls attention to the advantages that section derives from cheap T. V. A. power.

Taken for all in all the T. V. A. is unquestionably the greatest development of ancient or modern times. Its influence on the progress of the South, in supplying cheap electricity for all purposes, promoting rural electrification, and developing cold-storage facilities simply cannot be estimated.

But Mr. Babson overlooks the fact that the South has other sources of electric power in the form of coal, gas, and oil. Electricity can be generated with natural gas and distributed to the ultimate consumers at the T. V. A. yardstick rates. The same thing can be done with electricity produced from coal or oil. There is enough natural gas going to waste in the States of Louisiana, Arkansas, and Texas to generate a sufficient amount of electric power to supply all the Southern States and all the border States, and probably have enough left to supply all the States of the Middle West, at rates equal to, if not lower than, the T. V. A. rates.

For instance, electricity generated with natural gas in Louisiana last year was transmitted into the State of Arkansas and delivered to the private power company wholesale at 3.5 mills a kilowatt-hour, which is about one-third less than T. V. A. sells power wholesale to municipalities throughout the T. V. A. area.

Power generated by gas in Louisiana was transmitted into Mississippi, and sold to a private power company wholesale at 5.35 mills a kilowatt-hour, which is below the average rate at which T. V. A. sells power wholesale to municipalities and cooperative associations.

Power generated by coal in Alabama was transmitted into Mississippi last year and sold to a private power company wholesale at 4.22 mills a kilowatt-hour, which is far below the average wholesale price at which T. V. A. power is sold to municipalities and cooperative associations.

All this power could have been distributed to the ultimate consumers throughout the States of Arkansas, Louisiana, Mississippi, and Alabama at the standard T. V. A. yardstick rates with profit to the power companies. The same thing could be done in Texas, Oklahoma, Georgia, South Carolina, North Carolina, Virginia, and every other Southern State.

Electricity can be generated with coal or oil and laid down, wholesale, in any municipality in the South at the rates the T. V. A. now charges for wholesale power delivered to municipalities throughout the T. V. A. area, and could be delivered to the ultimate consumers at the T. V. A. yardstick rates if the State government or the State utilities commissions would only exercise their powers and force reductions of these rates down to the proper levels.

Verily the South is the richest domain of this Republic. It is the coming section of the world. Horace Greeley once said, "Young man go West." That advice was good then, and in many respects it is good today. For the West, like the South, is gradually declaring her economic independence. The wonderful possibilities of the West are slowly unfolding to the world as the American people come to realize that man does not live by stocks and bonds alone.

But if the spirit of Horace Greeley could now push back the veil that hides us from that "mysterious realm" where he has taken his place "in the silent halls of death" and dictate a new slogan for the press over which he once presided, undoubtedly his paean would be:

"Southward the course of empire takes its way!"

National Parole Conference

EXTENSION OF REMARKS

HON. ROBERT M. LA FOLLETTE, JR. OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

ADDRESS BY HON. FRANKLIN D. ROOSEVELT APRIL 17, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by President Roosevelt to the National Parole Conference at the White House on April 17, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, I am happy to welcome you to the National Parole

Conference and to have an opportunity to talk with you and our radio neighbors throughout the country about parole and some of the broad questions of law enforcement as a national problem. As many of you know, the control of crime is a problem which I began studying many years ago as a member of the executive committee of the National Crime Commission. Later, during my administration as Governor of New York the improvement of the administration as Governor of New York, the improvement of the State penal and correctional system became one of my first important responsibilities. Many of you, and especially my old friend, Sam Lewisohn, were of invaluable assistance in that task, which included the establishment of a modern parole system.

All of us have come to realize that while the responsibility for the control of crime falls primarily in the States and their sub-divisions, the activities of criminals are not limited by local and State boundaries. The consequences of lax law enforcement and crime-breeding conditions in one part of the country may be felt

in cities and villages across the continent. For instance, I think of the operations of a criminal gang which had its origin in the slum section of a small southwestern city. Before the members of this gang were rounded up, successfully prosecuted, and put in prison by the Federal Government, they had left a trail of robbery and violence in seven Midwestern States. This illustrates the essentially Nation-wide character of the crime problem.

Crime cannot be held in check by a good police system alone.

Crime cannot be held in check by a good police system alone. Occasional brilliant prosecutions may arouse our admiration, but they do not solve the crime problem. Long prison sentences for notorious criminals have not rid us of thousands who escape undetected or unpunished because our defenses break down at one point or another.

Public protection against lawbreakers demands efficient police work, able and fearless prosecutions, prompt, fair trials, and the intelligent and constructive treatment of the guilty—not just here and there, not only when well-known characters are involved, but in all cases in all jurisdictions throughout the land.

With this in mind, this administration initiated early in 1933 a definite program of crime control which had three major objectives.

First we sought to broaden and strengthen Federal law enforcement. Secondly we took steps to promote more effective coopera-tion among the States and between the States and the Federal Government. Finally, through a broad program of social welfare,

We struck at the very roots of crime.

As a first step the Attorney General outlined a 12-point legislative program which resulted in the enactment of 21 new Federal lative program which resulted in the enactment of 21 new Federal Government lative program which resulted in the enactment of 21 new Federal crime statutes. Two of those laws gave the Federal Government drastic powers in kidnaping cases, with the result that the back of the kidnaping racket has been broken. Every home in the country has shared in the sense of relief that has come from the vigorous enforcement of the antikidnaping laws.

Other new laws empowered the National Government to bring its resources into action against robbers of banks. There have been 245 convictions since this national bank-robbery law was enacted.

enacted.

Here are some figures on daylight hold-ups of banks, compiled by the American Bankers' Association. In 1933 there were 516 daylight hold-ups. In 1934, the year the new law became effective, the number fell to 364. In 1935 it was down to 258; in 1936 it was down still further to 148; and in 1937 it dropped to 120. Last year there were only 110 bank hold-ups—only about one-fifth as many as there were in 1933. A good record.

Another new law made it a Federal crime to transport stolen goods, in excess of \$5,000 in value, across State lines. Still another made it unlawful for any person to fiee from one State to

other made it unlawful for any person to flee from one State to another to avoid prosecution or appearance as a material witness in a criminal case

These and the other new Federal anticrime laws do not supplant State laws but plug the gaps between the authority of one State and that of its neighbors. They permit the forces of law and order to occupy what was formerly a no-man's land in which roamed some of our most desperate criminals.

But, of course, laws do not enforce themselves. And so we set about systematically to enlarge and improve the equipment and personnel of the Federal agencies of detection and prosecution. The agents of the Federal Bureau of Investigation of the Justice Department—the G-men—have justly become world famous. Likewise, the agents of the several investigating units in the Treasury Department, the postal inspectors, and their coworkers in other branches of the Government have made enviable records in the apprehension of offenders against Federal laws. The efforts of these investigators have been ably supported by a fine corps of United States attorneys and special prosecutors. Many of these United States attorneys are here today, and I am glad to welcome them as they assemble to canvass with Attorney General Murphy

the ways in which their campaign against crime may be waged even more effectively.

A new spirit and a new energy have been breathed into our Federal court system also. Thirty-eight new district judgeships have been authorized, which will accelerate the splendid progress made in bringing the business of the courts more nearly up to date. Archaic forms of civil procedure have been east acide for a date. Archaic forms of civil procedure have been cast aside for a uniform and simple set of rules which will help to speed the wheels of justice. A way of avoiding long delays in determining the constitutionality of Federal laws has been opened by permitting appeal directly from the lower courts to the Supreme

mitting appear unreally from Court.

With the authorization of Congress we have also instituted an important change of method in the handling of juvenile offenders against Federal laws. The courts and the Attorney General are now given wide latitude in determining how best to protect the safety of society by trying to prevent a young delinquent from becoming an habitual criminal. Charges against an offender under the age of 18 may now be heard informally, and if probation is not desirable, the Attorney General is authorized to place him in any suitable nublic or private educational or correctional institution.

suitable public or private educational or correctional institution.

Another important part of our program has been the improvement of the Federal penal and correctional system in all of its branches. We have built different kinds of institutions for different kinds of prisoners, ranging from the now famous penitentiary for the most hardened offenders, on Alcatraz Island, to unwalled reformatories and camps for the offenders who are less dangerous and who seem to offer real hope of becoming lawabiding citizens.

In the administration of our Federal penal institutions we use every known aid to rehabilitation according to the needs of the

prisoner. After all, the primary purpose of the prison is to protect the public by releasing men at the end of their sentences better and not worse than when they were received. For that reason we have enlarged and improved the opportunities for education and vocational training in the Federal prison system. Moreover, we have provided useful work for those who need to learn how to earn an honest living—and we have done it without selling a dollar's worth of speed to the open merket in competition with private investment. of goods on the open market in competition with private industry or free labor. We can, I think, look for still further improvement in the administration of the Federal prisons as the years go by, because we have put the personnel of the prison service on a merit basis with training courses for employees of all grades.

Feel year for coveral years we have increased the number of

basis with training courses for employees of all grades.

Each year for several years we have increased the number of Federal probation and parole officers and last year we raised the standards governing their appointment. Today the field staff of the Bureau of Prisons is supervising nearly 30,000 men and women on probation or on parole. No finer tribute could be paid to the work of these officials and to the United States Board of Parole than to mention the fact that about 95 percent of those under their control complete their sentences without further violations of the law.

But our efforts to suppress wrongdoing have not been confined to the field of violent crimes. Through the securities and exchange legislation we have sought to protect the average investor from the

the field of violent crimes. Through the securities and exchange legislation we have sought to protect the average investor from the depredations of unprincipled financial manipulators. In the administration of this legislation we have struck hard at those gangsters in high places who differ from the ordinary robbers only in the fact that they use the tricky weapons of high finance instead of sawed-off shotguns.

And let us not forget the repeal of the eighteenth amendment. You know and I know what a toll that took from this country through the flouting of law by thousands of otherwise respectable people as well as through the activities of bootleggers and racketeers who flourished during the prohibition years. It was undoubtedly the greatest source of revenue for organized crime that this Nation has every known.

ever known.

While we have been tightening up on Federal law enforcement, we have also been making headway toward the second of our broad objectives—the development of closer cooperation between the agencies of the several States and those of the Federal Government. The Federal Bureau of Investigation in the Department of Justice The Federal Bureau of Investigation in the Department of Justice has organized the National Police Academy, where carefully chosen local peace officers are given training in modern police work. Expert and technical services have been made available to State prison and parole authorities by the Bureau of Prisons. The Works Progress Administration, in addition to cooperating with the Justice Department in making the first Nation-wide survey of the methods by which prisoners are released into society, has furnished muchneeded personnel for educational and other programs in the institutions of 32 States. It has installed police-signal systems and fingerprint files in cities which could not otherwise afford them. It has also furnished the labor for the construction or repair of jails and police stations throughout the country. Through the Public and police stations throughout the country. Through the Public Works Administration over \$26,000,000 has been made available for the construction, improvement, and repair of prisons and jails, with the result that many old, unhealthy, and overcrowded centers of crime infection have been replaced by modern facilities. Of this amount over \$11,000,000 has been for State and local projects.

All of these direct attacks on crime which we have made through extending and strengthening Federal activities and in helping to improve State and local agencies of law enforcement are important. But I like to think that the most far-reaching results have come from our broad program of social welfare—from our work-relief projects, the Civilian Conservation Corps, the National Youth felier projects, the divinan conservation coins, the Machail Total Administration, and the related measures for providing useful work for those of our citizens who are unemployed by private industry. Our citizens who have been out of work in the last 6 years have not needed to steal in order to keep from starving. Of course, when we instituted these activities we did not have in mind merely when we instituted these activities we did not have in mind merely the narrow purposes of preventing crime. However, nobody who knows how demoralizing the effects of enforced idleness may be will be inclined to doubt that crime prevention has been an important byproduct of our effort to provide our needy unemployed citizens with the opportunity to earn by honest work at least the bare necessities of life. And a considerable part of that honest work has been devoted to the construction and supervision of such social assets as playgrounds, athletic fields, municipal swimming pools, gymnasiums, workshops, traveling libraries, schools, and other educational and recreational facilities which are of particular benefit to youth

benefit to youth.

Throughout the depression approximately one-third of all our unemployed have been youth under the age of 25. Not long ago I read a report from a small city which had a reputation for juvenile delinquency. In collaboration with local agencies the National Youth Administration started a work project which provided part-time jobs for the idle youth of this community. When the project was first started there was considerable "soldiering" on the job but gradually the interest and pride of these boys was aroused. For the 5 months since this N. Y. A. project had been started there had not been a single complaint of delinquency to the local peace officers. That is a concrete contribution to our common security—not only now but for the years to come.

As I review our achievements in this coordinated drive against

As I review our achievements in this coordinated drive against rime, it seems to me that we have made the least progress in the very important matter of getting people from prison back into society. This conclusion, I am told, is confirmed by the findings of the Attorney General's Survey of Release Procedures now being published by the Department of Justice. This is an unfortunate

state of affairs. Let us not forget for one moment that 97 out of every 100 of the men and women we send to prison must some day come out again. Between 60,000 and 70,000 persons are released from Federal and State prisons and reformatories every year. What they do when they come out is a matter of great importance to all of us. It is a Nation-wide problem and at the same time a local problem. We make little permanent gain by the arrest, prosecution, and punishment of prisoners if they go back to criminal activities. More than one-half of the persons in prison today have had to be locked up at least once before for a violation of the law. We have bungled in the manner and the method of their release. method of their release.

method of their release.

After the necessarily strict routine of prison life it is difficult for a discharged prisoner to stand on his own feet in the swift-running currents of a free man's world. Often, if he has been in prison very long, he will have lost the habit of making his own decisions. He usually faces tremendous difficulties in finding a job. In many cases his prison record cuts him off from the friendship of law-abiding people. These circumstances tend to push a man back to a life of crime unless we make it our business to help him overcome them. That is the reason why I have long heap of the opinion that parely is the most premising method. long been of the opinion that parole is the most promising method

long been of the opinion that parole is the most promising include of terminating a prison sentence.

Parole is the conditional release of an offender under expert supervision while the State still has control over him. It is an integral part of the treatment begun the moment the man enters a correctional institution.

Parole is not pardon. When a man is pardoned, his crime is

forgiven.

Parole is not a shortening of the sentence because of good behavior in prison. This is called "good time allowance," or commutation for good behavior, and it is given by law as an aid to prison discipline.

Parole is not probation. A person on probation has never been sent to prison for his offense.

And, of course, parole differs from outright discharge on the final day of the offender's sentence. When a man is paroled he is still subject to the control of the authorities, and he can be put back in prison without a formal trial if he does not live up to the conditions of his release.

The true purpose of parole is to protect society—all of us—by supervising and assisting released prisoners until they have a chance to get on their feet and show that they intend to live law-

chance to get on their feet and show that they intend to live lawabiding, self-supporting lives.

Now, naturally, I am speaking of real, honest, well-administered parole, parole granted only after a prisoner has shown improvement during a period of constructive treatment and training in prison, and only after a thorough and searching study of his case—parole under the supervision of qualified parole officers.

Much of the criticism which we have heard directed at parole is due to the fact that while 46 of our States have parole laws, less than a dozen have provided the money and the personnel which are necessary to operate a real parole system. Some of the criticism is due, too, to the fact that the parole power sometimes has been used to grant political or personal favors. This combination of neglect and abuse in the administration of the parole power is a matter of serious national concern. How well or how poorly a parole system operates in one section of the country may affect the lives of citizens throughout the Nation.

On the other hand, we know from experience that parole, when

On the other hand, we know from experience that parole, when

On the other hand, we know from experience that parole, when it is honestly and expertly managed, provides better protection for society than does any other method of release from prison. That has been shown by the operation of the Federal parole system and in those States which have applied modern parole methods.

These are the reasons why I asked Attorney General Murphy to call this national parole conference. As I wrote to him on January 25, 1939, I hope that this conference will serve to acquaint our people with the facts concerning parole and clear up widespread misconceptions about it. Parole will never succeed if it is merely a government function and does not have the understanding and help of the individual citizens in every community.

a government function and does not have the understanding and help of the individual citizens in every community.

It is especially important that people should not be deceived by violent attacks on properly run parole administrations if one parolee goes wrong and commits another crime. The fact is that while a properly run parole system gives no guaranty of perfection, the percentages of parolees who go straight for the rest of their lives are infinitely higher than where there is no parole system at all.

I hope you will let us know the ways in which the Federal Government can best cooperate with the governments of the several States in strengthening this important sector of our Nation-wide attack on crime. I felt that these objectives could not be reached unless this conference included representatives of all branches of

unless this conference included representatives of all branches of law enforcement, public welfare administration, and the general public. A technical job necessarily, it is one which must be geared into the work of other branches of law enforcement.

That is why Attorney General Murphy invited governors, judges,

legislators, State attorney General Murphy Invited governors, Judges, legislators, State attorneys general, prosecutors, police and prison officials, public-welfare administrators, social workers, educators, and representative citizens as well as those directly engaged in parole work to take part in this conference.

Democracy succeeds through the thoughtful public service of its citizens. A conference of this kind is in accord with the American

democratic way.

Well-administered parole is an instrument of tested value in the control of crime. Its proper use in all jurisdictions will promote our national security. If your deliberations serve that end, as I am sure they will, you will have rendered a very important public

Our Dual System of Government

EXTENSION OF REMARKS

HON, EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

RADIO ADDRESS BY FRED BRENCKMAN, APRIL 15, 1939

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address on the subject Our Dual System of Government, delivered over the stations of the National Broadcasting Co. from Washington, D. C., on April 15, 1939, by Mr. Fred Brenckman, Washington representative of the National Grange.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For years friends of popular government in the United States have manifested growing concern over the tendency to centralize authority at the Nation's Capital. The tide that has been sweeping in this direction for more than a generation has during recent years attained the speed of a mountain torrent. In the light of this phenomenon, there is ample justification for saying that if this tendency is not halted it will in a short time spell the destruction

tendency is not halted it will in a short time spell the destruction of our dual system of government.

It must not be forgotten that there are two sovereignties in this country, the sovereignty of the Nation and the sovereignty of the States. It was not the intention of the founding fathers of the Republic that the Federal Government should meddle in any unwarranted manner in the concerns and the activities of the States and their minor subdivisions. If it had been otherwise, the Constitution of the United States could not have been adopted, because the people of that time were passionately attached to the freedom and the blessings that flow from local self-government.

The Federal Government is one of limited powers; its authority is well defined, and while it is supreme in its own sphere, it has no right to invade the jurisdiction of the States. The first 10 amendments to the Constitution were written and adopted expressly to protect the people against the encroachments of government. The aim of the founders was to create an inseparable union of indestructible States.

structible States.

I have always been a strong believer in the idea that we will get the best results if each unit of government, National, State, and local, will stay within its proper sphere, each faithfully and efficiently performing the functions devolving upon it, and with none encroaching upon the rights and prerogatives of the rest.

A DESTRUCTIVE DOCTRINE

It is often pleaded in attempting to justify the tendency toward centralization which has been so strongly in evidence during the recent years, that with our improved facilities of transportation and communication State lines and State rights no longer have any particular significance and should therefore be disregarded, leaving it to the Federal Government to look after things in a big

leaving it to the Federal Government to look after things in a big way in the interest of efficiency and economy.

This is a doctrine that is both delusive and destructive. While it is true that science and invention have annihilated time and space, human nature is still the same as it was 150 years ago. It is fatal to the workings of our free institutions to make the governmental unit so large as to destroy the individual and local sense of responsibility. This is particularly true in the expenditure of rubble roners.

sense of responsibility. This is particularly true in the expenditure of public moneys.

Many instances could be cited to show how the Federal Government is undermining the authority of the States to the detriment of the people and at great expense to the taxpayers. For example, the preceding speaker on today's program, Congressman Barden, of North Carolina, has made reference to the need of amending the Wage Hour Act, passed at the last session. In the opinion of the National Grange, this measure is economically unsound and it should never have been enacted. While the Constitution gives Congress the right to regulate interstate and foreign commerce, it is an open question whether the commerce clause can be stretched to the point where the Federal Government undertakes to tell an employer in private industry what wages he must pay, regardless of the economic conditions with which he may be confronted. confronted.

In saying this, I do not want to be misunderstood. The Grange believes that all workers should be properly compensated. But it must not be forgotten that those who are engaged in agriculture are also workers, and they are among the poorest paid in the entire country. Agriculture is entitled to parity with other industries, and the effect of such legislation as the Wage-Hour Act is to increase the existing disparity.

This act contains another provision or section which even a layman has the right to conclude is undoubtedly unconstitutional, because it exceeds the powers of the Federal Government. I refer to the child-labor section. In 1924, 15 years ago, Congress

submitted an amendment to the States conferring upon the Federal Government the right to regulate, control, and prohibit child labor. Thus far, only 28 States have ratified this amendment, and labor. Thus far, only 28 States have ratified this amendment, and the affirmative vote of eight additional States is needed to make it effective. However, in spite of this, Congress, under the lash of the administration, usurped this authority in passing the Wage-Hour Act. The question is not whether child labor should be regulated, controlled, or prohibited, but whether the Federal Government should be allowed to exceed the authority with which the vected under the fundamental law. it is vested under the fundamental law.

STRANGLING MOTOR TRANSPORTATION

To give another example among the many that will readily occur to thinking people, in 1935 the Federal Motor Carriers' Act was passed. There was no particular demand for this legislation among the rank and file of the people. Every State in the Union already had legislation governing the size, weight, and speed of motor vehicles moving over the highways, together with a multiplicity of rules and regulations intended to promote public safety. While this legislation was intended primarily for the regulation and control of common and contract carriers engaged in interstate commerce, it also contained a provision giving the Interstate Commerce, it also contained a provision giving the Interstate Com-

commerce, it also contained a provision giving the Interstate Com-merce Commission the right to take steps to promote safety of operation in the case of privately owned motor vehicles, if the

need therefor should appear.

With common and contract motor carriers already encased in a With common and contract motor carriers already encased in a governmental strait jacket, the Interstate Commerce Commission is now conducting hearings throughout the country with a view to extending its rules and regulations to privately owned trucks, including the 1,000,000 motortrucks found on our farms. These trucks are now subjected to the most stringent State regulations; a survey discloses the fact that probably less than 10 percent of them ever cross State lines, and there is every reason to believe that these trucks are just as carefully operated under present conditions as would be the case under Federal control. This being true, why should Federal regulation and control be superimposed upon State regulation and control, creating a condition that would make it increasingly difficult for the people to use their own highways for the most legitimate purposes, without mentioning the duplication of expense that would be involved?

Common sense dictates that the owners of private motortrucks

Common sense dictates that the owners of private motortrucks should register an emphatic protest against this encroachment upon their rights on the part of the Federal Government.

OUR PUBLIC-SCHOOL SYSTEM

With numerous examples of overcentralization of Government, such as have been cited, before our eyes, there are certain groups that are urging projects calling for further meddling and interference on the part of the Federal Government in State and local affairs. One of these plans calls for Federal participation in the conduct of our public schools.

conduct of our public schools.

Commenting on the viciousness of this proposal, Dr. Nicholas Murray Butler, president of Columbia University, years ago, said:

"So far as education is concerned, there has been overcentralization for a long time past. Too many persons are engaged in supervising, in inspecting, and in recording the work of other persons. There is too much machinery, and in consequence, a steady temptation to lay more stress upon the form of education than upon its content. Statistics displace scholarship. There are, in addition, too many laws, and too precise laws, and not enough opportunity for those mistakes and failures due to individual initiative and experiment which are the foundations of great and lasting success. lasting success

"There is not enough money in the United States, even if every dollar were expended on education, to produce, through Federal authority, or through what is naively called cooperation between the Federal Government and the States, educational results that would be at all comparable with those that have already been reached under the free and natural system that has grown up among us."

Continuing, Dr. Butler said:

"Bureaucrats and experts will speedily take the life out of even the best of schools and reduce them to dried and mounted specimens of pedagogic fatuity.'

The plan to impose socialized medicine on the country, with the Federal Government assuming dictatorial control in the whole field of medical care, is among those that are now pending. Judging from the experience of certain European countries, notably France, Germany, and Great Britain, where state medicine has been tried, the people of the United States would do well to

BLIGHT OF EXCESSIVE TAXATION

Let us now see what effect our top-heavy governmental structure has had on taxation. In the year 1903, when our population was 80,983,000, the total tax burden, national, State, and local was \$1,882,000,000. At that time the per capita of taxation, the theoretical amount which each man, woman, and child pays toward the support of government, was \$17.07.

Ten years later, in 1913, the population had increased to 96,-612,000. At that time the taxes levied by all units of government amounted to \$2,187,000,000, giving us a per capita figure of \$22.66. In 1938 the population was estimated at 130,000,000. Total taxes amounted to \$13,214,000,000, with a per capita rate of \$101.65.

Devastating as these figures are, they do not tell the whole story, because they do not take into account the amount borrowed and spent by the various units of government. These debts should

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properly be regarded as deferred taxation. In due time they must be paid with interest.

As is known of all men, the Federal Government is the chief offender in this orgy of spending, waste, and extravagance. In 1903 the taxes levied by the Federal Government amounted to only \$521,000,000. In 1938, Federal taxes aggregated \$6,114,000,000. But Federal expenditures amounted to nearly \$10,000,000,000, or

roughly 20 times as much as in 1903.

Last year the total taxes collected by all units of government were equal to 23.6 percent of the national income. This figure, again, does not include the money we borrowed and spent, and which future generations of Americans will be called upon to

In view of all these facts, is it any wonder that our American system of private enterprise is not functioning as it should, and that after 10 years of depression we still have more than 10,000,000

unemployed in the United States?

While no one disputes that government within reasonable limits is absolutely necessary, there can be such a thing as too much government; and the saturation point in this connection has long since been passed in the United States.

since been passed in the United States.

According to the records of the Civil Service Commission, last December there were more than 917,000 civil employees in the executive branch of the Federal Government, which was equal to the number of civil employees on November 11, 1918, the day the Armistice was signed. Taking Washington alone, the number of Federal employees is greater now than during the peak of wartimes. On a memorable occasion, more than 100 years ago, when the integrity of the Union was threatened, Andrew Jackson said, with that grim determination that was characteristic of the man, "Our Federal Union; it must be preserved!"

The time has come, under the changed conditions with which

The time has come, under the changed conditions with which we are confronted today, when those who believe in popular government should rise in their might and proclaim in thunderous tones, "Our dual system of government; it must be preserved!"

Conditions in Europe

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1939

ON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, APRIL 21, 1939 ADDRESS BY HON.

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD a talk that I delivered on last Friday night, April 21, at Princeton University at a conference of Harvard, Yale, and Princeton students at their annual gathering, in which I merely made factual statements as to the situation in Europe at the present time, and made some personal observations as to my opinion of the chaotic conditions in continental and eastern Europe as a result of my visit to 15 countries of that section of the world during the months of November and December of the past year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FOREIGN SITUATION THE INTERNATIONAL TENSION

The world is in a state of unrest. In all countries of Europe precautionary military measures are being taken. In Germany, Italy, and France millions of men are under arms. In the Netherlands preparations are being made to flood the country in order to check the advance of an invading army. The Swiss are prepared to blow up all bridges and roads leading to the German frontier. Great Britain has doubled its territorial army and can enact conscription on 48 hours' notice. Gas masks have been issued to the inhabitants of Vatican City. Even Iceland is worried about German activities allegedly to establish a submarine and air base on that independent island.

Events move swiftly nowadays. Wars are not declared. Heads of governments make momentous decisions without consulting the representatives of the people to whom they are responsible. Chamberlain and the Prime Minister of France did not consult their Parliaments when they abandoned Czechoslovakia to Germany. Now Chamberlain is extending pledges of military assistance to the small European countries without consulting Parliament. In our own country the President makes indirect pledges to South America and European democracies. Various proposals have been put forand European democracies. Various proposals have been put forward in this country to curb the President's "powers to declare

war," completely disregarding the fact that it is no longer customary to declare war. Japan is not officially at war with China; Italy conquered Ethiopia, and more recently Albania, without a declaration of war; Germany annexed Austria and Czechoslovakia merely by intimidation.

Merely by intimidation.

Previously treaties meant nothing, being frequently repudiated by succeeding and even the same governments which had signed them. Now international morals have sunk so low that even personal pledges by heads of states are broken without compunction. Hitler broke his personal pledge to Chamberlain with regard to Czechoslovakia, while Mussolini violated the pact guaranteeing the

status quo in the Mediterranean.

The result is intensified armaments throughout the world. While the large democracies are unquestionably in a better financial position to engage in this mad armaments race, the huge expenditures tend to upset our equilibrium. Private business, too, suffers from increasing instability, and businessmen in this country are in constant fear that developments in Europe may upset their calculations.

THE LEAGUE OF NATIONS

That collective security was a failure is evidenced by the fate of the League of Nations. Even for Switzerland the presence of the League offices at Geneva was a doubtful blessing. As a member of the League Switzerland was obligated to participate in military, economic, and financial sanctions against aggressor countries. This militated seriously against its traditional, century-old neutrality, and this little country was anxious to be released at least from its obligation to furnish military assistance in the event of sanctions against aggressor states. A concession to Switzerland on this point was made by the Declaration of London of February 13, 1920. While this declaration affirmed Switzerland's military neutrality as being in the interest of universal peace and therefore compatible with the League Covenant, it had to give assurances at the time that it would participate in economic and financial sanctions. That collective security was a failure is evidenced by the fate financial sanctions.

assurances at the time that it would participate in economic and financial sanctions.

The acid test came during the war in Ethiopia. The League sanctions against Italy, in which many nations participated, showed that in modern warfare a clear separation between military and economic neutrality was not possible; that such qualified neutrality was fraught with dangers, especially in view of the fact that these sanctions were directed against a large and warlike neighboring country; and so, despite its assumed obligations, Switzerland refused to cooperate in certain sanctions which it felt might invite retaliation by Italy. Three years later, frightened by the annexation of neighboring Austria, Switzerland finally succeeded in being formally relieved by the League Council from all obligation to take part in any sanctions, political and economic, as well as military. Switzerland's anxieties are easily comprehensible when one considers the central position in Europe of this small multilingual country. There are two and a half million German Swiss in this country of slightly more than 4,000,000 population. According to Nazi leaders, this constitutes at present the largest "German minority" outside the German Reich. In addition, 150,000 German subjects live permanently in Switzerland.

The Swiss realize that a slight pretext would suffice to invite

The Swiss realize that a slight pretext would suffice to invite a German invasion or even a joint invasion by Germany from the north and by Italy from the south, through the Italian-speaking section of the country. They feel that only complete neutrality affords a measure of safety against dismemberment, and so the Swiss Government has now gone a step further. According to recent news reports, it has actually notified the League that in the event of a European war the League offices must be moved out of the country, presumably into France. Can there be a more strik-ing illustration of the impotence of the League?

THE PRESENT POLITICAL ALINEMENT OF THE NATIONS

Regardless of our individual attitude, prejudices, and wishful Regardless of our individual attitude, prejudices, and wishful thinking, it is an indisputable fact that Europe is at present divided into two opposing military coalitions or groups of countries. The close cooperation of the axis powers is matched by the equally close cooperation between Great Britain and France. Both groups are endeavoring to attract into their sphere of influence other, smaller, countries. In this respect Great Britain and France have developed a lively activity of late which is beginning to show definite results. In addition to offers of aid to Belgium, Netherlands, and Switzerland, the democracies have pledged military support to Rumania, Poland, and Greece, while negotiations with Turkey are still pending.

Poland, and Greece, while negotiations with Turkey are still pending. Poland and Rumania, allied after the World War to protect their frontiers against Soviet Russia, have now exchanged pledges for military cooperation against aggression by Germany or one of its allies. The shifting of Poland into the anti-German front, which is doubtless a result of the annexation of the Czech country, is highly significant. Germany's 10-year nonaggression pact with Poland soon after Hitler's accession to power was considered a major success of the Nazi foreign policy. The importance which Hitler attached to friendship with Poland is eloquently illustrated by the fact that in recent months and weeks Berlin declined to take official cognizance of frequent anti-German demonstrations in that country and took special pains to respect the Polish corridor. Yet the try and took special pains to respect the Polish corridor. Yet the creation of that corridor—a glance at the map will show you that it is many miles wide—was one of the greatest injustices of the Versailles Treaty.

Soviet Russia, completely ignored at the Munich Conference, has apparently been induced to the join the democracies in a "stop Hitler" move. Moscow is expected to send aid in the form of plane squadrons and munitions of war but not troops because Poland

and Rumania are afraid of Communist propaganda and fear the presence of Russian troops on their soil. Strange bedfellows.

It is clear that the present alinement of countries has nothing to do with political ideology; that it is merely a matter of expediency. Germany, ostensibly the sworn enemy of bolshevism, maintains diplomatic and commercial relations with Moscow, the Government financing exports to that country. On the other hand, Switzerland, the oldest democracy in Europe, has consistently refused to accord diplomatic recognition to the Soviets. It is an open secret that Moscow cherishes the hope that the next world war will make the capitalist system in other countries ripe for destruction. The thought of cooperating with Russia must be very distasteful to Chamberlain, a man of pronounced conservative views who had unsuccessfully tried to win Hitler's cooperation which he would decidedly prefer. On the other hand, seasoned political observers long ago predicted that Hitler might try to win the support of Moscow in order to crush Great Britain and France.

It is generally believed that these two groups of countries are of approximately equal military strength. Opinions are freely expressed as to the effectiveness and fighting qualities of the armies of these various countries. But who actually knows? We do know that Fascist Italy is not the Italy of the World War. Nor is the Germany of today comparable to the Prussian-dominated empire. And Soviet Russia certainly bears no resemblance to the Russia of the czars.

We can only judge the present potential military strength of these countries, but it would not be safe, especially for laymen.

Russia of the czars.

We can only judge the present potential military strength of these countries, but it would not be safe, especially for laymen, to risk an opinion as to the fighting quality of their troops or the ability of their military strategists. The strategy of Italian generals against the Abyssinians is no gage of what they could achieve when opposed by European army generals. In Germany, Hindenburg and Ludendorff, who succeeded in carrying the fighting to foreign soil and in keeping out foreign troops during 4½ years of bitter fighting against a world of enemies, are dead. The Russians * * have shot their best generals.

What we do know is that these three countries have at least three things in common: (1) Hure war machines, especially a

what we do know is that these three countries have at least three things in common: (1) Huge war machines, especially a strong air force; (2) an enthusiastic youth permeated with a new political philosophy; (3) a nationalistic, chauvinistic spirit. In any attempt to evaluate the strength of these two opposing groups of countries in Europe, we must not overlook Japan, which opposed Germany in the last war but is now closely allied with the axis powers the axis powers.

THE ANTI-COMINTERN PACT

The anti-Comintern pact of the axis powers, Japan and their satellites, to which Franco Spain has now also adhered, is ostensatellites, to which Franco Spain has now also adhered, is ostensibly directed against communism and Moscow. In effect, however, it is an alliance against the democracies and nonaggression states. Political ideology has little to do with it. Berlin, Rome, and Tokyo still maintain diplomatic relations with Moscow, whereas democratic Switzerland which has not adhered to this pact refuses to accept a Soviet diplomatic representative.

As a matter of fact, Soviet diplomatic representative.

As a matter of fact, Soviet Russia was the first totalitarian country in modern history. It is still more totalitarian than any of the other three so-called totalitarians. One thing which it does not have in common with the others is the German military goose step which Mussolini adopted for his Black Shirts about a year ago under the label "Passo Romano" (Roman step). Incidentally, many years previously Hitler had adopted for the Nazi movement the Fascist salute, which he called "der deutsche Grüss" (German salute). A fair exchange is no robbervi. salute). A fair exchange is no robbery!

The cohesive force that holds the anti-Comintern countries together under this spurious label is the desire for territorial aggrandizement. Germany, Italy, and Japan demand nothing less than a redistribution of the world. That they have actually proceeded with their plans is evidenced by the invasion of China, the converted of Alberta and A quest of Ethiopia, the annexation of Albania, and the disappearance

of Austria and Czechoslovakia.

The map of the world is changing rapidly and may undergo still further changes, with or without a major war. One result of this development is that numerous schools and colleges in this country constitute a potential market for new, revised maps.

HOW FAR CAN THE DICTATORS GO?

The widespread belief fostered by the Nazis themselves that they would not accept a national minority within their borders even if it were forced upon them met disaster with the subjugation of the Czechs. The world now knows that Hitler's foreign policy means territorial aggrandizement based on Machtpolitik (power politics), not the union of all German-speaking peoples.

If Hitler had adhered to his original policy of pan-Germanism and, having achieved this, had stopped to concentrate his energies on building a strong German Reich composed of German-speaking peoples, political balance in Europe might have been gradually restored. Instead Hitler, and also Mussolini, encouraged by the weakness and mistakes of the Democracies—Great Britain and France—are determined to take what they can. This makes it necessary to keep their national economy on a wartime basis and to maintain huge armies which constitute a serious basis and to maintain huge armies which constitute a serious threat to the safety of other countries.

HOPES OF AVERTING WAR

However, the present gloomy situation in Europe is not hopeless. The prospects that Hitler and Mussolini will continue to achieve successes by swift rapid moves against inferior forces are decidedly less favorable than in the past. The indications are

that their superiority in the air may be checked by an air pact among the nonaggression countries and Soviet Russia. Moreover, the totalitarian states lack the economic and financial resources which are of vital importance for a long war. Unless Hitler succeeds in obtaining access to the wheat fields and oil wells of eastern Europe, Germany could not last out another war of four

and a half years.

According to informed sources, present German stocks of essential materials are at best sufficient for 1 year. Furthermore, it should not be overlooked that in 1914 Germany had no lack of gold and that it continued to pay for foreign purchases in gold up to the very end of the World War. Germany seeks to overcome its present shortage of gold by barter trade with other countries. This will become more difficult in the event of a major conflict.

One of Germany's principal difficulties is the shortage of fats. While wheat can be stored for 18 months, fats cannot be stored for any length of time. In addition, the fact that the sources of financial credit are closed to the totalitarian states is a weighty factor in discouraging them from provoking a war of long duration. CONCLUSION

An encouraging factor in all this chaos in Europe is the deep horror of war among the people of this country; the widespread realization of the futility of a policy to settle differences among nations by the sword. The strong group of isolationists in Congress endeavors to put teeth into the neutrality law; the Ludlow referendum bill and the popular support received by this measure are indisputable evidence that we are a war-hating Nation.

European economists and statesmen are extremely optimistic as to the future of the United States and equally pessimistic as to the fate of their own continent, which is being weakened by huge expenditures for excessive armaments and the retarding influences of economic self-sufficiency. It requires no gift of vision to predict that with or without war the countries of Europe are heading for economic and financial ruin. It is difficult to are heading for economic and financial ruin. It is difficult to write an effective insurance policy against war. But if we succeed in staying out of all this mess, I am convinced that the United States will emerge as the greatest world power. I fervently hope and pray that we may succeed.

Repeal of Silver Purchase Act of 1934

EXTENSION OF REMARKS

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

EDITORIAL COMMENT ON REPEAL OF SILVER PURCHASE ACT OF 1934

Mr. TOWNSEND. Mr. President, the repeal of the silverpurchase program is now the subject of special hearings by a subcommittee of the Senate Committee on Banking and Currency. I ask unanimous consent to have printed in the RECORD several editorials which have come to my attention dealing with the subject of repeal of the Silver Purchase Act

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Boston, Mass.] SILVER FANTASIA

When Chairman Eccles of the Federal Reserve Board declared that the "foreign-silver-purchase program does more to ultimately destroy the domestic-silver industry than anything else I know" he said no more than critics of the silver buying warned in 1934.

Mr. Eccles, however, ought to have put his statement in the past tense. The foreign-silver-purchase scheme has already destroyed much of the market for silver upon which the American industry used to depend. The process came about as a result of the boosting of the price. Uncle Sam's unlimited buying sent the price from 45 cents to 81 cents an ounce. At this higher price China was forced to dispense with the metal as the basis for its currency. At one stroke, therefore, the China market, formerly the main prop for silver, was closed to the purchase of silver. Indeed,

the Chinese, having no further use for silver for monetary standard purposes, are actually selling silver to Uncle Sam.

The decline in the foreign demand for silver may be traced in the fall in its price. Silver is now back at around 45 cents an ounce. It would be lower than that if the Treasury were to stop the purchases. And yet the object of this buying was to boost the price. the price.

The domestic interests do not yet realize the extent to which the silver market has been destroyed because the Treasury buys

the domestic production at the subsidized price of $64\frac{1}{2}$ cents. But subsidies must come to an end sconer or later. Then the force of Mr. Eccles' remark will be brought home to the industry.

[From the Tuscon (Ariz.) Star] REWARD TO A "GOOD NEIGHBOR"

Coincident with the announcement of the good-neighbor policy the government of President Cardenas revived with evident de-termination the policy of expropriation not only of lands but of industries. The expropriation has amounted to confiscation, because not a peso has been paid for what has been taken. Yet while Mexico has thus avoided payment, President Roosevelt has directed the Treasury to continue to buy \$6,000,000 worth of Mexican silver each month.

[From the Fargo (N. Dak.) Evening Forum] MEXICO AGAIN

Mexico has the right to take over the lands, but international law holds that the owners must be reimbursed. But Mexico confiscates, and does nothing about reimbursement.

Perhaps Mr. Hull should use stronger language. And another thing, while these expropriations have been going on, the United States Government has had a silver policy from which Mexico has received more benefit than anyone else.

[From the Zanesville (Ohio) Times Recorder] BARTER WITH GERMANY

Announcement that Germany is offering farm machinery, barbwire, and poultry netting in exchange for large quantities of wheat and lard in extensive pure barter deals with midwestern farmers' and packers' cooperative organizations seems to call for careful investigation.

The millions which this country has invested in Mexico's silver, which is not needed here and cannot be used, has not purchased the good will of Mexico and most assuredly has not brought any benefits to this country.

[From the New York Sun] LOOKING OUT FOR THE SILVER BOYS

"There is no justification for the silver-purchase program from either a monetary or a credit standpoint," Chairman Eccles of the Federal Reserve Board told a senatorial committee. Secretary of the Treasury Morgenthau already has practically said as much and he has refused to recommend extension of the life of the Silver Purchase Act.

Purchase Act.

It is unfortunate that Mr. Eccles could not bring himself to advocacy of outright repeal of the act. Instead he suggested that foreign silver be stopped, but that the Treasury continue to buy domestic output, or the bulk of it, at a price well above the market value. Granted that from Mr. Eccles' home State of Utah and the neighboring silver-producing States there is tremendous pressure for continuance of the silver subsidy, which benefits a few mine owners at the expense of the taxpayers, Mr. Eccles hasn't added to his stature in thus protecting one of the many special interests feeding out of the public trough.

[From the Houston Post, Houston, Tex.] AMEND SILVER ACT

If the Government of the United States is to continue buying silver at a premium over world prices for the metal, ordinary common sense suggests that it limit its purchases to silver produced in this country. There can be no point in buying up silver produced in other countries at a premium and piling it up in the United States.

United States.

The Silver Act of 1934 was passed for a dual purpose. One was to stimulate mining of silver in our Western States, thus increasing employment and expanding business, and the other was to broaden the metallic monetary base of the national currency. The administration harked back to the theory of William Jennings Bryan, apostle of the doctrine of free and unlimited coinage of silver at the ratio of 16 to 1, to provide a larger circulation of money and a wider base for credit.

There has always been a considerable segment of the population

There has always been a considerable segment of the population that believed that a lot of cheap money was a help to the poor man. It has never worked out that way in practice. The most prosperous time the country has enjoyed was when the country was on the gold standard. And so President Roosevelt yielded reluctantly to the silver bloc in Congress and eventually signed the Silver Purchase Act.

the Silver Purchase Act.

The measure did for a time stimulate mining of silver in the West. In Colorado, for instance, ghost towns in silver mining districts began to take on new life. Business in general in the mining States was helped, as men went back to work and a new source of income for the people of those States had been provided.

When the Government included silver mined in other countries and bought supplies at higher than market prices, the surplus of silver held in this country began to be piled higher and higher. Now we have an enormous supply, bought at better than world prices, for which we have no use.

Marriner Eccles, Chairman of the Federal Reserve System, a former banker of Utah, who ought to be an authority on silver, is demanding a revision of the Silver Act, because, he says, it is threatening to destroy the domestic silver industry. Having attracted the bulk of the silver supply of the world to our shores, the question is asked, Why continue to mine domestic silver? Anybody with any sense knows this cannot go on permanently.

[From the New York Times] MR. ECCLES ON SILVER

Chairman Eccles of the Federal Reserve Board made an impressive Chairman Eccles of the Federal Reserve Board made an impressive witness in his testimony on Monday before the Senate's "silver committee" on the existing silver-purchase law. His view of that mischievous statute was bluntly and forcibly stated; it was not the less impressive from the fact, as he pointed out, that he himself came from an important silver-producing State. The law of 1934 has resulted, by estimates of the bullion trade, in purchase of foreign bullion six times as large as purchase of domestic silver. Mr. Eccles told the committee:

"The foreign silver-purchase program does more, in my opinion, to ultimately destroy the domestic silver industry than anything

to ultimately destroy the domestic silver industry than anything else I know."

"When you buy the world's silver," Mr. Eccles continued, "you tend to destroy the use of silver elsewhere in the world. That has been the effect."

The law, which has failed in every one of its avowed purposes, ought promptly to go to the legislative scrap heap. A far less costly and less vicious governmental silver-purchase experiment, in the nineties, played its part in wrecking the Harrison administration, and the law was repealed within 3 years of its enactment.

[From the Massillon (Ohio) Independent] SEVEN HUNDRED AND FIFTY MILLION WASTED

At the present moment it has cost the taxpayers of this country \$750,000,000 to make prosperous the silver-mining companies and their employees throughout the world.

Acting Budget Director Bell, Wednesday, disclosed the fact that

Acting Sudget Director Bell, Wednesday, disclosed the fact that since Mr. Roosevelt's silver-purchase plan had gone into effect the Treasury had bought in the open markets of the world between \$1,500,000,000 and \$1,750,000,000 worth of silver, and said that if the metal were sold today it would bring only about \$1,000,000,000. This loss was the result of Mr. Roosevelt's desire to help the silver-mining States in which only a small but important group of voters reside. But he went further afield. He undertook to help the world. Silver miners in South Africa, Canada, Mexico sent their bullion here in exchange for American dollars. The curposeds their bullion here in exchange for American dollars. The cupboards and vaults of China were emptied and the contents rushed to these and vaults of China were emptied and the contents rushed to these shores for conversion into American dollars. China's silver stock soon was so depleted that the nation was forced off the silver standard. So great was the rush of silver out of Mexico that the Government was forced to interfere. Instead of promoting trade with silver-standard countries, as Mr. Roosevelt had hoped and believed, the Silver Purchase Act actually curtailed trade.

Despite the loss inflicted upon the American people by this legislative and economic atrocity of the President, and despite its obvious failure to quicken the return of prosperity, such an exalted person as Secretary of the Treasury Morgenthau claims that it

person as Secretary of the Treasury Morgenthau claims that it benefited America.

benefited America.

Testifying before a Senate committee regarding the silver-purchase program, Mr. Morgenthau stated that it had been instrumental in increasing the purchasing power of half a dozen countries and that if the purchases should be stopped it would tend to reduce exports from the United States. Among the countries mentioned was Mexico, famous for expropriation without compensation of American oil companies.

Evidently the Senators colored exting the Secretary for proof of

Evidently the Senators delayed asking the Secretary for proof of his contention.

In this case figures evidently spoke louder than claims, for little if any correlation exists between our heavy silver purchases from beyond the Rio Grande and Mexican purchases of American prod-

Nor do other available figures reveal any correlation between heavy silver purchases and prosperity. We have the silver but not the prosperity.

[From the Boston (Mass.) Post] GOOD MONEY AFTER BAD?

Secretary Morgenthau says he is going ahead with the announced policy of lending money to the Latin-American countries without regard to their failure to pay on debts already owing to citizens of the United States.

Brazil, for example, owes our citizens \$350,000,000 and is making no effort to pay on interest or principal, although it is believed she is well able to make some payment. Brazil is one of the countries Mr. Morgenthau has picked out to extend credits to in order that she may buy our airplanes.

Last week Mr. Morgenthau quite readily testified before a Senate committee regarding our purchases of silver from Mexico at prices well above fair market value. He said these purchases helped Mexico to buy our goods. But, as a matter of fact, over the last 10 years the official Department of Commerce figures show that

Mexico bought more goods from us in the years before the New Deal silver-buying program was initiated than she has since.

It would seem that our good-neighbor policy in this respect has gone to about the limit of patience. Mexico seized oil properties belonging to American citizens a year ago and has made no pretense of paying for them. From these properties she is now selling oil to Germany and Italy in exchange for goods she formerly bought from us. Now she has seized American-owned sugar lands.

Mr. Morgenthau may be on good ground when he says it is not his business to help collect private debts owed to our citizens. But at least he might refrain from using our taxpayers' money to help countries that deliberately cheat our citizens.

Fear and Force-or Facts?

EXTENSION OF REMARKS

HON, GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

ARTICLE BY HON. JOSEPH C. O'MAHONEY, OF WYOMING

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an unusually instructive article appearing in Dun's Review for April 1939 by the senior Senator from Wyoming [Mr. O'MAHONEY], entitled "Fear and Force-or Facts?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEAR AND FORCE-OR FACTS?

(By Joseph C. O'Mahoney, of Wyoming, chairman, Temporary National Economic Committee)

A little over 10 years ago Americans everywhere, particularly in Wall Street and in Washington, were talking about the new era—and believing in it. That was one of the reasons why we had the "crash" and why, after 6 years of the New Deal, we are now groping for "recovery" by some ill-defined, obscure program of 'appeasement."

As a people we are readers of headlines. We are slaves of slogans and of catchwords. We don't seem to want to take time to learn what is beneath the headline or behind the slogan. We're so impatient to get results now that we don't bother to examine or to test the methods by which the results are to be achieved. And yet Americans are supposed to be a very hard-headed people. The Yankee trader is supposed to have stamped a cautious, prudent character upon the whole population. But the history of the last 15 or 20 years of public action has been the history of headlong and impulsive experimentation with all sorts of economic and political nostrums. And, to use a popular phrase, our condition is getting no better fast!

Isn't it about time for us to realize that there is something

Isn't it about time for us to realize that there is something fundamentally wrong and that we can't cure it by mere palliatives nor by treating only the symptoms? What is the use of shouting "Stop spending!" "Cut taxes!" "Give business a breathing spell!" when we know that there's nothing local about this economic epidemic, that it's a world-wide disaster, and that men in every nation and on every continent, stricken with the fear that rises out of ignorance, are turning desperately to force?

Isn't it about time for us to steel our hearts against both fear and force and by intelligently searching after facts use our brains.

and force, and by intelligently searching after facts use our brains in a patient, tolerant, democratic way to discover how all the people of America and of the whole world may live on the high plane of plenty and prosperity, the materials for which are scat-tered all about us?

Of course, I wouldn't pretend to assert that the Temporary National Economics Committee is going to settle the ills of the world. But I will say that it can become a helpful guide to recovery by developing the actual facts about the commercial and political roads along which we have been traveling at such a headlong, helter-skelter rate for the past generation.

skelter rate for the past generation.

Indeed, our situation may very well be compared to that of a reckless youth in a high-powered automobile on a curving road. We haven't learned to use the vehicle that science and invention have placed at our disposal and, though we are trying to get every bit of power out of the new car, it isn't geared to the road on which we're traveling. That's why we're having a screeching skid or a wreck at almost every turn.

The statutory laws by which we try to govern our economic life were designed primarily for an era when business was local and individual. Our habits of thought are such, and the force of custom is so great, that we act in complete disregard of the fact that modern commerce is national and even international in scope and that it is carried on, not by natural persons, but by corporations which, though created by men, have tremendous advantages over men in all commercial relations. In the world of trade, a man is no match for a corporation, though men, without the corporation, could not begin to accomplish the material results which have characterized this century. The truth of the matter is that we are living in a new era but we persist in acting as though we were not.

The purpose of the Temporary National Economic Committee is to apply the scientific method to the economic dilemma. There

is to apply the scientific method to the economic dilemma. There is no single phase of our whole economic life that is not out of joint, and there is no possibility of making the machine work again except by studying it as a whole.

Agriculture, the basic industry by which men have lived since before the first histories were written, is, next to the railroads, the major economic casualty of our time. We have too much wheat, too much cotton, too much corn, too much of all the things that men use for food. The farmer cannot exchange them for the things he needs and wants, though there are urban millions who need and who want the farmers' products but cannot ext them because the industrial system is also unable to function get them because the industrial system is also unable to function.

get them because the industrial system is also unable to function. For our present powers of consumption there is too much coal, too much gas, too much electric power. The development of oil throws the coal miner out of work. The pipe line cuts down the number of coal cars transported by the railroads. Gas makes war on both coal and oil, while electric power invades the field of all three, and all want to exclude the others from the field.

For 20 years the farmer has been knocking at the gates of Congress for national legislation to enable him to sell his goods at a profit. Right beside him stand the coal operator, the coal miner, the oil producer, the oil worker, the railroads, and the railroad workers, while manufacturing industrialists of all kinds have from time to time during a century and a half sought and received tariff Consumers and unemployed also turn to Congress for laws

Remedies and reforms are proposed to Congress in the same steady stream that brings the complaints. One group insists that changes in the money system will provide the answer; another demands social legislation; another has a new plan to dispose of farm surpluses; another would fix prices; another proposes government subsidies of this, that, or the other kind; another, in bland disregard of the fact that the ratification of the Constitution itself was brought about by the business community because it wanted a stable central government to aid business, and that business could not possibly survive without government, cries "Let business alone." We confuse the means proposed with the objective sought, and, if the pressure gets strong enough, we adopt the means without sufficient scrutiny, lest we be accused of being opposed to the objective.

The advocates of each new proposal and the representatives of each separate industry or trade clamor for the adoption of each special remedy without regard to its effect upon the other factors special remedy without regard to its effect upon the other factors of our economy. Yet the most obvious fact of all is that all factors are interdependent and that no one group can prosper unless all the others prosper likewise. It is the whole economic system of the modern world that must be reexamined in order that it may be made to function in a way that will preserve economic freedom and political liberty. Surely no one can doubt that democracy is being overthrown in Europe precisely because the economic system has not been constituted in such a surely because

that democracy is being overthrown in Europe precisely because the economic system has not been operating in such a manner as to protect individual rights and individual security.

What we have failed to realize is that in the modern world we operate on a collective basis. It is fashionable to denounce "collectivism" as something inherently bad and as though we were still living in an individualistic society. Frequently the businessman whose every energy is devoted to the management of some collective enterprise is most emphatic in denouncing collectivism. Such a person is doubtless thinking of the so-called collectivism. Such a person is doubtless thinking of the so-called collectivist governments, but we shall fail to see our problem in its full perspective until we realize that the large modern corporations which dominate the economic scene in our time are in fact collectivist economic states. The citizens of such a state are the investors who own it and the workers who make it function, while the management which guides its policy is its government, owing a responsibility not only to investors and workers,

ment, owing a responsibility not only to investors and workers, but to the public also.

That these economic states have become increasingly efficient no one can reasonably deny, nor that they make available to the whole population commodities, conveniences, luxuries, and services that would otherwise be impossible of enjoyment.

While it is true that a big country needs big business and that size of itself is not to be condemned, it must be admitted that big business, by and large, has grown at the expense of both natural persons and of little business. As a few units gain control of the major portion of any industry, trade, or business, the free independent enterpriser is driven out and more people become employees. Big business finds it easier to finance itself than little business, because it is in a position of authority, while little business is in the position of a suppliant. The fewer the units, the easier to control prices and suppress competition. Thus organization becomes more powerful than the citizen.

Generalizations, of course, are extremely dangerous, just as oversimplification of the problem is dangerous; so it must be asserted and reasserted that corporations are essential and beneficial instruments of our existence. We do know, however, that the

growth of big business has been accompanied by increasing unemployment. It is, of course, true that new industries make new opportunities for labor, but there is much ground for the belief that each year develops a net surplus of labor. be acknowledged that unemployment was a problem before the "crash" and that even then it was becoming constantly more diffi-

cult for the individual producer of raw materials to survive.

It is here, it seems to me, that the heart of the problem presents itself. The individual worker and the individual producer sents itself. The individual worker and the individual producer have been becoming more dependent for their economic life on the huge organizations which handle the bulk of all commerce and industry. As they become less economically free, the market for industry and commerce tends to get more narrow and that, in turn, produces more unemployment, which again reacts upon the whole system, and the situation tends to get progressively worse.

SOLUTION IN DOUBT

It is easy to blame the politicians, as many businessmen do, or big business, as many politicians do, but the symptoms of the disease are found in every country, and no country has as yet found the solution. Some countries have resorted to force with astonishingly repressive effects upon both business and citizen. The concentration camp and the firing squad reduce unemployment, but they don't set business free and they don't raise the standards of living. standards of living.

Man was not made for the state, nor was he made for any economic system. Both the state and the economic systems were made to serve the needs and the conveniences of man. Ours,

then, is a problem of adjusting the modern economic system to meet the requirements of men.

Business will best serve itself and Government will best serve the people when both cooperate to devise the rule that will keep opportunity free, provide employment, stabilize income, and abolish all arbitrary restrictions on free private enterprise, whether such restrictions originate in private or public power. Only thus can we justify democracy. And the first step is to get the facts.

I have a profound faith that, given the facts, the American people will know the answer. It is an answer for which the world is waiting.

Washington Jitters

EXTENSION OF REMARKS

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

EDITORIAL FROM THE NEW YORK POST OF APRIL 20, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the New York Post of Thursday, April 20, 1939, entitled "Washington Jitters."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the New York Post of April 20, 1939] WASHINGTON JITTERS

We can almost hear Bill Smith, plain American, remarking to his wife: "Awful lot of war talk in the papers, isn't there?" We can almost see Mr. and Mrs. Smith, in living rooms throughout the land, pausing for that moment of worried thought which

can almost see Mr. and Mrs. Smith, in living rooms throughout the land, pausing for that moment of worried thought which the mental image of war always evokes.

There has been a lot of war talk in the papers and we are sorry for it. We must add that this talk comes from high quarters and cannot be ignored or omitted. But we agree with Bill Smith that there has been an awful lot—too much—of it.

There are two parties in this country, one which declares we can keep the peace by keeping out of other people's troubles, and the second which thinks that joining hands with Britain and France in their current war danger is the way to preserve peace. The second party has the ascendancy in the Nation's Capital.

As a result there have been many more signs, more portents for war than for peace in the last 11 days. We say 11 days because these portents started on April 9. We list some of them.

April 9: "I'll be back in the fall if we don't have a war," remarks the President on a Georgia railway platform, a remark that sent a chill around the country. Does he mean that "we" will be in the war, or only that there will be a war in Europe?

April 12: It turns out the President means that a war in Europe would "from the outset" involve our destinies. An editorial writer for the Washington Post makes this interpretation and the President in press conference endorses the editorial.

April 14: The President, in a speech before the Pan American Union, declares that "we have an interest wider than mere defense of our sea-ringed continent." Again a cold chill. Are we to be embroiled in Europe's quarrels?

April 15: The President sends identical notes to Hitler and Mussolini, asking for 10-year nonaggression pledges. Though the text of the note was mild enough, it was interpreted as an effort to put the two dictators on the spot—and it was also interpreted in some European countries as an open American offer of support to Britain and France.

April 15: (How steadily the shocks come!) The fleet is given hasty orders to go to the Pacific, abandoning plans for a spring stay in the Atlantic. Whispers arise that "France and England will take care of the Atlantic while we take care of the Pacific" in the "coming war."

"coming war."

April 18: There is a meeting of fiscal agents to discuss plans for safeguarding the prices of stocks in event of war. War—war—war. April 19: Col. Charles A. Lindbergh, to the accompaniment of official statements, is called suddenly to "active duty" with the Army to make a survey of aviation research facilities. Why this press-agent approach? If it had to be done, why not quietly?

April 19: So critical is the danger of war in the Mediterranean, with French, British, and German fleets maneuvering near Gibraltar, that families of officers on the British island of Melta ere ordered that families of officers on the British island of Melta ere ordered

that families of officers on the British island of Malta are ordered home. So what? So we send our U. S. cruiser Omaha to visit Malta from April 23 to May 2. Why?

We would like to hear a little talk about peace just for a change. What are we doing to keep out of war, if there is so much danger? Or are we welcoming entanglement in a war to pull some imperial electric out of the free for Spritching.

Or are we welcoming entanglement in a war to pull some imperial chestnut out of the fire for Britain?

Washington buzzes with rumors. Over the last week end correspondents learned of a plan for an immediate lightning attack by Germany on the Netherlands while the German Navy engaged the British fleet in the Mediterranean and Japan grabbed the Dutch East Indies. When this story was cabled to London, the London papers turned it down. It was a rumor they had heard 2 weeks before and which the British Government unofficially said had been traced to the German Nazi Propaganda Ministry.

Washington took it seriously. Washington has more jitters and talks more about war than even the European capitals.

Can't we, in the name of common sense, stop it? The President could reassure the country by one single broad statement to this effect: "I intend to keep America out of any European war." He has not yet made that statement.

has not yet made that statement.

On Social Security-Why and How-From the Republican and Democratic Viewpoints

EXTENSION OF REMARKS

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

RADIO DISCUSSION BY HON. ROBERT A. TAFT, OF OHIO, AND HON. T. V. SMITH, OF ILLINOIS, APRIL 11, 1939

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a timely and important discussion on social security disclosing the Democratic and Republican points of view on the subject as presented by Senator Robert A. Taft, of Ohio, and Representative T. V. Smith, of Illinois, Tuesday, April 11, over the Columbia Broadcasting System:

Announcer. First, from a Republican point of view, as presented

by Senator Robert A. TAFT.

Senator Taff. Citizens of the United States of America, what is Senator TAFT. Citizens of the United States of America, what is social security? It is a term of which we heard very little before the beginning of the depression in 1929. It was not an American concern before that time, whether the administration was Republican or Democratic. Neither liberals like Woodrow Wilson nor conservatives like Warren Harding concerned themselves greatly with any national action for social security, although here and there therefore the security the States everyments were heard. with any national action for social security, although here and there throughout the States experiments were being attempted. Social security is a system designed to give every man and woman assurance that they and their families will not be thrown onto the streets, and left without food, clothing, and other necessities, either by reason of old age or physical infirmity or inability to get a job. It was not much discussed before 1929, because we thought we had developed a system in America which would provide social security without Government action. We thought we had developed a system under which every man could secure emvide social security without Government action. We thought we had developed a system under which every man could secure employment. We thought we had developed a system under which a man who was willing to work during his active years could save enough money to provide for himself in his old age, or educate his children so that they could earn enough to take care of him. If we had been right, the United States would have had the best form of social security—one dependent on a man's own efforts instead of the Government's, one providing an American standard of living, and not a relief standard of living. And let us remember that social security for most of the people still depends much more on this superior American system of individual effort and reward for thrift and intelligence and hard work than it does on legislation.

Of course, even in pre-1929 days, there was plenty of poverty and misfortune. But they were handled by various private agencies and local government institutions which looked toward assuring social security. Old people's homes, orphan asylums, hospitals organized by private charity or local government took care of cases of misfortune, and in times of prolonged unemployment, charity work was extended to the homes of the unemployed.

cases of misfortune, and in times of prolonged unemployment, charity work was extended to the homes of the unemployed.

But in 1929 we found that we did not have the economic system we thought we had. Thousands of people lost their life savings, Millions were thrown out of work. The immense financial burden broke down the solvency even of local governments. And so the people turned to the attractive plans for social security, particularly for old-age pensions and unemployment insurance, which had been developed in various European countries.

Today every party and every sincere student of social conditions is in favor of relief, adequate old-age pensions, mothers' pensions, and unemployment insurance, and all feel that the Federal Government must take the lead, and provide the financial resources necessary to make the plan effective. The broad term "social security" embraces work relief and direct relief, but it is more often applied to the forms of assistance provided by the Social Security Act, namely, pensions for the aged, unemployment insurance, and pensions for mothers with dependent children.

When it comes to the Social Security Act itself, and particularly the exact method in which old-age pensions shall be paid and the money raised to pay them, there is a substantial difference of opinion in this country today. Most people do not realize that nearly all the old-age pensions paid today are still paid under State laws by State governments, and the only assistance from the Federal Government is a grant of half the money required. The States pay the other half out of State taxes. The Federal money comes out of the general fund of the Treasury, and does not even come from the pay-roll tax. In Ohio, for instance, our old-age pension system, from which 120,000 people are drawing pensions, was enacted by State law, initiated by the Ohio Federation of Labor and the Fraternal Order of Eagles. It was adopted before the New Deal began, and it was a universal plan to reach all of the needy aged, and not contributo and not contributory or limited to certain groups.

On top of this system the Federal Social Security Act provides

On top of this system the Federal Social Security Act provides for a reserve plan of old-age pensions, each man to build up a reserve from a pay-roll tax on the wages he receives, paid one-half by the employer and one-half by the employee. This tax is now 2 percent, and is to increase to 6 percent. Unfortunately, it will be many years before anyone gets as large an old-age pension under this plan as he can get now from the State without making any contribution at all. Incidentally, the reserve plan only reaches certain classes of employees, and omits entirely large groups like agricultural laborers, household servants, itinerant workmen, and others. It is extremely complicated to keep lifelong records for everyone who is covered, and there will be countless errors in these records.

others. It is extremely complicated to keep lifelong records for everyone who is covered, and there will be countless errors in these records.

One difficulty with the present plan is that it has two systems of old-age pensions which overlap, and no provision is made for their ultimate reconciliation. The theory of the plan is that a man accumulates a reserve to pay his own pension in his old age, but for many years he will not get as much of a pension under this plan as the State is paying under the State plan without any contribution from the recipient at all.

The present Social Security Act has been tremendously burdensome upon industry. Even now the 2-percent pay-roll tax is raising approximately \$600,000,000 a year from the people of the United States, while paying out only about \$12,000,000 in pensions. The unemployment insurance tax of 3 percent on pay rolls, all paid by the employer, raises about \$900,000,000 a year. Ultimately this tax will all be passed on to the consumer, or passed back to the workman, increasing the price of every product that the average workman buys. But in the meantime it puts a heavy premium on cutting down labor, and there is a constant incentive to employers to cut down the number of workmen through the increase of machinery or otherwise. The pay-roll tax tends to increase unemployment just at a time when unemployment is the most serious menace in the entire country.

Increase unemployment just at a time when unemployment is the most serious menace in the entire country.

The so-called reserve plan in the Social Security Act contemplates the building up of a huge reserve, amounting to \$50,-000,000,000 by 1980. In the coming fiscal year the Government will take away from the people in pay-roll taxes \$1,600,000,000. About three-fifths of the unemployment-insurance money will be paid out, the rest used to increase the unemployment-insurance reserve. More than half the old-age tax will be used to increase the reserve, even if the grants to States for pensions are deducted, so that unless some change is made, the Government will take in over \$700,000,000 more than it nave out, including railroad pay-roll

so that unless some change is made, the Government will take in over \$700,000,000 more than it pays out, including railroad pay-roll taxes, depriving the people of just that much purchasing power at a time when it is vitally needed.

The law provides that this reserve must be invested in Government bonds. That means that when the money comes into the reserve fund it is paid over into the Treasury, and the Treasury prints and puts into the reserve fund the same amount of Government bonds. In other words, the Government invests its money in its own I O U's. After the money gets into the General Treasury, it is used to pay the current deficits of the New Deal administration. The reserve is supposed to provide pensions in the future, but what happens in 1980, when the Government wants

to get money with which to pay the pensions? There is no cash in the reserve fund, so it has to go out and tax the people a second time to pay the interest on the bonds so that there may be money in the fund to pay the pensions. People have to pay taxes a second time because the first payment of taxes has been

taxes a second time because the first payment of taxes has been used for the payment of deficits.

Of course, the truth is the whole reserve plan is unsound. It is sound enough for a private insurance company, dealing with a limited number of policyholders, but an entire people cannot have a reserve. The people cannot live on machinery or buildings or property. They are interested in food and clothing, and no nation ever has had a reserve of more than a year's supply of food and clothing. In substance, the only way we can feed and clother and clothing. In substance, the only way we can feed and clothe people who are not working is to tax the people who are working at or about the same time, or are receiving a return on past savings at or about the same time, a sufficient part of their earnings to take care of those who are not working. Under a Nation wide classe remember when the same time, a sufficient part of their earnings to take care of those who are not working. Under a Nation-wide old-age pension system, we might as well recognize that these pensions must be paid substantially out of current taxes. The whole plan should be on a pay-as-you-go basis. If we do that, we can reduce the pay-roll tax for the present, because 1 percent instead of 2 percent will take care of all the money now paid out by the Federal Government to assist in the payment of pensions.

After protecting for years that the New Peal sected country also

After protesting for years that the New Deal social-security plan was the last word in perfection, Secretary Morgenthau last month suddenly admitted that it was fundamentally wrong and that the reserve should be cut down to a much smaller sum, sufficient only to take care of minor variations in probable tax receipts. The Secretary and the President both seem to have finally come around to Senator Vandenberg's proposal that the pay-roll tax increase, which was supposed to go into effect the 1st of January 1940, should be deferred, but no action has yet been proposed by the Democratic leaders in Congress. Even if this preliminary step is taken, however, the Federal Government is still going to tax the taken, however, the Federal Government is still going to tax the people during the next fiscal year \$1,600,000,000 and turn back, in the form of unemployment insurance benefits, aid to States for pensions, and expenses of operation only about \$860,000,000, so that more than \$700,000,000 will go into reserves at a time when we need all the purchasing power possible in the United States. With Secretary Morgenthau's change of front, the whole future of old-age pensions is in complete confusion, and a new start much be made. must be made.

Personally, I see no sense in a contributory reserve system as long as we are granting pensions anyway to all of the needy old, unless that contributory reserve plan be supplementary and optional. And there can be no doubt in my mind that the American tional. And there can be no doubt in my mind that the American people demand a universal system of pensions regardless of past earnings. If the reserve plan were made optional so that any man dissatisfied with the amount of the standard pension could build up, with the assistance of his employer, an additional reserve for himself, and receive a supplemental pension, the reserve plan could be fitted into a universal pension plan. The natural method of establishing a universal pension plan is

to rely on the present State pensions, with assistance from the Federal Government as at present, or perhaps in a slightly increased percentage, provided through a sales tax or a general transactions tax rather than through a pay-roll tax. But no additional tax should be adopted unless the pay-roll tax for old-age pensions

were repealed.

The unemployment-insurance plan is being extended to additional States, and there is reason to hope that it will prove to be satisfactory and acceptable. It is important that the tax be lightened on those industries which provide stable employment, so that there may be a strong incentive to other industries to stabilize their own employment. After all, our main purpose should be to prevent unemployment rather than to provide insurance against it, for unemployment insurance will only take care of comparatively short periods of unemployment, and after it is exhausted the employee again faces the relief rolls. employee again faces the relief rolls.

Unemployment, relief, and social security are different parts of the same problem. They should be administered by the same department, under the local or State government, with financing and supervision from the Social Security Board in Washington. When a man first loses his job he will be taken care of for some When a man first loses his job he will be taken care of for some time through unemployment insurance benefits based on the contributions of his employer. When these are exhausted, if the employment bureau cannot yet find a job, the State can provide direct relief for a certain number of additional weeks. After that, to prevent demoralization and improve his income, he should be put on work relief. When he reaches the age of retirement, if he is still in need, he receives an old-age pension.

Today the whole relief and social-security field is in complete confusion. Few men understand what they are entitled to receive. All of them are being taught to lean on the Government. The appropriations for relief create a tremendous deficit, while taxes for social security pile up in the Treasury. Certainly the time has come to deal with the whole problem of social security as one problem, on simple, logical lines, with as little confusion between different agencies of government as possible.

Of course the principal difficulty in any system of social security

Of course the principal difficulty in any system of social security is the tremendous cost on the majority of the people who still provide their own social security. No one should be more interested than the recipient of social-security payments to see that that cost is reasonable, for if the burden becomes too heavy, the entire system may be destroyed by those who have to bear that

burden, namely, the average workman with a steady job. Social security should not deprive any man of incentive to improve his own condition and save his own money for his old age and for his family. Payments made by the Government to millions of men will never be much more than enough to provide food and clothing and other necessities, because the cost is so tremendous that it may destroy the incentive of all others to do the very work which is necessary to provide even thest experiences.

that it may destroy the incentive of all others to do the very work which is necessary to provide even that subsistence allowance.

If a man wishes a home to live in in his old age he must still save the money to own that home. If he wishes an income to enable him to live comfortably, with an occasional winter trip to Florida, he had better save enough money in the bank or building and loan association to provide his own pension. We owe to every man a reasonable allowance to protect him and his family against the inequalities of our economic system. But the scope of any plan to accomplish this purpose is so tremendous, its cost is so great, that we may destroy the whole basis of the very economic system to which we are looking to provide social security itself. No one should have any pride of opinion in his particular pet theories, and certainly I have none in mine, but I am convinced that the system must be more simple, more efficient, and more coordinated than the welter of confusion which we see in

this country today.

Announcer. That was a Republican point of view on Social Security—Why and How, as presented by Senator Robert A. Taft, of Ohio. Now Representative T. V. Smith, of Illinois, presents a Democratic point of view.

Representative SMITH. Kinsmen in Texas, neighbors in Illinois, friends in North Carolina, men and women of America, greetings from Washington. The Senator's speech fits discordantly into our from Washington. The Senator's speech fits discordantly into our Easter meditations upon the passions and the pilgrimage of mankind. The social-security law is probably the greatest single effort yet made in America to bury the fears and to resurrect the hopes of our citizens. Great as it is already, it bids fair to extend and to perfect itself with the years. The legislation was born of a time when desire for work and lack of work were both conspicuous. But the social-security movement is much deeper than the work-relief program, which the Senator and I discussed last week. Though this act is made up of 10 different programs, we may simplify it thus act is made up of 10 different programs, we may simplify it thus around the problem of work: It seeks to smooth the path of life for as many as possible of those who are too dependent to work (both children and their mothers), those too old to work (both the indigent and the retired), those too weak to work (the crippled and the sick), and those temporarily unwanted for work (the unemployed).

This social-security program has been nonpartisan in idea and in plan. It was proposed by the President months in advance of enactment. It was debated by everybody and worked over by nonpolitical experts. It was not a party matter in Congress. Only 33 voted against it out of 435 in the House and only 6 out of 96 in the Senate. The almost superhuman job of organizing the work was put into the hands of a Board which, so far as I can learn, has done an unusual job of keeping books for millions and millions of people. For, mark you, what has been done in so short a time. Already 3,500,000 of the aged, the blind, and the dependent children are receiving Federal-State allowances. Already all the States have unemployment compensation laws and more than 27,500,000 wage earners have earned credits toward out-of-work relief under these laws. Already 43,000,000 workers have applied for accounts under the Federal old-age insurance plan. This is clearly the most farreaching thing Americans have ever undertaken cooperatively. It is so far-reaching that critics might have been forgiven the advance they what that it would not be done. thought that it could not be done. I find it more difficult to understand those who now complain of it after it has been done.

stand those who now complain of it after it has been done. Its amazing how many things, however, you can complain at if you just sit down and try. You can make anything look like 30 cents, including yourself. Try it on your lodge, and tell me how your lodge looks after you are through. Try it on your school. Try it on your church. Try it on your friends. Don't try it on yourself. Have you been trying it on the social-security program, or have you only been listening to them that try it on the program? Well, what's left? Why, the social-security program is left, that's what. With all the tone of complaining tonight, did you catch a single one of the 10 distinct aspects of this great act our critic would repeal? I did not. Did you catch a single benefit he would relinquish? I did not. Did you catch a single included group he would exclude? I did not.

quish? I did not. : exclude? I did not.

No wonder that we did not catch these fruits of his complaining. He's for this security business, you see, lock, stock, and barrel. He's for the idea and even for the act, since he does not propose to do for the idea and even for the act, since he does not propose to do any repealing. Let's assume that he's for security—he says that he is—and try fairly, then, to see what he's complaining at. They also serve who only stand and criticize. He complains at the pay-roll taxes. Now, he may be right about them, but he proposes in their stead something like a sales tax, which certainly, as far as it goes, outrages every principle of just taxation by making the poor poorer and leaving the rich richer. I'm certainly not impressed by that complaint. Perhaps what he doesn't like is any tax at all. Well, most of us are with him there; but it won't help much, since we all agree with him also in wanting the benefits.

He complains at the reserve feature of the old-age insurance.

agree with him also in wanting the benefits.

He complains at the reserve feature of the old-age insurance. Well, he may be right about that, too. But how much will you bet that, if we had adopted a plan without the reserve, he wouldn't have complained even louder that the plan was not fully financed? The matter is debatable, but complaining gets to be a habit also. I know this matter is debatable, because there have been important experts, not to mention sincere politicians, on both sides. I wonder whether one reason the reserve was kept was not

the fear that if chronic complainers came into power they would repudiate the benefits promised unless there were reserves to pay them. But that danger no longer holds. Mr. Taft, who can speak for the conservatives, assures us that now such benefits ought to be paid out of direct taxation as the benefits come due. If these powerful complainers, who want to come back into power, really feel that way about the matter, then we can safely drop the reserves or cut them to a small amount. Such a reduction is reserves or cut them to a small amount. Such a reduction is exactly what's being proposed now by the administration, ever alert to improve. Instead of complaining at the Secretary of the Treasury and the President for changing with this change of the conservatives, Mr. Taff ought to congratulate the administration on having an open mind and on keeping up with the times. Maybe that's the reason the reserves were put in, I now further suggest, to bring substantial conservatives round to the reasonable position of lending their confidence to the credit of the Nation. At any rate, now that they've done it, we can deal reasonably with the reserves in the light of their change of attitude.

the reserves in the light of their change of attitude.

I do not profess myself to know much about these matters, and I certainly do not wish to take one iota of credit from Senator Vandenberg, or Huey Long, or Dr. Townsend, or Mr. Taft, or anybody else for their part in bettering this great legislation. It was unpartisan in conception and ought to be kept so in execution and in improvement. Indeed, all such technical matters are, in my opinion, best left to cautious students who know the subject and have no political interest in the changes. Such groups correct honest mistakes without heat and can prick the bubble of prejudice without the necessity of face saving. The latter's exactly what such a distinguished group has already and recently done in connection with a bogey about as scary as the one last national election, you remember, when they tried to make the social-security registration a badge of bondage if not indeed a passport to prison. That bogey only scared voters away from prevaricators. I refer now to the bogey of reserves, empty save as filled with Government I O U's. I hoped the Senator would have been above such innuendoes. If we are to have reserves, they cannot lie idle; they must be invested. Does anybody propose

cannot lie idle; they must be invested. Does anybody propose anything better than Government securities guaranteed to yield the fund 3 percent. The Senator did not, and I hear no such proposal. A distinguished nonpartisan group recently advised the Senate subcommittee studying this question to exactly this effect: "the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds." It may be unwise to have a reserve, as Mr. Taff argues, but as long as we have one, whether it be large or small, we shall and must invest it in this prudent manner.

So much for prevailing murmurings. I have touched upon all the Senator's important complaints, I think, save one. In treating such details seriously, I have assumed that the critic is in favor of social security. The Senator says that he is, says so tonight. But I cannot forget another night and what he said then. It was the first night we met before the microphone, and then he said: "While social security may be a desirable adjunct, it is no American ideal." How does an American favor social security who does not favor it as, or believe it to be, an American ideal? Well, he might favor it as a political expediency, as some have favored the Townsend plan. I do not know that this is Mr. Taft's position with reference to social security, though he has apparently left an impression on the Townsend people that he favors their plan. All for economy as Democratic critic, all for extravagance as Republican friend.

I mention this not to be personal with the Senator, as he will understand; but to illustrate what puzzles me about all such conservatives. I clearly got the impression tonight—didn't you?—that the Senator doesn't want the Government in all this expensive business of security. That's his great and steady underlying complaint. Still tonight he pushes away not a single benefit from a single group. He wants the Government out, but he wants what cannot be had without the Government's being fully in. Just as details seriously, I have assumed that the critic is in favor of social

single group. He wants the Government out, but he wants what cannot be had without the Government's being fully in. Just as some say that they are in favor of work relief—page Mr. Taft from last week—but deny what they say by throwing it back to States that simply cannot provide the work, so many are in favor of security—so they say—but want it provided by individualism that cannot provide it, or want it handled by States that cannot handle it. This is an old trick, a trick which I honestly believe conservatives use to fool themselves and allay their sense of guilt at the woe of the world, a guilt which Mr. Taft boasted last that he did not feel. It is as if to say with Hamlet:

"The time is out of joint:—O cursed spite, That ever I was born to set it right!"

That ever I was born to set it right!"

I think I understand this divided personality, partly because of what I, the son of a pioneer, feel in myself about this expansion of governmental machinery and partly because of what I met in Illinois last election. Senator Taft's group in my State not only firted with the Townsend plan but they actually promised if elected to office in the State an old-age pension out of State funds that would have bankrupted Illinois, and at the same time they swore they'd reduce taxes. We Democrats had to carry the banner of a balanced budget to save the credit of the State. Napping too long in the sleepy hollow of "normalcy" the conservatives now find themselves in a world too much for them. They themselves feel insecure and grab at every passing straw. Anything that they can do of what they must do is so unideal that the worst they can do seems to them hardly more bad than the best they can do—or at least what they promise to do in politics.

Politics can be a moral matter only when what we must do in politics still seems to belong to our ideals. Then we can will both the end and the means. To me, I confess, social security, seems not only an American ideal; but, as I have said before, the Amernot only an American ideal; but, as I have said before, the American ideal. Mr. Tart has gone out of his way to deny that it is an American ideal. No wonder, then, that his very acceptance of social security as a present necessity is shot through with a constant undercurrent of complaining. He's not going to be happy whatever we, or even he, may do about it. He accepts the mathematics of it, but he rejects the morals of it.

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This attitude toward security is understandable for the conservative well-to-do who can get security individually. It might even be understandable for my own group that can provide security for themselves professionally. As a school teacher I have for years paid 5 percent of my salary and my school has paid another 5 percent so that I may give all my mind to my work, and not have to worry about old age. It makes more difference than one might think

Mr. Taff, a distinguished corporation lawyer, can provide this security personally and I, a school teacher, can get it professionally. But the great majority of citizens cannot get it either way. We want them to have it, at least I do, as the deepest demand of the greatest American ideal. We want it not merely demand of the greatest American ideal. We want it not merely as a matter of sympathy for them; we also want it for them as a matter of safety for ourselves. Even the well-to-do cannot maintain their security in a heaving ocean of mass insecurity. But to make this class possession into a mass gain, there is only But to make this class possession into a mass gain, there is only one way and that is through government. Indeed, that is exactly what democratic government is for, to enable men to get cooperatively what they need, when they cannot get it either individually or professionally. To see how imperative this security matter is for mankind and to see that governmental cooperation is the only way to get it is to dismiss constitutional cult words against a people's government and is to accept the democratic centralism which I have been proclaiming as the new federalism. The only other thing necessary to get over the notion that security is not an American ideal, is to see that it has always been and is now the driving motivation among us of all classes

security is not an American ideal, is to see that it has always been and is now the driving motivation among us of all classes alike. Now this is so easy for me to see that I think I can even show it to Senator Taft. My earliest memory indeed is that of sitting in the "spring seat," as we called it, of a "prairle schooner," as you movie-goers call it, with my father driving west, ever west, young man, growing up with the country, about a hundred miles farther on each year or so. It was toward the end of the long trek of the pioneers—in that last frontier, the Lone Star Stafe. Lone Star State

Now, well-to-do corporation lawyers and comfortable movie-goers may think that the trek was due to restlessness. And it was the restlessness of the poor. You may think it was due to adventure. And it was, adventure after security. I do not recall, however, that my father thought it adventure, and I am sure that my mother did not. They both, I believe, and all their honest hard-working kind, took it as a risk and hardship, endured, how-ever, in hope of greater security for themselves toward the evening of life and of more secure opportunity for their children through of life and of more secure opportunity for their children through the morning and noonday of life. The romance of adventure woven around the heads of pioneers is largely spun from the in-experience of youth or from the comfortable security of the

well-to-do. So also the illusion that the individualism of the wealthy was a personal virtue and quite independent of governmental aid, as the Senator from Ohio constantly seems to imply. When in the past three individualists ventured to build railroads, they expected the Government to "secure" them with a right-of-way, not to the Government to "secure" them with a right-of-way, not to mention the added security of every other section of land along the way. When they chanced new lines of manufacture, they expected the Government to "secure" them with appropriate tariffs against outside competition. They were just like us, only they were seeking security as a privilege because they already owned it as a property right. And today the telltale cry of "confidence" (which is but the name for their security) is directed to what they name derisively "the providential state," when and because they saw the poor beseech it for their own security. Is rugged individualism to be reserved for ragged individuals alone? individualism to be reserved for ragged individuals alone?

they saw the poor besech it for their own security. Is rugged individuals alone?

To get all this clear is to know at last what Jefferson tried to tell us long ago. Since day after tomorrow is his birthday, I may invoke his aid, and close. Jefferson, too, you remember, "deserted his class," said and say those who also say that there is no class society in America. When all the conservatives said the sacred trinity was "life, liberty, and property," Jefferson said "life, liberty, and the pursuit of happiness." He said it in our Declaration and later said it in Paris to Lafayette for the French Declaration of the Rights of Man. He dared to make it the business of government to give to men without property the security which rightly belongs to persons, as well as accidentally belongs to property. By doing so, this Jefferson radical to his day became for our day the patron saint of all conservatives. They appreciate having done what they will not do and what they complain about when we do it. Our social-security program today has all the marks of Jefferson upon it: It's bold in conception, conservative in execution, and growing all the while. It guarantees to the many as a right what the few have always had as a privilege. Who says this practice is not an American ideal? Not the workers. They're even willing to increase their half of the payroll tax next year. Who, then, says it's not an American ideal? And why?

And why?

Work Relief-Public Buildings

EXTENSION OF REMARKS

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

Mr. HARE. Mr. Speaker, I regret I was unable to complete my remarks on yesterday in the time allotted to discuss H. R. 3799, a bill providing for the use of W. P. A. workers in the construction of public buildings to be used in accommodating second- and third-class post offices, county agents, home-demonstration agents, and other governmental agencies. I am glad, therefore, to have opportunity to supplement and extend my remarks by quoting extracts from communications I have received from a number of constituents who seem to be interested in the policy suggested by this hill

In the absence of definite permission, I shall not take the liberty to give the names of the parties, but will give their title or name of position they hold. I quote first from the president of one of the Rotary Clubs in my district, who says:

We are pleased to note your activity recently and in the right direction in connection with the relief program, in trying to get buildings or something tangible out of it all. The post office here is not even fireproof. There being a number of tenants upstairs, is not even fireproof. There being a number of tenants upstairs, and yet the rental is \$75 per month. We wish you every success in this undertaking.

A well-known and substantial merchant writes:

We fully agree with you in your efforts to place the relief work on a sound basis and provide for post-office buildings. This is certainly better than just scattering the money to the four winds.

A postmaster in one of the third-class offices says:

I was glad to note in the Congressional Record of your efforts of a few days ago providing for an appropriation to build third-class post offices through the W. P. A. While your efforts were not successful this time, I am pleased to know that you will continue same, and this is to express the hope you will succeed. So far as I know you are the first Representative to make a real effort to rectify the injustice and discrimination in the small towns against the post offices in the matter of buildings and equipment. The people in this community are very anxious to secure better mail facilities and requested me to write you in connection with the program you have suggested. suggested.

A cotton-mill president writes:

I have noticed in the press dispatches reference to a bill for the erection of post-office buildings in the cities where there are second-and third-class post offices. If the Government is going to spend money for relief, this bill would not only provide work and relief but give something permanent for the Post Office Department instead of paying so much rent. I hope you will be able to get favorable action on it. able action on it.

The president of a county bank writes:

I have been interested to notice press accounts of the substantial relief bill you have introduced providing that funds appropriated should be used for the purpose of constructing second- and third-class post-office buildings, and I am taking the liberty of writing to say that I heartly approve of your proposed measure. This to say that I heartily approve of your proposed measure. This would afford well-distributed employment to W. P. A. workers and would, no doubt, be a good investment for the Government, as it would provide much-needed quarters for post offices and at the same time effect quite a saving of rental.

A letter from another postmaster says:

I note that you have before the House a bill asking that a certain I note that you have before the House a bill asking that a certain amount of money be appropriated for building second- and third-class post offices under the W. P. A. program. I heartily congratulate you upon this wise deed. It will not only give employment to those needing it, but the fruits of their labor will fully compensate for something that we have long needed. If the Government has money to invest, think of the return it will receive yearly on its investment, a good rate of interest in lieu of the millions it is paying out per year for rentals. Wishing you every success in an effort of the this bill through to get this bill through.

The mayor of a small town says in part:

I note with interest your efforts to provide better post-office facilities for second- and third-class offices.

I further note this is to come under W. P. A., and in this connection I firmly believe you have hit on an idea that comes right to

the point and will provide something for the public they have long wanted and needed.

first, this program will provide work for that class that now comes under the W. P. A., and, while they are working, will not only receive a maintenance but will be doing something construc-

tive.

We have paid out enough here by way of rent to construct a substantial building. If we take, say, 4 percent interest on what we have paid out in the last 12 years, we would have a nice enough building for any town. The Lord only knows we have near as nothing for a post office in this town, and there is no possible excuse the Government can give why we could not have a better one. As a matter of fact, we practically have nothing that we can call a post office, just a little, inadequate building with no conveniences, and, I can emphatically state, a post office I am actually ashamed to point out to a stranger. In looking over the great improvements that our Government has made with mail facilities all over the United States, it certainly looks as if the Government would the United States, it certainly looks as if the Government would naturally want to make some improvement of the sources of the

The letter last above noted comes from a town where they have a third-class office but approaching near that of a second class, and I heartily concur in the idea that there is little or no reason why we should discriminate in providing quarters for postal facilities where there is conclusive evidence that the offices are permanent and will gradually increase in business from time to time. Undoubtedly, this is a sane, safe, and dignified program for taking care of those who are in actual need of work relief. Of course, some of the money appropriated would be used in the purchase of materials, but I take the position that this is an added reason why the suggested program should be adopted, because it will stimulate those industries engaged in providing building materials and to that extent will give opportunity for some people now on relief work to find employment in private industry. That is, it will be necessary for someone to fell the trees and convert them into lumber to be used in the construction of these buildings. It will be necessary for somebody to make the brick, manufacture the nails, lime, cement, and other materials that would enter into their construction. It is elementary to say that the number of unemployed cannot be decreased unless there is an increase in industrial or agricultural activity. We cannot decrease the number of unemployed by decreasing our agricultural or industrial activities.

Let me say in conclusion that many of these buildings will be of the same size and identical design and would, therefore, eliminate a considerable amount of what is usually referred to as overhead costs in preparing plans, blueprints, specifications, and so forth, and I do not know of a better time, condition, or circumstance for inaugurating such a program than that which now exists.

Certainly, the program I have suggested will not completely solve the problem of unemployment, but it will be at least one drop in the bucket toward that end. I am, therefore, hopeful that we will be able to pass this bill, or provide in the next work-relief appropriation a policy that will effectuate

or accomplish the same purposes.

At the expense of repetition I should probably say that the bill provides for \$150,000,000 to be used for the purposes named and, according to estimates furnished by the Procurement Division, it will take about 4 years to complete the program without increasing the present set-up.

Acquisition of Stocks of Strategic and Critical Materials

EXTENSION OF REMARKS

HON. VINCENT F. HARRINGTON OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

RADIO ADDRESS BY O. L. BROWNLEE, MARCH 30, 1939

Mr. HARRINGTON. Mr. Speaker, on the subject of the Faddis bill and the injurious effect of this legislation in its present form on the infant domestic manganese industry, I ask unanimous consent to revise and extend my remarks and include therein an address given on March 30, 1939, by Mr. O. L. Brownlee, chief editorial writer of the Sioux City (Iowa) Tribune.

Mr. Brownlee has made an extensive study of the manganese situation and is very expertly informed on conditions now existing in the domestic field. This matter is of very great interest and importance to the Middle West, particularly South Dakota and western Iowa, where manganese deposits exist in commercial quantities. In view of the imminent opening of Missouri River navigation to Sioux City, Iowa, making water transportation available to these domestic mines, it is extremely important that this Congress lend every aid and encouragement to the development of this latent and essential American industry.

The address is as follows:

Thank you, Mr. Announcer, and good evening, ladies and gentlemen, I wish briefly and as forcibly as I can to bring your attention to the facts concerning what I consider one of the trickiest bills pending in the Seventy-sixth Congress, a bill which forcibly illustrates how certain vested interests operate to prevent the development of Americal's natural recovery.

ment of America's natural resources.

The bill is known as H. R. 5191, by Congressman Faddis, of Pennsylvania, and it bears a favorable report by the House Com-

mittee on Military Affairs.

This bill would appropriate \$100,000,000 to be expended over the next 4 years for the acquisition by Government of reserve stocks of the so-called strategic and critical minerals, such as manganese, chrome ore, tungsten, vanadium, tin, etc., of which this country produces a deficiency. We should have such reserves as a measure produces a deficiency. of safety in wartime.

We have adequate supplies of these minerals, except perhaps in the case of tin, in this country, but they never have been developed because American enterprise cannot produce these minerals and pay an American wage scale in competition with foreign ores produced by peon or slave labor.

Up to this time American steel interests have succeeded in

persuading Congress not to put adequate tariffs on these minerals so that our American producers could meet foreign competition. Their attitude is explained by the fact that the steel companies own manganese mines in Africa and Brazil and where they do not actually own competitive mines abroad they prefer to acquire these raw materials by exchanging finished goods for them—in other words by barter.

other words, by barter.

That makes the American steel industry dependent upon sources of supply 4,000 to 7,000 miles away for ores without which it cannot operate at all. That is dangerous business under war conditions and imposes an unnecessary burden on the American Navy. We lost one manganese-laden ship, the Cyclops, with 229 officers and men during the World War and the blood of those men is on the hands of the industrialists and politicians who have been responsible for preventing the development of our domestic deposits of these minerals.

Faddis bill is an ingenuous piece of legislation. vides that the American Government may acquire reserve stocks of these minerals in one or all of three ways, to wit: (1) by granting debtor nations credit on their war debts, (2) by exchanging surplus farm commodities for minerals, and (3) by outright purchase. It further provides for future "scientific, technological and economic investigations" to be made by certain bureaus of Government to determine the quantities and grades of these cres that may exist in the United States.

Now let me show you the trickery in this bill. In the first place the principal foreign suppliers of these minerals, except Russia, dc not owe us anything on war account, and certainly Russia will never pay us anything. In the second place, the principal suppliers, Russia, Brazil, India, and the African Gold Coast, do not need our surplus farm products—granting that we have any, which I seriously doubt.

The Government bureaus charged with making the proposed investigations already have all the information they need or they can readily obtain it from private enterprise. This proposal is only designed to delay further the development of American mines and to perpetuate the steel industry's international control of minerals.

There remains, then, under this bill, just one way to acquire reserve stocks of these precious minerals which we need, and that is by outright purchase and, under the Faddis bill, we would have to

purchase them abroad.

There is a very clever joker in this bill. Let me tell you about it. Section 3 of the bill provides "for the storage and maintenance, and, where necessary to prevent deterioration, for the rotation of such materials." That word "rotation" is the peg upon which this joker hangs. It would make possible the immediate sale to the Government of all stocks of these imported ores now held in bond or in the yards of the big steel companies.

The reference to the deterioration of these minerals is a joke, because when properly sheltered, they do not suffer material.

because when properly sheltered they do not suffer material deterioration.

Here is the kernel of the thing. Testimeny given before the committee which acted on this bill revealed that United States steel companies now have in bonded yards in this country 851,879

tons of manganese which they have imported and about 150,000 tons, also imported, on which they have paid the small duty of one-half cent per pound. This is the largest peacetime reserve of these ores we have ever had—maybe the steel companies have been

forehanded and have been anticipating war.

In other words, the steel companies now have on hand practically enough manganese to operate for a year, even under stress of war, without importing any. There is no emergency that warrants the United States rushing into the world markets to buy more manganese. If war were declared tomorrow we'd have plenty of time in which to develop our own mines. Under the stimulus of war prices domestic production was pushed up to 345,000 tons yearly capacity in 1917–18.

The steel companies have a good many millions of dollars in-

rested in this huge stock of manganese. Under this "rotation" clause they would be enabled immediately to unload it on the Government, which, of course, would purchase it with borrowed money, thereby freeing their own capital and enabling them to go into the world markets and purchase outright or barter finished steel for more manganese. Meantime domestic development would languish.

The steel industry and the Federal bureaucrats continue to repeat their claim that American deposits of these ores are low-grade. They are low-grade in the sense that the conglomerate in which they are found contains a smaller percentage of manganese, tungsten, chrome, etc., than some foreign deposits, but manganese is manganese and tungsten is tungsten and chrome is chrome, and the conditions under which they are found do not change their character.

In the case of manganese I know of no American deposit that shows less than 18 percent of that mineral. The Cuban-American Manganese Co. operates a Cuban deposit containing only 13 percent, and has been selling the ore in the United States for years-

presumably at a profit.

All this is important to Sioux City and to the 23 States in which manganese and these other strategic minerals are found, and especially to South Dakota, for just 200 miles upstream along the Missouri River there is a deposit of manganiferous bearing ore which private and Government engineers state contains 100,000,000 tons of manganese. This is the great Chamberlain

deposit.

Development of that one deposit alone would render the United States militarily secure with respect to manganese. It would justify extension of the Missouri River navigation channel from Sloux City to Chamberlain, S. Dak., which would give eastern and central South Dakota and northern Nebraska the benefit of materially reduced freight rates on such items as grain, coal, gasoline, salt, sulphur, lime, etc., amounting to several million dollars

annually.

Thus it will be seen that our farmers and every line of business enterprise hereabouts has a stake in the development of South Dakota minerals and we want the steel industry to know that we resent their policies which tend to prevent development of our natural resources. Mr. Faddis, who hails from a Pennsylvania steel district, is not competent to legislate for the Middle West and we resent the action of the House Committee on Military Affairs in recommending for passage a bill that is clearly a subversion of the interests of this section of the Nation and of the Nation itself.

We resent as presumptuous and un-American any action looking

to the suppression of industry and the development of resources which the Lord has placed at our disposal, our streams and forests and our deposits of ores such as are found in the Black Hills. We condemn as unsound the policy of giving pay rolls to Asiatic, Brazilian, and African coolies which properly belong to American

workingmen.

Nor are we unmindful of our own relations with these same steel companies which have taken from the American people in the form of tariff benefits more than \$8,000,000,000 within the past 15 years—\$731,000,000 in 1937 alone. We paid our part of that tariff. It doesn't increase their popularity in this territory when we realize they, like the dog in the manger that couldn't eat hay but wouldn't let the cattle go near it, are fostering policles which interfere with our growth and our development and even our ability to buy more steel products.

These strategic ores industries make no unreasonable-demands upon Congress. All that they ask is equal treatment with steel in the matter of tariffs. An increase in the tariff on manganese of only one-half cent per pound, for instance, would make possible the opening of mines which could turn out at least 200,000 tons of product per year and which directly and indirectly would employ approximately 25,000 heads of families.

Such an increase in the tariff would add only 7 cents to the price of a ton of steel, since it requires only 14 pounds of manganese to make a ton of steel. Think of it! The steel industry won't absorb that little 7 cents per ton when its own benefits in 1937 amounted to \$14.47 per ton.

Acting on the advice of the War and Navy Departments, Congress has enacted legislation authorizing them to place "educational orders" with manufacturers for other items of war equipment. That is dox'e to enable manufacturers to develop machinery and have it in reserve for the making of such items in the event of Nor are we unmindful of our own relations with these same steel

orders' with manufacturers for other items of war equipment. That is doke to enable manufacturers to develop machinery and have it in reserve for the making of such items in the event of wartime demand. Why cannot Congress give our domestic mining interests the same kind of treatment? Is it more vital that we have a reserve of machinery to manufacture shells, for instance, than it is that we have a reserve of mines to produce the metal sector. For these shells? jackets for those shells?

The Senate Committee on Military Affairs, thank goodness, is not so narrow-minded as that of the lower House. The Senate committee has reported out and passed the Thomas bill, which appro-

priates the same amount of money, \$25,000,000, to buy stock piles of strategic ores, but it specifies that these materials shall be purchased abroad only in amounts that cannot be supplied by American domestic enterprise.

We live in a period of great stress and anxiety, in which orthodox principles and practices of government and business are being challenged by a new set of facts which clearly indicate the importance of changing some of our long-established policies. Many practices which until recently were regarded as sound economically and good business today are actually subversive of the national welfare. Subversion is not confined to a handful of misgui..ed Nazis and

Communists. Any policy that contributes to the mass impoverishment of our people is subversive. The businessman or politician who contributes anything to the advancement of such a policy may be a greater public enemy than any nitwit Fascist or Bolshevik spewing political venom from a soap box.

spewing political venom from a soap box.

I am only a humble citizen of this great Republic. I do not own a single mineral lease nor a dollar's worth of stock in any mining or steel corporation. But I want to see my country made militarily secure, and I want to see all of our people happily and usefully employed producing and utilizing the natural resources with which God has endowed this Nation.

And I know that I speak the sentiments of the people of the Middle West, and I think those of all patriotic Americans, when I make bold to challenge the wisdom, if not the principles, of any man who would support the Faddis bill, and of the heads of an industry that knowingly would profit by that subversive measure.

Tuition Too High in the School of Smoot-Hawlevism

EXTENSION OF REMARKS

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

Mr. KITCHENS. Mr. Speaker, there is an old school of thought, originated years ago for political purposes, now being resurrected and reorganized by the leaders of the opposition to this administration. Once upon a time that school thrived upon political perquisites and otherwise by the creation of prejudice, using and appealing to a spirit of sefishness as a basis, regardless of consequences to the people in general. Hopes still linger to revive the opportunities.

The result is a concerted effort now to prejudice the farmer and other workers against the effort to trade with foreign people. The information and intelligence of the American farmer today are being underestimated if not undermined by those who seek again to exploit his suffrage and obtain his future political support. The American farmer knows his welfare, in great part, depends upon the welfare of all American farmers. A larger American market for Americans is the real object of our trade treaties. The cotton farmer wishes the hay, corn, wheat, rye, rice, barley, tobacco, sugar, poultry, dairy, fruit, vegetable, and other farmers to prosper, and this desire is reciprocal. The farmer wishes the industrial worker to prosper, and the industrial worker should have the same interest in the farmer. He knows there are about 100,000,000 of Americans who do not farm, and that the bigger the pay check of the industrial worker the better market for his products. The American farmer likewise knows that he is dependent for prosperity upon foreigners to buy a considerable part of what he produces; that is, the surplus of his products. He knows also that the American industrial worker and the owner of industrial plants are dependent for prosperity upon foreigners to buy a considerable part of industrial products-that is, the surplus of industrial products.

Mr. Speaker, unfortunately there are those who would delude him into ignoring these facts. They would have him believe he can have his own market exclusively and also the foreign market. This is the school taught by the leaders of the party in power before the present administration came into office and is the school for which pupils are now being solicited. To be perfectly frank, if I were a foreigner and the American farmer and American industrial worker permitted their political leaders to legislate so as to cut me off from the American market, I would support leaders who

would negotiate and cultivate the friendship of other farmers and other people in other parts of the world for my trade. Of course, that is just what foreigners have been doing.

This administration in 1933 found the country in utter collapse. Those in charge at the time were helpless. The banks with the savings of the people were breaking by the thousands, and the losses were appalling and incalculable. The doors of industry were closed and the people in great anxiety were walking the streets and highways. Wheat was selling for 25 cents per bushel, corn for about 15 cents per bushel, cotton for 5 or 6 cents per pound, and other things in proportion. Mind you, this was under the Smoot-Hawley Act of 1929-30. The damage to our foreign trade, caused by such high tariffs, was so incalculable and so enormous that it cannot be repaired in a short time. Five or six years certainly are insufficient to recover such losses and restore friendly trade relationships. Yet those responsible for the enormous calamity and losses of the people object now to everything suggested or being tried by this administration. It would be amusing, if the situation a short time ago, and even now, were not so tragic, to hear the unrepenting opposition criticize, denounce, find fault with, object, obstruct, and pull back at every attempt and effort of this administration to alleviate and remedy the appalling situation created by that same Smoot-Hawley school of political opportunists.

Mr. Speaker, as stated, I am convinced there is a wellorganized political cabal to blind the American farmer and American people in general as to the advantages of mutual trade treaties negotiated, and now being negotiated, by Hon. Cordell Hull under the authority and direction of the American Congress. Sniping attacks in isolated places, constantly

recurring, justify the conclusion.

On March 22 I made some remarks on the question of State trade barriers. On April 3 and April 11 I made further observations upon national and international trade barriers that strangle and interfere with American trade, American welfare, and general prosperity. We know favorable results from these trade treaties are now accruing, but sufficient time has not elapsed. The opposition to these trade treaties cannot lead the American people to believe that the destruction to trade wrought by it can be remedied, or the country in collapse can recover economically in a day. What remedy does it offer other than a return to Smoot-Hawleyism?

We had practically lost up to 1933 our foreign trade outlets for agricultural and industrial products. This lessened materially our home market. Those outlets this administration is attempting to restore to the American people. Some of our large industrial concerns even jumped our tariff walls, moved their plants or built new ones in foreign countries. All industrial plants cannot do that, nor can the farmer nor the industrial laborer. In order to get foreign business some American plants moved a portion of their plants to where the business was. There was Massey-Harris Machinery Co., of Chicago, President's Suspender Co., Ford, and others. What was the result? Less pay rolls in America, less and smaller pay checks, less jobs, less home market for our own people, and more jobs and better pay rolls for the foreigner. Further, thousands upon thousands of our laborers lost their jobs, and the competition for jobs affected adversely all labor. Does the American farmer or industrial worker desire to return to such an economic condition? If so, join the school of Smoot-Hawleyism and pay the price.

Mr. Speaker, I know that it would be a paradise on earth, or appear to be so, if it were possible for us to have all our own market and the foreigners' market also without the foreigners having any part of ours. The other people of the world are not so silly or so constituted that they will permit such a thing. Any attempt at such selfishness, restriction, and prevention of trade by our country with another, always causes friction, retaliation, discontent, contraction of busi-

ness, economic war, and depression.

The opposition, as just stated, selects isolated items of imports upon which they build their case. Unverified and not the latest statistics are used. To illustrate, let us take the American hay farmer for example. It is argued the imports of hay for farmers are destroying the American hay farmer. Let us see.

On April 6 the gentleman from New York [Mr. Reed] placed in the Congressional Record an incomplete and inadequate statement relative to imports of hay and trade agreements. Now, complaining about the small, piffling imports of hay from Canada comes in the same category as objections a few years ago to small imports of ice from Mexico. Both are examples of local border trade which is carried on with our neighbors to the north and south, the extent of which is insignificant.

In this complaint it is noted that the figures for 1938 were not used. Were the latest available figures deliberately avoided, or could it have been a mere oversight in view of the fact that imports of hay in 1938 were so much lower than in 1937? Or was it because we exported several times as much hay in 1938 as we imported? The figures for imports of hay in 1938 are 18,954 short tons valued at \$142,365, while exports amounted to 61,297 short tons valued at \$537,209. These are the preliminary figures published by the Department of Commerce and were available to Mr. Reed when he made his statement. The importation of hay in 1938 amounted to about half of the amount imported in 1929.

In the trade agreement with Canada the United States reduced the duty on hay from \$5 to \$2.50 per short ton, or by 50 percent, while Canada reduced her duty on hay from \$5 to \$1.75 per short ton, or by 65 percent. Now, by the gentleman's partial statement, we are led to believe our increased exports, primarily to Canada, were temporary and the result of a drought in Canada, while our increased imports in 1937 resulted from reduced duties.

It is true there was no serious drought in the United States during 1937. But, surely the gentleman who expresses so much concern for his farmers must have known that the feed shortage, resulting from the 1936 drought, continued through part of 1937, or until feed from the crops of that year were harvested. The quantity of hay imported amounted to something like two-tenths of 1 percent of the production of tame hay. The percentage would be still more inconsequential if compared to total production of hay in the United States.

Does the gentleman not realize that this hay was imported primarily for the benefit of dairy and other farmers at a time when there was a domestic shortage? Did not some of the dairy farmers of the gentleman's district use some of this imported hay? Who else could benefit from the importation of hay into the United States except farmers?

The figures given above show that the exports of hay for 1938 were more than three times as large as imports. Does the gentleman claim that drought conditions in Canada in 1938 account for these exports, or would he agree that possibly the 65-percent reduction in duty by Canada was a contributing factor which aids our hay producers to sell across the line? As Al Smith would say, "Let us look at the record and keep it straight."

Toward Sound Money

EXTENSION OF REMARKS

HON. RALPH A. GAMBLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE OF APRIL 20, 1939

Mr. GAMBLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune of April 20, 1939:

[From the New York Herald Tribune of April 20, 1939]

The Republicans of the House have decided to seek repeal or modification of the extraordinary monetary powers conferred upon the President in the early days of his administration. Whether

they can procure a sufficient number of Democratic votes to put their program into effect seems to be a matter of some doubt; but even if they fail in this, they will have done something well worth doing. They will have demonstrated that the long-established tradition of the Republican Party as a defender of sound money has not become a dead letter.

Among the measures which the Republicans seek to rescind are the President's authority to alter the gold value of the dollar; the authority bestowed upon the Treasury, under the Agricultural Adjustment Act of 1933, to sell \$3,000,000,000 of its securities directly to the Federal Reserve System; the power of the Treasury, under the so-called Thomas amendment to the same act, to issue \$3,000,000,000 in "greenbacks," and the Silver Purchase Act, under which the Treasury is authorized to buy silver bullion at a price of 40 to 45 cents in the world market and issue certificates against it at the arbitrary figure of \$1.29 an ounce. As to the stabilization fund, the report of the Republican conference proposes that this be maintained, but that its activities be limited in at least two ways: Those charged with the operation of the fund would be forbidden to use it as a weapon of foreign policy, in the political sense of the term, and its operations would be made

subject to a semiannual audit by an outside agency.

Of all these measures, the only one at all debatable is that continuing the President's power to alter the value of the dollar. Secretary Morgenthau has made a fairly plausible plea for extending this power for another 2 years, but it is not convicing. His chief argument is that this country should be able quickly to readjust the gold value of the dollar in case one or more of the other important world currencies should decide to take advantage of us by currency depreciation. There are two replies to this argument, it seems to us. One is that the countries which might embarrass this Nation by such action are the countries which are parties to the tripartite currency agreement. Not only are these countries pledged to maintain their currencies in general alinement with the dollar, but they have a very definite stake of the present time in keepings their currencies can be such as the present that it has been the countries and the countries the countries are the countries and the countries are considered. at the present time in keeping their currencies at a premium. One of the notable features of the foreign exchanges during the One of the hotable reatures of the foreign exchanges during the recent crisis has been the determined effort of the British, particularly, to maintain a "strong" pound. There is no mystery about this. A country which is threatened with war, and which might have to depend heavily on purchases from another country in the event of hostilities, is not likely to go in for currency depreciation. Furthermore, the President may devaluate the dollar under the existing authority only by an additional 17 percent. In the event of any general collapse of other currencies this would afford the dollar very limited protection. Since, in that event, the President would have to go to Congress if he wished further power to devaluate, why not, it is suggested, restore the power over the dollar now to Congress, where it righly belongs?

As to the other measures there is not the slightest where of

As to the other measures, there is not the slightest shred of reason for extending them again. There was some excuse for Republican Members of Congress to permit these laws to be enacted 6 years ago, when the President felt that, because of the emergency, he was entitled to a free hand in such matters. The duty of this group today, however, is to assess these measures for what they are, and take them off the books.

Legislation to Keep America Out of War

EXTENSION OF REMARKS

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

STATEMENT OF EUGENE I. VAN ANTWERP BEFORE THE HOUSE COMMITTEE ON FOREIGN AFFAIRS, APRIL 17, 1939

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of Eugene I. Van Antwerp, commander in chief, Veterans of Foreign Wars of the United States, before the House Committee on Foreign Affairs on Monday, April 17, 1939, concerning legislation to keep America out of war:

Mr. Chairman and gentlemen of the Committee on Foreign Affairs, our organization, the Veterans of Foreign Wars of the United States, has always been interested in the foreign affairs of the

The Veterans of Foreign Wars came into being 40 years ago. The foreign affairs of the United States resulted in 1898, in the Spanish-American War. Thousands of American citizens were then sent overseas to serve in the front lines in Cuba, Puerto Rico, and the Philippine Islands.

Among those who returned from Cuba and the Philippine Islands in 1899, three associations were formed in various parts of the country, which were afterward consolidated into the Veterans of country, which were afterward co Foreign Wars of the United States.

Inasmuch as the V. F. W., as it is commonly called, includes within its membership only those American citizens who have had overseas combat-badge service, in some foreign country or in hostile waters during some war, campaign, or expedition in which the

United States has been engaged, it follows that its members, individually and collectively, cannot help but be interested in the future foreign affairs of our Nation.

We, who are members of the V. F. W., have served in the front lines of our country's various wars, campaigns, and expeditions. By personal experience and observation, we, of the V. F. W., know shout the mud and vermine front line transfers the long. about the mud and vermin of front-line trenches, the long marches with heavy packs, the exposure to the raw elements, the monotony of eating "slumgullion" day after day, the whining of screaming shells, the terrifying zing-zing of passing bullets, the rat-tat-tat of distant machine guns, the terrific concussion and terrible roar of exploding shells, the fear of sudden death, the constant high tension, the terrible stress and strain, the horrible mangling of human bodies, the horror of seeing old friends and buddies wounded or killed, and the philosophy of fatalism. buddles wounded or killed, and the philosophy of fatalism, adopted as a protective cloak for our own sanity. We know about the futility of war, the disheartening human aftermath of war, the disillusionment upon finding our promised old jobs filled by others and upon noting the economic maladjustments visited upon ourselves and upon the entire country by reason of its participation in war.

who have had the experience of front-line service, want no more of it, for ourselves or for our sons, or for the sons of our fellow citizens, if future war can be honorably avoided. We are therefore intensely interested in the adoption and application of such policies as are honestly designed to keep America out of

war.

If history can teach us to learn lessons from the experiences of the past, then we must realize that there is no one formula for keeping America out of war. Rather, it would appear that there are several formulas which ought to be adopted to help to

there are several formulas which ought to be adopted to help to keep America out of war.

There can be no doubt that we live in a period of human history where peoples and nations are more interdependent than perhaps ever before. Technological developments have brought us closer and closer together. Even if we would do so, we cannot entirely ignore what is happening in other parts of the world, for all such events will inevitably have more or less effect upon our Nation and its nearly.

During this age of ever-increasing specialization of industry—with many important natural resources, raw materials, and products obtainable only in certain countries—complete isolation for the United States, from the affairs of all other nations other than those in the Western Hemisphere, would be impracticable, if not absolutely impossible

solutely impossible.

We must face the world as it now is. The ever-speedier technological developments, in our country, and in other countries, have caused, and will, in the future, cause economic maladjustments and displacements among the people within our own country, as well as among the various nations in their relationships with each other.

By the enactment of additional laws in our various States, and by our Federal Government, and by the application of new indus-trial methods and principles, from time to time, our own country has been striving to effect such readjustments as will provide increased employment with resulting purchasing power, by which again to speed up the wheels of industry, so that all of our own citizens may be enabled to purchase the necessities and comforts of life which our productive ability and natural resources can make available.

Satisfying the needs of our own citizens and their desires for some of the comforts and luxuries of life is the real basis for our international trade. If a favorable balance of trade for our country does not enable a greater number of citizens to continue to secure such necessities and comforts of life, then it is of little

value to the Nation itself.

A favorable balance of trade is secured only by the exportation of raw materials, commodities, machinery, and other products produced by the labor of our country—its real resources—in exchange for foreign gold or credits, with which to purchase other commodities which our country may need in the future. In this exchange of our country's resources for the gold, money, and credits of other nations we run the danger of converting our Nation into one of the "have not" nations.

History discloses that frequently in the past it has been the fundamental economic maladjustments as between various nations which have been the real causes for war, without which all other differences could probably have been peacefully negotiated.

negotiated.

negotiated.

It is not within our province to pose as economic experts, but it would seem that every feasible step ought to be taken, by peaceful negotiations, to effectuate the settlement of the most irritating economic maladjustments between nations, with the hope that their peaceful settlement might remove some of the most irritating differences between nations.

Perhaps the very most important factor of all is the personal attitude of the citizens of the United States, individually and collectively, caused by our various points of contact and our diverse relationships with foreign countries.

Our own citizens must learn to be temperate and tolerant and

Our own citizens must learn to be temperate and tolerant and must restrain their emotions so that sensational newspaper head-lines will not so easily infiame their fervor for a war against some offending nation. A thorough realization as to the heavy costs of war, and of the aftermath of war, would cause citizens generally to be less responsive to jingoistic newspaper headlines, magazine

articles, and radio broadcasts

Surely it is not unpatriotic to remind the Nation that becoming involved in war will inevitably result in snuffing out the lives of thousands of young American citizens, will rob other thousands of their youth, and will leave thousands of dependent parents, and widows and orphans, unprovided for, because of those who die by the shot and shell, the gas and disease incident to war.

Surely it is not unpatriotic to remind the people of our Nation, and the Members of our Congress, that our country's participation in any future war will result in hundreds of thousands of totally and partially disabled war veterans, whose ailments must be treated in Government hospitals, and for whom compensation must be provided, to make up for the vocational loss of handicapping

disabilities

Surely it is not unpatriotic to remind the people of our Nation that the cost of war, during its progress, goes into the scores of billions of dollars, and after its termination accumulates additional hundreds of millions of dollars each year to provide for the interest on the increased indebtedness, and to provide for the

human aftermath of war.

The last World War was supposedly fought to end all wars, to The last World War was supposedly fought to end all wars, to preserve democracy. It has done neither. More wars have been fought since then than during the 20 years preceding that time. There is less democracy among the various countries which participated in that war than there was prior to that time.

By a fuller realization of these various factors the people of our Nation, will be less and to be accused by some resounding phrase.

Nation will be less apt to be aroused by some resounding phrase, slogan, or shibboleth equally as empty of real fulfillment as were the slogan, or sinduletin equally as empty of real fulfillment as were the slogans used by the United States to arouse the patriotic fervor of its own citizens during the World War.

To bring about a greater realization of these factors, we of the Veterans of Foreign Wars believe that several steps ought to be taken by this session of Congress:

(1) The Federal Government should immediately assume the sole responsibility of providing for the human aftermath of the last war by adequate pensions for all disabled and unemployable veterans, and for the dependents of all deceased war, campaign, and expedition veterans. This burden should no longer in part be shifted to the various States through matched State and Federal social-security funds but should be assumed solely by the Federal Government, just as it has previously assumed such responsibility as to the veterans and the dependents of deceased veterans of all previous wars in which the United States has been engaged. Too long has the Federal Government delayed the assumption of this responsibility.

Lest the United States be too easily tempted to become involved in another foreign war, it should first voluntarily assume the sole responsibility of providing adequately for the human aftermath of

the last war.

(2) Congress ought now to enact a law, such as embodied in S. 1497, now before the Senate Committee on Military Affairs, in effect to provide that the laws providing certain benefits to veterans of the World War suffering from disabilities incurred or aggravated in service, and to the dependents of veterans who die in or by reason of such service, should be equally applicable to the veterans who may become disabled by reason of service in any future war, and for the dependents of those who may die as the result of disabilities suffered in the armed forces of the United States in any such future war.

Our Nation should be no less anxious about providing adequately for the human aftermath of any future war in which we may become engaged than it has been about providing for the equipment and matériel, the guns and ammunition, the planes and ships, in preparation for any such future war. The morale of the man behind the gun is even more important than matériel and munitions. gravated in service, and to the dependents of veterans who die in

and munitions.

(3) Congress ought now to enact into law, while this country is still at peace, the bill recently introduced by some 13 or 14 Members of the House individually, and by 50 Senators jointly, "to tax the profits out of war by steeply graduated income and other taxes in order to provide for effective national defense, to promote peace, to encourage actual neutrality, to discourage war profiteering, to distribute the burdens of war, to keep democracy alive, and for

other purposes.

We firmly believe that the enactment of such proposed war-profits taxation legislation at this time would do much to make all American citizens realize that the costs of war must be paid for out of its profits, that the costs of the next war will be more evenly distributed, among all citizens, than was so as to the last war, that those behind the lines will have to make sacrifices to pay for the costs of maintaining others in the front lines, that the "pay" will have been completely taken out of patriotism, and will thus instill in all citizens a desire for the perpetuation of peace and a determination that the Nation shall follow a policy of actual neutrality and do everything possible to keep out of other nations'

Without the enactment of such drastic war-profits taxation Without the enactment of such drastic war-profits taxation legislation, it is quite probable that the Nation would have to become so regimented during time of war as would in effect result in some form of state socialism, very possibly followed up, after the conclusion of any such future war, by a dictatership similar to either fascism, nazi-ism, or communism. The civil liberties now guaranteed by our National Constitution would be forfeited under any such totalitarian state.

The present enactment of legislation to tax the profits out of war would perhaps do more to instill an attitude of actual neutrality in the minds of all citizens than would any other proposed legislation.

There are also other steps which we believe should be taken

toward the objective of keeping America out of war.
Although the Monroe Doctrine has been the policy of our Although the Monroe Doctrine has been the policy of our Nation, it has not yet been enunciated in any resolution or law adopted by Congress. Our Nation should declare by a joint resolution adopted by Congress that it will not engage in any foreign war for the acquisition of any additional territory, for the support or defense of any country not in the Western Hemisphere, and nor will it permit any non-American country to conduct any war against any country in the Western Hemisphere for the acquisition of additional territory, or executed privileges. of additional territory, or special privileges.

The enunciation of such principles, not only by our State Depart-

ment, and our President, as in the past, but by our Congress, would do much to make our position clear not only to the nations in the Western Hemisphere but particularly to the nations in Europe

and Asia.

Such a policy must necessarily be backed up by an adequate national defense. Effective steps have been taken during the last several years, with the vigorous support of the Veterans of Foreign Wars, to this end. Our policy of maintaining an effective national wars, to this end. Our points of maintaining an elective national defense, by a comparatively small standing Army, backed up by trained citizen reserves, with provisions for a quickly expandable citizen army, with adequate materiel, munitions, motorized and mechanized equipment, antiaircraft guns and airplanes, and with a first-class Navy as our first line of defense, must be continued in the future.

An adequate national defense, which is feasible without complete militarization, is the best preparation against war, as well as for

any unwanted war, if it should come, and at the same time is the best guaranty for the continued preservation of peace.

Our country should continue its policy of not permitting its citizens to extend any loans to any nation which is at present in default in its indebtedness to the United States, in accordance

with the provisions of the so-called Johnson Act.

No loans or credit, moreover, by this country or its citizens, should be permitted as to any country, or its citizens, which is

engaged in war.
We should not repeat the mistake of loaning out eleven or twelve billion dollars to other countries at war, in order to enable them to purchase various commodities from this country, thus creating a false prosperity, accompanied by inflation, and followed by a disastrous deflation, with the extended credit probably destined never to be repaid.

Increased foreign trade, and increased favorable balances of trade, thus acquired, may, it is true, result in profits to a few of our citizens, but only at the expense of the gradual exhaustion of the actual resources of our country. Never again should our

Nation go into the business of guaranteeing, underwriting, assuming, or arranging for foreign credit to any un-American country for the purchase of American goods during time of war.

The citizens of our country should be taken out of any country which is at war just as soon as possible, and, after the expiration of reasonable warnings, the United States should no longer assume any responsibility for their welfare, if they choose to remain or to travel in countries at war or in zones of danger. Our country should also withdraw its armed forces from all foreign country should also withdraw its armed forces from all foreign

soil, except such as needed to protect Government property.

The United States should not enter into any secret agreement or any foreign entanglement which might result in sending any armed forces to fight in some other country.

The United States should permit the sale of supplies to a nation

at war only if paid for, and only if ownership thereof is transferred at our shore lines, without any protection or responsibility by the United States Government thereafter.

If actual neutrality will keep America out of war-as we believe it will—then our neutrality policy must be so designed as not purposely to give an advantage either to an aggressor nation or to

The developments during the last 2 years have taught us that neither mandatory nor discretionary neutrality will necessarily result in actual neutrality.

I think it is pretty well acknowledged that the President did not see fit to find that a state of war has been existing between the countries involved in "the conflict in the Far East," and thus to

countries involved in "the conflict in the Far East," and thus to invoke the provisions of the present neutrality law, because he did not thereby wish to extend an added advantage to the aggressor nation, and a corresponding disadvantage to the defending nation. To have invoked the provisions of the present Neutrality Act as to the conflict in the Far East, would not have resulted in actual neutrality. An embargo on the further shipment of munitions would then immediately have been put into effect, to the decided disadvantage of the aggressee as compared with the aggressor nation. The stronger nation could continue to process its own munitions out of the raw materials which would still be available to it by importation from the United States under the provisions of such neutrality law. The weaker nations, already possessing most of the essential raw materials, could continue to import same, if desired, but would be denied the right to import needed munitions which it is not so well prepared itself to manufacture. On the other hand, the stronger nation which is well facture. On the other hand, the stronger nation which is well equipped to process its own munitions, would be denied such munitions, but could continue to import badly needed raw materials out of which to make such munitions.

Thus, we of the Veterans of Foreign Wars, who were previously

very insistent in our advocacy for mandatory neutrality, have had

to admit that if a mandatory neutrality law had been in effect as to the conflict in the Far East, it would not have worked out as actual neutrality, but would have given an added advantage to the aggressor nation, and an added disadvantage for the de-

fending nation.

So-called discretionary neutrality could also be applied so as to have other than an actual neutral effect. To give authority to the President, or to the State Department, to decide which nation is an aggressor nation, and then to deny the further shipment of raw materials, commodities, or munitions to such aggressor nation. would immediately be thrusting our Nation into the cause against the aggressor nation, on the same basis as though we were a member of the League of Nations, but without assurance that all other nations were acting in unison with such a sanctions policy.

To adopt such a policy of extending economic aid primarily to

the so-called democratic countries, would be, in effect, to give our approval to the status quo among all nations and would encourage such democratic nations to discontinue further negotiations to try to settle the irritating economic deficiences and maladjustments which now exist within most nations, which are the real basis and the excuse for the fanaticisms of certain aggressor "have not" nations.

Neutrality policies should be so applicable as not to give cause

to any nation to allege that they were purposely designed to give added advantages, or disadvantages, to certain classifications of nations, according to certain predetermined formulas or according to some designated person's discretionary judgment.

Actual neutrality would seem to imply a determination not to

interfere, not to intervene, not to take sides, not to give advantages or disadvantages, purposely to one side or the other, in any war between other nations.

During the recent civil war in Spain, England followed a policy of nonintervention and continued to do so even though more than 100 ships of her vast merchant marine were sunk by the airplanes and guns of the forces fighting in Spain.

and guns of the forces lighting in Spain.

During the World War, the little country of Norway, which then had next to the largest merchant marine in the world, determined to follow the policy of actual neutrality, and continued to do so, even though almost exactly 50 percent of its merchant marine, together with hundreds of sailors, were sunk, by the contestants in

such war.

Sweden and Denmark and Holland, located close to the chief belligerents during the World War, were nevertheless able to follow a policy of actual neutrality.

All of these countries continued to sell goods to any country which was in a position to buy them. Each such country gave its shipowners to understand that if they wished to engage in hauling goods through zones of danger they did so at their own risks, and that the government would not follow up such loss by declaring year against the country whose pany or airplanes may have been war against the country whose navy or airplanes may have been responsible therefor.

To insist upon the freedom of the seas, within war zones, when two or more nations are engaged in a life struggle against each other, is not being practical.

To advise the shipowners and merchant-marine operators of our Nation that they may continue to engage in the traffic of hauling goods to other countries at war, strictly at their own vided that they have adequate insurance on the lives of their sailors, and on the ships owned by others, would be to adopt the same policy successfully followed recently by Great Britain during the civil war in Spain, and by Norway, Sweden, Denmark, and Holland during the World War, with considerable loss of property and of lives, it is true, but at infinitely less cost of and lives than would have been the case if each country had decided to become involved in war because of its insistence upon maintaining the freedom of the seas in war zones.

The enunciation of such a policy of actual neutrality, by a suitable amendment to the present Neutrality Act, without any provision to make any distinction between an aggressor and a defending nation, or without any provision to make distinctions between munitions and other material needed by countries at war, coupled up with the adoption of the other policies which we have previously cutilized would in my enjayon be the prevented of the provision.

tween munitions and other material needed by countries at war, coupled up with the adoption of the other policies which we have previously outlined, would, in my opinion, be the nearest approach to actual neutrality which can be devised.

If such a policy were calmly and coolly entered into by this country, with a thorough understanding of same by all citizens, then we do not believe that they would be so easily inflamed by propaganda designed to persuade the United States to pull hot chestnuts out of the consuming flames for some so-called democratic, but imperialistic, country, as against some totalitarian country, or for some "have" nation as against some "have not" nation, or for some weak defending nation as against some highly organized strong aggressive country, or vice versa.

Our country should not attempt to become the policeman for the other countries of the world. It can properly use the "big stick" to protect itself and other American countries, but to attempt to use the "big stick" to control the morals, ethics, and actions of other nations will almost certainly involve us in the wars of other nations, with probably no net gain to civilization, but only devastating losses for humanity and all nations.

To enact a neutrality law which would necessarily result in the loss of trade for certain industries, or in the cessation of the shipping of our merchant marine, would invite the interested financial groups to do their utmost to prevent the invocation of any law which might detrimentally affect them. Such economic interests, impelled by the profit motive, would probably secretly work in devious ways, to try to exercise influence, directly and indirectly, to

secure different interpretations and applications of any attempted partial neutrality, depending on their respective conflicting interests.

If, on the other hand, the citizens of our country come to the full realization that their investments or credits abroad, or their risks of carrying on trade between other nations, will not become the responsibility of the United States, to the point of leading it into war, then a policy of actual neutrality could be more feasibly adhered to.

Because these proposed policies are not contained in any neutrality bill, I have refrained from making reference to any of the

neutrality bills before this committee.

trality bill, I have refrained from making reference to any of the neutrality bills before this committee.

Strange as it may seem, the Veterans of Foreign Wars—whose future eligibles, if any, must come out of some future foreign war participated in by the United States—is honestly striving to do away with the possibility for its continued existence beyond the present generation of war veterans, by its advocacy of policies to avoid the necessity for any "veterans of future wars."

Much could be accomplished, in my opinion, to avoid the eventuality of any devastating war for America by—

(1) The Federal Government's assumption of the full responsibility of providing adequately for the human aftermath of the last war and of any future war; (2) taxing the profits out of war by steeply graduated income taxes; (3) providing an effective national defense; (4) denying any credit, or loans, by this country or its citizens, to any country, or its citizens, which is engaged in war, or which is in default in its indebtedness to the United States; (5) withdrawing protection from American citizens who continue to remain in, or travel in, belligerent countries, in their ships, or in war zones; (6) enunciating the policy that the United States will not permit the invasion of, or any aggressive war against, any country in the Western Hemisphere for the acquisition of territory or special privileges, and that it will not conduct any war against any other country for the acquisition of territory, or to defend or support any non-American country; (7) following a policy of actual neutrality as to our foreign trade, during time of peace, as well as during time of war between other nations; and (8) by encouraging international conferences to bring about better adjustments of economic difficulties among all nations, to remove the most irritating fundamental causes for war.

Democracy for our country, and the guaranteed personal and civil liberties under our Constitution, as well as civilization itself, can best be preserved by keepin

can best be preserved by keeping America out of war.

Adoption by the United States of the several policies which we have here submitted for your consideration would, we most earnestly believe, make it less possible for the United States to become involved in any foreign war.

The Stabilization Fund

EXTENSION OF REMARKS

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, April 20, 1939

Mr. SMITH of Ohio. Mr. Speaker, I am unalterably opposed to the continuation of the power of the Executive over the stabilization fund as provided in the Gold Reserve Act of 1934. To vest such extraordinary power, to be operated secretly, in the hands of the Chief Executive, whether he be a Democrat or a Republican, is a major national wrong. One needs but to reflect how few people there are in the world who can properly and judiciously manage even a few millions to be convinced of this. No human being with sufficient wisdom has lived to properly use such an enormous amount of gold. No one in the world was ever vested with such power. The British fund is not operated secretly, as is ours. At least several persons in England know how the fund is operated. This is not at all said with any idea of condoning the British equalization fund. It is just as wrong in England as it is in our own country, and the world will in due time find out they are both wrong.

The bill, as is known, provides for a \$2,000,000,000 stabilization fund which is secretly operated by the Secretary of the Treasury with the approval of the President. Once a year an audit is to be made by the Secretary to the President. However, the President need make no report to anyone.

The stabilization fund consists of \$2,000,000,000 and is supposed to be "for the purpose of stabilizing the exchange value

of the dollar."

The law authorizes that the fund is to be used "to deal in gold and foreign exchange and such other instruments of credit and securities as the Secretary of the Treasury may deem necessary to carry out the purpose of" the law.

It is further provided-

The fund shall be available for expenditure, under the direction of the Secretary of the Treasury and in his discretion, for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States.

The statute also specifically provides-

The fund shall be available for expenditures * * * for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States. * * *

Thus it is clear that the fund may be used to deal in every conceivable kind of credit instrument and security, including all Government and private obligations. It can be invested in Government bonds, drafts, and acceptances.

It is inconceivable that democracy could possiby coexist with such extraord nary powers vested in the Chief Executive. There cannot exist any exigency which possibly could reconcile the two.

What is meant by stabilizing the exchange value of the dollar? It can have reference to the gold dollar only, which functions only outside the United States. The effect of the gold dollar on our domestic economy is so imperceptible that

It is important to recall the original stated purpose of the stabilization fund. The law specifically provides that the fund shall be used "to stabilize the exchange value of the dollar." After the suspension of specie payment and our going off the gold standard, which virtually took place March 6, 1933, the dollar in foreign countries began to depreciate. The fund, therefore, was set up specifically to bolster our own depreciated dollar. What it really amounted to was that the fund reestablished convertibility of the dollar used in foreign exchange. Our currency, having depreciated, affected seriously our credit with other nations.

At the same time that the stabilization fund was instituted the dollar was fixed at a new value and made convertible into foreign currencies, which, with the stabilization fund, placed the United States definitely on an international gold standard. Since the fund was established, conditions have changed so materially that the original need, if there was one, no longer exists. When the fund was set up we had only about \$7,000,000,000—of the 59-cent dollars. Since that time we have acquired more than \$3,000,000,000. We, therefore, now have more than an ample amount of gold to assure full convertibility of the dollar used in foreign exchange. Therefore there is no real need for the stabilization fund.

The gold dollar consists of $15\%_{21}$ grains of gold, 0.9 fine. The question immediately arises as to the meaning of the phrase "stabilizing the exchange value of the dollar." The presumption certainly is that the term "dollar" here refers ultimately to the gold dollar. How can the gold dollar stabilize the gold dollar? How can $15\%_{21}$ grains of gold be used to stabilize $15\%_{21}$ grains of gold?

Is the gold dollar unstable? I asked this question of Mr. Morgenthau before the committee, which he either could not or simply refused to answer.

The value of the gold dollar, so long as it remains at its present weight and fineness, and so long as the United States has sufficient gold, cannot fluctuate in its exchange value, with reference to foreign currencies, and should the time come when the gold of the United States is insufficient, the stabilization fund would be powerless for the purpose supposedly intended. The point is, it is the other foreign currencies that are fluctuating with reference to the gold dollar. The Secretary of the Treasury stated as much to the committee when he said all the other currencies but ours are "floating." He also stated, "Any businessman who has had to deal in foreign currency knows that the dollar is the most stable and the soundest currency in the world today."

Therefore the stabilization fund can be used only to support foreign currencies to keep them from fluctuating, which is precisely what it is being used for. There is no secret about this and it certainly should be no secret to anyone that, insofar as the fund's dealings in foreign exchange are concerned, it can do nothing else. It can be used only to support a foreign currency or to depress it. Put into realistic terms, this simply means that the stabilization fund is being used to support the economies of foreign nations or depress them.

Secretary Morgenthau before the committee said that the only persons in the United States who possibly can be injured by the operation of the stabilization fund are speculators in foreign exchange. That statement certainly needs to be qualified.

In the stabilization fund balance sheet as of June 30, 1938, submitted by him, there is an item "Profits on sale of sliver bullion to Treasury, nationalized \$3,473,362.20."

It is not the profit indicated here that is of any concern whatever, but it is the fact that this fund was permitted to be anywhere near the silver-purchase program, because this has been the speculators' heaven. Also what possibly could be the purpose of buying United States securities, as the Secretary admitted was done, and as is shown in the balance sheet submitted to us by him, other than to peg or support bond prices?

Our statutes consider it to be a criminal offense when private corporations engage in such a procedure.

Secretary Morgenthau stated in his testimony before us "that the businessman needs stability in exchange." That, of course, is true, but I am certain that the businessman of this country also needs to have restored to him confidence in our money.

When Mr. Morgenthau admitted to the committee that the operation of the fund entails a "risk," he perhaps admitted far more than he intended. It must be realized that the risk does not involve a minor procedure. Any amount of risk connected with the use of so huge a sum of gold as this is most dangerous. The word "risk" implies the possibility of loss. The question is not the amount of possible loss. It is the fact that there is a danger of any loss, because if there is risk of losing a small part, there can be risk of losing all of it. The loss of this gold could easily be disastrous to our Nation. It should not be overlooked that France did experience a complete loss of her stabilization fund, perhaps several times, and there is nothing to indicate that the financial authorities of the French Government are less wise and able than those of our Government.

It is noteworthy also to observe the statement of Mr. Morgenthau to our committee:

There was strong pressure against the dollar-yuan exchange and China needed dollars in order to strengthen the dollar-yuan exchange rate, thus avoiding additional obstacles to our trade.

After the silver-purchase program had drained China of her silver money and forced her people into a depression of no less severity than ours, and, after the Chinese Government prayed to our Government on at least three occasions for relief from our silver policy, and after England came to China's aid, the knowledge conveyed to us by the Secretary of the Treasury that the stabilization fund was used to support the Chinese currency cannot help but arouse in us some unpleasant feelings.

With the silver-purchase program the Chinese money was knocked prostrate. Then the stabilization fund was used to try to lift it up.

Mr. Morgenthau also mentioned "we purchased Mexican pesos and in exchange made dollars available." Here, too, after our silver-purchase program had drained out of Mexico its silver money to the extent of seriously damaging her currency, the stabilization fund was used to support the peso.

With the hand of silver the Secretary of the Treasury knocks down one nation after another. With the hand of gold he tries to pick them up again.

The gold-buying policy at the artificially high price is unquestionably depleting the gold stocks of many of the other nations. Undoubtedly this has the effect of disordering their currencies, of depreciating their value. Now note that the

fund is being used to support those currencies. Again the gold-buying program knocks foreign exchange down, while the stabilization fund lifts it up again. But what is even more arresting is the claim Mr. Morgenthau made before the committee when he said, "what is even more important is the presence of a \$2,000,000,000 fund, set aside to be used for exchange purposes when necessary, effectively discourages the initiation of currency depreciation wars which would, of course, be disruptive to world trade."

It is asked that we continue the power of the Executive to drain the other nations of their gold, which must have the effect of depreciating their currencies, while at the same time the Secretary of the Treasury uses the \$2,000,000,000 stabilization fund as a club over the heads of foreign nations against depreciating their currencies. This, of course, is an unheard of situation but is what may be expected after the major tinkering with our money that has taken place.

It is important to note that our stabilization fund is used exclusively to support foreign currencies, whereas the funds of the other nations are not used to help us, but only them-England and France use their funds to stabilize the pound and the franc, not the American dollar.

Furthermore, just a moment's reflection should reveal the fact that what those nations are really engaged in is the simple manipulation of the amount of their note issues. Being in desperate financial circumstances, and seeing their currencies on the road to depreciation, they have frantically set up this stabilizing device, hoping against hope that in some miraculous way they can avert ultimate complete

financial and monetary ruin.

The truth is that the monetary troubles of nearly all Europe are becoming a veritable Vesuvius, which, when it breaks loose, cannot be put out with a hundred stabilization

Just a word more about the secret operation of this fund. What possible meaning can the report that was given our committee of the operation of this fund have? Who would accept any report from a bank or any other institution, knowing that it did not reveal all the facts? So long as there is the least bit of secrecy about the operation of the fund, there can be nothing intelligible in such reports. This certainly should not require any argument to prove its truth.

Is it not somewhat discomfiting to be told in this report that the fund has a profit of some \$10,000,000? Here is a fund of \$2,000,000,000, all but about \$200,000,000 of which has been lying in the coffers of the Treasury entirely idle for more than 5 years. The Government is in debt more than \$40,000,000,000 and going in deeper at an increasing pace.

If the \$2,000,000,000 stabilization fund had been used to retire some of our Government obligations, there could have been saved between two and three hundred million dollars in interest charges. Still the Secretary of the Treasury talks

about the fund having earned a profit?

The argument of those who favor the continuation of this extraordinary power in the hands of the President, that some emergency might arise, that world conditions have so changed that the new situation requires this, and so forth, are merely evils which they conjure up in their own minds. They are imagining a ferccious monster ready to attack us from the outside. It is the very monetary chaos that we are now in that is the evil, the all-devouring octopus. It is this handing over to one man all of the gold of our Nation, destroying our standard unit of value, and forcing upon us irredeemable paper money that is the real evil we are confronting.

Perhaps the most distressing thing is the argument that this gold dictatorship must be maintained to keep ourselves in a position to match the money debasements of other nations. We have already dishonored ourselves by repudiating our solemn contractual obligations. Many of the other nations have done likewise. Now we should stand ready to dishonor ourselves still further, to repudiate our contractual obligations still more if other nations should do the same. Is this not a spectacle to behold?

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Congress can and must solve this problem, but we must first take back these powers to be in the proper position to do so. Upon our shoulders rests this responsibility. American people are trusting we will assume it.

The Administration's Foreign Policy

EXTENSION OF REMARKS

HON. JAMES C. OLIVER OF MAINE

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE

Mr. OLIVER. Mr. Speaker, under permission granted to me today by unanimous consent, I am pleased to incorporate in the Congressional Record herewith a copy of a radio broadcast recently delivered by me over station WCSH, of Portland, Maine:

Citizens of the First District, these past 2 weeks in Washington have emphasized quite definitely the fact that new dealism has stepped from its domestic and national role of planned economy to the foreign and international picture of planned chaos.

the foreign and international picture of planned chaos.

In spite of domestic problems of an aggravated importance such as have never before been faced by our people, we find this administration turning its face and taking on the character of the great international intermediary. How reminiscent of 1916 and 1917 this political position is. Once again Uncle Sam is being built up as the prize sucker of the world. Once again war hysteria and the "savior of democracy" psychosis are being implanted in the public opinion of America. In this connection I am pleased to quote from a citizen of Maine, the able and capable Mr. Thomas Earle Dwyer, a man whom I and many of you are pleased to call a friend:

"With Europe bristling with arms and bearing chips upon every shoulder, with our own President thumping his chest and shouting that America will meet force with force, with billions of dollars being appropriated for the implements of war, is it not time for sensible Americans to survey matters and question what may lie ahead, to look each to his own future as affected by these acts and expenditures, and to strive, each in his most earnest fashion, to forestall catastrophe to himself, to his loved ones, to his community, and to the Nation itself?

and to the Nation itself?

and to the Nation itself?

"We hear again—as we heard in the days before our entry into the World War—the song of hate swelling before the urging of the very men who will never be called upon to fight; we see again the cards shuffled and dealt by hands immune from contact with the implements of death; and we smell again the rotten stench of gold, of profits to be made from human slaughter, from human agony, from the horrible, senseless madness of war.

agony, from the horrible, senseless madness of war.

"I speak to you tonight from the heart of a man who has known war, from the lips of a veteran, from a knowledge born not of books but of what my own eyes have looked upon, what my own ears have heard, what memories, years may never erase. I speak especially to that generation which has flowered into manhood since the ending of the World War—that youth now ripe for the slaughter, if slaughter there be—the young upon whose sturdy shoulders rests the future of their own nation. For to these, knowing nothing of war's futility and horror at first hand, will be addressed the Song of Circe—the lure of lies, the pseudo call to chivalry, and all the devilish inducements of diplomats long steeped in the age-old guile of the serpent. of the serpent.

"To the eyes and the ears of the youth of America will come the tales of atrocities, committed only in the brains of schemers; the glamorous appeal of martial bands and martial flags and martial uniforms, the lie of lies of man's heroism if he will but be a fool and blindly follow into the pit of carnage. To my eyes and ears, to those of my comrades, came all these age-old lures in 1917—age-old yet new to use who were young, as is the youth of America today, young and blind and ignorant of the truth of war, seeing but flags and glory, and all unconscious of the truth of war, seeing but flags and glory, and all unconscious of the men who grinned at our folly as they opened their coffers to receive the only profits of war—the gold, the money gleaned from the blood and disaster—the folly of fools who listened to liars.

"Today, ladies and gentlemen, we face again the test we faced in 1914, when the nations of Europe let madness engulf them, let the guile of diplomats fling them into insensate murder. Then, as now, powerful forces sought to sow dissension in our midst, sought to turn one American against another, sought to lure this Nation into a brawl which was none of its business. Are we such fools as to fall again for their buncombe, to listen again to their lies, to become pawns in the play of European schemers, to toss the flower of our manhood and our wealth into a cauldron from which can come only agony and destitution and death for the many and riches for the few? Are we content to serve again the greed of the makers of munitions, the ambitions of diplomats, the insatiable hunger for

power of a few mortal men?
"What people want war? Do we? Do you believe—knowing human beings—that the German people or the Italian people or any man beings—that the German people or the Italian people or any other people on the face of the earth want war? Are these other human beings greater fools than we, possessed of less intelligence, any less aware of the meaning of war and its aftermath, of this profit for the terrible few and destruction for the many?

"Of course, these peoples of other nations do not want war. No more do we. No more does any sane man innocent of ulterior moments of the profit of the course, these peoples of the course, these peoples of other nations do not want war.

more do we. No more does any sane man innocent of ulterior mo-tive. Why, then, this talk of war, this European alinement bris-tling with bayonets, this hellish threat to the very foundations civilization? Why—why, indeed!—this thumping of the chest by President Roosevelt? Why this threat of meeting force with force? President Roosevelt? Why this threat of meeting force with force? Why, when no man can doubt what history records, the willingness, nay, the eagerness, of America to defend its honor and its integrity against any aggressor at any time? We have been ready in the past. Let no man underrate our readiness now.

"Why, then, this thumping of the chest—all too obviously aimed at the frightening of nations abroad? Frightening whom? Frightening them why? Upon whose behalf?

"I cannot bring myself to believe that President Roosevelt can want war, either at home or abroad. Yet the stanchest advocate of peace proves at times its worst enemy. What thoughtful man found honest hope in the picture of Chamberlain at Munich—in the picture of the representative of British common sense and stability

picture of the representative of British common sense and stability come, like a servant, to plead with a man whom every standard of normal judgment branded a madman motivated by impulses or normal judgment branded a madman motivated by impulses wholly inimical to peace and common sense and stability? Then we were told that the great man was impelled solely by his supreme desire for peace—by his willingness to sacrifice dignity and anything else necessary in the sacred quest. We believed that tale of the great man's sincerity, and, however much we may have pitied his seeming folly, we could not but respect his seeming earnestness and his effort in a glorious cause.

"Yes; we believed that Chamberlain wanted peace—that England's rulers wanted peace. We believed he and they wanted peace for its own sweet sake. But what is the truth—come to light at land's rulers wanted peace. We believed he and they wanted peace for its own sweet sake. But what is the truth—come to light at last? The published facts come forth to shock us into the knowledge that Chamberlain himself is heavily interested in German armament—for a profit, of course; that his Imperial Chemical Industries owns stock in the largest trust in Germany; that Sir Auckland Geddes, former British Ambassador at Washington, has been subsidizing Franco in Spain—Franco, the ally of Hitler and Mussolini—with money that Franco promptly sent to Germany to buy arms; that British bankers were loaning money outright to Germany to finance rearmament. All for a profit.

"There, my friends, is a new frame for the picture of Chamberlain at Munich—not Chamberlain advocate of peace, protector of the lives of Britain's peace-loving millions, but Chamberlain, owner of German industries, profiteer from the manufacture of the very things destined in war to maim and kill and poison and destroy those very peace-loving millions, those people whose faith followed their Prime Minister on his pilgrimage for peace!

"Is that not enough to convince us here in America of the folly of a faith bestowed upon the diplomats of the Old World? Can we be fools enough, or be blind enough, to fall again into the web these profiteers spin for the feet of the unwary? Can we hold a brief for any nation, whose people blindly follow events headers.

be fools enough, or be blind enough, to fall again into the web these profiteers spin for the feet of the unwary? Can we hold a brief for any nation whose people blindly follow such leaders? Are we Americans willing to repeat our folly of World War days and let ourselves be led as blindly to the slaughter for the sake of enriching a few who do not fight?

"Let me repeat that I cannot bring myself to believe that President Roosevelt can want war. But there are those, both at home and abroad, who say that he does want war, cloaking their assertion in robes of necessity, of the crying need for diverting the attention of Americans from America's own economic distress and mounting unemployment, of third-term hopes which would welcome a war or the threat of war, and resurrect the cry that put Woodrow Wilson back into the White House, 'Don't Change Horses While Crossing a Stream.'

While Crossing a Stream.'
"I hold no brief for Hitler nor for Germany. I hold no brief for any nation but the United States of America. This is our land our country. What goes on in Germany or in England, in Italy, or in any other country has no importance to me as compared with what goes on here in my own country. And God knows that here in America there are enough problems awaiting solution—decisive solution—to occupy all our thoughts and energy.

"Why, then, need our President concern himself; why need he thump his chest and shout defiance because the schemers, the profiteers of Europe, seek to shunt their burdens, their fruits of greed and mismanagement, onto our shoulders? Should he not instead ignore them—one and all—and turn his whole attention to the solution of our own domestic problems: The relief of our own insupportable system of work for the few and none for the many; the strengthening of our ramparts and the well-being of our people, who have neither cause nor desire to fight for any other nation upon the face of the earth?

"Isn't it a very good time for President Roosevelt to set an example for all good Americans to follow—to mind his own business

and let Chamberlain, Hitler, Mussolini, and all the rest stew in the brew they have deliberately concocted for themselves?

"None of them has ever had the honor or integrity or the plain

"None of them has ever had the honor or integrity or the plain everyday honesty to pay their legitimate debts to this country. Not one of them has paid what they owe us for saving them the last time from just such a mess as they have greeded themselves into now. Their promises have proven empty and their bond no better than their word, and that utterly worthless. They made suckers of us once. Are we fools enough to let them do it again?

No, my friends; I do not believe we are such fools. I do not believe that—thumping of chests or no, scheming of profit seekers or no—the young people of America are to be misled, as we were 2 decades ago, by the lies and the snares and the lures into the morass of destruction. I hope and I pray that, our youth of today is too.

of destruction. I hope and I pray that our youth of today is too intelligent, too inquiring, too determined to know the truth first, to permit any man to plunge them into the maelstrom of war beyond

permit any man to plunge them into the maeistrom of war beyond our borders.

"For the harvest of such madness is plainly writ for all to see. Beyond question, for America war means ruin. Let the doubter but lock back along the path to the last war. Let him look at our America of today, with its idle factories, with its host of jobless citizens, with its 43,000,000 being fed from the public purse, with its youth faced by dearth of work and opportunity, with its National, State, and local debt exceeding \$60,000,000,000, with every man, woman, and child of its 130,000,000 people governmentally in debt to the tune of \$460.

debt to the tune of \$460.

debt to the tune of \$460.

"Here is the enemy against whom should be aimed the chest thumping and the determination and the promise of war. Here—right here in America—are the true friends—the true allies—the only people deserving of our aid. Here lies fodder for the minds of our great. Here lies opportunity to expend all the powers of salvation with which any of us may be endowed; not over in Europe, where Chamberlain's money makes munitions for German gunners to shoot back into England; not in the Old World, where British money supplies the murderous weapons with which Franco might money supplies the murderous weapons with which Franco might blast innocent, helpless women and children; not in a stinking Old World—rotten and moldering in its hatreds bred for and by profiteers who cry for peace and glean gold from preparations for war; not there—but here.

"Let President Roosevelt and his "brain trust," his aides, and all the rest of us fight by all means. Let us use all our energy, all our resourcefulness, all our God-given intelligence to make the all our resourcerulness, all our God-given intelligence to make the fight a good fight and a successful one. But let's fight our own enemies—destitution, starvation, unemployment, ignorance, and economic agonies—for our own friends—the people of the United States of America—here at home.

"When that battle is won, then will there be just cause for chest thumping. But until it is won let's do our chestnut saving here at home."

home."

These are the words of a war veteran who knows, who lives, and who breathes Americanism. The welfare of the world depends essentially upon the welfare of America. America's welfare will only be found in America. Let us lead the world. Let us solve the economic problems of civilization under the process of free institutions and a free economy. World civilization will best benefit by America's quarantine of herself.

The till weaks from tonight good wishes and good night.

Until 2 weeks from tonight, good wishes and good night.

Our Foreign Relations

EXTENSION OF REMARKS

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

ARTICLE BY BOAKE CARTER IN THE MINNEAPOLIS JOURNAL OF APRIL 18, 1939

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Boake Carter, which appeared in the Minneapolis Journal of April 18. 1939:

BOAKE CARTER ARRAIGNS PRESIDENT ROOSEVELT FOR MEDDLING IN THE AFFAIRS OF EUROPE

There is less and less doubt that President Roosevelt is up to his

ears in power politics in Europe.

There is still less doubt that by almost any means of propaganda at his command he is deliberately attempting to stir the emotions of the American people to gain support for his betrayal of the injunctions of the founding fathers—keep free of foreign entangle-

Although this country is supposed to possess a Neutrality Act; although the people themselves made it clear in 1935, 1936, and 1937 that they desired their Government to abstain from commitments—open or secret—with any foreign nations, the train of events since Munich shows all too clearly that Roosevelt cares little for the desires of his own countrymen.

Already one secret commitment, made without knowledge of the people, was exposed through the crash of a plane in California. What other ones the President may have made is merely a matter

of question.

Neither he nor his Secretary of State nor his personal spokesman, Under Secretary Sumner Welles, let slide the slightest opportunity to make statements or loose condemnatory blasts at the least little thing the dictator nations of Europe may do.

thing the dictator nations of Europe may do.

Although the tightening by Italy of her control over the little Kingdom of Albania has nothing whatsoever to do with the United States nor will cause any injury to America one way or another, Mr. Hull lost no time in issuing a new hectoring blast. Mr. Roosevelt lost no time in letting it be known he fully approved the lecture. Together they made it clear that the American Government—which has become simply and solely Mr. Roosevelt—will not overlook the slightest opportunity to meddle with internal troubles of another continent.

Irresponsible, dangerous, and uncalled for, were he of another mind, were the President's remarks in the South: "I'll be back if we don't have a war." Did he but make that observation once it might just possibly be dismissed as a typical Roosevelt quip. But it was a repetition of a similar remark he had made several days previously. There can be little doubt that it was studied and depreviously. There can be little doubt that it was studied and deliberate, aimed to fit the pattern conceived by the President to create a war psychosis in the public mind.

One cannot forget the famous conference with the Senate Military Affairs Committee. There he revealed himself as a man who be-lieves he has been chosen to save the peoples of Europe and lead

Americans to a higher destiny.

The Senators who attended were so shocked that they agreed that many of the things he said to them ought not to be repeated aloud lest the public become alarmed. Yet it was at that conference that Mr. Roosevelt intimated that the best thing that could happen to the world would be for some one to assassinate both Hitler and

Regardless of whether assassination of these two dictators would or would not produce the hoped for results in the world's relations, the fact that the head of any nation, let alone one miles from Europe, would make such a suggestion, however covert, is shocking. It is an episode which of itself indicates a distorted frame of mind. For the American people that frame of mind is as dangerous to their own lives and welfare as is Hitler's for the German people and all Europe.

Any congressional questioning is bitterly condemned by the Presi-Any congressional questioning is bitterly condemned by the President as "interference." The demand Mr. Roosevelt made to railroad the Pittman proposals to amend the Neutrality Act, so as to give him an almost entirely free hand to play poker at the table of European power politics, with American citizens' lives as the chips, is further cause for genuine fear on the part of the people as to what the President is doing.

The actions of the Chief Executive and his rubber stamps cause one to wonder what sense is there in Congress' debating neutrality measures if Roosevelt is determined to ignore both Congress and

measures if Roosevelt is determined to ignore both Congress and the people, regardless of what the latter may decree.

Mr. Wilson up to a point acted along the same lines. Mr. Wilson, however, was an idealist. On that basis he also took part in European power politics. Mr. Roosevelt is no idealist, but is a political opportunist laboring under the delusion of grandeur produced by a messianic complex. He has said to those close around him that he has no time for the leaders of either France or Britain. He has declared he considers them incompetents.

And it appears from his own actions that he considers himself.

And it appears from his own actions that he considers himself the "chosen leader." To that end it also appears he has promised aid, comfort, and succor in food, materials, and money—everything "short of military aid"—to England and France. He has done so without consulting American public opinion. Knowing this, he is now attempting by propaganda to manufacture public opinion to endorse what he is doing.

His backing has caused France and England to change their appeasement policy. They expect America will support them if they go to war again. The colossal tragedy will occur when the public of the United States wakes up to realize the fool it has been made of and repudiates Roosevelt just as it repudiated the overconfident Woodrow Wilson.

The tragedy will then be that Europe will be in flames, millions suffer and die, because of the encouragement lent to war in Europe by Roosevelt when he failed to seek permission first of the American

people.

The two greatest domestic problems of the New Deal are: Cover up collapse of the New Deal and elect a New Deal President in 1940. War would probably solve both those problems. It would also provide that state of autocracy in America so dear to the Roosevelt heart. Are these the reasons for his meddling in Europe? A terrible thought! Yes, but the world seems at the mercy today of men with strange mentalities.

The National Conference of Jews and Christians

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I include a statement concerning the splendid work being done by the National Conference of Jews and Christians.

In view of the devastation that is being wrought in some other parts of the world in setting race against race and subjecting the adherents of religion, whether Protestant, Catholic, or Jew, to disabilities and persecutions, an aroused public opinion is becoming more and more vocal here in the determination to resist all influences and propaganda that foster intolerance and intergroup hatreds and hostilities in America.

For more than 10 years the National Conference of Christians and Jews, 300 Fourth Avenue, New York City, has been steadily engaged in the promotion of justice, amity, understanding, and cooperation among all the varying religious and racial strains in our population. The Honorable Charles Evans Hughes and Dr. S. Parkes Cadman signed the letter that brought the first group together in 1927. Hon. Newton D. Baker was the Protestant cochairman from the beginning until his death in 1937. At present Prof. Arthur H. Compton, professor of physics at the University of Chicago; Prof. Carlton J. H. Hayes, professor of history at Columbia University; and Mr. Roger Williams Straus, a New York businessman, are respectively Protestant, Catholic, and Jewish cochairmen; and the executive committee, the governing body, is composed of an approximately equal number of each of the three groups.

The purpose of the national conference, as defined in its constitution, is as follows:

Believing in a spiritual interpretation of the universe and deriving its inspiration therefrom, the national conference exists to promote justice, amity, understanding, and cooperation among Jews, Catholics, and Protestants in the United States, and to analyze, moderate, and finally eliminate intergroup prejudices which disfigure and distort religious, business, social, and political relations, with a view to the establishment of a social order in which the religious ideals of hypothephood and justice shall become which the religious ideals of brotherhood and justice shall become the standards of human relationships.

In the pursuit of this purpose the national conference is engaged in a wide-flung educational program that reaches every State in the Union. It has established round tables in most of the centers of population composed of leading citizens of the three faiths, who meet statedly to consider their mutual concerns. By seminars in cities and educational institutions, tours of minister-priest-rabbi teams, cooperation with public and religious school teachers, the annual Nation-wide observance of Brotherhood Week, by national and local radio broadcasts, by intensive work in the colleges and otherwise, it educates for understanding and good will. It conducts Religious News Service, a religious "Associated Press," serving several hundred journals. It holds regional and national institutes of human relations; the subject of this year's institute, which will bring together some 600 leaders-Protestant, Catholic, and Jewish—to spend a week together on the campus of Williams College, Williamstown, Mass., will be Religion and Citizenship: A Consideration of the Relations of Church and State in America.

In the belief that citizens of the United States have a right to differ from one another in many important ways and to perpetuate their separate cultures if they choose to do so and retain their various religious loyalties, the national conference maintains that it is the privilege and duty of all groups to cooperate as American citizens in all those civic and patriotic undertakings which are their common responsibility

and cultivate mutual respect, regard for one another's rights, and that understanding upon which a wholesome community life depends.

This, it believes, is the American ideal, the American way, the authentic American tradition that dominated the minds of the founders of the Republic.

Failure of the New Deal

EXTENSION OF REMARKS

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the Record, I include the address of Senator Robert A. Taft, of Ohio, before the first Republicans On the March dinner at the Willard Hotel, April 20, 1939, as follows:

The new Congress has been in session for more than 3 months, and we have come to a time when we can appraise the present situation. We can summarize it in six words: The New Deal is a failure. Don't let page after page of foreign news divert your attention or divert the people's attention from that fact. The New Deal is a domestic policy, openly proclaimed as the panacea which would restore prosperity, and increase the income of every poor man; in fact, of everyone except economic autocrat.

In the last 3 months we have heard little of the New Deal, but every member of the Government, whether it lies in his province or not, is ballyhooing the foreign situation, trying to stir up prejudice against this country or that, and at all costs take the minds of the people off their troubles at home. One thing is perfectly clear—no denouncing of dictators or eulogies of democracies can improve the condition of the people of this country by one penny of income.

And when we consider that condition today, we can only conclude that the New Deal is a failure, and has reduced us to a tremendously dangerous situation. The report for February shows that there are 11,470,000 people unemployed, more than the average unemployed in any one of the last 4 years. It is impossible to have a prosperous country with so many people pitifully without treewes.

The farmers' prices were to be raised. Corn today is selling at 48 cents, 20 percent less than a year ago. Hogs are down from 9\%0 cents to 7\%4 cents; wheat from 90 cents to 70 cents. In spite of all the controlled production and the pouring out of Government funds, the farmer is actually getting less money for his principal products today than he received before any agricultural regulation began. Industrial production is little better than it was 12 months ago, in spite of all the Government-spending program.

The national income for 1938 is \$66,000.000.000. compared to

ago, in spite of all the Government-spending program.

The national income for 1938 is \$66,000,000,000,com compared to nearly \$80,000,000,000 in 1928, and there were 10,000,000 less people at that time among whom to divide the income. The average per capita income in 10 years has dropped 25 percent. No wonder that times are hard. It is easy for Government officials in Washington to sit in luxurious offices, in a city subsidized by the tremendous increase in Government employment, and forget that the prosperity which exists here is almost unique in the United States. If the condition which I have described, and which has existed now for nearly 10 years, cannot be solved, there is serious danger that our American form of government cannot continue.

The second conclusion from 3 months in Washington is that the new dealers don't know what to do to change the present situation. Not a new idea has appeared since Congress opened in January. No Government policy today is even designed to produce prosperity except that of spending more money. If we have learned anything from the last 10 years, it is that Government spending cannot produce prosperity. We have spent \$20,000,000,000 of borrowed money, and billions more of money wrung from the taxpayer, and yet the condition today is far worse than it was before Government deficits began.

was before Government deficits began.

It is a favorite New Deal argument that the depression of 1937 occurred because the Government slowed up on spending money. This is a completely ridiculous fallacy. In the first place, the Government never did stop spending money, and never did balance the Budget. In the second place, the depression resulted from a complete collapse in the capital-goods industries, due to the speed with which taxes, wages, and other costs increased in 1937. In the fiscal year up to April 17 we have spent \$7,258,000,000, \$2,700,000,000 of it borrowed money. Has it stimulated business or cured unemployment? Exactly the reverse, and the

policy cannot be maintained without bankrupting the Government.

ment.

In dealing with the farmer the administration apparently is completely at sea. The same old ideas that have already failed are trotted out again. We go right on making reciprocal-trade treaties, reducing the tariff on agricultural imports below the difference in cost of production. We go right on lending more and more money on cotton and wheat, and then subsidizing exports and selling wheat to Germany, for instance, at less than we charge our own people for it. The administration is bitterly criticized by Democratic Senators for subsidizing exports, but every Senator has a different theory as to what we ought to do with cotton and other products.

We go blindly ahead with the Federal administration of W. P. A., although the country has clearly shown its belief that the administration of relief ought to be with the States and local subdivisions. The New Deal is confused and stuttering. Every day it is on the defensive, but it is just as unwilling to change any of its discredited policies as it was before the election of 1938.

Frightened by the revolt of every businessman, large and small, we have developed the so-called policy of business appeasement. The businessman is assured that the Government is really his friend, but if anyone proposes to translate this into any practical action, he seems to run up against a stone wall. The bias of the National Labor Relations Board against employers is notorious, and yet Senator Wagner and the Board members attack the motives of anyone who even suggests an amendment of the act, and oppose every amendment which will have the slightest effect on the position of the employer or the employee who is not a member of the C. I. O.

The deficit for the next fiscal year is going to be bigger and better. No serious modification of the tax plan, particularly as to undistributed profits or capital gains, can secure the approval of the President. No one has even considered the reduction of the tremendously burdensome pay-roll tax, which actually discourages the employment of labor, and even the mild suggestion that the increase be postponed has not developed into definite form.

The truth is, the same people and the same ideas dominate the administration today as have dominated it throughout. The inside New Deal crowd is obsessed with the belief that the way to improve the condition of the poor is to take it away from those who have made any reasonable success in life, and that the successful businessman is a crook until he proves himself otherwise. I do not say that this group is communistic, but I do believe they are convinced that they can run the affairs of the businessman and the laboring man and the banker and the insurance man better than he can do it himself. Only yesterday I heard Mr. Madden testify in a way which would indicate that he regarded the American laboring man as an utterly helpless ward of the National Labor Relations Board.

There are plenty of wise, experienced men in the Democratic Party. With the Republicans, they are quite able to block any new radical measures, but they have not the slightest influence with the President, and they are unable to secure any affirmative action to change the New Deal policies which have brought us to our present plight. The President has not only tried to purge these gentlemen from the party, but only last night he issued an insulting ultimatum when he said, "Where men are at variance with the course their party is taking, it seems to me there are only two honorable courses—to join a party that more accurately mirrors their ideas, or to subordinate their prejudices and remain loyal." To the President, anyone who disagrees with him is moved only by prejudice, and if he is unwilling to subordinate these prejudices, he is disloyal to his lord and master. The Republican Party certainly mirrors more accurately the ideas of the leading anti-administration Democrats than do the new dealers, and we welcome them to our party councils. There is no fundamental difference between us which cannot be reconciled.

There is only one solution to the present difficulties, and that is a complete change of policy. There is only one party which can make such a change and carry it through, and that is the Republican Party. It can be done. This country is the same country which we had in the twenties, except that there are 10,000,000 more people ready to work and produce and consume. To equal 1928, we ought to have an income of ninety billion instead of sixty-five billion. Such an increase would take care of practically all of the unemployed. There is more money available today than there ever has been in the history of the country. Demand deposits in banks, according to yesterday's figures, are higher than they ever have been before at any time, and they are owned by millions of people. This is no question of coddling the big-business man. It is a matter giving assurance to every man that if he saves and puts his time and money into some business enterprise, he will have a reasonable chance to get a return and improve his own condition and that of his family.

We can support relief if it is handled in a sensible way through local administration. We can provide old-age pensions and unemployment insurance without wrecking all enterprise and putting a premium on unemployment. We can revise the tax system so that it will not penalize initiative and thrift and the expansion of industry. We can at least assure the improved American market to the American farmer, and put him where he can get a larger share of the consumer's dollar. We need not abandon any humanitarian enterprise undertaken in the past 6 years, but we can reduce the regulation which puts every businessman in a strait jacket; we can reduce the taxation which penalizes enterprise; we can give the businessman a chance.

We have come out of every past depression by the development of private industry. We have cured unemployment by giving the proper incentive for the growth of little and big business alike. We have always done it under Republican administrations, and a Republican administration can do it again.

Keep United States Out of Foreign Wars

EXTENSION OF REMARKS

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

ARTICLE BY REV. JOHN A. O'BRIEN

Mr. KNUTSON. Mr. Speaker, under leave granted there is herewith reproduced an article on Peace, by Rev. John A. O'Brien, of the Newman Foundation, Champaign, Ill., that shows such clarity of thought and understanding of the subject that I feel it should be made a part of the permanent

KEEP UNITED STATES OUT OF FOREIGN WARS—CONFLICT WOULD NOT HELP DEMOCRACY, BUT DESTROY IT—RELIGION AND PATRIOTISM DEMAND WORK FOR PEACE

(By the Reverend John A. O'Brien, Ph. D., LL. D., Newman Foundation, Champaign, Ill.)

dation, Champaign, Ill.)

The supreme duty of the American people is to keep this country out of foreign wars. If there is one lesson taught us by the World War, it is that war solves no problems but multiplies them many times. It piles up hatreds and enmities which breed future wars. It is a never-ending vicious circle.

Why should we entangle ourselves in the crazy quilt of European jealousies and congenital hatreds? Why should we speak of "quarantines" and "democratic alliances" with European countries whose enlarged territories were gotten by the sword? Why should we pour out the blood of American youth to perpetuate the theft of the German colonies in Africa by England and France?

The propaganda that is now beginning to flood our country is an exact replica of that which pulled us into the World War. The cry is: "We should enter on the side of England and France to safeguard not their colonial possessions, but democracy." How strangely reminiscent of the slogan sounded from one end of the country to the other to drag us into the World War—"Make the world safe for democracy!" world safe for democracy!"

MAKING THE WORLD SAFE FOR DICTATORS

By entering we helped to make it safe for fascism, nazi-ism, and communism—for the dictatorships of the right and of the left. We helped to inflict the iniquities of the Versailles Treaty upon Europe and sowed the seeds of war now sprouting.

Will we ever learn from the experience of the past? Or must we go on forever making the same mistakes, treading the eternal treadmill of meaningless slaughter and blind destruction?

To those who are now filling the land with their clamor for us to enter war for the sake of democracy and to crush fascism in Europe, I ask: Is it democratic for us to crush the authoritarian form of government which Germany and Italy have chosen and to impose by force our own form of government upon them? That is not democracy. That is dictatorship—the very dictatorship which we profess to hate

impose by force our own form of government upon them? That is not democracy. That is dictatorship—the very dictatorship which we profess to hate.

Germany and Italy would have as much right to impose fascism upon us as we have to thrust democracy, willy-nilly, down their throats. Will these war mongers, shouting for war under the specious plea of democracy, ever learn that Almighty God has not abdicated His prerogative of judging the nations of the world in favor of the United States?

THE PATH THAT LEADS TO WAR

When will our ranking officials stop their offensive practice of lecturing the peoples of Europe on the form of government they should adopt and of insulting on every possible occasion the heads of the authoritarian governments? That path leads only to war.

Let us abandon that foolish and dangerous path and seek to discover the one that will keep us from the fiaming antagonism of Europe and anchor us in peace in our own Western Hemisphere.

This plea for aloofness from the European hatreds does not imply approval of racial and religious persecutions which have occurred in Russia, Germany, and Italy. I detest them with all my soul. But we will not eradicate them by war. We will only intensify and deepen them. The long, slow process of education is the only cure. is the only cure.

LET US PUT OUR HOUSE IN ORDER

By putting our own house in order, by sanitating our own social order of its abuses, and dispensing justice to workers and employers alike, by ridding our land of religious prejudices and racial hatreds, America will do more to promote the peace of the world

than it could ever do by filling the trenches of Europe with the blood of millions of American youth. Religion and patriotism thunder in the ears of the people of our

Rep the identical command: "Keep America out of foreign wars."
Keep the torch in the upraised arm of the Statue of Liberty a
beacon light of peace and freedom, not a symbol of international
hatred and organized human slaughter which people dignify by the name of war.

Operations of the Federal Housing Administration Under Section 207 of the National Housing Act

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

STATEMENT BY THE FEDERAL HOUSING ADMINISTRATION

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I include an interesting summary setting forth the operations of the Federal Housing Administration under the provisions of section 207 of the National Housing Act:

Under section 207 of the National Housing Act and the F. H. A.'s regulations governing rental housing mortgage insurance, eligible private mortgagors must be corporations, associations, cooperative societies, or trusts which "until the termination of all obligations the Administrator under such insurance are regulated or restricted by the Administrator as to rents or sales, charges, capital structure, rate of return, and methods of operations to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment."

Originally the act provided only that the Administrator find that

Originally the act provided only that the Administrator find that the project on which he was asked to insure a mortgage was in his judgment economically sound. There was no limitation as the percentage of the mortgage to the total value of the project. In the recent amendments the additional restriction was inserted to provide that no mortgage should exceed "80 percent of the amount which the Administrator estimates will be the value of the property or project when the proposed improvements are completed." The estimate of the value of the property when completed and set up as a going concern is left entirely to the determination of the Administrator. Administrator.

Administrator.

In order to enforce these limitations, the Administrator causes to be made a careful examination and appraisal of every project on which an application for mortgage insurance is submitted. This examination is first made on the site by F. H. A. officials; then it is reviewed in a regional office; and finally it is reviewed and passed upon in the Washington office.

In order to make the regulation effective, the Administrator becomes the owner of all of a certain class of preferred stock which gives him the authority to assume control of the property whenever any specific regulations are violated. Moreover, he has a

which gives him the authority to assume control of the property whenever any specific regulations are violated. Moreover, he has a representative on the board of directors of the corporation; he requires the corporation to make monthly occupancy statements and semiannual and annual financial statements, including an annual audit made by a certified public accountant. In effect, therefore, the management of the property is subject to thorough supervision at all times by the Federal Housing Administration.

In analyzing a project on which an application for mortgage insurance is received, a careful estimate is made by experienced estimators of quantities of material and labor required, and every other item affecting the project's cost and its capital structure is rigidly scrutinized. In the preparation of final estimates of what "will be the value of the property or project when the proposed improvements are completed", these cost estimates play an important part.

tant part.

Likewise, a careful study of the rental market and estimates of

Likewise, a careful study of the rental market and estimates of probable rents which the project can secure and sustain are made; the estimated operating costs are studied. The resulting estimate of the income-producing capacity of the property is extremely important in the final estimate of value and in determining the economic soundness of the project.

Generally speaking, these projects are large and constitute the creation of entire new communities of as many as 1,000 to 3,500 persons. They often bring into use large tracts of undeveloped land. Through the erection of roads, sewers, schools, and other public improvements the erection of stores and community facili-

public improvements, the erection of stores and community facilipublic improvements, the erection of stores and community facilities, and the stimulation of construction in surrounding areas, they have a material effect upon the areas in which they are located; and they may substantially enhance values above the market price for the raw acreage before development.

The determination of value under such circumstances involves a careful exercise of judgment. It is obviously difficult to make precise judgments of the portion of value attributable to land alone in the completed project when due consideration is given to the entire community development. Therefore, the Administrator

has voluntarily placed other limitations upon the amount of mortgage he will insure.

First, no mortgage is insured which exceeds the Administrator's estimate of the cost of physical improvements. This means that the land and all other cash necessary to meet miscellaneous requirements such as interest, taxes, and insurance during construction, organization and financing expenses, etc., must be supplied by the sponsoring corporation as its equity.

Second, every project is carefully examined to determine the expected results of its operations, such as ratios between gross income and net income, the ratios between net income and debt service, and the probable decline in rentals which would bring about default on the mortgage payments.

Third, the owning corporation is required to provide the land free and clear of all liens and to deposit during the construction period, subject to withdrawal only with the Administrator's approval, cash or its equivalent for expenditures not covered by the

mortgage proceeds.

The corporation owning the equity of which the land is thus a part cannot disburse dividends in excess of an amount approved by the Administrator. The dividends, furthermore, cannot be paid until certain reserves, required by the Administrator, have been established and are maintained intact. These reserves include reserves for repairs, improvements, and replacements, a reserve of operating capital, and at least one-half year's debt service.

Total capitalization of the equity stock held by the corporation thus represents only a claim on earnings of the property if, as, and when earned, and then only in an amount agreed upon by the Administrator, to be payable only after all the prior obligations have been satisfied. Moreover, any excess earnings realized during the term of the mortgage over operating costs, debt service, reserves, and the dividend ellowed must be used for additional navments on and the dividend allowed must be used for additional payments on

the mortgage.

In the projects now in operation and under construction, the following figures are significant: The average percentage of the mortgage insured to total value of the property is 76.3 percent; the percentage of mortgage to the estimated cost of construction is 90 percent. The average ratio of land value to total value of the project on completion is 10.4 percent. The average amount of mortgage per room is \$1,004, as against the legal limit of \$1,350.

Attention should be called to the fact that in making the 1938 amendments to the Housing Act, Congress had foremost in mind a substantial and general stimulation, as rapidly as possible, of all classes of residential construction, through providing means of making high-percentage, long-term loans available to builders at reduced interest rates. This purpose particularly lay back of the extensive amendments covering rental housing. The procedure which we have devised, and which we are continually endeavoring to improve, is designed to give the fullest possible scope to the policy dictated by Congress within the limits of economic soundness. economic soundness

economic soundness.

In connection with the project known as Manhassett Village in St. Louis County, Mo., the mortgage is \$1,600,000. This mortgage is less than the Administration's estimate of the cost of construction. The Administrator maintains a staff of competent building-cost estimators for this work. The amount of mortgage per room is well under the legal limit; and the rentals have been estimated so that on a conservative basis they will be reasonable to the tenants and provide a fair return to the investment. In these estimates the Administrator's position is amply protected against loss.

The differential mentioned between raw land cost and the final The differential mentioned between raw land cost and the final valuation constitutes a transaction for which stock was issued but for which no cash was paid and no cash profit was realized. The final estimate included considerations of value resulting from the installation of streets and sewers necessary to make the property accessible and other external improvements contributing to the utility of the land. Whether or not any returns are obtained on this valuation in the future depends wholly upon the success of the project in actual operation.

success of the project in actual operation.

In case the project fails to earn money as anticipated, the corporation owning the stock would suffer first a loss of dividends. In case of default on the mortgage, earnings would have to decline still further before the Administration would suffer a loss as the result of taking over the property. In other words, the equity owners would sacrifice their equity in the land, the cash which they supplied to complete the project, and all other contributions they have made to the equity capital.

An independent investigation of this project was made by the New York Life Insurance Co. before this company made the loan now insured by the Federal Housing Administration. Without in-

now insured by the Federal Housing Administration. Without insurance, this company could not have legally made the loan because it is required by State law to limit its loans to an amount not exceeding two-thirds of the value of the property, unless the loan is insured by the Federal Housing Administration.

The F. H. A. insured type of mortgage is radically different, with its numerous restrictions and safeguards, from the old type of mortgage. This can be judged from comments on the old type of mortgage taken from Barron's, the National Financial Weekly, as

of February 1939:

"Mortgages are usually granted for 3, 5, or 10 years, though no lender believes the mortgage will actually be repaid within such short periods. He hopes he will be justified in renewing the mortgage at maturity with a reduction in its amount or that another lender will take it over.

"Once the loan is made, the lender is apt to forget about the property itself, paying little or no attention to its maintenance in good condition. In turn, the owner frequently fails to provide adequately for upkeep and maintenance. It is a common practice to meet depreciation by mere bookkeeping entries. In such a case the owner, after having taken the cream off the property, is naturally quite willing to abandon it to the mortgagee."

The Canadian Government and Coal

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

Mr. REED of New York. Mr. Speaker, Canada is the largest export market in the world for United States anthracite and bituminous coal, annually taking around 99 percent of cur total anthracite exports and from 84 to 93 percent of our total bituminous exports.

Imports of anthracite coal from all countries entered Canada duty free until June 1931, when a duty of 40 cents a ton was imposed on imports of anthracite from all countries other than those in the British Empire, which continued to enter duty-free. In October 1932, while coal from empire countries still entered free, the duty on coal from nonempire countries was raised to 50 cents a ton, and in addition to the duty a 3-percent excise tax was placed on anthracite imported from non-empire countries.

The effect of this preferential duty and excise tax was a tremendous decrease in Canadian imports of American anthracite and a commensurate increase in imports of anthracite from the United Kingdom. In 1928 Canadian imports of American anthracite were 85.7 percent of the total quantity imported from all countries, while imports from the United Kingdom were but 14.1 percent of the quantity imported. By 1933 the United States percent of total had dropped to 46.7, while that from the United Kingdom had increased to 53.3. By 1937, due to the rise in the price of anthracite during the period 1933 to 1937, the United States percent of the total quantity had increased to 54.4, while the percent of total quantity from the United Kingdom had dropped to 32.4. The full effects of this preferential duty are felt in times of falling prices as the ad valorem equivalent of a flat duty becomes increasingly high as prices fall.

In 1929 the duty on bituminous coal was 50 cents a ton on imports from non-British countries. This was increased to 75 cents a ton in June 1931, and in addition a 3-percent excise tax was imposed. The duty on imports from Empire countries was 35 cents a ton during the entire period. In spite of this preference of 40 cents a ton and the 3-percent excise tax, imports from the United Kingdom failed to increase, the United States percent of total quantity imported remaining at about 99 percent. The effect of this duty, however, has been a curtailment in total imports of bituminous coal by Canada. From 1928 to 1937 imports decreased approximately 15 percent. In addition to the duty imposed, Canada grants subventions to her domestic coal producers, amounting to \$2 to Nova Scotia producers in the form of a rebate on rail freight charges and \$2.50 a ton in respect to rail fuel.

The duty imposed and the subventions granted by Canada certainly constitute discrimination against imports of United States bituminous coal. However, the countervailing duty imposed by the United States on imports of coal from Canada was removed in 1934 under the authority of the Reciprocal Trade Agreements Act. This permits free entry of Canadian coal into the United States, which has played havoc with our own producers of coal in the Pacific Northwest, who must market their output in competition with low-cost bituminous coal from British Columbia.

In negotiating the recent Canadian agreement opportunity was present to rectify this situation, either by lowering the amount of preference granted British countries or once more establishing free entry. At the conclusion of the negotiations, however, the only concession received by the United States from Canada was a binding of the duties at their former level. The only tangible effect of this binding was the removal of the 3-percent excise tax which applied to imports of coal from non-British countries.

In conclusion, the position of United States coal producers as a result of the agreement was bettered only to the extent of removing the 3-percent excise tax. In addition, by binding the duties, the Canadian Governmnt, for all practical purposes, barred during the life of the agreement any further negotiations for the purpose of reducing the duties. Thus, the United States must for another 5 years look for no improvement in the Canadian market for coal.

What War Means

EXTENSION OF REMARKS

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 21, 1939

RADIO ADDRESS BY HON. ROY O. WOODRUFF, OF MICHIGAN, APRIL 15, 1939

Mr. MAPES. Mr. Speaker, the black clouds of war hang low over the civilized world. Momentous events are moving with such rapidity that we are dazed and bewildered by the succession of developments each new day. On Saturday, April 15, my colleague from Michigan [Mr. Woodruff] delivered an address over the blue network of the National Broadcasting Co. on the subject What War Means. Mr. WOODRUFF is a veteran of two wars, the Spanish War and the World War. He served in the combat forces in both conflicts. He should and does know this particular subject.

Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing Mr. Woodruff's address, as follows:

Friends of the radio audience, today the peoples of the world are alarmed over the prospects of a conflict which certainly would be the most horrible in history, and which probably would wreck civilization itself. Europe is an armed camp. We in the United States watch events apprehensively.

A Nation-wide propaganda campaign has been under way for many months to sway American public thought in favor of war.

The "air," the newspapers, and the magazines are filled with propaganda, much of it manufactured for the purpose of arousing in our people a war psychology. All this is reminiscent of the days preceding our engaging in the World War. The results of that war can be seen all about us.

The country is being propagandized in glib terms such as "quarantining the aggressors," "presenting a united front of democracies," "supporting the democracies of the world against totalitarianism," and similar slogans.

It is vital that we look at this question of war squarely and

It is vital that we look at this question of war squarely and remember what it really means.

A systematic attempt is under way to persuade us that we cannot possibly escape participation in any war that may break out anywhere else in the world. That is not true. We can remain aloof if we wish. We will become involved in any European conflict only if and when the American people can be sufficiently swaved by meantagetured emotionalism to enoble these who want swayed by manufactured emotionalism to enable those who want to take us into foreign conflicts to achieve their designs.

to take us into foreign conflicts to achieve their designs.

What if America should go to war? What would it really mean?
Before our very eyes would spring up a vast war machine to
which Congress would abdicate its functions. Absolute dictatorial
powers would be vested in the President. All semblance of democratic government would instantly be swept away. Civil and
personal liberties, including freedom of speech and press, would
cease. Labor would be denied the right to strike. Wages would
be fixed by Presidential proclamation. Factories and farms would
produce only in accordance with governmental orders. All business would be licensed.

This is no fantasy. Such are the cold, cruel necessities of war.

This is no fantasy. Such are the cold, cruel necessities of war, and such are the plans, some of which have actually become law while others are ready to be rushed through Congress the moment war is declared, and even before, if the administration believes the people will stand for them. These purposes are revealed in the

industrial mobilization plan, the National Defense Act, and various measures ostensibly designed to take the profits out of war now

measures ostensibly designed to take the profits out of war now pending before Congress.

The industrial mobilization plan provides for the establishment of a public relations committee which would "enlist and supervise a voluntary censorship of the newspapers and periodical press." In this we can see clearly the rigid control of the press, radio, motion pictures, telegraph, telephone, and all other agencies for transmitting news. As in Germany and Italy today, we will, if we go to war, be permitted to know only what the rulers want us to know.

to know.

All of these stern and liberty-destroying changes which would come about immediately upon our entrance into war are carefully kept in the background by those who would have us participate in foreign conflicts.

Our ears have been continuously assailed for months by administration spokesmen uttering blasts of criticisms against other nations which arouse the anger of their leaders and their peoples

and prejudice the minds of our own.

Today we have an administration that has economically and psychologically increased the chances of America being drawn into war. We have an administration that has constantly increased its powers in time of peace under the plea of emergencies and has carefully planned to assume dictatorial powers the moment war

carefully planned to assume dictatorial powers the moment war is declared. The rule of fascism, the rule of nazi-ism, the rule of Japanese imperialism, is military dictatorship. The moment this Nation goes to war, by the very exigencies of the case, we come under exactly the same sort of rule by military dictatorship.

We have been assured that these emergency powers planned by the administration are to be exercised "only for the duration of the emergency created by a state of war." We have heard this promise about surrendering emergency powers all too often in the last several years; in what instance has the promise been kept? Which of the many powers already granted the President has the Which of the many powers already granted the President has the administration shown a readiness to surrender?

We know there are men in high places of power in the adminis-

We know there are men in high places of power in the administration who believe capitalism is doomed, and who are determined to rebuild America over into an all-powerful collectivist state. What surer way could there be of accomplishing this design than to secure those powers from the people, wrought up in time of war, and then, after peace has been declared, to perpetuate those powers as our permanent form of government?

Now let us face facts. War is wholly destructive. It is utterly horrible. It is without a redeeming feature. It settles nothing. Every expert in the world asserts unhesitatingly that another war would result not in any victors but in the defeat of all participating and the probable wreckage of civilization.

The next conflict will be indescribably more devastating and horrible than the last one. That fact is agreed to by every military authority in the world. Men, women, and children will be ruthlessly bombed.

tary authority in the world. Men, women, and children will be ruthlessly bombed.

The flower of American manhood and womanhood, in the event we get into war, would go to the bloody filth and vermin of the trenches to face new and more horrible kinds of destruction. That's what we talk about when we speak of war. Millions of fathers, mothers, brothers, sisters, wives, husbands, and children would be plunged into the most awful agony known to the human soul, the group of sending loved ones away to a fate perhaps

would be pendiged into the inost awar agony anown to the indination soul, the agony of sending loved ones away to a fate perhaps worse than death. That is what we mean when we talk of war. Millions of our young citizens would be required to offer up their bodies as cannon fodder to be blasted to bits and churned up with the bloody muck of the battlefields, and trampled over by battling hosts. That is what we are talking about when we

speak of war.

Millions would come back from overseas maimed and mangled in Millions would come back from overseas maimed and mangled in mind and body, a burden to themselves and society. Until they did return there would be the years of agony of waiting and waiting, with those left at home not knowing whether they were destined ever to see their loved ones again. That agony in myriad cases would be intensified by the return of loved ones so mangled physically and spiritually that death would have been more merciful. That is what we are talking about when we speak of war.

Uncounted millions, whether at the front or at home, would receive mental wounds from which they could never hope to escape in this life. That is what war means.

Following the next war the survivors would suffer a depression far worse and far longer than the 10 years of bitter want and priva-

Following the next war the survivors would suffer a depression far worse and far longer than the 10 years of bitter want and privation in which we are still struggling. Economic charts of the past 146 years show that every war has been followed by a depression; each succeeding depression has been deeper and longer than the preceding one. The depression following the World War has been the deepest and longest in the history of the world. Just as the next war will be incomparably worse than the last, so the depression which would follow would be incomparably worse than the present one. It would utterly paralyze our cultural, social, political, and economic system with evil results no man can foresee.

If we go to war regardless of the outcome, life as we have known.

If we go to war, regardless of the outcome, life as we have known it in America will be forever lost to the crippled living as well as

to those who fall in battle.

Unless we were forced to repel an invasion, no war would be worth such a price. Two oceans and friendly nations to the north and

south of us make an invasion impossible.

We do not have to make this choice of going into war on one side or the other. We need not make it if our citizens will act now. First the people must demand limitation of the powers of the President and his administration to create economic entanglements and enmittes through the operation of the broad economic and

financial powers he already possesses. The people must warn Congress now of their opposition to all legislation designed to set up a military and economic dictatorship under any conditions short of actual war.

The people must have the courage and the intelligence to resist the insidious propaganda which seeks to draw us into the tragic error of once again trying to make the world safe for democracy.

Above all, as we hear this talk of war, let us keep clearly in mind the awful realities of mangled bodies and wounded minds, of indescribable depths of human agony and human misery which lie hidden behind the glib slogans of the propagandists who would get us into war but who would not fight it for us and who would not pay for it.

Let's stay out of war. Let's not be fooled again by the war-

mongers of the world.

Six Months of Wage and Hour Progress

EXTENSION OF REMARKS

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

RADIO ADDRESS BY ELMER F. ANDREWS, ADMINISTRATOR OF WAGE AND HOUR DIVISION, DEPARTMENT OF LABOR

Mr. MOSER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Elmer F. Andrews, Administrator, Wage and Hour Division, United States Department of Labor, made during the National Radio Forum arranged by the Washington Star and broadcast over a National Broadcasting Co. network Monday, April 24, 1939:

By the light of a smoking coal-oil lamp in the kitchen of a tenement home in a New England factory town, a young woman, whom we may call Mary Jones, which isn't her name, told to the accompaniment of tears how she had lost her job.

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Mary worked in a shoe-stitching factory and had been making as little as \$5 or \$6 for a 44-hour week. She had heard of the Fair Labor Standards Act, which had gone into effect a little while before, and she had looked forward in excited expectancy to the 25 cents an hour she would receive under its provisions. The work-week was to be pegged at 44 hours, and for full time she would make not less than \$11 a week, besides time and a half when she worked evertime. worked overtime.

But in Mary's case it hadn't worked out that way. There in the

kitchen she said:

kitchen she said:

"The boss told me, 'If you want the job, you will get your \$5.

If you want \$11, you can get out.' He changed my time card by remarking with ink, and after he changed it, it only showed me working 3 days from 7:30 to 4:30, even though I had worked 44 hours. He gave me \$10.47 when I cried after he changed my time card. Then Joe, the floorman, came up to me and said, 'I'm sorry. I should have told you this a week ago—you can't work here any more.' Joe handed me the new time card for me to sign, but I would not sign it. I signed my right time card showing 44 hours worked." hours worked."

Mary had spunk. She knew her rights and she meant to have nem. But fear shook her resolution. After all, wasn't \$5 a week

them. But lear shook her resolution. After all, wasn't \$5 a week better than nothing at all?

"I went to the boss many times," she confessed, "and last Monday offered to give him back \$4 if he would give me my job and promised to punch the clock as he wanted me to. I was told he had no job for me. I am one of five children with a stepfather and a stepmother and I have to work."

Present in the lamp-lighted kitchen that winter night were two Present in the lamp-lighted Ritchen that whiter hight were two inspectors of the Wage and Hour Division of the Department of Labor. The following day they went to the plant and checked over the records. They seemed to be in order, though it struck the inspectors as curious that so many of the employees were working short hours—in some cases only a day or two a week. It was hard to reconcile that fact with the employer's bland statement that he was experiencing great difficulty in getting help.

The inspectors stood in the space outside the plant and watched

The inspectors stood in the snow outside the plant and watched the workers as they came and went. And they found that many of them, after putting in all day at the factory, returned at night, though no overtime appeared on their time cards.

Away from the factory, interviewed behind drawn curtains in their own homes, employees told the sordid story of their exploitation. They had been forced to delay checking in on the time clock until hours after they already had been at work, and to check out hours before they quit.

That employer was indicted by the Government and pleaded guilty to violating the Fair Labor Standards Act. He was fined \$1,500 and today he is making restitution of back wages under pain

of still stiffer penalties. Mary Jones has her job back and is receiving the pay to which she is entitled.

A manufacturer in another State showed up in the guise of a public benefactor, deeply concerned about the problems of youth

or still stiffer penalties. Mary Jones has her job back and is receiving the pay to which she is entitled.

A manufacturer in another State showed up in the guise of a public benefactor, deeply concerned about the problems of youth in a troubled world, and determined magnanimously to teach them a useful trade. Immediately after the wage and hour law became effective he renamed his factory a "school." Those of his employees who were unable to make 25 cents an hour at the piece rates he wanted to pay were dubbed "students," and he didn't charge them a cent for tuition. They continued to work at the same machines they had tended before, making stockings for sports wear—and the "philanthropist" sold the stockings in interstate commerce. The Wage and Hour Division ended that practice, and this employer also is making restitution to the "students" whom he had defrauded. A lumber manufacturer had been the subject of many complaints. His books seemed to be in proper shape. But he was buying the output of 65 neighboring sawmills at a price so low that it made it impossible for them to pay 25 cents an hour. A Federal court in this case, at the instance of the Wage and Hour Division, has enjoined the shipment in interstate commerce of two and a half million board feet of finished lumber and railroad ties produced for this company. The lumber is valued conservatively at \$50,000, and the manufacturer may be stuck with most of it. It would have been cheaper to have made sure that the lumber was produced in conformity with the law in the first place.

In a Middle Western State an organization of businessmen provided a new company, emigrating from another State, with a factory building to induce it to settle in the community. It is pleasant to find such altruism in what we so often are told is a cynical age, but it appears there was a catch in this arrangement. Our inspectors report that some of the workmen who built the factory were forced to take half their wages in the stock of the company. Men and women were engaged to wor

as to the constitutionality of the wage-hour law.

In an eastern town workers in a clothing factory were paid 2 cents an hour—88 cents for a 44-hour week. The employer said cents an hour—88 cents for a 44-hour week. The employer said they were learners and that it took anywhere from 9 months to a year for one of them to learn to operate a sewing machine. And this in a community where plenty of experienced clothing workers were out of jobs. Here again we are gathering the facts, and if they bear out the complaints the workers will be given protection. In another case we obtained an injunction to suppress an evil to common. A runway grays plent moved the great com-

all too common. A runaway gypsy plant moved to a small community in an effort to get cheap labor. The community has been misled into believing that it was obtaining a boon—an opportunity misled into believing that it was obtaining a boon—an opportunity for the employment of its people. But the employer paid 8 cents an hour and less; wages so low that the public-relief agencies, Federal, State, and local, were called upon to supplement the earnings of his employees to enable them to exist. Instead of securing a boon, the community actually was providing a subsidy out of the taxes its people paid to enable an unscrupulous employer to secure an unfair advantage over competitors who were paying decent wages and keeping their employees off the relief rolls. One of the reasons for wage and hour legislation is to prevent this sort of thing, an evil recognized by the United States Supreme Court when, in a decision delivered by Chief Justice Hughes upholding State minimum-wage legislation, it said: Hughes upholding State minimum-wage legislation, it said:

"The exploitation of a class of workers who are in an unequal position with respect to bargaining power and are thus relatively defenseless against the denial of a living wage, is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met. * * The community is not bound to provide what is in effect a subsidy for unconscionable employers."

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If any American imagines that he has no stake in wage and hour legislation, let him ask himself whether he is willing to pay out of his own pocket to the tax collector to feed and clothe the underpaid workers of industry. We propose, by even-handed enforcement of the Fair Labor Standards Act, to make employers may their own labor costs and not the public. pay their own labor costs, and not the public.

The Fair Labor Standards Act went into effect October 24. Today, April 24, marks the completion of the first 6 months of our experience in administration and enforcement. This is an appropriate hour in which to sum up progress of the first half year and to chart, if possible, the course for the future.

A city's slums, in the dim light of midnight, may wear to the

A city's slums, in the dim light of midnight, may wear to the casual observer a not unpleasing aspect. Deep shadows mellow crass outlines and touch with beauty the sagging roofs. But presently the sun comes up and one sees revealed the broken windows, and the sunken walls, and the ramshackle stairways, the piles of filth and the rats scurrying about among the overturned garbage cans. Always we have had slum areas on the edges of our economic system. But we used to see them through the hazy shadows of our own ignorance or indifference, and we took refuge in the mumbo jumbo of old shibboleths. The Fair Labor Standards Act has been a strong floodlight thrown upon the dark places of American industry. The unpleasant things we could not standards act has been a strong floodlight thrown upon the dark places of American industry. The unpleasant things we could not see before, and the things we did not wish to see, stand revealed. We cannot duck them. No amount of talk about the beauties of rugged individualism will obliterate them. Long tolerated despicable practices have been brought to light, and we now know where the scrubbing brush and the fumigator are needed. Were there no other benefits with which we could credit the law, the light it has shed upon these dark corners of industry alone would be its justification. be its justification

But we have substantial accomplishments to report. When the law became effective last October we estimated that 11,000,000 workers engaged in Interstate commerce, or in the production of goods for interstate commerce, were covered. Of these we had reason to believe 300,000 were then receiving less than 25 cents an hour. We think we are safe in saying that most of these have had their wages raised. We also know that some 550,000 are receiving less than 30 cents an hour, the minimum wage that becomes mandatory next October. Since we do not know how much less each is receiving, we cannot talk about the possible wage increase for the entire group with certainty, but we can follow up those 300,000 who are now receiving 25 cents an hour for the first time and who will receive 30 cents an hour for the first time next autumn. Each of these employees who works 42 hours a week—the statutory workweek after next October 24—will receive \$2.10 more in his pay envelope than he is now getting—\$630,000 more each week for the entire group, or \$32,760,000 more a year. Of the remaining 10,700,-000 covered by the act, some have received time and a half for 000 covered by the act, some have received time and a half for overtime this year, or have had their working week shortened, and it seems safe to assume that they will receive still more overtime pay next year. The purchasing power of the Nation has been increased, and the additional money, having gone to the lowest paid workers, has been and will continue to be spent for food, clothing, and shelter, which will bring new business to those who have goods to sell and open up new opportunities for employment to thousands of men and women still without jobs.

As to compliance with the law to date I can speak with considerable assurance. I don't ordinarily hear about the people who are getting the benefits to which they are entitled, but I hear in tones of thunder about those who believe they are not getting their benefits. If any considerable number of workers were not getting at least the 25-cent minimum and time and a half for overtime

at least the 25-cent minimum and time and a half for overtime they would be registering a kick. For we have encouraged them to kick, have flooded the country with complaint forms, have opened up offices in many cities where they can get help in filling

out those forms.

We have not had 11,000,000 complaints. We haven't had a hundred thousand complaints. We have had just 11,910, or about one complaint for each 11,000 workers covered. That is pretty good evidence of general compliance.

Of the 11,910 complaints, many are duplicates—two or three persons reporting the same circumstances. Of the remainder, 4,145 seem to be valid. A great many, of course, are based upon missunderstanding of the law, or were filed by workers who are not employed in interstate commerce, and therefore must look to their

employed in Interstate commerce, and therefore must look to their own State legislatures for wage and hour protection.

Every complaint that seems to be valid must be carefully analyzed. Usually more information is needed and field inspectors must go out and patiently interview employers and workers and carefully check back the records. That takes time.

Nineteen cases have gone to the courts. Of these, 5 were criminal prosecutions, 14 were applications for injunctions. Still other reported violations have been referred to the Department of Justice reported violations have been referred to the Department of Justice for possible future prosecution. At every point the Wage and Hour Division has been upheld in the courts. So far we have not lost a single case—not 1. Fines levied in 4 criminal cases totaled \$31,500, of which \$17,000 was suspended pending the full restitution of wages to the employees which the employer had pocketed and proof of future compliance. Restitution of pay to workers under the 6 injunctions already granted has amounted to approximately \$12,000.

In some cases violations have been due to ignorance of the law on In some cases violations have been due to ignorance of the law on the part of employers or to misunderstanding. Frequently it has been necessary merely to point out the violation to bring the employer into line and to obtain restitution of wages due. Naturally we prefer this method wherever possible to the expense and delay of criminal prosecutions or court proceedings; and frequently, where the case is not flagrant and no falsification of records is involved, we utilize this procedure, because our major objective, as we see it, is to obtain for the workers of the country the benefits Congress intended them to have rather than the multiplication of litigation. Many thousands of dollars have been added to workers' pay by this method. In Atlanta, Ga., the other day a single employer paid \$6,416 to 139 employees—an average of \$47 apiece—and is now complying with the law.

We began enforcement 6 months ago with a small headquarters staff and with only 23 inspectors in the field to cover the whole of this engrance country an average of less than 1 inspector for

this enormous country, an average of less than 1 inspector for every 2 States. Today we have a field force of 131. It is still a skeleton staff, inadequate fully to render the service to which employees and employers both are entitled. We expect to add to the personnel as money is made available by Congress and inspectors can be properly trained.

The law, as you are doubtless aware, gives to the worker who is not paid at least the prescribed minimum rates the right to collect through court action double the amount of his withheld wages, plus a reasonable attorney's fee. Employers should not for a

plus a reasonable attorney's fee. Employers should not for a moment lose sight of that provision. Aggrieved employees do not need permission from me or anybody else to use this avenue of redress, and a few employee lawsuits could be far more expensive to the employer than voluntary, wholehearted compliance.

So much for 6 months of progress under the Fair Labor Standards Act. We have tried to proceed cautiously, well aware that we could find few precedents for our guidance. But slowly and carefully we have been forging stout tools for administration and enforcement. Most of them have been tested, in the courts and out, and found good. We enter the second 6 months with renewed confidence in our ability to make the law work, secure in the knowledge we now possess that the public is behind us, with a firmly grounded conviction that we can look to the vast majority of the country's employers to help us give substance to the dream of a better and happier America.

Federal Tax Changes

EXTENSION OF REMARKS

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

RECOMMENDATIONS OF THE BROOKINGS INSTITUTION

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following recommendations of the Brookings Institution:

The existing taxation system must be substantially modified before an adequate flow of investment money into private enterprise can be expected, according to the report of a study of taxation and investment made public today by the Brookings Institution. The report makes specific recommendations for Federal tax changes, among them being the disregarding of capital gains and losses, abolition of tax on intercorporate dividends, and substantial radiations in surfax rates in the unput brackets. It recomtial reduction in surtax rates in the upper brackets. It recom-mends that social-security taxes be reduced and old-age annuities be financed on a pay-as-you-go basis, rather than by the accumulation of a huge reserve.

The study, which was conducted by Dr. James D. Magee, of New York University, forms part of a comprehensive inquiry by the Brookings Institution into the American capital market which is scheduled for completion in the early fall. The report is careful to point out that tax modification is only one of the steps necessary to make possible industrial expansion and increased

employment.

In the development of the present tax system, emphasis has been placed on such matters as ease of collection, equitable distribution of the tax burden, redistribution of national income, and the promotion of other economic and social objectives, and little heed has been paid to the effect on investment and capital formation. As a result, the Nation is now confronted with a situation where a clear-cut choice must be made, namely, to continue the present tax system, which arrests the flow of funds into new capital enterprises, or to modify the system in the interest of industrial expansion, greater employment, and higher standards of living.

The trend of tax collections in relation to national income has The trend of tax collections in relation to national income has steadily risen. Between 1923 and 1938 aggregate tax collections increased by approximately the same level as in 1923 and 1924. In 1913 only about 7 percent was taken in Federal, State, and local taxes; in the twenties the range was from 10 to 12 percent, while in 1938 it rose to 23 percent. This rise tells only part of the story, however, inasmuch as even the greatly increased taxes of the thirties have fallen short of expenditures by about 2.77 billion dollars annually, while the smaller taxes of the twenties permitted an annual reduction in the national debt of approximately eight hundred million. The study found that the aggregate amount of taxes for every group of industries, except railroads, has increased progressively since 1923, the rise being especially sharp since 1932. Even more significant is the fact that the ratio of taxes to gross income has increased in every group, including rails. The rise in the ratio of taxes to net distributable income has been even greater. In nearly every case net income in 1937 was lower than in 1929, while taxes were appreciably higher. This appraisal of the corporate tax burden is based on figures from highly successful corpora-

rate tax burden is based on figures from highly successful corporations; for industry as a whole the burden is even more onerous.

Federal taxes levied on corporation incomes have progressively
increased over the last 15 years, the maximum tax rising approximately 50 percent between 1929 and 1938. The tax burden, however, has been heavily increased also by other changes in the law.
Important among these has been the refusal to permit consolidated returns (except for railroads) by groups of corporations
controlled by a single company. Thus a group may have to pay
heavy taxes because of profit by one unit, although the losses of
other units more than counterbalance the gain.

Other innovations which have adversely affected industry include

Other innovations which have adversely affected industry include the tax on intercorporate dividends, which is, in effect, double the tax on intercorporate dividends, which is, in effect, double taxation. The elimination of the deduction of operating losses from gains in following years has made it possible for a corporation to have a loss over a period of years and yet to have to pay substantial taxes because of profits in some of these years. Restriction of the deduction of capital losses and the more rigid regulation of depreciation charges have also added to the burden of industry.

While increasing corporate taxes have made it more difficult for private enterprise to show results which might draw new investment funds for expansion purposes, mounting taxes on individuals have diminished the attractiveness of investment even where

profit seems probable.

profit seems probable.

The very high surtax rates, together with the system of tax-free bonds, work strongly against the sale of corporate securities, particularly stocks, to those whose incomes fall in the high brackets. Taken in conjunction with the income-tax regulations with respect to capital gains and losses, they place almost insuperable obstacles in the way of risk-taking investments. Large investors are unwilling to take risks of loss in stocks when they know that if the investment is profitable the Government will take a very large share of the profit. If losses result, the extent to which they can be utilized in offsetting gains in the following year is limited.

The study reaches the conclusion that a retroactive law to end

The study reaches the conclusion that a retroactive law to end The study reaches the constitution that a retroactive law to that ax exemption of State and local bonds should not be considered. With respect to ending future exemption, it is recognized that the higher costs of borrowing resulting from such a step might have serious immediate repercussions in many instances; nevertheless, the study inclines to the view that long-run gains would outweigh the adverse effects. Since the constitutional issue has not been decided however, a modification of the tax-exemption system can decided, however, a modification of the tax-exemption system can-not be counted upon to affect the immediate investment problem.

The report makes the following recommendations for tax modification:

CORPORATION INCOME TAX

 Small corporations should be allowed a credit of \$3,000.
 Operating losses should be deductible from income for a period of 2 years.

3. Capital gains and losses should be disregarded in calculating

the tax. However, if the Congress insists on taxing capital gains as income, capital losses should be deductible. 4. The tax on intercorporate dividends should be abolished.

5. Greater flexibility should be permitted in the handling of de-preciation charges, the percentage to be varied in relation to the volume of business.

CAPITAL STOCK AND EXCESS-PROFITS TAXES

Both taxes should be eliminated. If it be deemed necessary to maintain the existing volume of revenue from corporation levies, the result should be gained by an increase in the rate on corporate

SOCIAL-SECURITY TAXES

1. The old-age annuities should be financed on a pay-as-you-go

2. The out-age aimittees should be inhanced on a pay-as-you-go basis rather than by the accumulation of a huge reserve.

2. The rates for the old-age annuities should be temporarily reduced from 1 to one-half of 1 percent and be subsequently increased only as benefit payments necessitate.

3. The modest contingent reserves should be invested in outstanding Government bonds at current rates, and the financial administration of the system should be segregated from the financial

administration of the system should be segregated from the fiscal operations of the Treasury.

UNDISTRIBUTED-PROFITS TAX

This tax should be abolished.

PERSONAL TAXES AND TAX-EXEMPT SECURITIES

1. The surtax rates in the upper brackets should be substantially reduced.

2. The normal income tax on corporate dividends should be

eliminated.

3. Capital gains and losses should be disregarded. However, if this is not done, deductions for capital losses should be allowed.

4. The Federal income tax should be made to apply to State employees, and Federal employees should similarly be subjected to State income taxes.

Money and Prices

EXTENSION OF REMARKS

HON. CLYDE WILLIAMS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

Mr. WILLIAMS of Missouri. Mr. Speaker, it is with some trepidation and misgiving that I venture to talk about the issuance and volume of money. There has been a great deal of what seems to me careless, thoughtless, and meaningless talk about Congress having surrendered its constitutional prerogative to issue money and regulate its value and that the time has come for Congress to resume or recapture its rights in that respect. According to this rather wild clamor, one would infer that the 435 Members of the House, with a relay of 96 Senators, should be put to work day and night running the printing presses and the mints in order that Congress may perform its function of coining money.

Anyone who has read and studied the 264 pages of the Federal Reserve Act, as amended, knows that Congress has ordered and directed, very much in detail, the manner and amount in which and upon what security Federal Reserve notes shall be issued. Congress has provided how openmarket operations shall be conducted, how discount rates shall be fixed, and how bank reserves shall be maintained. Congress itself has prescribed the manner and means by which money shall be issued, and the methods by which its volume and value are determined. Let it be said and settled

once and for all that banks do not issue money.

Federal Reserve notes are issued by the Government under the direction of the Board of Governors of the Federal Reserve System. This Board is the monetary authority of the United States, created by Congress and ordered to do certain things. This Board represents the Government and the people, not the banks. These notes are the obligation of the Government, not the banks. Application is made by the bank to the Board, not for the privilege of issuing notes but for the purpose of borrowing notes from the Government. This application may be refused in whole or in part by the Board. If it is approved, the bank must put up as collateral eligible paper or gold certificates, or both, in an amount at least equal to that of the notes desired. In addition to that, the banks must at all times maintain reserves of 35 percent against all deposits, 40 percent against all notes issued to it, and a redemption fund of at least 5 percent. If these are not sufficient safeguards, then these requirements may be increased by Congress. The Government prints the Federal Reserve notes just as it prints postage stamps, and at the same place, in the Bureau of Printing and Engraving. The banks do not print them. The Government issues these notes, not the banks. They are issued by and through the representatives of the Government, the Governors of the Federal Reserve System, who are the agents of Congress and who are ordered and directed by Congress to issue and pay out this money in accordance with a fixed and definite plan laid down by Congress. Of course, Congress has not by legislation said how many dimes shall be coined each day or how many silver certificates or Federal Reserve notes shall be printed each hour, any more than it has said how many postage stamps shall be printed or how many army shoes shall be purchased each month.

Congress has not surrendered its constitutional right in money matters but has authorized and directed certain administrative agencies to perform those duties. This is the same procedure that is followed in all governmental activities under modern complex and intricate conditions. To contend that Congress itself should coin money and regulate its value, one had just as well say that Congress should pass on every claim for compensation filed by a veteran and do away with the Veterans' Administration; that Congress itself should supervise and oversee the construction of every dreadnaught, cruiser, destroyer, submarine, and airship because it has the power to provide and maintain a Navy; that Congress itself should collect all taxes and revenue and sign checks for the payment of all obligations of the Government because it has the power to levy and collect taxes and to pay the debts of the Government; that Congress itself should build post offices and post roads and then carry and distribute the mail because the power is given Congress to establish post offices and post roads; that Congress itself in case of war should go out in command and take charge of the Army because it has the power to raise and equip an Army.

Whether we would or not, we today must recognize that there is a fourth department of government, the administrative, to which is delegated in some measure at least legislative, executive, and judicial powers and discretion. The Treasury Department and the Board of Governors of the Federal Reserve System are the administrative agencies that are carrying out the monetary policies of the Nation under the direct orders and mandate of Congress. The question for the moment is not whether the acts of Congress are wise or unwise, whether the policy we are pursuing is sound or unsound, the fact is that Congress has determined the policy under its constitutional rights. Then why talk about Congress having surrendered its constitutional rights over the issuance of money? That is a nice sounding expression. It is catchy and alluring. It seems to have been caught up and has been used in a parrot-like fashion.

The suggestion that the commercial banks of the country are coining money within the meaning of the Constitution when they accept a deposit, give the depositor credit for it, and then honor a check drawn against that deposit it seems to me in all fairness to be so visionary and fantastic as to not merit consideration. Some of the very people who are clamoring for the issuance of more money and the expansion of credit facilities are demanding at the same time that the commercial banks retain in their vaults 100 percent reserves against all deposits, thereby destroying the ability of the bank to extend credit and make loans to its customers. In one breath they want more money in circulation and easier credit conditions and in the next breath they would destroy the means by which these things are possible. If the bank must be a warehouse and safely preserve every dollar that is deposited in it ready to be returned to the depositor, how can it function as a bank and furnish this much-desired credit. Such glaring inconsistency.

In the field of money there are many wide and varied opinions. In every period there have been those who had monetary plans which were in their view a final and complete cure for all economic ills. It matters not how far apart the schemes may be, the author of each is absolutely certain that he has the last word on the subject and that everyone else is wrong. Among academic students there are wide differences. The economists in the great colleges and universities who have given a lifetime to the study of money in the quietude of their libraries, and who have written books and delivered lectures on the subject, do not agree. They are found as far apart as the East is from the West and with views as different as is the midnight darkness from the bright light of the noonday sun

In the practical everyday workaway affairs of life, among bankers and hard-headed businessmen, there is as great a difference about monetary policy as there is among the professors and economists. In this welter of confusion, in the midst of these wide differences of positive and supposedly well-informed views, it takes a good deal of courage for even a Congressman to assert that he has found the final solution to this most perplexing question. I lay no claim to such distinction.

There have been some half dozen bills introduced in this Congress that, among other things, have for their object the issuance of more money to raise the general price level or to bring back normal employment. These may be commend-

able objectives, and certainly the latter is devoutly to be wished. The usual plea is made that the general wholesale commodity prices should be raised to the 1926 level, and maintained at that point. It is confidently asserted that this can be done by a managed currency or by money manipulation, by contracting and expanding the volume of currency and credit. It is perhaps worth while to note that few of the economists and students of finance believe that can be done. There are perhaps fewer of the practical businessmen and bankers who share that view. It can be safely said that the present Board of Governors of the Federal Reserve Bank System does not think it is possible to raise and maintain prices by monetary policies alone, and I think it may also be said that no Reserve Board ever has held that idea. They have never thought that the problem was that simple. In the light of these opinions, coming from those who have given the matter serious consideration and have viewed it from every standpoint, may there not be a very serious doubt in the mind of any thoughtful person whether that plan will work.

There seems to be no very close relationship between wholesale prices and the volume of money. On the basis of 100 for 1926, from the middle of 1937 to the end of 1938, prices dropped from 88 to 77, while during the same time the amount of money in actual circulation increased from six and one-half to seven billion and excess bank reserves increased over \$2,000,000,000. Thus during the last year and a half wholesale commodity prices have dropped over 12 percent, while the amount of money available for use and credit has increased about twelve and one-half billion dollars. At this point it may be proper to say a word about excess reserves in the banks. Excess reserves, as the words indicate, are the reserves in the banks over, above, and beyond the amount required by law to be kept as security for deposits in the banks. The average legal reserve required to be kept in the banks is about \$1 to every \$6 deposited. Obviously the legal reserves cannot be loaned by the banks because the law requires them to remain in the banks as a protection to the deposits. It is only the excess reserves that can be loaned. They determine legitimate credit-expansion possibilities. For each dollar of excess reserves about \$6 may be loaned. Under present reserve requirements and with \$4,000,000,000 of excess reserves in the banks, at least \$24,000,000,000 are available for additional loans.

It would seem that if the mere existence of additional money in the banks and in the hands of the people would raise commodity prices, there should have been a rise in such prices during the last 18 months instead of a very decided drop.

This is not the only instance in recent times. In 1926. the date that is taken when it is supposed the wholesale commodity price was at an ideal level and the one to which the proponents of this plan desire to return, there were \$23,000,-000,000 of demand deposits in the banks. At the end of 1938 there were \$26,000,000,000 on demand deposit, or three billion more than in 1926, and still the wholesale commodity price was 23 percent lower in 1938 than it was in 1926. In addition to that, in 1938 the amount of money in actual circulation, which means, as I understand it, the amount of currency outside the Treasury and the Federal Reserve banks, was almost twice as much as it was in 1926, while at the same time commodity prices were about one-fourth lower. In the light of these facts extending over a period of 13 years and particularly our experience during the last year and a half, it very clearly appears that there is little connection between the volume of money and commodity

There are those who contend that other nations have stabilized prices by money management and usually point to England, Sweden, or perhaps Canada. All investigation shows that their general commodity price level has moved up and down very much the same as it has in this country. By way of comparison, from 1932 to 1937 there was a rise in the wholesale commodity price level; in Canada, 27 percent; in England, 30 percent; in Sweden, 28 percent; in the

United States, 33 percent. From the middle of 1937 to the end of 1938 there was a drop in the price level; in Canada, 13 percent; in England, 10 percent; no figures available for Sweden; in the United States, 10 percent. There is a strange parallel showing that these and other countries have done no better in stabilizing the price level than we have here. These facts tend to strengthen the conclusion that the price level is not controlled by expanding or contracting the currency.

Then there does not seem to be any very close connection between the volume of money and employment. During 1937 factory employment varied from time to time more than 13 percent up and down while there was a gradual increase in the volume of money. From the middle of 1937 to the end of 1938 there was a drop in employment of 22 percent while the amount of money in circulation increased and the bank reserves grew from seven to eight billion dollars. Viewed from any angle there seems to be no fixed relation between volume of money and commodity prices or factory employment. These three important factors in our economic life do not appear to be definitely tied together. It is very plain that there are many ingredients besides money that go to make up our complicated price structure and that they are all operating at the same time and must be reckoned with.

As to that, there is little doubt in my opinion. To claim that volume of money alone controls prices is to ignore many other factors in our modern economy. I shall not attempt to enumerate them all but only a few.

It no doubt will be conceded that inventions, improved machinery, new technological processes and great mass production affect prices. It is a matter of rather general information that by various schemes and devices, by trade associations, by collective bargaining, by group action, and pressure, by agreements, and combinations, competition is stifled and monopolistic prices prevail. Tariff policies, quota allotments, and reciprocal-trade agreements play their part in determining prices. Wars, rumors of war, and labor troubles disturb prices. Pestilence, floods, droughts, and other disasters greatly affect prices. The tax policy of the locality, State, and Nation influence prices. Legislation regulating and restricting agricultural production is an important factor. Work relief and a public-building program are to be considered. These and many other factors are at work to establish the general price level. When all these things are considered there is no wonder that sometimes when the volume of money is greatest the price level is the lowest.

Under our system Congress has given the Board of Governors of the Federal Reserve System the power to expand our currency and make credit available without limit and at a very low cost. Through open-market operations, billions of Government obligations could be bought and the money used in the operation would go into the banks. The discount rate could be lowered and the bank reserve requirements be diminished. This might make money cheaper, although it is already cheaper than it has ever been. This would make our excess bank reserves greater, although they are now greater than they have ever been before. With interest rates at the lowest in our history, with a legitimate credit expansion of \$25,000,000,000 now available in our banks, why should we have more money?

This money and these credit facilities have been made available by our governmental agency acting under authority and by direction of congressional legislation, but that agency cannot require the people to use that money or to seek additional credit, nor can it compel the banks to extend credit to those who are seeking it. It is not more money we need but more activity for what we have; not more volume but greater velocity. One school of thought at this very time is contending that on account of an all-time high in excess bank reserves there is impending a very grave danger of uncontrolled inflation. On the other hand, there are those who insist that there should be additional money issued and those excess reserves forced into action, thereby expanding credit to meet current needs. Present conditions have none of the symptoms nor show any indication of an inflationary movement. But

since the excess reserves are at the highest peak, it would seem unnecessary to increase them further and make the control of inflation more difficult or impossible in the event it should come.

It is perfectly plain, from present conditions and in the light of our experience over the last dozen years, that certain general price level cannot be established and maintained by money manipulation. Even if that could be done the desirability and the advisability of doing so may well be questioned.

It must not be inferred that it is not desirable, as far as possible, to stabilize the purchasing power and the debt-paying ability of each individual from day to day and from year to year. But does a constant level of all commodity prices do that?

The 1926 price level seems to be the goal and the ideal toward which we should strive. From 1921 to 1929 there was a comparatively steady price level, and 1926 was the average. That was the period of calm before the storm. Did that situation lead to lasting prosperity? What happened? What resulted from that period of a fairly constant price level? What occurred during that time and immediately following it is very strong argument that a rigid general wholesale commodity price level is not the solution for our trouble, but may make matters worse and add to the difficulty. During that period great disparities arose. There was a very unfair and unjust distribution of the national income. Many industries while greatly reducing the cost of production maintained the prices of their products, thereby making large and excessive profits. As evidence, in 1921 the number reporting an income of \$1,000,000 and over was only 21, while in 1929 there was a total of over 500. Was that desirable? Was that a healthy condition? The price level was fairly constant, but did it produce general prosperity?

In some industries there was an ever-broadening space between the cost of production and the price for which products were sold, leading to the accumulation of vast sums of money in the hands of that class of producers which in turn led to unsound financing, extravagant spending, and reckless speculation, which finally brought disaster. In other classes, particularly the farmer, the margin between cost of production and prices was narrowed while the price of the articles which he must buy was maintained at a high level, thereby making his burden greater and greater. Thus there grew up this great disequilibrium between different classes and greatly contributed to the disaster of 1929 and the years That period of stable prices did not lead to following. prosperity but, on the other hand, brought us to the brink of disaster and ruin.

A general high price commodity level cannot be beneficial to the farmer as long as a high price for steel, lumber, cement, leather, clothing, wire, and farm machinery is maintained, while the price of farm products is going lower. The high price of the things he buys keeps up the general level, but how can that help him when his income is declining? In the case of the laboring man, if by raising the general price level the price of food and clothing and the necessities of life are raised, how will that help him? Unless he receives increased wages and added purchasing power, and there is no evidence that he does, then the high-price level adds an extra burden to his already troublous condition. Unless higher prices mean increased employment and better wages, the result is disastrous to the laborer. While the national income increased from 1921 to 1929 about 28 percent, the average annual earnings of the laborer increased only 9 percent, and the income of the farmer increased very little, if any at all. This was not a well-balanced economy. even if the general price level did remain on an even keel. It is a question whether we want to return to that situation. The price of some commodities may be unreasonably high, while the price of others is distressingly low.

The ideal situation calls for a fair and a just relationship of prices. There should be a proper relation between what the farmer sells and what he buys. A high general price level is a great disadvantage to him if he must sell on the

lowest market and buy on the highest. In raising the general price level those things which he buys may be increased still higher without any compensating rise in the price of the commodities he sells, thereby increasing the disparity and adding to his burdens. The thing that concerns the farmer is the relative price between the products he sells and the articles he buys. How many bushels of wheat will it take to buy a plow, a harrow, or a mower? How many bushels of corn will it take to buy materials to build a new fence or paint the house? How many hogs will it take to pay the taxes and buy clothing for the family? Right now, measured by the 1926 price level as 100, industrial commodities are 20 percent higher than agricultural products, the former being 80 and the latter 67. The thing the wage earner is interested in is the relation of his income to the cost of living. How does his pay roll compare with the price of the articles he must buy? If in raising the general price level there is an increase in the things which he is accustomed to buying, then his standard of living is lowered unless he receives an increased wage which he may not do.

The ability of a debtor to meet an obligation contracted on a sound basis does not necessarily depend upon general all commodity prices remaining at a fixed level. He will be able to pay his debt if he retains the same relative position with reference to the prices which directly affect his net income that he had when he made the contract. A steady general price level may help him or it may hurt him.

It is my belief that a general commodity price level cannot be established and maintained by money manipulation and if it were possible, that it is of very doubtful benefit to the people.

The Youth Problem

EXTENSION OF REMARKS

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1939

COMPILATION BY JOSEPH CADDEN, EXECUTIVE SECRETARY
OF THE AMERICAN YOUTH CONGRESS

Mr. HILL. Mr. Speaker, under leave to extend my remarks, I wish to put into the Record the following brief compilation of statements concerning the youth problem, which has been put together by Joseph Cadden, executive secretary of the American Youth Congress. These comments throw into bold relief the serious nature of the youth problem in

In making public the findings of a 5-year study of adolescents for the Progressive Education Association, Dr. Carolyn B. Zachary has come to the conclusion that, "There is no place for youth in industry, in the professions, or in other areas. As a result, we now industry, in the professions, or in other areas. ask the young people to go back and remain children until we are ready for them."

ask the young people to go back and remain children until we are ready for them."

Commenting on the effect of this condition, Dr. Zachary says, "How very easy it would be for Hitler or anyone else who came along with a program involving youth to get hold of this group. We run the risk of a kind of leadership that may be destructive to a democracy. * * * We are never going to be able to run a democracy if the democracy is being run by the middle-aged. We need youth to get in and work with us." (Quoted as reported in the New York Times, April 6, 1939, p. 27.)

Speaking to the Eastern Commercial Association in New York on April 8, 1939, Prof. Hamden L. Forkner, of Columbia University, pointed out that boys and girls leaving school, ready for work, cannot find employment in industry. He urged the extension of the educational program in order to close the gap between the school and employment. "It certainly is self-evident," Professor Forkner said, "that if the school does not take this responsibility, other agencies of Government will, or the youth of the country will be ready to embrace fascism or communism as a way out of their dilemma. If we are not willing to pay the bill of providing a complete educational program, we will have to pay the bill of relief, crime, and probably of freedom."

Joseph Cadden, executive secretary of the American Youth Congress, commented on these opinions in the following letter published in the New York Times, April 12, 1939:

"The depressing picture of American youth conjured up by Dr. Caroline B. Zachary, of the Progressive Education Association, reported in the New York Times of April 6, is entirely out of focus. It would not, as she contends, be easy for Hitler 'to get

hold of this group.'
"The fact is that youth conditions are unnecessarily bad, but
the conclusion that America's youth is hopeless and defeated by these conditions is completely contrary to everyday evidence. Youth in this county is more on its toes than ever before.

"The events abroad during the last few years have been care-

"The events abroad during the last few years have been carefully watched and have constituted warnings to our young people who believe in the democratic way of solving their problems. The social progress which has taken place in the United States during the last few years, the establishment of the National Youth Administration, the C. C. camps, the Federal housing program, and many other important innovations have been evidence to young people of the possibility of solving these problems democratically and have been a source of hope.

"The very existence of the American Youth Congress is testimony to the fact that youth itself is hopefully and tirelessly working to improve conditions. During the 5 years Dr. Zachary was making her study the American Youth Congress, founded in 1934, has unified the efforts of the national youth organizations

1934, has unified the efforts of the national youth organizations to make the public, as well as young people themselves, aware of the need to maintain our American form of government and through it extend the job and educational opportunities for youth.

"Millions of young people are daily contributing to the needed improvement of facilities for employment, education, medical care, and recreation. They are making these efforts because they do have hope for the future, because they do believe this improved life for the future can result from their efforts as citizens in a

"Conscious as they are of national and international events, they are prepared to withstand the demagogic appeals of American Hitlers. And in answer to such appeals they increase their efforts to have both private and governmental agencies expand their facilities to meet their need for jobs, education, better health, and housing. In social legislation pending in Congress such as and housing. In social legislation pending in Congress, such as the Wagner health bill and the Thomas bill for Federal aid to education, they see the approach to a solution, an approach by way of the democratic road, which has already provided limited but definite aids in the form of N. Y. A. and C. C. C."

Although educators, social workers, and young people them-selves, are fully aware of the dangers to democracy implicit in the conditions of youth today, the Congress of the United States has avoided the question.

It is true that the Federal Government has made important contributions toward the solution of the youth problem in estab-lishing the National Youth Administration and the Civilian Conservation Corps. Congress, however, has failed to recognize the limitations of this Federal program, has failed to allot sufficient funds to the National Youth Administration, has failed to extend the educational system.

It seems essential that before Congress adjourns we take careful note of the actual conditions facing young people and do

something to relieve those conditions.

Conservative estimates of both private and governmental agencies indicate that there are at least 5,000,000 young people between the ages of 16 and 25 who are out of school and unemployed. There is a larger percentage of youth among our unemployed than in any other country in the world.

Juvenile delinquency increases where unemployment grows. J. Edgar Hoover, of the Department of Justice, reports that—

1. The largest number of arrests at any one age in the whole country is at the age of 19.

Fifteen percent of all people arrested are 19 or younger.
 Thirty-seven and four-tenths percent of all those arrested are

In a study of 1,000 juvenile criminals, Prof. Sheldon Glueck, of Harvard University, discovered that one-third have been unemployed; the other two-thirds had had unattractive jobs at low ployed; the other two-thirds had had unattractive jobs at low wages; 97 percent lived in unfavorable neighborhoods; two-thirds of the boys had been forced to leave school for economic reasons.

of the boys had been forced to leave school for economic reasons. Seven hundred thousand young people drop out of school each year because they cannot afford books, carfares, lunches, clothes. And with an increased school-age population, less is being spent for education in 1939 than in 1929. Only 3 out of 10 young people ever finish high school. Seven out of every ten find it impossible to get through because of poor health or other reasons connected with their economic status. with their economic status.

While 5,000,000 between the ages of 16 and 25 tramp the roads looking for work, we find jobs given to 667,118 children between the ages of 10 and 15. This younger group is given preference by some employers because they can be lured to the jobs by next-to-

nothing wages. Here is a broad picture of the conditions in which America's next generation of workers and farmers, professional men and lawmakers are coming of age. The future of our Nation depends on these young people.

We all agree that a well-educated, well-trained generation is a nation's greatest asset. As such this young generation is America's best investment. But we have failed to make an adequate invest-

ment.

There is need for an immediate and greatly increased investment by increasing the appropriation for the work-training program of the National Youth Administration. This economical agency is aiding young people on a part-time basis at an average of \$242 per person per year. It has proven its worth and its ability. The American Youth Congress has proposed that Congress make an appropriation of \$250,000,000 for the National Youth Administration for the next fiscal year. This is an increase of \$175,000,000 over the current appropriation. The young people of America are asking Congress "Is this too much to ask? Is this too large a sum to invest in the generation which is going to determine the future to invest in the generation which is going to determine the future of America?'

Columnists and Calumnists

EXTENSION OF REMARKS

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

ADDRESS BY HON. HAROLD L. ICKES APRIL 11, 1939

Mr. MINTON. Mr. President, a few days ago the senior Senator from New Hampshire [Mr. Bridges] had inserted in the RECORD a radio address by Mrs. Eleanor Patterson approbrious of the address of Secretary Ickes before the Newspaper Guild of New York City. I think, in all fairness to the Secretary, his speech on that occasion should be inserted in the Record. I now ask unanimous consent that the address delivered by Secretary of the Interior Ickes before the Newspaper Guild of New York City on April 11, 1939, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Entirely as an avocation, I have been interested lately in two subjects—dictators and newspapers. I cannot say that to date I have had much success in coping with the dictators. I am gratified, however, at what seems to me to be an awakening sense on the part of the American people to the danger that would threaten even our institutions if we allowed the black plague of fascism to take root

Here in the United States we have felt that our democratic institutions were safeguarded by the system of checks and balances that our forefathers wrote into our Constitution. I do not take any credit to myself for the result, but I have noted that in some other countries a system of checks and balances has also been set up, with

the Czechs paying for the balances.

The jump from dictators to newspapers is not a violent one, because they have many things in common. For instance, I have noticed that both the dictators and the newspapers have failed to credit me even with good intentions. Nevertheless, I am of such a hopeful temperament that I shall continue to offer my good offices

a hopeful temperament that I shall continue to offer my good offices to the newspapers in an effort to help them to be factual in their news columns and fair in their editorializing. So tonight I shall discuss columnitis, that curious, endemic malady which in these modern days has infected one newspaper after another.

Since the word "chapel" belongs to newspaper lore, I am encouraged to announce a text for my discourse. So I turn to Revelations, chapter 13, verses 4 to 6, where I find the following: "And they worshipped the beast, saying, 'Who is like unto the beast? Who is able to make war with him? And there was given unto him a mouth speaking great things and blasphemies; and power was given unto him to continue forty and two months. And he opened his mouth in blasphemy."

What particularly strikes me in this is the expression, "And there was given unto him a mouth speaking great things." What a perfect description of a columnist! It would seem, however, that a columnist of that period was a piker compared with his modern prototype; he would run down in "forty and two months." An American columnist is like Tennyson's brook, he babbles on forever.

forever.

I was interested to read what Senator Arthur H. Vandenberg, a lifelong newspaperman, wrote recently as a substitute columnists!

"I have always wanted to 'do a column'-about columnists!

That's probably just the natural revenge instinct. Some of them know so much about everything! Some of them know so much about nothing! Some of them care so little about facts, just so long as they can sock to the jaw."

May I say that even if Senator Vandenberg has suffered at the pens of columnists to the extent that this language would indicate the season of them the bell of it.

cate, he does not know the half of it. He ought to join the new dealers.

A hard-working public official, trying to carry out an assignment which involves decisions affecting thousands of people, hundreds of millions of dollars, and vast public properties, can only marvel

at and admire those qualities of omniscience and infallibility that seem to descend upon a man the moment he casts off the habiliments of the objective news writer, the sports writer, the police-court reporter, or the soldier in order to tell a blundering world just what it should do, what it should think, and the manner in

which it should behave.

Westbrook Pegler, perhaps in a moment of self-revelation, summed up the case of the columnists in this language:

"Of all the fantastic fog shapes that have risen off the swamp of confusion since the big war, the most futile and, at the same time, the most pretentious, is the deep-thinking, halr-trigger columnist or commentator who knows all the answers just offhand and can settle great affairs with absolute finality 3 days or even 6

Columnists are obese with knowledge. They even have the gift of accurate prevision.

Wouldst know what's right and what is wrong? Why birdles sing at break of dawn? Ask the columnists.

Does milk come from the milky way? Why do dogs bark and asses bray? Ask the columnists.

Who pronounce decrees of fate, And supervise affairs of state? Who? The columnists.

Who run the earth and sun and moon? Just Thompson, Lawrence, Franklin, Broun, Just the columnists.

Who knowing their A, B, C, Rank doctors of philosophie? Who but columnists?

Wouldst learn of art, of singing males? Of sharks and minnows, spouting whales, Ask the columnists.

Who expound the Constitution, Adding circum to locution? Why, the columnists.

When F. D. R. you want to sock, Page Lippmann, Johnson, Kent, or Krock, Page a columnist.

Who, knowing all from zero plus, Right answers have to this or thus? Only columnists.

I'd like to preen and look profound, And order Presidents around, I'd like to be a columnist.

A columnist, according to the dictionary, is a journalist in charge of a daily column on a daily newspaper. The word "calumnist" has not yet reached the dictionary, but he may be described as an ex-reporter who wastes good white space to spread injurious gossip and disseminate prevarications and even unpunished libels. The "calumnist's" stock in trade is falsification and vilification. He is journalism's public enemy No. 1, and if the American press is to improve itself, it must get rid of him.

American press is to improve itself, it must get rid of him.

Some newspapers print in the masthead pious declarations about the high moral level on which the paper is edited while disclaiming responsibility for the mental eliminations of a "calumnist." A syndicated column may serve as an escape for a publisher who is willing to print under the name of a "calumnist" matter that he would not dare to publish in his respectable news columns. This is like a hypothetical church deacon testifying to the virtues of temperance at a prayer meeting while taking a pull at the bottle when no one is looking.

I recognize that there is as much difference between columnists.

I recognize that there is as much difference between columnists as there is between newspapers. Who can doubt my perspicacity when I detect evidences of virtue in the columnist who occasionally

says a kind word about me?

Some columnists are fair and reputable and careful to keep within proper bounds; some are unfair and disreputable and recognize no restraints—not even the fear of a libel. It seems to me that a columnist should be entitled to the same rights and privileges as the editor of a newspaper, and no more. It might even be argued that he ought to keep well within the limitations of the old axiom that, with great power, goes great responsibility, because the columnists, according to an estimate made by Fortune, are read by 30 percent of the total adult population of the United States.

The Merry-go-Round column of Pearson and Allen, for example, is printed in more than 300 newspapers, with an estimated circulation of 12,000,000. Such commentators as Walter Lippmann, circulation of 12,000,000. Such commentators as Walter Lippmann, Dorothy Thompson, Frank Kent, David Lawrence, and Westbrook Pegler appear in more than 100 papers each and have a combined circulation of almost 35,000,000. So it can hardly be doubted that these modern knights of the typewriter exert a powerful influence on the public mind. As Heywood Broun says: "Three or four well known syndicated columnists wield more influence than the average lawmaker in Washington." A lawmaker, however, is responsible to his electorate. To whom, I should like to know, are the columnists responsible?

What kind of men are these modern condottieri of the fourth estate? Do they fight for the public weal or under the standard

of private prejudice? Let us review some of them in parade. With a proper respect for rank, let us set at the head of our wooden column a real, honest-to-goodness general, the redoubtable Hugh S. Johnson. Of him a fellow condottiere, the no less valorious Westbrook Pegler, said in Time on September 28, 1936: "I like 'Old Ironpants' column for the wild, somewhat hilarious joy with which he sails into an argument. Sometimes it is a little cruel because he is such a tremendous puncher, and like Dempsey, once that bell rings, he knows nothing but punch, punch until something drops. * * "

Ohe cannot help but wonder whether "Old Ironpants" as Peg-

Ohe cannot help but wonder whether "Old Ironpants," as Pegler affectionately calls him, should be given space in newspapers in order to throw out his chest, flex his muscles, and do "nothing but punch, punch until something drops?"

There is something patriarchal about the valiant general. I would have you know that sometimes it hurts him more to chas-

tise than to be chastised. Papa takes son out to the woodshed to switch him because he loves him. For instance, this stern, if tender hearted, disciplinarian, recently broke an unaccustomed

silence to confess:

"Many of the men I criticize, or praise, are personal friends—for example: Henry Wallace, Harry Hopkins, Harold Ickes, John Lewis, and, above all, the President himself."

Lesser men must stand in awe of an inflexible conscience that

Lesser men must stand in awe of an inflexible conscience that compels a man to do his duty, despite his deep love for those whom he disciplines—"above all, the President himself!" "Whom the general loveth he chastiseth." I do not know how the others named by him in this burst of sentiment feel about it, but, for my part, I would that he loved me much, much less than he does.

Margaret Marshall, writing in the Nation, on March 12, 1938, among other things, said about General Johnson:

"He was born in Fort Scott, Kans., and he has been answering burgle calls ever since."

bugle calls ever since.

"His psychology is that of a top sergeant.

"His mind is a battlefield in which he rushes in all directions

roaring at the enemy."

The General's admirer and fellow marcher in the column is The General's admirer and fellow marcher in the column is Westbrook Pegler, he of the verbal whiplash, who is a graduate of the sports page of the Chicago Tribune. While Johnson is against only those numerous public officials who are bungling affairs that he could so competently manage, Pegler is against everything and everybody, according to his whim. A collection of his essays in book form is characteristically entitled "T Aint Right."

It was of him that the Nation said on March 5, 1938:
"He is agin everything, especially the Government and authority in general. Nothing is what it seems, and both sides in any controversy are wrong.
"He brings every issue down to the level of a barroom argument

"He brings every issue down to the level of a barroom argument between two 'mugs.'"

I will say for Pegler that, on occasion, he is amusing, a fact that distinguishes him from many other members of his fraternity.

Another phenomenon that frequently distinguishes a columnist is that the more violently and indiscriminately he may attack the more sensitive he himself is even to mild criticism. For instance, on March 10 last Pegler wrote a column which was as bristing with such words as "lie" and "liar" as a porcupine is with quills. Two men had ventured to take issue with him on something that he had written. Even assuming that Pegler was right, which I am willing to do, it seems to me that the castigation was out of all

ing to do, it seems to me that the castigation was out of an proportion to the offense.

Mr. Pegler does not confine himself to being "agin everything, especially the Government." He ranges much further afield. On every subject he can speak pontifically—he is a columnist. Hark to his comment on the recent denial by the D. A. R. of the use of its auditorum in Washington to Marian Anderson:

"Marian Anderson, the victim of a not-too-painful martyrdom in Washington, was excluded from one hall by a ruling which instantly defeated its purpose and made famous a hitherto obscure (sic) singer."

Here is omniscience in its fullest flower. The great sports writer also knows all that can be known about music and musicians. The Marian Anderson who is "an obscure singer," according to Westbrook Pegler, is the Marian Anderson whom other, but doubt-less less competent, critics have acclaimed as having the best voice in a generation or even in a century. Toscanini hails her as the greatest living singer. But, of course, Pegler knows better.

Just to show that Pegler's excursion into the field of musical

criticism was not a temporary aberration, let me recall that on another occasion he lined out this home run:

"Singing, of course, should be women's business. .

not a natural or happy art for males."

And on March 3 he wrote:

"It is hard to say whether or not a writer is an artist, but, for that matter, is singing ever art?"

You writers should rejoice that Pegler left open the door, even if

only a little bit, after he had slammed it in the faces of Caruso and Scotti and Marian Anderson and Kirsten Flagstad.

If Johnson and Pegler are expert at sniping, there are "calumnists" who specialize in guttersniping. These latter specialize in personal items that are intended to make one appear ridiculous in personal items that are intended to make one appear ridiculous and the more intended or insincere or incompetent or untrustworthy. And the more shining the target the more poisonous the barb. "Calumnists" of this sort do not permit themselves to worry about the truth or

falsity of any choice tidbit that their unpleasant imagination can invent or their shuffling legmen bring in.

I had an interesting exchange of letters recently with one of the most notorious "calumnists," a man whose name is a synonym

for irresponsibility even to the point of prevarication. He flatters me by regarding me as one of his pet aversions, a circumstance which, considering the manner in which he practices his art, gives which, considering the manner in which he practices his art, gives me great satisfaction. A few months ago he printed three or four inventions about me, none of which contained a vestige of truth. I challenged his veracity. I asked for the source of his misinformation. You know the answer before I can give it. "The source was confidential and his informant must be protected."

I continued to press Mr. Munchausen and I learned later that he tried desperately to find some one who would stand for the story. Then he asked for a personal interview, intending, I was told, to bring in a poor legman to serve as whipping boy.

The long and short of it was that Mr. Munchausen saw the futility of trying to gloss over his lies. He could not justify, and neither he nor his syndicate manager felt that professional ethics called for a voluntary retraction. So the episode ended—at least for the time being.

for the time being.

It hardly needs to be pointed out that when any newspaper writer runs to cover and attempts to hide behind a putative "confidential informant," when confronted with a misstatement that might either be an innocent mistake or deliberate lie, then there can be

either be an innocent mistake or deliberate lie, then there can be doubt that a lie has been uttered.

This particular "calumnist" is a practitioner of what is known in the trade as the "whispering technique." This consists of taking a bit of common knowledge, based on a formal accredited announcement, preferably a couple of weeks old, and presenting it as a new discovery. It is decked out in language designed to mislead the reader into believing that the particular hors d'oeuvre was obtained by devious or occult means, the purpose being to deceive him into believing that he is being served a truffle that the trained pig had just surreptitiously rooted out of the earth.

Now, I may be wrong, but I believe that a grave responsibility rests upon publishers and editors to deny the use of their columns

Now, I may be wrong, but I believe that a grave responsibility rests upon publishers and editors to deny the use of their columns to writers who take liberties with the truth. A disclaimer of responsibility printed in small type does not meet the situation. It happens that the Mr. Munchausen in question is paid by otherwise reputable journals for a frequently discreditable column that they print daily. Publishers ought to realize without being told that they cannot allow their papers to be "Mallonized."

To turn to more pleasant subjects, I will cite again the Book of Revelation, chapter 3, verses 15 and 16:

"I know thy works, that thou art neither cold not hot; I would that thou wert cold or hot. So then because thou art lukewarm, and neither cold nor hot, I will spew thee out of my mouth."

Here we have convincing proof that the author of Revelation had the power of divination. What better description could there be of Walter Lippmann, the man who, according to Margaret Marshall in the Nation, "writes irrelevant or futile stuff in elegant prose"?

Mabel Dodge Luhan said of him: "Walter will never, never lose an eye in a fight." She might have added that he would never even break his wooden sword unless he should trip over it in a

minuet.

On the other hand, Dorothy Thompson, the Cassandra of the columnists, has both conviction and vigor. Heywood Broun said

columnists, has both conviction and vigor. Heywood Broun said of her in the New Republic:

"Miss Thompson's very vigor is a handicap to her emulating Henry Adams and getting an education. If all the speeches she has made in the past 12 months were laid end to end, they would constitute a bridge of platitudes sufficient to reach from the Herald Tribune editorial rooms to the cold caverns of the moon."

I had a letter the other day from a correspondent in New York who referred to Dorothy Thompson as "that Florence Nightingale to sick economic royalists."

This may seem a little rough on a sincere and earnest lady who

who referred to Dorothy Thompson as "that Florence Nightingale to sick economic royalists."

This may seem a little rough on a sincere and earnest lady who is trying to cover too much ground by setting herself up as a final authority on all social, economic, governmental, national and international questions. Perhaps Heywood Broun would want to qualify his statement in view of what Dorothy Thompson has written and spoken lately on the subject of foreign dictatorships which, however, I am bound to say, would be more convincing if it were not for her disposition to see an American dictatorship in every move that is made by the administration for the improvement of our social and economic conditions or in the direction of tightening up the administrative branch of the Government. However, much will be forgiven Dorothy Thompson in view of the really fine stand that she has, with both courage and intelligence, taken on the subject of dictatorships abroad.

"Pontifex Maximus" Sullivan, an ex-liberal like Walter Lippmann, would be missed for his personal dignity and charm, even if the world would still manage nicely without the pontifications that waddle through his worried columns. Frank R. Kent is more likely to forget than to forgive, and he has a good memory. He delights in cruel jibes and acidulous comment that he will direct at a straw man if one of flesh and blood is wanting. "Croak" Carter, with complete self-assurance, could enter any intellectual goldfish-swallowing contest. Raymond Clapper is one of the fair-set most objective and most intelligent of them all. My old

Carter, with complete self-assurance, could enter any intellectual goldfish-swallowing contest. Raymond Clapper is one of the fairest, most objective and most intelligent of them all. My old comrades-at-arms, Frederic W. Wile, G. Gould Lincoln, Herbert W. Agar, Ernest K. Lindley, and Howard Vincent O'Brien, are all able to write fairly and to see both sides. Arthur Krock, as well as a number of others, have columns that they fill capably, although Arthur Krock sometimes permits himself, without abating a whit of his stately authoritativeness, to hit too closely to the belt or lend too credulus an ear to backstairs gossip. (By the way, whatever became of Henry L. Mencken, the crusty old baron of Baltimore?) of Baltimore?)

Between this group of legitimate political commentators and those others whom former Attorney General Homer S. Cummings, as a pinch-hitter columnist, recently described as "buzzards soaring high over the country, indifferent to all that is verdant and living," there is a third group that both comments and reports. Here, too, is a fair field if it is fairly covered.

is a fair field if it is fairly covered.

Drew Pearson and Robert S. Allen write a lively and, on the whole, interesting column of dependable news and of legitimate comment that is both entertaining and timely. They hit many a bull's-eye. Joseph Alsop and Robert E. Kintner are newer comers in the same field. They, too, are cutstanding and jointly present a wide range of worth-while news and lively comment. Jay Franklin confines himself largely to political news and comment upon political attitudes. He could be depended upon to ride forth for the liberal cause, even if he has to ride alone.

Hevwood Broun belongs in a category by himself. Here is a

Heywood Broun belongs in a category by himself. Here is a genial philosopher who declines to take himself too seriously, and yet one who never pulls his punches, even if he chuckles as he lands on an eagerly outstretched chin. Nor is his comment any less effective because it is well tempered and humorous. He, too, like a few other columnists, is a liberal, but he does not have to have a victim served up raw to him every day, as do those who fight the

battle of black reaction.

battle of black reaction.

Whether the columnists are with us to stay or not, I cannot predict. But I suspect that if the vogue is to continue, they who offend good taste or are lacking in ethical standards will have to use their columns for purposes other than to give vent to personal spleen, or to traduce, to misrepresent, to smear. They must lay aside their airs of infallibility. They must at least disguise their deep personal conviction of omniscience. And they ought to be more objective, make some allowance for error, understandingly take into account human frailty and fallibility. They might even occasionally give a victim the benefit of the doubt, assume that all men in public office are not necessarily crooks or that leaders occasionally give a victim the benefit of the doubt, assume that all men in public office are not necessarily crooks or that leaders of the opposite party are not blacklegs. As quasi-public figures themselves, it is their duty to be factual and truthful. Columnists can conform to these standards and still be partisan, as they have the right to be; but if they are partisan, they should not operate as wolves in sheep's clothing, pretending to be detached and objective and nonpartisan, when they aren't anything of the sort.

I suspect that the people are already seeing through the hollow pretenses of certain of our columnists. They may enjoy the snip-ing of a Pegler or the roaring of a Johnson, but they are not so simple as to believe that these are anything else than sniping so simple as to believe that these are anything else than sniping and roaring. Some may even self-consciously enjoy the personal gossip in which the keyhole peepers delight, but they know that certainly not the "calumnists," or even the columnists, are Sir Galahads; that none of them is saturated with pontifical wisdom; that they are not supermen and superwomen, immured on some Olympian height where they are able to see the present outlined against all that is past and all that is to come and thus be able, as Pegler put it, to "know(s) all the answers just offhand and (can) settle great affairs with absolute finality 3 days or even 6 days a week."

Self-respecting and intelligent people will continue to read the columns of those who write news honestly and objectively and

columns of those who write news honestly and objectively and who comment upon current events fairly and with intellectual honesty. However, reputable columnists might well do a little housecleaning on their own account and editors and publishers might do a little fungating of those columns that, irresponsibly the house the state of the state they have turned over to writers who are no credit to their profession and who do not add to the reputation of the papers that flaunt

Perhaps the Newspaper Guild can do something about the columnists. The guild has already had a marked and beneficial influence not only upon public opinion but even upon the newspapers. It has shown itself to be progressive and keenly aware of the need for social reform. I hope that the Newspaper Guild will continue to interest itself in and make its contributions to the vital problem of how to make our democracy more enlightened and successful. One thing that it can do is to see to it that the columnists, who wield so much influence on public opinion, shall not stray too far from the path of truth, which is the path of progress.

Atlantic-Gulf Ship Canal Across Florida

EXTENSION OF REMARKS

HON. PAT CANNON OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

STATEMENT BY HON. PAT CANNON, OF FLORIDA, BEFORE THE HOUSE COMMITTEE ON RIVERS AND HARBORS

Mr. CANNON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following

statement made by me before the Rivers and Harbors Committee:

Mr. Chairman and members of this honorable committee, I find it my duty at this time in the interest of the people of the district which I represent to bring before this committee the views of my constituents as respects the proposed Atlantic-Gulf Ship Canal.

At the outset I can conscientiously say that fully 95 percent of the people of my district are opposed to the construction of this canal.

Various reasons have been assigned for their opposition, most of which, in my opinion, are founded on sound economic and practical

common-sense reasoning.

With reference to the water-supply question, I would like it clearly understood that the north end of the Fourth Congressional District of Florida, which I represent, is included in and is known as the famous Indian River citrus region and produces, in all probability, the best citrus fruit in the world. The citrus groves are irrigated by artesian wells and have enjoyed in the past great productivity. Even though I am a lawyen and as such do not extensive. irrigated by artesian wells and have enjoyed in the past great productivity. Even though I am a layman, and as such do not attempt to give any expert testimony, I do feel that in all propriety I can call your attention to the fact that competent experts who have testified in the past and who will testify in the future before this committee have disagreed materially as to the question whether or not the construction of the proposed canal will interfere with the artesian wells and water supply to which I now refer. Since their not the construction of the proposed canal will interfere with the artesian wells and water supply to which I now refer. Since their opinions, none of which I can refute, are so widely divergent, it is obvious to me that this Government, in all probability, should not take the position that the Atlantic-Gulf Ship Canal should be constructed irrespective of a probable hazard with reference to the water supply. I think it quite sane, therefore, to regard any proposition with jealousy where expert testimony is conflicting and since the citrus growers in my district are concerned, I think it quite appropriate that their voices be heard. Therefore my appearance here.

It must be remembered that artesian wells are the only freshwater supply in the areas to which I refer, and it must likewise be remembered that salt water is injurious to groves as well as all other vegetation.

COMMERCIAL USE OF THE PROPOSED ATLANTIC-GULF SHIP CANAL

This committee, as far as I know, has yet to receive any testi-This committee, as far as I know, has yet to receive any testimony that this canal will be used commercially. In fact, this committee has been advised by competent persons and shipping companies to the contrary. If that fact be true, it is certainly true that the Atlantic-Gulf Ship Canal will not be patronized commercially and in sufficient measure to justify the harm it will do to the groves to which I have referred, nor will it be sufficient to justify the enormous expenditure which will be entailed as a result of the construction of this canal. We do not believe that this enormous expense should be saddled upon the majority of the citizens of a State at the instance of a minority. It is certainly this enormous expense should be saddled upon the majority of the citizens of a State at the instance of a minority. It is certainly true that the construction of the Atlantic-Guif Ship Canal is incompatible and is wholly inconsistent with the other Federal project in which the good citizens of Jacksonville, Fla., have so keenly interested themselves—that is to say, the construction of the proposed naval air base near Jacksonville, Fla. If the proponents of the Atlantic-Guif Ship Canal verily believe that the canal will be patronized commercially, then indeed it will be hazardous to any naval air base which the good citizens of Jacksonville have attempted to have constructed in that area, because of the traffic in the canal; and if, therefore, I am correct in saying that the canal will not be patronized, there seems clearly to be a duplication of effort and an overlapping of facilities insofar as national defense is concerned.

If we are to concern ourselves in a matter of national defense

If we are to concern ourselves in a matter of national defense it seems that one project should be divorced from the other, to say the least. But I do not admit for one moment that the proposed Atlantic-Gulf Ship Canal has any relationship to defense. It has not heretofore been the policy of this Government to visit its projects on citizens of a State against their better judgment, and if we are a democratic people we believe that the majority should control, and I call this honorable committee's attention to the fact that the overwhelming majority of the people of the State of Florida living to the south of the proposed Atlantic-Gulf Ship Canal are inherently and vigorously opposed to the construction of the canal at such an enormous expense, to serve no good purpose except to further prejudice the rights of the citizens of the State of Florida who have been sadly neglected in the past. If we are to concern ourselves in a matter of national defense

ADVANTAGE OF A NATIONAL-DEFENSE MEASURE

With further reference to the national-defense angle in this connection I would like to remind this body that the proposed Atlantic-Gulf Ship Canal will not be wide enough nor deep enough to constitute a ship lane sufficient for the use to which it is contemplated, for the reason that in the event of an emergency, if one vessel is sunk in the canal, it is then obstructed and of no avail and is but an impasse and rendered as though it were never constructed. Again, it would take a sizable army, together with antiaircraft equipment and other facilities to protect the canal itself. If the canal as such must be protected by an army, then it is but a war hazard.

ECONOMIC EFFECT ON SOUTH FLORIDA

Omitting for the time being the tremendous economic effect that this canal would have on south Florida in connection with its

injury to the fresh-water supply, I now call your attention to the other phase of the economic hazard insofar as my people are concerned. That is, all Florida, particularly the Fourth District of Florida, will need Federal aid and assistance as they have in the past and will need the visitation of all of the Federal agencies in that direction. If the enormous amount of money that is contemplated in the construction of the Atlantic Gulf Ship Canal contemplated in the construction of the Atlantic Guil Ship Canal is so spent, then it necessarily follows that reductions in Federal funds expended in Florida will be made, thereby causing the majority of the people of Florida to be classified as "the forgotten man." With the trend of this Congress looking toward economy, it appears to me that Florida, in the event the Atlantic-Guil Ship Canal is constructed will be presumed to have received Guir Snip Canai is constructed will be presumed to have received her allotment and quota because of that fact. Again, even though the construction of the canal would furnish work for many citizens, it is just as true that citizens who needed that work would have to be drawn from the surrounding communities and in many cases would have to come from a distance of 250 miles to enjoy the employment. This hazard is not practical for that class of our good citizens. class of our good citizens.

We, as Congressmen, are presumed to be a body of fair-minded men, and as such we must know that in the event this enormous amount of money is spent in Florida that the other communities in Florida would suffer, on the theory that there is a limit to the in Florida would suffer, on the theory that there is a limit to the amount of money that may be spent, although as Congressmen we have forgotten that fact at times. If you as Congressmen were met with the proposition with which I now attempt to cope, and were of the opinion that the construction of this canal in your State would curtail other expenditures by the Government in your State, then obviously you would take the same position as I.

I hold no brief for the illustrious gentlemen of Florida who are strong proposents for this canal, but I do have a strong feeling.

strong proponents for this canal, but I do have a strong feeling for the majority of the people of the State of Florida, and I express their sentiments on this occasion. The gentlemen to whom I have referred represent their constituents ably, but I am not unmindful of the fact that two members of the Florida delegation, one of whom I happen to be, represent over 40 percent of the people of the State of Florida, and that, if nothing else, should be the con-trolling factor in this matter.

STUART-FORT MYERS CROSS-STATE CANAL

It is most interesting to note that the State of Florida already has one Atlantic-to-Gulf canal, running more particularly from Stuart to Fort Myers, both ends of this canal lying and being situated in congressional districts other than the districts of those who propose the Atlantic-Gulf Canal now under consideration. The Stuart-Fort Myers Canal has never been advanced as a national-defense measure, and because of its similarity to the proposed canal probably should not be so advanced; but if a canal from the Atlantic to the Gulf is indispensable for the national defense, it seems obvious that the deepening of the one we now have would be far less expensive than the construction of a new one. Even though the Stuart-Fort Myers Canal is partially in my district, I do not advance or suggest its utility as a defense measure, and surely I am just as interested in the welfare of my people as is any Member of this Congress, and I shall hope to be just as as is any member of this congress, and I shall hope to be just a effective in my representation of my district as it is humanly possible for me to be. I cannot see any defense advantage connected with a canal across the State of Florida, particularly since the State of Florida is almost entirely surrounded by water.

The Seventy-fifth Congress approved a new lock for the Stuart-Fort Myers Canal and now the War Department Engineers advise us that funds are not available for the new lock and there is indeed a danger that Congress will not appropriate a full Budget for rivers and harbors this year, because of the trend toward economy, and yet the lock to which I refer costs only a few thousand dollars, and it cannot be started because of the lack of money. That being true, the construction of a new canal at an enormous cost sounds even more ridiculous to me, particularly enormous cost sounds even more ridiculous to me, particularly when we know that the Stuart-Fort Myers Canal has had full and ample recognition as to its merit and we all must agree that there is quite a divergence of opinion as to the merits of the Atlantic-Gulf Ship Canal.

The Budget Committee has reported that the amount to be spent on all river and harbor projects in the United States should not exceed \$30,000,000 this year, despite which fact the War Department has recommended \$103,000,000 be spent. How, then, can it be said that it is sound for this Congress to vote \$240,000,000, which we do not have, to construct a useless canal to appease the political whims of a minority of the citizens of the State of Florida?

In brief, therefore, gentlemen, I have given you the views of the majority of the people in the State of Florida, which has been my pleasure and my duty. I respectfully request that this state-ment made by me be extended into and made a part of the record of this hearing before your honorable body.

I am indebted to you for your indulgence in this connection. LXXXIV-App-106

Roy W. Howard Gives Us Sound Advice on International Relations-Let Us Refrain From Intemperate Speeches

EXTENSION OF REMARKS

HON, LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 20, 1939

Mr. LUDLOW. Mr. Speaker, our friend, the Reverend CHARLES AUBREY EATON, of New Jersey, once delivered a powerful political sermon in the Well of this House, based, as he announced it, on "the gospel of St. James Farley."

With that illustrious precedent in mind, I assume it is proper for me, as a Methodist layman, to sermonize briefly today, basing my homily on "the gospel of Roy W. Howard." I take as my text the first and second paragraphs of Mr. Howard's epistle from Paris dated April 13, 1939:

As far as I have been able to observe, the French and British people, who are closest to the danger zone, appear less fittery, less inclined to hysteria, than certain ultravocal elements at home.

For the moment, I think, Americans can contribute more to peace by keeping their shirts on than by taking their coats off.

There is a world of wisdom in Mr. Howard's unvarnished Hoosier idiom. It may grate on cultured ears, but it clicks in the average American's mind. All over the United States there is a feeling that there have been altogether too many injudicious speeches by Cabinet ministers, near Cabinet ministers, Senators in charge of foreign relations, and others who might be assumed, because of their positions, to reflect American public opinion. There is a widespread feeling that these voluntary spokesmen are rendering a great disservice to their country, and that it would be in the interest of the peace of America and the peace of the world if they would subside.

Mr. Howard and I grew up together in Indiana, and we have been lifelong colleagues in the newspaper fraternity. In all of my association with newspapermen I have never encountered a mind quite so keen. He has a nose for news that is equivalent to a sixth sense, and his powers of analysis and discernment are indescribably accurate. His statement that British and French are less jittery and less given to war hysteria than Americans coincides with a letter from an American traveler in England which came to my attention recently. This traveler, exploring the countrysides of the British Isles, has come in contact with the rank and file of Britishers, and he says they are wondering "what America is excited so much about."

In discussing this subject I have no criticism to offer of those who are seeking conscientiously to live up to their duties and responsibilities as officials of our Government in a most trying time.

I am seeking, as I know Mr. Howard has sought, to offer some suggestions that may be constructive and helpful. One of these is that we may have no more sword rattling, jingoistic speeches by Cabinet ministers, near Cabinet ministers, and leaders in Congress associated with foreign affairs. Such speeches accomplish nothing constructively, they settle nothing, but they do definitely disturb the equilibrium of international relations and draw us closer to the brink of war. When a leader of a legislative body who is a member of its Foreign Relations Committee says that "we"—presumably speaking for America-"hate" this, that, and the other foreign government he is-unintentionally, of course-sowing the seeds of war and not the seeds of peace.

Let us reflect for a moment on the effect which these violent and injudicious attacks by American Cabinet ministers and outstanding legislators have on public opinion in other countries and how they react to the disadvantage of America. There can be no doubt that these attacks tend to solidify the strength of the totalitarian powers against America. Hitler, as shrewd as he is unscrupulous, can say to his people:

"Look, America is lined up with Great Britain and France

to destroy Germany. We must fight for our lives."

The ruler of every dictatorial country can, and no doubt does, use these intemperate speeches delivered in America to prove to his subjects that they are fighting with their backs to the wall, thus strengthening his military position by arousing a united, though misinformed, public opinion at home. If our public men only realized that they are playing into the hands of Hitler and Mussolini every time they indulge in such pyrotechnical outbursts they probably would be more careful.

Our best prospect for continued peaceful relations with the world lies in our ability to demonstrate that America, founded on the doctrine of freedom and equal rights, is a friend of the common people in every country of the world, as, indeed, we are. President Roosevelt's admirable invitation to the powers to get together around a table to discuss economic justice and disarmament is an appeal to that sentiment. In sending out that invitation the President struck a major chord of sympathy, for the peoples of all countries are inexpressibly weary of war. They are weary of its insufferable burdens, of its griefs and heartaches, of the pain it puts in the hearts of mothers.

I endorse the President's well-meant effort with all possible enthusiasm, but I would be more hopeful of its success if it had not had such an unfortunate build-up in the ill-advised speeches and outgivings of American statesmen, which by their frequency and repetition have created doubts among the peoples of other lands as to the friendliness of America's intentions-doubts which have been artfully played upon and cunningly magnified by the dictators. The world is hoping and praying that the President's idea of holding a peace conference will prevail, because it embodies the hopes and aspirations of humanity, and it seems tragic, indeed, that it had to be proposed in such a prejudiced atmosphere.

Mr. Speaker, the people of America are stunned by the revolting cruelties and misdemeanors of tyrants in foreign lands, but they are not reconciled to America being placed in the role of policeman to correct these wrongs. They are in favor of making every preparation for national defense but no more. The enormous mail now flooding Members of Congress is evidence of a widespread, Nation-wide fear that we are in danger of being involved in foreign entanglements. "Give us a real neutrality law and keep us out of foreign wars" is the burden of these letters and telegrams.

There is, too, a corresponding interest in the resolution I have introduced to amend the Constitution so that the people shall have a right to vote on proposals to send our young men to fight in wars in another hemisphere, the women having equal voting rights with men. The 21 railroad brotherhoods, a million strong, a few days ago reaffirmed their support of my resolution. The Farmers' Union, representing the agricultural masses, has declared for it. As an indication of the trend of thought among farmers, I present the following letter from Mr. Edmond C. Foust, the able editor of the Hoosier Farmer, published by the Indiana Farm Bureau, Inc.:

THE HOOSIER FARMER, Indianapolis, April 10, 1939.

LOUIS LUDLOW, M. C.

House Office Building, Washington, D. C.

DEAR MR. Ludlow: I desire to express my sincere appreciation of your endeavor to bring about a law whereby it would be necessary to call a referendum before war could be declared, other than in case of invasion.

case of invasion.

In my position I have the opportunity to come in contact with many people in various walks of life, and I think that I express their feeling when I say that they are for your measure.

The propaganda at the present time regarding the possibility of the United States becoming engaged in a world war is not very popular, as 20 years of meditation have developed some sound thinking on the part of these people. A repetition of 1916 is not desired and, I might add further, I believe would not be tolerated.

We need a national defense, and every mother's son would fall in line to defend their home, but our American boys are not going across the water to pull someone else's chestnuts out of the fire.

I make these declarations because I feel so keenly the need for

law such as you have proposed. Hoping that I may be of some service to you, I am, Yours truly,

EDMOND C. FOUST, Editor.

With the war tension circling the earth; with kaleidoscopic changes occurring in international relations; with one hour not knowing what the next hour will bring forth, let us pray that America will not become involved in the miasmas of hate that brood over the world, but will maintain more luminously than ever before her traditional role of good neighbor and friend of man. Let America stand erect, calm, and dignified in a world of storm.

Admission of German Refugee Children to the **United States**

EXTENSION OF REMARKS

HON, ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

EDITORIALS FROM THE WASHINGTON POST, NEW YORK SUN, AND ST. LOUIS POST-DISPATCH

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an editorial by Dorothy Thompson entitled "The Wagner-Rogers Bill," dealing with the admission of German refugee children in the United States; also an editorial by David Lawrence from the New York Sun of April 20, and an editorial from the St. Louis Post-Dispatch of Wednesday, April 19, 1939.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

> [From the Washington Post of April 24, 1939] ON THE RECORD-THE WAGNER-ROGERS BILL (By Dorothy Thompson)

The world situation, Senator Robert F. Wagner and Representative Edith Nourse Rogers are responsible for the introduction into Congress of one of the most intelligent pieces of immi-

tion into Congress of one of the most intelligent pieces of immigration legislation ever framed in this country.

Our previous legislation has been only vaguely selective. Our quotas are established by a mathematical computation. But this bill would admit to the United States immigrants of an age group which is precisely the one for which there is a definite need, and the organizations supporting it are prepared to take care of every one of the immigrants, so that nothing will be left to chance. It is, therefore, the first planned immigration which we have ever had, and the revolutionary crisis in the world is responsible for it.

The bill would permit a maximum of 20,000 children refugees under the age of 14 to enter this country over 2 years' time and outside the quota, provided that the child-welfare agencies which are organized in every State of this Union are prepared to find a home for each individual child.

The little immigrants would be selected by the American Friends' Service Committee, the organization of the Quakers, whose humanity, coupled with hard common sense, has given them an amazing

ity, coupled with hard common sense, has given them an amazing prestige in every country in the world.

The child-welfare agencies, who have already raised a revolving fund of a quarter of a million dollars, have no doubt—on the basis of surveys already made—that they can place these children with foster parents able to care for them and educate them until they can earn a living.

REFUGEE QUESTION IS WORLD PROBLEM

The refugee problem is a world problem and the United States realized months ago that something constructive must be done about it in an intergovernmental fashion if it was not to add

increasingly to world chaos.

That was why the United States Government initiated the Evian Conference, which led to the setting up of a permanent intergovernmental committee. We are dealing with one of the greatest mass migrations in history—and a migration caused not by economic depression nor by natural catastrophes but by artificial political measures.

The Wagner-Rogers bill is a very small contribution to a solution of a tiny segment of this problem which is now being dealt with by the British, French, Scandinavian, and Dutch Governments, as well as by our own.

But it is a contribution which makes a great deal of sense, both from the humanitarian and from the practical viewpoint. For from the humanitarian and from the practical viewpoint. For years the vital statisticians of this country have been pointing out that the failing birth rate is a cause for concern. This Nation, occupying the better part of a whole continent, and containing only 130,000,000 people, is rapidly ceasing to have an expanding population, will soon have a stable one, and after that may be expected to decline unless there is fresh immigration.

The average age of the population is increasing, and under the new old-age pension legislation a large burden will have to be borne by the young. It is also a very great question whether this halt in the expansion of the population is not responsible for many of our economic ills since the number of people newly requiring the essentials of life is diminishing.

CHILDREN HAVE GOOD BACKGROUND

Children under 14, therefore, fall into the age group which is

Children under 14, therefore, fall into the age group which is most desirable for immigration, according to the vital statisticians. And coming to this country at an impressionable age to be taken immediately into American families, the assimilation which usually takes two or three generations will be accomplished in one. Furthermore, the children available come from a much better background than much of our previous immigration. In the past the citizenship of this country has been augmented by people who were unable to earn a living in their own homelands. The families of these children have had enough health, competence, and general ability to support themselves and are would-be immigrants wholly

ability to support themselves, and are would-be immigrants wholly because of political conditions artificially imposed.

Many of these children have been orphaned or half-orphaned by the German revolution. Others have devoted parents who are willing to give up their children to foster parents in a distant

country only because those children have no chance to grow up to be normal human beings where they are. The testimony on this point at the hearing now going on in Washington from people who have been in Germany and former Austria is impressive and unanswerable.

VARIED FAITH IN EXODUS

Contrary to popular opinion, these children are by no means all Jewish. If the bill passes, it is the intention of the committee to select children from various racial and religious categories so to select children from various racial and religious categories so as to get a balanced ratio and to select them all with a particular view to their health and intelligence. There are Catholic children, Protestant children, and others officially classified under the German Nuremberg laws as non-Aryan, although they may be only a quarter Jewish and have been brought up as Christians for generative control of the control of

The Austrian children, and particularly the Viennese children, are the products of one of the best systems of education which I have ever been familiar with. Since they are to be placed in American homes, the American Friends Service committee which will make the selection will be forced to pay special attention to the kind of human material they are taking. And because the whole proj-ect is planned from start to finish, the children can be placed in the most desirable areas from a population viewpoint. They will be scattered through all the States.

MANY HOMES HERE WANT CHILDREN

That they will find homes is I think unquestionable, in view of the fact that there are in this country at any moment far more homes desirous of taking children than there are children to fill the demand. This fact will be vouched for by any of the adoption agencies.

agencies.

Also, the experience of the child-welfare agencies in placing American children from institutions or disrupted families in foster homes has been highly encouraging. The home is carefully selected in the first place, and the child is followed up for 5 years. In 98 percent of cases the adjustment between the child and the family is completed satisfactorily; and these children start out by being social cases and present certainly as many, if not more, problems than will these immigrant children, who are perfectly normal and have been brought up in a perfectly normal environment as far as their own homes are concerned.

The abnormality is in the political and social environment.

I see no conceivable reason, even from the most hard-boiled standpoint, why this bill should not be passed. Hundreds of social agencies are guaranteeing that these children will grow up in normal conditions and not be public charges.

BILL OPPOSED BY THE TIMID

Unless we are so utterly defeatist as to believe that this country can no longer stand a normal addition to the younger age group, there is no conceivable economic argument against it.

And if we are that defeatist we had better prepare to make way for the dictators, who at least affirm life for their own tribes.

I am leaving out of account in this argument all humanitarian considerations, although they are vital. It was Walt Whitman who said, "The largeness of nature and this country would be monstrous without a corresponding largeness and generosity in the spirit of the citizen," and in antithesis to the heroic principle as enunciated by the dictators he said that it was always hospitality that indicates heroes

The bill will be opposed by the timid, by those who think we live on a different planet from the rest of the world and that the whole earth can be chaotic without its affecting us, and it will be opposed by those who believe that the principles to which this country gives allegiance—the ideals of liberty and human rights—ceased to have validity along about 1781.

The bill is being supported by those who are hopeful and confident of the future of this country and have put their individual and organized effort behind making the proposed legislation work out successfully in practice.

[From the New York Sun of April 20, 1939]

Today in Washington—Proposal to Lift Quota on 10,000 German Children Yearly Is Analyzed

(By David Lawrence)

Washington, April 20.—Catholic and Protestant clergymen of prominence have joined in asking Congress that 10,000 children of Germans affected by religious and political persecution be permitted to enter the United States in each of the years 1939 and 1940.

Hearings on a bill to make this possible begin today. Some of the sponsors of the movement are Cardinal Mundelein, of Chicago, Carnon Anson Phalas Stokes of the Protestant Falsacone Chapter.

Canon Anson Phelps Stokes, of the Protestant Episcopal Church; Governor Lehman, of New York; President Hutchins, of the University of Chicago; and President Ray Lyman Wilbur, of Leland Stanford University; Herbert Hoover; former Governor Landon; Frank Knox, of Chicago; Dr. Harry Emerson Fosdick; Mary E. Woolley; and George Rublee, who represented the United States in the negotiations with Germany recently with reference to refugees.

The plan is, of course, wholly a humanitarian measure, but it

has stirred up some scattering opposition on the part of those who feel that the children, when grown, would be competitors of American-born children. The legislation is backed by Senator Bos Wagner, of New York, Democrat, and Representative Edith Nourse Rogers, of Massachusetts, Republican, and will be considered in a nonpartisan way.

SUMMARY OF THE PROPOSAL

In Washington, the Pathfinder, a weekly publication of large circulation throughout the country, which has been conducting a campaign in behalf of the bill, says:

"According to the best estimates available, there are about

"According to the best estimates available, there are about 75,000 German children in distress. Such authoritative sources as the American Friends Service Committee say that America's proposed total of 20,000 admissions could be chosen from 50,000 of the 75,000 in distress. Approximately only half of these 50,000 are Jews, the rest being in Nazi disfavor because they may have one or more Jewish grandparents or because their parents are politically supported that the statement of the service of th

or more Jewish grandparents or because their parents are politically outlawed. This means that all faiths are represented and that all groups in the United States have reason to take active interest in the Wagner-Rogers proposal. * * * * "Of the hundreds of thousands of Europeans who are refugees or potential refugees, the children arouse the greatest sympathy. With life still stretching before them they find themselves shorn of opportunity, shorn of education, and in some cases shorn even of the right to play, the right to enjoy sun and grass."

The plan provides for Great Britain and the Netherlands and other countries to admit as many of the children of refugees as possible, and, in the case of the United States, adequate guaranties are to be given that the care and support of the children will be guaranteed by individual Americans before admission is granted.

Already assurances that homes will be forthcoming in America in

guaranteed by individual Americans before admission is granted.

Already assurances that homes will be forthcoming in America in congenial surroundings have been given, so that this part of the plan is not in any way difficult. The children are to be below the age of 14, and tragically, indeed, it will be necessary for the children to be separated from their parents. But the latter are, in most instances, willing—and no children will come without the parents' consent—to have the youngsters taken away from Germany and given a chance to live in freedom.

HAVEN FOR THE OPPRESSED

What will happen to the parents, of course, is a problem that cannot be determined, but each year for the next 5 or 10 years, no doubt, some of these parents will wait their chances on the regular quota of admission, and they will have the knowledge that

their children at least are growing up in free America.

The relatively insignificant total to be admitted—10,000 a year—will hardly affect the economic status of the 130,000,000 persons in

will hardly affect the economic status of the 130,000,000 persons in the United States, and the argument of future economic competition is not given much weight by most Members of Congress.

America has received from Germany some of the finest types of citizens. Back in 1848, when Germans fled here to escape political persecution, there came the fathers and mothers of some of the best families in the United States today, judged from any standpoint of measurement. Indeed, history shows that the German convilsation which emigrated to the United States in the learners.

best families in the United States today, judged from any standpoint of measurement. Indeed, history shows that the German
population which emigrated to the United States in the last 90
years has enriched the American Nation.

Traditionally, the United States has opened its arms to refugees
escaping persecution for political or religious reasons ever since
the days when the Pilgrim Fathers arrived from England and the
Huguenots from France to avoid the intolerance of the Old World. The gesture of the United States in admitting 10,000 children in each of 2 years is a small part of the general solution of the refugee problem which confronts the world, but it would be worth doing if only to continue uninterruptedly the tradition of the Republic to afford political asylum to those whose lives are threatened because of race or religion or political beliefs.

[From the St. Louis Post-Dispatch of April 19, 1939] SHOULD 20,000 CHILDREN BE ADMITTED?

Despite the economic hardships of our own citizens, Senator Wagner's proposal to admit 20,000 German refugee children into

the United States in 1939 and 1940, over and above quota restric-tions, has received widespread support. It has been approved by such newspapers as the New York Herald Tribune and the Richmond Times-Dispatch; by ex-President Hoover; by Mrs. Calvin Coolidge, who thus breaks her rule of silence toward pending legislation; by Cardinal Mundelein; and, in principle, by the C. I. O. and

The children to be admitted are all under the age of 14 and would thus offer no immediate competition in the labor market. It would be necessary for each to have sponsors—persons willing to receive and support them, guaranteeing that they would not become charges. Mrs. Coolidge, for instance, is a member of a group of Northampton, Mass., women who wish to take 25 of the refugees. About half of the children are full-blooded Jews; the remaining half are Catholics or Protestants who may have had a non-Aryan grandparent or whose parents have incurred the disfavor of ruling authorities in Germany.

Other countries have already acted to provide homes for these unfortunate youngsters. Great Britain, waiving the usual entrance regulations, has taken 2,800 and has made preparations to take 5,000 more. Holland. Belgium, and France have opened their doors to others. Little Holland alone has accepted 1,700 children, and has not yet closed the doors. None of these countries is as well able as our own to make places for the children.

It is hardly necessary to point out that the condition of the children is tragic in the extreme; the parents of many are in concentration camps or so reduced in circumstances and so devoid of hope that they are willing to undergo the excruciating experience of breaking up the family to permit the youngsters to have a fair chance in life.

No longer is this country open to the oppressed of all lands as it once was and the distress of many of our own people is great. Yet the case of these European children, reduced to poverty and cast adrift through no fault of their own, is a very special one. Among them there are no doubt some who will add luster to their adopted countries, and most of them will become useful citizens, passionately attached to the land which gave them their only chance to lead normal lives.

Consolidation of Army Posts

EXTENSION OF REMARKS OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 26, 1939

Mr. HESS. Mr. Speaker, at the present time there are upward of 335 posts, camps, and stations either wholly or partly under the jurisdiction of the War Department. A resolution which I have introduced today requests the Department to furnish Congress with a plan for consolidation of posts and abandonment of unnecessary posts such as will best serve the interests of national defense and governmental economy.

The reasons for present locations of most of the Army posts in the United States can be found by tracing back through the pages of our history and following the story of the development of our country as its settlers progressed westward. Time was when there was need for armed protection of our frontiers as they moved steadily toward the Pacific. Here and there forts were built and garrisons were provided to protect our pioneer settlers as they invaded the domains of the Indians. With the flight of time, conditions have changed. No longer is there need for forts and garrisons for protection against the red man; but they remain, for the most part, located where they were in the early days, without much thought being given to such considerations as value of locations occupied, economy in operation, value as training areas, convenience for mobilization purposes and strategic value.

Is it not about time that consideration be given to scrapping some of these old posts which have long ago served their purpose and to distributing the garrisons of our Army geographically to meet the more important considerations that justify their existence? With our military policy of a relatively small Army, its distribution geographically should be given careful thought.

The determination of allocations of our armed forces to strategic centers is a function of the War Department. same may be said of other considerations-training facilities, economy in operation and administration, selection of locations with due regard to mobilization requirements. All of these enter into the problem of locating our forts and garrisons to best meet the requirements of our national defense

It must be admitted that it costs a great deal more to maintain dozens of small posts than it would to eliminate such of those posts as are no longer needed from any standpoint and combine the garrisons of others. Some of these small posts are now located on valuable land within the limits of large cities. Such sites should be sold and the proceeds used to acquire training areas with diversified terrain suitable for training large units-brigades and divisions. The days of fighting with small units are gone forever. These small garrisons should be stepped up to larger proportions, located for the most part near large railroad centers, affording means of rapid transportation to any part of the country, with large areas in close proximity suitable for the training of the higher commands. In general, these training areas should be selected with a view to climatic conditions that would permit all-the-year-round training out of doors. It would be well, however, to locate some of them in areas where seasons vary and to assign to those areas one or more divisions for training during varying seasons. No nation can foresee what country it may have to fight some time or where the battleground will be. A well-trained army must therefore be prepared to fight in any kind of climate and at any time of the year.

There are so many considerations affecting the locations of Army posts, both at home and in our foreign possessions, that the whole question is one that should be made a study by the General Staff from a purely military viewpoint devoid of political considerations, with a view to recommending to Congress the abandonment of those Army posts no longer con-

sidered essential to our national defense.

In 1931 the then Secretary of War, Mr. Hurley, directed the Chief of Staff, General MacArthur, to submit a memorandum on the abandonment of Army posts and reservations. This report is most complete and is as follows:

since the close of the World War the War Department has been continuously engaged in eliminating its surplus holdings, with the result that the property which will remain after the disposal of military posts now proposed will represent practically the minimum required to enable the Army to perform its mission. The total acreage now under control of the War Department is only about 13 percent greater than it was on April 1, 1917, notwithstanding the acquisition of extensive landing fields throughout the country necessitated by the air program.

War Department real estate, totaling 300,885 acres, has been disposed of by sale or by transfer to other departments of the Government since the year 1919. Of this total, 55,774 acres have been sold at a price of \$12,643,269, and 245,111 acres, with an appraised value of \$88,422,032, have been transferred to other departments of the Government.

In addition to the above, the War Department, during the same

In addition to the above, the War Department, during the same period has sold buildings and other improvements on real estate, totaling approximately \$10,000,000, and at the present time sales

totaling approximately \$10,000,000, and at the present time sales of real estate which total 12,122 acres at an estimated value of \$1,097,060 are pending.

Furthermore, there are 16 parcels of real estate at an estimated value of \$10,000,000 which have been under consideration by the War Department for sale for some time, but which are being held awaiting more favorable conditions for their disposal.

It has been the policy of the War Department to convert into a source of revenue for the Government, all holdings of real estate which are not immediately needed for military purposes but which a source of revenue for the Government, all holdings of real estate which are not immediately needed for military purposes but which must be retained for ultimate military use. The actual rentals received from such property now amount to \$699,430 annually. In addition, there are 24,319 acres of War Department property valued at \$14,427,216 on permit, lease, or license to other departments of the Government, and for which no direct rentals are paid into the Treasury.

the Treasury.

After thorough restudy by the General Staff of the needs of the military service, it is now planned to dispose of 53 military posts either wholly or in part. The list of posts proposed for complete disposal contains the following stations occupied at the present time: Fort Brown, Tex.; Fort Eustis, Va.; Fort Hunt, Va.; Camp Harry J. Jones, Ariz.; Fort Lincoln, N. Dak.; Camp Stephen D. Little, Ariz.; Miller Field, N. Y.; Fort Missoula, Mont.; Fort D. A. Russell, Tex.; Chanute Field, Ill.

The abandonment of these posts is influenced by reasons of military efficiency as well as economy. The small Regular Army must be distributed so as to enable it to perform its peacetime missions in training our citizen components. Several of the posts listed above are of temporary construction and if retained would involve the War Department in large expenditures of funds to make them habitable. Certain ones have long outlived their use-

fulness. In this connection it must be remembered that strategic locations of garrisons against foreign aggression, under modern conditions of rapid transportation, have ceased to be of any special

value.

value.

In addition, it is proposed that the following harbor-defense forts, camps, and landing fields, which are now unoccupied except by caretakers, be completely disposed of: Fort Dade, Fla.; Fort DeSoto, Fla.; Key West Barracks, Fla.; Fishermans Island, Va.; Fort Ward, Wash.; Willapa Bay, Wash.; Fort Morgan, Ala.; Camp Upton, N. Y.; Camp Lee, Va.; Camp Eagle Pass, Tex.; Camp Furlong, N. Mex.; Park Field, Tenn.; Carlstrom Field, Fla.; Dorr Field, Fla.

In further addition, 29 harbor-defense posts are to be disposed of in part. All but 3 of them are now unoccupied or on a caretaking

In further addition, 29 harbor-defense posts are to be disposed of in part. All but 3 of them are now unoccupied or on a caretaking status. It is necessary to retain the portions of these posts on which are located the fortifications, guns, etc., which would be utilized in time of necessity. The list of these posts is as follows: Fort Levett, Maine; Fort Stark, N. H.; Fort Foster, N. H.; Fort Constitution, N. H.; Fort Heath, Mass.; Fort Andrews, Mass.; Fort Revere, Mass.; Fort Ruckman, Mass.; Fort Strong, Mass.; Fort Warren, Mass.; Fort Rodman, Mass.; Fort Getty, R. I.; Fort Greble, R. I.; Fort Wetherill, R. I.; Fort Schuyler, N. Y.; Fort Terry, N. Y.; Fort Mott, N. J.; Fort McRee, Fla.; Fort San Jacinto, Tex.; Fort Travis, Tex.; Forts Baker and Barry, Calif.; Fort Rosecrans, Calif.; Fort Miley, Calif.; Fort Casey, Wash.; Fort Columbia, Wash.; Fort Whitman, Wash.; Fort Flagler, Wash.

The total appraised valuation of the 53 posts proposed for disposal is approximately \$22,000,000. In working out the details in connection with the disposal of these posts certain adjustments will have to be made for the distribution of the Army. As a result, it may become possible to add to the above list several other stations which now occupy a doubtful status.

While the West Department plans to dispose of these posts and

which now occupy a doubtful status.

While the War Department plans to dispose of these posts and reservations above listed, some may be transferred to other departments of the Government, National, State, or local, provided it is found they can serve a useful purpose on an economical basis. In many cases the War Department now has authority of Congress to be a constant of the conference of transfers. In other cases congressional authority make these sales or transfers. In other cases congressional authority must be secured.

The War Department has already named its member of the Board appointed by the President, and upon which all interested services are represented, to consider what nonmilitary governmental use might be made of this property surplus in the War Department.

It appears to me that in the interest of both economy and military preparedness the need for these abandonments and consolidations is greater today than it was in 1931.

I sincerely trust that the Military Affairs Committee of the House of Representatives will give consideration to my resolution and request the War Department to submit a plan as suggested in the resolution.

Ideals and Principles of Thomas Jefferson

EXTENSION OF REMARKS

HON. CLIFTON A. WOODRUM OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1939

ADDRESS BY HON. JAMES A. FARLEY AND INTRODUCTORY ADDRESS BY HON. CARTER GLASS, OF VIRGINIA

Mr. WOODRUM of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech made at Lynchburg by the Chairman of the Democratic National Committee on April 13 and an introduction by the senior Senator from Virginia:

INTRODUCTION OF MR. FARLEY BY SENATOR CARTER GLASS AT THE JEFFERSON DAY CELEBRATION OF THE LYNCHBURG YOUNG DEMOCRATIC CLUB AT LYNCHBURG, VA., APRIL 13, 1939

Mr. President and fellow Democrats, this is the birthday anni-Mr. President and renow between the desired and renow versary of the greatest Democrat who ever lived. There were great characters in Virginia and in the Nation in that era of our history, but no man had greater versatility, greater discernment, and was as great a statesman as Thomas Jefferson, and tonight we assemble here to pay tribute to his ideals and to hear him addressed on the subject of them by one of the finest men of the present administration

As I had occasion to say at the dinner to which most of you were not invited, any community in the United States would honor itself by honoring Jim Farley. He was the most effective and the ablest chairman of the Democratic National Committee that served during my entire life of more than 81 years. His achievements are the most outstanding of any Democratic national committeeman. He has nearly driven the Republican Party out of existence and has

carried for the Democratic Party more electoral votes than any Republican candidate ever received in 3 or 4 years.

However anyone may differ with Jim Farley, nobody has ever been found to say that he isn't a man of his word, who keeps his promises—he doesn't make many—but it is something to keep them all them all.

Some people say that I am a cold and a reserved sort of person, which, of course, isn't true; but be it true or not, I have personally loved Jim Farley ever since I have known him. You may always depend upon what he says. He is what he is and proud of it. He is a politician, and he is the best politician that has ever figured in the public life of America. He has carried the Democratic Party to signal success in every campaign which he has directed, and without being a prophet, I may very safely predict that he will carry it to success in the next national campaign.

Strange as it may seem to my fellow citizens, I am one of those United States Senators who do not believe in talking long but talking frequently, and I am not going to follow the example of some people who introduce the speakers of the occasion by making Jim Farley's speech for him, but I am going to present him to this great audience—the greatest that I have ever seen assembled here in the armory—with the confident expectation that he will entertain and instruct you and make another contribution to the cause of democracy. of democracy.

I present James A. Farley, Postmaster General of the United

ADDRESS BY HON. JAMES A. FARLEY, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE, AT THE JEFFERSON DAY CELEBRATION OF THE LYNCHBURG YOUNG DEMOCRATIC CLUB, AT LYNCHBURG, VA., APRIL 13

For many years now, the Democratic Party has made a custom of celebrating the birthday of its immortal founder, Thomas Jefferson. We have had a dual purpose in doing this. The first Jefferson. We have had a dual purpose in doing this. The first purpose has been to honor the memory of a worthy patriot and the second has been to rededicate ourselves to the fundamental principles of American democracy.

principles of American democracy.

This is an appropriate setting for an observance of Jefferson Day and I am indebted to the Young Democrats of Lynchburg for their kindness in inviting me here. A discussion of human rights and political liberty should carry an authentic ring when spoken on Virginia soil.

I am also happy to be in the home city of my good friend, Senator Carter Glass, a great American, whose integrity of purpose and fidelity to conviction should serve as a model for all who aspire to a place of trust in public affairs. He has served the Nation well and those who disagree with him in viewpoint are quick to acknowledge his honesty and his sincerity.

This year's observance takes on an added meaning because there never was a time when the world was more in need of Jeffersonian

never was a time when the world was more in need of Jeffersonian guidance than it is today. It is frequently said that democracy is on trial—merely because popular government has been supplanted in some nations by the iron rule of dictatorship. I dissent from that view. The dictator never lived who could confer on his subjects a gift equal to the simple dignity of American cit-

In my opinion, the events of this troubled period serve to vindicate the intrinsic value of the democratic process. I doubt if any individual on earth who ever tasted the joy of free living would voluntarily prefer to live under a form of government that presumed to order for him his thoughts, his opinions, his occupation, and his way of life. Every new victory for the law of force and violence is a defeat, not only for its immediate victims but for all humanity.

On former occasions such as this we paid lip service to the blessings of democracy, perhaps without realizing what they realiy meant. That is no longer true. We speak of democracy today almost in reverent tones, because we know from the sad experience

almost in reverent tones, because we know from the sad experience of other lands that the most precious things we have are the direct result of the form of government under which we live.

Whenever free-born men and women think of liberty, the name of Thomas Jefferson immediately springs to mind. It would be idle for me to explain why that is so to an audience of Virginians. A great writer has stated that Jefferson fashioned the national platform when he gave us the preamble of the Declaration of Independence. I think you will agree with that statement.

We pay tribute to Jefferson tonight because his philosophy enters into everything that goes to make up the great American tradition.

And so Jeffersonian democracy has no truck with communism, nor with fascism, but stands four-square for that Americanism, which is the full development of American democracy.

What else does democracy imply?

What else does democracy imply?

It means that the people who turn the wheels of industry and fight the nation's battles shall have the ultimate determination of the nation's policies.

And what is the denial of democracy?

It means a padlock on the lips, shackles on the press, worship—
if at all permitted—by the toleration only of a single man; it
means racial and religious persecution, misery for millions, and slavery for all.

The amazing onward march of the dictators of the Old World, preying on the fears, the insecurity, and the unhappiness of the masses has been due not to democracy but to the failure in the proper functioning of democratic institutions.

The demagogue of reaction has made his appeal for the rejection of democracy by pointing to the evils that have been permitted to grow up in democratic nations; to men denied the right to

work; to men and women in need of bread; to weaknesses in the mechanisms of the state that make for waste; to the legalized exploitation of the many by the few; to swollen fortunes here and bread lines there.

The demagogue of reaction ascribes these evils not to the plutccracy which has taken over the instrumentalities of democracy, but to democracy itself.

If you still stand for life, liberty, and the pursuit of happiness, you stand for the kind of democracy that Jefferson foresaw; and if you would preserve democratic institutions, you must stand for the elimination of the social, economic, and political evils that have clogged the machinery that was designed to make those institutions

That is what President Roosevelt saw and knew: and from his first hour in power he has dedicated himself to the colossal task of putting the mechanism of democracy in order. It was a colossal task for the evils had accumulated through many years and had fastened themselves deeply in the economic system.

Now, in effecting the eliminations and in making the readjust-ments, we may have made some miscalculations, but no one honestly doubts that there has been an honest effort to put our national

house in order.

And this we know—there has not been a single move that we have made that was not aimed at the preservation of democracy.

There is not a nation in the world today that does not know this to be true. We who are near at hand, in the midst of the prejudices, the party passions, and the clashing of personal ambitions, lack the right perspective. But we can read the story of what we have tried to do in the reactions of other nations far enough

away to view the record objectively and without passion.

And the answer is that in every nation across the sea where democracy still lives—if not in governments, in the hearts of men—President Roosevelt is hailed by the masses of the people as the greatest and most sagacious democratic leader of his age.

And in every country where liberty has been crushed, where millions are driven to missay by accounting President Roosevelt is

lions are driven to misery by persecution, President Roosevelt is the most hated statesman in the world.

That fixes his status in the fight for freedom.

That anticipates the certain verdict of history.
Politics usually speaks the language of gross exaggeration and
often of deliberate misrepresentation. When the enemy paints a
portrait, it is naturally distorted. What has the administration and
its supporters in mind? What do we want?

We certainly want business to make a reasonable profit on its investment, for capital takes the risk.

We want labor to secure a wage that is sufficient to bring a sense of dignity and security and to have working conditions commensurate with the dignity of toil, for capital without labor would be as barren as money on a desert isle.

We want the farmers to feed capital and labor to reap rewards for their toil sufficient to lift or keep the mortgage from the farm and enough besides to leave a balance in the bank.

We want the banks to thrive and to use their hoarded gold to meet the needs of constructive industry and safely to finance the

building of the people's homes.

We want business to boom—and we want all America in on

the business

We want the aging worker free from the haunting fear of a twil ght of misery and poverty, and the widowed mother to have a chance to rear her child at home, and the crippled child to have a chance to support himself in self-respecting toil; we want a reasonable provision to tide the worker over the occasional periods

reasonable provision to tide the worker over the occasional periods of unemployment—and these are the reasons we have written into the statutes the Social Security Act—which is the emancipation proclamation of the masses.

We want a press that's free, the right of free speech, and the freedom to worship God according to the dictates of conscience—the most sacred right of all, as Jefferson believed when he gave immortality to his name with his statute of religious freedom.

When lefferson wrotes the incorporation for his time he forget that

When Jefferson wrote the inscription for his tomb he forgot that he had been Ambassador, Secretary of State, and President, but not that he had written the Declaration of Independence and the statute designed forever to protect the people from the terrors of

statute designed forever to protect the people from the terrors of religious persecution.

These are the big things, in broad terms, that have inspired our efforts during the last 6 years, and they are the things for which our forebears have fought and wrought for a century and a half of

glorious achievement for the human race.

Now the opposition has forsaken constructive effort to concentrate on the manufacture of abusive language to apply to Roosevelt. Its contributions to political thinking give more heat than light. It is acting on the supposition that government by vilification will appeal to people with grave problems on their minds. It assembles the victims of all the grievances on all subjects and in all lines and seeks to weld them into a political army.

and seeks to weld them into a political army.

It does not dare tell what policies it will sponsor. It is trying to sell the people a pig in a poke.

Human problems affecting the happiness and the libertles of the people cannot be solved by abuse any more than by bullets and bayonets.

Among the leaders of the opposition, Mr. Hoover is the most articulate and the most courageous. He clearly lives in a world of illusions, warmed into a glow by self-admiration. He evidently has persuaded himself that the Nation looks back with yearning eyes to the gladsome days of his administration and eagerly awaits an opportunity to restore the conditions as he left them after 4 years of the most tragic failure in American history.

But his illusions are not without some encouragement, since he

But his illusions are not without some encouragement, since he has emerged again as the acknowledged leader and spokesman for his party. His party's leaders listen to his gloomy tales and fore-bodings with the reverential silence of children in the nursery listening to the bedtime stories of a much-loved governess.

And this must be said in justice to Mr. Hoover: He is the only leader among the enemies of Rcosevelt who has the temerity, if not the capacity, to submit some kind of program. It may be a shopworn program; maybe its telltale fingerprints are well known and registered in the homes of millions. It may evoke visions of bread lines and scup houses, of starving millions, of crowded courts of bankruptcy, of crashing banks, of evicted tenants, of homesteads knocked down by auctioneers to the highest bidders, of wharves left desolate by a ruined foreign trade; but at least it is a program. desolate by a ruined foreign trade; but at least it is a program. Many of his party may mistrust him, many may even doubt his popular appeal, a few may question the wisdom of his frankness, but none of his associates can match his presumption in urging a return to his reactionary measures. Let us pay this tribute to him: He does not deceive a single soul he could not if he would, and I prefer to think that he would not if he could.

What do these opponents want?

Well, they still are agitating against relief for the unemployed. He misunderstands the lesson of history who concludes that the man who is jobless may safely be left to starve. And he must care little about the preservation of American institutions who would practice such inhumanity.

They draw sweeping, blanket indictments of the Democratic administration, but they dare not get down to cases.

What measures of the administration would they repeal?

Would they repeal the banking laws under which there are scarcely any failures and go back to the old laws of the Hoover regime when banks crashed by the thousands, sweeping away the

savings of the people?

Would they repeal the reforms of the stock market under which

Would they repeal the reforms of the stock market under which the investor knows what he is buying and go back to the old system of unregulated speculation?

Would they wipe out the Tennessee Valley project which has given life and opportunity to a vast empire and turn the Nation's heritage over to the exploitation of a powerful few?

Would they repeal the Wagner labor law, which submits the disputes of capital and labor to the arbitration of reason and justice, and go back to the good old-fashioned plan, "That they should take who have the power, and they should keep who can"?

Would they repeal the Wagner Act for collective bargaining and make human labor a more commodity again?

We have set up an organization and a system which has saved

We have set up an organization and a system which has saved hundreds of thousands of home owners from eviction and hundreds of thousands of farm homesteads from foreclosure-would they tear those down?

We have written the Social Security Act, the most humane and

We have written the Social Security Act, the most humane and civilized piece of legislation in our history—would they wipe it out? These things may be improved as experience may dictate, but never in our generation will they be repealed.

They complain—or some of them do—of the cost of preparedness for our protection in a world gone mad. Now we want no war with anyone; we shall have no war through any fault of ours; but if war is forced upon us, we intend to be prepared to fight for the preservation of our institutions and our freedom.

History will record that no administration since that of Wash-

History will record that no administration since that of Washington is more conspicuous for constructive achievement for the

More than that—it will record that never has any administration inherited so much ruin and wreckage, so much economic disorganization and anarchy, so much human misery and despair; and while the evils that have been accumulating through half a century of shortsightedness and neglect cannot be cured by the waving of a magic wand, we have lifted the feet of our people from the swamp in which we found them to solid ground again where they can work out their own salvation.

The outstanding lesson to be drawn from the political events of the past few years is the fact that the electorate is solidly behind the constructive reforms of the Roosevelt administration. The American people are not ungrateful and they have never yet listened to the bugle call of retreat when victory was at hand in the never-ending struggle for human progress.

After 6½ years of defeat and discouragement the opponents of the Chief Executive's program think they see a bright beam of light ahead. They are looking forward to 1940, inspired by the same brand of optimism that gave them so much courage during the early months of 1936.

The expected victory is based on the belief that the host of dis-The expected victory is based on the belief that the host of discontented factions will unite behind the candidate who is most successful in concealing his views on public questions. The same formula was tried in the last Presidential campaign with unhappy results. I dislike to destroy an illusion but it might be well to make this point clear: The next President of the United States will be a forward-looking individual who belongs to the political party that gave the Nation Thomas Jefferson, Andrew Jackson, and Franklin D. Roosevelt. We are ready for the fray; we stand on the record and we welcome the opportunity to test the issue at the ballot box. ballot box.

With the die-hard economic and political Tories we need not concern ourselves. The time has come to ignore their complaints and press forward to the realization of the Nation's unbounded possibilities of prosperity—prosperity for every section and for every class. With the enormous resources with which nature has endowed this Nation, with the bank vaults choking with idle money, with the energy of the workers and the resourcefulness of our industrial leaders, the only thing that can hold back general prosperity would be a short-sighted refusal of any element of the people to work in harmony and in harness.

And so the administration is inviting all men of good will and patriotic impulse to cooperate in putting into movement the wheels of industry. To say that we are hostile to this or that essential factor, when all are equally essential in the restoration of good times, is directly opposite the truth.

In view of the perilous conditions throughout the world today, the time has come for all Americans to work together as Americans

the time has come for all Americans to work together as Americans and to end the internal feuds that rest on nothing more substantial and to end the internal feuds that rest on nothing more substantial than spites and selfishness and prejudices and foolish hates. We have seen too many unseemly hates, and our great American family has engaged too bitterly in family feuds that tend to endanger the common heritage of our fathers. We who have been in power by the will of the great majority have kept the faith. On this anniversary of Jefferson's birth his ideals and philosophy are more highly valued than ever. Had all nations followed the eternal principles of equality and justice advocated by Jefferson, we would have today a contented, peaceful, and prosperous civilization instead of the marching troops, the distress, and the fear that hangs heavily everywhere of another world war.

Let the American people lay aside all backbiting and bickering and let us present a united democracy as an example to the world. Liberty and freedom can never be extinguished while the torchlight of Jeffersonian democracy is held aloft by the citizens of this Republic.

Republic

Let us cherish the great heritage that has come to us from Thomas Jefferson and let us hand down to our children the blessings and benefits of a united national family. Let us persevere with a common determination that, no matter what befalls in less fortunate lands, we will make the American family, as Jefferson has planned, the most united, the most contented, the most tolerant, and the

most prosperous in all the world.

That was the dream of Jefferson.

That is the ambition of Roosevelt.

And that must be the common vision and the common aspiration of us all.

"The Penalty Clause or Bust"-President Roosevelt Is Busy Putting Men to Work, While John L. Lewis Is Equally Busy Keeping Men Out of Work

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 26, 1939

ARTICLE BY PAUL MALLON

Mr. MARTIN J. KENNEDY. Mr. Speaker, on April 21, 1939. I called the attention of the House of Representatives to the serious consequences that would visit the American public and most particularly the people of my city if the pending negotiations to reach an agreement between labor and the operators in the bituminous-coal fields were unsuccessful, and Mr. John L. Lewis, head of the C. I. O., called the strike he has threatened. As I pointed out in my statement of April 21, 1939, the sole issue was the penalty clause in the agreement. Mr. Lewis will not consent to its continuance because he fears that an opposition union might be able to organize the coal fields. This, of course, makes the real issue the continuance of the power of John L. Lewis in the coal fields. This viewpoint of mine is substantially confirmed by an article which appears in the Times-Herald of Washington, D. C., on April 26 by Mr. Paul Mallon. The article reads as follows:

[From the Washington Times-Herald of April 26, 1939] (By Paul Mallon)

Behind all the smoke and soot of conflicting propaganda in the coal strike predicament is the clear fact that no question of wages, hours, or working conditions is involved.

hours, or working conditions is involved.

If you can penetrate the publicity mists, you will find it is true that John Lewis reached an agreement with the operators on every point except one long before the Federal Government stepped in.

The one thing the C. I. O. boss wanted that the operators would not give is elimination of the system providing fines for unauthorized strikes. The miners proposed the system back in 1917 to assure the operators they would live up to contracts. It authorized penalty fines of \$1 to \$2 per day per worker on unauthorized

strikes. If the operators locked out the miners, the operators were required to pay it, and if the miners broke their contracts, they had to pay it.

So 340,000 miners have been idle nearly a month. More have

been called out for May 4 if the Appalachian lock-out is not settled. Largest coal bins in the East will reach the bottom next week. Coal-carrying railroads are reported to be losing \$10,000,000 a week. All because old Uncle John wants freedom to break the contract he proposes to sign.

Proposes to sign.

Not much of a secret is being made by Uncle John as to what authorized strikes he wants to call. He has not been shouting about it outside the conference room, but he is afraid of A. F. of L. coming into his mines. If the pushing A. F. of L. miners' union gets one member in a C. I. O. mine, he wants the right to break his contract and call a C I. O. strike. He knows that if he can get this freedom none of his operators would dare hire an A. F. of L. man.

Authorities here did not expect much from their mediation efforts when they started, because this is a tight and dangerous pinch for Lewis. A formal Nation-wide tie-up would probably be very unpopular. Coal-starved consumers might arise wrathfully against the idea of a fuel starvation merely to protect John Lewis against inroads from the A. F. of L. On the other hand, if Lewis gives in, the A. F. of L. progressive miners' union may straight-arm its way into the United Mine Workers, which is the main source of funds for the whole C. I. O.

Lewis adherents are already shouting this is a conspiracy between

Lewis adherents are already shouting this is a conspiracy between the operators and the A. F. of L.; that steel consumers of coal are behind the rebellious operators; that his friend Mr. Roosevelt did

not tell Miss Perkins to start mediation.

Some measure of truth may exist for these air-filling challenges, but the real drama lies in the personal struggle of Mr. Lewis to extract himself from the hole of his own digging.

Paramount Problems of Puerto Rico

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES Wednesday, April 26, 1939

Mr. IGLESIAS. Mr. Speaker, before living conditions in Puerto Rico can be brought up to American standards, credit must be made available for the exploitation of the island's natural resources. I recommend the establishment on the island of a Federal agency with adequate funds and broad powers to make loans for the development of agricultural and industrial enterprises.

It is hard for continental Americans to understand the hardships of your fellow Americans in Puerto Rico as perhaps your forefathers who conquered the West or mine who conquered the Southwest might have understood them. They knew the same daily struggle for life, the hunger and fear of hunger, the terrible insecurity that is the daily lot of the citizens of our island. But no State today can be compared with Puerto Rico for the depth of its depression or the complexity of its problems. As your forefathers conquered the geographical frontier and built this glorious Nation, so these Puerto Rican Americans must conquer the industrial frontier and build the economy of their little

Last year the average actual earnings per week of some 71,000 workers surveyed by the Commissioner of Labor was \$5.36 a week. It has been proved that the cost of living in Puerto Rico is much higher than it is anywhere on the mainland. When these paltry wages are applied to the purchase of such expensive necessities, you can understand why Puerto Ricans, even those fortunate enough to be employed, do not have a decent standard of living. And consider the misery of those 125,000 families whose breadwinners have no employment at all.

In studying the causes of this condition there is no comparison but there is a contrast between the island and the mainland. Consider the matter of concentration of population. In Puerto Rico there are about 531 people struggling for existence to every square mile of area. In continental United States as a whole, there are only about 41 persons for each square mile. In order to find a concentration of population similar to that of our island, we must go to the third most thickly populated State, Massachusetts. I mention it, not for invidious comparison, but merely because it has about the same number of people per square mile as has Puerto Rico.

The people who live in the great State of Massachusetts do not by any means live exclusively on the income derived from agricultural activities. A majority of them are engaged in industrial or commercial pursuits. They have conquered this new frontier of industrialization and have reached the promised land of a self-supporting economy. A visitor to the State finds a reasonably happy, prosperous citizenry, decently clothed and healthy.

Now, let us turn to Puerto Rico, the infant commonwealth under the American flag. As a part of the United States, this is not only a new land, a different, tropical land, but a new people of a different Latin temperament who have been taken under the protection of our American institutions. While its loyalty cannot be questioned, it is isolated by cultural as well as physical factors from that intercourse which has been vital to the building of the economies of other sections. It requires particular attention and ingenuity to solve its peculiar problem. It cannot be expected to develop along exactly the same lines that any given State has followed. Nevertheless, its economy must be placed on a par with that of the States, and that can be done only by making adequate finances available.

By contrasting Puerto Rico's economy with that of Massachusetts we can better understand its problems and perhaps point a way toward their solution. The people of Massachusetts can choose their means of livelihood from among many diverse industries. The textile and shoe businesses are most prominent, but to illustrate the diversity we may consult the 1930 census. That document lists some 197 different kinds of manufacturing and mechanical industries alone in Massachusetts, while it names only 13 for Puerto Rico. Massachusetts has about the same amount of land per capita as Puerto Rico, but only about 3 percent of its working population are engaged in tilling it, as compared with about 52 percent in our island. The predominance of agricultural employment in Puerto Rico shows that its economy is undeveloped. If it were thinly populated it might continue thus indefinitely. But since it has a great and rapidly increasing population to support it must do as other thickly populated areas have done-develop its economy to support its people. To support them properly it must employ its people in lines other than agricultural; it must have some such diversity of industries as exists in Massachusetts.

How can Puerto Rico hope to attain that economic prosperity, that American standard of living, which is a part of the blessings of American liberty promised us when the island was occupied? While it may not follow exactly the same pattern as any other place, the general lines can be known in advance. Because there are so many people living in so small a space it is impossible for them to live to so large an extent upon the income from farming. Greater income may be attained by two methods—namely, intensification of agricultural production and industrialization of the products of the soil. Either we must emulate the little, thickly populated countries of Europe, and utilize every inch of our arable soil to produce as much income as possible for those who till it. or we must emulate the industrial States and use our excess labor assets for the processing of every product of our soil. Thus we can increase its value and the income of those who produce it. Or the answer may be a combination of these two lines of development.

The form that our development may take cannot be planned—cannot be predicted item for item in advance. If it is to progress on the American pattern, in accordance with the accepted laws of economics, its daily and yearly progress will be dictated by the self-interest and the genius of individual and group enterprise. Following these two inevitable lines, it must develop organically, without any false or strained regulation. But to say that we should not regiment our development is not saying that we should not assist it. With-

out in any way controlling the manner in which the people of Puerto Rico shall obtain economic self-support, the United States Government can supply them with one of the indispensible prerequisites of that attainment—adequate credit.

The progress of no State could have been achieved without the aid of her sister States—without the commercial and financial interplay which is the lifeblood of economic development. While Massachusetts supplied manpower and goods to the West, the West was supplying food and raw materials to Massachusetts. Credit and money flowed freely from State to State. It was only through this mutual helpfulness of all the States that each of them has been able to reach its present high point of development. The people of Massachusetts may be happy in the thought that fellow Americans in other States have contributed to their well-being and that they, in turn, have contributed to the prosperity of other Americans.

It should be made clear why credit has not in the past been sufficiently available for new Puerto Rican enterprises. Their isolation has made it hard for Puerto Ricans to get loans from continental sources. Although an enterprise may be as sound as any business on the continent, people here hesitate to send their money to such a far away place without a large and assured rate of return that will justify their imagined risk. There are a few well-to-do people on the island but many of them are citizens of Spain or people of a conservative Spanish type who do not have the initiative to invest their assets in innovations. They like to put their money into rental yielding properties or other forms of investment rather than into stock of commercial or industrial enterprises. Agencies of the United States Government have been carrying on lending activities in Puerto Rico for many years and have found them to be quite successful. Officials of the Government engaged in such activities will testify that loans can be made on a safe and sound basis to enterprises which will gradually but surely increase the economic security and the income of the islanders. If given sufficiently broad powers and adequate resources, and if administered by people familiar with island affairs, I am sure that a Federal credit agency in Puerto Rico could make loans of great economic benefit to the island and still remain quite solvent.

The Federal Government has been very helpful to Puerto Rico in many ways. Among other things, the Puerto Rico Reconstruction Administration's activities in the latter years of the depression have prevented chaos. At the same time that it has ameliorated the very worst effects of the depression by relief activities, that administration has also set up within the framework of the relief-work principle certain permanent enterprises, such as Lafayette Sugar Central and the various resettlement farms which dot the island. These enterprises point the way toward a permanent solution. However necessary may be the activities of the P. R. R. A. in furnishing relief, it must be borne in mind that the attempt to furnish relief and at the same time to set up permanent economic enterprises on a pay-as-you-go basis has some elements of inconsistency. As long as all the funds must be spent for directly creating work, they cannot at the same time be spent for creating permanent, employmentfurnishing business activity. For that purpose there is necessary an agency able to lend to enterprises initiated and managed by others. It must be able to lend without restriction as to the amount of immediate employment, but rather with a view to the permanent employment which the institution and continuation of the businesses financed will furnish. The building of a road creates employment today but none tomorrow. On the other hand, the financing of a self-liquidating commercial, industrial, or agricultural enterprise creates employment today and perpetuates itself to create employment for an indefinite time in the future.

The establishment of such an agency is particularly desirable at the present time. Efforts at rehabilitation have been slowed down by various new factors. The economists and industrialists point out that one is the imposition of the quota system on sugar, which has prevented Puerto Rican produc-

tion from expanding. Another is the effect of the 1934 reciprocal-trade agreement with Cuba upon the price of sugar and the similar effect of the proposed new reciprocal-trade agreement. A third is the effect of the Fair Labor Standards Act upon various enterprises in Puerto Rico. Without questioning the general good effect of the law, it is said that its effect upon specific industries in Puerto Rico has been to put almost insurmountable difficulties in their paths. The law will not have the effect of destroying those industries, but it will have the effect of lessening the number employed in them. Puerto Rico does not shirk its duty to march shoulder to shoulder with the other parts of the country in social legislation. However, if, in the course of such legislation, damage is done to Puerto Rico's means of livelihood, we believe that the rest of the country should help us to provide substitute sources of income. The establishment of a credit agency for the financing of such substitute industries would eventually make possible the raising of wage standards in Puerto Rico. Then legislation which the rest of the country takes in its stride would not so seriously affect the economy of the island.

It would be unwise for the Congress to provide for a credit agency in Puerto Rico unless it knew in general what kinds of enterprises might be financed by it. It might also be considered unwise if the Congress provided for increased production in Puerto Rico to compete unfairly with similar production in the States. If there were adequate credit, many new enterprises could be commenced in Puerto Rico. None of them would compete seriously with similar production in the States. Rather they would supplement the economy of the entire Nation and make it more self-sufficient. There are many tropical and other products which are now imported from foreign countries and which might very well be produced within our own boundaries on the island of Puerto Rico. That these products would find a market is assured because they would be produced within the tariff wall while their competitors' products are produced outside of it.

The Puerto Ricans have never regretted their connection with the United States. It has been a friendship as well as a business partnership. The setting up of a credit system in Puerto Rico would be a logical development along the same lines. The American troops that occupied Puerto Rico 41 years ago found the majority of workers in a state of peonage, ignorant and reliant upon autocratic masters and government. General Miles told the people of the island that the Americans had come to promote our prosperity and to give us the blessings of enlightened civilization. Since then the Government has brought Puerto Rico the light of education and has developed the leaders of the people into a new democratic form of government. To solve the island's problems will take a quality of leadership as high as that which built this Nation and I am sure that leadership exists. If credit can be extended to the island these new leaders can give economic substance to their political liberty.

Hoover Dam

EXTENSION OF REMARKS

HON. J. WILLIAM DITTER OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

EDITORIAL COMMENT ON NAME OF DAM

Mr. DITTER. Mr. Speaker, the Secretary of the Department of the Interior has had a weighty problem on his hands. He has wrestled with it in many ways. It is a matter which seems to give him as much concern as the free press of the country-what appears to be the Secretary's problem child No. 1. But, as a close second, the christening of dams looms large. The following press comments are pertinent:

> [From the Newark Star-Eagle of March 1, 1939] "HONEST" HAROLD ICKES STEWING AGAIN

"Honest" Harold Ickes, the Cabinet officer with the high-temperature temper, has recently lost another hot-and-heavy battle.

This time it's the war over the official title of the highest dam in the world, out in Colorado. Mr. Ickes has done his best to erase the name of the only living former President from the dam, but his efforts to prevent memorializing Mr. Hoover are now disclosed as vain.

Mr. Ickes has done everything he can to see that maps, pamphlets, road signs, and other indicators give the name of the structure as Boulder Dam. How active he has been and the relentlessness with which he has sought to suppress the proper title. Hoover Dam, as well as the exchange of letters in which he was finally defeated, have been revealed in a selection from the private papers of Homer Cummings, former Attorney General, published by Charles Scribner's Sons.

Mr. Ickes wrote to Mr. Cummings several years ago, protesting

the use of the name Hoover Dam in a Federal suit.

Mr. Cummings' reply did nothing to sooth the oft-troubled Ickes brow. The dam, Mr. Cummings pointed out, was called Hoover Dam in the acts of Congress appropriating the money for its construction. It was called Hoover Dam in the contracts under which it was built. Hoover Dam, Mr. Cummings concluded, it had better remain.

"Honest" Harold is a thick-skinned old warrior, who hates to

admit he's wrong. He will doubtless continue to call it Boulder Dam, acts of Congress to the contrary notwithstanding.

The rest of the country, however, will doubtless be willing to abide by the law and call it Hoover Dam, especially since Herbert Hoover was largely responsible for its construction. And that will have the responsible for its construction. leave Mr. Ickes where he usually is—a loud-mouthed, mean-spirited minority of one.

[From the San Francisco Chronicle of January 29, 1939] HOOVER DAM-SO MR. ICKES WAS WRONG

At last it can be told.

That dam controversy is settled.
Secretary Ickes to the contrary notwithstanding, it is Hoover am, not Boulder Dam.

Dam, not Boulder Dam.

Railroad and post-office maps to the contrary notwithstanding, it is Hoover Dam, not Boulder Dam.

Brochures, pamphlets, guidebooks, road signs, and the Democratic National Committee notwithstanding, it is Hoover Dam, not Boulder

It took a long time to get the low-down, but it's a matter of public record now.

LONG-HIDDEN TRUTH

The private papers of Homer Cummings, until recently this coun-The private papers of Homer Cummings, until recently this country's Attorney General, were released to the public by Charles Scribner's Sons, which is publishing selected correspondence in book form, and the long-hidden truth about the correct legal name for the world's greatest dam came to light.

They disclose a hitherto unknown sidelight on the antics of Interior Secretary Ickes in his persistent determination to prevent a former President of the United States from being memorialized. The correspondence does not mention that Secretary Ickes and former President Hoover were of opposite political faiths, but it does mention Ickes' opinion of those who disagreed with him.

They were "reactionary Republican papers" and they "roundly condemned" him.

The record now shows they happened to be right and the Secre-

The record now shows they happened to be right and the Secretary happened to be wrong, but one thing Secretary Ickes has demonstrated is that he can stick to it, right or wrong.

WROTE TO CUMMINGS

WROTE TO CUMMINGS

Under date of January 17, 1935, Ickes wrote the then Attorney General Cummings that a bill of complaint in a Federal suit against the State of Arizona contained reference to "water discharged at Hoover (Boulder) Dam," and that gave him "nothing at all to cheer about," because, Ickes wrote:

"Having gone to great lengths to give to Boulder Dam its original and proper name, which my predecessor in office (Secretary Wilbur) attempted feloniously to take from it, for which praiseworthy and meritorious public act I have been roundly condemned by reactionary Republican papers in all parts of the country. I may say that the reference in this bill of complaint to 'Hoover Dam' gives me nothing at all to cheer about."

Despite the Secretary's gratuitous and altogether casual handling of his felonies, however, and despite the terrible things the reactionary Republican papers said about him, official Government records at that time and ever since designate the huge man-made barrier in the canyon as Hoover Dam.

barrier in the canyon as Hoover Dam.

CUMMINGS IN REPLY

Attorney General Cummings so informed the honorable Secretary in his reply, dated January 21, 1935. The Attorney General observed that he was "not surprised" at "dear Harold's" perturbation,

"The difficulty in this particular instance seems to grow out of the fact that while the term 'Boulder Dam' is used as often as pos-sible and scattered somewhat promiscuously in strategic places in

the bill of complaint, nevertheless the drafters of that document seemed to feel it necessary in describing the dam to use the title employed by the Congress in the acts of appropriating money for its construction. I believe these acts refer to the dam as 'Hoover Dam.' Moreover, the dam is referred to as Hoover Dam in the contract between the United States and the Metropolitan Water District, under which contract, I understand, the dam is actually being constructed.

"Our department was not aware that you had officially rechristened the dam, or that there had been any change in its technical name since the order of Secretary Wilbur made on the 17th of September 1930.

"I rather doubt whether it is feasible to do anything about the matter at this late date, even if it were deemed appropriate so to do. In other words, it looks to me very much like water over the Hoover (Boulder) Dam."

IT'S HOOVER DAM

So it may be Boulder Dam to Secretary Ickes, but to the rest of the people of the United States, by no less than congressional action, it is Hoover Dam.

It's just the Army that's out of step with the honorable Secretary. But it was a swell fight while it lasted.

Thank you, Mr. Cummings, because at last—
That dam thing's settled.

WHY, MR. ICKES! (By Ed Ainsworth)

It is Hoover Dam and not Boulder Dam after all.

Even Harold Ickes knows it and has known it ever since 1935. And none other than Homer S. Cummings, then United States

Attorney General, told him so.

Attorney General, told him so.

This concluding and conclusive chapter in the long war over
"What's in a name?" has just come to light with the publication
of Selected Papers of Homer Cummings, edited by Carl Brent
Swisher and published by Charles Scribner's Sons.

The Hoover Dam versus Boulder Dam controversy has been going
on almost ever since Secretary of the Interior Ickes took office in

One of the first things Ickes did was to announce that the "Hoover" was out and the "Boulder" was in. He just overlooked one important detail. This was that he didn't have the power to change the name of the dam, no matter how much he personally disliked Herbert Hoover.

The following two letters tell the story. This first one is from

Ickes to Cummings:

"JANUARY 17, 1935.

"DEAR HOMER: On page 4 of the bill of complaint in the case of The United States of America, plaintiff, v. The State of Arizona, defendant, there is a reference to 'water discharged at Hoover (Boulder) Dam.' Having gone to great lengths to give to Boulder (Boulder) Dam. Having gone to great lengths to give to Boulder Dam its original and proper name, which my predecessor in office attempted feloniously to take from it, for which praiseworthy and meritorious public act I have been roundly condemned by reactionary Republican papers in all parts of the country, I may say that the reference in this bill of complaint to Hoover Dam gives me nothing at all to cheer about. I should have been glad to point out what was undoubtedly merely an inadvertence, but I lacked the opportunity, since I did not see the bill of complaint until after it had been printed and filed with the Supreme Court."

And Attorney General Cummings' reply:

"January 21, 1935.

"Dear Harold: This acknowledges your letter of the 17th of January about Boulder Dam, and I am not surprised by your perturbation. Even in the midst of great events the misuse of a cherished

name is apt to be upsetting.

name is apt to be upsetting.

"The difficulty in this particular instance seems to grow out of the fact that, while the term 'Boulder Dam' is used as often as possible and scattered somewhat promiscuously in strategic places in the bill of complaint, nevertheless the drafters of that document seemed to feel it necessary in describing the dam to use the title employed by the Congress in the acts of appropriating money for its construction. I believe these acts refer to the dam as 'Hoover Dam.' (See 46 Stat. L. 1146; 47 Stat. L. 118; and 47 Stat. L. 535.) Moreover, the dam is referred to as 'Hoover Dam' in the contract between the United States and the Metropolitan Water District, under which contract, I understand, the dam is actually being constructed. dam is actually being constructed.

"Our department was not aware that you had officially re-christened the dam, or that there had been any change in its technical name since the order of Secretary Wilbur made on the

September 17, 1930.

"I rather doubt whether it is feasible to do anything about the matter at this late date, even if it were deemed appropriate so to do. In other words, it looks to me very much like water over the Hoover (Boulder) Dam. When I see you, I shall extend my commiseration in person."

[From the New York Herald Tribune of September 28, 1938] THAT "HOOVER DAM"

So justly famed is our esteemed contemporary, the New York Times, for accuracy that we can only conclude from reading its headlines and special correspondence yesterday that an important

rectification of history has occurred, and that we missed any information about it. Under the heading "Hoover Dam Lake Opens Gold Area," a story sent in to the Times from Las Vegas, Nev., described the potential gold development at a spot "53 miles up Lake Mead from Hoover Dam."

Six years ago no one would have been surprised by this story. "Hoover Dam" was the name by which the structure that retains "Hoover Dam" was the name by which the structure that retains Lake Mead was then known. This name was officially given to it by the then Secretary of the Interior, Dr. Ray Lyman Wilbur, in 1930. the then Secretary of the Interior, Dr. Ray Lyman Wilbur, in 1930. Secretary Ickes had been in office only 2 months when he let it be known that henceforth the dam would be officially called "Boulder Dam." When the country protested that this was mere petty political spite on the part of the administration, Mr. Ickes sought to justify his act by insisting that the name "Boulder Dam" was that which had been originally used, and that there was no authorization for calling it the "Hoover Dam."

The facts of the matter are that the name "Boulder Canyon Project" was used in the original act of Congress authorizing the project, because at that time it had been planned to build the dan in Boulder Canyon. The site was later moved, thus removing all justification for the use of the term "Boulder Dam." When Secretary Wilbur christened it the "Hoover Dam" he did so as a tribute to the

Wilbur christened it the "Hoover Dam" he did so as a tribute to the part played by Mr. Hoover in preparing and carrying out the project beginning with the early surveys and plans while he was still Secretary of Commerce. When Mr. Ickes removed the name of Hoover it was clear that the motives were partisan.

Secretary Ickes indignantly refused to change his decision despite recurring criticism. With vituperative stubbornness he stood by "Boulder Dam"—stood by it, that is, unless, as we have said, a change was made which has escaped our attention. If it is once more to be called the "Hoover Dam," we offer Mr. Ickes our congratulations. If not, we hope that the usage by the New York Times of the term "Hoover Dam" will be copied by other newspapers in the country and that, by acclamation if not by official proclamation, this structure will be known henceforth by the name it should rightly bear—that of Herbert Hoover. bear-that of Herbert Hoover.

[From the Washington Times-Herald of March 4, 1939] BEHIND THE NEWS-CHANGE THE NAME OF HOOVER-BOULDER DAM-S!X!@!, YES, No, OR SOMETHING

(By Paul Mallon)

Ferociously honest Harold Ickes, who is always accusing the press of diabolical inaccuracies, seems to have snared his own large toe in one at least. He has successfully deluded an entire world—mapmakers, press, and movies—into believing that dam out in the Colorado River was Boulder Dam.

A bit of long-suppressed inside history shows an Attorney General of the United States Homer Cummings, ruled that Icker illegally.

of the United States, Homer Cummings, ruled that Ickes illegally changed the name of the dam to Boulder—and so advised the Interior Secretary away back in January 1935. Cummings, then a fellow Cabinet member of the irate Interior Secretary, held the dam was still "Hoover Dam" in honor of the chairman of the committee who brought the Colorado River States into the water committee. pact, Herbert Hoover.

It might never have become public but for an oversight on the part of Cummings. When he left office recently he permitted a writer to have his public papers for publication in book form. Somehow his exchange of letters with Ickes on this subject got into the batch and appeared in the book.

The letters show the world lost two outstanding humorists when

these two took up their careers in politics. The Interior Secretary's letter (January 17, 1935):
"Dear Homes: On page 4 of [your] bill of complaint in the case of The United States of America, plaintiff, v. The State of Arizona, defendant, there is a reference to 'water discharged at Hoover [Boulder] Dam.' Having gone to great lengths to give to Boulder [Boulder] Dam.' Having gone to great lengths to give to Boulder Dam its original and proper name, which my predecessor in office attempted feloniously to take from it, for which praiseworthy and meritorious public act I have been roundly condemned by reactionary Republican papers in all parts of the country, I may say that the reference in this bill of complaint to 'Hoover Dam' gives me nothing at all to cheer about. I should have been glad to point out what was undoubtedly merely an inadvertence, but I lacked the opportunity, since I did not see the bill of complaint until after it had been printed and filed with the Supreme Court."

opportunity, since I did not see the bill of complaint until after it had been printed and filed with the Supreme Court."

The Cummings reply (January 21, 1935):

"Dear Harold: This acknowledges your letter of the 17th of January about Boulder Dam, and I am not surprised by your perturbation. Even in the midst of great events the misuse of a cherished name is apt to be upsetting.

"The difficulty in this particular instance seems to grow out of

"The difficulty in this particular instance seems to grow out of the fact that while the term 'Boulder Dam' is used as often as possible and scattered somewhat promiscuously in strategic places in the bill of complaint, nevertheless the drafters of that document seemed to feel it necessary in describing the dam to use the title employed by Congress in acts appropriating money for its construction

employed by Congress in acts appropriating mohey for its construction.

"I believe these acts refer to the dam as 'Hoover Dam.' (See 46 Stat. L. 1146; 47 Stat. L. 118; 47 Stat. L. 535.) Moreover, the dam is referred to as 'Hoover Dam.' in the contract between the United States and the Metropolitan Water District, under which contract, I understand, the dam is actually being constructed. Our department was not aware that you had officially rechristened the

dam, or that there had been any change in its technical name since the order of Secretary Wilbur, made on September 17, 1930.

"I rather doubt whether it is feasible to do anything about the

rather at this late day, even if it were deemed appropriate to do so. In other words, it looks to me very much like water over the Hoover (Boulder) Dam. When I see you, I shall extend my commiseration in person."

Thus apparently the dam has been Hoover Dam legally for 4 years, although no one knew it except Messrs. Cummings and

Unless the new Attorney General Frank Murphy will take a less legal and more Ickesian view of the Interior Secretary's predicament, apparently it will remain Hoover Dam.

The Reciprocal Trade Agreement Program

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 26, 1939

STATEMENT BY ALBERT J. HUTZLER

Mr. HOUSTON. Mr. Speaker, under unanimous consent to extend my remarks in the Record, I include a statement by Albert J. Hutzler on the 1938 results under the reciprocal trade agreements program, as follows:

[From Commerce Reports of February 18, 1939—Issued by the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce]

1938 RESULTS UNDER THE RECIPROCAL TRADE AGREEMENTS PROGRAM (By Albert J. Hutzler, Trade Agreements Unit)

During the year 1938, United States exports to both the group of 17 countries with which reciprocal-trade agreements had been concluded and to the group of nonagreement countries decreased, the rate of decline being slightly smaller to the agreement group than to the nonagreement group. Taking an annual average for

than to the nonagreement group. Taking an annual average for the past 2 years, however, exports to agreement countries have shown a much greater rate of increase over the preagreement period 1934–35 than average exports to the nonagreement group. The value of total imports into the United States during 1938 declined sharply from the relatively high level of the preceding year, with a lesser rate of decline from the agreement group than from the nonagreement country group. During the 2-year period 1937–38, the increase in imports from the agreement country group over the 2-year preagreement period was less than the average increase in exports to those countries.

RELATIVE CHANGE IN EXPORTS

While United States exports experienced a moderate decline in 1938 from the level of 1937, the exports from this country have shown smaller declines than those from most other countries. Ex-1938 from the level of 1937, the exports from this country have shown smaller declines than those from most other countries. Exports from this country remained at high levels in 1938 because of the continued demand abroad for American aircraft, machinery, and metal manufactures, and because of the large surpluses of wheat, corn, fruit, tobacco, and other agricultural commodities, some of which were again available for export from this country. The demand for American machinery and metal manufactures has continued strong, due in a considerable measure to the heavy requirements of the rearmament programs of several European countries which have prevented those normally large exporting countries from supplying both export and domestic demands.

In 1938 there was a net decline of 6.8 percent compared to 1937 in the value of exports to the 17 agreement countries (not including the United Kingdom, with which an agreement became effective only on January 1, 1939), while the decline in exports to all other countries during the same period averaged 8.1 percent. In contrast to the general trend, exports to the Netherlands (including overseas territories), Switzerland, Czechoslovakia, Honduras, Colombia, and Costa Rica, of the agreement group, were greater in 1938 than in 1937.

That exports to the nonagreement group as a whole during the same periods did not show a greater decline was due largely to the continued high level of exports to the United Kingdom and to increases in exports to Norway, the Union of Soviet Socialist Penylliss, and some other countries. Exports to the United Kingdom and to increases in exports to Norway, the Union of Soviet Socialist Penylliss, and some other countries. Exports to the United Kingdom and to increases in exports to Norway, the Union of Soviet Socialist Penylliss, and some other countries. Exports to the United Kingdom and to increases in exports to Norway, the Union of Soviet Socialist.

and to increases in exports to Norway, the Union of Soviet Socialist Republics, and some other countries. Exports to the United Kingdom accounted, roughly, for one-third of the exports to the nonagreement group. Although United States exports of cotton to the United Kingdom declined in 1938, total exports to that country were well maintained for the year because of increased shipments of petroleum products, wheat, tobacco, and other agricultural products. Exports as a whole to the Union of Soviet Socialist Republics experienced a large gain in 1938 over the previous year, mainly because of the substantial gain in exports of machinery, particularly metal-working machinery.

metal-working machinery.

The comparison of exports during the 2-year agreement period which closed on December 31, 1938, with the 2-year preagreement period of 1934-35 shows a definitely greater average rate of increase in exports from the United States to the group of agreement countries than to the nonagreement countries as a whole. Exports to the agreement group in the 2-year period 1937-38 were greater in value by 61.2 percent than the average for the preagreement period 1934-35, while exports to all other countries increased by an average of only 37.9 percent in value.

During the past few years there have been several powerful forces other than trade agreements which have served to increase and then

During the past few years there have been several powerful forces other than trade agreements which have served to increase and then to maintain American foreign trade above the levels that previously prevailed. However, it seems significant that, in comparison with the two preagreement years 1934–35, during the past 2 years our exports have experienced a much greater rate of increase to trade agreement countries which have reduced or stabilized their tariffs or other trade barriers on distinctive American products than our exports to the nonagreement group.

RELATIVE CHANGE IN IMPORTS

As previously indicated, imports into the United States during 1938 experienced a marked decline in comparison with 1937. This as previously indicated, imports into the United States during 1938 experienced a marked decline in comparison with 1937. This decline in imports is generally attributed to the recession in business, and to the large domestic supply of agricultural products which, in contrast to the previous year, was more than ample for this country's needs. While most categories of imports declined in 1938, the decline was particularly severe in imports of certain raw materials, notably rubber, tin, wool, hides and skins, and certain farm products such as grain, fodder, and oil seeds. Beginning in the latter months of 1937, the demand for certain imported raw materials lessened considerably with the decline in industrial activity in this country and, in the case of some products, prices decreased markedly. Also, beginning in the latter months of 1937, the domestic supply of certain agricultural products became substantial enough to eliminate the necessity for large-scale importations of these products. It so happens that imports of the raw materials and agricultural products in question had been obtainable mainly in nonagreement countries. Consequently the percentage of decline in the value of imports in 1938 was greater for nonagreement countries as a whole than for the agreement group.

Table 1.—United States foreign trade with trade-agreement coun-

Table 1.—United States foreign trade with trade-agreement countries and with all others, 1938 compared with 1937, and 1937-38 compared with 1934-35

	Comp	arison of	1938 with	1937	Comparison of 1937-38 with 1934-35				
Item			Chan	ge	1934 and	1937 and	Change		
	1937 value	1938 value	Value	Per- cent	1935 aver- age value	1938 aver- age value	Value	Per- cent	
United States exports, including reexports									
Total, all trade- agreement coun- tries 1	1, 267. 9	1, 181.8	-86.1	-6.8	759. 8	1, 224. 8	+465.0	+61.2	
ment countries	2, 081. 2	1, 912. 3	-168.9	-8.1	1, 448. 0	1, 996. 8	+548.8	+37.9	
Total, all countries		3, 094. 1	-255.1	-7.6	2, 207. 8	3, 221. 6	+1,013.8	+45.9	
United States general imports						2500			
Total, all trade- agreement coun- tries 1	1, 254. 7	892. 5	-362. 2	-28.9	793, 9	1, 073. 6	+297.7	+35. 2	
ment countries	1,829.0	1,068.0	-761.0	-41.6	1, 057. 4	1, 448. 5	+391.1	+37.0	
Total, all countries	3, 083. 7	1, 960. 5	-1, 123. 2	-36. 4	1,851.3	2, 522. 1	+670.8	+36.2	

¹ Including the 17 countries (and colonies) with which agreements were in operation during the greater part of the last 12 months. Only 1 of the agreements was in operation throughout 1935, 6 throughout 1936, 12 by the middle of 1936, 15 by the middle of 1937, and 18 by the end of 1938. The last (with Ecuador) only came into force on Oct. 23, 1938, and is therefore not yet included in the above calculations as an agreement country. The new agreement with Canada, and the agreement with the United Kingdom (including Newfoundland and non-self-governing British colonies) which became effective Jan. 1, 1939, bring the number of agreement countries up to 19. GENERAL NOTE.—Percentage changes have been calculated upon fuller figures

in thousands.

Source: Latest records of Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce.

In 1928 there was a decline of 28.9 percent over 1937 in imports into the United States from the group of agreement countries, whereas imports during the same period of comparison from the nonagreement countries declined by 41.6 percent. In

the broader comparison between the 2-year period 1937–38 and the preagreement period 1934–35, the increase in imports into the United States from agreement countries averaged 35.2 percent, while imports from the nonagreement group increased 37 cent, while imports from the nonagreement group increased 37 percent. That imports from nonagreement countries during the 2-year period increased at a greater rate than imports from agreement countries, whereas a contrary tendency would normally have been expected, is due to the heavy imports of raw materials and agricultural products, mainly from nonagreement countries during 1937, to which attention has already been called. In 1938 this abnormal tendency was reversed and imports from agreement countries showed a smaller rate of decline in imports than from nonagreement countries. than from nonagreement countries.

COMPARATIVE CHANGES IN EXPORTS AND IMPORTS

United States exports during 1938 to the agreement countries as a whole decreased about \$86,000,000 from the levels of 1937, while the year's decrease in imports into the United States from the same countries was about \$362,000,000.

Taking a broader view, a comparison of the past 2 years with the preagreement years of 1934 and 1935 shows an increase in exports to the agreement countries group averaging about \$465,-000,000 annually, and an increase in imports from the same countries averaging approximately \$280,000,000 annually.

PROGRESS OF PROGRAM—RECENT AGREEMENTS CONCLUDED—NEGOTIATIONS ANNOUNCED

With the conclusion of the trade agreement between the United States and the United Kingdom in November 1938, the reciprocal trade agreements program assumed greater proportions as a trade-enlarging influence. At the same time a second agreement with Canada was signed, superseding the first agreement concluded at the end of 1935, and an agreement was concluded in the latter part of 1938 with Ecuador. The 19 countries with which reciprocaltrade agreements are now in operation, together with their colonies, account for approximately 60 percent of the total foreign trade of the United States.

The trade agreement between the United States and the United Kingdom, which became effective January 1, 1939, covers not only the trade between these two countries, the largest trading countries in the world, but also the trade of the United States with Newfoundland and the non-self-governing British colonies. The importance of this agreement may be judged by the fact that the trade of the United States with the United Kingdom and the other areas covered by the agreement constitutes nearly one-fifth of our trade with the world as a whole. The United Kingdom is generally the largest world as a whole. The United Kingdom is generally the largest market for our exports and ranks among the three leading countries

as a source of our imports. Our trade with some of the more than 50 British colonies to which the agreement relates is also large.

The second agreement with Canada, which became effective Janu-

ary 1, 1939, considerably enlarged the undertakings by each Government, since the experience of both countries under the first agree-ment had been considered to have been highly satisfactory. In recent years Canada has closely followed the United Kingdom as the best customer for our exports, taking about one-seventh of the total. Canada is much the largest source of imports into the United States.

The agreement with Ecuador will enable the United States to retain its already favorable trade position in that country, as well as

provide new opportunities for expansion.

During 1938 announcements were made of the intention to negotiate agreements with Turkey and Venezuela and a limited supplemental agreement with Cuba.

TABLE 2.—United States trade with agreement countries, and with countries announced for negotiation [Values in millions of dollars]

Export	s, 1938	Imports, 1938		
Value	Percent of total	Value	Percent of total	
3, 094. 1	100.0	1, 960. 5	100.0	
1, 784. 7	57.7	1, 181. 2	60. 2	
65. 5	2.1	39. 0	2.0	
13. 2 52. 3		19. 0 20. 0		
	Value 3,094.1 1,784.7 65.5 13.2	value of total 3,094.1 100.0 1,784.7 57.7 65.5 2.1 13.2	Value Percent of total Value 3,094.1 100.0 1,960.5 1,784.7 57.7 1,181.2 65.5 2.1 39.0 13.2 19.0	

¹ Includes agreement with Ecuador which became effective Oct. 23, 1938. Also, the new agreement with Canada, and the agreement with the United Kingdom (including Newfoundland and non-self-governing British colonies), both of which became effective Jan. 1, 1939.

59.8

1, 850, 2

1, 220, 2

62.2

Total, countries with agreements con-cluded or announced for negotiations.

(Commerce Reports carries a section each week devoted to an up-to-date list of all countries with which trade agreements have been concluded by the United States, together with the official texts of any current announcements as to new countries with which negotiations have been announced, and details as to dates and directions or presentation of views to the Committee for Reciprocity Information.)

Table 3.—United States trade with individual trade-agreement countries, 1934-38 (Values in millions of dollars)

			The second	and the same of the		250.00	1						-
Trade-agreement countries (in order of effective dates) Dates effective	4 11	United States exports, including reexports					S	United States general imports					
	Dates effec-	1934 and	1937 and	1937	1938 value	Percentage change		1934 and	1937 and	1937	1020	Percer	
			1938 average value	e value		1937–38 over 1934–35	1938 over 1937	1935 average value	1938 average value	value	1938 value	1937–38 over 1934–35	1938 over 1937
Total, all trade-agreement countries Cuba. Belgium. Haiti Sweden. Brazil Canada. Netherlands (including overseas	Sept. 3, 1934 May 1, 1935 June 3, 1935 Aug. 5, 1935 Jan. 1, 1936	759. 8 52. 7 54. 2 3. 3 35. 6 42. 0 312. 8	1, 224. 8 84. 3 86. 1 3. 9 64. 3 65. 3 488. 5	1, 267. 9 92. 3 95. 3 4. 1 64. 5 68. 6 509. 3	1, 181. 8 76. 3 76. 9 3. 6 64. 2 62. 0 467. 7	+61. 2 +59. 9 +59. 1 +15. 6 +80. 5 +55. 5 +56. 2	-6.8 -17.3 -19.3 -10.8 3 -9.7 -8.2	793, 9 91, 6 33, 0 1, 2 37, 6 95, 6 259, 1	1, 073. 6 126. 8 58. 4 2, 9 51. 9 109. 3 329. 3	1, 254. 7 148. 0 75. 1 2. 9 58. 7 120. 6 398. 3	892. 5 105. 8 41. 7 3. 0 45. 1 97. 9 260. 3	+35. 2 +38. 5 +77. 0 +146. 0 +38. 0 +14. 3 +27. 1	-28. -28. -44. +2. -23. -18. -34.
Netherlands (including overseas territories) 1 Netherlands proper Netherlands Indies Netherlands West Indies. Switzerland 2 Honduras Colombia Guatemala France (including colonies) 3 France proper Nicaragua Finland El Salvador Costa Rica Czechoslovakia 4 Total, all nonagreement countries Total, all countries	Feb. 15, 1936 Mar. 2, 1936 May 20, 1936 June 15, 1936 June 16, 1936 Oct. 1, 1936 Nov. 2, 1936 May 31, 1937 Aug. 2, 1937 Apr. 16, 1938	74. 9 50. 0 10. 5 13. 9 8. 0 5. 8 21. 8 4. 0 { 127. 4 116. 4 116. 4 2. 5 6. 1 3. 0 2. 7 3. 0 1,448. 0 2,207. 8	160. 6 95. 1 26. 3 38. 5 10. 1 5. 9 40. 0 7. 2 164. 8 149. 2 3. 1 12. 1 3. 6 5. 0 19. 9 1, 996. 8 3, 221. 6	153. 5 93. 5 25. 1 34. 2 9. 6 5. 6 39. 2 7. 6 181. 4 164. 5 3. 4 12. 3 3. 6 4. 5 13. 2 2, 081. 2 2, 081. 2 3, 349. 2	167. 8 96. 8 27. 5 42. 8 10. 6 6. 3 40. 9 6. 9 148. 3 133. 8 2. 8 12. 0 3. 5 5. 4 26. 5 1, 912. 3	+114.4 +90.1 +151.0 +177.0 +26.0 +83.8 +81.2 +29.4 +28.2 +24.8 +100.4 +20.0 +82.3 +563.4 +37.9 +45.9	+9.4 +3.5 +9.9 +25.1 +10.0 +13.0 -18.3 -18.7 -15.5 -2.2 -2.8 +21.7 +100.2 -8.1 -7.6	92. 6 34. 5 46. 4 10. 7 7. 0 48. 8 5. 3 67. 7 59. 6 2. 2 10. 6 3. 7 2. 6 19. 5 1, 057. 4 1, 851. 3	157. 4 42. 3 92. 0 20. 0 25. 0 5. 7 50. 9 9. 6 82. 8 64. 8 2. 8 17. 8 7. 1 4. 3 31. 7 1, 448. 5 2, 522. 1	191. 0 53. 3 115. 2 19. 5 26. 9 5. 7 52. 3 9. 6 94. 7 75. 6 8. 6 4. 4 37. 2 1, 829. 0 3, 083. 7	123. 7 31. 4 68. 7 20. 6 23. 0 5. 7 49. 4 9. 5 70. 8 54. 1 2. 5 18. 1 26. 2 1, 068. 0 1, 960. 5	+70.0 +22.6 +93.3 +86.6 -18.9 +4.3 +79.1 +22.2 +88.5 +96.5 +96.5 +62.6 +37.0 +36.2	-35. -41. -40. +5. -14. +. -5. -25. -28. -20. +22. -33. -7. -29. -41.

1 These figures include Surinam (Dutch Guiana) the trade with which is too small to warrant individual listing.

1 United States statistics show only a small portion of the actual exports to Switzerland as most of the exports are transshipped through a third country and are shown as exports to the third country. Therefore too much significance should not be attached to the statistics of exports to Switzerland.

3 These figures include all French colonies. Only France proper is listed separately.

4 Agreement became effective Apr. 16, 1938. The statistics of exports to Czechoslovakia are not representative of the actual trade as many shipments are declared as destined to third countries from which they are transshipped to Czechoslovakia. This was particularly true prior to 1938 during which year a larger share of exports to Czechoslovakia. slovakia was consigned direct.

GENERAL NOTE.—Percentage changes have been calculated upon fuller figures in thousands.

Source: Latest records of Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce.

The Republican Formula—"A Fair Chance for a Free People"

EXTENSION OF REMARKS

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1939

RADIO ADDRESS BY HON. KARL E. MUNDT, OF SOUTH DAKOTA, APRIL 22, 1989

Mr. MUNDT. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by me over the radio on Saturday last:

Good afternoon ladies and gentlemen, it has frequently been said of American democracy that "ours is a government by discussion," and I believe that there is considerable of truth in that statement. While many other governments have become governments by bullets or by bayonets, by coercion and by concentration camps, by dictation and by decree, the American system, praise God, still remains government by discussion.

"THE GOVERNMENT IS TOO MUCH WITH US'

That being the case, it follows as the night the day that in this country we can have the type of government we desire, because we determine it by discussion, and it has become an American axiom that we always have the kind of government that we deserve. When people spend too much time discussing golf scores and bridge hands or busy themselves too much with business or babies, to the exclusion of any attention to their National Government, we find men elected to serve the people coming to feel that the people spends sion of any attention to their national deviations, as the people should serve them instead, and we find, as I presume Shakespeare would have put it, that "the Government is too much with us." It squanders our money, it meddles in our private affairs, it cripples our progress with back-breaking taxes, it tampers with the American formula for success, it discards our traditions and violates our ideals, and all because we are too busy or too dull, or too weak or too timed. and all because we are too busy, or too dull, or too weak, or too timid to discuss government freely. frankly, and openly, so that we can arrive at conclusions which today are so apparent that they become as inevitable as conclusions in mathematics, once we survey the

And surely the time has come when we should, all of us, spend And surely the time has come when we should, all of us, spend more time discussing Government. America has not come over 150 years to live in a perpetual state of depression, nor did we reach the pinnacle of national success simply to move back permanently to the valleys of distress, disappointment, and depression. Our history has always been dotted with a series of economic curves—of ups and downs, with each "up" being higher and more universally enjoyed than any previous one. But this "down" which now engulfs us has lasted so long and remains so bad that it is coming to resemble more a complete economic collapse than a recurring resemble more a complete economic collapse than a recurring economic curve.

So as we worry along in this seventh successive year of the Franklin Roosevelt depression it is high time that all of us analyze clearly and convincingly this "deal" which is no longer "new," to try to discover what there is about it which is perpetuating so needlessly and so unhappily the era of the depression.

A NEW RECORD FOR THE NEW DEAL

This misnamed New Deal administration now seems destined to hang up a new record in American history as the only 8-year Presidential regime to keep this country on its knees for its entire administration and to rule from its inauguration to its exit without a single sample of the traditional American prosperity of which we have always had at least a taste during other octennial intervals. have always had at least a taste during other occennial intervals. Such continuous failure cannot mean that America has run its course—it means, instead, that too much tampering with the American system has brought us the Old World poverty for the time being along with the Old World economic ideals and politices which the New Deal has been so energetically importing.

Any fair and full analysis of the underlying political philosophy of the Roosevelt regime reveals one simple fact so clearly that to fail to recognize it is to fail to read the evidence—that basic rule of government is that the New Deal has adopted from the Old World the idea that the central government must exercise complete control over the activities of the average citizen. The New Deal has readily a support of the second of the readily in the belief but the all Deal may be credited with sincerity in this belief, but in all events it must be charged with stupidity in believing that any central government under any president could ever promote prosperity in a complex country like ours by giving to bureaucrats and political overlords the managerial rights which belong to the businessman, the laborer, the farmer, and the average citizen in a free democratic government such as ours was prior to the advent of this "new dementia."

F. D. R. BECOMES "H. D."

President Roosevelt now occupies the unenviable position of the Humpty Dumpty of Mother Goose fame and it will require the best efforts of all this country's money and all this country's men to put our house in order again and start a new era of traditional American prosperity and opportunity. The Roosevelt philosophy of unrestricted Government authority over everybody has failed, as it was bound to fail in a democratic society. The price we would have to pay for even a semblance of success under such a prevailing Government attitude would be to submit to the processes of dictatorship, and that price is too high to pay for the sorry samples of success which similar governmental attitudes have scored in Russia, Germany, and Italy. This zeal for unrestricted control is evidenced by the Court-packing program, the N. R. A., the political administration of relief, the Presidential purge, the first reorganization bill, and dozens of equally significant if less sensational manifestations of the do it from Washington theory of government. theory of government.

WOLVES IN SHEEP'S CLOTHING

By the device of selecting social and economic goals which all Americans admire, the New Deal has preached liberalism and practiced reaction to the point of Government domination unparalleled in history. It has sold the American public more economic wolves under the mantle of "adjectiverous" sheep's clothing than any other administration in America. But the protective mantle is breaking down, the political wolves have bared their fangs, and the taxpayers, the unemployed workers, the underpaid farmers, and thoughtful citizens everywhere are beginning to recover from their dreams of delivious.

A FAIR CHANCE FOR A FREE PEOPLE

The result of this economic chaos and national confusion points definitely to a sweeping Republican victory in the 1940 elections. Consequently the Republican Party now faces the greatest responsibility in its history; ours is the job to restore order out of chaos, prosperity out of poverty, business out of bungling, increased purchasing power to replace the crippling influence of curtailed production, and to restore the rights of self-government following this period of government decrees from self-nominated political princes of privilege. I suggest as the basic philosophy on which the Re-publican Party can march to victory, and after that lead the march to recovery, that we adopt as the goal of self-government under republicanism the objective described by the following formula: A fair chance for a free people. That, to me, is what America should offer to its citizens; that is what the Republican Party should provide under its incoming administration—a fair chance for a

No honest man should ask for more and no dishonest man should be given less than a fair chance to prove his merit, and the Government should not take away any more freedom of choice and freedom of control than is necessary to guarantee to Americans in all walks of life and in all occupational pursuits a fair chance to succeed.

chance to succeed.

Under the program of a fair chance for a free people, America can give labor honest jobs instead of political doles; it can give farmers fair prices for full crops instead of subsidies for obeying Government mandates; it can enable business to operate for profit and expand with confidence instead of fearfully marking time while conflicting Executive decrees demand an ever-changing course of conduct. The Republican Party can on such a platform achieve the goals which the present administration merely admires and acclaims; it can bring America back from a hazardous and unnecessary desige to meddle in foreign boundary disputes and unnecessary desire to meddle in foreign boundary disputes and concentrate our activities upon the No. 1 job of making democracy work at home; instead of dissipating its efforts in loud talk about work at home; instead of dissipating its efforts in loud talk about saving democracy for the world it can register definite progress in saving democracy in America. Our people have lost neither the ability nor the inclination to govern themselves and to solve their own problems while constantly climbing the ladder toward social and economic betterment—they are tired of ignoring the ladder in vain attempts to jump over the moon in one leap, and the inevitable fall after each jump is breaking the morale and the machinery of our traditional processes of self-government. It is time for a change, and under a Republican administration after 1940 let us all join in making that change so effective and so permanent that the American goal of a fair chance for a free people will once again be the maxim by which this country forges forward just as we grew to be a country so strong and so sound under it that even 7 extravagant years of maladministration have not destroyed our bounce nor broken our hopes.

AMERICA NEED NOT GO TO WAR

AMERICA NEED NOT GO TO WAR

Included in these hopes which I am sure are shared by everyone

in this radio circle this afternoon is that biggest most heartfelt hope of all, namely that America may remain at peace.

And coming from Washington just a few hours ago as I have, let me assure those of you who may be in less direct contact with your National Government than I, that anyone talking about

America's going to war these days is doing so either for private profit or political preferment, because we never have had less actual reason for meddling in European boundary disputes than we

have today.

Alined on both sides of these disputes are governments which borrowed our money freely both before the World War and after, and just as freely broke their promises to pay it back.

Alined on both sides of these disputes are governmental forms which are equally antagonistic and repulsive to American democracy. The current European crisis is no ideological quarrel; it is the age-old fight of imperialistic nations whose dollar diplomacy and power politics inevitably and intermittently lead to war and always will.

MAKE DEMOCRACY WORK AT HOME

Woodrow Wilson led us into one ghastly war to attempt to change human nature in Europe and we failed. We must all unite to keep another Democratic President from leading us into another conflict which this time might well destroy the last remnants of

the democracy it purports to protect.

America has no love for either the German putsch, the Italian invasion, the Japanese grab, or the Russian purge. We must not waste the life of a single American boy in overseas warfare to advance or repel either fascism or communism in the Old World.

Let us instead make our democracy work at home, by so doing we will most helpfully contribute to the spread of Christian and democratic ideals throughout the world. And in the job of making democracy work at home we no longer have so far to look ahead. Life begins anew for America in 1940 with a rededication to the principles of a fair chance for a free people in the finest country of the world.

Welcome, Archbishop Spellman

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, Members of the House, in these days of turbulence and violence abroad, with the dark clouds of war suspended over all of Europe, striking terror to the hearts of every man, woman, and child in foreign lands, an event has taken place in our great country during these last few days which is of great moment to those of us who turn for guidance in times of great stress to the spiritual influences of the church. His Holiness Pope Pius XII, the Prince of Peace, in his infinite wisdom has stretched his hand across the sea to bestow his blessing upon the Right Reverend Francis J. Spellman, auxiliary bishop of Boston, appointing him archbishop of New York to replace the dearly beloved and late lamented Cardinal Hayes. His Excellency will act as spiritual adviser to the thousands of Catholics in the largest and wealthiest archdiocese in the world. He is a most worthy emissary of the Pope of Rome, and due to his many years of association with the former Cardinal Pacelli will reflect many of the theories and ideals of His Holiness which will serve to strengthen the bond uniting the Catholics of our Nation. To the many thousands in the archdiocese of New York he is the new shepherd of their flock, and the wisdom of his vast experience is greatly needed at this time; under his spiritual guidance we need harbor no fears that any will stray from the fold. I wish him health and an abundance of strength to carry on the great work which lies before him. The archbishop of the archdiocese of New York is not only the head of thousands of Catholics, he is a first citizen. His work is administrative as well as religious in ministering to the needs of his people; his concerns are civic as well as philanthropic. I am confident he will take great pride in continuing the fine record of achievement attained by the Catholic Charities organization in New York City for the benefit of the poor and the sick and the needy.

I am very glad, therefore, Mr. Speaker, of the opportunity of paying tribute today to Archbishop-elect Spellman, who has had a most distinguished career as one of the outstanding scholars of the Roman Catholic Church. He is in every

respect a worthy successor to that long list of notable and beloved men who have held the high office of archbishop of the archdiocese of the great Empire State of New York, one of the great strongholds of the Catholic faith.

The Crisis in Democracy

EXTENSION OF REMARKS

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 26, 1939

ADDRESS BY DR. H. G. HARMON, PRESIDENT OF WILLIAM WOODS COLLEGE

Mr. CANNON of Missouri. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I desire to include the following timely and scholarly address delivered by Dr. H. G. Harmon, president of William Woods College, at Fulton, Mo., March 25, 1939:

The framers of the Constitution of the United States used the term, "We, the people of the United States." In speaking of "We, the people," they spoke of the hopes, ambitions, and aspirations of all of the people as they tried to establish freedom in a new government. Not much time had passed before they realized that the hopes and ambitions of the people must be entrusted to political parties. In the hands of the major political party, now the Demo-cratic Party, lies the realization of the hopes of "We, the people." The privileges of such a position are secondary. Its responsibili-

ties are primary. The execution of these responsibilities is at once difficult and imperative—difficult because of the nature of the virtues demanded. In April of 1917 Woodrow Wilson said, "It is far lighter work to pioneer, needing merely muscle and physical courage, than to patiently and resolutely face the problems of a crowded and perplexing civilization." In an earlier day of American history all of the malcontent, the extremely radical, the ultraconservative, and those for one reason or another were at outs with their party or their Government could go west and there lose themselves in physical exertion in the unexplored wilderness of free land. Now man has completed his trek westward, and there is no longer any free west into which may be shunted the malcontent. Thus, we have come to the period in our political history where we must "patiently and resolutely face the problems of a crowded and perplexing civilization." Patience and resolution are characteristics which a political party develop only through great and intelligent effort. virtues demanded. In April of 1917 Woodrow Wilson said, "It is far

The discharge of this primary responsibility is imperative because the existence of democracy is challenged. The alinement of world powers today is pro and antidemocratic. Even Fascists, Nazis, Communists, and Monarchists—the antis—will join hands against democracy. Democracy cannot be taken for granted. Its con-

democracy. Democracy cannot be taken for granted. Its continuance must be nutrured.

Democracy is in a crisis. The threat of dictators is not the most significant or alarming symptom of crisis. The gravest symptoms of crisis are inherent in the working of democracy today under the present economic, social, and international situations. It is these internal problems which we of democracy must solve if we are to be worthy disciples of Jefferson, Jackson, Cleveland, Wilson, and Franklin Roosevelt and if we are to merit the gift of the millions who have died for freedom and the attentions of the billions who look to us as an example of a free people

lions who have died for freedom and the attentions of the billions who look to us as an example of a free people.

Let us see the conflicts which arise in the mechanism of a democracy. Last spring Mr. William E. Rappard. director of the Institute of International Studies, of Geneva, Switzerland, delivered the Harris Foundation lectures at the University of Chicago. Mr. Rappard is one of the finest diagnosticians in political life today and at the same time one of the truest friends of democracy. In delivering his lectures he brought to our attention three conflicts which have arisen in American democracy. He left them in the which have arisen in American democracy. He left them in the field of theory. I wish, if I may, to give them application to the political existence of today.

In the first place, there is the conflict of individual liberty and

In the first place, there is the conflict of individual liberty and social equality. The writers of the Declaration of Independence held it to be a self-evident truth that men were "free and equal." It was natural that in a post-revolutionary and colonial life the emphasis was placed upon liberty, for we had just emerged from a war the slogan of which was "Freedom and liberty," and the economic conditions of colonial life provided of necessity a certain degree of equality. Imbued as we were with the dream of liberty, it soon was apparent that we should have to place certain restrictions upon liberty. I shall not trace these historically, but shall cite some of the more recent restrictions which we found it necessary to place upon the liberty of even a free people.

Recently we have found it necessary to pass labor legislation by which man is no longer free to work as he pleases. We have set limits to the time he works, how much or how little he may receive which man is no longer free to work as he pleases. We have set limits to the time he works, how much or how little he may receive for his work, and the conditions under which he may work. We have found it necessary to control the whole machinery of production, saying how much land may be seeded, how many animals may be raised on a farm, how much a factory can produce, how many days a week a factory may operate, and how much profit it may make. As production has been controlled, so has consumption, until the Government has found it necessary to tell us, by setting limits, what we may buy, what we should pay, and what we may do with the purchased goods. Likewise, we have been denied the privilege of being as reckless as we may care to with human life, and the program of social legislation has provided security and dignity for those in the latter periods of life. Obviously we have found it necessary to restrict liberty.

This is seen in sharp contrast in recent political life. I would characterize the period of Presidents Harding and Coolidge as one which emphasized liberty. Here we saw unrestrained economic exploitation. Men could build estates as large as it was possible to build them, although there were millions unemployed and hungry. Calvin Coolidge carried to extreme a policy of "let alone" with labor. In other words, capital was left free to exploit labor without defense for labor. During this period we saw disastrous and criminal sweep of speculation. Any thinking person knew that speculation was going forward apace at such a speed that only disaster could follow. But this was perfectly legitimate and proper in an era which emphasized the freedom of democracy. It proved to be the freedom of the jungle, in which the great could claw apart and kill the weak.

The Roosevelt administration, on the other hand, has stressed

be the freedom of the jungle, in which the great could claw apart and kill the weak.

The Roosevelt administration, on the other hand, has stressed the concept of equality. We have seen the rise of a class—the "forgotten men"—a group which should never be permitted in a democracy. We found a whole group whom liberty had trod down and whom equality must raise again. We see now care for the aged and the unemployed whereby those who have are forced to share with those who are less fortunate. We see more dignity given to human life. Not that the unfortunate economically now are equal to those more fortunate, but there is greater degree of equality. The Roosevelt stress upon equality has used the Nazarene philosophy, "We are our brother's keeper."

Either liberty or equality in extreme is murderous to democracy. Recently we have seen extreme liberty nearly extinguish the light of self-government. However, we must be warned of the fact that overemphasis upon equality is communism, and this is the antithesis of democracy. Democracy must solve this problem of the conflict between personal liberty and social equality. We must face the problem with patience and resolution.

The second major conflict within democracy is between the concept of personal liberty and governmental efficiency. The dictators accuse democracies of being debating societies in which uninformed majorities rule and half truths triumph. Dictators often point out that our liberty defeats efficiency in government through political intrigue, irrelevant discussions, and unsound compromises. As a party and as a people we must learn to restrain our individual liberty in behalf of well-practiced discipline. This we must do to demonstrate that while regimentation may be strong for a short thrust, cooperation is more efficient on the long pull.

An obvious example is before us. In the early days of the Roose-

strong for a short thrust, cooperation is more efficient on the long pull.

An obvious example is before us. In the early days of the Roosevelt administration there was efficiency through accord. When Mr. Roosevelt came into office, banks were closed and then reopened, and a palsied economic system was given strength. Prosperity, which for years had hidden around that mysterious corner, was chased out into the open and was driven down the main thorough-fares of American cities. Employment was provided for some 20,000,000 who had lost their work. The wheels of industry, which had become matted with cobwebs of disuse, were cleaned out and ciled, and industry began again. Now, in the later days of that same administration, constructive achievement is more difficult because of functional jealousies, personal ambitions, desire for personal preferment, and uncompromising convictions. One now hears of liberals and conservatives as though they were not brothers in sonal preferment, and uncompromising convictions. One now hears of liberals and conservatives as though they were not brothers in one party but perhaps cousins. One hears of the Roosevelt following, the Garner group, the Hull faction, the Clark clique—groups rather than one Democratic Party. One even hears of regulars and independents as though they were lined one against the other. Nor is this an inappropriate time to mention the desirability of according the Commonwealth of Missouri.

Liberty must be made to produce governmental efficiency. This

task we must face with patience and resolution.

The third and last crisis which I would mention is that which arises from the international situation—the crisis of war. Governments like plants or animals thrive in a friendly environment. Democracies thrive on peace. In peaceful times they are at their best and operate with the greatest efficiency. Dictatorships are the ones which thrive on war. They arose in countries which were disappointed in the war. They are the debtor nations from the war. And dictatorships depend upon war or the threat of war for the cohesive force which holds their people together. Without war or the threat of war, dictatorships fall apart. Without war or the threat of war, democracies thrive. When war comes to any nation, democracy ceases. Armies are not democratic organizations. In war even democratic peoples suspend democratic pro-

cedures. Thus, France has already found it necessary to place her ference, marks a new and somewhat changed era. president in the position of a dictator. Democracy cannot come to full and beautiful bloom in soil that is fertilized and tilled by and for dictators. We must have peace if democracy is to live.

And if we are to have peace, the Democrats must demand certain things. They must demand neutrality in their cooperation with fellow democracies—neutrality, both legal and mental, for a people first must surrender their mental neutrality before they can be brought to surrender their legal neutrality.

In the second place, the democracies must bearn to service for

brought to surrender their legal neutrality.

In the second place, the democracies must learn to sacrifice for peace as they would for war. America has never been slow to pay the greatest sacrifice in war, but often we have been far too slow in making any sacrifice to maintain peace. We may have to sacrifice markets, commerce, profits, and other things to maintain peace, but it is better to do so than to make the same sacrifices

sacrifice markets, commerce, profits, and other things to maintain peace, but it is better to do so than to make the same sacrifices in a war that brings destruction to all.

Finally we must cooperate with the peace-loving nations, but we must cooperate with them in counsel as well as in strife. We must learn to give leadership to the weak and vacillating democracies of Europe. Munich might have been more satisfactory had the courage of American diplomacy been represented. If we are, as we must, to help pay the bills of Europe's political intrigue, we should be present when the bargain is made. We should cease to be the cat'spaw to pull the political chestnuts out of a world conflagration kindled in our absence. We must find a way to remain at peace. This hope must be pursued with patience and resolution.

These are the problems of democracy, and the solution is the responsibility of this party if democracy is not to be murdered at the hands of its friends. We must find a way to equalize the desire for personal liberty and social equality. We must make liberty conducive to governmental efficiency, and we must maintain world peace, which is the only condition under which democracy can survive. This demands courage, but there is one whose courage is as great as David's, who as a lad dared to fight the giant. This demands patience, but there is one whose patience in the face of criticism, opposition, and betrayal has been as great as that of Job. It demands resolution, but there is one whose resolution is as great as the transitivity for the party of right for time marches on his side and It demands resolution, but there is one whose resolution is as great as that of Job. It demands resolution is as great as the irresistible forces of right, for time marches on his side, and right leads him in the pursuit of freedom. This one is the leader of the present party, Franklin Delano Roosevelt. Dissolve this crisis we must if government by the consent of the governed is to remain the heritage of a free people.

The White House Conference on Children in a Democracy

EXTENSION OF REMARKS

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Thursday, April 27, 1939

ADDRESS BY THE PRESIDENT, APRIL 26, 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix or the RECORD an address delivered by the President of the United States on Wednesday, April 26, 1939, at the White House, in connection with the White House Conference on Children in a Democracy.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mme. Secretary, and members of the conference, it is, perhaps, because I happened to be born with what may be called a "relative mind" and because I have sought to cultivate that kind of thinking for nearly half a century that I think of this conference in the first instance in terms of the past.

the first instance in terms of the past.

Child welfare—to use a much misused term—did not enter into the public conscience of any nation until about 100 years ago. And we know from reading Dickens and the literature of his period that the well-being of children in those early days was principally considered from the viewpoint of schooling and of crime prevention and the ending of physical cruelty—all interwoven with the sentimentality of the good, the ultragood Victorians.

As time went on some interest came to be taken in every nation, but still the activities of those who sought the bettering of the younger generation of the moment viewed the problem before them as a problem somewhat apart from the relationship of the younger generation to the broader public weal.

Even at the time of the first children's conference to assemble in the White House under the leadership of President Theodore Roosevelt in 1909, the conditions that surrounded child life were

Roosevelt in 1909, the conditions that surrounded child life were discussed more in terms of child life than in terms of the national

This was true to a very great extent in the two succeeding White House conferences, and it occurs to me that this, the fourth conference marks a new and somewhat changed era.

ference marks a new and somewhat changed era.

It is still our task to bring to bear upon the major problems of child life all the wisdom and understanding that can be distilled from compilations of facts, from the intuitions of common sense, and from professional skill. This conference, like the others, is composed of men and women having a broad range of experience and interest in matters pertaining to the welfare of children. It is our purpose to review the objectives and methods affecting the safety, well-being, and happiness of the younger generation and their preparation for the responsibilities of citizenship.

But we have gone one step farther. Definitely we are here with a principal objective of considering the relationship between a successful democracy and the children who form an integral part of that democracy. We no longer set them apart from democracy as if they were a segregated group. They are at one with democracy, because they are dependent upon a democracy and democracy is dependent on them.

Our work will not be concluded at the end of the day—it will

Our work will not be concluded at the end of the day-it will only have begun. During the greater part of the coming year the members of this conference, representing every State in the Union and many fields of endeavor, will be at work. We shall be testing our institutions, and our own convictions and attitudes of

testing our institutions, and our own convictions and attitudes of mind as they affect our actions as parents and as citizens, in terms of their significance to the childhood of our Nation.

In an address on Pan American Day, 2 weeks ago, I said "Men are not prisoners of fate, but only prisoners of their own minds. They have within themselves the power to become free at any moment." On April 15, in addressing the heads of two great States, I stated that I refused to believe that the world is, of necessity, a prisoner of destiny. "On the contrary," I said, "it is clear that the leaders of great nations have it in their power to liberate their people from the disaster that impends. It is equally clear that in their own minds and in their own hearts the peoples themselves desire that their fears be ended."

In providing for the health and education of children, for the formation of their minds and characters in ways which are in harmony with the institutions of a free society, democracy is

formation of their minds and characters in ways which are in harmony with the institutions of a free society, democracy is training its future leaders. The safety of democracy therefore depends upon the widespread diffusion of opportunities for developing those qualities of mind and character which are essential to leadership in our modern age. Further, democracy is concerned not only with preparation for leadership, but also with preparation for the discharge of the duties of citizenship in the determination of general policies and the selection of those persons who are to be entrusted with special duties. Beyond this, democracy must inculcate in its children capacities for living and assure opportunities for the fulfillment of those capacities. The success of democratic institutions is measured, not by extent of territory.

opportunities for the fulfillment of those capacities. The success of democratic institutions is measured, not by extent of territory, financial power, machines, or armaments, but by the desires, the hopes, and the deep-lying satisfactions of the individual men, women, and children who make up its citizenship.

We shall be concerned with ways in which the broad chasm between knowing and doing may be bridged over. We shall be reminding ourselves that all the lectures on nutrition will avail nothing unless there is food for a child to eat; that a law for compulsory school attendance is one thing and a chance to go to school is another. Prenatal instruction cannot assure healthy bables unless the mother has access to good medical and nursing care when the time for the babv's arrival is at hand. We know papies unless the mother has access to good medical and nursing care when the time for the baby's arrival is at hand. We know how to budget a family's expenditures; we have undertaken to preserve home life for fatherless or motherless children through the joint effort of the Federal Government and the States. We have made great progress in the application of money and service to the promotion of maternal and child health; the restoration of crippled children to normal physical condition; the protection of neglected children and children in danger of becoming delinquent, especially in rural areas: and the elimination of child

tection of neglected children and children in danger of becoming delinquent, especially in rural areas; and the elimination of child labor from industries shipping goods in interstate commerce.

Yet, after all has been said, only a beginning has been made in affording security to children. In many parts of the country we have not provided enough to meet the minimum needs of dependent children for food, shelter, and clothing, and the Federal Government's contribution toward their care is less generous than its contribution to the care of the aged.

It is not enough however, to consider what a democratic

It is not enough, however, to consider what a democratic society must provide. We must look at our civilization through the eyes of children. If we can state in simple language some of the basic necessities of childhood, we shall see more clearly the

issues which challenge our intelligence.

We make the assumption that a happy child should live in a home where he will find warmth and food and affection; that his parents will take care of him should he fall ill; that at school he will find the teachers and tools needed for an education; that when he grows up there will be a job for him; and that he will some day establish

As we consider these essentials of a happy childhood our hearts are heavy with the knowledge that there are many children who cannot make these assumptions.

We are concerned about the children of the unemployed.

We are concerned about other children who are without adequate

shelter or food or clothing because of the poverty of their parents.

We are concerned about the children of migratory families who have no settled place of abode or normal community relationships.

We are concerned about the children of minority groups in our population who, confronted with discrimination and prejudice,

must find it difficult to believe in the just ordering of life or the ability of the adults in their world to deal with life's problems.

We are concerned about the children living beyond the reach of medical service or lacking medical service because their parents

cannot pay for it.

We are concerned about the children who are not in school or

who attend schools poorly equipped to meet their needs.

We are concerned about the children who are outside the reach
of religious influences, and are denied help in attaining faith in

an ordered universe and in the fatherhood of God.

We are concerned about the future of our democracy when children cannot make the assumptions that mean security and happiness.

This conference and the activities which it initiates furnish an opportunity for us to test ourselves and our institutions by the extent to which they serve our children. I look to you for comprehensive review of the problems before us and suggestions as to practical ways in which we may advance toward our goal.

Many branches of the Federal Government are engaged in the

promotion of the health, education, and well-being of the Nation's children. You will be asked to consider the points at which these children. You will be asked to consider the points at which these undertakings may be strengthened, and the needs for service which cannot be supplied with the resources at hand. But the attention of this conference must not be directed to Federal activities along. or even to joint Federal and State undertakings. It is the local community which is the focal point for all these programs. Children receive benefits not in Washington but in the places where they live.

The men and women within the sound of my voice, as well as you who are assembled at the White House, are in the larger sense members of this conference. Recommendations will be brought to us in a final session next year. It then will be for all of us to determine the extent to which they will be translated into action. I bid you, the members of the conference, Godspeed in your high

One Hundred and Twentieth Anniversary of Founding of I. O. O. F.

EXTENSION OF REMARKS

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES Thursday, April 27, 1939

ADDRESS OF HON. M. M. LOGAN, OF KENTUCKY, AND LETTER FROM PRESIDENT ROOSEVELT TO BURTON A. GASKILL

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address delivered by the junior Senator from Kentucky [Mr. Logan] on April 26, 1939, over a Nation-wide hook-up, from the Lodge Hall of Washington Lodge, No. 1, Baltimore, Md., on the occasion of the one hundred and twentieth anniversary of the founding of the Independent Order of Odd Fellows on American soil; and, as a part of that address, a letter of greetings written by President Roosevelt to Grand Sire Gaskill, extending his felicitations.

There being no objection, the address and letter were ordered to be printed in the RECORD, as follows:

Every hour in the day brings tidings of war, and the horizons of the nations grow blacker with the passing of the days. That the nations are to be devastated by war seems no longer doubtful, and whether civilization, as we know it, will continue in the world is a question that brings thoughts which are unpleasant to dwell upon. One hundred and twenty years ago there was founded in the United States the Independent Order of Odd Fellows by a peaceloving patriot whose name was Thomas Wildey. If the tenets of this order had found lodgment in the hearts of all men, the picture presented by mankind today would be as different from that we see as a calm morning in June is different from the swirling blizzards of the North in the coldest winter.

This fraternity has been the leader for more than 100 years in an effort to reach the objectives making for the improvement and

This fraternity has been the leader for more than 100 years in an effort to reach the objectives making for the improvement and elevation of human character. It has sought the general welfare and happiness of the human race as a whole. While it reveres religion and has an unfaltering faith in God, the Creator and Preserver of the Universe, it never takes part in the divisions or classifications of human society. It goes about doing good as good should always be done. It has established more homes for the aged, for widows, and for orphans than any other fraternal organization. It has donated millions upon millions for the care, protection, and education of children. It has cared for the sick, buried

the dead, and sought at all times to bring happiness to the sorrow-

the dead, and sought at all times to bring happiness to the sorrowing and relief to the suffering.

There is nothing new in the principles of our order. It seeks to make well-known principles of right living a force in the world to produce the well-being of humanity. These principles are found written in the books of great philosophers of antiquity. They are found in the Bible, which is the foundation of our faith, and they embody the simple teachings of the Christ. We seek no reprisals, we punish no one. Where our order cannot render service it remains silent. It has always practiced mutual relief among its members, and, long before this Government of ours listened to the wailings of the unfortunate, it was extending a hand of helpfulness to all within its confines. It makes no distinction between the rich and poor, nor the high and the low. It looks alone to the spirit within and seeks to find the virtues dwelling in the bosom of men. It judges not. It determines the worth of a man by his life and conduct. Until recently its doctrines were heard by its members in every civilized country. Its temples dotted the earth. From humble beginning it grew to glant proportions and was welcomed everywhere. Its ideas of social welfare and mutual assistance were taken up by the nations of the world. Its power to do good was not exceeded by any organization in all the world. In all of its history no one has ever charged that Odd Fellowship provoked discord, taught hatred, or brought strife into any part of the earth.

The brotherhood of man has been, and is, its main objective. of the earth.

of the earth.

The brotherhood of man has been, and is, its main objective. Its members are taught that God is the Father of all men, and, as that is true, all men are brothers. Each individual is the object of His paternal care. It has covered the earth gently by its example of kindness and service. It will continue more now than ever to teach brotherhood, universal brotherhood, and it welcomes any assistance in this great work that may come from organized governments, or from organized groups of society. Odd Fellowship shall now begin anew and build to nobler heights on its old foundation, broadened as the exigencies of humanity may require. It asks nothing but an opportunity to serve, to be a father to the fatherless, a comforter to the sorrowing, the helper of those who are helpless. It must seem strange to those who are familiar with the teachings of this fraternity that there should be any country which would not welcome its members. The stern truth, however, has been forced upon us, and we know that there are certain forms of government where love and kind-

that there are certain forms of government where love and kind-ness are not wanted by those in authority.

There is a greater objective than I have mentioned. Odd Fellowship believes in peace and in the peaceful settlement of all controversies among men or nations. It hates war, but is willing to make any sacrifice to protect the liberties of its members and their right to continue to teach righteousness and justice among men. We know that the time will come some day when war will their right to continue to teach righteousness and justice among men. We know that the time will come some day when war will not be the remedy for settling disputes. It will not come, however, until the law of universal brotherhood shall be acknowledged as it is taught by us. Our order is engaged always in an effort to eliminate from the heart greed and selfishness, and when that is done a way will be found in amity for nations to settle their disagreements. It may be that the day is distant, but whether it comes now, or whether in a century or many centuries in the future, when it does come those who then live will know that Odd Fellowship has once more succeeded in leading the world to a sane way of living.

Therefore let us not be discouraged by the things presently happening in the world. We must not despair because the path that leads to the peace of the world is now dark. We must play our part for the future, and, if it requires work and suffering to achieve the end which must be accomplished if civilization is to be saved, then let us work and suffer until the will of God prevails on earth and the human race finds happiness. We need leadership to carry on our work, and in the future, as in the past, it will be found. When we reach one goal we must consolidate our gains and start anew for the higher goal and thus continue until the final objectives are obtained. We must not grow discouraged. We cannot stand still. We must let our watchword be "Forward."

We have taken one step recently that is fraught with great possibilities. We have solemnly determined that we will turn our attention to building the moral stamina of our people. This means that we must begin with childhood, that children must be taught the right principles of living and the importance of morality and religion. Our present grand sire, Gaskill, is so zealous in his work that he has devised a plan which embodies his ideas of the training

right principles of living and the importance of morality and religion. Our present grand sire, Gaskill, is so zealous in his work that he has devised a plan which embodies his ideas of the training of youth. He presented this plan to the sovereign grand lodge at its annual meeting last September in Oklahoma City. He succeeded in getting it adopted. He has gone about it in the right way and has a definite program. He has sought the help of legislative bodies in the respective States. He is asking that the children in public schools be given a certain weekly period in which they may go to the church of their choice to receive moral instruction in accordance with their faith. This has nothing to do with creed. Odd Fellowship recognizes no special creeds. We find good tion in accordance with their faith. This has nothing to do with creed. Odd Fellowship recognizes no special creeds. We find good in the teachings of all religions and religious denominations. We ask that from a busy life, time be taken to fortify the child against the opposition he is sure to encounter when he reaches the state of manhood. We are hopeful that our order will be the leader in this monumental work of preparing children to do their part on the world's stage. Having made the start, we must not turn back. If we make mistakes, we will correct them. Again, our watchword must be "Forward."

I look with hope to the future of our fraternity. I know it is progressive in its nature and that it can adjust itself to the changing progressive in its nature and that it can adjust itself to the changing times and conditions without forsaking any of its fundamental principles. It may be necessary to devise new methods for their application. I am firmly convinced that as long as liberty reigns and God is supreme Odd Fellowship will make its record more glorious still and will raise ever higher its spotless banner, leading ever upward until its ends be achieved.

Now, in conclusion let me repeat words which should always be dear to the heart of every Odd Fellow:

"This is the land where hate should die—
No feuds of faith, no spleen of race
No darkly brooding fear should try
Beneath our flag to find a place.
Lo! every people here has sent
Its sons to answer freedom's call;
Their lifeblood is the strong cement
That builds and binds the Nation's wall.

"This is the land where hate should die-Though dear to me my faith and shrine, I serve my country well when I Respect beliefs that are not mine. He little loves his land who'd cast Upon his neighbor's word a doubt, Or cite the wrongs of ages past From present rights to bar him out.

"This is the land where hate should die This is the land where strife should cease, Where foul, suspicious fear should fly Before our flag of light and peace Then let us purge from poisoned thought
That service to the state we give,
And so be worthy as we ought
Of this great land in which we live."

> THE WHITE HOUSE, Washington, January 9, 1939.

Mr. BURTON A. GASKILL.

Grand Sire, Sovereign Grand Lodge of the I. O. O. F.,
506 Guaranty Trust Building, Atlantic City, N. J.
DEAR BROTHER GASKILL: The 120 years that have elapsed since the founding of the Odd Fellowship in America afford a broad perspective on which to view the accomplishments of our order in this country.

Its record is a noble one told in terms of true brotherhood among men; the relief of sickness and distress; the care of the widow; the education of the orphan and the promotion of good will and good citizenship wherever our far-flung subordinate lodges have been established.

In the hope that our fraternity will in the years that lie ahead ever uphold its splendid humanitarian ideals, I send fraternal greetings and good wishes.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Red Cross Convention

EXTENSION OF REMARKS OF

HON. KENNETH Mckellar

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES Thursday, April 27, 1939

ADDRESS BY HON. CORDELL HULL, SECRETARY OF STATE, AT THE CONVENTION DINNER HELD IN CONNECTION WITH THE ANNUAL RED CROSS CONVENTION, WASHINGTON, D. C., APRIL 25, 1939

Mr. McKELLAR. Mr. President, on April 25 the Honorable Cordell Hull, Secretary of State, at the dinner held in connection with the annual Red Cross convention at the Mayflower Hotel in Washington, D. C., made a notable speech. I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is with deep pleasure that I welcome this opportunity to extend my best wishes to the American Red Cross Society on the seventy-fifth anniversary of the organized existence of the Red Cross movement. Three-quarters of a century is not a long period measured in terms of the annals of history. But into that relatively brief span of years, the men and women who had launched

this noble mission of mercy and the men and women who, through succeeding generations, have carried on and developed the work thus begun, have crowded achievements, so splendid, so heartening that you, who stand in their place today, should be justly proud and irresistibly inspired to seek even greater heights of endeavor. And with you, all of us, who hope and work for a brighter future for mankind, should find in your unselfish efforts a source of pride and of inspiration.

The first idea of what has now become a truly universal Red

and of inspiration.

The first idea of what has now become a truly universal Red Cross movement, was borne on a battlefield in the heart and mind of a great humanitarian, a citizen of Switzerland. All of us today owe a debt of homage to Henri Dunant, who, amidst the anguish of the Battle of Solferino, heard the heart-rending cries and groans of the maimed and the dying, echoing through centuries of armed conflict and all but unallayed by the inadequate forces of mercy; and who there determined to dedicate his life to the cause of arousing everywhere a realization of the desperate need for orand who there determined to dedicate his life to the cause of arousing everywhere a realization of the desperate need for organized care of the victims of battle. It is a glorious tribute to the indestructible vitality of the better human instincts that his idea blossomed forth into an international organization, which for 75 years has been functioning on the basis of an intergovernmental convention; that back of this international institution there are today 61 national Red Cross societies, united into a world league, with a membership of nearly 34,000,000.

The Red Cross movement is founded upon the instinct of human

The Red Cross movement is founded upon the instinct of human decency and a sense of social responsibility. Men and women in every country contribute to its support, money and materials, time and work, not because of any compulsion, but because the objectives and activities of the Red Cross strike a responsive chord in human hearts. There is no finer example of voluntary effort

the common good.

It is not the battlefields alone that know the healing and re-creative touch of Red Cross activities. The flaming emblem of your movement is in evidence wherever there is suffering, in time of peace as well as in time of war.

When nations stand embattled, the clash of their armed forces

when nations stand embattled, the clash of their armed forces leaves in its wake human wreckage to which the intrepid workers of the Red Cross bring comfort and aid. But there is also much work for the Red Cross to do behind the battle lines. There is need for supplementing the activities of the regular medical and sanitary forces of the armies and the navies in caring for the sick and the wounded. There is an important role for the Red Cross to play in aiding prisoners of war and in arranging for their exchange.

exchange

Under modern conditions of warfare the tasks of the Red Cross expand as instruments of war acquire a greater and greater degree of destructiveness, and as the range of their cruel operation extends to the entire country rather than remain restricted to the fields of battle. Under our eyes the line of demarcation between the combatant and the noncombatant population is being rapidly obliterated. The miracle of flying is being perverted to the ignoble use of attack upon civilians, far removed from areas of armed conflict, upon women and children, upon the old and the feeble. These defenseless victims of war, too, need aid and comfort. To them, too, the Red Cross must increasingly bring its mission of

mercy.
So shocking to every humane instinct has this new method of so shocking to every numane instinct has this new method of warfare already become, so deeply has it stirred the consciences of men everywhere, that the last International Red Cross Conference, with 54 national Red Cross societies represented, unanimously adopted a resolution, in which it appealed, in the name of humanity, "to the competent authorities of all countries to prevent or so restrict bombing from the air as to safeguard the lives of helpless women and children and aged civilians."

When there is no war the Red Cross devotes its efforts to alleviating the suffering caused by natural disasters. From its very be-

when there is no war the Red Cross devotes its entire to allering ating the suffering caused by natural disasters. From its very beginning the Red Cross movement accepted this field of activity as an integral part of its responsibility. Dunant himself urged that the societies of mercy, the creation of which he was advocating so ardently for work in time of war, should also "render great service at the time of epidemics, floods, great fires, and other unexpected catastrophes." catastrophes.'

Your own organization, the American Red Cross, has a conspic-Your own organization, the American Red Cross, has a conspicuous record of service rendered in connection with such peacetime disasters. The forest fires in Michigan more than 50 years ago; the storm and tidal wave that swept Galveston in 1900; the San Francisco earthquake and fire of 1906; the periodic floods on the Mississippi and the Ohio—these are but a few of the visitations of nature, major and minor, the widespread ravages of which, causing untold destruction and suffering, the American Red Cross Society has been called upon, during the period of its existence, to aid in alleviating and repairing. to aid in alleviating and repairing.

There are similar records in many other countries. There are also remarkable instances of international cooperation in such peacetime work of mercy. Earthquakes, tidal waves, great fires, epidemics, wherever they occur, galvanize human beings throughout the world into spontaneous offers of aid. And the Red Cross is the principal organized channel through which these floods of

is the principal organized channel through which these floods of sympathy and material aid pour toward the afflicted locality.

The alleviation of suffering is a wonderful thing. The willingness of millions of men and women to assume voluntary responsibility for making it possible and effective is one of the finest flowerings of a truly great civilization. The immense strides in this direction made by the Red Cross movement during the period of its existence strengthen in all of us our faith in the spiritual destiny of the human race. But while contemplating this inspir-

ing picture, let us always bear in mind that in the upward climb of civilized man there is something even more fundamental than the alleviation of suffering—and that is the prevention of suffering.

Over many of the catastrophes of nature man has no control. There we humans are mere helpless victims of the misfortunes

which befall us. The alleviation of suffering is the beginning and

the end of our possible activities in connection with such disasters. That is not true with respect to war, the greatest of the sources of suffering and anguish with which the human race is afflicted. Here we are victims, not of the blind forces of Nature, over which we have no control, but of man-made conditions. In war we are all victims, but some among us are also the deliberate authors of our misfortunes.

War itself—that is, the period of armed hostilities—takes its fear-ful toll in human life and suffering, in material destruction, in moral and spiritual degradation. But war also casts a shadow before

and leaves a pall behind.

and leaves a pall behind.

Long before the guns of battle begin to thunder, preparation for war exacts a growing tribute of human suffering and anguish. Economic activity is increasingly diverted from production designed to maintain and improve the material standard of life to the creation of instruments of destruction. Spiritual activity is more and more turned away from enlightenment, and intellectual progress to artificial cultivation of hatreds and animosities. Confidence in the future is chattered. Creating thought and animosities.

artificial cultivation of hatreds and animosities. Confidence in the future is shattered. Creative thought and enterprise, the freedom of the individual become chained to the chariot of brute force.

Long after the guns of battle are stilled the disruptive and destructive forces which preparation for war and war itself had brought into being continue to sway human affairs. It is only the resilience of the human spirit that makes it possible for a nation to undertake and carry through the truly heroic task of restoring the order of peace after the chaos of war. The greater the material and moral destruction of a war, the more difficult that task becomes. that task becomes.
And all this to what end?

And all this to what end?

Nations have most frequently resorted to war on the plea that it is the only method open to them for redressing wrongs or the only means left to them of settling international differences. For neither of these purposes is war the best of the remedies available to man, or, in fact, a remedy at all. There is no controversy, no difference, that can arise between nations which could not be no difference, that can arise between nations which could not be settled, with far greater benefit to all concerned, by the peaceful processes of friendly adjustment than by resort to armed force.

When a nation makes a deliberate resort to armed force, on any plea whatever, it pursues in reality a wholly different objective; it uses war or threat of war as an instrument of a policy of territorial expansion or domination of others. Such nations are the authors of war, the awful cost of which is paid by their own people and by the rest of mankind.

Whenever there are nations in the world which adopt this type of policy; their intentions of the world which adopt this type of policy; their intentions and continue world which adopt this type.

whenever there are nations in the world which adopt this type of policy, their intentions and actions inevitably set into motion forces of resistance. Terrible as are the realities and consequences of war, sooner or later conditions arise in which peaceful and peace-loving nations prefer armed defense to subjection and

peace-loving nations prefer armed desense to subjection all slavery.

There is ample room on this earth for the 2,000,000,000 human beings who inhabit it. There are ample known resources of materials and skill to enable all nations to enjoy a high level of economic prosperity and to face a future of continued plenty. There are ample proven resources of mind and soul to enable the whole of mankind to enjoy the blessings of spiritual advancement. But there has never been, and there is not today, room on this earth for a political organization of mankind under which a single nation or a group of nations will enslave and dominate all the others. others.

No single nation holds a monopoly of material resources needed by all to maintain the modern level of civilized existence. While by all to maintain the modern level of civilized existence. While some nations are more generously endowed than others, none is or can be self-sufficing within its frontiers, except at the price of a disastrous decline in the level of satisfaction of its people's wants. In the present stage of civilization and technical progress, the material and spiritual resources of the entire world are available to all nations through mutually beneficial trade and through all those innumerable peaceful and friendly international relationships in every phase of human activity, whose capacity to enrich the lives of individuals and of nations has already been convincingly demonstrated. No nation can prosper without adequate access to the resources of the entire world, rather than only to those contained within its own frontiers. And such access is possible contained within its own frontiers. And such access is possible only on the basis of peaceful international cooperation.

No nation is excluded from participation in the benefits of these

precious means of betterment and advancement of mankind except as it deliberately excludes itself—either by short-sighted attempts at national isolation or the even more short-sighted policy of armed aggrandizement. Isolation dooms a people to inescapable or armed aggrandizement. Isolation dooms a people to inescapanic impoverishment; armed aggrandizement, under modern conditions of warfare, entails destruction for which no conceivable advantages secured by the conqueror can possibly provide compensation. A nation entering upon either of these ruinous courses inflicts an incalculable injury upon its own people and upon the world as a

The maintenance and improvement of the structure of peaceful international relationships, upon which the entire fabric of our present-day civilization rests, require a willing contribution from every nation. They are impossible unless each nation respects the independence and sovereignty of every other nation; unless each

nation scrupulously observes its international obligations and the rules of conduct embodied in the voluntarily accepted provisions of international law; unless each nation is prepared to abstain from resort to armed force as an instrument for the settlement of international differences and controversies and to adjust all such disputes solely by pacific means; unless each nation is willing to place its economic relations with all other nations upon a basis of the greatest practicable, mutually advantageous interchange of goods and services flowing through the channels of equal economic opportunity and nondiscriminatory commercial treatment.

Every thoughtful man today, in every country of the world, is confronted with the inescapable duty of weighing—in the scales of reason, common sense, his own advantage, and the good of his nation—the benefits of living in a world functioning on the basis of the principles I have just enumerated against the prospect of living in a world caught in the stifling net of anguish and suffering engendered by the constant recurrence of war, of preparation for armed hostilities, and of the aftermath of armed conflict.

I, for one, cannot believe that any nation today has irrevocably entered upon a road from which there is no turning, save in the direction of a new widespread war. The road to peaceful adjustment of whatever reasonable and legitimate grievances there may exist has always been open and is still open. But upon this road one must travel with a sincere desire for peace, with a firm determination to observe the pledged word, once given, with a sense of respect for the dignity of the human soul. I hope with all my heart that at the present fateful juncture of history all nations will decide to enter them this road.

heart that at the present fateful juncture of history all nations will decide to enter upon this road.

Yet so long as some nations continue to arm for conquest, all other nations are confronted with the tragic alternatives of surrender or armed defense. So far as our Nation is concerned, the mere posing of the alternatives supplies the answer. We hope devoutly that a negotiated peace before rather than after the senseless arbitrament of war, a peace based on a mutually fair adjustment of outstanding problems, will be the happy lot of mankind in the future which lies immediately ahead. We are prepared to make our appropriate contribution to such a peace. But if our hopes are doomed to disappointment, if, after all, the red flames of war rather than the noonday sun of peace are to illumine our horizon, we are equally prepared to defend successfully our national interests and our cherished institutions.

So long as the possibility of a new war still haunts the world, the

So long as the possibility of a new war still haunts the world, the American Red Cross is a vital adjunct of our national defense. We must do everything in our power to strengthen its resources, to make it fully effective for the great service of mercy which it will be called upon to render if our hope and labor for peace should unhappily fail.

unhappily fail.

All of us honor the Red Cross for the unfailing spirit of sacrifice and humaneness with which it stands ever ready to perform its gallant wartime task. In this same spirit, I am sure, you leaders of the American Red Cross, will be the first to welcome the daywhen that task will become no longer necessary; when the mitigation of the horrors of war will no longer be needed because war itself will disappear from the ken of humanity; and when it will-become possible for you to devote all your energies to the neverending work of alleviating the suffering and anguish caused by unpreventable disasters of Nature.

The Good Earth

EXTENSION OF REMARKS

HON. CLAUDE PEPPER

IN THE SENATE OF THE UNITED STATES

Thursday, April 27, 1939

EDITORIAL FROM THE NEW YORK TIMES OF APRIL 25, 1939

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the New York Times of Tuesday, April 25, entitled "The Good Earth."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 25, 1939]

Dr. Hugh H. Bennett, Chief of the Soil Conservation Service, knows how to drive home with dramatic force the meaning of our reckless method of farming. Even the most unimaginative mind must be impressed by his declaration before the House Labor Committee that "we are losing every day, as a result of erosion, the equivalent of 200 40-acre farms" and that the good earth thus whirled off is "gone, gone forever"—with the wind and the water.

The desolation that has visited many a once fertile area is the result of industry and blindness. Yet man is not wholly to blame. Long before the plow turned up land once given over to the buffalo, droughts which run in cycles had parched the Great Plains, the most sorely stricken region. To tamper with climate is impossible. The alternative is to adapt agriculture to the cycle. But this involves a change in farming methods difficult to bring about. Productivity in some regions has steadily declined and with it standards of living. The evidence is strong that a wet cycle began in 1936. With it the hope springs up that nature will herself redeem some of man's negligence. But the rains help but little. With the topsoil gone the water runs off the fields. Even if properly designed irrigation systems are constructed it will take years before the underground waters are replenished. Nature has established a balance that is easily disturbed. Man must now restore it.

The work to be done has been thoroughly discussed in a dozen Government reports. Though the character and extent of the damage are well known, intensive surveys must be made which will take years. The Federal Government must continue the policy of purchasing and rehabilitating scattered crop farms and converting them into grazing ranges. Farms must be increased in size with the aid of Government credit in the interest of higher agricultural efficiency. Water must be caught and distributed by means of properly designed irrigation systems. The States must do their share by encouraging grazing associations to operate large tracts as units, by permitting qualified property-tax-paying owners to form soil-conservation districts, by formulating taxation policies suited to the new economic and social conditions, and by reforming the old leasing system. Action is needed which calls for voluntary cooperation and a sacrifice of old privileges, but which nevertheless makes heavy demands on local initiative and self-reliance.

Foreign Relations-Congress or the President?

EXTENSION OF REMARKS

HON. GERALD P. NYE

OF NORTH DAKOTA-

IN THE SENATE OF THE UNITED STATES

Thursday, April 27, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, APRIL 25, 1939

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Record an address delivered on Tuesday evening, April 25, over the Columbia Broadcasting System by the Senator from Ohio [Mr. Taft] on the subject Foreign Relations—Congress or the President?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Citizens of the United States of America, the express powers given by the Constitution of the United States to the President in respect to foreign relations are quite limited: "He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls." But from the nature of foreign relations, and from the beginning of the Government, the courts and the Congress have held that the President's power over foreign relations is predominant. The Nation cannot speak with a multitude of voices, and the President must be the person who conducts all negotiations with foreign nations. The Supreme Court has said: "In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it."

invade it."

On the other hand, Congress, and particularly the Senate, is given extensive powers and duties with reference to any Government action other than negotiation in the foreign field. Only Congress may regulate commerce with foreign nations. Only Congress may declare war. Only Congress may raise and support armies, and provide and maintain a navy, although the President is Commander in Chief when they are raised or provided. Only Congress, therefore, has power to act in the field covered by the Neutrality Act, involving the embargo of shipments abroad, restraint on American ships, restraint on the loaning of money or credit to foreign nations.

straint on the loaning of money or credit to foreign nations.

The President is responsible for what this Nation says to foreign nations, but he must be very careful in his statements as to what this Nation will or will not do, because unlike most executives in

European countries he has not the final power to put his foreign policy into effect.

The position sometimes taken that Congress should keep en-The position sometimes taken that Congress should keep entirely out of foreign policy is wholly contrary to the Constitution. Congress has no business to interfere in negotiations with foreign governments, but it has not only the right, but the duty, to consider the policies which involve specific legislation like the

Neutrality Act.

Neutrality Act.

There is another careless statement made that no American, in Congress or out, should criticize anything the President does or says in his relations with foreign nations, because politics should stop at the water's edge. I quite agree that foreign policy is not a partisan issue, and as a matter of fact there is just as much difference on the Republican side today as on the Democratic side. But if in time of peace any citizen feels that the President's handling of foreign policy is wrong, or likely to lead to a war which he thinks unnecessary, it seems to me his right and duty to state that fact clearly, and do whatever he can to change a policy which he thinks likely to result in war. The essence of democratic government is that men shall be free to express their opinions on any subject, certainly on a subject as vital as foreign relations. No President should be permitted to lead the country gradually into a situation where a declaration of war is almost forced on Congress, without full opportunity for criticism. The people whose very existence may be terminated by war should have full opportunity to hear both sides and approve or disapprove the preliminary steps of any policy, and so it is entirely proper that Congress, and Representative Samth and myself, as junior Members of it, should discuss our foreign policy, whether that discussion involves criticism of the President or not.

Everybody in the United States today asserts that he is for peace, thouch come of the weather the secure of the weather.

that discussion involves criticism of the President or not.

Everybody in the United States today asserts that he is for peace, though some of the weapons to secure it seem to me rather warlike. The basic purpose of the Neutrality Act and the amendments now being considered is to keep the United States out of war. I believe that most of the provisions of that act tend to accomplish that purpose. The cash-and-carry provisions, providing that credit may not be given to governments engaged in war, certainly prevent our acquiring a financial interest which may lead to our support of one country against another. The provisions prohibiting loans directly to such governments have the same effect. The prohibition against American vessels carrying arms to belligerents should prevent incidents of the kind which led to our joining in the World War. The prohibition against American citizens traveling on vessels of nations involved in war is likely to remove a cause of war if such a vessel

is sunk by an enemy.

The only provision in the Neutrality Act which seems ineffective to me to aid peace is that which prohibits the shipment of arms, ammunition, and implements of war to belligerent states. Since we are selling on a cash-and-carry basis the materials from which such munitions may be manufactured, there does not seem any great difference in principle in the shipment of munitions; nor do I see that any nation can object to other nations buying arms in this country if the same market is onen to every nation, which I see that any nation can object to other nations buying arms in this country if the same market is open to every nation which can approach it, and so we give them no cause for war. I cannot believe that inability to get arms from us will prevent a nation going to war, for it can build its own munition plants and buy the raw materials from us. But the refusal to sell any arms discriminates against small nations which have no arms plants of their own. I should be inclined to favor an amendment of this section of the act to permit the sale of arms to any nation on a cash-and-carry basis.

basis.

But I should be very much opposed to the Thomas amendment and to any other amendments which give the President any power to discriminate between different nations according to his idea as to which may be the aggressor in a particular war. If we begin to take sides in foreign disputes, we will almost certainly become involved in such disputes. From George Washington to Woodrow Wilson, a policy of neutrality has always been considered as likely to keep us out of war and benefit this country. George Washington said: "Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to comto our concerns. Hence, therefore, it must be unwise in us to com-plicate ourselves by artificial ties in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friend-ships or enmittes." Woodrow Wilson insisted on a complete neu-trality for 2 years, until direct interference by Germany with our own citizens and rights compelled us to war.

If a war occurs in Europe and our Government deliberately sides with one nation or group of nations and assists that na-tion by embargoing exports to its enemies, it will not be long before our people identify their interests completely with one side before our people identify their interests completely with one side. In these days of propaganda, all of the propaganda would come from that side. The Government itself, having taken sides, would tend more and more toward war until we would find ourselves first financing and then supporting with troops the favored nation. The slightest incident with the nation against whom we discriminated would arouse, both in the people of that nation and in our own people, the intense bitterness which leads inevitably to war. I am pleased that even Senator PITTMAN in his amendments of the Neutrality Act proposes no power to the President to discriminate. Should a situation ever arise, after a war has begun, in which our interests seem to be directly involved in the result, Congress can determine at that time whether or not to declare war. determine at that time whether or not to declare war.

The President's position seems to me much too warlike. A year ago in Chicago he declared his belief that we should "quarantine the aggressor nations." In his opening speech to Congress he said: the aggressor nations." In his opening speech to Congress he said: "The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one, we must now make up our minds to save all." It is somewhat difficult to see how we can save democracy and good faith among nations by a policy of mere defense of the United States. The President said further in that address that we cannot safely be indifferent to international law-lessness anywhere in the world, and cannot let pass, without effective protest acts of aggression against sister pations. The world. tive protest, acts of aggression against sister nations. The word "effective" suggests armed intervention. The President, however, suggests that he does not mean armed intervention, and says: suggests that he does not mean armed intervention, and says: "There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people." This must mean economic sanctions or embargoes against foreign nations, which, in my opinion, would abandon our whole historical policy of neutrality and lead directly to war.

The President seems to me to accept too easily the assumption that we will become involved in a European war. In leaving Warm Springs 2 weeks ago, he said: "I'll be back in the fall if we don't have a war." Finally, after his return, he endorsed wholeheartedly an editorial in the Washington Post which interpreted his Georgia remark as a threat to Germany and Italy that we would join

an editorial in the Washington Post which interpreted his Georgia remark as a threat to Germany and Italy that we would join England and France in case of war. That editorial said: "Nothing less than the show of preponderant force will stop them, for force is the only language which they understand." The President "made it plain that a war forced by them would from the outset involve the destinies of a nation which, as they fully realize, is potentially far stronger than Italy and Germany united."

There are plenty of other people in the United States who believe that we should threaten to join in a European war. Some of them would frankly be in favor of taking, immediately, an active part in behalf of England and France if war occurred. Others argue that if there is a European war we are bound to become involved sooner or later, and if we threaten to join England and France, we will

if there is a European war we are bound to become involved somer or later, and if we threaten to join England and France, we will decrease the chances of war. I do not accept this argument. I do not see any reason why we must necessarily become involved in a European war if the people do not wish it. If we are determined to stay out of such a war, we can stay out of it. It is a question of our determination to do so. Those who argue that we cannot keep out are really in favor of going in. I believe we should stay out of it and can

The argument is that we should join England and France first, in order to save democracy in Europe, and then to prevent Hitler and Mussolini from overrunning the United States. I do not beand Mussolini from overrunning the United States. I do not be-lieve that a war in Europe, no matter what its result, would ulti-mately assist democracy in the world. As a result of the last war, half the democracies became dictatorships.

The line-up in Europe today is more one between nations, as in 1917, than between forms of government. Already we see lined up on the English and French side the autocracies of Poland, Rumania, Greece, and Communist Russia. A practical dictatorship has been established in France. Before such a war were over we might find communism or fascism in control in England and France, even if the war is successful from their standpoint. We are primarily interested in the preservation of a republican form of government in the United States, not in Europe. If we join in another world war, I doubt if we could maintain such a government in this country. There would be an immediate demand for ment in this country. There would be an immediate demand for arbitrary power, unlimited control of wages, prices, and agriculture, and complete confiscation of private property. We would be bound to go far toward totalitarianism. It is doubtful whether we would ever return. War is the enemy of democracy. Our best service to the cause of democracy is to keep it alive in the United States and provide a standard to which the world may in time return. Nor do I believe that we face any danger from Germany or Italy. We can defend our position in North America and the Caribbean against the world if we have to do so, and that very fact means that we will never have to do so. There is some selfish reason for all of Hitler's and Mussolini's acts of military aggress.

reason for all of Hitler's and Mussolini's acts of military aggression up to now, outrageous as those acts have been. But it is hard to see any reason for a military attack on the United States. Germany and Italy will never be released from the complications of the European situation to such an extent as to become a threat

to the United States.

Those who desire the repeal of the Neutrality Act, those who favor the President's apparent position may talk of their affection for peace, but they have already accepted in their minds the thought that we should take an active part in a European war if it occurs. They have developed the same callousness to war which has existed in the past, and they do not even admit to themselves that it involves the suffering and death of millions of Americans under the most horrible circumstances. Modern war is more terrible than any past war. It involves the unlimited slaughter of civilians as well as soldiers. If we had been in the last war from the beginning as these people would have advocated slaughter of civilians as well as soldiers. If we had been in the last war from the beginning, as these people would have advocated, we would have lost millions of men instead of hundreds of thousands. Almost any solution is better than war, and certainly we should not admit that the welter of different races in Europe and the inevitable conflicts which constantly result should drag us into a maelstrom of destruction.

I hope the President does not mean what he seems to say. Perhaps he is only threatening Germany and Italy without intend-

ing to carry out that threat. But such a course is dangerous, for it may lead England and France into taking a position they cannot maintain without our active assistance. It might even encourage a too aggressive attitude, which the French at least have often adopted in the past. Let us not threaten anything unless we intend to carry out the threat. Our bluff might be called. Finally, the President should be exceptionally careful about promising support in war, which he cannot give without action of Congress, for Congress accurately reflects today the determination of the American people that they shall not become involved in European war.

Federal Remuneration to State and Local Government Subdivisions for Tax Losses on Government-Owned Forestry Lands

EXTENSION OF REMARKS

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

Mr. COLMER. Mr. Speaker, under leave to extend my remarks in the Record. I desire to submit herewith a compilation showing the effect of my bill, H. R. 4833, upon the several States in which the Government owns forestry lands. It will be borne in mind that the purpose of this bill is to reimburse the State and its subdivisions for losses sustained by the removal of large acreage from the tax rolls of the State and county governments. It will be recalled that beginning in 1934 the Federal Government purchased vast areas of cutover and other lands suitable for reforestation purposes. Unquestionably this act on the part of the Government is going to redound to the benefit of the country as a whole. But the State and county subdivisions have realized that the removal of these large tracts of land from the tax rolls has worked a great hardship in many of the counties where substantial acreage was purchased.

This is best illustrated by a small county in my own congressional district, Perry County, Miss., where approximately half of the acreage of the county was purchased by the Federal Government, and the consequent loss to the county by the removal of this acreage from the tax rolls. These counties have all felt the effect of this, but in some counties where these large tracts have been purchased it has been found very difficult to maintain the schools, roads, and county budgets generally.

H. R. 4833 does not cover the public-domain lands. It only covers the lands authorized to be acquired under the Reforestation and Bankhead-Jones Farm Tenancy Acts.

PROVISIONS OF THE BILL

Under the provisions of the present legislation by which the Government acquired these lands the counties are to receive 25 percent of the gross receipts from timber and other assets sold by the Forest Service from the lands. The difficulty about this is that in most instances the gross income from such sales is negligible, due to the fact that the lands were largely denuded of all timber at the time of their acquisition by the Government. This provision under statute would be ample remuneration to the counties in 25 years from now after the timber has developed, but the immediate difficulty is that there is no provision made for the ad interim period before this timber reaches a merchantable status.

This bill seeks to remedy this situation by providing a reasonable revenue to the counties and the States pending the increased value.

RATES

The bill provides for an annual minimum guaranteed payment to the counties by the Federal Government of 3 percent of the purchase price paid by the Government for the land. In other words, under the present law the counties are given 25 percent of the gross revenue received from the sale of products of the land. These payments may amount to only a few dollars under the present law. Under the pro-

posed legislation the counties would be guaranteed a minimum of 3 percent of the Government purchase price of the lands. To illustrate, under the present legislation the Government owns 153,636 acres of land in Perry County, Miss., for which it paid \$262,871. Under existing law Perry County received in 1938, \$831.06 from the Federal Government. Under the proposed legislation Perry County would be granted a minimum annual payment of \$7,886.13, exclusive of farmtenant lands.

The total of the guaranteed annual payment for any county is to be equal to 3 percent of the value of the lands of this class in the county. Of this 3 percent, any amount which was added for increasing the payment within the range between 1½ percent and 3 percent is to be repayable by making deductions from any part of the basic payments from receipts for subsequent years which is in excess of the guaranteed minimum of 3 percent.

This bill also amends the present law so as to remove the limitations therein which restrict the use of the payments to expenditures for public roads and public schools. Payments made by the Government to the counties under this bill may be distributed to the counties in such manner as the State legislature may direct.

Mr. Speaker, in order that the Members of Congress may be advised as to the acreage held by the Government in their own States and congressional districts, I submit herewith a list showing by States and congressional districts the gross acreage, the land purchased, and the price paid therefor by the Federal Government. Anyone interested in determining the amount that would be received by his congressional district under the terms of this legislation, if enacted into law, may easily ascertain such amount by multiplying the total price paid by the Government for the land held in his district by the 3-percent rate.

The list is as follows:

Summary of land purchases to June 30, 1938, under act of March 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts

[Lands purchased means lands acquired and land approved for purchase June 30, 1938, it being assumed that land approved for purchase on that date has been acquired at this time. This list does not include the lands purchased under the Bankhead-Jones Farm Tenancy Act.]

	Gross acres	Land pur- chased	Total price
STATE OF ALABAMA	a , =071		interior au
First District, Frank W. Boykin: Clarke County	592, 962 18, 309		
Total	611, 271		
Second District, George M. Grant: Covington County Escambia County	232, 601 106, 972	47, 991 20, 336	\$108, 799. 83 46, 600. 03
Total	339, 573	68, 327	155, 399, 86
Fourth District, Sam Hobbs: Calhoun County	38, 278 145, 492 8, 381 98, 695	14, 978 59, 803 3, 198 37, 955	98, 516. 70 125, 553. 89 11, 741. 88 78, 524. 17
Total	290, 846	115, 934	314, 336, 64
Fifth District, Joe Starnes: Cherokee County. Cleburne County De Kalb County	15,000 158,477 46,000	68, 050	328, 645. 56
Total	219, 477	68, 050	328, 645, 56
Sixth District, Pete Jarman: Bibb County Chilton County Perry County	103, 775 47, 024 121, 243	14, 645 16, 359 20, 670	43, 581. 83 51, 401. 36 66, 985. 78
Total	272, 042	51, 674	161, 968. 97
Seventh District, William B. Bankhead: Franklin County	45, 905 402, 936	1, 035 78, 062	4, 768. 66 343, 969. 19
Total	448, 841 111, 763	79, 097 74, 969	348, 737. 85 365, 683. 64
Total, State of Alabama	2, 293, 813	458, 051	1, 674, 772, 52
STATE OF ARKANSAS			
Second District, Wilbur D. Mills: Stone	76, 750	17, 825	59, 620, 76

APPENDIX TO THE CONGRESSIONAL RECORD

Times to off was the sound	Gross acres	Land pur- chased	Total price
STATE OF ARKANSAS—continued			
Third District, Clyde Taylor Ellis: Baxter County. Madison County Merion County Newton County Searcy County. Van Buren County Washington County Washington County	84, 281 77, 650 6, 440 252, 242 38, 086 38, 513 30, 992	28, 381 29, 453 1, 240 98, 249 14, 457 16, 836 7, 400	\$82, 119, 06 73, 192, 35 2, 928, 00 234, 198, 73 32, 407, 88 38, 492, 14 20, 439, 60
Total	-528, 204	196, 016	483, 777. 76
Fourth District, Ben Cravens: Crawford County Howard County Logan County Montgomery County Pike County Polk County Seott County Seott County Sebastian County	55, 272 1, 286 21, 331 485, 620 2, 881 251, 279 467, 816 19, 542	22, 237 244 3, 071 190, 565 195 43, 992 143, 818 280	70, 245, 46 733, 23 10, 398, 85 441, 375, 21 628, 63 152, 390, 00 341, 462, 29 572, 00
Total	1, 305, 027	404, 402	1, 017, 805. 67
Fifth District, David Dickson Terry: Conway County. Franklin County Johnson County. Perry County Pope County. Yell County.	10, 277 119, 653 237, 803 161, 727 205, 081 268, 600	6, 382 74, 208 102, 271 39, 432 65, 235 99, 172	15, 660. 96 284, 321. 95 259, 224. 43 112, 907. 05 238. 360. 76 235, 295. 16
Total	1, 003, 141	386, 700	1, 145, 770. 31
Sixth District, William F. Norrell: Garland County Hot Springs County Saline County	319, 092 1, 926 131, 227	41, 551 360 6, 180	126, 514, 91 2, 279, 53 20, 532, 64
Total	452, 245	48, 091	149, 327. 05
Total, State of Arkansas	3, 365, 367	3, 053, 034	2, 856, 301. 55
First District, Clarence F. Lea: Del Norte County. Humboldt County Mendocino County Sonoma County. Total	88, 000 175, 000 450, 000 150, 000 863, 000		
Second District, Harry L. Englebright: Eldorado County Nevada County Sierra County Total	9, 474 19, 549 64, 982 94, 005	9, 474 19, 549 64, 982 94, 005	62, 020. 58 48, 717. 74 95, 185. 19 205, 923. 51
Ninth District, Bertrand W. Gearhart: Fresno County Tenth District, Alfred J. Elliott: Tulare County Total, State of California	21, 256 268 978, 529	21, 256 268 115, 529	417, 264, 16 4, 012, 5 627, 200, 26
STATE OF FLOBIDA	870, 028	110, 020	021, 200. 20
Second District, Robert A. Green: Baker County Columbia County Total	81, 681 80, 132 161, 813	78, 575 77, 447 156, 022	372, 823. 90 412, 853. 40 785, 677. 30
Third District, Millard F. Caldwell: Franklin County Liberty County Okaloosa County Santa Rosa County Walton County Total	22, 879 283, 513 243, 458 55, 723 73, 635 679, 211	21, 656 255, 570 63, 382 27, 267 29, 199 397, 074	47, 098, 57 590, 931, 38 153, 110, 96 66, 533, 85 69, 537, 25
Fifth District, Joe Hendricks: Lake County	94, 346 323, 140 24, 439 441, 925	41, 399 99, 437 13, 644 154, 480	131, 279, 76 270, 710, 64 44, 681, 01 446, 671, 41
Total, State of Florida	1, 282, 949	707, 576	2, 159, 560, 72
STATE OF GEORGIA Seventh District, Malcolm C, Tarver: Catoosa County. Chattooga County. Dade County. Floyd County. Gordon County. Murray County. Walker County. Whitfield County. Total	21, 500 88, 700 46, 000 17, 500 22, 500 89, 300 148, 000 48, 800	7, 980 4, 540 4, 025 32, 154 10, 227 5, 518 64, 444	27, 824, 57 18, 079, 53 13, 594, 43 122, 471, 78 35, 635, 43 20, 315, 09 237, 920, 85

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

	Gross acres	Land pur- chased	Total price
STATE OF GEORGIA—continued Ninth District, B. Frank Whelchel: Dawson County. Fannin County Gilmer County. Habersham County. Lumpkin County. Rabun County. Towns County. Union County. White County.	12, 400 196, 600 178, 600 44, 500 81, 900 241, 300 98, 700 163, 900 57, 800	5, 318 87, 462 21, 410 21, 762 55, 291 137, 127 42, 574 85, 958 40, 209	\$22, 754, 44 445, 205, 40 85, 209, 37 103, 576, 83 274, 727, 98 766, 576, 51 188, 403, 21 468, 405, 17
Total	1, 075, 700	497, 111	2, 509, 352. 43
Total, State of Georgia	1, 558, 000	561, 555	2, 747, 273. 28
STATE OF IDAHO First District, Compton I. White: Boise County	26,000	1, 278	2, 772. 75
Second District, Henry C. Dworshak: Camas County Elmore County	10, 841 428, 832	10,844	25, 227. 58
Total	439, 673		
		10,844	25, 227, 58
Total, State of Idaho	465, 673	12, 122	28, 000. 33
2 at large: John C. Martin, T. V. Smith. Twenty-fourth District, Claude V. Parsons: Gallatin County Hardin County Johnson County Massac County Pope County Saline County	41, 115 110, 257 32, 845 34, 030 207, 673 43, 097	7, 732 12, 698 5, 407 2, 381 53, 214 8, 509	41, 500. 88 69, 623. 19 32, 831. 05 14, 090. 79 281, 793. 13 37, 619. 04
Total	469, 017	89, 941	477, 258. 08
Twenty-fifth District, Kent E. Keller: Alexander County Jackson County Union County	81, 635 122, 008 113, 941	21, 428 22, 607 27, 655	128, 912. 99 165, 756. 88 177, 301. 46
Total	317, 584	71,690	471, 971. 33
Total, State of Illinois	786, 601	161, 631	949, 229. 41
Seventh District, Gerald W. Landis: Martin County	108, 178 64, 922	2, 592 4, 782	24, 116. 75 35, 152. 04
Total	173, 100	7,374	59, 268, 79
Eighth District, John W. Boehne: Crawford County Dubois County Perry County	108, 463 24, 000 156, 270	2, 487 10, 652	25, 426. 55 82, 985. 66
Total	288, 733	13, 139	108, 412, 21
Ninth District, Eugene B. Crowe: Brown County. Jackson County. Lawrence County. Orange County.	60, 532 43, 147 72, 339 143, 611	765 1, 284 2, 584 9, 061	5, 252.09 21, 166.84 20, 668.24 70, 510.23
Total	319, 629	13, 694	117, 597. 40
Total, State of Indiana	781, 462	34, 207	285, 278. 40
STATE OF IOWA			FORT FEW
First District, Thomas E. Martin: Lee County Van Buren County	61, 497 83, 740	100	9, 688. 16
Total	145, 237	100	9, 688. 16
Fifth District, Karl M. LeCompte: Appanoose County Clarke County Davis County Decatur County Lucas County Monroe County Ringgold County Union County Wapello County Wayne County	76, 741 44, 668 133, 387 166, 128 55, 539 100, 475 11, 437 39, 608 24, 436 12, 951		
Total. Sixth District, Cassius C. Dowell: Marion County.	665, 370 18, 509		
County			

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

Land pur-chased Gross Total price acres STATE OF KENTUCKY Sixth District, Virgil Chapman:
Estill County
Lee County
Madison County 76, 229 81, 397 175 4, 711 6, 411 \$22, 581. 13 22, 048. 39 157, 801 11, 122 44, 629. 52 Total ... Seventh District, Andrew J. May: Letcher County_______ Pike County_______ 40, 500 14, 800 Total.... 55, 300 Eighth District, Joe B. Bates: 56, 988, 28 95, 072, 11 15, 110, 65 36, 179, 77 132, 025, 15 35, 562, 77 50, 227 95, 022 21, 439 55, 162 114, 819 25, 778 Menifee County
Menifee County
Morgan County
Powell County
Rowan County
Wolfe County 28, 102 5, 133 11, 569 45, 713 13, 491 362, 447 117,676 370, 938, 73 Ninth District, John M. Robsion:
Jackson County
Laurel County
McCreary County
Owsley County
Pulaski County
Rockcastle County
Wayne County
Whitley County 123, 844 118, 410 259, 840 11, 141 89, 228 73, 001 10, 811 131, 691 72, 793. 58 277, 982. 29 493, 793. 59 11, 298. 67 91, 141. 45 44, 878. 71 1, 315. 76 73, 458. 06 30, 610 43, 597 134, 245 4, 066 24, 051 10, 377 458 16, 568 817, 966 263, 972 1, 066, 662. 11 Total. 1, 393, 514 392, 770 1, 482, 230. 36 Total, State of Kentucky STATE OF LOUISIANA Eighth District, A. Leonard Allen: 209, 091 205, 410 78, 809 110, 766 272, 990 420, 341, 67 474, 224, 79 121, 933, 63 116, 645, 39 222, 338, 16 131, 635 112, 757 62, 205 80, 552 Grant County
Natchitoches County
Rapides County
Vernon County
Winn County 104, 246 1, 355, 483. 64 877,066 491, 395 Total, State of Louisiana.... STATE OF MAINE 81, 055 11, 977 45, 368 2, 478 283, 070. 01 29, 732, 40 47, 846 93, 032 Total.... Third District, Ralph O. Brewster:
Aroostook County
Hancock County
Penobscot County
Washington County 387, 673 59, 752 80, 717 256, 858 785,000 Total.... 47, 846 312, 802, 41 Total, State of Maine ... 878, 032 STATE OF MICHIGAN STATE OF MICHIGAN

Eighth District, Fred L. Crawford: Montealm
County...

Ninth District, Albert J. Engel:
Lake County...
Lake County (State)...
Manistee County...
Mason County...
Missaukee County...
Missaukee County (State)...
Muskegon County (State)...
Muskegon County (State)...
Newaygo County...
Oceans County...
Wexford County...

Wexford County...
Total 266 719. 27 10, 296 64, 063 32, 762 29, 090 28, 046 40 1, 232 3, 729 160 36, 351 16, 273 47, 311 162, 643, 89 215, 809 162, 643. 89 94, 451. 09 70. 371. 46 95, 384. 13 40. 00 2, 794. 80 13, 984. 66 3, 200. 00 124, 821. 40 55, 516. 11 134, 806. 17 147, 466 140, 766 67, 741 345, 619 139, 159 167, 294 1, 223, 894 259, 057 758, 013. 71 Total Total.
Tenth District, Roy O. Woodruff:
Alcona County.
Alcona County (State).
Clare County (State).
Crawford County.
Crawford County.
Iosco County (State).
Mecosta County (State).
Ogemaw County.
Ogemaw County (State).
Oscoda County (State).
Roscommon County (State).
Roscommon County.
Roscommon County (State). 81, 728, 21 12, 345, 02 12, 483, 42 77, 171, 33 82, 558, 58 72, 552, 23 138, 84 724, 40 20, 037, 27 1, 480, 19 77, 367, 01 6, 349, 96 270, 764 39, 771 54 5, 549 31, 938 25, 620 42, 823 40 241 9, 833 748 40, 758 2, 524 86, 789 178, 123 29, 582 60, 875 206, 541 40 21, 027 49, 165, 04 220, 926 494, 101. 50 823, 714

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

	Gross acres	Land pur- chased	Total price
STATE OF MICHIGAN—continued			
Eleventh District, Frederick V. Bradley:		Links	
Alger County	244, 310	101, 874 30, 041	\$230, 869. 20 64, 130. 54
Alger County (State)	40	40	40.00
Antrim County (State) Charlevoix County (State)		13, 716 198	33, 246, 42 10, 499, 20
Chahargan County	217	217	10, 499, 20 216, 68
Cheboygan County (State)	301, 391	2, 182 122, 824	7, 044. 48 255, 485. 40
Chippewa County (State)	409, 959	2, 547 155, 177	125, 171. 04 299, 732. 59
Emmet County (State)	403, 303	652	25, 965. 39
Kalkaska County (State)		32, 369 868	69, 000. 17 75, 349, 73
Mackinac County	203, 815	46, 648	75, 349. 73 118, 703. 34
Mackinac County (State)		39, 523 2, 031	86, 568. 72 5, 684. 41
Mackinac County (State) Montmorency County (State) Otsego County (State) Presque Isle County (State)		6, 108 1, 483	23, 889. 35 4, 493. 20
Schoolcraft County	157, 220	107, 190	215, 791. 30
Schoolcraft County (State)		11, 617	18, 381. 40
Total	1, 316, 952	677, 305	1, 670, 262. 56
Twelfth District, Frank E. Hook:	45, 904	17 516	69, 942, 88
Baraga County Gogebic County Houghton County	664, 965	17, 516 170, 377	644, 211, 99
Houghton County	197, 489 267, 873	105, 459 116, 183	324, 733. 89 539, 992. 09
Iron County	11, 200 567, 077	4, 758 159, 285	125, 890, 30
	100000000000000000000000000000000000000		411, 418. 21
Total	1,754,508	573, 578	2, 116, 189, 36
Total, Michigan counties Total, Michigan counties (State)	5, 138, 364	1, 498, 081 233, 051	4, 224, 895, 41 814, 390, 99
Total, State of Michigan	5, 138, 364	1, 731, 132	5, 039, 286. 40
STATE OF MINNESOTA			
Sixth District, Harold Knutson: Cass County	556, 398	130, 780	296, 577. 89
Eighth District, William A. Pittenger: Cook County	875, 953	241, 090	813, 740. 30
Thomas Country	875, 953 622, 081 143, 687	190, 488	479, 036. 51
Koochiching County Lake County	1, 050, 604	296, 645	617, 371, 90
St. Louis County	1, 050, 604 1, 659, 328	437, 629	617, 371. 90 889, 741. 08
Total Ninth District, Richard T. Buckler: Bel-	4, 351, 653	1, 165, 852	2, 799, 889. 79
trami County	134, 345	46, 483	114, 307. 24
Total, State of Minnesota	5, 042, 396	1, 343, 115	3, 210, 774. 92
STATE OF MISSISSIPPI			
Second District, Wall Doxey: Benton County	158, 680	41, 942	151, 666, 19
Teferette County	99, 200	33, 078	135, 703. 35
Marshall County	99, 200 117, 760 36, 480	16, 623 7, 150	61, 177. 05 26, 436. 62
Union County	44, 160	6, 576	26, 310. 75
Total	456, 280	105, 369	401, 293. 96
Third District, William M. Whittington: Issaquena County	92,800		
Sharkey County	132, 160	13, 193	725, 602. 35
Total Fourth District, Aaron L. Ford: Pontotoe	224, 960	13, 193	725, 602. 35
County	5,760		
Fifth District, Ross A. Collins: Jasper County	30, 720	17, 151	49, 667. 81
Newton County	11,540	3, 128	8, 035. 45
Scott CountySmith County	209, 920 130, 640	86, 758 65, 736	8, 035. 45 260, 762. 25 129, 271. 09
Total	382, 820	172, 773	447, 736. 60
Sixth District, William M. Colmer:			
Forrest County	118, 900 34, 560	40, 886 8, 780	81, 634. 55 13, 842. 25 43, 965. 25 201, 605. 00 68, 269. 00 36, 561. 43
Greene County	135, 365	33, 171	43, 965, 25
Harrison County	32, 646	40, 886 8, 780 33, 171 54, 045 18, 865 23, 690	68, 269. 00
Jones CountyLamar County	118, 900 34, 560 135, 365 112, 372 32, 646 40, 960 126, 600 65, 920 61, 651 220, 800 143, 984 152, 166	23, 690	36, 561. 43
Marion County	65, 920		08.080
Doorl Divor County	220, 800	5, 217 154, 095 38, 978	27, 972, 28 264, 176, 49
Perry County Stone County Wayne County	143, 984	38, 978	264, 176, 49 113, 242, 93 125, 965, 57
		82, 724	
Total	1, 262, 424	467, 827	996, 915, 22

APPENDIX TO THE CONGRESSIONAL RECORD

	Gross acres	Land pur- chased	Total price
STATE OF MISSISSIPPI—continued Seventh District, Dan R. McGehee: Adams County. Amite County Copiah County Franklin County Jefferson County Lincoln County Warren County Wilkinga County	35,000 56,360 17,500 183,100 16,500 21,400 33,920 43,600	15, 318 33, 991 6, 315 93, 528 7, 376 7, 788	\$46, 044, 48 150, 815, 57 23, 825, 47 368, 403, 79 19, 680, 47 24, 276, 82
Wilkinson CountyYazoo County	43, 600 64, 960	20,899	77, 126. 05
Total	455, 840	177, 839	690, 491. 88
Total, State of Mississippi STATE OF MISSOURI	2, 788, 084	937, 001	3, 262, 040. 01
STATE OF MISSOURI Barry County Christian County Douglas County Howell County Stone County Taney County Wright County Wright County	143, 643 97, 767 137, 076 138, 875 118, 428 99, 207 133, 713 29, 373	28, 087 35, 974 30, 209 41, 431 30, 314 8, 744 40, 858 5, 257	75, 729, 62 102, 650, 61 88, 594, 03 109, 436, 55 73, 607, 80 21, 002, 68 15, 760, 68
Total	898, 082	220, 874	568, 075. 25
Eighth District, Clyde Williams: Carter County. Crawford County. Dent County. Iron County. Laclede County. Madison County. Perry County. Perry County. Phelps County. Phelps County. Reynolds County. St. Francois County. St. Francois County. St. Genevieve County. Texas County. Washington County. Washington County.	145, 099 134, 538 133, 664 183, 767 79, 918 168, 535 129, 105 20, 215 108, 303 147, 452 141, 019 124, 239 99, 386 64, 446 115, 863 140, 565 175, 405	82, 143 71, 998 2, 181	146, 595, 01 78, 016, 88 118, 290, 76 149, 337, 19 48, 115, 28 53, 785, 62 2, 400, 00 71, 121, 01 62, 032, 42 166, 530, 56 143, 603, 21 4, 442, 63 25, 477, 50 74, 922, 38 130, 230, 53 151, 413, 69
Total	2, 111, 459	751, 873	1, 583, 762. 33
Tenth District, Orville Zimmerman: Bollinger County Butler County Ripley County	40, 855 130, 341 140, 743	1, 200 32, 985 80, 653	2, 722, 00 73, 504, 81 158, 318, 47
Total	311, 939	114, 838	234, 545, 28
Total, State of Missouri	3, 321, 480	1, 087, 585	2, 386, 382, 86
First District, Arthur B. Jenks: Carroll County. Second District, Foster Stearns: Coos County. Grafton County.	171, 764 235, 600 398, 958	140, 778 198, 331 324, 007	1, 144, 511. 71 1, 271, 267. 11 2, 733, 487. 06
Total	634, 558	522, 338	4, 004, 754, 17
Total, State of New Hampshire	806, 322	663, 116	5, 149, 265, 88
STATE OF NORTH CAROLINA Third District, Graham A Barden: Carteret County Craven County Jones County	109, 200 125, 300 71, 800	50, 139 40, 028 26, 458	133, 350. 22 173, 735. 91 73, 477. 90
Total Fourth District, Harold D. Cooley: Ran-	306, 300	116, 625	380, 564. 03
dolph County Eighth District, W. O. Burgin: Davidson County Montgomery County Moore County Wilkes County	12,000 263,300 171,000 129,048	6, 283 304 16, 405	38, 656. 60 1, 042. 20 86, 051. 40
Total	575, 348	16, 709	87, 093. 73
Ninth District, Robert L. Doughton: Ashe County Caldwell County Watauga County	327 119, 092 68, 456	327 48, 366 393	1, 062. 77 138, 249. 13 3, 626. 40
	-	-	

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

**************************************	Gross acres	Land pur- chased	Total price
STATE OF NORTH CAROLINA—continued			
Tenth District, A. L. Bulwinkle:	122, 300	21, 511	ess 620 41
Avery CountyBurke County	66, 700	46, 312	325, 585, 85
Madison CountyMitchell County	163, 800 82, 800	45, 800 13, 160	210, 351, 55
Yancey County	108, 400	31, 832	\$55, 639, 41 325, 585, 85 210, 351, 55 47, 791, 50 267, 090, 52
Total	544, 000	158, 615	906, 458. 83
		====	200, 100. 00
Eleventh District, Zebulon Weaver: Buncombe County	70,800	30, 941	243, 738. 56
Cherokee County	287,600	53, 762	208, 949, 29
Clay County	101, 900 191, 700	. 39, 241 55, 844	229, 240. 10 499, 930. 39
Haywood County	186, 200	62,796	233, 844, 39
Henderson County	27,800 287,100	18, 635 17, 732	94, 908, 56 73, 976, 43
Jackson County McDowell County	117, 700	52,675	344, 286, 77 917, 761, 11
Macon County	337, 800 96, 800	142,622 5,718	917, 761. 11 23, 408. 72
Swain County Transylvania County	155, 500	76, 784	325, 336. 81
Total	1,860,900	556, 750	3, 195, 379, 13
Total, State of North Carolina	3, 588, 123	904, 068	4, 751, 090, 63
	0, 000, 120	301,003	4, 101, 000. 00
STATE OF NORTH DAKOTA			Facility of
Lemke:			
Bottineau CountyCass County	11, 494 23, 020		
McHenry County Pierce County	366, 484 93, 932	480	4, 796. 30
Pierce County	93, 932		
Ransom County	97, 886 171, 625		
Total, State of North Dakota	764, 441	480	4, 796. 30
STATE OF OHIO			
at large: George H. Bender.			
Sixth District, James G. Polk: Pike County Scioto County	64, 968		
	143, 930	562	4, 758. 07
Total	208, 898	562	4, 758. 07
Tenth District, Thomas A. Jenkins:	156, 443	2, 213	11, 146. 06
Athens CountyGallia County	65, 534	7	73. 10
Jackson County	111,010 257,629	19,897	900.00 125,641.68
Vinton County	163, 655	2,016	9, 022. 74
Total	754, 271	24, 134	146, 783. 58
Eleventh District, Harold K. Claypool:			
Hocking County Perry County	59,000	4, 230	21, 588. 31
Ross County	89, 087 6, 842	4, 997	23, 792, 64 12, 559, 10
Total	154, 929	9, 308	57, 940. 05
Fifteenth District, Robert T. Secrest: Monroe County	116, 356		
Morgan County	9, 557		
Noble County Washington County	10, 181 211, 911	230	1, 595. 60
Total	348,005	230	1, 595, 60
Total, State of Ohio	1, 466, 103	34, 234	211, 077. 30
STATE OF OKLAHOMA	1, 400, 200	01, 201	211,011.30
	- 100 100	100	100
1 at large: Will Rogers. Third District, Wilburn Cartwright:	9.6		EJ DWILLIAM
Third District, Wilburn Cartwright: Latimer County Le Flore County	52, 760 291, 489	150, 923	246, 041, 92
	344, 249		
Total, State of Oklahoma	311, 219	150, 923	246, 041. 93
	1		1000
STATE OF OREGON			P. C. C. C. C. C. C.
STATE OF OREGON First District, James W. Mott: Benton	14 790	6 675	200 110 8
STATE OF OREGON First District, James W. Mott: Benton County. Second District, Walter M. Pierce: Crook	14, 720	6, 675	100000000000000000000000000000000000000
STATE OF OREGON First District, James W. Mott: Benton County	14, 720 20, 985	6, 675 20, 985	100000000000000000000000000000000000000
STATE OF OREGON First District, James W. Mott: Benton County. Second District, Walter M. Pierce: Crook			287, 918. 86
STATE OF OREGON First District, James W. Mott: Benton County Second District, Walter M. Pierce: Crook County	20, 985	20, 985	328, 112. 57 287, 918. 86 616, 031, 43
STATE OF OREGON First District, James W. Mott: Benton County. Second District, Walter M. Pierce: Crook County Total, State of Oregon.	20, 985	20, 985	287, 918. 86

APPENDIX TO THE CONGRESSIONAL RECORD

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Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

Land pur-chased Gross Total price acres STATE OF PENNSYLVANIA-continued Twentieth District, Benjamin Jarrett: Elk County..... Forest County.... \$512, 856, 71 394, 030, 98 739, 146, 59 145, 829 186, 112 188, 365 111, 847 101, 745 97, 849 Warren County. 520, 306 311, 441 1, 646, 034. 28 Total, State of Pennsylvania.... 432, 121 2, 800, 961, 50 726, 310 FUERTO RICO Total, Puerto Rico..... 186, 155 11,079 140, 688, 88 STATE OF SOUTH CAROLINA First District, Thomas S. McMillan: Berkeley County Charleston County 301, 500 184, 797 58, 486 1, 474, 069, 71 262, 920, 25 414, 700 1, 736, 989, 96 Third District, Butler B. Hare:
Abbeville County.
Edgefield County.
Greenwood County.
McCormick County.
Newberry County.
Oconee County.
Pickens County.
Saluda County. 16, 634 22, 648 8, 620 42, 474 45, 996 53, 587 82, 161, 66 121, 060, 49 49, 539, 22 237, 233, 54 244, 073, 08 303, 282, 38 51, 000 112, 000 57, 000 198, 000 124, 100 128, 000 48, 900 13, 000 4, 035 21, 678, 32 732,000 193, 994 1, 062, 728. 69 Fourth District, Joseph R. Bryson: Laurens County______Union County_____ 104, 849, 40 226, 702, 25 19, 512 45, 039 158, 300 210,600 64, 551 331, 551. 65 Fifth District, James P. Richards: Chester County Fairfield County 6, 489 11, 428 Total.... 65, 300 17, 917 89, 241, 88 Total, State of South Carolina 519, 745 1, 422, 600 3, 219, 812, 18 STATE OF TENNESSEE First District, B. Carroll Reece:
Carter County.
Cocke County
Greene County.
Johnson County.
Sullivan County.
Unici County 73, 410 36, 899 31, 258 41, 957 35, 114 281, 573, 47 160, 362, 51 180, 550, 63 176, 235, 77 175, 626, 11 192, 935, 99 12, 565, 29 181,000 181, 000 119, 000 55, 200 168, 200 56, 900 122, 800 Unicoi County_____ Washington County_____ 39, 935 2, 981 1, 179, 849, 77 261, 554 Total.... 744, 200 240, 300 138, 442 419, 058. 28 Third District, Sam D. McReynolds: Polk 219, 500 129, 201 694, 541. 73 County Total, State of Tennessee..... 1, 204, 000 2, 293, 449. 78 529, 197 STATE OF TEXAS Second District, Martin Dies:
Angelina County
Jasper County
Sabine County
San Augustine County
Shelby County 55, 823 17, 139 112, 417 67, 850 68, 016 126, 168, 17 30, 040, 37 301, 686, 05 233, 545, 00 205, 860, 30 145, 700 39, 964 253, 700 166, 600 170, 600 776, 564 321, 245 897, 299, 89 Seventh District, Nat Patton:
Houston County
Montgomery County
Nacogoches County
San Jacinto County
Trinity County
Walker County 202, 300 111, 800 51, 800 248, 900 1, 127, 055. 17 137, 618. 82 56, 143 177, 914, 31 70, 360 52, 754 307, 563, 13 297, 885, 73 131, 100 937, 800 317, 197 2, 048, 037, 16 Total, State of Texas..... 1,714,364 638, 442 2, 945, 337, 05

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

all the missississis	Gross	Land pur- chased	Total price
STATE OF UTAH			1004
First District, Abe Murdock: Duchesne County	120	120	\$360.00
Morgan County	15, 034	3, 481	10, 442. 16
Total	15, 154	3, 601	10, 802. 16
Second District, J. W. Robinson: Davis County Salt Lake County Utah County	53, 919 2, 978 39, 530	24, 866 1, 274 20, 951	73, 422, 45 3, 728, 72 62, 125, 50
Total	96, 427	47, 091	139, 276, 67
		50, 692	
Total, State of Utah	111, 581	50, 692	150, 078. 83
At large, Charles A. Plumley: Addison County. Bennington County. Rutland County.	111, 875 216, 700 107, 970	63, 800 22, 662 51, 558	715, 474, 66 266, 476, 81 476, 623, 77 47, 597, 04
Washington County Windham County Windsor County	111, 875 216, 700 107, 970 13, 710 99, 100 31, 165	3, 027 257 19, 190	47, 597. 04 3, 466. 10 175, 166. 39
Total, State of Vermont	580, 520	160, 494	1, 684, 804. 77
STATE OF VIRGINIA			
Fifth District, Thomas G. Burch: Carroll County. Grayson County. Wythe County.	13, 500 48, 689 128, 473	4, 311 11, 853 27, 780	10, 419. 06 39, 102. 33 65, 385 40
Total	190, 662	43, 944	114, 906. 79
Sixth District, Clifton A. Woodrum: Alleghany County. Bedford County. Botetourt County Craig County Montgomery County Roanoke County	319, 874 31, 236 168, 537 212, 707 29, 466 4, 758	126, 536 17, 846 55, 652 107, 377 9, 025 1, 717	334, 614. 70 170, 118. 04 247, 088. 41 231, 163. 69 23, 717. 40 5, 783. 30
Total	766, 578	318, 153	1, 012, 485. 54
Seventh District, A. Willis Robertson: Amherst County. Augusta County. Bath County. Frederick County. Highland County Nelson County. Page County. Rockbridge County. Rockingham County. Shenandoah County. Warren County.	105, 028 247, 933 348, 988 8, 700 87, 140 67, 950 33, 153 183, 514 228, 424 134, 078 10, 962	52, 598 191, 114 157, 989 4, 468 52, 444 14, 094 22, 360 62, 805 131, 347 75, 527 5, 526	282, 843, 81 673, 714, 01 423, 768, 98 15, 486, 43 204, 670, 55 64, 068, 85 42, 574, 52 245, 394, 26 389, 304, 92 212, 049, 26 16, 670, 71
Total	1, 455, 870	770, 272	2, 561, 546 37
Ninth District, John W. Flannagan, Jr.: Bland County Buchanan County Dickenson County	255, 426 160	3, 108	8, 090. 30
Lee County Pulaski County	31, 530 245, 413 95, 739 81, 033	22, 015 8, 073	39, 249. 62 27, 742. 06
Russell County Scott County Smyth County Tazewell County Washington County Wise County	96, 259 115, 545 156, 571 130, 128 69, 610 232, 949	27, 737 53, 264 2, 202 17, 253 24, 880	105, 479, 12 147, 603, 61 5, 869, 80 62, 380, 34 94, 982, 96
Total	1, 510, 363	158, 532	491, 397. 81
Total, State of Virginia	3, 923, 473	1, 290, 901	4, 180, 336. 51
STATE OF WEST VIRGINIA			
Second District, Jennings Randolph: Grant County Hampshire County Hardy County Pendleton County Pocahontas County Preston County Randolph County Tucker County	43, 700 5, 500 80, 675 226, 100 537, 288 12, 192 361, 299 202, 700 110, 131	14, 126 2, 645 47, 168 105, 469 273, 076 3, 891 165, 862 92, 024 64, 707	72, 584. 62 13, 235. 68 146, 726. 77 321, 726. 3 \$903, 133. 49 14, 997. 41 631, 329. 80 344, 463. 48 168, 337. 23

Summary of land purchases to June 30, 1938, under act of Mar. 1, 1911, as amended by act of June 7, 1924, by States, counties, and congressional districts—Continued

	Gross acres	Land pur- chased	Total price
STATE OF WEST VIRGINIA—Continued		STATE OF STATE	
Third District, Andrew Edmiston: Nicholas County Fifth District, John Kee: Greenbrier County.	45, 939 210, 903	23, 434 98, 693	\$59, 391, 91 331, 399, 02
Total, State of West Virginia	1, 836, 427	891, 089	3, 007, 325. 69
STATE OF WISCONSIN			
Seventh District, Reid F. Murray: Langlade County	39, 469	16, 795	25, 576. 69
Eighth District, Joshua L. Johns: Florence County Forest County Oconto County.	129, 541 528, 539 198, 998	65, 397 284, 782 114, 572	180, 234. 67 832, 262. 36 169, 047. 09
Total	857, 078	464, 751	1, 181, 544. 12
Tenth District, B. J. Gehrmann: Ashland County. Bayfield County. Oneida County. Price County. Sawyer County. Taylor County. Vilas County. Total.	205, 936 317, 588 15, 728 168, 543 156, 809 171, 833 83, 555 1, 119, 992	170, 267 244, 414 6, 945 130, 986 118, 404 109, 993 39, 466	280, 119, 75 467, 074, 31 17, 671, 71 217, 575, 70 195, 722, 00 167, 525, 11 105, 501, 04
Total, State of Wisconsin.	2, 016, 539	1, 302, 021	2, 658, 310, 43

RECAPITULATION

	Congressional districts	Gross acres	Land pur- chased	Total price
Alabama	7	2, 293, 813	458, 051	\$1, 674, 772, 52
Arkansas	5	3, 365, 367	1, 053, 034	2, 856, 301, 55
California	4	978, 529	115, 529	627, 200, 26
Florida		1, 282, 949	707, 576	2, 159, 560, 72
Georgia	3 2 2	1, 558, 000	561, 555	2, 747, 273. 28
Idaho	2	465, 673	12, 122	28, 000. 33
				949, 229, 41
Illinois	4	786, 601	161, 631	285, 278, 40
Indiana	3 3	781, 462	34, 207	
Iowa.	3 4	829, 116	100	9, 688. 16
Kentucky		1, 393, 514	392,770	1, 482, 230. 36
Louisiana	1	877,066	491, 395	1, 355, 483. 64
Maine.	2	878, 032	47, 846	312, 802. 41
Michigan	5	5, 138, 364	1, 731, 132	5, 039, 286. 40
Minnesota	3	5, 042, 396	1, 343, 115	3, 210, 774. 92
Mississippi	6	2, 788, 084	937,001	3, 262, 040. 01
Missouri	3	3, 321, 480	1,087,585	2, 386, 382. 86
New Hampshire	2	806, 322	663, 116	5, 149, 265. 88
North Carolina	6	3, 588, 123	904, 068	4, 751, 090. 63
North Dakota	2	764, 441	480	4, 796, 30
Ohio	5	1, 466, 103	34, 234	211, 077, 30
Oklahoma	5 2	344, 249	150, 923	246, 041, 92
Oregon	2	35, 705	27,660	616, 031, 43
Pennsylvania	2	726, 310	432, 121	2, 800, 961, 50
Puerto Rico		186, 155	11,079	140, 688, 88
South Carolina	4	1, 422, 600	519, 745	3, 219, 812, 18
Tennessee	3	1, 204, 000	529, 197	2, 293, 449, 78
Texas	2	1, 714, 364	638, 442	2, 945, 337. 05
Utah		111, 581	50, 692	150, 078, 83
Vermont.	ĩ	580, 520	160, 494	1, 684, 804, 77
Virginia	4	3, 923, 473	1, 290, 901	4, 180, 336, 51
West Virginia	3	1, 836, 427	891, 089	3, 007, 325, 69
Wisconsin	3	2, 016, 539	1, 302, 021	2, 658, 310, 43
W ISCOUSIU	0	2, 010, 009	1, 002, 021	2, 000, 310, 43
Total	100	52, 507, 358	16, 740, 911	62, 445, 714. 31

Imports of Farm Products

EXTENSION OF REMARKS

HON. DANIEL A. REED

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

Mr. REED of New York. Mr. Speaker, under the trade agreements, I wish to point out that imported farm products, which might have been produced by our farmers to their benefit, are increasing month by month. It is obvious that tribute is being paid to foreign countries, and paid unnecessarily, to the extent of millions of dollars.

Mr. Speaker, I repeat that which should be repeated over and over again, which is this: That a nation, whether it buy from abroad or produce at home, can have no more than she produces. The development of her domestic producing facilities, whether farm or factory, is the true and only sound test of her prosperity.

Present low farm prices tell the tragic story of the American farmer under the low-tariff policy of the Roosevelt administration.

Imports of farm products

Products	January and February 1938	January and February 1939
Cattlehead	46, 100	184, 000
Hogspounds	15, 766	15, 055
Meat productsdo	16, 433, 181	19, 219, 000
Butterdo	513, 347	164, 884
Cheesedo	6, 854, 611	8, 339, 000
Oatsbushels_	4, 432	88, 485
Corndo	79, 540	49, 824
Wheatdo	79, 356	1, 873, 744
Barleydo	100	559
Barley maltpounds_	22, 625, 252	12, 482, 685
Flaxseedbushels_	3, 255, 979	4, 360, 000
Wool and mohairpounds_	8, 260, 000	39, 213, 000
Molasses (inedible) gallons gallons	27, 647, 495	31, 618, 114
Eggs, in shell dozen	38, 671	73, 799
Eggs, in shell dozen Vegetables and preparations value	\$3, 974, 735	\$3, 371, 000
Hides and skinspounds	23, 164, 000	61, 015, 000
Tobacco, unmanufactureddodo	9, 057, 000	11, 312, 000
Cotton, unmanufactureddo	14, 023, 000	16,090,000
Vegetable oils, edibledo	17, 401, 000	31, 485, 000
Cottonseed oildo	2, 163, 000	12, 949, 000
Olive, corn, and other oilsdo	15, 238, 000	18, 536, 000
Maple sugar and sirupdo	108,006	1, 305, 829
Oil cake and oil-cake meal:	200,000	2,000,020
Soybeando	3, 224, 000	4, 420, 000
Cottonseeddo	888, 000	4, 284, 000
Linseeddo	1, 286, 000	2, 607, 000
Coconut, or coprado	12, 477, 000	19, 723, 000

Source: U. S. Department of Commerce figures.

Labor's Stake in Trade Agreements and Foreign Trade

EXTENSION OF REMARKS

HON. JAMES M. MEAD OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, April 27, 1939

ADDRESS BY LYNN R. EDMINSTER, APRIL 22, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Record an address by Lynn R. Edminster, Special Assistant to the Secretary of State, before the Cook County (III.) League of Women Voters at the Palmer House, Chicago, Ill., on Saturday, April 22, 1939, on the subject Labor's Stake in Trade Agreements and Foreign Trade.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

With your kind indulgence I should very much like to choose this forum meeting as the occasion for dealing with an extremely important phase of the trade-agreements program which has heretofore had far too little attention except from opponents of the program. I refer to the relation of trade agreements and foreign trade to the interests and the welfare of American labor.

At once I hasten to add, if there be those here present whose primary interest in foreign trade springs from a different quarter, let them not be unduly alarmed. For I think it can be taken as axiomatic that the true interests of labor as a whole in this country are likewise the true interests of the Nation; and what I want to make clear today is that the trade-agreements program does promote the genuine interests of labor. I need scarcely add that the great importance of Chicago as a labor-employing community and the well-deserved reputation of the National League of Women Voters for nonpartisan and objective discussion of public issues make this an appropriate place and occasion for discussing labor's interest in the tariff and foreign trade.

I know of few subjects concerning which there has been more widespread misunderstanding in this country. For years labor in

the United States has been told by exponents of ever-ascending tariffs that such tariffs, reaching embargo levels, are in the interest of the American workingman; that they are essential to the maintenance of "the American standard of living." In the interest of labor itself and of the national welfare with which that of labor is so closely linked, it is surely of the utmost importance that this point of view be critically examined.

I propose to begin by stressing some of the fundamentals involved—fundamentals which apply to all countries, under all circumstances.

First of all, what is the proper test of tariff policy from the standpoint of labor? Is it not the same as for any other policy affecting labor? Does that policy increase the economic security and well-being of labor as a whole? This leads to the double question: Does it increase or reduce total employment; and is the nature of the employment which it does foster such as tends to promote, or to retard, the attainment of higher standards of living among the workers? That is the real test.

In order to see how embargo tariffs meet this test, let us consider for a moment what it is that they do and what experience has taught us about them.

has taught us about them.

There is one thing, to begin with, upon which I am sure we can all agree; whatever the reasons offered in justification of extreme measures of trade restriction by the countries that employ them, such measures do greatly impede the flow of international trade. That is axiomatic. That is their very purpose and nature; and the more severe they are, the more trade they stifle.

But does this matter to labor? Is a generous flow of trade between nations a matter of vital concern to labor? To this question there is but one answer. The true interests of labor everywhere—in the United States, in every country—are promoted by policies of moderation in regard to the tariff which permit the surpluses of each nation to be exchanged for those of other nations. For it is in those circumstances that labor finds the greatest opportunity for sustained employment under conditions greatest opportunity for sustained employment under conditions which add most to the real wealth of every country. That is what makes higher standards of living possible for the people of all

makes nigner standards of living possible for the people of all nations.

There are perhaps some who will insist upon a fuller explanation of this statement. It is hardly more than stating a truism to say that the material basis for the advance of civilization throughout the past has been of a twofold character. One phase has been the progress of science and invention, with the enormous increase in production of goods and services for the use of mankind thus made technically possible. The other—and the one I am more particularly concerned with at the moment—has to do with what, in the familiar jargon of economists, we call the principle of "division of labor," whereby people everywhere are inclined to specialize in these types of occupation which, under all the attendant circumstances, they can pursue to the greatest advantage.

There is nothing vague or mysterious about that principle. It is simple and elementary. The native tribesman, spending all of his effort in wringing from nature those few simple things required to keep body and soul together, illustrates well the opposite extreme under which practically no division of labor has developed. It is this principle, operating interdependently with the development of scientific discovery and invention, which throughout the world today constitutes the basis of organized production of that vast agglomeration of goods and services for human consumption which comprise the world's real wealth.

which comprise the world's real wealth.

Such division of labor would, of course, be impossible without trade. The wider the geographic range of trade, the further the principle can be carried, thus multiplying the efficiency of workers everywhere and increasing the sum total of goods and services available for the consumption of all. Within our own country we available for the consumption of all. Within our own country we accept the principle almost as a matter of course in connection with local and regional specialization in different types of industry which results in the exchange of the products of one part of the country for those of another. Notwithstanding the recent disturbing growth of interstate trade barriers within our own national borders, no thoughtful person would seriously propose that we turn backward in this country toward a general system of local or family self-sufficiency.

The same considerations apply to international trade. Trade between nations enormously increases the extent to which this basic principle of division of labor can be carried for the benefit of all. principle of division of labor can be carried for the benefit of all. Artificial barriers to international trade, which have in recent years been carried to such great extremes, impede the operation of the principle but do not in the least impair its fundamental validity. The so-called practical man may scoff at it as academic and theoretical. That is a familiar vein. Who was it that once defined a "practical" man as one who insists on repeating the errors of his forefathers? Calling this proposition "theoretical" does not alter its essential validity. After all, it is simply a matter of common sense. The history of civilization itself is written largely in terms of trade. The transition from the parrow feudal economy and the

trade. The transition from the narrow feudal economy and the low living standards of medieval times to the much wider economy and the enormously improved living standards of modern times is essentially a story of the development of far-flung trade, based upon an ever-widening consumption of goods by the masses of the people. It is this far-flung trade, together with the complex financial and other relationships that are an essential part of it, which constitutes the essential basis of the world's economic life today. Upon the successful functioning of this vast system of international economic relationships the genuine prosperity of every country is in large measure dependent.

What results when these international relationships are thrown

violently out of gear is not merely a matter of theory. The experience growing out of the world economic depression that began in 1929 is one which should illumine this subject for all time. And to no group were the results of that experience more disastrous

What happened? At the close of the twenties there began what proved to be the most severe and sustained peacetime disruption of production and distribution the world had ever known. To this collapse rising trade barriers and other international economic maladjustments were among the most important contributing causes; collapse rising trade barriers and other international economic maladjustments were among the most important contributing causes; and in that situation the tariff policy followed by the United States throughout the twenties, reaching its ultimate extreme in the Hawley-Smoot Act of 1930, played a prominent part. As the depression grew deeper these maladjustments became more severe. Trade barriers rose to prohibitive levels; the processes of international exchange were completely disorganized, and international trade declined disastrously. By 1932 world industrial production had fallen to 69 percent of its 1929 level, world prices of agricultural and other raw materials had declined to half or less than half their 1929 levels, while international trade had dropped to 74 percent of its 1929 volume and to 39 percent of its 1929 value.

These figures were fraught with meaning for laboring people throughout the world—for tollers everywhere, in city, on land, in mine. By early 1933 well over 30,000,000 people in the world were unemployed. Other millions not completely out of work were only partly employed and standards of living declined among the millions who were employed. More than a third of all employment which had been available in 1929—at a time when there was already substantial unemployment—was wiped out. This disastrous decline in employment opportunities took place, moreover, in the face of a growing world population which required more, not fewer, jobs for workers. Its costs in terms of human sacrifice and suffering cannot be expressed in statistics.

be expressed in statistics.

Nowhere-in no country--was labor immune to the effects of this Rowhere—in no country—was labor immune to the effects of this general disaster. Everywhere the resort to trade restrictions and other extreme measures served only to aggravate the general disease. That, in brief, is the story of what the world-wide paralysis of production and trade—with trade barriers rising on every hand like Chinese walls—meant to the laboring man.

I have stressed these simple fundamentals about trade, and I have stressed these simple fundamentals about trade, and have illustrated them in their international setting, because only in such broad perspective can this problem, as applied to labor in the United States or in any other country, be properly understood. I turn now to the domestic scene and to the light which our own experience sheds upon this subject.

The claims made in this country on behalf of prohibitive tariffs as a protection to the laboring man are generally reducible to

The claims made in this country on behalf of prohibitive tariffs as a protection to the laboring man are generally reducible to the proposition that, somehow or other, by shutting out practically all imports of everything that can be produced in this country at costs which are not utterly fantastic, we can give our working people more jobs, at better pay, than they would otherwise have. In short, as already stated, the broad claim is that the standard of living of the American workingman is dependent upon what amounts essentially to an embargo-tariff policy.

That there is something radically wrong with this assumption, however, has been conclusively demonstrated right here in our own national laboratory within the past 10 years. It is demonstrated by what actually took place in this country during this same world-wide depression of which I have just spoken.

On the events prior to 1930 which led up to the economic collapse in this country I need not pause to dwell. I need only say that the tariff policy which this country pursued throughout the twenties was one of the basic factors contributing to the gradual undermining of the whole economic situation both here and abroad. In 1930, after a year of discussion which foretold the ultimate de-

undermining of the whole economic situation both here and abroad. In 1930, after a year of discussion which foretold the ultimate decision, the Hawley-Smoot Act was passed. That act was practically a literal fulfillment of the embargo policy. Almost everything that could be produced in the United States outside of a hothouse was unceremoniously excluded from our shores. The industrialist, the laborer, and the farmer were to have—and, in fact, got—full possession of the American market. Practically nothing that any American industry could produce, or any farmer could grow, at costs not actually prohibitive was permitted any longer to come in from abroad and share in the slightest degree in the American market.

That the results of that act failed dismally to square with the theory of its proponents, including those who upheld the embargotariff policy for labor, is now a matter of history. Neither the industrialist nor the laborer nor the farmer was really protected by that policy. Just the contrary. The Hawley-Smoot Act was, in effect, a deadly attack on the real interests of all three. What it really did was to reduce to the point of ruination both the foreign and domestic markets for the products of American industry and agriculture. By raising prohibitive barriers to imports, it deprived foreign countries of the means of buying our exports, provoked tariff retallation, greatly intensified the growth of trade barriers throughout the world, and lost for our great exporting industries—both manufacturing and agricultural—the foreign markets on which they were heavily dependent for the sale of their vast exportable surpluses.

Between 1929 and 1932 the value of our exports fell from \$5,000,000,000 to one and six-tenths billions, or to less than a third of what they had been. Though actual quantities exported, particularly of agricultural products, fell less sharply, that was small consolation to the cotton grower when, during 1932, the price of cotton fell below 5 cents a pound; or to the wheat grower, with wheat descending to 32 cents a bushel; or to the corn farmer, with corn falling below 20 cents a bushel. The essential fact was that this decline of three and one-half billion dollars in income from export sales of products of our farms and cities constituted a frightful blow to our entire economic life. Its effects permeated everywhere. No industry, no region, no locality was exempt. Depression in the cities curtailed the urban market for farm products. for farm products; depression in the farms curtailed the rural

for farm products; depression in the farms curtailed the rural market for city products.

Carried along helplessly in the general tide of disaster were the very industries that had sought to protect themselves behind embargo tariffs. In their overzeal to push tariff rates on their products upward to complete embargo levels, these so-called "protected" industries became the victims of their own folly. Demanding and obtaining 100 percent of a domestic market which was spoiled in the very process of getting every fraction of it, proved to be a very poor business proposition so far as they were concerned. I once heard a very able Congressman illustrate this point in debate by asking a colleague which he would rather have, 95 percent of something or 100 percent of nothing.

For labor in the United States this whole experience was a

For labor in the United States this whole experience was a disaster of the first magnitude. By 1932, underemployment and unemployment together had created in the United States an army of unemployed amounting to 15,000,000 people—30 percent of our working population. Manufacturing industry alone contributed 5,000,000 potential workers to the ranks of the unemployed. The index of income of industrial workers, as measured by incomes of factory workers, miners, and railroad employees, fell from 1072 in 1929 to 46.5 in 1932 (1924-29=100). What all this meant in terms of economic and social costs need not be dwelt upon. It is enough merely to mention the ruin and desperation wrought in the homes of the workers; the terrific burden of private and public relief; the widespread loss of confidence and even of hope

which were the inevitable result.

In view of what happened in this country following the adoption of the Hawley-Smoot Act, those who have been led to believe that embargo tariffs promote the interests of the workingman surely owe it to themselves to give this matter further thought. The question they should ponder is not whether tariff protection should be either done away with or so drastically reduced as to subject any reasonably efficient industry to destructive foreign competition and wholesale loss of jobs by its workers. No responsible person would advocate such a policy. The real question is whether a policy of extreme protectionism, resulting in tariff embargoes, may not have, for labor, just the opposite effect from that intended.

On that question the evidence is, it seems to me, quite clear,

namely, that such an extreme policy does result in lower standards of living for labor, and does, sooner or later, create conditions tend-ing to disorganize and reduce employment rather than to create it. As has just been pointed out, not even the workers in those industries that assume to be protected behind embargo tariffs are really protected from the ultimate adverse reactions of such a policy upon protected from the ultimate adverse reactions of such a policy upon our general prosperity. Eventually, they, too, are victims. As for the great masses of the laboring people, most of whom are not employed in these so-called protected industries, an embargo tariff policy continuously retards the improvement of living standards and, at the same time, promotes and aggravates periodic economic dislocations which result in widespread unemployment and an actual decline of living standards.

I have already indicated the broad reasoning on which these conclusions rest and the manner in which they have been borne out by recent historical experience. But now let us examine this mat-ter a little more closely as it applies to the great mass of laboring people in the United States.

Just who, let me first inquire, are these laboring people and what is their interest in the tariff? When one looks closely into this situation, he arrives at some very interesting and very surprising

The number of persons gainfully employed in the United States is in the neighborhood of 50,000,000. Nearly half of these are in the service industries, such as transportation, wholesale and retail trade, public utilities, hotels, professional services, and retail trade, public utilities, hotels, professional services, and so on. These occupations obviously are not within the range of foreign competition; hence tariffs cannot protect them. On the contrary, those engaged in them are burdened as consumers and also suffer allows with others from the distributions of sources. along with others from the disturbing effects of embargo tariffs

along with others from the disturbing effects of embargo tariffs upon general prosperity.

Ten million more of the "gainfully occupied" are farmers. Some branches of agriculture are on a sufficient import basis so that tariffs on their products tend to foster and maintain those particular fields of production. But the greater part of American agriculture does not fall within this category; and when tariffs are raised to embargo levels, agriculture as a whole—as the Hawley-Smoot experience clearly demonstrated—is severely hut, the import branches along with the rest. The millions who gain their livelihood from agriculture—whether as owners, tenants, or hired labor—are most, if not all, of them injured rather than benefited by such a policy.

This leaves some 15,000,000 workers other than those in the service occupations or in agriculture. About half of these are in manufacturing industry; the remainder are, for the most part, in

the building or mechanical trades, or in mining, forestry, and fisheries. Of this 15,000,000, fully two-thirds are in branches of production which cannot be effectively protected by tariffs. They are engaged either in those types of manufacturing or mining industry which are on an export basis; or else in building and other trades which are outside the range of tariff protection. Of the remaining 5,000,000 workers, it would appear—as nearly as one can estimate it—that not over half are employed in industries, or branches of industries, which are within the range of effective tariff protection. By this I mean industries engaged in producing things of a kind which are also imported in sufficient quantities so that tariffs can have any substantial effect upon prices of the domestic article. That is to say, probably not over a third of the workers in manufacturing industry—or 5 percent of the number of "gainfully occupied" people in the United States—come within this group.

Nevertheless, it is obvious that the interests of even 5 percent of our workers must always be a matter of serious public concern. There can be no question as to that, for, after all, this 5 percent represents a great many persons. The real question is: What kind of a general tariff policy is in the interest of the workers in these industries?

Cortainly as I have already shown an emberga-tariff policy is

kind of a general tariff policy is in the interest of the workers in these industries?

Certainly, as I have already shown, an embargo-tariff policy is not in their interest. The Hawley-Smoot experience is proof positive of that. There are no benefits to either capital or labor in such industries from a tariff policy which spoils their domestic market. If tariffs which are so high as virtually to eliminate imports of competitive and semicompetitive articles could have saved such industries, then surely they should have fared better than all the others during the years immediately following the adoption of the Hawley-Smoot Act. I deliberately refrain from singling out particular industries in this connection; but I think it can safely be said that the condition of the supposedly "proit can safely be said that the condition of the supposedly "protected" industries was little, if any, better than that of the rest. Even such industries could not truthfully claim, in the face of the actual conditions, that embargo tariffs were an effective mainstay for their workers.

When, on top of this, it is argued that wages and standards of living for labor generally throughout the United States are dependent upon such a policy, such argument is confronted by a solid wall of reason, experience, and present-day fact which defi-nitely refutes it. The fact that wages and living standards of labor are. in general, higher in the United States than in foreign countries is not at all because of the tariff. High wages do not necessarily mean high costs. If they did, it would require to be necessarily mean high costs. If they did, it would require to be explained just how we export anything at all and sell it in competition with foreign producers. What counts is the efficiency of labor in relation to all the factors of production. In many of our industries, that efficiency is so great and costs are so low that we can undersell producers anywhere in the world.

Moreover, if tariffs determined wage levels, it might be expected that wages, generally speaking, would tend to be higher in the "protected" industries. Actually, the factors which determine relative wage levels in different industries are numerous: and it would

tive wage levels in different industries are numerous; and it would tive wage levels in different industries are numerous; and it would be pressing matters much too far to assume that either the presence or the absence of tariff duties is the determining factor. Nevertheless, a careful survey of wage statistics in the different branches of manufacturing industry discloses no tendency for the average wage payment per worker to be higher in industries which may broadly be listed as "protected" than in other manufacturing industries. In fact, just the reverse. Such a survey, based upon data covering a broad range of industries, shows that average weekly earnings of workers in the "protected" group in the year 1937 were only \$20.88. By contrast, and in spite of the inclusion of this relatively lower wage group in the national average, year 1937 were only 20.00. By contrast, and in spite of the inclusion of this relatively lower wage group in the national average, the average weekly earnings in all manufacturing industry in 1937 were \$25.14. Whatever the causes may be the facts are that wages tend, on the average, to run higher in the nonprotected industries. There is no fair comparison of the available data that does not show this tendency.

The net of this whole situation, therefore, is clear. Labor in the United States is not helped but is hurt by embargo tariffs. The overwhelming majority of the workers in this country unquestionably stand to gain from a policy of tariff moderation which, by fostering healthy trade, promotes the sound prosperity of the

entire Nation.

It was in full recognition of these basic facts that this Government embarked upon the trade-agreements program. The interest of labor in the program is explicitly recognized in the Trade Agreements Act. The act sets forth as its immediate objective expan-

ments Act. The act sets forth as its immediate objective expansion of foreign markets for products of the United States, and includes among its ultimate objectives "restoring the American standard of living," "overcoming domestic unemployment," and "increasing the purchasing power of the American public."

The program has been in effect nearly 5 years. Agreements have been concluded with 20 countries. These agreements have already contributed greatly to the reopening of export outlets. Moreover, implemented as they have been by our adherence to the most-favored-nation principle, they have safeguarded much of our export trade from the further inroads of rising trade barriers and trade discriminations abroad.

There is no way in which the effects of trade agreements can be

There is no way in which the effects of trade agreements can be definitely isolated from the effects of other factors that influence the course of trade. All statistics are subject to qualification. For those persons who realize the shortcomings of the figures, it is perhaps sufficient to know what common sense tells us, namely, that

when effective barriers to trade are reduced it is easier for trade to when effective barriers to trade are reduced it is easier for trade to flow than it was before. For those who must have figures, however, it is worth noting that in the 2-year period, 1937-38, our average annual exports to trade-agreement countries were 61 percent greater than the average for the two preagreement years, 1934-35; whereas our exports to nonagreement countries increased by only 38 percent. Imports of American products into trade-agreement countries, generally speaking, have increased at a more rapid rate than imports of the same products from other countries. Moreover, labor should take note of the fact that during 1938, when production in our manufacturing industry was in a slump, exports Moreover, labor should take note of the fact that during 1938, when production in our manufacturing industry was in a slump, exports tended to hold up much better than did domestic production. While this export movement was undoubtedly due in substantial part to rearmament programs abroad, it consisted also of a normal flow of trade which was facilitated by trade agreements. The agreements were certainly a stabilizing element in that they tended to check still further declines in production and employment.

There is not the slightest doubt that labor as a whole in this country has already benefited greatly from the trade-agreements

country has already benefited greatly from the trade-agreements program, and stands to benefit further from its continuation and program, and stands to benefit further from its continuation and expansion. Every worker, in his capacity as a consumer, is benefited. It is well-known, moreover, that the burden of excessive tariff protection falls most heavily on those least able to pay. As producers, millions of workers employed in export industries and in transportation and other services that are partially dependent upon export traffic, have benefited either directly or indirectly from the increased volume of business made possible by reviving exports. In this connection the increase of 52 percent in the physical quantity of all exports, industrial and nonindustrial, between 1932 and 1938, is significant. So, likewise, is the 150 percent increase in the value of our exports of manufactures and semi-manufactures during the same period. While the trade-agreements program was, of course, but one of a great many factors responsible for this increase, the vast trade coverage which the program has attained and the wide range of valuable concessions obtained on manufactured and other commodities are sufficient evidence that it must have played an important part in the situation.

In order to secure these advantages for our great exporting industries, both agricultural and nonagricultural, it is of course industries, both agricultural and nonagricultural, it is of course necessary that we grant to other countries improved access to the American market for the kinds of products which they export. That is logical, fair, and necessary. Trade is a two-way proposition. We cannot expect to sell more without buying more; and we cannot expect other countries to lower their tariffs and other import barriers on products in which our exporting industries are interested, unless we are willing to reduce some of our excessive

In the process of determining on what items duty reductions should be made, and how great the reductions should be, the inter-ests of both employers and workers in the industries concerned are always in the foreground. Every responsible official associated with the administration of this program, from top to bottom, is genuinely anxious for the welfare of American labor. There is not one of them who does not fully realize that the greatest care must be exercised in the negotiating process to guard against any action which would result in severe hardship to either employer or em-ployees in any established industry. Any other attitude would be

ployees in any established industry. Any other attitude would be contrary to good public policy.

The trade-agreements organization seeks in every reasonable way faithfully to discharge this manifest obligation. The utmost care is exercised in assembling and analyzing all of the pertinent facts. The interested departments of the Government cooperate to the full in this work. As wisely required by the Trade Agreements Act, machinery is set up for obtaining the views of all interested parties.

Every employer and every representative of a labor group is given full opportunity to present any facts or views relevant to any

Every employer and every representative of a labor group is given full opportunity to present any facts or views relevant to any pending trade agreement. Such information is genuinely desired and solicited. Those responsible for the administration of the act are surely as anxious as anyone else to avoid serious mistakes or injustices. For that reason the machinery which has been set up for carrying out this part of the act is carefully designed to insure that the testimony offered by the interested parties shall be carefully digested and made a systematic part of the proceedings leading up to decision upon any given item. In short, in the administration of the act every effort has been made to carry out in good faith the expressed intent of Congress.

For labor as a whole, the trade-agreements program, carefully administered, is an opportunity. So far as its influence on our economic affairs can extend, it operates to promote more employment, better employment, and higher standards of living for the workers. It is, accordingly, a logical part of the labor program of an administration which has earnestly sought to promote the true interests of labor as an indispensable phase of our national progress.

progress.

Labor has another concern in this program. At the outset of my remarks I dwelt upon the world setting of this whole problem. In closing, I return to the international scene. I do so because, for labor and for all of us as Americans, what happens in the world during the highly critical period through which we are passing is of surpassing importance.

The present world situation is one which calls for sober reflection on the part of everyone, and certainly of labor. The continuous piling up of armaments throughout the world, and the surcharged atmosphere in which the world goes on living from day to day, are a menace and a burden the seriousness of which it

would be impossible to exaggerate. The diversion, on an enormous scale, of the energies of the workers from peace-time pursuits to the building of armaments—however justified it may be in the case of particular countries on grounds of defense—is surely unfortunate from the standpoint of the real interests of labor, as of everyone. Instead of using this vast storehouse of energy to raise living standards, the world is confronted with the spectacle of its use for the piling up of weapons of destruction of property. of its use for the piling up of weapons of destruction of property and of life itself. While this situation of political insecurity and

of wholesale diversion of human energy continues, there can be only retrogression and increasingly imminent disaster.

Should war occur, does any sane person really believe that labor anywhere—whether here or abroad—will not have to pay a heavy price? After all, the great masses of the people throughout the world are tollers; and it is the masses of the people who must bear the brunt of war. the brunt of war

There is still time to reverse the fatal course of recent years and months and to start back along the road to peace and constructive human endeavor. The way is still open to that gradual resumption of healthy economic and other relations between nations which is

of healthy economic and other relations between nations which is essential to genuine and sustained prosperity and to the well-being of peoples everywhere. In this situation the trade-agreements program is all important. It represents almost the only sustained effort being made anywhere in the world today to reconstruct international economic relations on a sound and permanent basis. As such, its implications far transcend in importance the immediate commercial value of the agreements, great though that is.

That armaments have continued to increase and the danger of war remains ever present does not in the least impair the validity of this approach. No responsible person has ever contended that the trade-agreements program is an effective and an immediate guaranty of world peace irrespective of all else. The fact remains, however, that restoration of a healthy flow of international trade is essential to the creation of those conditions of economic security and well-being throughout the world which make for peace and order within nations and hence between nations. In that sense, the trade-agreements program does strengthen the foundations of world peace.

The broad goal toward which the trade-agreements program points is the rebuilding of the world's economic life, with all that this means for human advancement everywhere. In this great enterprise all of us have a large stake—certainly none more than labor.

Farming Is a Business

EXTENSION OF REMARKS

HON. JOHN W. FLANNAGAN, JR. OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

ADDRESS BY HON. JOHN W. FLANNAGAN, JR., OF VIRGINIA, APRIL 22, 1939

Mr. FLANNAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, I delivered before the Virginia Youth Conference held at : the University of Virginia last Saturday, April 22:

Farming is a business. That's the thought I want to get over to Farming is a business. That's the thought I want to get over to you this morning. Heretofore it has been looked upon more or less as a means of eking out a living by many of those actually engaged in tilling the soil and as a hobby or plaything by the rich and well-to-do who can afford to engage in the hazardous undertaking. During recent years, and especially since the advent of our present administration, we are becoming conscious of the fact that it is a business—a serious business, a hazardous business—and to prove successful will have to be conducted upon a business basis. I want you to carry this thought back home with you: Farming is not only a business, it is the biggest business, the most important business in America, and when it is in an unhealthy condition, when the farmers are selling the products of the soil below the cost of production, our whole national economy is thrown out of gear, and our whole population—more especially our laboring people—suffer along

whole population—more especially our laboring people—suffer along with the farmers. We will come to this later. Let me first remind you of the enormity of the farming business.

Roughly speaking, there are 6,000,000 farms in the United States. There are 32,000,000 people living on these farms, one-fourth of our population. These farms include 1,054,000,000 acres, of which 415,000,000 acres are seen lands. In these lands and the buildings these people are series and the buildings the people of the series are series and the buildings the people of the series are series and the buildings the people of the series are series and the buildings the people of the series are series and the buildings the people of the series are series and the buildings the people of the series are series and the buildings the people of the series are series and the buildings the people of the series are series and the series are series are series and the series are series and the series are series are series and the series are s population. These farms include 1,002,000,000 acres, of which 415,000,000 acres are crop lands. In these lands and the buildings thereon the farmers have, at present values, invested over \$33,000,000,000. Moreover, they have invested in farm machinery over \$3,000,000,000 and in livestock and poultry over \$5,000,000,000. Just a few years back these same lands, machinery, livestock, etc., were valued at \$78,000,000,000. Our agricultural business represents 20 percent of the capital investment of the Nation. It engages 17 percent of the verybors.

The annual volume of business done by the American farmer is a cormous. While it dropped off considerably during the depression

and has not as yet regained its predepression volume, it is still by far the largest business in America. Last year the income of the farmer was around \$8,000,000,000. Out of this he paid in wages \$500,000,000, a feed bill of \$400,000,000, a fertilizer bill of \$150,000,000, a machinery bill of over \$500,000,000, a tax bill of between three hundred and fifty and four hundred million dollars, and an unterset bill of between four hundred and fire hundred million dollars. interest bill of between four hundred and five hundred million dollars. These are just a few of the large items the farmers pay

The importance of the farming business cannot be overemphasized. Any business engaging the attention of one-fourth of the population of a nation is, to say the least, a national business. Any population of a nation is, to say the least, a national business. Any business that supplies the food and fiber for a nation is not only a national business but one so vital to the well-being of the nation as to demand not only the respect but the earnest consideration of every man, woman, and child of that nation. The Supreme Court decision in the original A. A. A. case declaring farming to be a local business, to be regulated by separate laws, to be passed by 48 different States, did not in any respect change the nature and character of the business. I was glad to see the Supreme Court on Monday take a broader and more enlightened view with respect to farming. The first A. A. A. decision, in my opinion, cost the farmers several billion dollars and the American people as a whole just seven times that amount, because for every dollar you add to the seven times that amount, because for every dollar you add to the farm income you add \$7 to the national income. If, as the Presi-

farm income you add \$7 to the national income. If, as the President says, we need a national income of eighty or ninety billion dollars—and I think we do in order to have a reasonable degree of presperity—then the only way you can bring about the eighty or ninety billions in national income is to increase your farm income from its present \$8,000,000,000 to around eleven or twelve billions. There is a direct relationship between the farm income and the national income. As I stated, \$1 in farm income produces \$7 in national income. Why? Because the farm dollar, like the laboring man's dollar, is not hoarded but goes into circulation. It is the dollar that makes the "wheels go round." The farmer pays the grocer, the grocer pays the doctor, the doctor pays the lawyer, the lawyer buys a new law book, and by this time the dollar has passed out of the local community into larger fields, but still on its way paying debts or making purchases.

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dollar has passed out of the local community into larger fields, but still on its way paying debts or making purchases.

The farm is the great reservoir from which new wealth flows out annually through all the arteries of production and trade. When the farm business is flourishing, the wheels of industry spin and labor finds employment. And, conversely, the best way to slow business down is to slow the farmer down. Let me show you how it works. For instance, the farm income increased from a little over \$5,000,000,000 in 1932 to around \$10,000,000,000,000 in 1937 and the national income went up from less than \$40,000,000,000 in 1937 and the national income went up from less than \$40,000,000,000 to around \$70,000,000,000. What was the effect of this increase in farm income on business? Well, among other things, here is what happened: The pay roll of labor increased from twenty-eight billion to forty-three billion; factory employment in farm implement plants increased 274 percent; factory employment in machinery, excluding farm and transportation, increased 121 percent; advertising increased 46 percent; increased 43 percent; and rural retail sales increased 100 percent.

To show the close relationship existing between the farmers and laboring people, how the condition of the farmer affects labor, let me call attention to the fact that in recent years products consumed in rural trade have kept busy one and one-third million factory workers. This compares with between five and six million factory workers who have been kept busy supplying the wants of the urban trade and about one-half a million fectory workers supplying products for export trade. When the

ing the wants of the urban trade and about one-half a million

and six million factory workers who have been kept busy supplying the wants of the urban trade and about one-half a million factory workers supplying products for export trade. When the tide turned upward in 1933, 544,000 factory workers went back to their jobs, of which 40 percent were devoted in making products for rural trade. In 1930 one-third of the factory workers who lost their jobs could attribute their fate to the weakened farm situation. Similarly, it is estimated that two out of every five who regained their jobs in 1933 did so because of the improvement in farming conditions.

Being not only the largest business in America, but the most important business in America, it should be put and kept upon a business basis. The time has passed when the American people can expect the American farmer to feed them at a loss. As a matter of fact, I do not think the American people expect it; but because the American farmer did, at a loss, feed the American people, is the reason why during the past few years thousands of farms have been sold under the hammer, 40 percent of our farms are plastered with mortgages, tenancy is increasing at the rate of 40,000 per year, and millions of acres of our lands have been worn out—practically destroyed.

Now, the reason the farmer was operating at a loss was due to

Now, the reason the farmer was operating at a loss was due to Now, the reason the farmer was operating at a loss was due to the fact that he was not operating on a business basis. He had no plan, and if he had had a plan he had no machinery to put it into effect. The average American believes in fair play, and believes that the farmer at the end of each year should be able to balance his books with black ink. Get this: We will never have a permanent healthy condition in America until the farmers are able at the end of the year to declare a reasonable dividend upon the at the end of the year to declare a reasonable dividend upon the capital invested, and this after paying operating expenses, taxes, charging off a fair and reasonable amount for depletion and deprectation, and setting aside a fair compensation for their services. In the conduct of its business industry demands such a set-up. If the ability to pay a dividend is the criterion by which we test the health of industry, why shouldn't the same yardstick be used on the farmer? And yet during our 150 years of national life we never, until the advent of the present administration, attempted to set up a national farm program in ar effort to put farming on a business basis. We did all during the years talk about the farm problem, our politicians made all kinds of promises both in and out of season, our national platforms would make hopeful and solemn pronouncements, but it all proved to be "sounding brass and tinkling cymbals" because no definite action was taken. However, since 1933 definite and constructive action has been taken to mut kling cymbals" because no definite action was taken. However, since 1933 definite and constructive action has been taken to put farming upon a business basis, and we are beginning to make prog-ress. We have at last recognized the fact that farming is not only a business but a national business that vitally affects the well-being of our Nation and that the only way to successfully deal with it is to place it upon a business basis by national legislation.

We have at last recognized the fact that the farmers, unaided by national laws, are unable to work out and carry into effect a farm program. This is due to the fact that it is impossible for a farm program. This is due to the fact that it is impossible for 6,000,000 farmers, scattered from one end of this country to the other, to organize, agree upon a program, and then set up the machinery necessary to carry it into effect. The first national farm program we ever had was the 1933 A. A. A. Constitutional or unconstitutional it was a step in the right direction, as it attempted to do that which industry has been doing all the while, hold production and consumption in line. And constitutional or unconstitutional, it worked. It practically doubled the farm income during its existence.

Now, there are several difficulties in working out a farm pro-

Now, there are several difficulties in working out a farm program. For one thing we have too many ill-considered farm programs floating around. I know that many of these programs are being advocated by those who are anxious to assist the farmer, and I know too that many of the advocates are two-faced demaand I know too that many of the advocates are two-faced demagogues who, while privately admitting that the plan is impracticable, nevertheless, in order to curry favor with the farmer, publicly preach their Utopian plans with all the fervor of a religious zealot. Then there is a powerful influence in this country against any program that will in truth and in fact protect the farmer. It comes from those who speculate in farm products and from many of the processors of farm products. And trace your propaganda against national farm legislation down and you will find that it is coming from these fellows or their Myrmidons and hirelings. hirelings.

The present farm program, in my opinion, is a sane, sensible on the right track, and I think we are, and experience during the next few years demonstrates that we are, then, of course, there are many improvements we can make based upon that experience. We will never get anywhere condemning before testing. We will are many improvements we can make based upon that experience. We will never get anywhere condemning before testing. We will never make any real progress as long as there is any question in the farmer's mind as to what the program is or will be. Let the farmers know that the present program is their program, that it is up to them to make it a successful program, and that this can only be done by cooperation—by working and pulling together. This thing of attempting to work out another program before we actually find out how the one we have is going to work only creates confusion. Remember that no program, however perfect, will prove successful as long as there is a question mark as towhether it will be carried out or discarded.

whether it will be carried out or discarded.

The farm problem when it was tackled in earnest back in 1933 was the most serious problem in America. Due largely to the haphazard way in which the farming business had been conducted and, also, as strange as it may seem to science, engineering, and education, farming was perhaps at its lowest ebb.

I said due in part to the haphazard way in which farming had been conducted. Let me for a few minutes tell you what I have in mind in making the statement. While we all knew that the violent fluctuation in farm prices which, in turn, brought about violent fluctuation in land values, plus the rottenest marketing system for farm products that human ingenuity could devise, were system for farm products that human ingenuity could devise, were the real causes that kept agriculture on its back, we had done nothing over the years but deplore the situation and suggest remedies. No constructive action had been taken. While we all knew that overproduction was primarily the cause of these violent fluctuations—that the surplus products would set the price for the whole—we went right along producing surpluses and dumping them on the market. Why? The Lord only knows.

Suppose industry had operated under the same system, what would have happened? Yet, from a business standpoint, there would have been as much sense in the automobile industry, for instance, running their factories at full speed, turning out all the automobiles they were capable of producing without regard to when, where, and to whom they were going to be sold. When when, where, and to whom they were going to be sold. When the depression came on, the automobile industry and all other industries took into consideration that the reduced purchasing power of the American people would sharply curtail the sale of automobiles and, following good business practices, cut down production in line with demand. Any other policy would have wrecked industry. What did the farmers do? Take the cotton farmer, for instance. When the A. A. was declared unconstitutional he went right back to unlimited production, without regard for demand, and produced the largest cotton crop in 1937 ever produced in this country, knowing at the time that the reduced purchasing power of our people had reduced domestic consumption and also knowing that a considerable part of our foreign markets, due to our transition from a debtor to a creditor Nation, had been lost and that rayon and other fibers had displaced several million bales of cotton. The same thing was true with respect to all other basic farm products. I said science, engineering, and education entered into the sad plight of the farmer. They did. Machinery was invented that made each man-hour more productive; plants were bred that resisted disease and produced more per acre; cows that gave more milk; hens that laid more eggs; hogs that put on more weight; animal diseases and insect pests were brought under control, and discoveries made for converting to human use farm wastes. One hundred years ago three working people in each four were doing their work on the farms. Today about one working person of each five is doing his work on the farm, and he turns out more work than the three did 100 years ago. Today the average farmer produces enough to take care of himself and family and 14 people besides. Our scientific discoveries and inventions, however, instead of proving a help, only proved a hindrance. Seemingly, we did not have wisdom enough to take advantage of our knowledge. We simply used it to pile up larger surpluses which, of course, hammered the price of farm products to lower levels.

mered the price of farm products to lower levels.

Well, you ask, What have we done about it? I answer by saying that we have, in my opinion, tackled the problem in a sensible way. Study and consider the whole program before you condemn, because we are simply trying to put good business principles and practices into the farming business. How? By setting up the necessary machinery to enable the farmers to do that which industry has been doing all the while, hold production and consumption in line. If you will carefully examine the present farm legislation, you will find that this is the underlying principle. It is not a program of scarcity, or of regimentation, as the enemies of the farmers would have you believe. It is a program of plenty and abundance. It is true that the program recognizes the law of supply and demand. It should. This law is rather ancient, and I am thinking, will continue on through the years to enter into our business transactions. It will ever be with us. Like Mark Twain said about the weather, we can talk about it but there is nothing we can do about it. The ever-normal granary feature, however, makes the program one of plenty and abundance. And it is not a program of regimentation unless permitting the farmers to adopt good business practices is regimentation. It is a little strange that these fellows who hollo "regimentation" never thought of the word as long as the practice of holding production and consumption in line was only practiced by industry. If this practice means regimentation of the farmers, why doesn't it also mean regimentation when it comes to the farmers because before the farm plan goes into effect, the farmers themselves, two-thirds strong, have to affirmatively vote for it.

There are those who now say the farm program will not work. Let's see. What does the record show? It shows that under the program the farm income—and the farm income is the acid test—doubled, that is, it went up from around five to around \$10,000,000.000.

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Only program that will do this, to say the least, is not a failure. Oh, they say that farm prices last year fell off and the farm income dropped over \$1,000,000,000. True. Put the blame, however, where it belongs—on the Supreme Court and not on Congress. The Supreme Court decision in 1936 in the Hoosac Mills case invalidating the 1933 A. A. A. was a serious and costly setback to the farmers. Let me briefly recite just what happened when the Supreme Court threw the act out of the window. The farmers, no longer with a program, acted like a ship without a rudder, disregarded entirely the law of supply and demand, and without rhyme or reason planted without regard to how and at what prices the products could be disposed of. Here is what happened to the basic farm crops: Wheat production was increased 248,000,000 bushels, corton production increased around 1,000,000,000 bushels, cotton production increased over 6,000,000 bales, and to-bacco production increased 400,000,000 pounds. The result, a decrease in farm income of around \$1,000,000,000. And we have not recovered from the effects of the decision as yet, because the present low level of farm products is due largely to the Supreme Court interrupting the farm program.

Now, as I have stated the prime object of the bill is to bring production and consumption in line and give the law of supply and demand a chance to bring about parity prices, that is, prices for farm products that will give the farmer's dollar as much purchasing power as the other fellow's dollar. We have provided in the bill for parity payments and I am strongly of the opinion that these payments should be made until, at least, we have had sufficient time to find out if the act will bring about that which we have set out to accomplish.

But in spite of the overproduction the 1922 A A A with its

But in spite of the overproduction, the 1938 A. A. A., with its loan feature to peg prices and its soil-conservation and adjustment payments, has held prices far above the prices of 1933, when we had a comparable situation with respect to overproduction. To illustrate let me take wheat and cotton. Before the 1933 A. A. A. could become fully effective we had a 2-year cotton supply on hand and about a 400,000,000-bushel wheat carry-over, about as much surplus cotton and wheat as we had back in March 1933. However, the farm price for cotton has been around 8 cents per pound instead of the 1933 price of 5 cents per pound, and the wheat price has been around 51 cents per bushel instead of the 1933 price of 32 cents per bushel. Moreover, the farmer who has cooperated under the 1938 act, due to the loan, soil-conservation payments, and adjustment payments provided for in the act, has been getting between 86 and 90 cents per bushel for his wheat, and 12.9 cents per pound for his cotton.

Wheat	
Farmer who cooperated under 1938 act: Government loan on wheat	
Soil-conservation payments	16-18
Price-adjustment payments	10-12
Price received by wheat cooperator	86-90
Farmer who cooperated under 1938 act:	Cents
Government loan on cotton	_ 8.8
Soil-conservation payments	_ 2.5
Price-adjustment payments	_ 1.6
Price received by cotton cooperator	_ 12.9

In considering the farm program we have no right to single out, as is usually done, the attempt to hold production and consumption in line and create the impression that this is the whole program. We should consider the program as a whole. Let me briefly mention some of the other provisions in the act and in supplemental legislation so you may obtain a bird's-eye view of the whole program.

The soil-conservation feature of the act is, in my opinion, the best long-term program yet devised. Before the advent of this administration we had paid very little, if any, attention, to the conservation of our soil. When a field was destroyed by erosion we simply cleared a new field. In a virgin country this can be done for awhile, but sooner or later the price of such folly will be pretty high. What did we find when we looked into the matter? Why, that over 282,000,000 acres of our farm lands had been ruined, that 3,000,000,000 tons of our soil was being washed away annually, and that 200 forty-acre farms were being destroyed by erosion each day. It was about time we quit talking and took action. Under the soil-conservation provision of the act we pay the farmer to take out of production soil-depleting crops and plant the acreage to soil-rebuilding and conserving crops such as grass and legumes. This part of the program has a double-barrel effect—it not only conserves and rebuilds our soil, it goes a long way toward holding the production of our soil-depleting crops in line with consumption.

in line with consumption.

Another important thing that has been done is the setting up of new farm credit facilities and liberalizing the old. In 1938, for instance, the farm-mortgage debt amounted to \$7.082,000,000, of which \$2,835,900,000, or about 40 percent, was held by the Federal land bank and the Land Bank Commissioner. In 1928 only 12 percent of the farm-mortgage debt was held by the Federal land bank. Last year alone the saving in interest due to refinancing of loans through the land bank and Commissioner amounted to over \$42,000,000. The American farmer, since the advent of this administration, pays the lowest interest rate paid by any farmer in the world. In addition to the land bank and Commissioner, other credit facilities are now available. Last year the Production Credit Corporation made 243,000 loans amounting to over \$300,000,000. The Federal intermediate credit banks, which serve as banks of discount for short-term production credit, made loans and discounts last year totaling over \$450,000,000. Most of this was loans and discounts for farmers' financing institutions. During 1938 the 12 district banks for cooperatives and the Central Bank for Cooperatives made advances totaling over \$94,000,000. At the end of last year 1,631 cooperative associations had loans outstanding with these banks. The Farm Credit Association also is authorized to make emergency crop and feed loans. Last year more than 174,000 such loans were made aggregating more than \$19,000,000.

Industry all the while has been surrounded by a tariff wall to protect its American market. Under our tariff system it has been able to sell on a restricted market, while the farmers, on the other hand, have been forced to sell on a world market. There has been no such thing as an American market for agricultural products in the sense there has been an American market for the products of industry. In an effort to equalize things and give, as far as possible, the American farmer some of the benefits of our tariff laws, section 32 of the 1938 A. A. provides that 30 percent of all tariff receipts shall be used in aiding the exportation of agricultural products. While this is not a drop in the bucket compared to the protection industry receives under the tariff laws, it is a step in the right direction.

protection industry receives under the tariff laws, it is a step in the right direction.

Let me briefly refer to another measure set up to aid in the farm-surplus problem. Last year we authorized the creation of four research laboratories which will engage in finding new uses for agricultural products within the field of industry. I need mention only one accomplishment in this new field for you to get a glimpse of the possibilities for the future. A soybean laboratory was set up a few years ago at Urbana, Ill., and it has so far succeeded in promoting the industrial use of soybeans that a crop almost unknown as an income producer 15 or 20 years ago returned last year an income of \$32,000,000 to the growers. The new regional laboratories which will be built this year will turn some of the best research talent in the country to the task of finding new outlets for surplus farm products. The laboratory which will serve this eastern region will be located at Philadelphia and will undertake immediately to work on new uses for milk, tobacco, potatocs, apples, and vegetables.

Tenancy for years has been a serious threat to our very national

Tenancy for years has been a serious threat to our very national existence. That's a pretty strong statement, but I mean every word of it. We can no more carry on half landowners and half tenants than we could have carried on half free and half slaves. You can't anchor a man to the soil unless you make him an

owner. The only anchor that will hold him and permit him to enjoy "life, liberty, and the pursuit of happiness" is ownership. Make him an owner, and overnight you make him a better citizen. Make him an owner, and overnight you make him a better citizen. There is something about the ownership of the soil that sobers a man up and brings to him a finer and truer appreciation of his responsibility to his family, to his State, and to his God. And yet, knowing and appreciating these things, what did we find? We found that there are over 2,800,000 tenants in America—43 percent of our farmers, as compared with 25 percent 55 years ago, when we first commenced securing statistics on land tenure. We found that tenancy is increasing at the rate of 40,000 per year. As an approach to this overshadowing tenant problem, we passed the Bankhead-Jones Farm Tenant Act in 1937 to provide loans to help a limited number of tenants.

Ten million dollars was appropriated for the year beginning July 1, 1937, and twenty-five million for the year beginning July 1, 1938. I realize that with these limited funds we cannot scratch the sur-1, 1937, and twenty-five million for the year beginning July 1, 1938. I realize that with these limited funds we cannot scratch the surface, but I also know that we have taken a step in the right direction. We have made a start and that's the big thing. Last year we made loans in 333 counties. During the year 1938-39 loans will be made in 700 counties. Funds for last year were enough for 2,000 loans and this year we will have funds sufficient for about 7,000 loans. For the loans last year, restricted as they were to 333 counties, there were more than 38,000 applicants. As a result of the first year of this program around 2,000 people have deeds in fee simple to farms. The Government holds their notes, payable in 40 years at 3-percent interest, secured by mortgages on the farms. The farms purchased are, of course, family-size farms. And let me say right here in passing that we are doing everything we can to promote and encourage family-size farms. If I had my way, I would outlaw corporate farming before the sun goes down. What we need to build a greater and better America is more family-size farms, owned and occupied by contented farmers, who are not only making a living out of the soil but who are making enough over and above a living to enjoy some of the conveniences and blessings of our modern civilization.

Another thing that has burdened agriculture has been its mar-

Another thing that has burdened agriculture has been its marketing system. While we have in some respects improved the system through cooperative action and marketing agreements and system through cooperative action and marketing agreements and the Tobacco Grading Act, much remains to be done. If industry had to put up with the farm marketing system, it would, in my opinion, be flat on its back in 6 weeks' time. Suppose, for instance, the prices of automobiles were fixed, like the prices of grains are more or less fixed, by an exchange in the city of Chicago, whose very lifeblood is sufficient fluctuation in prices as to not only permit but encourage speculation, what would happen to the automobile business? Why permit the price of wheat, the staff of life, to go up or down as may best serve the grain speculators, and permit the price of automobiles to remain more or less stable? If we don't work out some sensible marketing system for agricultural products, we are going to have, whether you like it or not. tural products, we are going to have, whether you like it or not, governmental price fixing. It is as sure to come as you are sitting there unless a better marketing system for agriculture is worked

The act of 1938 also gives the Secretary of Agriculture the right to make complaint to the Interstate Commerce Commission with respect to rates, tariffs, and practices relating to the transportation of farm products and to prosecute the same before the Commission. Much good, it is hoped, will come from this provision.

Much good, it is hoped, will come from this provision.

The act also sets up the machinery for insurance of wheat producers against loss in yield of wheat due to unavoidable causes, including drought, flood, hail, wind, insect infestation, plant disease, etc. This, of course, is but an experiment in crop insurance. The act, however, is self-sustaining, as the cost will be borne by the wheat producers. It is hoped that this will prove successful.

Taken as a whole, it is a great program and one that the American farmer should be proud of. It is not going to succeed, however, unless the American farmer cooperates, looks upon farming as a business, his business, and puts into it sound business practices. He has got to make such changes and adjustments as are necessary. He has got to make such changes and adjustments as are necessary. He has got to plan and figure out what he can, in his particular locality, produce and sell at a profit. Because the southern cotton farmer's father was a one-crop farmer—a cotton farmer—is no reason why he should close his eyes to present-day conditions and remain exclusively a cotton farmer; and he need not become peeved because we cannot, by legislative flat, change natural laws so he can remain a cotton farmer. The sooner the South wakes up to the fact that it can no longer depend solely on cotton, the better off it will be. There is no more sense in the southern farmer's going ahead and producing cotton that he cannot sell at a profit than there would have been in the buggy manufacturer, after the advent of the automobile, going ahead and producing buggies in the same of the automobile, going ahead and producing buggies in the same old way. The buggy manufacturer had to make adjustments. Some of them went out of the buggy business, converting their plants to other uses, while others cut down the production of buggies and took on other lines. The southern farmer had as well realize now as later that he has got to do what the buggy manufacturer did. There are more crops that can be grown in the South, and grown at a profit, than cotton.

What the American farmer has got to do to be successful is to "plant to prosper." The farmer's success depends upon selling his crop at a profit. It is too late after the crop has been raised to determine this fact. It should be determined in advance.

I have given you, my friends, some of the high spots in the farm program. I cannot close without paying my respects to the man who has labored in season and out of season to give to the farmers of America a real program—Secretary Wallace. of the automobile, going ahead and producing buggies in the same

It is related that in one of our southern churches a certain member who laid no claim in particular to plety or consecration was elected as an elder. Many of his acquaintances expressed surprise ber who laid no claim in particular to piety or consecration was elected as an elder. Many of his acquaintances expressed surprise that he had been thus honored by the congregation. Upon being pressed for the cause back of his elevation, he replied that the "roughneck" element in the church demanded recognition. I do not mean by this story that the one I am about to refer to represents the "roughneck" element in our population, because he does not. He represents our choicest citizenry, the backbone of our Republic, the farmers. The point I wish to make is this: It is time our farming population demanded recognition in a national way. During our 150 years of national life we have never had at the head of this Government a farmer. Don't you believe it is about time that the farming element in our population received recognition?

If this time has arrived, then, without political considerations, but as one farmer to another. I suggest the name of Henry A. Wallace, our present Secretary of Agriculture, who has, in my opinion, done more to lead the way to a safe, sound, long-term farm program that will stabilize the farming industry and place it upon a paying basis than any other man. In making this suggestion I am not shooting in the dark. I speak from experience. For the past 8 years, as a member of the House Agriculture Committee, I have been closely associated with him in his effort to work out a program that will bring relief to the farmers of our land.

The final and very significant question may be asked with respect to this vast farm business, as, indeed, it is asked on all sides, Where do we go from here? What is the prospect for the future? In sizing up the agricultural situation we are, of course, concerned with the conditions surrounding the men who are now operating the business of farming in this country. But we are in a way even

the conditions surrounding the men who are now operating the business of farming in this country. But we are in a way even more deeply concerned with the outlook for the young men who

more deeply concerned with the outlook for the young men who will take over the business in due course. Just what is the outlook in agriculture for the young generation of today who are in school and college and are now sizing up their chances in this great field? I for one do not feel unduly pessimistic. It is unquestionably true that this generation of farmers has had to live through exceedingly hard times. Despite great improvements in the last half dozen years the times are none too good on the farms. We all realize this and have no disposition whatsoever to minimize the difficulties of the present situation. Nor is it at all likely that all of these difficulties will be ironed out in the near future.

I am certain, however, that one human inclination is to judge the I am certain, however, that one human inclination is to judge the future altogether too largely by the recent past. It is just as possible to err on the side of pessimism as on the side of optimism. What do you suppose the farmer of the period following the hard times of the forties and fiftles thought about the outlook for his son on the farm? We have considerable literature on this subject and it all paints an exceedingly dark picture. Yet the young man who entered farming around the latter fiftles stepped into one of the most fortunate 15-year periods, from the standpoint of getting ahead, that has been seen up to this time. ahead, that has been seen up to this time.

Some of you can remember the black picture that existed in the latter eightles and through the nineties. What farmer of the nineties wanted his son to follow in his footsteps? Very few indeed. Yet the fact is that that generation of men who entered farming at the close of the nineties became the most prosperous farmers, prob-

ably, of any period in any country.

ably, of any period in any country.

The point I am making is that it frequently is darkest just before the dawn. I do not feel that a background of 20 years hard times necessarily needs to dampen our sane estimate of the possibilities for the future. I am not meaning to hold out any shallow prophesy of impossible things. The farm is not normally the place to get rich, but it is normally a place to live an exceedingly satisfying life and make a comfortable living. I think we may be justified in expecting at least that much for those who will enter this greatest of all American enterprises within the next few years.

The States—At the Crossroads

EXTENSION OF REMARKS

HON. WARREN R. AUSTIN OF VERMONT

IN THE SENATE OF THE UNITED STATES Thursday, April 27, 1939

ADDRESS BY HON. HENRY EPSTEIN, JULY 25, 1938

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "The States-At the Crossroads," delivered by Hon. Henry Epstein, solicitor general of the State of New York, at the annual convention of the National Association of Attorneys General at Cleveland, Ohio, on July 25, 1938.

The address will prove interesting to Senators and other legislators with respect to the subject of immunity of the income on bonds and other securities of the States and municipalities, a subject likely to engage the attention of the Senate within a short time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, attorneys general of the sovereign States, fellow officers of their staffs, the genius of American constitutional democracy lies in the federated unity of 48 independent and interdependent Commonwealths. In that formula lies the safety of our freedom.

freedom.

One hundred and fifty years ago 13 independent States, lying along the Atlantic seaboard, united for their common defense and for the common administration of certain limited problems which they delegated to a central Government. Along with meticulous—we might say almost frightened—prohibitions upon the extent of that new Government's powers, they reserved to themselves every sovereign power save those expressly delegated. In every word of that Constitution, in every debate upon its ratification, in every page of our subsequent history, the independence of the States stands forth as the dominant characteristic of American Government.

Within this very month a group of attorneys general and State officers, including representatives from among those same 13 States, officers, including representatives from among those same 13 States, deemed it necessary to organize a Conference on State Defense. Strictly a nonpartisan movement, the conference has dedicated itself "to the end that the integrity and sovereignty of the States in this Nation may be preserved."

Today I propose that we inquire into the principles of our state-hood and into the tendencies that have brought the States to the crossroads of their destiny as sovereign governments.

THE TREND TO CENTRALIZATION

James Bryce recounts that at a church convention in New England a proposal for a common prayer, "O Lord. bless our Nation," was rejected as importing too definite a recognition of national unity. Instead, the convention adopted the prayer "O national unity. Instead, the co Lord, bless these United States."

My purpose today is not to suggest a new form of blessing for these United States. The churchmen of Bryce's story may have been over sensitive on the subject, but certainly in their day the trend to centralization would have met with instant

That trend is dominant in much of our political philosophy today. It is a philosophy which has no patience with the protest that ours is a dual system of government—the very antithesis of such centralized forms of government as have destroyed the freedom of the individual in foreign lands. This school of thinks

freedom of the individual in foreign lands. This school of thinking turns at once to the Federal Government for the solution of all problems of government. It assumes at once that the States are outmoded forms of government and wholly incapable of meeting the problems of today.

The repercussions of this philosophy are most evident in the constitutional issues facing us today. Thus, during the term of the Supreme Court which has just closed, out of a total of 95 cases involving questions of constitutional law, fully 14 involved questions of State sovereignty, and 12 involved the commerce clause as a "limitation" on State power.

Are the people beginning to forget the part which the States must play to preserve our form of government? As the chief law-enforcement officers of the States it is your duty to look ahead and to point the way when the people are confused by such issues as these. So let us briefly retrace the steps, and reexamine the reasons, which

let us briefly retrace the steps, and reexamine the reasons, which led to the creation of our unique governmental structure.

The propagandists of centralization have, to some extent, succeeded in smearing the phrase "States" rights" with false connotations. They say it is the vestigial remains of something that died 75 years ago. They say it is the vestigial remains of something that died 75 years ago. They say it is the slogan of whatever political party happens to be out of power. In a New York newspaper a few days ago the organization of the Conference on State Defense was referred to as a perpetuation of the "States' rights racket." That paper naively asks for the complete elimination of the States.

Assuming that most of you are not so susceptible to propagandists, and that you have made some study of the Government our fore-fathers created here, I still believe that, as an expression of the indestructible character of the reserved powers of the people, the true doctrine of "States' rights" is one which we must forever assert

In its proper meaning that doctrine maintains that local affairs should be controlled by the States and that local government must always be defended from encroachment by an overreaching central government. This, I believe, is the true doctrine of States' rights. The key to democracy still lies in the smaller units of our governmental structure.

WHY DO WE HAVE STATES?

Those who differ with this view ask the simple question, "Why do we have States?" They are entitled to an answer.

This country was settled at different times by different peoples. Their forms of local government were various and were suited to their respective manners and customs. In not a few instances a difference in religious beliefs was the motivating factor in the settlement of a colony.

The differences that the colonists brought with them were not merged in the common soil of the new continent. On the contrary, in a land so vast and varied their initial differences multiplied; there arose new groupings and new alinements. As a result widely different political, social, and religious views prevailed in the early days of the Colonies, just as they do in the States today. At the time of the Revolution they constituted 13 separate, independent, and distinct nations. Save for their common language, they were almost as varied in interests, economy, and culture as the states in Europe.

Yet despite these great differences, there were several denominators common to the people who considered themselves Virginians, Pennsylvanians, and New Englanders. The first was an unyielding desire for liberty and freedom in all things. The second was a passionate resentment of arrogant central government, administered from outside their borders, without consideration of local conditions and local preferences.

conditions and local preferences.

It is familiar history that this hatred of centralized government was carried over into the Articles of Confederation. They declared "each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right which is not by this confederation expressly delegated to the United States in Congress assembled."

So successful was the effort to avoid the dangers of centralization in the Articles of Confederation that the Federal Government was incapable of performing even the limited tasks allotted to it. But when the Constitutional Convention met to remedy this situation, we find that, even as a price for a unified national defense, not one of the States was willing to sacrifice its sovereignty and independence in local affairs. The love of local government ran strong—the dangers of centralization were understood far better, I fear, in those days than they are today.

In the light of world conditions today it is thrilling to read such pamphiets of that time as the following from Ford's Essays:

"* * no extensive empire can be governed upon republican principles, and * * * such a government will degenerate to a despotism, unless it be made up of a confederacy of smaller states, each having the full powers of internal regulation. This is precisely the principle which has hitherto preserved our freedom. * * In large states the same principles of legislation will not apply to all the parts. * * "

In order to get the Constitution adopted at all it was necessary to satisfy the people that it guaranteed their rights and liberties as individuals, and a republican form of government under their respective States.

"The conveste of the wife a prevention of the prevention of the states and states and states and states are states as individuals, and a republican form of government under their respective States. So successful was the effort to avoid the dangers of centraliza-

as individuals, and a republican form of government under their respective States.

"The counsels of the wise prevailed over the prepossessions of the multitude." The Constitution was ratified largely because of a "dread of foreign powers." But even that dread could not induce the States to yield their sovereignty to a strong central government. Several of the conventions which ratified the Constitution accompanied their acceptance with an earnest recommendation of various amendments to it, amendments designed to meet the fears of those who thought that it encroached too far upon the liberties of the people.

There can be no fear for our future so long as the spirit of those amendments and a passionate devotion to human freedom characterizes our people. That spirit and that devotion burns bright today. The current constitutional convention in New York, and its debates on the necessity for a Bill of Rights and a safeguard against unwarranted searches and seizures are ample proof of

against unwarranted searches and seizures are ample proof of that spirit.

Even a commentator from across the seas, Mr. Anthony Eden,

Even a commentator from across the seas, Mr. Anthony Eden, at a July 4 dinner in England, has just remarked on America's adherence to constitutional government and America's belief in "freedom of the individual." And just a week ago James Truslow Adams, wrote the following in the New York Times—note that it might have been written in Boston or Philadelphia 150 years ago: "* * past history, and most emphatically much of present history, show that when there occurs great concentration of power, despotism, or, as we now prefer to call it, dictatorship, inevitably results, with loss of personal liberty, with the growth of a bullying bureaucracy, and with the denial of justice and freedom of spirit. Wherever the idea becomes firmly planted that the good of 'the state' counts for more than the good of the individual, and wherever power is concentrated at one center in individual, and wherever power is concentrated at one center in the state, then, in the long run, the good of the individual, any individual, is almost certain not to be considered at all. Force and injustice take the place of freedom and self-government."

THE NEED FOR STATES TODAY

And now let us do something too seldom done these days—Jet us consider the need for the States today, under modern con-

I think we will all agree with the viewpoint of the early federalists that there are, now as then, ample reasons why we should have a strong Federal Government. Surely no one would argue that we should have 48 systems of coinage, or that the States should levy their own imposts and tariffs on goods and commodities from other States and nations. Obviously, there is need for a coordinated method of regulating commerce.

Many social and economic problems have, in the last 50 years, grown beyond the power of the States. But unlike some modern

grown beyond the power of the States. But, unlike some modern grown beyond the power of the States. But, unlike some modern federalists, I will not concede that because there is need for a Central Government there is no need for the States. To quote James Truslow Adams again: "* * * I do think that many more functions may have to be added to the Federal Government, but for that very reason I would divest it of every function it does not have to exercise for the good of the whole."

No government is self-executing. The very term "govern" implies control and direction of people by other people. But every human

being thinks best in terms of his own environment. That is why an attempt to govern 48 different countries is just 48 times as difficult as to govern any one of them.

Where would this Nation be today if, throughout the past 150 years, it had been necessary to refer every local problem to Washington? President Wilson once said: "Things get very lonely in Washington sometimes. The real voice of the great people of America sometimes sounds faint and distant in this strange city." Where would we be today if every time a new law had to be passed, a local regulation made, a policeman appointed, or a local official elected it had been necessary to obtain Federal sanction? Where would we be if for the past century we had had to rely on Washwould we be if for the past century we had had to rely on Washington for the building of schools and roads, the clearing of forests, or the regulation of our State problems? Attorneys general of the States—of Ohio and Massachusetts, of Virginia, Illinois, and California—the people of the United States have made a great Nation. But it is the people who have made it, and a most vital instrument

of their Government still remains the State.

As a resident of New York I am in a position to know much more about the problems of my State than those of you from the Middle West. The attorneys general from the New England States know their peculiar problems better than the problems of the Southern

States, and you from the West and South certainly know more about your problems than we do.

During the nineteenth century Massachusetts was the most in-During the nineteenth century Massachusetts was the most industrialized of the American States. As a result it pioneered in labor legislation and it blazed the trail by an enactment in 1836 of a statute providing for the education of working children. It is more than an accident that Massachusetts was the first State to enact an effective 10-hour law for women; that it was the first to employ factory inspectors, the first to establish a State labor department, and the first to pass an industrial-safety law. These laws were passed in Massachusetts not because the people of that State were any stronger in their zeal for social reform than the people of other States. These laws came because Massachusetts, as a highly industrialized State, knew the special problems of industry. No one would have expected such legislation to be urged in Kansas, let us say, during the same period. Kansas then had no need for it.

then had no need for it.

If you were to look for legislation to protect coal miners against conditions existing in that industry, would you look to New York? Would you not look rather to Pennsylvania and West Virginia where those problems exist?

Those of you who represent great agricultural States know full well how long it would take a man born and bred in the industrial East to really understand the problems of your States. If we concede that now and then one finds a man so rare, let us admit that the affairs of government will not always await the arrival of such a genius. Nor does it follow that when found he will be arrivated with power.

will be entrusted with power.

How, then, does the transfer of a Massachusetts legislator from Boston to the District of Columbia in and of itself change him? How does it render him more capable of understanding the local problems peculiar to a State other than his own? Multiply these

problems peculiar to a State other than his own? Multiply these problems by 48. Is there any probability that he will adequately appreciate the local problems peculiar to 48 different States?

The answer was obvious to the founders of our Nation, As President Roosevelt once said while Governor of New York: "It was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all. and that any national administration attempting to make all laws for the whole Nation, such as was wholly practical in Great Britain, would inevitably result at some future time in a dissolution of the Union itself."

Despite the fact that we can now hurl ourselves around the world in less than 4 days—or that we can disseminate news instantly throughout the Nation, it is still inhabited by human beings. And human beings have not essentially changed in emotions, habits, and capabilities. The Brave New World of Aldous Huxley has not yet arrived. People are not created uniformly in a

This Nation is still made up of 127,000,000 people who do not think alike, eat alike, or even live under like conditions. Nobody

think alike, eat alike, or even live under like conditions. Nobody is capable of reducing to a simple formula the complex factors of governing so vast a Nation of dissimilar people as ours. And so long as that is true, any venture to supplant local autonomous government with federalization of all laws must fail.

As a matter of fact, I see no reason why all the people of this Nation should be made to conform to a national or Federal formula. If the people of New York choose to live differently from the people of Nebraska, that is their prerogative—so long as what they do does not run counter to accepted principles of national interest.

There is no sound reason why some States should not, if they desire it, prohibit the sale of liquor. But that is no reason for national prohibition. If one State wishes an income-tax law, should all States be made to pass such laws? The States must be left free to deal with problems as they arise in each community. That system has given us a century and a half of unbroken

democracy The itch to centralize all our governmental machinery in the District of Columbia is not a new phenomenon. Indeed, it is not a phenomenon at all but simply a manifestation of the perfectly human conviction that we, each of us, could run a better world. Hamilton and the federalists of his day fought to widen the power of the Central Government. Jefferson and Jackson stayed the tendency. But the Civil War, Federal control of the Western Ter-

ritories, and the comparative ease with which special interests could manipulate through the Federal machine, all played their part in the progressive break-down of State lines. The cry of our modern federalists—besides whom Hamilton or Marshall were comparative "States' righters"—is that "the States have defaulted in their obligations," and that "we can handle everything more efficiently from Washington, anyhow."

Thus, one columnist recently urged a "mere reorganization of the country into departments, zones, or districts combining several States in one" because "the States, with their predatory and wasteful political machines, are inharmonious, inefficient, and in many respects unable to meet the obligations which parallel their rights as States." He suggests that we keep municipal government but eliminate the States—in other words cut off the arm but save the finger.

finger.

I deny the default of the States. If we look at the record we find quite the contrary to be true. People are apt to forget that long, long before the present trend to federalize social reform, the States themselves took the leadership in this field. Let me cite

merely a few instances:

It is the States which provide a system of public education in this country unequaled elsewhere in the world. It is the States that have passed mortgage moratoria laws, and emergency housing that have passed mortgage moratoria laws, and emergency housing laws, and which have regulated unwholesome and dangerous trades. In the public interest and welfare, the States have, at one time or another, regulated public utilities, insurance companies, banking agencies, and even laundries, and places of amusement. The construction of buildings, the production of oil and gas, the sale of milk, the manufacture of ice and bread, all of these and countless other matters of public welfare have received, and will continue to receive, the attention and consideration of the States. They are local problems and should receive local consideration. To the extent that Federal legislation has followed it has been the result of experienced State experimentation, impossible without the of experienced State experimentation, impossible without the autonomy of the States.

Mothers-aid laws were adopted by 40 States in 10 years, and by 1934 all the States but 2 had passed some kind of mothers-aid laws.

Arizona first enacted old-age assistance laws in 1914 and since

1923 such laws have been enacted in 15 States.

State legislation regulating hours of employment date from our post Civil War period. Forty-four States now have legislation restricting the hours of labor for women.

Massachusetts, in 1912, was the first State to pass a minimum-wage law, and in 1913 six States followed. By 1933 24 States had such legislation.

A prohibition against child labor existed in New York as early as 1897, but even before that, in 1842, Massachusetts had passed child-labor laws. By 1853 six other States had laws regulating the working time of children and by 1900 practically every State in the Union had such legislation.

A State workmen's compensation law was first held constitutional in 1911 and today all but four States have such laws. teen have already amended these laws to include provisions for occupational diseases.

If labor, as a class, needs additional legislative reforms—and I fully believe it does—I submit that the States are in all respects capable of continuing in the lead. It might be well for labor to consider the ultimate price of Federal regulation, and to weigh the lesson of centralized labor laws in other countries. Federal regulation may be, and in many instances is shown to be, essential, but

is should never be at the expense of independent State action.

Getting down to brass tacks, the greatest obstacle in the path of advanced social legislation by the States has always been the Federal courts. Had the sanction of constitutionality been granted when the States first tried to act, the catalog of State reforms would be even more comprehensive. There are many social reforms yet to be accomplished. But let it not be said that "the States have failed." We still have a long way to go, but the States have done their part.

done their part.

done their part.

In 1916 Charles Evans Hughes, then Associate Justice of the Supreme Court, said: "But in the face of the difficulties already upon us, and destined to increase in number and gravity, we remain convinced of the necessity of autonomous local governments. An overcentralized government would break down of its own weight. It is almost impossible even now for Congress in well-nigh continuous session to keep up with its duties, and we can readily imagine what the future may have in store in legislative concerns. If there were centered in Washington a single source of authority from which proceeded all the governmental forces of the country—created and subject to change at its will—upon whose permission all legislative and administrative action forces of the country—created and subject to change at its will—upon whose permission all legislative and administrative action depended throughout the length and breadth of the land, I think we should swiftly demand and set up a different system. If we did not have States we should speedily have to create them. We now have them, with the advantages of historic background, and in meeting the serious questions of local administration we at least have the advantage of ineradicable sentiment and cherished traditions. And we may well congratulate ourselves that the circumstances of the formation of a more perfect Union have given us neither a confederation of States, nor a single centralized government, but a Nation—and yet a Union of States each autonomous in its local concerns." mous in its local concerns."

AT THE CROSSROADS

For some time now it has been quite evident that despite the need for States, which Mr. Justice Hughes so cogently pointed out, we have been rapidly approaching the crossroads—crossroads, where

one road must inevitably lead to the destruction of the States or their reduction to the status of "Crown colonies." And it is at these crossroads that we must choose between the continuance of our dual system of government and some other form.

So far as the solution of national social and industrial problems is conversed. It recognizes the present of the recognize of the present of the recognize of the present of the recognize of the present of the recognized of the recogni

is concerned, I recognize the necessity for Federal action. The vision and courageous action of the President cannot be praised too highly. But there are many places at which the flood of Federal waters overflows the land and is likely to invade territory far afield from this historic channel. We may well need some "Federal flood control"

we may went deed some redetained. We may went deed some redetain flood control."

Within the past year bills were introduced into Congress asserting the right of the Federal Government to lands under water which for generations have been regarded as the property of the States themselves. It required vigorous opposition by the State of California and by all of the port agencies in the country to receive this essentian.

refute this assertion.

In a recent case, Hinderlider against LaPlata River and Cherry Creek Ditch Company, the Department of Justice took the posi-tion that States surrendered their sovereignty when they entered into interstate compacts with Federal consent. It took the combined efforts of a group of attorneys general before the Supreme Court to refute that contention. Again, but a few days ago Prof. George D. Strayer, of Teachers

College, warned against the consequences of carrying out the recommendations of the Federal Advisory Committee on Education, saying, "It would be unwise to give the Federal Government smuch control over the national school system as is advocated in the recent report * * *." He readily admitted that some mistakes might be made in our State educational system. "But," he said, "it is better that such mistakes be made than that we should develop a national system of education that would in time seek to control our public-school system in all its detail."

control our public-school system in all its detail."

These illustrations show how the tendency to deal with problems of national concern may go beyond the limits of legitimate Federal activity and invade the proper field of the States. As officers of those States, you have done well in defending them against such invasions. Federal control of business and of agriculture are tending to crowd out State regulation. Centralized control of business and agriculture has, to a large extent, been unavoidable under modern conditions. But if our form of government is to be preserved, the States should not be kept from shouldering all that they can. And there can be no question of their ability to handle most business and agricultural problems, if they have the will to do so. Federal aid in so doing will not be, and should not be, refused.

will to do so. Federal aid in so doing will not be, and should not be, refused.

It is not my purpose to deal with all aspects of this problem here. We are concerned today primarily with a Federal invasion of State sovereignty, that goes to the very foundation of the power to govern. It is an invasion so significant, so vibrant with destructive power, so inconsistent with the concept of sovereignty, that all other usurpations are as nothing in comparison. I refer to the power to tax. Today, for the first time in history, the Federal Government asserts the complete power to tax the States. It announces its determination to tax revenues of the States and to tax their fiscal powers. It asserts, in effect, that, as sovereign and tributary provinces, the States in the conduct of their self-liquidating public enterprises must file a corporate income-tax return.

I cannot believe that the States will ever accept such a distorted view of the American commonwealth.

view of the American commonwealth.

When Helvering v. Gerhardt was decided, some of us predicted When Helvering v. Gerhardt was decided, some of us predicted that the Government would attempt an interpretation of that decision making every State officer and employee taxable, making bonds of the States taxable, and, indeed, attempting taxation of State revenues. Those fears have now been realized. In a study issued by the Department of Justice on June 24, 1938, the supreme power of the Federal Government to tax State bonds and all State officers was directly proclaimed. This study asserts that the Governor, the attorney general, legislators, judges, policemen—all are subject to Federal taxation.

Now do not mistake me—so fer as future taxes on it is cutte

Now, do not mistake me-so far as future taxes go, it is quite

Now, do not mistake me—so far as future taxes go, it is quite true that as individuals State officers should pay the same taxes as anyone else. But that never was and never has been the question. The question is entirely whether this should be done with the consent of the States, or by an asserted "supreme power of taxation" alleged to exist in the Central Government.

The same is true of State bonds. Their immunity from Federal taxation does not exist for the sake of the bondholder. It is a necessary incident of the sovereign character of the borrowing power of the States. Paradoxically enough, the Department of Justice recognizes this, for, in the same study, it is asserted that the States have no such power with respect to Federal salaries or Federal bonds. And why not? Because, it is blandly replied, the Central Government is supreme in the taxing field. I quote their language: "The principle of immunity protected the Federal Government against taxation by the States but did not necessarily shield the States against the exercise of the delegated, and supreme taxing power of the Central Government."

Attorneys general of the States, with full forethought and deliberation, I label that statement of the Department of Justice the most shocking assertion, the claim most destructive of every concept of our Constitution, and of the reserved rights of the

concept of our Constitution, and of the reserved rights of the States, that I have ever read in a Federal document.

The most critical phase of the whole situation is, of course, the definite attempt of the Treasury to tax the revenues of the States and of State agencies. Their intention is quite clear. The De-

partment of Justice says, "tax immunity is a privilege of Federal, not of State, instrumentalities." They say that the States are subject to the "supreme taxing power of the Central Government." They say that the words "from whatever source derived," ment." They say that the words "from whatever source derived," in the sixteenth amendment must be given their full and literal interpretation. And they have acted accordingly. In the Gerhardt case they fiatly asserted a Federal right to tax the revenues of the Port of New York Authority, a State instrumentality collecting toll revenues exclusively for the account of the States of New York and New Jersey. They have pending against the Delaware River Joint Commission a claim for a direct tax against that agency of Pennsylvania and New Jersey for over \$50,000 in Federal stamp taxes on the issuance of their outstanding bonds.

agency of Pennsylvania and New Jersey for over \$50,000 in Federal stamp taxes on the issuance of their outstanding bonds.

With the attempt to tax State revenues we come, of course, to a crossroads where we must finally determine whether this Government is to go on as an "indestructible union of indestructible States." There is no margin, there is no "profit" in the revenues of a State which can absorb a Federal income tax of practically 20 percent. If the States or their agencies must file a Federal income-tax return, they face immediate default on every State obligation that has been issued on a revenue basis. It has been the fashion to sneer at the aphorism that "the power to tax is the power to destroy." With the taxation of State bonds and revenues, however, it takes on a grim reality.

On the one hand, there is the cry of the centralists that the States have not fulfilled their social obligations; now it is proposed to tax the only means with which those obligations could be fulfilled. But the disciples of centralization have not confined themselves to these conflicting claims. Only a few months ago the Governor of

But the disciples of centralization have not connect themselves to these conflicting claims. Only a few months ago the Governor of my State pointed out that the States are faced with fire from still another direction. They are being rapidly crowded out of the accustomed sources of State taxation by the expanding search for new sources of Federal revenue. Crowded out of their sources of taxation, threatened with a direct tax on their revenues, the States now find themselves faced with the charge that they have failed to carry their proper hurden of the obligations of government. their proper burden of the obligations of government.

These are my reasons for believing that the States are at the crossroads. The time has come for the States to do one of two things. They can suffer a "continued existence" in the sense that Manchukuo exists, and eventually find themselves relegated to innocuous desuetude, or they may take a stand and fight their final battle in the Supreme Court of the United States and before

of course, if the States choose to consent to Federal taxation, no violence will have been done to their sovereignty. For myself, I see no means by which such consent can be given other than by constitutional amendment. Congressional legislation, by its very nature, cannot protect the States against an outright invasion of their fiscal systems.

It may be that some States might derive as much from the taxation of Federal bonds and salaries as its bondholders and employees will pay to the Federal Government. Frankly, I do not know of any method devised to protect those States which now have no income-tax law. Will they be compelled to enact such laws in order to make the Federal tax on their bonds and salaries reciprocal? Failing that, will they be compelled to pay the Federal tax in any event? These questions have received no consideration. sideration.

Several weeks ago at Marietta, Ohio, the President said "on a thousand fronts Government—State and municipal as well as Federal—is playing the same role of the insurer of security for the average man, woman, and child that the Army detachments played in the early days of the old Northwest Territory."

If the Federal Government is to continue to play its part within the scope of its delegated powers and the States theirs within the scope of their reserved powers, both need funds. We must not lose sight of the fact that what we all want is to have both of the component parts of our Government, play their respective parts.

component parts of our Government play their respective parts.

As for us, our duties as the chief law-enforcement officers of
States are clear. If it is the will of the people of the States to
consent to the Federal taxation of the salaries of State officers
and employees and the interest upon State and municipal bonds,
theirs is the power to consent. But I do feel that it is our duty,
but as we render a divisory control to the scalar taxation of the salaries to the power to consent. just as we render advisory opinions, to advise the people that their States may be taxed out of existence. We are now prepared to call attention to that danger through

the Conference on State Defense. You have all been advised of the reasons for the formation of the conference—its work and its objectives. It should have the active support of the attorney general of every State in the Union.

The work of the conference has already succeeded in impressing upon some Federal officials the flagrant injustice of any attempt to impose retroactive Federal taxes on State employees or any Federal taxes on outstanding State bonds. The President has called for no such taxation in his message of April 25, 1938. The protagonists of centralized Federal authority have gone far beyond President Roosevelt.

It would be folly, however, to assume that even these objectives have been attained. Not until legislation has actually been enacted have been attained. Not until legislation has actually been enacted which will include not only these objectives, but which will also express the determination of Congress that no attempt should be made, at any time, to levy upon the revenues of the States, can the conference afford to relax its efforts. So far as I am concerned, I also recommend that the conference should include within its objectives a stand that any attempt to tax the States or their securities should be taken only with their consent, expressed through the adoption of a constitutional amendment. We face a real crisis in the history of State government. But I sincerely believe we have both the opportunity and the duty to bring about a recognition of the true doctrine of States' rights. A bring about a recognition of the true doctrine of States rights. Trestatement, if you please, of those rights in the light of modern needs. As State officers no one knows better than you the proven adaptability of the States to handle those needs and to handle them with a minimum of local friction. Of paramount consequence is the fact that the States can handle them without improved the states of the stat pinging on the traditional freedom and independence of their people.

The story of the Council of State Governments is a striking lesson of the ability of the States to create efficient machinery for cooperaof the ability of the States to create efficient machinery for coopera-tion in the handling of modern problems. The use of interstate compacts in the handling of regional problems has had remarkable growth during the past two decades. Compacts covering harbor control, fisheries, water power, flood control, joint police activity, all point the way to a sane solution of regional problems within the framework of our constitutional system. "If the six New England States demand the right to control their water power by united action among themselves, why should they not be allowed to do so instead of having a bureau at Washington do it for them?"

No one today has expressed the solution in more ringing words than James Truslow Adams. I quote again and in conclusion from his article of a few days ago in the New York Times:

"There are three great advantages in such a system. It is democratic. Local people are handling their own local problems. There is no congressional logrolling. * * Finally, such a system of State cooperation, * * * decreases the centralization of power at one point, keeps down the increase in a national bureaucracy, and lessens the inherent danger of any one government's getting control of all our lives.

"Thus in considering what may be the 'proper' functions of the Federal Government we have to take a broader view than our ancestors did, but in doing so, with the knowledge of what has happened in the past and what is happening elsewhere today, we should take into consideration the spheres that the American spirit and form of government reserve to the individual and to the individual States. He was not able and do it wisely we may be able vidual States. If we can do this, and do it wisely, we may be able to add to the necessary powers of the Federal Government and yet avoid the dangers of concentrated power and a totalitarian state. I see no other way of escape."

The War Conspiracy

EXTENSION OF REMARKS

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER OF APRIL 24, 1939

Mr. RUTHERFORD. Mr. Speaker, an editorial in the New York Enquirer, under date of April 24, 1939, entitled "American People Must Rise Up and Smash the War Conspiracy," is well worth the attention of every Member of Congress. At a time when the President is going off half cocked in matters relating to our foreign affairs, the time has come for the American people to take matters into their own The people of this country do not want war and they do not want the President to continue his shadow boxing with our foreign relations. The great majority of the people of our country want him to follow the admonitions of Washington and keep out of foreign entanglements. Mr. Speaker, I heartily approve of the sentiments set forth in the following editorial:

[From the New York Enquirer of April 24, 1939]

On the eve of our celebrating the sesquicentennial of the in-auguration of George Washington as our first President, the administration took a precipitate plunge into international diplomacy by forwarding to two European dictators a note that is without antecedent in the whole history of the international relationships of this Republic.

If we could but procure the opinion of the Father of his Country, who passionately besought us to keep clear at all times of the pitfalls of Old World disputes, concerning our Government's latest communication to Hitler and Mussolini, we would find that it met with his uncompromising condemnation.

Washington's words and example carry no weight with the powers that be in our National Capital. And for this very reason

America is now facing disaster. If the people do not at once assert their sovereign authority, that disaster will ensue as surely as the

rising of tomorrow's sun.

rising of tomorrow's sun.

In fulfillment of its duty as an American newspaper, the New York Enquirer has at all times opposed the policies and actions of the autocrat of Rome and the autocrat of Berlin. In fulfillment of the same duty it has unfailingly expressed its disapproval of the policies and actions of the autocrats of Moscow, London, Paris, and Tokyo. It has treated all of them impartially.

The administration has no stomach for impartiality in its intercourse with foreign governments. It has taken sides with one alinement of Old World bandits against another alinement of Old World bandits

of Old World bandits.

And it is resolutely bent upon sacrificing the warm young blood of millions of American boys in order to satisfy its thirst for the downfall of the former and the triumph of the latter.

Its note to Hitler and Mussolini, in tone and content, reveals to the merest tyro in international affairs that the "Must" philosophy which has wrought such havoc in our domestic concerns is its guiding creed in its dealings with Italy and the Reich. Even if it were desirable that our Government should endeavor to get as arbiter in the present crisis beyond the Atlantic (and it

Even if it were desirable that our Government should endeavor to act as arbiter in the present crisis beyond the Atlantic (and it certainly is not), the role would demand its proceeding with the utmost circumspection, skill, and dignity. Its note to Hitler and Mussol'ni evinces none of these essential qualities. Its language is the language of the brawler, not of the peacemaker. To crown the infamy of it all, the American people are asked to believe that this exhibition of diplomatic gaucherie is a master stroke for the cause of democracy, world peace, and what-not besides. Well may America hang her head in shame to see herself the derided laughingstock of the world because of the action of men who find themselves temporarily in a position to make her vital interests the playthings of their own vanity and self-aggrandizement.

Our resourceful Secretary of State has drawn attention to the encomiums voiced by foreign governments upon the note to Mussolini and Hitler. What was to be expected from these governments but the rankest flattery? We Americans know full well, as a result of bitter experience, that nothing is more relished by foreign governments than to see the stewards of Uncle Sam's affairs making asses of themselves and him for the delectation and

fairs making asses of themselves and him for the delectation and benefit of allen peoples.

It can be predicted right now as an absolute certainty that when the twin despots to whom this outlandish note was dispatched have given their reply, this Republic will be left holding the bag, a bag filled with the writhing serpents of hate and of war. This is the unholy business that is preoccupying the mind of the administration every hour of the day and the night, at a time when our own afflicted land is in the grip of a Hitlerism which keeps 13,000,000 of its citizens out of work, which compels tens of millions of its citizens to lead a hand-to-mouth existence, which extorts taxes upon taxes from Americans while it permits foreign nations to defraud them of billions, which squanders and squanders the wealth of this land in the pursuit of policies that squanders the wealth of this land in the pursuit of policies that have no place in the American order of things, which creates class hatred and places a rich premium upon the achievements of those who are laboring to turn the constitutional structure erected a hundred and fifty years ago by Washington and his brother nation-builders into a ghastly heap of ruins marking the grave of American liberty.

It ought to be enough for the American people to perceive that their Government is not acting in the best interest of their country, of international peace and stability, and of civilization itself when they find Josef Stalin, merciless murderer of millions, pouring out his heart in praise of the note to Hitler and Mussolini and

vowing loyal cooperation with America.

This is as logical as an alliance between hell and heaven.

And let it not be forgotten that Soviet Russia, the land whose government exults in having outlawed God within its own borders, is one of the 31 countries whose safety from nazi-ism and faseism the administration demanded in its communication to Berlin and Rome, and buttressed that demand with the all-too-evident threat

Rome, and buttressed that demand with the all-too-evident threat that the precious young lives of America's youth would be offered up to accomplish it by force of arms if need be.

The time has come for the American people to take matters into their own hands. They are the masters of their Government. With the very existence of this Republic at stake, as a result of what is transpiring in Washington, they must cease contenting themselves with mere conversational opposition. They must get right out in the open, express their will with a voice of thunder reaching Washington from all sections of this mighty land, compand their servants to obey it, and take all the steps necessary to mand their servants to obey it, and take all the steps necessary to

mand their servants to obey it, and take all the steps necessary to secure obedience.

Some will say that all this means great exertion and great expense. What of it? Is not the cause worth any sacrifice?

The men whose naked feet left bloodstains on the snows at Valley Forge did not count the cost of the service they were rendering their beloved land. The Americans who fought under and labored with George Washington for 8 long years throughout the horrors of the Revolution found more than ample recompense for their sacrifices in the knowledge that these sacrifices were made in the glorious cause of an America wholly free of European counserthe glorious cause of an America wholly free of European connec-

tions. We are not Americans if we are not as patriotic as they.

Let us of this generation, faced as we are by such an astounding challenge, act as becomes the heirs of the selfless men and women who won for us the liberty our country has so long enjoyed and

which is now in imminent danger of falling a fatal victim to internationalism as practiced by the votaries of French, English, and Scylet tyranny on the historic banks of the Potomac.

We, the sovereign people, cannot render a greater act of homage to the Father of his Country, as we acclaim the hundred and fiftieth anniversary of his Presidential inauguration, than by taking such measures as will guarantee that this Republic will be faithful to his inspired doctrine of nonentanglement with the affairs of foreign nations in any shape or form.

Arbor Day

EXTENSION OF REMARKS

HON, GEORGE H. HEINKE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

ADDRESS BY HON. GEORGE H. HEINKE, OF NEBRASKA, APRIL 22, 1939

Mr. HEINKE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address I made on April 22, 1939, in the city of Washington, at which time the Nebraska delegation in Congress and other Nebraskans planted an elm tree from Arbor Lodge State Park, at Nebraska City, in honor of J. Sterling Morton, author of Arbor Day. The tree is planted at the northeast corner of the grounds occupied by the Department of Agriculture.

Ladies and gentlemen and honored guests, at a meeting of the State Board of Agriculture of the State of Nebraska, held on January 4, 1872, J. Sterling Morton, one of the members, proposed

January 4, 1872, J. Sterling Morton, one of the members, proposed the following resolution:
"Resolved, That Wednesday, the 10th day of April 1872, be, and the same is hereby, set apart and consecrated for tree planting in the State of Nebraska; and the State board of agriculture hereby name it 'Arbor Day'; and to urge upon the people of the State the vital importance of tree planting; and that we do hereby offer a special premium of \$100 to the county agricultural society of that county in Nebraska which shall, upon that day, plant properly the largest number of trees, and a farm library of \$25 worth of books to that person who, on that day, shall plant properly in

books to that person who, on that day, shall plant properly in Nebraska the greatest number of trees."

The resolution was adopted, and on the first observance of Arbor Day more than a million trees were planted in Nebraska. In that resolution J. Sterling Morton gave to the world a great idea, namely "blant trees."

namely, "plant trees."

Subsequently the Legislature of the State of Nebraska set aside
April 22 of each year (the anniversary of the birth of Mr. Morton) a legal holiday to be known as Arbor Day and consecrated to the

planting of trees.

Since the adoption of Mr. Morton's original resolution in 1872, almost all the States, as well as many of the nations of the world, have set aside a day in each year consecrated to the planting of trees. Each year billions of trees are planted over the entire world trees. as living memorials to J. Sterling Morton the author of Arbor

as fiving memorans to Day.

Day.

Observance of Arbor Day would not be complete without calling attention to a few brief incidents in the life of J. Sterling Morton and his accomplished and estimable wife, Caroline Joy. He was born on April 22, 1832, near Adams, Jefferson County, N. Y. Caroline Joy was a native of Maine. As children they migrated with their pioneer parents to the State of Michigan, where they grew to manhood and womanhood. Both attended Albion College in Detroit, Mich. Later Mr. Morton received a degree from Ann Arbor, Mich.

Mich.
On their wedding day in 1854 Mr. Morton and his young bride turned their faces to the West on their long journey to Nebraska. They first settled at Bellevue, and in the year 1855 Mr. Morton accepted a position with the Nebraska City News, the first newspaper established in Nebraska, at a salary of \$50 per month.
Immediately upon his arrival at Nebraska City, he took up a homestead of 160 acres 1 mile west of the city which continued to be his home until the time of his death in 1902.
Both were lovers of nature and of adventure. Their first effort in the development of the homestead was the erection of a house

in the development of the homestead was the erection of a house surrounded by trees, shrubs, and flowers. Sixty-five acres of this homestead, including the Morton mansion, are now known as Arbor Lodge State Park, which is a part of the Nebraska system

of State recreational grounds.

In this beautiful park a memorial has been erected in honor of J. Sterling Morton, the author of Arbor Day. Each year thousands of tourists from all parts of the world make pilgrimage to this shrine to pay homage to the memory of the man who gave the world the idea "plant trees."

J. Sterling Morton was appointed Secretary of Agriculture of the United States by President Cleveland in the year 1893 and served in that capacity with unusual credit and distinction to himself,

his State, and country.

He was original in thought and action, a tireless worker, and a practical, powerful, and energetic leader.

Mr. Morton and his young bride were the progeny of pioneers, and they came to Nebraska to live the lives of pioneers in a new

and they came to Nebraska to live the lives of pioneers in a new and undeveloped territory.

They were the parents of four sons, each a pioneer in his chosen field of science, industry, or statecraft. Joy, the eldest, donor of Arbor Lodge Park, was a pioneer in manufacturing; Paul, the second, was a pioneer in transportation, vice president of the Santa Fe Railroad, later to become Secretary of the Navy under Theodore Roosevelt; Mark, the third and only living son, is a pioneer in manufacturing and agricultural pursuits. Carl, the youngest, died in early manhood at the start of a brilliant career. A grandson, Sterling Morton, 2d, is well known throughout this land as an industrial pioneer and, like his grandfather, a strong uncompromising foe of all which is uneconomic and wasteful.

When I employ the term "pioneer" I envision: A trail blazer: one

When I employ the term "pioneer" I envision: A trail blazer; one who is first in vision or accomplishment; one who enters new fields; one who prepares the way for others; one who has courage, moral as well as physical; a courageous, ambitious, industrious, and persevering person: In short, a person who encounters a problem and emerges with a solution.

The pioneer not only subdued an inhospitable land and provided for his own security, but he discharged every obligation to his country and the society in which he lived.

The original pioneers are gone, but the need for pioneering

lingers on.

lingers on.

Pioneering is not confined to the subduing of inhospitable lands and converting them into a virtual paradise for those who follow, but it extends as well to current problems such as the science of government, man's relations with his fellows, issues which involve labor, industry, finance, jurisprudence, science in all its branches, conservation of our natural resources, and, in fact, a field so large that it not only embraces every conceivable activity of the race but challenges the ingenuity of every member of it. ber of it.

The pioneers not only developed the land upon which we live and of which we are so proud and thankful, but they created the greatest government on the face of the earth today.

I say to you that the pioneer made America and that only a reincarnation of the spirit and virtues of the pathfinders will

reincarnation of the spirit and virtues of the pathinders will preserve it.

Mr. Morton was a practical man, not a theorist.

He knew of no substitute for industry, courage, perseverance, frugality, thrift, and economy.

An elm tree has been provided for our ceremony today. It came from Arbor Lodge, the home of J. Sterling Morton, at Nebraska City. Now, in memory of him who loved trees, we plant this tree with the observation "that other holidays repose upon the past; Arbor Day proposes for the future."

Amendment of the Wage and Hour Law

EXTENSION OF REMARKS

HON. W. F. NORRELL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

LETTER FROM VARIOUS FARM GROUPS

Mr. NORRELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from various farm groups:

> AMERICAN FARM BUREAU FEDERATION, Washington, D. C., April 27, 1939.

Congressman W. J. Norrell,

House Office Building, Washington, D. C.

Dear Congressman Norrell: In the absence of Congressman Graham A. Barden the undersigned farm organizations respectfully request you to report to the House of Representatives their dissatisfaction with the agricultural provision of the Norton amend-

satisfaction with the agricultural provision of the Norton amendment to the wage-hour law, as ordered reported, and as given to us by members of the Labor Committee.

We reassert the absolute necessity for approval of an amendment in the form of the Barden amendment. The House Labor Committee steadfastly refused to permit representatives of farm organizations to appear and present their cause. We vigorously object to the proposal to bring the Norton amendment to the floor of the House under suspension of the rules procedure, especially since the House under suspension of the rules procedure, especially since the House Labor Committee refused opportunity for full and open hearings.

The Barden amendments are necessary for the protection of farmers against increased costs. The burden of shorter hours and minimum wages coming as they do at the time when agricultural products must move into establishments for preservation and conditioning for consumption, directly depress the return to the farmer. The effect of the wage-hour law as applied to agriculture already has been reflected in the prices farmers receive and further increases will accentuate the burden upon them.

Respectfully yours,
AMERICAN FARM BUREAU FEDERATION,
EDWARD A. O'NEAL, President. ATIONAL GRANGE,
FRED BRENCKMAN, Washington Representative.
NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION,
CHARLES W. HOLMAN, Secretary.
AGRICULTURAL PRODUCERS LABOR COMMITTEE, IVAN G. McDaniel, Attorney.
NATIONAL COOPERATIVE COUNCIL, EZRA T. BENSON, Secretary.

The Responsibility of a Democratic Society for the Care of Children and Youth

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

ADDRESS BY THE RIGHT REVEREND MONSIGNOR ROBERT F. KEEGAN AT THE WHITE HOUSE

Mr. MICHAEL J. KENNEDY. Mr. Speaker, the youth of our country are the empire builders of America. Society in general, therefore, under the guidance of the Government has a very definite duty toward our youth. Under leave to extend my remarks, I wish to include therein a most significant and able address delivered before the White House Conference on Children in a Democracy, on April 26, by the Right Reverend Monsignor Robert F. Keegan, distinguished executive director of the Catholic Charities of the Archdiocese of New York, which I am sure will prove of great interest to the Congress, as follows:

What is the responsibility of a democratic society for the care of children and youth? The answer to this question, in my opinion, is of vital importance not only to our children and youth, but to our democracy itself. Children and youth are precious. Their minds, hands, and hearts will shape the America of

Our democratic society receives its mandate from every man, woman and child in America. Our citizens are free to form themselves into associations of various kinds and have the duty

themselves into associations of various kinds and have the duty through the ballot box of delegating powers to local, State, and Federal Government, thus sharing the common responsibility of all for the general welfare.

What do our children and youth face today? Frustration, in-security, fear, despair, resentment, confusion, lack of opportu-nity. The responsibility of our democratic society is to marshal security, fear, despair, resentment, confusion, lack of opportunity. The responsibility of our democratic society is to marshal every asset, every resource known to man, to fortify our children and our youth against the insidious forces in our national life and in the world today, which would regiment them, deprive them of their freedom, deny them equality of opportunity, ruin them morally in body and soul. It is the further responsibility of our democratic society to its children and youth to see to it that the home, the church, and the school teach the fundamental concepts of our democracy—the right of each person to life, liberty, happiness, equality of opportunity, freedom of the press, of religion, of assembly, and of petition.

This conference, insofar as it is humanly possible, must help to provide for our young people what our American concept of a demo-

provide for our young people what our American concept of a demo-cratic society in its very charter purports to give to all its people— hope, security, and genuine guaranties in the pursuit of happiness. It seems to me that the most urgent and salutary message that this conference will give to our children and youth is the straight-

forward, frank, and courageous statement that we recognize and are sensitive to their needs. We must not let these difficult years rob our young people of hope. The totalist ideologies lure youth to false havens of security. They force upon youth a spurious security in exchange for freedom.

This regimentation of youth across the sea is a sad result of an utter disregard of basic human rights and privileges. Such is not our objective. A properly ordered society should aim to provide for its children and youth the essentials for security without sacrificing freedom. If our children are to be nurtured in a mahner constitution of a demogratic society was must see for consistent with our ideas of a democratic society, we must safe-

guard, defend, and develop the fundamental pillars of a well-ordered civilization—the home, the school, and the church. Upon these rest the welfare, the stability, and the future of our Nation.

A democratic society must be able to set its own house in order.

It must be able to achieve an adequate standard of living for all its families, else the well-being of children and youth will be placed

in jeopardy.

The foundations of our democratic institutions are the home, the school, and the church. Never must their primacy be assailed.

Home life is the highest and finest product of civilization. home is the highest and linest product of civilization. The home is in fact the very cornerstone of society and the child is the capstone of the home. Any program for children and youth in a democracy must preserve and strengthen home life. Any threat to the home must be considered a challenge which will call for the marshaling of every resource of society to repel it. And the first to respond to this call must be our welfare agencies, private and public, local. State, and Federal, all cooperating in a common effort. local, State, and Federal, all cooperating in a common effort. This is the American way.

These varied agencies for child welfare must focus on the ultimate

These varied agencies for child welfare must focus on the ultimate goal—to conserve or to rebuild the home—the child's natural environment. When the home collapses the future of the child is gravely endangered. Indeed, it is well-nigh impossible to build a stable society unless the home is what it should be, a fortress within whose walls reign the angels of harmony—mutual respect and

mutual love.

Frightful it is to behold the plight of a child pinned under the debris of a shattered home. The termites of selfish living have eaten away the basic structure of many of our American homes. These evils we should unflinchingly face and courage-ously combat. We must stop the advance in our country of that deadliest of the enemies of the home and society—the demon of divorce.

Where the home has been irrevocably shattered and it is im-

Where the home has been irrevocably shattered and it is impossible to preserve the natural environment of the child, we should devote ourselves to the intelligent selection of a substitute home in accordance with the highest standards of social work. To forget the home is to forget the child. To remember always the supreme importance of the home is to set programs for children and youth upon a sure and firm foundation.

To the school has been entrusted many important rights and responsibilities of the parent. In the school the child not only experiences his first contact with society outside the home, but receives a lasting imprint through his formative years. Society, especially a democratic society, must furnish and provide in its schools a foundation in right living for the child. This tremendous responsibility must be broad in its concept, must develop the whole child as an integrated personality geared to the tempo of today. No one side of the child's life should be overdeveloped. No one side should be left undeveloped. Balance is needed in the educational process. The whole child must be developed, his mind formed, and his body strengthened. Not be developed, his mind formed, and his body strengthened. Not only must his sense faculties be refined and his memory trained, but more important still, his higher spiritual powers of intellect

and will must be nurtured.

The aim of education is not to teach our children and youth how to make a living so much as it is to teach them how to live,

how to make a living so much as it is to teach them how to live, and how to live harmoniously with others. Character, more than brains and brawn, is the essential for successful living and for an ordered society. To build character, youth must be taught the art of right thinking and the science of self-control.

The educational program, of course, should meet the myriad diversities of the complex life of today. With equal diligence should children and youth be prepared vocationally for the farm, the workbench, and the office. But the future citizen of this great Nation—on the farm, in the factory, or in the office, must be a completely integrated personality—a properly orientated creature of the Omnipotent God, and brother of his fellowman. Man or child cannot do without absolutes, namely, the existence of God, the eternal and immutable principles of right and wrong, and the inherent dignity of man. It is an obligation on educators to teach these absolutes according to the best possible methods that they may enrich, ennoble, and give a solid moral foundation to the generation that is to follow.

Educators must get over to our children a fuller appreciation of

the generation that is to follow.

Educators must get over to our children a fuller appreciation of democracy, what it means to be born in America, the priceless heritage to which they are the heirs, the responsibility that will soon be theirs for preserving our free institutions. Academic freedom has never meant a license for teachers in our schools and colleges to impress on the young, immature and plastic minds, subversive doctrines looking to the overthrow of our American form of government. The crime against our youth committed by such tactics is second only to robbing little children of their faith such tactics is second only to robbing little children of their faith in God. Certainly one of the basic responsibilities of a democratic society is to see to it that our children and youth get a fair, full, and complete statement of the principles upon which this democracy rests.

this democracy rests.

On January 4 of this year the President of the United States, in his message to Congress, said that religion is the source of democracy and international good faith, and that "religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors." Paramount is the responsibility of a democracy to its children in the sphere of religion, for religion is at the very heart of true democracy.

Who is the child that society should be mindful of him? Religion gives us the answer. The child is a person, an individual.

ligion gives us the answer. The child is a person, an individual, an intelligent, free, human being. The child is but the bud—the

flower is the man. Man's dignity is rooted in God the Creator, and man's destiny is the eternal companionship with God. "What is man that Thou art mindful of him?" "Thou hast made him a little less than the angels," endowed him with the powerful force of intellect, given him a free will, and energy strong enough to control and adapt many of the powers of nature. Man is the child of God, out of whose meditations have sprung philosophies, out of whose dreams have been born the arts and the literature of the cress from whose lebors have arisen puremids and cethadrals.

ages, from whose labors have arisen pyramids and cathedrals. If such is man, then such preeminently is the child—for the child is but the bud from which man will flower. Only in religion can child welfare efforts find their true foundation, for only in religion can be found the inherent and intrinsic dignity of the human personality. The man was not made for the State but for God, and each individual man has a value beyond our conception in the eyes of his Eternal Father.

conception in the eyes of his Eternal Father.

Religion, therefore, must be a very practical force in a child's life. For if he is not taught the truths of religion in his formative years, he cannot be expected to learn them later when his mode of thinking has been set. Religion must provide the guides and the ideals for right living. It must afford vigorous incentives and inspiring motives for right conduct. It must teach the necessity for divine assistance in meeting the stresses and strains of life. It must teach the child that from the eternal realities of religion spring the living sources of democracy. In religious principles repose the guaranties of natural rights and freedoms and the proper respect for legitimate authority.

I am impelled here to speak of the abuse of one of our fundamental freedoms—the freedom of the press. I consider it a major danger to our children and our youth that this democracy permits an output of foul magazines, salacious pictures, and perverted literature to continue year after year unchecked. This indecent literature is making a frightful assault on the morality of our children and our youth. Freedom of the press does not

of our children and our youth. Freedom of the press does not mean the license to undermine the moral fiber of the youth of

mean the license to undermine the moral liber of the youth of our land and to pander to their lowest instincts.

To those of you who think that I may exaggerate I suggest that you take a walk some day in your local community and surprise yourself with what you can purchase in stationery stores and corner newsstands in the way of vicious literature. Censorship is repugnant to our American way, but would you call it censorship to restrain a child from entering a burning building in which he could do nothing else but lose his life?

It certainly seems to me that a democratic society interested in

It certainly seems to me that a democratic society interested in preserving the moral wholesomeness of its children and youth has some responsibility in this area.

The founders of our Nation builded a democracy rooted in religion. They held to a natural moral law made by God and binding on all men. But they did not intend that our precious liberties should be abused to the moral detriment of the youth of the land. It is the responsibility of a democratic society to incule cate in the votth the netural moral law and the stepped principles. the land. It is the responsibility of a democratic society to inculcate in its youth the natural moral law, and the eternal principles of religion—principles which are at once the way of life, and the way to eternal life.

Ours, then, is the sacred trust to formulate standards and programs of child welfare in terms of all these basic considerations. God grant that in these eventful days, fraught as they are with the fate and the future of humanity, we may act wisely. In acting for the children and youth of today, we safeguard the America of

May this conference help to confer upon the children and youth of America opportunities and guaranties for the preservation of human rights and dignity, and for the development of our fundamental democratic institutions—the home, the school, and the church—which today we love and which tomorrow, pray God, they will revere.

Stand by America

EXTENSION OF REMARKS

HON. THOMAS D'ALESANDRO, JR. OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. D'ALESANDRO. Mr. Speaker and Members of the House, on Thursday, March 30, 1939, the American Legion, Department of Maryland, celebrated Stand by America Day and also the anniversary of the Legion. As a guest, I observed 25,000 Baltimoreans of all classes and creeds who stood shoulder to shoulder in the Fifth Regiment Armory and roared out a pledge to stand by America. Chinese girls in native costumes waved American flags. White and Negro veterans in the uniform of the American Legion stood beside plainly clad citizens of a dozen different nationalities. Uniforms of nearly a hundred organizations splashed color over the vast throng. Arranged as a reaffirmation of faith in the principles of American democracy and, at the same time, a celebration of the twentieth anniversary of the American Legion, the program was probably one of the greatest mass demonstrations of patriotism in Baltimore since the World

I wish to congratulate the following members of the committees that arranged this great display on real democracy: General committee: Mr. J. Bryan Hobbs, chairman; E. Mil-

ton Altfeld; Benjamin L. Wolfson.

Distinguished guests: Maj. Gen. Milton A. Reckord, chairman; all past department commanders, officials of all veteran, patriotic, and civic groups.

General arrangements: Frederick C. Miller, Charles J. Rowe, Carl Yagle, W. Frank Kirwan, Charles H. Wieland, Robert J. Stewart, Joseph M. Gonder, Alexander Malone, and all post commanders.

Parade: Capt. Richard C. O'Connell, chairman. Trophies and awards: Mr. Joseph Ferri, chairman.

Seating: Anthony J. Peroutka, chairman. Publicity: Edward A. Convery, chairman.

Americanism: Dr. W. D. Clodfelter, chairman. Women's division: Mrs. J. Bailey Mercer, chairman.

Sons of American Legion: William F. McCormick, chair-

Boy Scouts: George Harman, chairman.

Liaison committee: Walter F. Richardson, chairman.

Floats committee: Harry Phillips, chairman; Morris Zareswitz, vice chairman.

At this time, Mr. Speaker, I wish to extend my remarks and include in the RECORD the address made by the Honorable Herbert R. O'Conor, Governor of Maryland, as follows:

The American Legion, standing as it does for the preservation of the principles of true freedom, is to be congratulated by every thoughtful American for having sponsored Stand by America Day. By it, the Legion has focused the country's attention upon the need for action to offset the subversive forces now working amongst us.

To me, this national mobilization of patriotic fervor is one of the finest examples of the dramatization of an idea that could be imagined. It will, I hope, shock into wakefulness those of our countrymen who have been decrying the possibility of danger to us from any of the "isms" that have well-nigh wrecked many of the nations of the world. It will awaken them, I believe, to the realization that action represents and decides active active that actions that the second contract of the second contract realization that action—prompt and decisive action—is necessary if we are to circumvent the disloyal groups that are burrowing at the foundations of our free American institutions.

the foundations of our free American institutions.

America must awaken to this danger before it is too late.

We must be alert to protect and preserve those things that we hold near and dear. If we do not, we shall see our individual liberties snatched from us just as they have been taken from millions of other citizens of once-free countries. As a Legionnaire, and as an American who values the liberties he now enjoys, I call upon everyone to heed the call of the American Legion—to stand by America now, so that we may continue to have America by which to stand. to stand.

Maryland, as one of the Thirteen Original States, is determined to uphold the principles and ideals for which our forefathers fought and died. As Governor of this State, I can give assurance that today, just as in every crisis of our Nation's history, our citizens will stand

by America.

Meeting of the Manhattan Democratic Club of the Eighth Assembly District of New York City

EXTENSION OF REMARKS

HON. WILLIAM I. SIROVICH OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, APRIL 5, 1939

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks, I wish to put in the RECORD the following speech delivered by me on the 5th of April 1939 before a special meeting of the Democratic County Committee held at the Manhattan Democratic Club of the Eighth Assembly District, placing in nomination M. Michael Edelstein, as executive member and leader of the eighth assembly district of New York City:

Mr. Chairman and fellow Democrats of the county committee of the eighth assembly district, man is governed by three basic instincts: First, that of self-preservation, or the will to live; second, self-perpetuation, or the will to love; and third, self-expansion, or the will to possess more. The third instinct, which is the will to more, is characteristic of man only. Animals, not being conscious of the future, and satisfied with what they have for the moment, are possessed of the first two instincts, but have no will to more.

are possessed of the first two instincts, but have no will to more. Only man wants more than he needs.

The world of man has been made possible by the threefold extension of his personality: First, by his physical or biological extension, which resulted in the establishment of civilization; second, by the expansion of his mind, which resulted in the establishment of culture; and third, by the expansion of his will, which created for him his social, economic, and political fabric. The basic difference between man and animal is that the former has the shillity to create tools while the latter has not. Animals has the ability to create tools, while the latter has not. Animals do not make tools. Man's tool-making ability is a compensation for his natural weakness. He is the weakest of all higher animals, not only as far as his senses but as far as his limbs are concerned. The bull moose has a greater audibility and the eagle a greater visibility than man. The reindeer and the ostrich can outrun him that are fish can outrun him.

visibility than man. The reindeer and the ostrich can outrun him just as fish can outswim him. Finally, man is earthbound because of the lack of wings and is helpless in the struggle with higher animals because of his weak hands. However, by his tool-making skill and by his ability to create implements, instruments, and apparatus, he cannot only overcome the higher animals but he can perform functions for which nature has not equipped him.

Through the development of transportation he extended his legs. Through the perfection of radio and telephone he has extended his ears. Through the invention of the microscope and telescope, he has extended his vision. Through the development of shipping he can outswim any fish, and through the creation of aviation he has, so to speak, drafted wings upon himself, and can outfly any bird. In short, through the extension of all the five senses—hearing, seeling, feeling, tasting, and smelling—he has been enabled to outgrow his actual physique and matters of nature. The extension of the five senses, through the perfection of tools, machinery, and equipment, has resulted in the created art; to prolong his memory he invented writing and printing; to find his way in nature memory he invented writing and printing; to find his way in nature he created principles of mathematics and science. Culture is thus he created principles of mathematics and science. Culture is thus an extension of the mind, as civilization is an extension of the body. The expansion of his will, to the will to possess more, which is one of the sources of his economic creativeness, is a double-edged sword in the struggle for his existence. This uncurbed expansion of the will, to the will to possess more, resulting in the vast accumulation of wealth by individuals, is the cause of all wars, rebellions, revolutions, and other political and economic unbeavals. The will to possess tions, and other political and economic upheavals. The will to possess more is thus one of the sources of man's brutality and cruelty, and is more powerful and more unyielding than the will to life, or the will to perpetuate oneself, because this will to more draws from two sources—the physical and the spiritual.

The will to more draws from man's vision, from his consciousness of the future, from his gift for abstractions, as well as from his physical will. To preserve his wealth, man would transgress all physical will. To preserve his wealth, man would transgress all boundaries of law and decency, and resort to means which are degrading and debasing. It is for this reason that all forces of the spirit have united to curb the will to more. Religion, politics, ethics, the law, and the state are vying with one another to limit the sphere of that grasping will. For the sake of its own existence the state must curb the will to more of the individual or of a group of individuals. The law, by delimiting the sphere of the right of the individual, is already curbing the will to possess more.

vidual, is already curbing the will to possess more.

All postulates of social justice arise out of a vehement negative attitude to the will to more. All true ethics teach man not to exploit his fellow man, and tries to impose limitations upon his will to more. The basic religious document of civilized humanity, the Decalog, is dedicated to the delimiting and curbing of the will to more. Without these forces trying to bend and control the will to more, the life of man would differ but little from that of the jungle, and man would reduce his fellow men to a beast of burden or to a part of nature. In the jungle the rule of unregulated freedom prevails. Animals can roam as they please and move about unhindered. It is the perfect order of "do nothing." The result is that the mighty and strong devour the weak, and its move about unhindered. It is the perfect order of "do nothing." The result is that the mighty and strong devour the weak, and its order of life is, might makes right. Instinctive brute force rules. This jungle rule, when applied to human society, manifests itself in two forms; first, in the unregulated freedom of the do-nothing order, in which the economically powerful may devour the economically weak; or, second, when the king of the jungle has imposed his will upon the other creatures and made himself dictator. posed his will upon the other creatures and made himself dictator, thus regulating the rule of force. This regulated rule of force of the jungle, when applied to organized society, is fascism—either right or left fascism. In the Fascist state, like in the jungle, when the lion or the tiger asserts his will, the dictator imposes his will upon his fellow men without regard to their desire, wishes, ideas, or welfare. If jungle chaos is the state of doing nothing, jungle order in the state is dictatorship. There could possibly be no objection to either the do-nothing order of things, or to the dictatorship, if man were only a part of nature and nothing more than the tiger, lion, or any other ferocious animal. But man is more than a part of nature; he stands on the threshold of two worlds, the physical and the spiritual. He is a citizen of both, and governed by both. Such is not only the dictum of all true religions and philosophy, particularly of Biblical religion, in which man appears as the crown of creation, and is God's main care and concern, but it is the dictum of our own experience, of our own recognition. If man were

is not only the dictum of all true religions and philosophy, particularly of Biblical religion, in which man appears as the crown of creation, and is God's main care and concern, but it is the dictum of our own experience, of our own recognition. If man were only a part of nature, he would be as unproductive as the animal. Animals have no mathematics, have no science, have no religion, have no law, have no ethics, because they are not spiritual beings. These creations of the spirit could only emanate from spiritual beings, consequently man cannot be said to be just a part of nature, and entitled to the same rule as the jungle. The law by which he lives must be a human law and not a jungle law.

The cry of humanity demands that man be treated as a spiritual God-fearing citizen. He must not be brutalized, tyrannized, and exploited. He must be treated with graciousness, kindness, and dignity. The day of the autocratic boss and the corrupt politician is passing by. The successful ruler of the future will be the servant and not the master of his people. The earth of Europe and America is hallowed and saturated with the blood of martyrs who died to preserve religious, intellectual, political, and economic freedom. We must be worthy sons of our illustrious forbears, never to permit the destruction of our inalientable rights contained in our Bill of Rights that makes possible the pursuit of life, liberty, and happiness. Now is the time to make the world safe for democracy here and abroad. [Applause.]

Mr. Chairman, we are living in a critical period of the world's history. Throughout the civilized world men are battling for principles, struggling to achieve ideals, contending for justice, sacrificing their health and wealth, and ready to die to preserve liberty and democracy for their fellow man.

In this tremendous world conflict the conscience of mankind demands that everyone do his duty to preserve intact and inviolate these hallowed and sacred convictions that must be handed down from generation to generation, unsu

I would be derelict in the performance of my sworn duty to uphold the Constitution of our great Republic that I love and have sworn to defend if by action, deed, or words I failed to unequivocally register my most vehement and solemn protest openly, courageously, publicly, and officially against any form of democratic leadership that subverts the will of the people through its elected officials. That type of leadership must go. [Applause.]

From a political and economic standpoint the will to possess more is responsible for the exploitation and commercialization of

more is responsible for the exploitation and commercialization of human beings, in which mankind is exploited for the benefit of the few. This political commercialization of human life is the symbol of autocracy and degradation, represented by the dictatorship of Hitler, Mussolini, and Stalin, through the philosophy of nazi-ism, fascism, and communism, that is today challenging the rule of democracy throughout the civilized world.

The reason you men and women, representing the Democratic County Committee of the Eighth Assembly District, have congregated here this evening, is to select a Democratic representa-tive, a new Democratic leader, who will be, not the dictator and master of the people of the district, but will be the servant and agent of the citizens of his community and help to cooperate with them to uphold the ideals for which true democracy stands.

with them to uphold the ideals for which true democracy stands. [Applause.]

Mr. Chairman, if you permit the great nations that have existed in this world in the past to march across the proscenium of time, you will observe that each country had left an indelible impress of its culture and civilization upon the pages of time.

Greece paid tribute to intellect. Men like Socrates, Plato, Aristotle, Pathagarus, Sophicles, Aescheles, Euripides, Homer, Solon, and others, will continue to shine resplendent in the glory of their contributions throughout the ages to come.

The symbol that was emblazoned upon the Roman escutcheon was the tremendous force and will nower that activated and

was the tremendous force and will power that activated and motivated ancient Rome to the glory of conquest. Upon the flag that every Roman soldier carried were the Latin words "Civis Romanus Sum"—I am a Roman citizen—and woe betide any nation or individual that ever attempted to discredit the rights of Roman citizenship. The will to more, of Rome, was always the divising force to the establishment of its great employed with driving force to the establishment of its great empire, and right

or wrong had to prevail.

Ancient Judea, the home of the Semitic people, gave to the world the principle of ethics and conscience. Ethics, which is

the relationship that should exist between man and his fellow man. Conscience, God's inner light to man, which constantly echoes and reechoes the sublime sentiment, "Let thy conscience be thy guide."

India, the home of the ancient Brahmins, contributed the sacred philosophy of holiness. Life was sin-ladened, and could only be cured through sacrifice, redemption, and salvation, in order to achieve Nirvana.

Christianity, through the Saviour, gave to the world the greatest of all blessings, love—to love thy neighbor as thyself.

Anglo-Saxon civilization placed upon the altar of humanity the great Magna Carta, which was the first chapter of human rights, that is responsible for parliamentary constitutional democracies throughout the world.

America, our beloved country, became the haven and refuge of all the oppressed of the world, giving liberty, freedom, and happiness to all of its citizens regardless of class, race, creed, or color and devoid of any discrimination or partiality. Such a democracy we are battling to conserve and preserve here in our community, that it may shine as a beacon throughout our Nation, as the eternal symbol of our renewed hope, our everlasting faith and our profound love for the greatest democracy that exists in the world-our own beloved America.

in the world—our own beloved America.

That is why I have risen to nominate for the leadership of our district an eminent and distinguished lawyer, an exponent of intellect, a man with force and the courage of his convictions, with the spiritual conscience of God to guide him in his ethical promises and obligations to his fellow men, a man with love for his country in time of peace and ready to die for it in time of war, a real executive, a capable administrator, an indomitable leader of men, who seeks no office or glory for himself, but who desires to serve others and give of his today that his constituents may have their tomorrow. Such are the basic characteristics, virtues, and qualifications of our nominee for leadership of our democratic organization, in order to preserve intact the ideals of democracy and all that it stands for. [Applause.]

Mr. Chairman, as the chosen spokesman of the militant and enthusiastic Democratic County Committee of the Eighth Assembly District of New York City, it is my exceptional privilege to place in nomination for the position of executive member and leader of our district the unanimous choice of our membership, the brilliant, intellectual, aggressive, progressive, honest, fearless, and incorrupti-

intellectual, aggressive, progressive, honest, fearless, and incorrupti-ble militant leader, who will battle for the redemption and resur-rection of civic honesty and decency, and be a model for other Democratic organizations in our Nation to emulate.

For your respectful consideration and with your kind indulgence, I have the great honor to present to you our new leader, my very dear and personal friend, M. Michael Edelstein, who symbolizes to my mind all the attributes and virtues that courageous, fearless, and honest leadership implies, and who will lead the New Deal Democracy of our great President, Franklin Delano Roosevelt, to its deserving victory and success in the future. [Applause.]

An American Plan for Flood Control

EXTENSION OF REMARKS

HON. CLYDE T. ELLIS OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

ADDRESS OF HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. ELLIS. Mr. Speaker, under leave granted me by unanimous consent of the House, I quote in full the address of Senator James J. Davis, of Pennsylvania, delivered before the National Rivers and Harbors Congress at Washington, March 23, 1939:

March 23, 1939:

Mr. Chairman, strangely enough, we are at least 50 years behind times in our local voluntary plans for flood control. I believe floods and uncontrolled waters cause as much damage as fires and uncontrolled flames, possibly more. Add to this the dangers arising from our polluted streams, and I feel confident this is true. It would be an interesting problem for the statisticians to make an estimate of the relative losses which come to our people through the problems arising from uncontrolled fire and water. Certainly they are ancient foes. Although I definitely believe in the national responsibility for flood control, certainly there is need for local advisory flood-control organizations as there has been need for volunteer fire companies. The same sense of neighborliness which has been so helpful in fighting the hazards of fire should now carry over to meet the menace of floods. Local advisory flood-control organizations should be set up on a community basis to create flood-control sentiment in State and Nation and be helpful in times of emergency for actual flood rescue work. I suggest this not as a substitute

for national planning and national responsibility, but as a necessary supplement for them. It is true that floods are more to be feared in some localities than others, but at least we have a right to expect that where devastation has come with more or less regularity, year

that where devastation has come with more or less regularity, year after year, local organizations should be present to advise State and Nation of the flood-control and rescue needs of the community.

We have some outstanding national and sectional organizations, such as the Mississippi Valley Flood Control Association, the National Rivers and Harbors Congress, the Miami Conservancy District, the Tri-State Authority, the Massachusetts Planning Board, and others. These organizations are doing a much-needed work. My heartiest good will extends to all of them. But before they can be thoroughly effective, local organizations by the hundreds should be set up through the activities of interested citizens in every part of the Nation. Certainly, there is as much reason for the existence of a local flood-control organization at a thousand points throughout the land as a woman's club, a service club, or a local civic unit of any kind. I know of no greater organization challenge in America today than just this. I am profoundly impressed with this need and am confident that in the immediate future we shall see hundreds of civic-minded organizations instituted to carry on a great national flood control and soil conservation program. tion program.

what would these local organizations do? Very briefly, I would suggest that their responsibility would be wholly advisory and educational. They would attempt to create understanding among all classes of citizens, farmers and urban dwellers alike, and to indicate the part that each citizen plays in the problem of uncontrolled and impure waters. I am as deeply interested in the purification of our rivers and streams as I am in their conservation for flood control. Whenever a person turns a water spigot he becomes a party to the problem of water control. Whenever a factory is set up on a river bank it has a potential relation to the problem of stream pollution. Every drain, every sewer, every wrongly cultivated parcel of land, every unplanned town or city, every badly planned grade, every culvert, and every slope and level of every factory, field, and forest in the land have a part to play in the tragedy of uncontrolled or polluted waters. It is not only excessive rainfall that causes floods but, equally, it is our failure to provide for excessive rainfall when it comes in relation to the ordinary uses of water. uses of water.

I believe in the national responsibility for flood control. I have always held this position. I know the arguments being made against it. I also know how impossible it is for individual States against it. I also know now impossible it is for individual States to meet these problems without Federal cooperation and a large measure of responsibility. However, I am firmly convinced that national plans for flood control will get nowhere unless they are well integrated with local plans that have a sound basis in the intelligent flood-control activities of our people as a whole. Herein my be found the need for the local advisory flood-control organizations which I have suggested.

my be found the need for the local advisory flood-control organizations which I have suggested.

The estimated cost of erecting a Nation-wide plan of flood control as called for by existing plans of the United States Army Engineers is somewhere in the neighborhood of \$8,000,000,000. I can conceive that all of this money could be spent and that elaborate facilities could be provided in dams, reservoirs, levees, and irrigation systems, and at the completion of all of them we might find ourselves as badly off as we are today if we do not learn how to control waters in small areas at their source. Our need is for a national plan of flood control which comes from the practical intelligence of the American people. No conference of a few wise heads in Washington will ever be a suitable substitute for this.

A challenging task of local education and organization confronts us. This is the way we have met the problems of education, fire

A challenging task of local education and organization confronts us. This is the way we have met the problems of education, fire control, road construction, and a dozen other civic improvements of the last century. This is the way we should now proceed if the American people are to become thoroughly flood-control conscious. This is a task of education and organization second to none in the Nation today for the losses sustained by the Nation occasioned through uncontrolled waters in flood damages and soil erosion far exceed any other material losses which afflict our people. I believe the task remaining before us is equally as important as that which your great Congress of Rivers and Harbors has already so nobly met. Both national and local activities are required to combat the growing menace of uncontrolled waters.

The Connally "Hot Oil" Act—The Significance of Its Proposed Continuation as Permanent Law

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

Mr. COFFEE of Washington. Mr. Speaker, I am desirous at this time of inviting the careful attention of the Members of Congress to the need for careful study of the various bills relating to the oil industry that are on their way through committees. Some of the proposed oil legislation is most worthy of your approval if you are interested in looking after the consumer. There are other proposals that are not only inimical to the public interest but constitute the very background of some of the monopolistic practices in the oil industry.

THE PENDING "HOT OIL" BILL

In this latter category I place the proposal to extend and make permanent the Connally Act relating to contraband oil. Effective in a field like east Texas, where the independent producers showed signs of competitive strength against the major oil companies, it has been most harmful to independent and consumer alike. An Interstate Commerce Committee subcommittee is holding hearings on the bill this week and it is my sincere hope that it will kill that legislation for all time. I urge you to vote against S. 1302 and its companion, H. R. 4547.

PSEUDO INDEPENDENTS OF THE OIL INDUSTRY

You are going to be approached by concerns that call themselves independent and urged to support this Connally Act. Do not be fooled by pseudo independents which speak but the major oil company bidding. I am told that a representative of the Independent Petroleum Association of America will appear and urge the extension of the Connally Act in the name of the independents. Again, I say, do not be fooled. If you will refer to the hearings before the Darrow N. R. A. investigating committee you will find that this so-called Independent Petroleum Association of America received contributions from the major oil companies in 1933, as follows:

Consolidated Oil Corporation	\$10,000
Atlantic Refining Co	2,000
The Texas Corporation	10,000
Indian Territory Illuminating Co. (Cities Service)	1,500
Phillips Petroleum Co	3,000
Standard Oil Co. of Ohio	
Standard Oil Co. of California	5,000

Money in those amounts is not ordinarily given out for the mere social advantages of belonging to an organization. Money in those amounts means control, and when the socalled Independent Petroleum Association of America speaks before committees or speaks to individual Members of Congress it is the voice of the major oil companies.

It will not be long before the large oil-producing States will be appealing to Congress to renew and extend approval of the interstate oil compact. This is the second leg of the major oil companies' control over prices. The major oil companies appoint the advisers to the interstate compact, attend its meetings, and generally direct its activities. By this instrument the oil-producing States seem to feel they have been issued a license to conspire to violate our antitrust laws. As in the past, this document will no doubt be presented and passed through without even the holding of hearings to bring out the price-fixing motives behind it.

In addition to the above, Congress has aided the major oil companies and the oil-producing States by the application of a high tariff on imported petroleum while our exports continue to increase year by year. Congress has also permitted the Bureau of Mines of the Department of the Interior to issue monthly forecasts of demand for petroleum which are used by the major oil companies and the oil-producing States as a blueprint to hold supply below demand and thus increase prices.

There are a number of ways in which this Congress can truly aid the consumer of oil and preserve the competition of the independent in all branches of the industry.

WAYS IN WHICH WE CAN HELP THE PUBLIC

First and foremost, it is necessary to divorce the oil pipe lines from their major oil company domination and control; it is necessary to establish these important transportation facilities as common carriers in fact. Over on the Senate side a provision for a new commodities clause, which would have divorced pipe lines, was placed in S. 2009, upon its

introduction. However, the heat put on by the major oil companies and their lackeys soon convinced the Senate Interstate Commerce Committee that if they wanted any railroad legislation they had best not offend the major oil interests. So powerful were these major oil companies that they persuaded the counsel for the railroads to disown the provision in their own committee-of-six draft of railroad legislation. This reminds me that when we catch up on some of our other repair work we might appoint a good committee to investigate the interlocking directorates or connections that exist between the railroads and the major oil interests.

PIPE-LINE DIVORCEMENT

Senators Borah and Gillette have sponsored a new and complete pipe-line divorcement bill, S. 2181. It is hoped that the Senate Judiciary Committee, to which the bill was referred, will give this bill a prompt hearing. Congress is just about 40 years late on this pipe-line problem, and divorcement legislation should be enacted at the present session.

On the House side our own Committee on Interstate and Foreign Commerce has an opportunity to include this pipeline legislation in the railroad legislation it is considering. A new commodities clause appears in H. R. 4862 that would effectively divorce pipe lines. May the committee have the intestinal fortitude to keep the provision therein despite the major oil company lobby.

OTHER RECOMMENDED BILLS

In addition to pipe-line divorcement we must enact legislation that will divorce the major oil companies from the operation of marketing properties. I am told that Congressman Harrington's H. R. 2318 to accomplish this purpose will be given an early hearing by a subcommittee of our Judiciary Committee. Similar action is expected on the companion bill in the Senate by Senator Gillette, S. 448.

Most vital of all for the protection of the consuming public is the enforcement of our antitrust laws. Extreme vigilance is essential as to the oil industry at least until such time as Congress passes additional legislation to protect against the growth of monopoly.

ENFORCE THE ANTITRUST LAWS

Special interests will be urging you to cut appropriations for the antitrust division of the Department of Justice or otherwise to tie its hands. I would welcome the opportunity to cast my vote for an appropriation bill that would carry a \$5,000,000 fund for the antitrust division. Monopoly and restraint of trade are not party issues; all political parties have endorsed our antitrust laws. Those in position to monopolize or restrain trade do not need the care of Congress; they are able to employ the best brains among those who have their mental powers for sale. It is the duty of Congress to protect the consuming public and the independent merchant from the avaricious monopolist. We could go home tomorrow if our duty lay otherwise. Cartellization, on the European plan, needs only a Hitler to write, execute, and judge the laws. Monopoly and cartellization are sisters under the skin; the only difference is that with cartels the dictator is recognized as the nominal or puppet head of the government while monopoly recognizes no head but its own.

There is a crying need for a number of grand-jury proceedings to stamp out unlawful conspiracies in the oil business. The House Appropriations Committee can do its duty to the American people by seeing that enforcement activity is not handicapped by lack of funds.

ALL COMPETITION IS ELIMINATED IN MANY AREAS

In my own part of the country the major oil companies have practically eliminated competition in the oil business, and the public is paying the price. From information reaching me there is need for prompt action to expose this conspiracy. The need has been evident for some time. Almost 2 years ago I stated to this body as follows:

A number of years ago the Federal Government caught the major oil companies on the Pacific coast red-handed in a violation of the antitrust laws. The usual injunction suit and consent decree followed. But what good did it do? The major oil companies have gotten around or openly violated that decree to this

day, so that conditions in the oil business on the Pacific coast are more controlled by them than ever before. And the situation gets

A year and a half ago the Attorney General promised prompt action on this west coast oil monopoly. that part of the country are still anxiously waiting.

I realize that it takes money to prosecute these large cases; the array of legal talent, "the best that money can buy," that faces the Government when it attacks a monopolistic industry like oil, is overwhelming. The glitter of gold to defend these major oil companies even extends to the enticing away of some of Government counsel, as happened in the Madison oil case, or as resulted from the investigation by the State of Michigan. Despite these evidences of human frailty, there are sufficient men of high caliber available to be employed by the Government if Congress will do its duty in supplying the necessary funds.

THE TEMPORARY NATIONAL ECONOMIC COMMITTEE IS URGED TO ACT

And now, just a word about the Temporary National Economic Committee which is supposed to be investigating monopoly in this country. The \$600,000 which we recently appropriated will disclose a lot of facts, but we must remember that it will also buy a lot of whitewash.

I hope I am wrong in my present reference to this committee because I have a sincere desire to see facts disclosed. We provided the committee with specific subpena power so that they could get at the facts. My faith was weakened when I read the chairman's press release of April 10, which I append hereto. Every Member of Congress should read it. What does it look like to you?

I fervently trust that this pronunciamento does not presage a slacking of zeal on the part of this committee created for the purpose of fearlessly exposing monopoly in all its ramifications.

STATEMENT OF SENATOR JOSEPH C. O'MAHONEY, CHAIRMAN OF THE TEMPORARY NATIONAL ECONOMIC COMMITTEE

The committee has authorized me to announce a new phase of its studies particularly designed to afford business and industry an opportunity, in cooperation with the committee, to present its own story of the Nation's economic problems.

For the inauguration of this new phase of the committee's work

the oil industry has been selected. Numerous conferences have been held with representatives of both big and little business of varying or conflicting views in this industry, and invitations are being extended to them to assist in designating witnesses who will appear at the hearings to present to the country and the committee their views and facts with respect to the economic problem.

To indicate the manner in which this program has been developed, it may be stated that Mr. Axtell T. Byles, president of the American Petroleum Institute, the largest trade association in the oil industry, has consented to seek the cooperation of various leaders in the industry. These persons will be given the opportunity to present prepared statements to the committee and then will be subprepared to appear in present of the protected bearings.

tunity to present prepared statements to the committee and then will be subpensed to appear in person at the projected hearings. The committee will call other witnesses in order to make certain that an adequate presentation is made of all available information with respect to the manner in which the oil industry is conducted. Interest will naturally center on problems of production, refining, transportation, and distribution, with particular reference to the effect upon employment and upon the prices which are charged for the finished product, as well as the effect of industrial and corporate organization upon the industry. What is the exact relationship between the independent producer and the independent tionship between the independent producer and the independent distributor upon the one hand and the major units in production and distribution upon the other? What restraints, if any, exist upon free enterprise? These and many other similar questions which are constantly being propounded will be presented and

The committee's offer is made without limitation as to the con-The committees offer is made without limitation as to the content of the testimony or reports, except that the material presented include data requested by the committee and that opinions, including any criticism that may be made of existing governmental or intraindustry policies, be supported by actual evidence.

From the date on which the committee was organized, as I announced before the first hearings last December, it has been in-

tended to provide a distinct method of nongovernmental presentatended to provide a distinct method of nongovernmental presentation to the committee. The program now announced offers that opportunity. It will make possible the presentation in a forum, which is so situated as to command national attention, varying opinions by business and industrial groups or leaders with respect to the cause and cure of our economic ills. It is not possible at this time to state how many separate industries will be heard in this manner, because there is a natural limitation of time and money, but it is believed that the study of the oil industry will make possible a thoroughgoing test of this procedure as a means of develop-ing objective testimony.

The projected oil hearing will be the first hearing conducted by

the committee itself. Heretofore the presentations which have been made have been presented and directed by the executive debeen made have been presented and directed by the executive departments and commissions which are represented on the committee. These presentations have not been concluded. Some are still in preparation and will shortly be presented at public hearings, but the committee has authorized this announcement in order that its intention to make a well-rounded study of the economic problem should be generally known.

It is the hope of the committee that the presentation of the oil hearings may be begun not later than the 1st of June, but ample opportunity will be given to the witnesses to prepare. Written statements will be filed with the committee at a specified date in advance of hearings, so that the members of the committee and its staff may thoroughly review the material which is to be pre-

its staff may thoroughly review the material which is to be presented. The witnesses will then be informed well before the hearings as to the general nature of the questions to be asked by or on

behalf of the committee.

The order of appearance of witnesses will, of course, be directed by the committee, and every effort will be made to arrange the hearings in such a manner as to afford the most effective and fair

nearings in such a manner as to allord the most effective and fair presentation of conflicting views.

It should be understood that the committee has not as yet planned similar presentations by any other industry or business. It will, however, entertain applications for similar hearings. It was felt that the opportunity should be offered, leaving entirely to business and industry the decision whether this procedure would be

helpful.

Industrial leaders or groups which feel that they may make a contribution to the solution of their own or the Nation's problems by taking advantage of this formula may make application to the committee through the chairman or the executive secretary for an opportunity to be heard on the general basis outlined in this statement. For the present it is possible for the committee to consider only presentations by or on behalf of specific industries. Later on it is expected that provision may be made to take more general testimony.

In cases where hearings cannot be held due to limitations of

time, it is hoped to make arrangements to receive testimony through reports, and the committee expressly reserves the right to receive the material submitted either via hearings or reports or both. This program is undertaken without limitation as to other investigations which the committee may be pursuing or

Expects to pursue.

I am happy to be able to say that this plan has been received with approval by spokesmen for all factors of the oil industry who have been interviewed.

Protection for American Wood Pulp Producers

EXTENSION OF REMARKS

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

RESOLUTION OF THE FLORIDA LEGISLATURE

Mr. GREEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution recently adopted by the Legislature of the State of Florida:

Whereas the Pine Belt of the South has been developed into one

of the main sources of wood pulp in North America; and
Whereas a great portion of the State of Florida is within the Pine
Belt and there has been attracted to the region large investments

For the purpose of processing southern pine into wood pulp; and Whereas the wood pulp industry in Florida and the United States has been adversely affected by the recent change in the relation between the British, Swedish, and Finnish moneys and the American dollar; and

Whereas the foreign wood pulp producers have obtained thereby an advantage over American producers of wood pulp in the United States market; and

Whereas, by reason of the advantage of foreign producers of wood whereas, by reason of the advantage of foreign producers of wood pulp over American producers of wood pulp, the demand for American produced wood pulp has declined drastically for the past several months and workers in American wood pulp producing mills find their income either reduced or cut off entirely; and Whereas the Federal Government could rectify this unfortunate condition by means at their disposal: Therefore be it Resolved by the senate (the house concurring). That Congress be requested to invoke such monetary clauses in the British, Swedish,

and Finnish trade agreements as may be necessary to protect the American wood pulp industry as well as other industries in competition with goods imported from the said countries, and to take cognizance of the plight of American wood pulp producers: Be it

Resolved, That a copy of this resolution be dispatched immediately upon its passage to each member of the Florida delegation in Congress for their earnest consideration.

Admission of Refugee Children

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Thursday, April 27, 1939

LETTERS AND ARTICLE FROM WASHINGTON POST

Mr. REYNOLDS. Mr. President, I ask unanimous consent that three letters in yesterday's Washington Post, written by Mr. J. H. Patten, Miss Anna E. Hendley, and American Boy, and certain marked portions of an article in today's Washington Post, including marked paragraphs of the President's address before the Fourth White House Child Welfare Conference, be printed in the Appendix of the RECORD and referred to the Committee on Immigration, which has under consideration the so-called Wagner Refugees Resolution.

There being no objection, the letters and the article were referred to the Committee on Immigration, and ordered to

be printed in the RECORD, as follows:

[From the Washington Post of April 26, 1939] GERMAN CHILDREN

To the editor of the Post: Sir, in the April 25 Post news account of the preceding day's hearing on the Wagner so-called "refugee children's" resolution I am misrepresented. It was not I that "warned" that 20,000 children might increase to 600,000 in a few

generations.

generations.

What I said when asked if "600,000 additional persons" ("if steeped in American traditions") "would be a good thing" was that "I do not know" that their addition will be a good thing, but "I will tell you what I think," arguing at great length that they would further increase our unemployment (12,000,000 at present), our relief burdens (30,000,000), our part-time employed (about 20,000,000), and that the memberships I represented were opposed because they feel our population is beginning to recoil upon itself and Lord Macaulay's prophecy in a letter to a friend here in 1857 is being fulfilled. is being fulfilled.

But, more important, I showed that if the Wagner resolution becomes a law it would not necessarily admit a single German child refugee and could result in the admission of 10,000 annually for 1939 and 1940 "German children," all Nazis and no one of them anti-Nazi, or "persecuted, because of race, religion, or the political views of their parents or themselves." The Wagner resolution merely provides for the admission of 20,000 "German children under 14 years," because only that which follows the enacting clause is the law.

clause is the law.

J. H. PATTEN.

WASHINGTON, April 25.

AMERICAN YOUTH

To the EDITOR OF THE POST:

SIR: Will Dorothy Thompson explain more fully what she means by the statement reported in the Post of April 23 in regard to admitting 20,000 German children in this country when she says: "We need young workers in this country and it is a problem that we need to meet a little more intelligently than

we have. We are not going to have a good country with the age group growing as it has been"?

She is also reported as saying that the measure would bring to the United States the kind of young citizens of whom she said it stands in need. What does she means by casting such a reflection on our American youth seeking employment?

ANNA E. HENDLEY.

WASHINGTON, April 24.

No Persecution Here

To the EDITOR OF THE POST:

SIR: As an American boy may I ask why Dorothy Thompson et al. want to import 20,000 German children? Miss Thompson says that the children imported under the Wagner-Rogers bill

will not become public charges but she is silent on the children of the American slums, the children of the sharecropper, or the Negro children. Are they to become public charges?

I am sure that the people of this country do not want the bill to pass because there are many times 20,000 children in this country with no future. Help the American child. He deserves our help more than the German child.

WASHINGTON, April 24.

AMERICAN BOY.

[From the Washington Post of April 27, 1939]

United States Is Failing Its Children, President Says—Democ-RACY'S FUTURE RESTS ON THEM, WHITE HOUSE CONFERES TOLD

(By Christine Sadler)

Two-thirds of America's future voters are growing up in the one-third segment of the population that is ill-fed, ill-housed, and ill-clothed, delegates to the fourth White House Conference

and ill-clothed, delegates to the fourth White House Conference on Children were told yesterday.

After a full day and evening of speeches focused for the most part on economic and birth-rate inequalities, the delegates—including 500 educators, social workers, and welfare leaders—this morning begin a year's study of ways by which the Nation can extend democratic opportunities to all its young.

LITTLE DONE FOR CHILDREN

During the day the conferees heard:

President Roosevelt declare that lectures on nutrition mean nothing unless there is food for a child to eat and that compulsory school attendance "is one thing and a chance to go to school another."

school another."

Mrs. Roosevelt urge a national viewpoint for consideration of the problem and chide "New York and New England" for being "perhaps too placid" when they look at other parts of the country. Secretary of Labor Perkins assert that economic factors which underlie "the security of home life and conditions which make for freedom of development of the individual" will be emphasized in the year of study.

in the year of study.

Secretary of Agriculture Wallace lament the tendency of some to "condemn whole groups of people as unworthy." The intelligence quotient, he said, is not a matter of the bloodstream but of the economic status.

Numerous speakers compare "all the noise about the old-age groups" with the "little that is being done for children, who are much greater in numbers and more vital to the future of the

country."

Dr. Frank P. Graham, president of the University of North Carolina, lead a southern group which made a plea for support of pending legislation that would provide Federal aid to education. Dr. Isidore Falk, of the Social Security Board, termed children "the economic orphans of our society."

Addressing one of the sectional discussion groups, Dr. Falk declared that in America "the larger the number of children in a family the worse the economic conditions of the family."

When the birth rate begins to decline as rapidly as it has in this country, he said, children become the Nation's most valuable natural resource and the "uneven conditions under which they live is of great political significance."

SEVENTY-ONE PERCENT IN POOR HOMES

Seventy-one percent of the child population of America, he said, is in homes "where the income is inadequate or just barely adequate."

adequate."

"With the country growing so close together by development of transportation and communication, the people can no longer afford to be sectional," Mrs. Roosevelt declared, expressing the belief that one of the great menaces to the future of the Nation is found in "fact that we do not know the country as a whole."

President Roosevelt, speaking in the East Room of the White House, where morning sessions of the conference were held, declared that democracy's success rested not on "territory, financial power, machines, or armaments," but on the "deep-lying satisfaction" of its citizenship.

"We made the assumption." he said, "that a happy child should

tion" of its citizenship.

"We made the assumption," he said, "that a happy child should live in a home where he will find warmth, food, and affection; that his parents will take care of him should he fall ill; that at school he will find the teachers and tools needed for an education; that when he grows up there will be a job for him and that he will some day establish his own home.

"As we consider these essentials of a happy childhood our hearts are warmy with the knowledge that there are many children who

are heavy with the knowledge that there are many children who cannot make these assumptions.

"We are concerned about the future of our democracy when children cannot make the assumptions that mean security and hap-

"This conference and the activities which it initiates furnish an opportunity for us to test ourselves and our institutions by the extent to which they serve our children."

Frank Bane, executive director of the Council of State Govern-

ments, presided over the largest of sectional discussion groups held in the afternon at the Department of Labor auditorium. Other group leaders were: Dr. James S. Plant, director of the Essex County Juvenile Clinic, New Jersey; William Hodson, commissioner of public welfare of the city of New York, and Ruth Andrus, of the University of the State of New York.

EDUCATION TESTS DEMOCRACY

Dr. Graham, speaking in the afternoon, declared democracy is "tested more severely" in the matter of equal educational opportunity than "at any other place." Comparing amounts available for education in various parts of the country, he said:

"We do not have a democracy in America when we put \$220 in

one child's education annually and less than \$20 in another child's. one child's education annually and less than \$20 in another child's.

"The States with the least ability to pay are now paying the highest tax rate for education of their children. If you say you do not believe in Federal aid to education, you simply say you do not believe in equality of educational opportunity in this country."

His words were echoed by Dr. H. L. Donovan, president of the State Teachers College at Richmond, Ky., who declared that the South had to educate one-third of the Nation's children "on one-sixth of the Nation's wealth."

The Right Reverend Monsignor Robert F. Keegan, executive direc-

The Right Reverend Monsignor Robert F. Keegan, executive director of Catholic Charities of the Archdiocese of New York, speaking at the White House, assailed the "freedom of the press" which is abused in "its output of foul magazines, salacious pictures, and perverted literature.'

Homer Folks, secretary of New York State Charities Aid Associa-tion and a member of the original White House Child Conference,

called by President Theodore Roosevelt, declared:

"The economic well-being of the child's family, the assurance of an income sufficient to provide at least a reasonable standard of living as to essentials, is not so much a third factor to be added to health and education, as an indispensable of their realization."

The text of President Roosevelt's address at the White House Conference Children in a Democray follows:

ference on Children in a Democracy follows:

"It is, perhaps, because I happened to be born with what may be called a 'relative mind,' and because I have sought to cultivate that kind of thinking for nearly half a century that I think of this conference in the first instance in terms of the past.

"Child welfare—to use a much misused term—did not enter into the public conscience of any nation until about 100 years ago. And we know from reading Dickens and the literature of his period that the well-being of children in those early days was principally considered from the viewpoints of schooling and of crime

pally considered from the viewpoints of schooling and of crime prevention and the ending of physical cruelty—all interwoven with the sentimentality of the good, the ultra-good, Victorians.

"As time went on, some interest came to be taken in every nation, but still the activities of those who sought the bettering of the younger generation of the moment viewed the problem before them as a problem somewhat apart from the relationship of the younger generation to the broader public weal.

"Even at the time of the first children's conference to assemble in the White House under the leadership of President Theodore Roosevelt in 1909, the conditions that surrounded child life were

discussed more in terms of child life than in terms of the national

MARKS NEW ERA

"This was true to a very great extent in the two succeeding White House conferences, and it occurs to me that this, the fourth conference, marks a new and somewhat changed era.

"It is still our task to bring to bear upon the major problems of child life all the wisdom and understanding that can be distilled child life all the wisdom and understanding that can be distilled from compilations of facts, from the intuitions of common sense, and from professional skill. This conference, like the others, is composed of men and women having a broad range of experience and interest in matters pertaining to the welfare of children. It is our purpose to review the objectives and methods affecting the safety, well-being, and happiness of the younger generation and their preparation for the responsibilities of citizenship.

"But we have gone one step further. Definitely we are here with a principal objective of considering the relationship between a successful democracy and the children who form an integral part of

cessful democracy and the children who form an integral part of that democracy. We no longer set them apart from democracy as if they were a segregated group. They are at one with democ-

racy because they are dependent upon a democracy and democracy is dependent on them.

"Our work will not be concluded at the end of the day—it will only have begun. During the greater part of the coming year the members of this conference, representing every State in the Union and many fields of endeavor, will be at work. We shall be testing our institutions, and our own convictions and attitudes of mind as they affect our actions as parents and as citizens, in terms of their significance to the childhood of our Nation.

CITES PAN AMERICAN TALK

"In an address on Pan American Talk"

"In an address on Pan American Day, 2 weeks ago, I said, 'Men are not prisoners of fate, but only prisoners of their own minds. They have within themselves the power to become free at any moment.' On April 15, in addressing the heads of two great states, I stated that I refused to believe that the world is, of necessity, a prisoner of destiny. 'On the contrary,' I said, 'it is clear that the leaders of great nations have it in their power to liberate their people from the disaster that impends. It is equally clear that their own minds and in their own hearts the peoples themselves desire that their fears be ended.'

"In providing for the health and education of children, for the formation of their minds and characters in ways which are in har-

In providing for the hearth and education of children, for the formation of their minds and characters in ways which are in harmony with the institutions of a free society, democracy is training its future leaders. The safety of democracy, therefore, depends upon the widespread diffusion of opportunities for developing those qualities of mind and character which are essential to leadership in

our modern age.

"Further, democracy is concerned not only with preparation for leadership, but also with preparation for the discharge of the duties of citizenship in the determination of general policies and the selec-tion of those persons who are to be entrusted with special duties. Beyond this, democracy must inculcate in its children capacities for living and assure opportunities for the fulfillment of those

The success of democratic institutions is measured, not by extent of territory, financial power, machines, or armaments, but by the desires, the hopes, and the deep-lying satisfactions of the individual

men, women, and children who make up its citizenship.

CONCERNED WITH WAYS

"We shall be concerned with ways in which the broad chasm between knowing and doing may be bridged over. We shall be re-minding ourselves that all the lectures on nutrition will avail nothing unless there is food for a child to eat; that a law for compulsory school attendance is one thing and a chance to go to school is another. Prenatal instruction cannot assure healthy babies unless the mother has access to good medical and nursing care when the time for the baby's arrival is at hand.

"We know how to budget a family's expenditures; we have undertaken to preserve home life for fatherless or motherless children through the joint effort of the Federal Government and the States. We have made great progress in the application of money and service to the promotion of maternal and child health, the restora-

service to the promotion of maternal and child health, the restora-tion of crippled children to normal physical condition, the pro-tection of neglected children and children in danger of becom-ing delinquent, especially in rural areas, and the elimination of child labor from industries shipping goods in interstate commerce. "Yet, after all has been said, only a beginning has been made in affording security to children. In many parts of the country we have not provided enough to meet the minimum needs of depend-ent children for food, shelter, and clothing, and the Federal Government's contribution toward their care is less generous than its contribution to the care of the aged.

its contribution to the care of the aged.

OUR HEARTS ARE HEAVY

"It is not enough, however, to consider what a democratic society must provide. We must look at our civilization through the eyes of children. If we can state in simple language some of the basic necessities of childhood, we shall see more clearly the issues which challenge our intelligence.

"We make the assumption that a happy child should live in a home where he will find warmth and food and affection; that his parents will take care of him should he fall ill; that at school he will find the teachers and tools needed for an education; that when he grows up there will be a job for him and that he will some day establish his own home.

"As we consider these essentials of a happy childhood our hearts are heavy with the knowledge that there are many children who

cannot make these assumptions.

"We are concerned about the children of the unemployed.
"We are concerned about other children who are without ade-

quate shelter or food or clothing because of the poverty of their parents.
"We are concerned about the children of migratory families who

have no settled place of abode or normal community relationships. "We are concerned about the children of minority groups in our population, who, confronted with discrimination and prejudice, must find it difficult to believe in the just ordering of life or the ability of the adults in their world to deal with life's problems.

"We are concerned about the children living beyond the reach

of medical service or lacking medical service because their parents

cannot pay for it.

"We are concerned about the children who are not in school or

who attend schools poorly equipped to meet their needs.

"We are concerned about the children who are outside the reach of religious influences, and are denied help in attaining faith in an ordered universe and in the father of God.

FURNISH AN OPPORTUNITY

"We are concerned about the future of our democracy when children cannot make the assumptions that mean security and

happiness.

"This conference and the activities which it initiates furnish an opportunity for us to test ourselves and our institutions by the extent to which they serve our children. I look to you for comprehensive review of the problems before us, and suggestions as to practical ways in which we may advance toward our goal.

"More here they of the Federal Government are engaged in the

"Many branches of the Federal Government are engaged in the "Many branches of the Federal Government are engaged in the promotion of the health, education, and well-being of the Nation's children. You will be asked to consider the points at which these undertakings may be strengthened, and the needs for services which cannot be supplied with the resources at hand. But the attention of this conference must not be directed to Federal activities alone, or even to joint Federal and State undertakings. It is the local community which is the focal point for all these programs. Children receive benefits, not in Washington, but in the places where they live.

places where they live.
"The men and women within the sound of my voice, as well as you who are assembled at the White House, are in the larger sense members of this conference. Recommendations will be brought to us in a final session next year. It then will be for all of us to determine the extent to which they will be translated into action. I bid you, the members of the conference, Godspeed in your high endeavor."

New National Scenes

EXTENSION OF REMARKS

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

ADDRESS BY HON. THOMAS A. JENKINS, OF OHIO, APRIL 24, 1939

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before a joint meeting of the World's Service Commission and the board of bishops and the Million Unit Fellowship Movement of the Methodist Episcopal Church in Kansas City, Mo., April 24, 1939:

Mr. Chairman, ladies, and gentlemen, in 1924 the Ohio con-Mr. Chairman, ladies, and gentlemen, in 1924 the Ohio conference honored me by sending me as a delegate to the general conference. At that time I did not appreciate the great honor that was being conferred upon me for the reason that I had never seen a general conference. Nobody who has not seen a general conference in action can really appreciate its importance as an influence in world affairs and as a factor in building the Kingdom of God. of God.

while my work during much of my adult life has been as a lawyer and as a member of what is generally considered the greatest legislative body in the world, where I have had contact with many of the brilliant men and women of the Nation, I feel like saying here what I have said at other places—that the personnel of the general conference of the Methodist Church will equal in ability and true worth any group with which I have ever come in contact. Especially is this true of those in whose hands and upon whose hearts has been placed the responsibility of leadership. I only wish that every Methodist preacher in the land could have a glimpse at this great organization when it is at its best. I have encouraged many ministers and laymen to visit the general conference. conference.

conference.

I make it a rule to spend a part of 1 day at our annual conferences. I know most of the ministers in the Ohio conference. They sometimes joke me as to why my presence at the conference. I tell them that I come so that I may keep up on my political technique, for there is no place in the world where you can learn the fine points of politics better than at an annual conference—and I understand the general conference itself is not altogether oblivious of the workings of this American pastime.

This great unification conference will mark a great event in

This great unification conference will mark a great event in the history of the Methodist Church. To those who have planned

This great unification conference will mark a great event in the history of the Methodist Church. To those who have planned and prayed for this unification goes the grateful praise of Christendom. The church divided over a great national problem. I remember a great address delivered by a colored minister at the general conference at Springfield, Mass., when he said that his people were responsible for the separation of the church and that if it were necessary for his people to prostrate themselves as a mat over which the two churches might walk to union again they would gladly do it. His address was one of the stirring incidents of that conference.

It is generally conceded, I think, that the two greatest institutions in the world are organized society, commonly called government, and the church. It is not necessary for my purpose to decide which is greater. Government protects the church and its activities, and without the church and its moral influence Government might perish from the earth. There is a remarkable coincidence in the development of these two great institutions. Many times across the centuries we find them functioning together under one leadership and again great battles have been fought to keep them separate. History records the terrible crimes gether under one leadership and again great battles have been fought to keep them separate. History records the terrible crimes committed in the name of each. But the germ from which government grew is not the germ from which the church grew. The germ of government is agreement. The germ of the church is the still small voice of conscience which is the divine inheritance of all human beings. From agreement over the use of the watering places back in the gray dawn of history men regulated their conduct for the benefit of each other so that each might have water for his family and his flocks. They agreed to a rule of action which bound all. The best definition of law is that it is a rule of action. From agreement came law. From law came government. From government came recognition of human rights and human liberties. From the still small voice of conscience came human liberties. From the still small voice of conscience came moral conviction and love. From these came sacrifice and an expressed belief in a divine leader. From this came a belief in monotheism and in life after death. From this came Christianity and the present church.

Government has come a long way and so has the church. Government today guarantees man his inalienable rights of life, liberty, and the pursuit of happiness. The church meets its responsibility more nobly than at any time in her long noble career.

We live under the greatest government in the history of the world. The church has reached its highest achievement and usefulness here in these United States of America. As a humble member of the greatest lawmaking body in the world, in the greatest government in the world, let me bring greetings to you, the representatives of the greatest church in the world in session to plan for the greatest program in her history.

The subject assigned to me is The New National Scene and Our Responsibility to Build a Christian America.

The subject assigned to me is the New National Scene and Our Responsibility to Build a Christian America.

It is only natural that different people will see different pictures in the same national scene. I shall look for those scenes that have some relationship to government and to the church.

I am not one of those who thinks that everything done in Wash-

I am not one of those who thinks that everything done in washington is wrong. I think that the high character and high purpose of the men and women who constitute the legislative branch of the Government are as high now as at any time. They are as high as they were when I went to Congress 15 years ago. Character is the basic essential of a good legislator—it is more essential than ability.

Things have changed mightly since the days of Washington or the days of Lincoln. These changes have developed new and changing scenes. The only great factor in any problem, be it one of government or one of personal conduct, that has not changed is human nature. Change of times and circumstances gives human nature an opportunity to react differently and we sometimes think it may have changed a little.

These changed a little.

These changes have come from many sources and for many reasons. For instance, when a new administration comes into power it is always expected to make some drastic changes. With many voters desire for a change is a guiding principle in their voting. Anything just so it is a change. A President elected by reason of a great public urge for a change finds his task more difficult than if he

great public urge for a change finds his task more difficult than if he had been elected on a real issue.

The World War left its impression on our national life. It is very doubtful whether the good derived from our participation in the World War equals the bad effects we have suffered. The World War has truly changed our national scene. There is no question but that it has complicated our foreign relations in many ways. It has made it more difficult for us to carry on commercially. It has compelled us to protect ourselves against reprisals. Even the money that we loaned foreign nations has complicated rather than facilitated our business relationships. The friendly alliances that we made have been more than matched with the unfriendly alliances that have arisen against us. While there appeared no reasonable way by which been more than matched with the unfriendly alliances that have arisen against us. While there appeared no reasonable way by which we could have escaped entering the World War, we cannot help feel sometimes that if we had heeded Washington's Farewell Address when he said, "Why by enterweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, or caprice" we might not now be in our present dilemma with reference to the European situation.

Probably the most remarkable changes are those that have come with improvements in transportation and the means of communication. These changes have come practically in one generation. They have brought with them so many related changes. For instance, the telephone has changed the manner of doing business and has given employment to many people. The automobile put men to work and has brought to us good roads. Good roads have brought with them a terrific drain upon the public treasury. The brought with them a terrific drain upon the public treasury. The principal items in the budget of any State or county are roads and schools. The school budget has increased by reason of the consolidation of schools, which in turn has come by reason of better roads and fine school busses. Do you know that more people have traveled more miles in the last 40 years than all the people in all the world traveled before that time? Has it ever occurred to you that the average mode of travel, the horse, which many of you used in the "horse and buggy" days, was the same mode of travel, no faster and no better than the mode used by Abraham when he rode out of Ur of the Chaldees? Washington in the Revolution traveled as did Caesar. Until the advent of the automobile you and I traveled as did these ancients.

as did these ancients.

These tremendous benefits have brought tremendous obligations

to the Public Treasury.

These changes of transportation and communication contributed directly in bringing another great change into the business activities of the world. I refer to the expansion of private credit. Wild expansion of credit, both public and private, brought on the stock market crash in 1929. The terrific deflation of values that followed the crash of 1929 paralyzed business, from which paralysis it has never recovered.

Mr. Hoover tried to stem the tide, but the onrush was irresistible. When the new President came to power he tackled the situation vigorously. His plan, as we now look back at it over 6 years, seems to have been:

Reform business and punish malefactors of great wealth by a redistribution of their wealth through taxation.
 Relief to those who need until the reformation could be

effected.

3. Rehabilitation when reformation had been accomplished.

It is not appropriate that I discuss these plans extensively, but it may be entirely proper to point out that unemployment and relief are still with us and present most distressing national scenes. The Government's borrowings in order to carry on relief of various kinds have accumulated until the Nation is carrying the heaviest load of debt under which any nation ever staggered. This debt is increasing at the rate of nearly \$10,000,000 per day. There are those who believe that the present plan has not been successful. Their program is that reprisals against business should cease and that steps should be taken to advance the national income and that business be encouraged again so that it might resume its normal activity, thereby absorb unemployment and reduce the demand for relief.

This depression has had its drastic effect upon the activities of the churches and all other eleemosynary institutions in that it has dried up the fountain springs of charity, with the result that endowments and contributions that once flowed freely have been practically stopped. So the church probably as much as any part of the national life has suffered quite as much from this unfortu-

of the national life has suffered quite as much from this unfortunate national scene as any other group or organization.

The President, in his efforts to redistribute the wealth and to reorganize business and agriculture, ran counter to the Supreme Court. After the adverse decisions by the Court on the N. R. A. and A. A. and other similar regulatory measures, the President proceeded to remedy the situation as he saw it by attempting to enlarge the Court. You are familiar with this history and I shall not dwell further on it, except to point out to you that it was really one of the great events in the history of the Republic. It is a national scene which will be considered for many years in the calculations of those who deal directly with the Government.

the calculations of those who deal directly with the Government.

When Congress apparently thwarted the will of the administration with reference to attempted reorganization of the Court, the administration then proceeded to attempt to curb the power of the Congress by reorganizing practically all the departments of the Government. Congress asserted itself and rejected the reorganization proposal.

ganization proposal.

The failure of the administration in these two signal instances has brought a new national scene to the front, which scene, I think, is very important. It has reestablished Congress as the real bulwark of the rights of the people. The church, as well as all other people and organizations, may now safely count on the Congress as being of more power and influence in governmental affairs than it has been for many years.

There are those who claim that true wealth comes only from two sources, to wit: From the ground and from the skill and ingenuity of man. From the ground comes the raw materials and the crops. From the ingenuity and skill of man comes business and employment. They claim that the spirit of the Mayflower was the spirit that stood for principle through hardship, if necessary, and not for plenty through charity if available. They claim that the spirit of revolution was liberty and freedom through war and pestilence, rather than easy economic freedom from a tryrant. They believe that the spirit of the ploneer was self-reliance at the expense of solitude and its attendant dangers. They claim that those who built up this country were men of They claim that those who built up this country were men of courage and conscience rather than men who considered personal comfort the fulfillment of life's purposes.

The spirit of those who built up the country is still alive in the land and in due season it will again manifest itself.

There is another national scene just in the making. Nobody knows how that picture will look until it has been finished. Congress and the Nation are now at a high pitch because of the European situation. Europe is again a seething cauldron of hate and distrust. Public sentiment and the sentiment in Congress and distrust. Public sentiment and the sentiment in Congress are almost unanimous against war. All sensible people realize that if war is declared in Europe it might be difficult for us to keep from being drawn into it. It does seem, though, that we ought to be careful not to thrust ourselves in. Neither by indiscreet conversation or by overt act should anything be said or done that will implicate our country in this controversy.

It seems now that the world is waiting the decision of Hitler. It is most unfortunate that any one man has within his power to determine whether the world shall be permitted to live in peace or whether grim-visaged war shall stalk the world and death and destruction shall be its portion.

peace or whether grim-visaged war snan stant death and destruction shall be its portion.

There is much loose talk about democracies standing together.

We must not permit ourselves to be grouped indiscriminately must not permit ourselves to be grouped indiscriminately that claim to be democracies. The founders of our that we were We must not permit ourselves to be grouped indiscriminately with countries that claim to be democracies. The founders of our Republic were very particular to let it be known that we were not to be a democracy. They wanted it to be known that we were to be a republic. All democracies are not republics. And I am sorry to say that some republics lack the essentials of wholesome democracies. Ours is a live, potent republic. Our Constitution guarantees our liberties, protects our rights, and shoulders upon us responsibilities which we cannot and do not wish to shift as do some of the irresponsible democracies of the world.

world.

We must not permit ourselves to be again drawn into a world conflict to save the same democracy for which we made the world safe 20 years ago. Of course our people should have a right to express themselves with reference to war. On the other hand, the people, through the Constitution, have already decided how the question of the imminence of war should be met. They have placed that responsibility on Congress. Personally, I have not lost one whit of my confidence in these early processes. I feel confident that the American people may rest assured that their best interests are going to be safeguarded to the last extremity. There is no question in my mind that when the Congress acts it will act in consonance with the public conscience. James Monroe and John Quincy Adams, in their Monroe Doctrine, and following the example of the great Washington, gave us an appraisal of the European situation which we should never overlook. They said, "Our policy in regard to Europe * * * is not to interfere in

the internal concerns of any of its powers * * to cultivate friendly relationships with it * * * and to preserve those relations by a frank, firm, and manly policy, meeting in all instances

the just claims of every power, submitting to injuries from none." In Washington now the Congress is giving attention to a change in the neutrality laws. I cannot dwell extensively on these details, but I feel that the people can trust the Congress to uphold the dignity of the country in all matters of "cash and carry" and in matters where it is suggested that the President and Congress "name the aggressor." I am inclined to the view of many able Senators and Congressmen that we had better take no action

matters where it is suggested that the Freshert and congress
"name the aggressor." I am inclined to the view of many able
Senators and Congressmen that we had better take no action
toward changing any of our neutrality laws now at this critical
time for it might tend to precipitate action. If war does come,
we can easily meet the situations as they arise with such legislative enactments as may then appear to be necessary.

Another question that is agitating Congress and the country
is the aftermath of the unfortunate developments of matters
purely within the power and authority of the German Nation.
I refer to the admission into the United States of 20,000 refugee
children. This is a program that lends itself easily to sympathetic propaganda. The great heart of America has gone out to
welcome to our shores all oppressed people everywhere; but in
these latter years we have been forced to change our policies in
this respect. I have well defined views on this proposition but I
shall not afflict you with them. I will only say that we should
not allow our sympathies to get the better of our judgment.
Twenty thousand children do not represent the distressed children of the world. There are more than 20,000 terribly distressed
children of native-born Americans in each of many of our large
cities who need the tears and the sympathies of our people. Tears
and sympathies can be showered upon them without increasing
the danger of involving our country in a war the result of which
no one dares hardly to contemplate.

What is the place of the church in this imminent war crisis?
Have you noticed that nobody, especially Hitler or Mussolini, or
Daladier or Chamberlain, has ever mentioned God as a factor in
this world crisis? Surely God, who sees the sparrows fall, knows
that the world is on the verge of a calamity which if started
may even go so far as to destroy civilization itself. If I were a
preacher, therefore, I think that I should preach one sermon at
least on the verse, "Be still and know that I am God." You will

the bow, and cutteth the spear in sunder; he burneth the chariot in the fire.'

in the fire."

"Be still and know that I am God."

The Good Book says that "Beautiful upon the mountain are the feet of him that bringeth good tidings." Far be it from me to assume or offer advice to this group which is recognized for its proficiency in all matters pertaining to the church activities. Being a Member of Congress, I hope I can bring you good tidings that the Congress of the United States now, and always, will be anxious to grant every reasonable request from church people. We Congressmen are accused of keeping our ears to the ground. The indictment is well placed. We serve a constituency, and this cannot be well done unless we know what they are thinking about. You represent the best interests of all Americans from a general standpoint and you are the special representatives of millions of Methodists. You have a right to recognition from all ing about. You represent the best interests of all Americans from a general standpoint and you are the special representatives of millions of Methodists. You have a right to recognition from all public servants. Your purpose is the same as the purpose of every Congressman should be, to render service to your fellow men. The Government and the church working together—who can prevail against them? We are the greatest country in the world. We do half of all the business done in the world; we have more gold buried than the rest of the world owns. We know the present, but we do not know the future. The present is ours, the future is not ours. We own the present and the past. Our present is rich and our past is even richer. Probably the richest thing that any nation possesses is its national memories. They are richer than mines of gold, fields of corn, or the cattle on a thousand hills. They are more ennobling than our schools, our colleges, or our cities filled with the treasures of art or the trophies of war. They are more of a security to us in times of trouble than even our armies and our navies. If I were to ask you what is the richest possession of Massachusetts, you might answer "her mills and her looms," but her richest treasure is Bunker Hill and Plymouth Rock. Our Nation could survive without her mills but not without Plymouth Rock and Bunker Hill. So I might ask you with reference to the possessions of the various States. Each is rich in its national memories. The riches of this great west is shown in hundreds of places where monuments are erected in proof of the indomitable courage of the pioneers who just a short time ago evolved an empire from rolling prairies and wooded hillsides. The past is safe, our present is pleasing. who just a short time ago evolved an empire from rolling prairies and wooded hillsides. The past is safe, our present is pleasing, and with a militant church in all denominations working freely,

the future is assured.

In the midst of wars and rumors of wars, let us take comfort in Kipling's words:

The tumult and the shouting dies, The captains and the kings depart, Still stands that ancient sacrifice— A humble and a contrite heart.

The Agriculture Program

EXTENSION OF REMARKS

HON. ORVILLE ZIMMERMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

LETTER FROM THE FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA

Mr. ZIMMERMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following open letter from the Farmers' Educational and Cooperative Union of America:

THE FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA, Oklahoma City, Okla.

To the Members of the Congress of the United States and the Committees on Agriculture and Forestry Composed of Members of the Congress:

The situation confronting American agriculture has become increasingly acute in recent months. An already bad situation has become progressively worse, with the immediate future promising little in the way of even temporary relief.

The present agricultural program has failed to achieve its stated graph for recent which are experient to both Members of Congress

The present agricultural program has failed to achieve its stated goals for reasons which are apparent to both Members of Congress and the participating farmers. The failure of Congress to keep faith with its implied promises as contained in the Agricultural Adjustment Act of 1938 by appropriating funds for full parity payments has nullified whatever possibility there might have been for successful operation of the act. Nor does it appear probable that Congress will provide for such appropriations in the future from year to year.

That the Members of Congress are aware of the distress existing in all branches of agriculture is evidenced by the multiplicity of

in all branches of agriculture is evidenced by the multiplicity of legislative measures pertaining to the situation introduced in this session. It is our opinion that some of the measures proposed merit careful consideration; it is our further opinion that no measure yet proposed is either adequate, practical, or safe.

measure yet proposed is either adequate, practical, or safe.

One of the measures designed to provide for a sweeping attack upon the problems besetting American agriculture has been carefully considered by the Senate and House Committees on Agriculture and Forestry during public hearings. We refer to S. 570 and its companion measure in the House of Representatives, both commonly referred to as the cost-of-production bill.

As a national farm organization composed of actual farmers who derive their livelihood from farming operations, we beg leave to present (1) our opinions relative to S. 570, and (2) our suggestions as to the type and scope of legislation necessary to measurably meet the present acute situation.

Unintentionally, perhaps, it has been implied on numerous occasions that the Farmers Educational and Cooperative Union of America supports the measure designated as S. 570 and popularly referred to as the cost-of-production bill. Such inferences have not been authorized and are wholly without foundation in fact. On the contrary, the Farmers Union, while in hearty accord with announced goal of the measure, emphatically opposes the mechanisms suggested to achieve the goal. Further, the Farmers Union, during national legislative conferences of the body and during full meetings of the board of directors of the completion has reserved. meetings of the board of directors of the organization, has re-peatedly vigorously denied that the undesirable and drastic mecha-

nisms proposed would achieve the stated objectives of the measure. Our opposition to S. 570 is based, we believe, on sound and reasonable grounds. We outline herewith for your consideration

cur major contentions on the subject:

1. No safeguards are provided in the measure for the family size farm, the cooperative farming association, and the tenant operator. Should any degree of success be attained under its operations, the undesirable trend toward corporation and day-labor

farming would be greatly accelerated.

The farmers of the United States will look with great disfavor upon any measure which fails to specifically safeguard and protect the family size farm and the tenant operator.

In spite of testimony to the contrary already presented to the committees, the facts definitely indicate that the corporation operator has an unwholescene and antisocial adventage over the smaller. ator has an unwholesome and antisocial advantage over the smaller unit. Only those appallingly ignorant of the true conditions existing in an increasingly mechanized agricultural economy would hold an opposite view.

2. The measure would centralize authority in the Secretary of Agriculture to a degree never hitherto contemplated nor proposed. Even a casual perusal of the provisions of the measure reveals that the powers accorded to the Secretary are indeed amazing. While the Secretary of Agriculture has been accused on many occasions by leading proponents of S. 570 of exercising despotic powers over the American farmer, S. 570 in its practical operations

would make him a dictator in both name and fact. The measure provides for an all-too-perfect pattern for authoritarian control of our agricultural population.

3. The degree and scope of regulation and regimentation necessary to make such a measure operative far exceeds anything yet proposed for a democracy and to the Congress. The ultimate operations of the measure would involve such sweeping bureaucratic control over all persons and agencies engaged in the production, marketing, processing, and distribution of agricultural commodities as to require almost complete nullification of our traditional concept of democracy.

In fact, one of the witnesses who testified most volubly for the measure during committee hearings has freely and publicly stated his admiration for the agricultural programs employed in Fascist states. We do not believe that the instruments of fascism can

states. We do not believe that the instruments of fascism can operate favorably in a democracy. Neither do we believe that democracy can be strengthened and preserved by instituting the

democracy can be strengthened and preserved by instituting the very measures which have proved so well suited to the operations of the totalitarian state. These truths should be self-evident.

4. The measure would require the farmer to turn over to the Government all surplus products; such surpluses would be sold by the Secretary of Agriculture at world prices and he would return to the farmer the net proceeds of such sales, if any, after all costs of administration have been subtracted.

The obvious effect of such a program would be to subsidize for-eign consumers at the expense of our own people, millions of whom are even now unable to purchase their requirements at current

ruinous prices.

ruinous prices.

We have no desire to establish as the permanent policy of the Unitral States the subsidizing of aggression by providing much-needed cheap food and fiber to nations even now planning or actively engaging in world conflict. Neither do we desire to reduce at the expense of our own people the living and manufacturing costs of foreign nations, thus making possible self-destructive unfair competitive advantages in world trade.

5. Simply establishing a price does not necessarily mean that buyers will be readily available with adequate purchasing power to absorb the volume needed for domestic consumption. Unfortunately, buyers cannot be coerced into buying when purchasing power is not adequate to meet the price demanded. In other words, price alone constitutes only half of the problem in buying and selling transactions. S. 570 blandly ignores this obviously fundamental fact.

Except by weak inferences and unsupported sophistries, witnesses for the measure have failed to make provision for subsidized consumption of surplus agricultural commodities by the underpriviliged people of the United States who today lack purchasing power to provide an adequate diet. Neither does the measure take into consideration shifting consumer demand for various products nor does the measure provide for carrying supplies over the full 12-month period of each year. Unfortunately, our entire annual agricultural production is not consumed the instant it is marketed and processed.
6. The measure fails to provide adequate and effective differentials

as to the many grades and varieties of each commodity included in its sweeping provisions. The tendency to lump together with happy abandon all grades and varieties of each commodity and

happy abandon all grades and varieties of each commodity and establishing a similar price for each is a wholly untenable position. Concurrently, we do not believe that any rigid price-fixing formula can deal reasonably and efficiently in this respect. The task of fixing prices for the multitudinous grades and varieties of each commodity by a central price-fixing authority, taking into consideration the day-by-day shifting of consumer demand would require a degree of wisdom and a gift of prophecy not at present possessed by any mortal or bureaucratic aggregation of mortals.

7. Inasmuch as S. 570 explicitly applies only to agricultural com-

possessed by any mortal or bureaucratic aggregation of mortals.

7. Inasmuch as S. 570 explicitly applies only to agricultural commodities actually entering into the channels of interstate commerce, intrastate traffic in such commodities remains outside the effective scope of the measure. The obviously natural result of such an oversight would be the erection of 48 separate nations within the United States insofar as agricultural prices are concerned. The most casual perusal of the provisions of S. 570 makes this fact self-avident self-evident.

8. The police force necessary to enforce the provisions for regulation and regimentation outlined in S. 570 staggers the imagina-tion. How extensive bootlegging and policing would become is far beyond that envisioned by the proponents of the measure.

To make S. 570 effective, the Secretary of Agriculture would become the head of the greatest aggregation of policemen yet assembled, with the possible exception of the police forces of the totalitarian states so frequently and so fondly referred to by one of the leading proponents of the measure.

9. S. 570 is so full of loopholes and is so poorly drafted that, even if it were enacted into law, farmers would never receive more than the paper promise of cost of production. The mechanisms required to make its stated purposes effective are left to an uncomfortable degree to the realm of imagination of the agricultural fuehrer provided for under its terms.

The courageous fight for cost of production which farmers have waged these many years would be sent up a blind alley and the movement would be discredited by the confusion, chaos, and failure that would necessarily result. Though labeled "cost of production," the complicated contraption offered to farmers as a means of attaining the announced objective of the measure would fail utterly and the movement for cost of production would be blown to bits. S. 570 represents complete sabotage of a worth-while movement representing the hopes and desires of millions of American farmers. We believe that the Members of Congress can learn a great deal about the hazards and the futility of a general price-fixing scheme by studying the experiences of the rice growers with such a program. Even under the most favorable circumstances price fixing failed in the case of the rice industry. Practically all the contentions outlined above were found to apply in the price-fixing experiences of the rice growers in their extractions of the rice growers in their extractions. ences of the rice growers in their attempt to produce, market, and sell their product by edict. We believe that those who have indicated support for S. 570 would do well to read the statement presented to the Committee on Agriculture and Forestry by Mr. Homer L. Brinkley, general manager of the American Rice Growers' Cooperative Association.

For the reasons herein outlined, and for other reasons too numerous to permit elaboration, we have no choice but to oppose the enactment of S. 570. We recognize and appreciate the sincerity of many of the sponsors and proponents of the measure. We trust that we shall have the wholehearted support of the sincere advocates of cost of production in furthering legislation which, we believe, will accomplish the announced objective of S. 570 without including its highly objectionable features including its highly objectionable features.

As an alternative to all proposals heretofore submitted for the consideration of Congress, the Farmers' Union is prepared to recommend a program which will attain cost of production within the logical framework of democracy and not copied verbatim from the agricultural policies of the totalitarian nations.

Briefly our proposals which will be a proposals and the control of the c

Briefly, our proposals, which will shortly be introduced for the consideration of Congress in proper form, include the following:

(1) The market price for agricultural commodities and their many grades and varieties should be permitted to seek their natural level as determined by consumer demand in the course of normal marketing operations in established commercial channels.

(2) A minimum price per commodity unit equal to cost of production or parity, whichever shall be greater, should be deter-mined by the Department of Agriculture in conjunction with and by the advice of a board composed of producer, consumer, and governmental interests.

(3) Marketing allotments should be allocated to farmers on the basis of historic production, taking into consideration production trends, such allotment taking into consideration the total annual disappearance of each agricultural commodity designated.

(4) Income certificates equal in number to the marketing allotment and based in value on the difference between the market price

and the cost-of-production price or parity, whichever shall be the greater, shall be issued to each producing farmer; the number and value of the income certificates should be determined by the previously mentioned board representing producer, consumer, and governmental interests.

(5) The income certificates should follow the units marketed and

(5) The income certificates should follow the units marketed and should constitute an integral part of each transaction in the designated commodity up to and including the processor, at which time the certificates should logically be canceled.
(6) Adequate protection should be afforded for the family-size farm, cooperative farming associations, and the tenant operator through limitation of the marketing allotment and/or downward graduation of the value of the income certificates according to the size of the farming unit involved.
(7) Elimination of production control, except insofar as sound farming practices provide such control.
(8) Continuance and establishment of a genuine soil-conservation program completely divorced from commodity-control pro-

program completely divorced from commodity-control pro-

(9) Continuance, extension, and improvement of crop-production

insurance.
(10) Provision for subsidizing consumption by needy American consumers

(11) Administration to the greatest possible extent by actual farmers democratically elected.
(12) Separate and special treatment of each commodity where circumstances and variable factors require such separate and special

The program briefly outlined above will, we believe, provide a practical and sound approach to the grave agricultural situation. It will accomplish with a minimum of regimentation and a maximum of democratic control the objective desired by all farmers, namely, cost of production.

We shall be prepared to submit our proposals for the consideration of Congress and in proper form within the near future. We are convinced that the Members of Congress will recognize the sincerity and the soundness of our proposals and will assist us in rectifying a situation which demands immediate and sympathetic attention.

THE FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA. JOHN VESECKY, President. JAMES G. PATTON, Director.

Signed in the presence of and with the approval of the following State officers present in Washington, D. C., during a conference presently in session:

Tom W. Cheek, President, Oklahoma Farmers' Union; Peter Loran, President, Texas Farmers' Union; Glenn J. Talbott, President, North Dakota Farmers' Union; K. W. Hones, President, Wisconsin Farmers' Union; Paul Erickson, Secretary, South Dakota Farmers' Union; Morris Erickson, Director; Emil Loriks, Director; M. R. Miller, Director; Geo. A. Nelson, Director. Keep America Out of War

EXTENSION OF REMARKS

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

ADDRESS OF HON. ARTHUR CAPPER, OF KANSAS, BEFORE THE MARYLAND STATE DIVISION OF THE KEEP AMERICA OUT OF WAR CONGRESS, APRIL 20, 1939

Mr. KNUTSON. Mr. Speaker, on the evening of April 20 it was my privilege and pleasure to hear a most thoughtful and timely address on the subject of keeping America out of war, which was delivered by Senator CAPPER, of Kansas, before the Keep America Out of War Club at Baltimore, and I ask unanimous consent to have it inserted in the RECORD.

Senator CAPPER is one of the Nation's outstanding apostles of peace. In his numerous publications and in addresses in the Senate and elsewhere Senator CAPPER has rendered yeoman service in promoting peace and good will among the nations of the earth.

His address was as follows:

Mr. Chairman, I deeply appreciate the honor of appearing this

evening in support of the worth-while objective of the Keep America Out of War Congress and its affiliated organizations.

I appreciate also the opportunity to appear on the same platform with my good friend Congressman Harold Knurson, of Minnesota, one of those valiant Members of Congress who had the courage in 1917 to yote their honest convictions.

1917 to vote their honest convictions.

Congressman Knurson was one of those who voted against the declaration of war against Germany on April 6, 1917. We know now that he was right, and that the great majority at that time was wrong.

That war very nearly ended democracy in Europe. The next war very likely will end the existence of the few remaining democracies in the Old World. And if we allow ourselves to be propagandized into participation in it we run the serious risk of sacrificing much of the individual liberty that we have so far maintained in our republican form of government.

of the individual liberty that we have so far maintained in our republican form of government.

We should have learned our lesson from 1917 and what happened to us and to the world then. I hope that we have. Especially I hope that our leadership has learned a lesson from the results of that "war to end wars," as it was called at the time.

You know, as well as I know, that the World War was not a war that ended wars. Instead, through the Treaty of Versailles, with its impossible provisions, the Great War to end war only has bred more wars—perhaps a bigger war.

The war to end wars no more ended war than did the war to make the world safe for democracy promote the cause of democracy. It is not my purpose tonight, my friends, to discuss war as a means of settling disputes on its merits. Personally, I do not believe in war. Every nation which took part in the World War lost more than it gained in that conflict. All nations and peoples which participate in the next war probably will also lose more than they gain. War is a threat to civilization.

But we are here tonight to consider, not the merits of peaceful negotiations as compared to the demerits of war as instruments of national policy. We are here to consider how America can keep out of foreign wars in which we have no business.

I favor adoption of the war-referendum amendment to the Constitution with 13 other Senetors.

I favor adoption of the war-referendum amendment to the Constitution with 12 other Senators. I would leave to the President and to Congress all of their present powers to wage and declare war to defend the United States or any of its possessions, or even the defense of any part of the Western Hemisphere against outside aggression.

But when it comes to taking part in foreign wars—sending our boys overseas again to fight other people's war—I say that before this Government participates in a foreign war the people themselves should have the chance to say whether they want to take part in

that foreign war or not.

The people—the plain, everyday, common people—fight the wars.

The people pay for the wars when and after they are fought.

I say the people who do the fighting and the dying and the paying ought to have the say whether we wage war or not, except in

Ing ought to have the say whether we wage war or not, except in self-defense, as I already noted.

Another price of peace is to prohibit loans and credit advances to warring nations. If we invest a great amount of money or credit in the war being made by a foreign nation, the time will come when we must go to war ourselves to protect that investment.

One price of peace is to mind our own business and not try to run the affairs of other nations, not even by giving them too much advice.

Meddlesome Matties are warmakers, not peacemakers.

Keeping America out of war is today a live question. It is a big job. It is our job. And we should leave no stone unturned that will help us in the task of keeping America out of war.

We live in a troubled world, a world full of doubts and fears and

We live in a troubled world, a world full of doubts and fears and hatreds. This is particularly true of the Old World. And unfortunately there are those in this country, some from the highest motives in the world, others from less worthy motives, who would have the people of the United States take on the fears and hatreds of the Old World and precipitate the United States into the maelstrom of world politics, world intrigue, and world conflicts.

It looks as if the Old World again has gone war mad.

Central Europe is on the march.

Germany and Italy have rebelled against the boundary lines which were fixed in the Treaty of Versailles. They are changing those boundary lines. They threaten to change more boundary lines.

Britain and France naturally want the United States to fight with them to hold the boundary lines of Europe and Asia and Africa in the interest of England and France.

I say trying to settle those boundary lines in Europe is no job for the United States of America.

I will go farther than that. I say it is none of our business. It would be an impossible task for the United States to settle the boundary lines of European countries, even if that were advisable.

I know there are those in the United States who are obsessed with the idea that we have a rendezvous with destiny to attempt some such fantastic feat—but I believe most Americans realize

that such ambitions are just delusions of grandeur.

Let us look at the matter from the other angle. Do we want the nations of Europe coming over here and trying to fix the boundary lines of nations either in North America or South America?

Emphatically, we do not. We have a Monroe Doctrine directed against any such proceeding

We have a Monroe Doctrine directed against any such proceeding and we are going to stick to it.

Now, my friends, I ask you, have we any more business going over to Europe to settle boundary lines than Europe has coming over here to settle boundary lines?

It seems to me there is only one logical answer to that question. Uncle Sam should keep out of Europe.

Now, I want to be perfectly frank. In a conflict between England and France on the one hand and Germany and Italy on the other, my sympathies are with England and France. The democracy of both England and France is somewhat tainted, it is true, with more than a dash of imperialism. There is not a genuine democracy anywhere in Europe as we know democracy in this country.

But I abhor the dictatorships and their methods. I abhor the Jewish pogroms, the destruction of personal liberties, the entire subjugation of the individual to the state, which these dictatorships

subjugation of the individual to the state, which these dictatorships

represent.

represent.

And I share with the great majority of Americans the feeling of righteous indignation against the barbarities inflicted upon China and the Chinese by Japan and the Japanese. My sympathies are with China. I do not for one minute condone the atrocities practiced by any nation, anywhere.

But I say this is a good time for the United States to stop, look, and listen, rather than to attempt to tell the rest of the world what to do, at the imminent risk of thereby blundering into a war in which we have no business.

It is my judgment that the more we face the world situation.

into a war in which we have no business.

It is my judgment that the more we face the world situation realistically—the less we face it emotionally and hysterically—the better it will be for us, and, in the long run, the better for Europe and the rest of the world.

Reading history casually and studying the map of central Europe—all Europe—at different periods, it does not look to me as if we can hope for anywhere near permanent peace in central Europe unless practically all the states in this area are federated into one nation. into one nation.

Perhaps that process now is going on, though in a way that is abhorrent to us. I do not know. Neither do you. Nor is it at all likely that anyone else knows.

But I do feel, and feel strongly, that trying to settle those boundary lines in Europe, trying to prevent such a federation, is no job for the United States of America.

I will go further than that. I say it is none of our business. I say Uncle Sam should keep out of Europe unless our own interests are so vitally affected that we have to go over in self-defense. And I can see nothing in the present situation that carries such an implication. such an implication.

There is no place for anything except realism in foreign relations. England has a foreign policy based on the interests of the British Empire—not on ideologies in Europe. Look at Czechoslovakia. Look back through the history of Europe. England has looked out always for the interests of England.

This is not said in criticism. It is said with approval. That is the only course to be followed in dealing with international

relations.

Let's apply a little realism in looking at the present situation in Europe, entirely apart from our own country's connection or lack of connection with it.

Let us bear in mind that the present situation in Europe is not entirely due, perhaps not even in large part due, to the ambi-tions of either Adolf Hitler or Benito Mussolini, or both of them.

Perhaps a glance at the map of Europe and a comparison of that map with the map of North America may help to explain to many Americans the fantastic and horrible nightmare which is Europe.

When the late World War broke out in 1914, that map was bad enough in the eyes of anyone who could visualize what national boundary lines mean. In a territory two-thirds the size of the United States there were a score or so of sovereign states, most of them densely populated, many of them unable to feed themselves, competing for markets, for raw materials, for supremacy, for existence

The United States was persuaded at that time that to make the world safe for democracy the United States must send an army overseas to aid the empires of England and France crush the im-

perialism of Germany.

We sent our boys overseas 20 years ago. We poured billions and billions of dollars into Europe. We won the war for the Allies.

Then came the Treaty of Versailles. Boundary lines were readjusted—I should say reimposed—as they are at the conclusion of

Did our Allies establish new boundary lines with the idea of promoting the welfare of Europe; of creating a more prosperous and more peaceful and happier Europe?

I say the answer to that question emphatically is "No." The Allies drew up a peace treaty—it might better have been called a war treaty—written for the purpose of breaking up central Europe into more and smaller and weaker states; none of them strong enough to lead a national existence, none of them so weak it did not constitute a threat to its neighbors when economic conditions became unbearable.

The United States Senate wisely refused to sign the treaty, and I am proud of the vote I cast against going into the League of

Instead of 20 nations, Europe west of Russia consisted of 27 nations after the Treaty of Versailles was written. Every nation except the United States among the Allies grabbed off some more territory from Germany and her allies. Seven new sovereign states were created in Europe west of Russia—Poland, Czechoslovakla, Finland, Estonia, Latvia, Hungary, and Lithuania. Serbia became Yugoslavia.

Seven thousand miles of new tariff walls were erected in western Europe. Twenty-seven nations, in an area about the size of the United States, proceeded to restrict trade, to try to gain marketing advantages, to survive in a struggle for existence.

The boundary lines established by the Treaty of Versailles were just plainly impossible, as we look back 20 years. They could be maintained only by force and by the use of continually greater

In Europe today are two imperialistic democracies—England and trance—to whom we are tied by blood relationship and traditional

Trance—to whom we are tied by blood relationship and traditional friendship.

Then we see also two dictatorships with imperialistic ambitions—Germany and Italy—with whom in the past we have had no wars of our own. We joined in one war against Germany; in that war Italy was one of our allies.

Partly in and partly out of Europe is another great nation—Russia, communistic Russia, mysterious Russia. Complicating the situation still more is Japan, in the Orient, striving to become the

England of Asia.

Now, what chance have we of straightening out that mess? I sk the question in all seriousness. Granting that we would be willing to sacrifice the lives of our young men and billions of money to better world conditions, what hope would we have of succeeding in a situation such as prevails in the Old World? I fear it

ing in a situation such as prevails in the Old World? I fear it would be a futile effort.

The United States wisely, in my judgment, stayed out of the League of Nations. I am proud of the vote I cast in the United States Senate. Now it is being attempted, from abroad and by some in this country, that we step in and do the thing we were expected to have done by joining the League—police the world in the interest of a group of European nations. That's not our

The point I make in connection with what I have been saying is

The United States cannot hope to break into the tangled mess of Old World intrigue, diplomacy, hatreds, jealousies, and economic maladjustments, and straighten things out for the rest of the world. We in the United States have plenty of maladjustments in our own country to straighten out—unemployment, business stagna-

own country to straighten out—unemployment, business stagnation, destruction of farm income, and purchasing power.

It would be far better for us to practice setting our own house in order before attempting to straighten out the rest of the world. I suppose this subjects me to the charge of being an isolationist. To a certain extent that is true. I certainly want the United States isolated just as long as it is possible for us to retain that status from the whirlpool of Old World disputes.

They say we have grown up as a nation. That our economic strength, our manpower, our wealth of natural resources throw upon us the responsibility of taking our rightful place in world affairs—that we should according to this school of thought, take up what Kibling called the white man's burden. I suppose.

what Kipling called the white man's burden, I suppose.

I grant you we cannot base our international relations on the assumption that there is no Europe, no Asia, nor Africa in the world.

But that does not mean that a sound foreign policy for the United States consists in playing the game of any European nation or group of nations.

For 150 years before the War of the Revolution was fought and won the American colonists were pawns in the European game of diplomacy, intrigue, and struggles for territory and power.

The Colonies won more than freedom from Great Britain when they won the Revolutionary War. They won freedom from Europe's disputes over territory and power. That freedom from Europe's conflicts we should retain at all hazards. Except for one brief interlude we have maintained that freedom from Europe for 150 years. I say we should consider carefully before we allow ourselves to be dragged into it again.

I think the first lesson to be gained from what is going on in the Old World today is that foreign policies of any particular nation are based upon the real interests of that nation.

The foreign policy of Great Britain is basically an English foreign

policy

The foreign policy of France is basically a French foreign policy. The foreign policy of Germany is a German foreign policy, just as that of Italy is an Italian foreign policy and the foreign policy

as that of Italy is an Italian foreign policy and the foreign policy of Russia is a Russian foreign policy.

And I say the foreign policy of the United States should be an American foreign policy, based on the welfare of the United States and of the Western Hemisphere.

I say it should be part of the foreign policy of the United States to prevent nations of the Old World from invading the affairs of the Western Hemisphere.

stern Hemisphere.

But I say that after having laid down that policy, and implemented it to make it effective, it would be the height of folly for the United States to go into Europe and embroil this Nation in the very troubles that we have declared they shall not bring over to this

In the light of world conditions, the idea of the United States adopting a British foreign policy or an Anglo-French foreign policy—perhaps I should say a European foreign policy—would be little short of national madness.

I will add that for the United States to adopt a Chinese foreign

I will add that for the United States to adopt a Chinese foreign policy, based on establishment and maintenance of oriental boundary lines, would be equally a sign of national insanity.

We know that the people of the United States want peace. They want peace for themselves. They also would like to see the rest of the world at peace.

The United States fortunately is so situated geographically and from the viewpoint of natural resources and basic economic strength that it can remain at peace as long as its people, and its leadership desire peace and are willing to pay the price of peace.

that it can remain at peace as long as its people, and its leader-ship, desire peace and are willing to pay the price of peace. The fact that we are so situated that it is far easier for us than for the peoples and nations of Europe to remain at peace, to my mind is no reason for our throwing away these natural advan-tages and going to Europe with the idea that by participating in Old World disputes we might bring peace to distressed people of that Old World. that Old World.

that Old World.

As a matter of fact, while we are powerful enough to keep ourserves at peace, we are not in position to maintain peace in Europe, and don't allow anyone to tell you differently.

More than 20 years ago we sent our boys overseas and sent our treasure overseas by the billions of dollars. We were filled with high ideals and enthusiasm, built up by propaganda that we did not recognize for what it was, to fight the war to end war and to make the world safe for democracy.

Instead of ending war, we helped breed the impending European war that the nations of Europe, in self-defense and to serve their own purposes, not our purposes, will endeavor to make another world war if at all possible.

I said a minute ago that the United States can remain at peace if its people and its leadership desire to remain at peace—by paying

if its people and its leadership desire to remain at peace—by paying

the price of peace.

One price of peace is to restrain the natural impulse to rush in and protect some foreign nation from what we regard as an unjustifiable attack by another foreign nation.

Another price of peace is to refuse to be bamboozled by propaganda designed to lead us into participation in European disputes over boundary lines and spheres of influence.

All sorts of pressure will be brought upon public opinion in the United States that we take our part in settling these boundary-line disputes in Europe, Asia, and Africa.

Americans must build up a resistance to foreign and native propaganda or we will find ourselves in hot water again—European hot water—some of these days.

Another price of peace is to resist the temptation—and it will be a strong temptation—to make profit, and they will look like huge profits, from the sale of war supplies, war materials, and other commodities to the warring nations.

Another price of peace is an adequate navy, and adequate army, and adequate air force for defense of the United States and its possessions, and to assist in defense of the Western Hemisphere

against aggression from outside.

I am for adequate national defense, but I am opposed to entering an armament race with the idea of building up a navy for the purpose of participating in foreign wars—that goes beyond national defense.

Another price of peace is to enact stringent legislation to take the profits cut of war. Eliminate the profit from war, and we will take the edge off the enthusiasm for war among a comparatively small but very powerful group of people in this country.

Millionaire war babies are an expensive luxury.

Another price of peace is to strengthen, rather than weaken, the present Neutrality Act. That strengthening, in my judgment, should include restricting, rather than increasing, the power of the President of the United States to formulate foreign policies for the United States. Strict neutrality will go further than any other one thing to keep us out of war.

I say the Congress of the United States, which alone has the constitutional power to declare war, should have the say in formulating foreign policies that may lead toward war. I believe this is fundamental.

Now, just a word about the purpose of the Neutrality Act, and I am strong for strict neutrality, which might as well be designated an antiwar act. Its primary purpose is to shut off various avenues which traveled by the United States or its citizens while other nations are at war would lead the United States into that war.

Neutrality means to abstain from granting favors to one nation and excluding these from another nation. It is not an attempt to balance the scales so that two nations of unequal strength will be made equal. If one nation or a group of nations, because of their geographical position or sea power or economic strength, benefit more than another nation or group of nations from neutrality of the United States, that is not a condition that it is up to the United States to correct.

By all means I hold that the United States should not attempt to designate aggressor nations and then try to assist the victims of such aggression. That is in effect allying ourselves to one side in a

foreign conflict.

am also opposed to the imposition of sanctions against one at an asso opposed to the imposition of sanctions against one nation or group of nations at war. Imposing sanctions, embargoes, etc., amounts to taking part in the war. Sanctions are a dare to the nation against which they are imposed to retaliate if they feel themselves strong enough to do so.

I say again the people of the United States want peace. They do not went were

The people of the United States can have peace, in my judgment, but they must pay the price of peace. If we desire to avoid being entangled in the next major European war, we must do more

being entangled in the next major European war, we must do more than think peace, talk peace, and insist upon peace.

We must avoid saying those things and doing those things which, while not of themselves warlike, lead to war.

Above all, we must learn in the United States to mind our business in international affairs; learn that it is not our job to run the world, but it is our job to attend to our own business at home.

And again I insist, my friends, that we have no business trying to settle the boundary disputes among England, France, Italy, Germany, Russia, and a score of lesser European nations. It is just out of our sphere, no matter who may think we have a rendezvous with destiny somewhere in France. with destiny somewhere in France

Let us provide an adequate defense for the United States and for the Western Hemisphere against attack—but not attempt to defend the Rhine in Europe or the island of Guam in the Orient. I am also strongly opposed to any secret assurances being given to other nations that the United States will back them in case of

to other nations that the United States will back them in case of war. If we are to enter into any alliances—and I am absolutely opposed to entangling alliances—better have them open, aboveboard, and ratified by the Congress.

Better still, adopt the war-referendum amendment, and serve notice that no official or set of officials can pledge this Nation to go into other nations' wars until the people themselves have had a chance to say what they want done.

My friends, I say this is a good time not to go abroad looking for trouble—there is too much trouble there to be had for the looking, and we have enough trouble of our own right here at home. Helping the farmer save his farm from foreclosure, getting jobs for the 10.000,000 unemployed in the cities, and making it jobs for the 10,000,000 unemployed in the cities, and making it possible for them to earn a decent living, and balancing the Government's Budget is enough to keep all of us busy for a while.

Still a Soldier

EXTENSION OF REMARKS

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

ARTICLE FROM THE POTTSVILLE (PA.) REPUBLICAN

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the Pottsville (Pa.) Republican of Wednesday, April 26, 1939, entitled "Still a Soldier.'

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pottsville (Pa.) Republican of April 26, 1939] STILL A SOLDIER

Congressman Fenton is to be commended for the firm stand he has taken with the Workers' Alliance, an organization formed among W. P. A. employees, who picketed his home and staged a march upon it in their demand that he vote for increased W. P. A. grants. It is beside the point that the officials organizing this demonstration were censuring him for something in which they were entirely in error, for Dr. Fenton had voted favorably on the very proposition they accused him of voting against.

There is entirely too much of these attempts at intimidation and force. There is entirely too much timidity in meeting these demonstrations that are a constant threat to peace and safety. demonstrations that are a constant threat to peace and safety. There is being fostered the idea that if a public representative acts according to his conscience and his judgment that those who differ with him have the right to threaten and intimidate him—for picketing of this type and a publicly planned mass demonstration can mean nothing else but intimidation. The W. P. A. workers showed their good judgment by ignoring the mass demonstration planned, since only a few turned out.

If it reaches the point where public officials regulate their conduct according to the size of the demonstration or the character of the threats, veiled or open, then there is no longer a government of law and order and reason but one that is regulated by might alone. If we are to accept this principle, then the next

might alone. If we are to accept this principle, then the next step natural to expect will be rival demonstrations to overwhelm the other demonstration, which again means government by force and bloodshed, a type of government that once regulated the savage

It is fully realized that the situation has not arrived at that stage and probably never will; but these demonstrations that have recently become all too common are leading in that direction.

Two years ago there was a march on the State Senate at Harrisburg to force the enactment of a bill and the demonstrators took charge of the senate chamber, damaged it, intimidated many of the senators, waved red flags, and otherwise acted in a way entirely foreign to American customs and ideals.

Congressman Fenton says he does not intend to be intimidated by an organization whose officers are an organization which have Communists as officers and wants to have no official dealing with anything or anybody smacking of communism. Even if they are not Communists the principle is almost the same.

When his country needed him Dr. Ferron answered the call and wants the blood cooled but of Ferron.

went onto the blood-soaked battlefields of France. He intends to perform no less patriotic peacetime service at Washington and his red-blooded stand in this instance is an inspiration to other Members of Congress and State legislatures and to public officials and good eliterate in general good citizens in general.

We have not reached the point where might is going to dominate our country or have the Stars and Stripes tacked beneath a swastika or a revolutionary red banner. Let the soldier Congressman know that you are with him 100 percent.

H. R. 3576, Creating the National Iron and Steel

EXTENSION OF REMARKS

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

Mr. BURDICK. Mr. Speaker, in support of H. R. 3756, I desire to set forth some important facts with respect to the steel industry which will shed some light on the importance of Government ownership of this important natural resource. I would not be interested in the Government ownership of anything outside of a natural resource or in an industry dealing strictly with the necessities of life, and then only because I do not believe it is ethically or morally right for any individual to secure a natural resource or a necessity which millions must have in order to live, and permit a private individual to take complete command of such an enterprise and operate it for his own profit and advantage. We have sought to ameliorate the condition of the consuming public by Government regulation, but that regulation has not regulated anything to the advantage of the public but generally to advance the interests of the private operators. The Pittsburgh Cost Plus Act of Congress is a good example of Government regulation.

Mr. Ben Marsh, secretary of the People's Lobby, at my request, has prepared figures on this important industry, which I now insert in my remarks:

> ANALYSIS OF BILL PURPOSE OF BILL

Section 1 states "that the present chaotic system of private ownership and control of the production of iron and steel and the inequitable distribution of the wealth created thereby is unjust, destructive of domestic tranquillity, detrimental to the national defense, and contrary to the general welfare; that the power of the

private owners to curtail production, shut the mills, and discharge their workers at will, and their unfair methods of competition, constitute an obstruction to the free flow of commerce between constitute an obstruction to the free flow of commerce between the States; that in order to promote the general welfare, establish justice, maintain domestic tranquillity, and adequately provide for the national defense, the iron and steel industry should be publicly owned and operated according to a national plan, and that this can best be accomplished by Federal acquisition of the properties engaged in the production of iron and steel and their unification and operation by the Federal Government through instrumentalities created by it for that purpose, with proper regard for the interests and desires of the workers engaged in the industry." industry.

Section 2 defines iron and steel and "the iron and steel industry" to include "properties engaged in the extraction and refining of iron ore and its processing into iron and steel."

Section 3 creates the National Iron and Steel Board, composed of nine members—four representing workers in the industry, to be chosen by them by popular vote, and five representing the public, to be appointed by the President by and with the advice and consent of the Senate—the salary of all to be \$10,000 a year.

It defines the duties of the Board, and permits it "to create by resolution subsciling procedures."

resolution subsidiary boards for convenience of operation and man-

agement.

BASIS OF PAYMENT

Section 4 provides for acquisition of the industry by the Gov-

The Board is to acquire "only the properties of companies which own in whole or in part actual physical properties which are used in the production of iron and steel," not any holding companies. It is to attempt to get these by negotiation, and an agreement with three-fifths of any class of securities is to be binding on all in that class.

in that class

If negotiation fails, the right of eminent domain may be exercised, and the Board is to ascertain from the Reconstruction Finance Corporation and other Government agencies what loans have been made to such companies, and "use the existence of such obligations

made to such companies, and "use the existence of such obligations as a means of acquiring title to the property involved."

The Board is to pay a fair price to the owners, but not only the book value of the properties, but the earnings of each class of securities during the past 10 years, and the probable future earnings under private ownership are to be considered.

Owners are to be compensated by receiving the securities of the Board in exchange for theirs, and the Treasury is to issue bonds at not over 3-percent interest for this purpose.

The interest and amortization on these bonds is to be paid through a "steel nationalization income-tax fund" created by the Board.

This fund is obtained from a special tax on holders of the National Iron and Steel Board bonds, and from the revenues of the iron and steel industry

Section 5 protects the right of workers to organize, "without coercion or interference from the Board or from the Government of the United States," but the Board, or agents thereof, "shall have discretion as to the total number of workers to be employed in each department of each plant in the industry."

Section 6: Operation of the industry.

The Board is to operate according to its annual plans submitted to Congress.

Surplus of the industry, after all costs, shall be paid to the Treasury of the United States.

The Board may adjust production and determine prices at which the products of the industry may be sold.

BRIEF FOR THE BILL

1. Steel is a basic industry affecting all major industries.
In 1937 automobile companies bought 17.4 percent of all steel made, railroads took 12 percent, container manufacturers 9.8 percent; building trades 7.9 percent, export 7.2 percent; oil, gas, and water industries 5.3 percent; machinery 3.8 percent; agricultural implements 3.4 percent; and highways 1.1 percent—together almost seven-tenths of the entire production—all other purchasers took 22.1 percent

22.1 percent.

2. The iron and steel industry is highly concentrated.

In 1934 six companies produced 76 percent of the steel made in the United States; 1,200 customers bought 85 percent of it, and 100 of these bought 42 percent of it.

United States Steel and Bethlehem Steel, with their 250 subsidiary companies, awn 52 percent of the Nation's steel-producing

sidiary companies, own 52 percent of the Nation's steel-producing capacity.

They also own over half of the Nation's iron-ore deposits, vast

coal fields, and much other raw material essential to the operation of smaller companies.

In 1936, of the total steel capacity, United States Steel had 38 percent, Bethlehem had 14 percent, 5 companies had 17 percent, and 192 companies had 23 percent.

Seven companies had about seven-tenths of capacity.

The American Iron and Steel Institute is the clearing house for the 100 steel companies which have 95 percent of the Nation's steel-producing capacity.

3 Steel's rigid prices retain production and steel production are steed producing capacity.

3. Steel's rigid prices retard production and prosperity.
J. P. Morgan stated:
"I have always been taught in a business way to regard the iron and steel industry as an accurate barometer of business conditions,

and, likewise, to believe that no other power would exert as important a bearing on the general prosperity of America."

The iron and steel industry has at least a great power to block production and blockade prosperity.

Low prices for raw material for finished products and for services are essential to general welfare.

Iron Age reports that in 1902 the composite price of finished steel per 100 pounds was \$2.06. In the height of wartime profiteering it soared to \$4.19, then dropped to \$1.94 in 1933, and rose steadily to \$2.56 in 1937. During much of 1938 it was \$2.51.

The price of rails remained at \$28 a ton from 1906 to 1915, went up through the war, and was stabilized at \$43 from 1923 to 1931—

while it is now \$40.

while it is now \$40.

The steel industry has always been the beneficiary of a high protective tariff, and the United States Steel Corporation of ownership of natural resources acquired for a song also, while steel barons wrote the profiteering steel code under N. R. A.

(a) Railroads: In 1937 class I railways, though tracks were badly worn and dangerous throughout the Nation, bought only 1,974,597 tons of rails new and second-hand for which they raid \$22,552,266

tons of rails, new and second-hand, for which they paid \$62,558,266.

The steel industry has refused to reduce its prices on rails.

(b) Automobiles: The cost of steel in a Ford, Plymouth, or Chevrolet is about \$31.50.

A reduction of 50 percent in the price of steel would greatly increase production and sale of cars.

(c) Tin: The cost of steel is a big part of the price of tin cans, and that cost remains practically constant, though cheaper cans would help smash the Bottle Trust, recently exposed by the Senate

Monopoly Investigating Committee.

(d) Construction: Steel is an important item in the costs of most construction, except small homes and other low buildings,

as also of bridges.
Since 1932 the index of average prices of building materials, particularly steel, has been from 6 percent to nearly 15 percent higher than the index of all commodities.

BALANCE SHEETS OF 12 IRON AND STEEL CONCERNS WITH ASSETS OVER \$100,000,000 EACH

The recent report Selected Information on Steel Producers, a W. P. A. project under the direction of the Securities and Exchange Commission, strikingly illustrates that the basic monopoly of the iron and steel industry is ownership of natural resources—coupled, of course, with patents and tariffs.

[The figures for 1937 are in thousands (nearest)]

	Total assets	Land, build- ings, and equipment
American Rolling Mill Co	\$145, 846	\$76, 625
Bethlehem Steel Corporation	715, 810	492, 132
Crucible Steel Co. of America	110, 109 55, 368	83, 695 6, 043
Inland Steel Co.	158, 326	102, 238
Jones & Laughlin Steel Corporation	219, 643	158, 248
National Steel Corporation	204, 453	134, 272
Republic Steel Corporation	364, 659	247, 223
Tennessee Coal, Iron & Railroad Co	147, 926 1, 918, 729	112, 617 1, 150, 064
Wheeling Steel Corporation	123, 551	73, 849
The Youngstown Sheet & Tube Co	220, 641	133, 883
Total (approximate)	4, 181, 766	2, 652, 230

It will be observed:

Real-estate assets, land and buildings and equipment, of which metal, mineral, and coal deposits and rights-of-way are the major part, are 63.5 percent of the total assets of these 12 great iron and

Real-estate assets and equipment are 60.5 percent (three-fifths) of the total assets of the United States Steel Corporation and 69 ercent (almost seven-tenths) of the total assets of Bethlehem Steel Corporation.

3. The real estate and equipment of the United States Steel Corporation and Bethlehem Steel Corporation are 62 percent (nearly two-thirds) of the total for the 12 concerns.

two-thirds) of the total for the 12 concerns.

They have the big iron ore and coal deposits.

4. The steel industry is inefficient.

Fortune magazine, after an exhaustive investigation, reported:
"The steel industry as a whole is technologically one of the most backward of our major industries," and described its price system as "artificial, wasteful, discriminatory, and noncompetitive."

The introduction of the continuous-strip process does not hold out any hope for consumers under private ownership.

5. Steel industry is overcapitalized.

The United States Steel Corporation in its "Property-investment account" of December 1, 1937, gives the following items of gross property investment:

mineral and manufacturing properties and

equipment	properties and		000,000
Real estate		100,	000,000
Transportation	properties	367,	000,000
		-	

Total __ 2, 271, 000, 000 These include subsidiaries.

The major part of the value of these properties consists of natural resources and rights-of-way.

United States Steel was organized as a merger, with at least \$700,000,000 of fictitious capitalization.

While the alleged investment in the iron and steel industry is claimed to be about \$5,000,000,000, the major part of this represents capitalization of profits and of natural resources.

6. The steel industry profiteers. From 1901 to 1911 the earnings of United States Steel were 12 percent on the total investment.

In 1901 Steel common stock sold from \$24 to \$55, it ran up to \$250, and in 1934 it had a book value of \$170, while it sold for from \$27 to \$50.

In 1927 United States Steel issued a 40-percent stock dividend amounting to about \$203,000,000, and during the World War Bethlehem Steel gave its stockholders two shares of stock for every share they owned.

At the annual meeting of the United States Steel Corporation in 1938, Myron C. Taylor, chairman of the board of directors, reported that during the 10 years 1928 to 1937 the corporation paid dividends on preferred stock of \$252,196,770, and on common stock of \$219,715,683—together \$471,912,453.

It also retired bonds and mortgages and paid a premium thereon

amounting to \$413,407,245.

The following salaries paid chief executives in recent years are reported by the Securities and Exchange Commission:

United States Steel	\$166, 786
Bethlehem Steel	180,000
Crucible	171,000
Jones & Laughlin	250,000
McKeesport Tin Plate Co	225, 417
National Steel	160,000
Republic Steel	140, 778

Bethlehem Steel also set up a bonus plan under which its president, in addition to his salary, received from 1925 to 1930, \$5,431,684.

The United States Department of Commerce, reports these facts about Steel Works and Rolling Mills Products in 1935:

Value of products	\$1,931,000,000
Value added by manufacture	821, 000, 000
Wages (excluding salaries)	440, 000, 000

Average number of wage earners, 359,546.

Labor in steel doesn't profiteer, but through hard experience is learning that collective bargaining without collective ownership doesn't get far.

Consumers have learned that collective kicking doesn't do any good under private monopoly of steel.

7. The proposed method of appraisal and payment helps to equalize cost of public acquisition of iron and steel industry.

The provision that determination of the value of the iron and steel industry shall consider actual earnings during the preceding 10 years and probable earnings under private ownership is appro-

priate for four reasons:

(a) The earnings during the past 6 years are largely due to Federal spending on an enormous scale chiefly through borrowing,

which cannot continue.

(b) From 1930 to 1935 the average annual deficit of the United States Steel Corporation, the master-giant of steel, was 1.18 percent of debt, stock, and surplus, and United States Steel which owns nearly two-fifths of the Nation's steel-producing capacity has the best facilities to maintain profits on its water as well as on its worth.

(c) Under private ownership utilization of capacity becomes more difficult, as production of alloy steel is increasing rapidly—from 647,000 tons in 1914 to 3,032,626 tons in 1937—an increase of nearly

Alloy steel is now about 7 percent of all steel production, but bids fair to be shortly at least one-sixth, with disastrous results to the regular steel industry.

(d) The special income tax upon the holders of bonds of the National Iron and Steel Board, which owners of stocks and bonds of the iron and steel industry get in exchange, is justified because courts almost always allow owners as large a price at least as equity demands.

While about 550,000 individuals own steel stock, and their holdings average about \$1,000, they range from less than \$100 to over \$10,000,000.

The special tax on their income from bonds given for acquisition of the iron and steel industry will reduce the charge to consumers of public ownership of this industry.

of public ownership of this industry.

Since, as J. P. Morgan stated, "no other power would exert as important a bearing on the general prosperity of America" as the iron and steel industry, that industry must be publicly owned, for Uncle Sam cannot permit any industry to hold a pistol at his head.

The iron and steel industry want war.

The American people want peace.

Private ownership leads to war; public ownership will help achieve prosperity, which leads to peace.

Legislation Viewed As Trade Curb—Defects in Law Governing S. E. C. Regarded As Cause of Many of Our Commercial Ills

EXTENSION OF REMARKS

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

LETTER ADDRESSED TO THE EDITOR, NEW YORK TIMES, BY ELISHA M. FRIEDMAN

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter addressed to the editor, New York Times, by Elisha M. Friedman, economist and author, which letter appeared in the New York Times April 16, 1939.

The letter is as follows:

[From the New York Times of April 16, 1939]

LEGISLATION VIEWED AS TRADE CURB-DEFECTS IN LAW GOVERNING S. E. C. REGARDED AS CAUSE OF MANY OF OUR COMMERCIAL ILLS

To the Editor of the New York Times:

The European crisis has tested the mechanism of the New York Stock Exchange under the S. E. C. rules. The Dow-Jones industrial averages of April 8 broke the lows of January and the lows of September 1938. Though London and Paris are certainly more exposed to the threat of war, yet in neither of those stock markets did the April lows even reach the lows of January or September. The figures follow:

Considerable the second of the	April low, 1939	January low, 1939	Septem- ber low, 1938
New York (Dow-Jones, industrials) London (Financial Times, industrials) Paris (Institute Cyclical Research)	121. 44	136. 42	129. 91
	95. 2	91. 4	91. 2
	53. 6	50. 7	49. 2

What a striking phenomenon!
What is wrong with the machinery of the New York stock market? Perhaps the answer may be found in the study of liquidity in the New York Stock Exchange Bulletin of November 1997. liquidity in the New York Stock Exchange Bulletin of November 1937, showing the relative declines in the break of 1929 and 1937. The period from September 4 to November 25, 1929, showed a decline only one-fourth as large as for the break from August 16, 1937, to October 30, 1937, for the same unit of volume of shares sold, namely, 1 percent of the total shares listed. A more recent comparison made by James F. Hughes, New York market analyst, shows the following figures:

Period	(a) Percent of price decline	(b) Shares traded as percent of shares listed	(c) Percent price de- cline to per- cent traded (a/b)
1929: Sept. 3-Nov. 13	47	27. 0	1.7
	40	5. 0	8.0
	20	1. 9	10.5

In other words, the market has been swinging with increasing violence on small volume.

REASONS FOR INSTABILITY

What is the reason for such instability? The singular action of the New York market in contrast to London and Paris and the increasing violence of movement on small volume is due to the changed mechanism of the New York Stock Exchange. The forces that tended to stabilize the market have been eliminated.

Who bought stocks on the decline and sold them on the rise? Surely not the millions of "little people." The mob is always swayed by hysteria for the rise or the decline. Purchases on the

swayed by hysteria for the rise or the decline. Purchases on the way down were made by people that knew the company and had courage to buy. In 1938 the range of General Motors was 53–25 and in 1939 the range was 51–36. The speculator that bought on a scale-down and sold on a scale-up was a public benefactor. The "boob" that bought boldly near the top and sold in fright at the bottom was a public menace. The S. E. C. regulations are designed to punish the former and leave the field clear to the latter. Suckers and amateurs are encouraged. Wise and informed trading is discouraged.

Specifically what factors are responsible for the market in-stability?

1. Under section 16, directors, officers, and large stockholders can-

1. Under section 16, directors, officers, and large stockholders cannot buy on a scale down and sell on a scale up within 6 months without being subject to suit by some disgruntled stockholder or blackmailing lawyer. Therefore these men do not take the risk.

2. Under section 9 of the S. E. C. any floor traders or groups that buy on a scale down and sell on a scale up might be charged with manipulation, regardless of how honest their method or how socially sound their objectives. Therefore they are reluctant to take the risk. A stabilization operation is now illegal.

LONG COMMITMENTS

3. Businessmen not in the foregoing classes who buy on a scale down in a panic and sell on a scale up in a recovery are subject to high income taxes unless the stock is held for 18 months. In the present critical political conditions throughout the world, who is willing to undertake a commitment for an 18-month period? Think what happened in Europe in the past 18 months. He would be rash indeed who would now undertake fresh 18-month commitments. Such tax laws do not apply in England and France. Taxes on capital gains on securities apply only to traders and professionals. They do not apply to businessmen and private investors. Thus the causes of the fundamental defects in the New York stock market are revealed.

However, stabilization is essential. Even the Government recognizes this. It has a stabilization fund for Government bonds. If the Government bond market were subject to similar restrictions

the Government bond market were subject to similar restrictions on stabilizing trades it would probably fluctuate very violently and be as disturbing to public confidence as the fluctuations of the stock market disturb the confidence of private businessmen. Furthermore, the Government also has a stabilization fund to regulate the fluctuations of the foreign suprements the state of the s late the fluctuations of the foreign currencies. There seems to be one law for the stock market and another for the United States Government bond market and the foreign-exchange market.

Stabilization is assential even in mechanical advantage of the state of the st

Government bond market and the foreign-exchange market.

Stabilization is essential even in machinery. A governor regulates the speed of a flywheel. Remove the governor and the speed will fluctuate erratically and cause damage. Stabilization is characteristic of an organism. The heartbeat is stabilized by physiological devices. In case of illness the heartbeat is unstable and fluctuating. The New York market is really sick in this sense. The New York market should function like a well-designed automobile, which takes hills easily and goes down hill under control. Instead, the market in its violent up-and-down movements resembles a kiddie-car, or rather a roller coaster in a circus, with its dizzy rises and frightening descents.

Yet the stock market does not operate in a vacuum. It constitutes the dashboard of American industry. When the market declines, automobile purchases decline, and then follows steel. Factory plans are checked, as in heavy industry. Retail sales decline. The public feels poorer.

The New York stock market cannot face a crisis under the present rules. They were based on the assumption that liquidity

present rules. They were based on the assumption that liquidity is not desirable. However, no other mechanism has been devised to take its place. It is expected to function. But it functions poorly. MARKET LIQUIDITY

The underlying assumption that the market need not be liquid was stated thus by my friend A. A. Berle, Jr., in "Liquid Claims and National Wealth" (pp. 141-142):

"A diminution in the investment demand can be taken care of in part by a lowering in price of the issues offered for sale. Here the practice and the theory part company; for if the investment demand was negligible, the price of any security would ultimately approximate zero. Yet long before the theoretical point of conclusion is reached the machinery would stop. Individuals would not sacrifice their securities, but would elect to regard them as non-liquid to the extent that they were able to do so. They would be withdrawn from ordinary circulation as no longer readily convertible into cash; banks would decline to loan on the security of such stocks and bonds; the market would freeze. In fact, whenever that possibility approaches, the stock exchanges close, as, for example, the New York Stock Exchange did on the outbreak of the war in 1914."

However, is not the fundamental assumption here to be questioned?

However, is not the fundamental assumption here to be questioned? Individuals do not hesitate to sacrifice their securities. Quite the contrary, as the market goes down volume increases. To avoid a collapse the stock exchange is closed by the authorities—but not for lack of business. Indeed, selling by the investor never ceases. In fact, after the stock exchange was officially closed in 1914 a "bootleg" market arose. Liquidity is the essence of a free democratic economy, in which tokens of wealth are privately held in small mobile units, such as shares or bonds.

Apparently theory and fact have collided. Will the theory be revised? The remedy is clear. For penalties, substitute publicity. Woodrow Wilson's "new freedom" was based on "pitiless publicity." This method dates back to the New England fathers, who used the stocks and pillory to expose wrongdoing by the citizens. That has been our time-honored American way. However, is not the fundamental assumption here to be ques-

PUBLICITY FOR TRADING

If we are conducting social experiments, let us be scientific. For a period of 1 year let us relax the restrictions, but provide full and prompt publicity about trading by officers and directors, by floor traders and by corporations buying their own stock. Then let

us see the results in market stability. We can avoid the old evils of willful manipulation, double crossing the public, and secrecy. The objectives of the New Deal were sound. The technique has proved thoroughly unsound.

A revision of the capital gains tax so as to eliminate the time factor or perhaps reduce it to a few months, would act as a stabilizing factor in the market. At best the capital-gains tax is inequitable. It is a case of the Government saying "Heads I win, tails you lose." The Government takes a profit but the speculative stabilizer takes the losses. Why penalize the stabilizer thus?

The New York stock market is now the center of trading for the stabilizer than the results.

The New York stock market is now the center of trading for the entire world. Its erratic gyrations have upset the stock markets of other countries. The New York stock market is a guide to the consumer in making his purchases, to the manufacturer in planning his buying, his inventory, or plant expansion. A sensationally declining market frightens businessmen and destroys confidence.

When the German Stock Exchange was over-regulated in 1896, thin markets and violent fluctuations also resulted. The German law was modified.

law was modified.

Again we have a good American precedent for the repeal of an unwise law. On June 17, 1864, Congress passed a law making it unlawful to buy or sell gold for future delivery. The premium on gold rose from 95 percent on June 18 to 185 percent on July 1. The law was repealed July 2. The next day the premium fell sharply in response. Will history show that the Congress of 1864 had more brains and courage than the Congress of 1864 ELISHA M. FRIEDMAN.

New York, April 14, 1939.

P. W. A.'s Humanitarian Program for Hospitals

EXTENSION OF REMARKS

HON. EDWARD W. CURLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

Mr. CURLEY. Mr. Speaker, a recent release of the Public Works Administration reveals that 962 hospitals have been constructed with Federal assistance since the inauguration of the public-works program. These new hospitals have a capacity of 131,424 beds.

I am informed that 776 of the hospital projects were built by local communities and that 186 of the projects were built

by Federal agencies.

Hospital construction was at its lowest level before P. W. A. furnished funds to assist in replacing obsolete structures. These new buildings have provided facilities which were sorely needed in many towns and cities throughout the country and have undoubtedly helped in reducing the mortality rate.

The hospital facilities made possible under the P. W. A. grant and loan system are operated without profit, which means that they have benefited many persons who would be unable to afford the usual hospital treatment. The grants are made only to public bodies for publicly owned projects.

P. W. A. reports that in 1938 there were 736,689 beds in the country's registered publicly owned hospitals, including specialized institutions, an increase of 110,613 over 1933. They state that the number of bed patients using these hospitals, according to the American Medical Association's Annual Hospital Report, rose from 2,155,539 in 1933, to 2,607,280 in 1938, an increase of 451,742.

It is interesting to note the additional number of beds made available for the various institutions for treatment of specific diseases. We find that 57,027 beds have been made available under the P. W. A. program for the treatment of mental diseases, and that 10,000 additional beds are now available in institutions for the feeble-minded, with 3,045 more for the treatment of epileptics.

The Public Works Administration helped finance projects for the treatment of tuberculosis as well. I am informed that more than 16,000 beds in hospitals and sanitoria costing \$65,374,445 have been provided under the non-Federal program and that general hospital projects account for another 22,401 beds.

In addition to hospital buildings, additional facilities, such as nurses' homes, physicians' residences, laboratories, research buildings, and other hospital utilities have been pro-

I do not know of any more useful work to which Federal funds can be applied. Certainly the Congress can be proud

of this report.

Hospitals and schools are necessary parts of community life. I think the P. W. A., in making possible so many new facilities for learning and healing, has won the respect and admiration of the country. And there remains a great deal to be done. Hospital and school facilities are not yet up to standard by any means. We must continue this program so that all pending projects and others to be submitted may be started and put in operation.

Enactment of the Starnes-Mead public-works bill would

permit a continuance of this worthy program.

We Once Tried Embargoes

EXTENSION OF REMARKS

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

EDITORIAL FROM THE DES MOINES (IOWA) REGISTER OF APRIL 25, 1939

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an editorial by W. W. Waymack in the April 25 issue of the Des Moines (Iowa) Register, entitled "We Once Tried Embargoes." In view of neutrality legislation, this House will soon be called upon to consider, I think, that the views so ably expressed in this article merit the attention and appraisal of the Members of this body.

The editorial is as follows:

[From the Des Moines (Iowa) Register of April 25, 1939] WE ONCE TRIED EMBARGOES

Secretary Wallace, whom Iowans know to be a peace-loving man, and who from his youth has been a supporter of the ideal of a world organized for peace, pertinently called up the experi-ence of Jefferson in connection with American isolationism, in

an address Saturday night,

Jefferson as President "went the limit" in the wise effort to
avoid involvement of our new Nation in the first general war

of our history.

As Secretary Wallace said, "he found that the United States could not stand aloof, no matter how rigid the enforcement of an embargo act."

And the Secretary quoted a letter written by Jefferson in his later retirement at Monticello:

"I had then persuaded myself," said Jefferson, "that a nation, "I had then persuaded myself," said Jefferson, "that a nation, distant as we are from the contentions of Europe, avoiding all offense to other powers, and not overhasty in resenting offense from them, doing justice to all, faithfully fulfilling duties of neutrality, that such a nation, I say, might expect to live in peace, and to consider itself merely as a member of the great family of mankind. But experience shows that continued peace depends not merely on our own justice and prudence but on that of others also." that of others also.

In order really to get the lesson of this, let us recall the

conditions.

conditions.

The United States was young, weak, starting on a precarious experiment of independence and republicanism. The risks of involvement in the Napoleonic wars were obvious and enormous. England, France, and Spain all had vast territorial holdings on our continent, to the north of us, the west, the south. There was danger not merely to our economic welfare but to our very existence as a nation. Jefferson was the man—Jefferson, not Washington—who had really given the advice about avoiding entangling alliances as a necessary safeguard of our insecure nationhood.

And Jefferson, supported at first by a wave of prudent repug-

And Jefferson, supported at first by a wave of prudent repugnance toward involvement, chose the course of economic sacrifice, to the extent finally of a complete embargo on foreign commerce,

as the way to find safety.

As invariably happens when belligerent trading nations are in a life-and-death struggle, the "rights of neutrals" to trade peacefully were increasingly disregarded. It was precisely the same then as during the last World War. "International law" was in both cases, as it is now, a nebulous thing, so unclear as to make frictions lead to tensions and tensions to clashes. It was then, as it is now, subject to "belligerent necessities" based on new weapons or fighting techniques.

or fighting techniques.

The World War gave us fresh illustrations of what that means.

The submarine and the floating mine changed the whole nature of blockades. The peculiar strengths and weaknesses of submarine warfare changed the nature of seizure at sea. The new immensity of warfare itself changed the whole concept of "contraband." But the conflict of interest between the powers at war and the powers that sought to stay neutral developed precisely as in Jefferson's

Our puny Nation in Jefferson's day, well aware of its weakness, nevertheless steadily lost its sacrificial devotion to "turning the other cheek." Actually it got into the European struggle twice, once, briefly, on one side (in the naval clash with France), and once later on the other (in the 1812 War with England).

Our powerful Nation of 1914-17 had essentially the same experience.

Our powerful Nation of 1914-17 had essentially the same experience.

We are still more powerful today. The wave of recoil and of pacifism that swept our country in 1935, just 4 years ago, when Italy attacked Ethiopia, has already weakened significantly. Four years ago we said, in effect, holding our hands up to heaven:
"Never again, never! We shall submit to any sacrifice of pride or of prosperity rather than be drawn in. We shall rivet our resolve by passing immediately a set of neutrality laws, confident that by tying our hands, as Ulysses was roped to the mast while his ship passed the sirens, we shall eliminate the risk."

But our very most ardent isolationists saw to it that the new laws did not wholly tie us. They saw to it that we reserved the right to defend vital "neutral interests." And the laws, designed, anyhow, to keep us out of the last war, not the next, have not fitted new conditions either in Europe or in Asia. They have not coincided with public sentiment. With general acquiescence, they have not in the most important cases since 1935 been even applied.

The country is struggling with the problem now of trying to revise them, and hardly any two congressmen are in agreement

as to how to do it.

We fear, we greatly fear, that the job is impossible—that there is no way of passing a law that will guarantee, or even long impede, the forces tending to draw us into a general war if that develops

impede, the forces tending to draw us into a general war if that develops.

The Register has said before—in 1935, indeed—that:

(1) Economic sacrifices greater even than our most pacific classes would stand would have to be undergone.

(2) Not only "foreign propaganda" but the far more forceful propaganda of our own Leonard Woods and Theodore Roosevelts (with different names, of course) would have to be suppressed.

(3) Freedom of speech and press and even of pulpit would have to be curtailed, lest we form moral judgments as to right and wrong in the conflict, and be swayed by those judgments—lest we even form what we should suppose to be cold, analytical judgments as to how our "national interests" would be affected by victory for one side or the other.

History is all against the naive notion that peace and security on a warring planet is attainable by any great nation through the defensive device of the turtle.

The lesson not merely of all history but specifically of our own history is that up to the very last minute, up to the zero instant itself, we must struggle with all the courage and wisdom we can to see that general war does not happen. If we are not willing to make sacrifices of sloganized traditions for that great end, it will very likely be bootless to advocate subsequent sacrifices to avoid tragic involvement in what we have not adequately tried to prevent.

Disclosure of Interest of Nonresident Aliens in Securities Registered Upon a National Securities Exchange—Summary of Points in Favor of Pro-posed Legislation

EXTENSION OF REMARKS

HON. LYLE H. BOREN OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

Mr. BOREN. Mr. Speaker, first it is of importance for the Government to know the extent and character of the foreign ownership of American corporations because many corporations listed upon a National Securities Exchange manufacture or produce articles essential to the national defense or used or usable by the United States Government. Any large foreign ownership in such corporations might carry weight with the management of the corporation. It is also the general welfare of the country to know of any foreign ownership.

Second. Many Americans use the device of having foreign trustees or administration offices purchase stock in American corporations for their benefit in order to evade the tax laws, antitrust laws, or other laws of the United States. The proposed bill in compelling the disclosure of the beneficial owners of securities held in the name of aliens will reveal evasions of this character.

Third. The present Securities and Exchange Act is designed to some extent to reveal to stockholders the persons actually behind the corporation and having large stock ownership in the corporation. The recent growth in the number of shares of stock of American corporations held by foreign administration offices may be indicative that Americans are using this device in order to avoid disclosing their interest in American companies. The bill proposed would prevent this type of avoidance and would supplement the present Securities and Exchange Act.

Expert opinion has said of the proposal which I advance in my bill today:

There is no question but that a statute requiring aliens to disclose their beneficial ownership in securities of domestic corporations is well within the constitutional powers of Congress. It could be sustained on a variety of theories; the right to tax and to prevent tax evasion, to have effective monetary and credit control; to prevent market panics by the disclosure of the potential amount of withdrawal of foreign funds and capital that might suddenly occur in the event of foreign emergencies; to provide for the national defense by the disclosure of the extent of subversive or foreign influence in key industries; to compile statistics under the census power; to regulate foreign and interstate commerce; to supplement existing naturalization and immigration laws, etc. supplement existing naturalization and immigration laws, etc.

War Propaganda

EXTENSION OF REMARKS

HON. FOREST A. HARNESS OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

LETTER FROM RUTH STEED

Mr. HARNESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

PORTLAND, IND., April 22, 1939.

Gentlemen of the United States Congress, Washington, D. C.

Dear Sirs: We are Americans. We are against dictators, war, and war propaganda. We believe in government of the people, by the people, and for the people. We still believe in our constitutional rights. We, the people, are the power of this Government. It is time for us to assert our authority.

We are tired of war, and war propaganda. If war must come, we want to know that we will take part only when it becomes necessary to defend ourselves. If we are so unfortunate as to become involved in a war, we pray that God will give us a wise leader. We haven't forgotten such leaders as George Washington and Abraham Lincoln.

and Abraham Lincoln.

We want peace, prosperity, and freedom. We are tired of propaganda and false promises. We believe in patriotism. We want justice and liberty. We want more restrictions on our Government, and less restrictions on us. We want the full value of our Republic, and we want it right now. Do you, our Congressmen, realize the danger into which our Republic has fallen? Have you, our Congressmen, forgotten your power of impeachment and your responsibility to act for the American people? Will you, our Congressmen and servants at Washington, cooperate to bring us peace and prosperity?

Very sincerely yours.

Very sincerely yours,

RUTH STEED.

A Time To Be Pro-American

EXTENSION OF REMARKS

HON. CLARENCE J. BROWN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

EDITORIAL FROM THE MCCONNELSVILLE (OHIO) HERALD

Mr. BROWN of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the McConnelsville (Ohio) Herald:

> [From the McConnelsville (Ohio) Herald] A TIME TO BE PRO-AMERICAN

Regardless of what may be believed by the administration or along the Atlantic seaboard, it is our firm conviction that 99 out of 100 of the people of the Middle West want Washington to conduct our foreign policies in such a manner as to stay out of a European war if possible. The average citizen out here feels about as enthusiastic over again sending an army abroad as he would if told to cheer for the plague. And why should he not feel that way? How cheer for the plague. And why should he not feel that way? How long has it been since the great disillusionment? Twenty-two years ago we embarked upon a war that eventually assumed the nature of a crusade. It was a holy war to end war—and the nations have been fighting ever since. Out of it grew all of our present-day problems. At the end of that war, which in the final analysis was won by American soldiers, we chivalrously asked no territory, we sought no indemnity, we wanted nothing except that the nations try to live together in peace and amity. Later, when it was sought to compound and settle the war debts, as was pointed out in a recent editorial in the Saturday Evening Post, we were derisively referred to by our British cousins as "Uncle Shylock."

The same influences as those of 20 years ago are again at work seeking to inveigle us into the dreadful vortex of what, if it comes, will be the most horrible cataclysm of history. Should the storm of

seeking to inveigle us into the dreadful vortex of what, if it comes, will be the most horrible cataclysm of history. Should the storm of another world war break, its end is beyond the power of mind to predict. It may mean a collapse of western civilization. It may mean economic and political chaos, a destruction of the present social order, an upheaval which may plunge the world into another period of dark ages. These are gloomy predictions, but the universal ruin which will accompany another European conflagration when the world has not even commenced to recover from the last one is difficult to exaggerate.

the world has not even commenced to recover from the last one is difficult to exaggerate.

Of the age-old dynastic quarrels, boundary-line disputes, and racial hatreds of Europe we know and understand but little. We do know that a history of Europe is a history of almost constant warfare. We know that our great-grandfathers, many of them, emigrated 3,000 miles over a little known sea to an unknown wilderness in order to get away from a Europe which afforded small chance for economic advancement or individual liberty and to escape the almost constant warfare in which they were but the pawns of kings and queens. From the very nature of things we cannot understand the problems of Europe and they do not understand ours. Naturally, our sympathies are with the quasi democracies, France and England, and we can give them our moral support and sell them supplies if they come and get them on the cash-and-carry plan. On the other hand, there is not the slightest support and sell them supplies if they come and get them on the cash-and-carry plan. On the other hand, there is not the slightest obligation on our part to intervene at this time in a strictly European quarrel or to send millions of our young men overseas to fight and die on foreign shores. Our fingers were burned oncelet us not repeat the mistake. Ask yourself what we got out of the last war. Ask yourself what we would get out of the next war. Ask yourself why we should be called upon to maintain the status quo and the balance of power in Europe and why all of our resources should be pledged as a guaranty of the integrity of Britain and France, whose colonial empires in the main were obtained through force. Ask yourself if any European nation would or ever did, other than through selfish motives, help Uncle Sam when he had his back to the wall. Ask yourself if throughout all history any nation which survived did so by any policy other than that of fostering and building a great, strong state which looked after the interests of its own nationals as its first and paramount duty.

Nor is there any logic in trying to again frighten us into war by telling us that it will be our turn next if the axis powers should win. If we arm and prepare, build a strong navy and maintain proper air and all other arms of defense, what nation or combi-

proper air and all other arms of defense, what nation or combination of nations can invade our shores or threaten our existence? It is the same argument which was employed to get us in the last World War—fight now for when Kaiser Bill gets through with France and England it will be our turn next. By assuming a premise which lacks a sound foundation in fact, any conclusion which with france may be arrived at suits the fancy may be arrived at.

If the United States again becomes embroiled in a European mess, it means that as in the last war, we shall assume the major

portion of the financial burden. It means the surrender of all political power to President Roosevelt—and if the past 6 years political power to President Roosevelt—and if the past 6 years have taught us anything, it is that if emergency powers are once surrendered to the present Chief Executive, they will not be returned. It means that the President will, in fact, be a dictator, and that is the end of the Republic. With a huge overhanging national indebtedness brought on by the Roosevelt squanderation policies, it will end in economic chaos. War can and shall be avoided with wisdom in the high places. It cannot be avoided if responsible political leaders continue to intervene, to make inept and silly remarks about totalitarian states, to shriek out their hatred of dictators, and instead of pouring oil upon the troubled waters, but add further fuel to the flame. Why should Mr. Roosevelt or any other member of his administration feel called upon to continuously talk in language which but adds to misunderstanding in foreign chancelries and further rolls the angry waters? This administration has plenty of unsolved problems at home.

standing in foreign chancelries and further rolls the angry waters? This administration has plenty of unsolved problems at home. Why should it meddle into problems as complex as those which now vex Europe? Stay out of war so long as we can have peace with honor. Stay out of war until American interests are directly at stake—and then Americans can, as they always have in the past, be depended upon to defend the flag with the last man and the last dollar. Of all times within our history, now is the most propitious to recall the solemn warning of the Father of his Country in his Farewell Address:

propitious to recall the solemn warning of the Father of his Country in his Farewell Address:

"Europe has a set of primary interests which, to us, have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns.

* * Our detached and distant situation invites and enables us to pursue a different course.

* * * Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice? "Tis our true policy to steer clear of permanent alliances with any portion of the foreign world."

In the present crisis let us be not pro-British, pro-French, or

In the present crisis let us be not pro-British, pro-French, or pro-German. Let us be pro-American.

Profits and Advantages in the Plan for Government Monetary Control to the Small Commercial Banks

EXTENSION OF REMARKS

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

RADIO DISCUSSION OF THE MONETARY PROBLEM

Mr. CARTWRIGHT. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include one of the series known as Congressional Breakfast Talks under the personal direction and supervision of former Congressman Charles G. Binderup, of Nebraska, and also a short letter that preceded this talk. I understand that 600 such letters are mailed out every week the afternoon preceding the radio broadcast to the President and his Cabinet, to the members of the Federal Reserve Board, and Members of the Senate and the House.

I understand the purpose of this organization is to spread monetary knowledge and to coordinate and unite in a national organization all local monetary study clubs of the United States and all those everywhere who are in sympathy with Government monetary control as a step to economic stability. The greatest endorsement of the plan is the fact that Hon. Robert L. Owen, former United States Senator from my State, Oklahoma, is councilor at the head of the advisory council. The Senator is perhaps the Nation's greatest monetary authority in the world today.

The letter and radio program are as follows:

DEAR COLLEAGUE: I am reminding you of a few minor benefits of our plan for Government monetary control—constitutional money.

It makes the banker sleep better at night, for he knows that when he wakes up in the morning his key will still open the bank's door. In the twenties over 16,000 bankers woke up and

found their keys were out of date and worthless. The sheriff

had the right one

It makes the depositors sleep better at night, for they will know that when they wake up in the morning their signature is still good on their checks. In the twenties over 50,000,000 depositors woke up and found their signature was out of date and worthless. The bank examiner's was the right one.

and worthless. The bank examiners was the right one.

It will make the borrower rest better, for he will know, when he wakes up in the morning, that the bank, where his credit is good, will still be open and that the name of the payee has not been changed from that of the local banker to that of the bank department. In the twenties over 50 millions woke up and found their established credit with the local banker was worthless. The bank receiver was the right one.

ss. The bank receiver was the right one.

And it will make the home and farm owners sleep sound for they will know with the dawning of other days they will still own their homes, and that it is worth more than the mortgage. In the twenties half the home and farm owners in the land woke up and found that their deed did not determine ownership, and

was worthless. It was the mortgage that was the right one.

Our local banks should be owned by home people. They understand the resources of the community, and know the people who are most able to manage the many enterprises.

These matters will all be discussed in our congressional breakfast talk Tuesday morning, April 25, at 8:15, over station WOL. Listen in Listen in.

Respectfully,

C. G. BINDERUP.

CONGRESSIONAL BREAKFAST TALK, APRIL 25, 1939

Mr. BINDERUP. With profound respect we extend our morning greetings to our President Roosevelt, his Cabinet, Governors of the Federal Reserve Board, Members of the Senate and House of Representatives, and others, and in a spirit of appreciation to WOL for this privilege of broadcasting our message to the Nation relative to the people's constitutional right to coin their own money and control its value, thus to relieve unemployment and bring back preparity. back prosperity.

bring back prosperity.

I am pleased to introduce our guest speakers this morning who will take part in our Congressional Breakfast discussion: Senator Frazier, of North Dakota, coauthor of the Frazier-Lemke farm refinance bill, and the cost of production to the farmer, plus a reasonable profit; and Congressman Angell, of Oregon, a stanch apostle for the people's right for Government monetary control and substantial old-age pensions. I am proud to introduce two stanch progressive Republicans, who believe a party platform is a holy covenant with the people and not merely scraps of paper. I am going to ask Senator Frazier to open our discussion this morning.

Senator Frazier, First, Congressman Binderup, I wish to con-

Senator Frazier. First, Congressman Binderup, I wish to congratulate you and your Constitutional Money League of America for the great work you are doing in this campaign of monetary education, for I believe you have organized the greatest monetary educational campaign that has ever been undertaken.

Mr. Angell. Mr. Binderup, in one of your last congessional break-fast discussions you discussed the problem of hoarded money. I think this should be better explained as the question is asked every day, "But how are you going to make money circulate?" The Federal Deposit Insurance Corporation has lately stated that \$17,126,-000,000 is lying idle in dormant bank deposits, and the Federal Reserve Board speaks of four and a half billions in excess reserves in the banks. All money which merely exists but does not circulate is therefore just dead money.

Mr. Binderup. Yes; that is an important question. We had this for our subject in one of our recent congressional breakfast dis-We had this roter subject in one of our recent congressional breaknast cliss cussions, but as this is a baffling question and a very important matter, I think it would be well to go over this in part again. Hoarding is caused definitely by a fluctuating price level. I would like to stress your statement, Congressman Angell, because it is most important that we all understand that hoarded money does not function as money and therefore is not money any more than a dead horse is a horse. It is velocity which determines. The a dead horse is a horse. It is velocity which determines. The thing which encourages hoarding is the profits made by hoarding. Senator Frazier. But, Mr. Binderup, don't you also think that

hoarding is caused by fear as well as profit, fear of losing money by investing it? For we don't know when the Federal Reserve banks will instruct member banks to take our money away from us by compelling us to come in and pay up our notes and refusing to make new loans, which I think is about the most vicious system any nation ever had.

Mr. BINDERUP. Yes, Senator; you are right. I must admit both of these factors enter into the reason for hoarding money, but, nevertheless, it is a fluctuating price level that encourages and breeds hoarding. But under our Government monetary control breeds hoarding. But under our Government monetary control plan we maintain a price level by adding to our money supply when people hoard their money, and the price level consequently falls below the 1926 price level and by taking money out of circulation if at any time prices go above the 1926 price level. Therefore, there is no longer profit in hoarding, nor is there any fear of private interests tinkering with our money system overnight. So, by a stable price level, we will have eliminated both factors that create hoarding—fear or profit.

Mr. ANGELL Then, under your plan, Congressman Binderup, I

Mr. Angell. Then, under your plan, Congressman Binderup, I suppose you would repeal the law which is known as the undistributed-profits tax, would you not? For under your plan for governmental monetary control, in case corporations or private

parties would like to keep a few hundred thousand dollars or a parties would like to keep a few hundred thousand dollars or a few millions laid aside as a sinking fund for expansion in factories or business, this would not interfere with your money supply nor your price level. In other words, if they wanted to hold out a billion dollars on an average, under your monetary control plan you would just issue a billion dollars more, as you would always issue enough money to keep up the price level of 1926.

Mr. Binderup. Exactly. That is another added advantage of governmental monetary control. I think any concern should keep plenty of money on hand, and if a few thousand concerns should keep a few million each in reserve for a business reverse, under our plan no serious complication would occur, for the more undistributed profits they carry, which means only dead money.

undistributed profits they carry, which means only dead money, the more new money the Government would issue to keep up to the ceiling, the 1926 price level.

Senator Frazzer. In the solving of this great money question, I have long ago determined that one reason why it has not been solved is lack of understanding of just what constitutes money. Most people seem to think that money is a debt a Nation owes and that it should be redeemable in some tangible thing. They don't stop to consider that money should never be redeemable in anything that takes it out of circulation. People don't seem to realize that money is only a measuring stick for services and the products of labor, that it is merely a convenience in exchang-ing goods and services. It is strange, isn't it, when for over 50 years we have demonstrated with millions of greenbacks and United States notes, which are only receipts for goods and services rendered, that they are a million times better than money which is redeemable in something with an intrinsic value which can be controlled by private interests, such as gold certificates, or Federal Reserve notes. If there is available labor and natural resources and a demand for the goods, then there is no more reason for not supplying these goods for want of money than there would be for a man with plenty of money in his bank starving to death

because he had run out of check blanks.

Mr. Angell. Another thing I would like to ask you. As with your monetary-control plan we would be able to keep a scientific control of money, I suppose you favor a balanced Budget, do you

Mr. Binderup. Certainly. There is no reason why we should not always have a balanced Budget.

Mr. Angell. And you favor immediate lowering of taxes, do you

not?

Mr. Binderup. By monetary control we would immediately expand our money supply up to the 1926 price level. That would mean we would practically double values and cutting our taxes approximately 50 percent, as it would double the tax base and double the national income. Doubling values would make it twice as easy to pay taxes.

twice as easy to pay taxes.

Mr. Angell. Mr. Binderup, what do you think of W. P. A.?
Would you advise continuing this plan?

Mr. Binderup. Congressman Angell, let me quote as an answer to your question a statement by the First Lady of the Land, Mrs. Roosevelt. I think hers is the perfect reply to your question, and when Congress recognizes the truth of what she said, we will at least he important to begin to company to start to your roady.

Roosevelt. I think hers is the perfect reply to your question, and when Congress recognizes the truth of what she said, we will at least be in a position to begin to commence to start to get ready to do something fundamental in Congress. I quote Mrs. Roosevelt from an Associated Press article dated February 22, as follows: "Unemployment cannot be relieved by the election of political parties." And I agree. No, it isn't political parties that count so much. It's the men in the parties that count. The question is, "Are they devoted to great principles? Are they statesmen or just politicians as the term is usually understood?"

Further, Mrs. Roosevelt said, speaking of social security and relief measures, that these were merely "stopgaps" and not fundamental answers. Again I say, right! We have been laboring in Congress for over 6 years and the Republicans for years before us while they were in power, under the false impression that we could actually bring back prosperity with these "stopgap" measures. Again Mrs. Roosevelt said that W. P. A. and National Youth programs will not solve the problem but with these, quoting her directly, "We've bought ourselves time to think. That's what we've done * * "She concluded with this statement: "We've bought ourselves time. Is it going to be worth while? I believe in the things which have been done, but they do not answer the fundamental question." Still quoting Mrs. Roosevelt: "We have been afraid to face the fact that this is an economic problem." Isn't this a splendid statement coming from the First Lady of the Land?

Senator Fazzer. That was a splendid explanation of the New

roblem." Isn't this a splendid statement coming from the First Lady of the Land?

Senator Frazier. That was a splendid explanation of the New Deal program. But in 1933 our Nation was at the lowest ebb. Relief was necessary at once and we did the right thing with our W. P. A. and P. W. A. and C. C. C. and all of the many plans for distributing a little purchasing power. Perhaps Mrs. Rooseveit was right when she said that in this we were only buying ourselves time to think. But we have been thinking now for 6 long years without solving the problem, and why? I'll tell you why. It was because we were afraid to fight the money power. We knew that the farmers and workers were entitled to their share of the National income; that farmers were entitled to a living wage. We knew that some adjustments were necessary if our people were ever going to get out from under their debt burdens. We knew that a great economic question was involved which would mean a bitter fight with the money changers of Wall Street. A way has been pointed out and I hope that the fight along this line can be

kept up, and that constitutional money and Government monetary

control can be established.

Mr. Angell. Few people understand that, as our Nation grows in population 1,000,000 a year, in new industries which means much more, and a raised standard of living for the multitude which means hundreds of millions, we must add new money in the same proportion that the Nation thus expands which necessitates approximately \$2,000,000,000 a year in new money. So let me again explain that one of the most important parts of any monetary plan is that this new necessary money must be expanded among the lower income group thereby immediately to pass into the veins and arteries of trade and commerce to create a consuming and purchasing power. We know that you cannot create prosperity, you cannot make your factories run nor your farms produce to capacity by adding to production. It is consuming power that we must have we must have

we must have.

Mr. Binderup. That is correct, Congressman Angell, but you have forgotten to mention that in failing to make up this entire amount yearly we are now behind over \$18,000,000,000 which must be gradually added to our money supply before we can attain the 1926 price level. So our monetary plan provides first, that we shall pay \$50 per month to all old needy people over 60 years of age and to widows, orphans, cripples, blind, and invalids, according to need, not to exceed \$50 per month. This means, according to the Social Security Board estimate, that it would take about \$1,602,000,000 a year. We would divide this sum among the 12 Federal Reserve banks which belong to Uncle Sam under our plan. So approximately \$125,000,000 would be deposited in each bank represented by a United States bond, that is a bond issued by Uncle Sam payable on demand to himself; in other words, just evidence of the credit extended for a specific purpose to a specific bank. to a specific bank.

words, just evidence of the credit extended for a specific purpose to a specific bank.

Senator Frazier. Now, that statement may sound rather visionary to some, but there really is nothing new about it. We are doing the same thing now, that is, checking against Uncle Sam's bond. The only difference, as I see it, is that the bonds would be in our bank instead of Wall Street, and the interest Uncle Sam would pay on the bond would be payable to himself. Thus we would not be paying Wall Street millions annually for the privilege of checking on their banks.

Mr. Binderup. In other words, we would have Government monetary control and constitutional money. And then, may I add, Senator Frazier, in further explanation, after having placed Uncle Sam's bond for \$1,602,000,000 cut into 12 pieces, I in each bank, we would say to the Social Security Board, "Here is a check book. Check against Uncle Sam's own credit in your own regional Government bank for all recipients of social security. We can do this without it costing us a penny, and we are giving this money away now. The only change necessary is to give to the old, needy people instead of giving it to the House of Morgan, and the old, needy people will dry their tears and God will bless a Nation who is benevolent to its old folks. But let us consider it from a purely business standpoint. It pays a good profit.

Mr. Angell. Mr. Binderup, some people seem to have the idea that you would put the banks out of business or make the profits in that business so low that it would be impossible for them to continue.

Mr. Binderup. That is absolutely erroneous. We are fighting the

continue.

Mr. Binderup. That is absolutely erroneous. We are fighting the greatest battle ever fought for the small commercial banker. The small commercial banks of the Nation are one of our necessary business institutions. Let me give a few of the ways in which the banks would profit under our plan. In ordinary times it is reasonable to estimate that a dollar changes hands once a week or 50 times a year. Thus the \$1,602,000,000 in pensions would create no less than \$80,000,000,000 in transactions yearly. The average sized check is \$7 and the average charge a bank makes for handling a checking account is 3 cents a check. Thus the banks would make for cashing checks alone approximately \$345,000,000 sized check is \$7 and the average charge a bank makes for handling a checking account is 3 cents a check. Thus the banks would make for cashing checks alone approximately \$345,000,000 yearly. Estimating that only two-thirds of the recipients of oldage pensions would open a bank checking account, even that would make approximately 2,000,000 new bank checking accounts. A charge by the bank of \$1 a month for each checking account would make them \$24,000,000 annually, and this, together with the 3-cent charge for cashing checks, would make a total of \$369,000,000 a year. We have in the United States 15,000 banks which would make on an average \$25,000 each year to every bank in the Nation. And, remember, this is new business to the banks created by the old-age pensions. Now, while I think these potential profits sound enormous, let every banker estimate his own profit and he will be surprised at what it means to expand our money supply from the bottom among the lower-income groups.

Mr. Angell. But the profits to the banks are much more than this. There are 3,339,000 old needy people. Their expectancy of life, according to the American Table of Mortality, would be 10 years. Thus, we have immediately established an income, a consuming and purchasing power over 10 years, of no less than \$20,000,000,000. What does this mean to the banker? It means that we have established a credit among the lower-income group so the bankers, knowing that these have a guaranteed income, will lend them billions to build little homes and improvements. Thus you have taken the dormant money which the Federal Popositi Insurance Composition tell us about ond mut it is the little in the content of the Deposit Insurance Corporation tell us about and put it into circulation.

Mr. Binderup. Yes; and there is much more profit to the banks which we will tell about in our next Tuesday morning breakfast

J. Sterling Morton

EXTENSION OF REMARKS

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

AN EDITORIAL FROM THE GRAND ISLAND (NEBR.) DAILY INDEPENDENT

Mr. CURTIS. Mr. Speaker, Nebraska gave to the world not only Arbor Day but gave to the United States one of its outstanding Secretaries of Agriculture. In order to further honor the memory of J. Sterling Morton, I wish to insert in the Record an editorial from the Grand Island Daily Independent, at Grand Island, Nebr.

[From the Grand Island (Nebr.) Daily Independent]

Sterling Morton, of Chicago, grandson of J. Sterling Morton, made an interesting comment Saturday on present-day Government

spending.
"Today," said Morton, "the Department of Agriculture spends each week at least as much as it spent during the entire 4 years my grandfather was Secretary. Perhaps this ray of light on the expenditure of one governmental department may furnish a clue as to where to look for the real cause of our depressed economic condition, our taxes, and ever-recurring deficit."

Morton related that his grandfather Secretary of Agriculture

Morton related that his grandfather, Secretary of Agriculture under Cleveland, returned to the Treasury about one-fourth of the

money appropriated for the Department.

If anyone in Federal Government circles returned any such amount to the Treasury these days, Secretary Morgenthau would suffer a heart attack.

A Nonpartisan Tariff Program in the National Interest

EXTENSION OF REMARKS

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES Tuesday, April 25, 1939

ADDRESS BY LYNN R. EDMINSTER APRIL 20, 1939

Mr. HILL. Mr. President, I ask unanimous consent that the address delivered by Lynn R. Edminster, Special Assistant to the Secretary of State, before the League of Women Voters of Minneapolis on April 20, 1939, be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

1. CONDITIONS WHICH LED TO THE TRADE-AGREEMENTS PROGRAM

Let me begin by refreshing your recollection of the conditions which existed when the Trade Agreements Act was passed in 1934. For 4 years international trade had been in a state of collapse, and in many respects the situation was growing worse. Rising trade barriers and increasing trade discriminations were an extremely important phase of a general state of international economic maladjustment which had completely undermined the world's economic life, thrown millions out of employment, and led to progressive economic and social deterioration in all countries. Far from escaping from this general dilemma, the United States are reveal to be one of its chief victims. Between 1929 and 1929

Far from escaping from this general dilemma, the United States has proved to be one of its chief victims. Between 1929 and 1932 our foreign trade fell, in value, by more than two-thirds, with the result that we were not even holding our own in a world trade which was rapidly declining. From 81 billions of dollars in 1929 our national income had fallen to 40 billions in 1932. From 10.5 billions our farm cash income had shrunk to 4.3 billions.

It was obvious that a reopening of the channels of trade was essential if the foundations for sound and stable recovery were to be laid. It was likewise clear that the United States, by virtue of its position in world economic affairs and as a matter of enlightened self-interest, was best situated to assume the initiative. And it was equally manifest that any program undertaken by the United States, if its results were not to prove abortive, must

be one which would foster the gradual removal of excessive trade barriers throughout the entire world and hence a gradual rebuilding of the whole structure of world trade. Any other program would have been ill conceived and short-sighted in the extreme. The response to this situation was the Trade Agreements Act. Adopted in June 1934 for a period of 3 years, and renewed in 1937 for another 3-year period, the act has now been in effect nearly 5 years. Agreements have been concluded with 20 countries. These 20 countries have accounted in recent years for nearly 60 percent of our entire foreign trade. That the agreements are playing a vital role in reopening the channels to increased trade is a matter with our entire foreign trade. That the agreements are playing a vital role in reopening the channels to increased trade is a matter with respect to which the evidence is overwhelming.

Nevertheless, there is dissatisfaction in some parts of the country on the alleged ground that the interests of certain industries have been sacrificed in connection with tariff concessions which we have granted to this or that country. Other industries are apprehensive lest their interests be adversely affected by some future trade agree-ment. From these two sources has come a great deal of the driving

ment. From these two sources has come a great deal of the driving force for proposals now pending in Congress which would either repeal the act in its entirety or require that all trade agreements be subject to ratification by the Senate or approval by the Congress. The pending proposals serve to focus attention at this time on the whole philosophy and record of the trade-agreements program. In appraising the program in the light of these proposals it seems to me that there are two basic questions to be answered. First, does the trade-agreements program, both in conception and in execution, accord fully with the letter and spirit of our cherished institutions of government? In other words, is it in harmony with the principles of constitutional, representative government? Second, is the program meeting the practical test of satisfactory performance—which means, is it serving the broad interests of the Nation as a whole?

2. IS THE TRADE-AGREEMENTS PROGRAM BEING ADMINISTERED IN A CONSTITUTIONAL AND DEMOCRATIC WAY?

In considering the first of these questions—whether the program, as conceived and executed, is in harmony with letter and spirit of our form of government—the first issue that naturally arises is whether it is constitutional. While that must always be a matter for final determination by the courts, I would like to observe, in passing, first, that the act was very carefully drafted with a view to bringing it within recognized constitutional principles; second, that in 1934, when the act was passed, and again in 1937, when it renewed, Congress gave careful study to the question of constitutionality and concluded that there were ample precedents for such legislation; and, third, that up to the present time no successful challenge has been made in the courts,
But even though constitutional, there still remains the question

of whether the Trade Agreements Act is in harmony with the spirit of our democratic institutions—and that is what I want more par-

ticularly to discuss.

On this subject, let me say, first of all, that the Congress which passed the original act, and the Congress which later renewed it, must surely have been convinced that the act does meet this It, must suriely have been convinced that the act does meet this test, else they would never have passed it. Unless at some future time Congress arrives at a different determination, it must be assumed that the law meets this test. At the same time, however, it must be recognized that Congress is the sole judge of this matter and that if, on this or any other ground, it sees fit to repeal or modify the existing law there is no authority to challenge it except that of the people themselves.

Meanwhile let us examine for ourselves whether this test is

Meanwhile, let us examine for ourselves whether this test is met. To answer this question, let us first inquire whether it is in accord with the spirit of democratic government that the Congress should lay down a general tariff policy, under such formulas and rules of procedure as may be deemed essential, and then leave to the Executive the carrying out of the details, namely the adjustment of the actual rates of tariff duty on thousands of articles in accordance with the broad requirements of the

law. This, of course, is what the Trade Agreements Act does.

The answer is, I think, clearly in the affirmative. So intricate and complex have become the problems of modern government that sheer concern for the preservation of democracy has com-pelled increasing recognition by legislatures of the virtual neces-sity of confining their functions more and more to determinasity of confining their functions more and more to determination of general policy and establishment of broad rules of guidance for its execution, while leaving the details of administration to experts in the executive branch or in special boards or commissions set up for that purpose. What is important, from the standpoint of safeguarding democratic principles, is not avoidance of such delegation of powers. What is vital is that the authority conferred should be carefully delimited and that the fundamental control should continue to be vested in the law-making body. Subject to the further proviso that the delegated authority is exercised in a fair and democratic manner, and not arbitrarily and unreasonably, there is surely nothing in this state of affairs which is at variance with democratic principles. On the contrary, it is the only way in which representative government can function under modern conditions.

The authority conferred in the Trade Agreements Act and the

The authority conferred in the Trade Agreements Act and the manner in which it has been executed both fall safely within these bounds. The act very definitely lays down the objectives to be sought, the administrative procedure to be followed, and the limits of authority which must be observed. The purpose of the act is stated to be "expanding foreign markets for the products of the United States * * *." As to procedure, it requires that "Before any foreign trade agreement is concluded * * * reasonable

notice of the intention to negotiate an agreement be given, in order that any interested person may present his views

* * *; and before concluding such agreement the President
shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate."

The limitations upon executive authority are likewise definite. No duty may be increased or decreased by more than 50 percent. No article may be transferred between the dutable and free lists. The maximum duration of the agreements before they can be terminated on no less than 6 months' notice, is limited to 3 years. And since the delegation of power to the President to enter into and proclaim agreements is also limited to a 3-year period, there is full opportunity for regular legislative review of both the policy and administration of the act.

In the administration of the act the utmost caution has been

exercised in keeping within these prescribed limits of authority. Particularly has there been solicitous concern, in evolving detailed rules of procedure, to assure that all interested parties shall have every reasonable opportunity to present their views, and, further, to assure that the testimony offered shall be carefully digested and weighed in reaching a decision in any given case. Moreover, in assembling and analyzing the relevant facts I doubt whether, in the entire history of our Government there has ever been a finer illustration of whole-hearted and effective collaboration between the interested agencies of the Government.

3. THE PRESENT PROGRAM AS COMPARED WITH THE PREVIOUS TARIFF ADJUSTING

But surely, if it is fair to ask how the Trade Agreements Act meets the test of democratic government, it is equally fair to ask how the method of tariff making, which preceded it, meets this same test. To this the best answer I have seen anywhere was made by Senator Capper in 1934, during the debate on the enactment of the Trade Agreements Act, when he said:

"As a matter of fact, if the job is only to revise the tariff schedules, if bargaining with other nations is left out of the picture, our experience in writing tariff legislation particularly in the post-

"As a matter of fact, if the job is only to revise the tariff schedules, if bargaining with other nations is left out of the picture, our experience in writing tariff legislation, particularly in the postwar era, has been discouraging. Trading between groups and sections is inevitable. Log rolling is inevitable, and in its most pernicious form. We do not write a national tariff law. We jam together, through various unholy alliances and combinations, a potpourri or hodge-podge of section and local tariff rates, which often add to our troubles and increase world misery. For myself, I see no reason to believe that another attempt would result in a more happy ending." (Congressional Record, 73d Cong., 2d sess., vol. 78, pt. 10, p. 10379.)

It is idle for anyone to point out that the Hawley-Smoot Act which was so patently the outgrowth of this chaotic tariff-making process was an expression of the will of the majority of the people as reflected in the vote in Congress. For the answer to this is clearly implied in Senator Capper's statement that "we do not write a national tariff law" but instead, "through various unholy alliances and combinations, a potpourri or hodge-podge of section or local tariff rates." Moreover, when it comes to consideration of the national interests as a whole, it is pertinent to observe that the President is also an elected representative—indeed, except for the Vice President, the only elected representative whose constituency is the entire Nation.

In view of the economic situation which prevailed in this course.

stituency is the entire Nation.

In view of the economic situation which prevailed in this country following the adoption of the Hawley-Smoot Act, a condition which was aided and abetted by that act, any intimation that this wholly discredited tariff legislation subserved the true interests of democratic government can be characterized only as extreme irony. The failure of government and the lapse of a nation into a long-systemed period of economics and social cries is itself. into a long-sustained period of economic and social crisis is itself an invitation to subversive movements which would undermine and destroy democracy. After all, substance is more important than form; the successful functioning of government for the welfare of the nation as a whole, without sacrifice of the main essentials of democracy, is what really matters.

4. PROPOSALS TO REQUIRE SENATE RATIFICATION

In the light of such considerations as these I cannot believe In the light of such considerations as these I cannot believe that the majority of the American people would wish to go back to the old system of tariff-making which Senator Capper so well described. But what about the pending proposals to require ratification of trade agreements by the Senate or approval by Congress? Would not such a requirement be more in harmony with democratic principles than the present method, while still leaving the trade-agreement system intact?

The past experience of this country with regard to reciprocal-tariff arrangements furnishes no evidence to justify the hope that the matter would work out in that way. Quite the contrary. The reciprocity treaties which were actually ratified and which entered into effect in the United States during its whole history entered into effect in the United States during its whole history have been only three in number, and these were all of a special character and with countries with which the United States had close geographic or political ties, Canada in 1854, Hawaii in 1875, and Cuba in 1902. From 1844 to 1902, 10 other reciprocity treaties were negotiated under the general treaty-making powers of the Executive, but not a single one became effective. Equally instructive is our experience under the specific statutory provision for reciprocity treaties contained in section 4 of the Tariff Act of 1897; under this section 12 reciprocity treaties were negotiated, but not one even came to a vote in the Senate; they all died in committee. died in committee.

In marked contrast to this record of fruitless attempts at reciprocity treaties requiring Senate ratification is the history of executive agreements negotiated under prior authorization by Congress but not subject to subsequent ratification. procity agreements were entered into and made effective under the Tariff Act of 1890, and 14 similar agreements were concluded with 9 countries under the express authority of section 3 of the Tariff Act of 1897. Under the Trade Agreements Act now in force, 21 trade agreements with 20 countries (including a second agreement with Canada) have been negotiated and have gone into

Critics of the present system sometimes point out by way of con-Critics of the present system sometimes point out by way of contrast that many foreign countries require ratification, with the inference that for this country not to do so is to fall behind others in the matter of adherence to democratic principles. But such suggestions are wholly misleading. In most of the countries which require ratification it is practically certain to be forthcoming. Many countries put the agreements into effect provisionally without awaiting ratification, as in the case of the United Kingdom and Canada under our recent agreements. Even where this is not done, ratification has usually been fairly prompt by the countries with ratification has usually been fairly prompt by the countries with which the United States has made agreements. It is pointless to compare the situation in the United States with that in such a country as the United Kingdom, as is sometimes done. Such comparison entirely overlooks the cardinal fact that, under the parliamentary form of government, with the Cabinet members them-selves leaders of the majority in Parliament, and with the continu-ance of the ministry in office at stake, ratification is almost certain

so occur.

So much, then, for the first test of the program which I mentioned at the outset, namely, whether it is in harmony with our fundamental principles of government. I come now to the second test—the test of practical performance and of further potentialities. I have already reminded you that the 20 trade agreements concluded to date have been with countries accounting for almost 60 percent of our foreign trade. On many hundreds of items tariff duties and other types of trade restriction have been either reduced or bound against further tightening. duced or bound against further tightening.

There is no way in which the effects of trade agreements can be definitely isolated from other factors affecting the course of trade. All statistics are subject to qualification. For those persons who realize the shortcomings of the figures it is perhaps sufficient simply to know what common sense tells us, namely, that when effective barriers to trade are reduced, it is easier for trade to flow than it was previously. For those who must have figures, however, it is worth noting that in the 2-year period 1937-38 our exports to tradeagreement countries were 61 percent greater than in the two pre-agreement years 1934-35; whereas our exports to nonagreement countries increased by only 38 percent.

It will simplify further discussion if we look at the achievements and possibilities of the program from the standpoint of major groups affected.

5. EFFECTS OF TRADE AGREEMENTS ON AGRICULTURE

First, farmers. Agriculture as a whole in this country has a direct and vital stake in this program by reason of its great de-pendence upon export markets for disposal of the large surpluses it produces in excess of domestic market requirements.

Mere listing of the direct concessions obtained on farm products would fill a small-sized booklet. Two agreements alone—those which went into effect on January 1, 1939, with the United Kingdom (by far our largest foreign market for farm products) and with Canada—contain concessions on more than a quarter of a billion dollars worth of farm exports. In addition, the concessions obtained on nearly \$400,000,000 worth of nonagricultural products in these two agreements alone will convey some idea of the indirect in these two agreements alone will convey some idea of the indirect in these two agreements alone will convey some idea of the indirect benefits that should come to agriculture through stimulation of purchasing power in our cities for products of the farm. The decline in our total exports to Canada from around \$900,000,000 in 1929 to less than \$250,000,000 in 1932 illustrates what is at stake. In the first 2 years of our first agreement with Canada (which went into effect on January 1, 1936) our exports increased to that country, as compared with the 2 preceding years, by an annual average of \$128,000,000 or hy 42 percent.

\$128,000,000 or by 42 percent.
Studies have been made which leave no doubt of the beneficial effects of the concessions obtained in stimulating exports. One study, taking account of the first 16 agreements negotiated (and therefore failing to include the vastly important agreement with the United Kingdom), shows that our exports of farm products to these 16 countries increased by \$102,000,000, or 55 percent, between the fiscal year 1935–36 (when only three agreements were in effect throughout the year) and 1937–38. On the other hand, exports of farm products to the nonagreement countries increased by only \$20,000,000, or 3 percent, during the same period.

There has been a great din in the past about farm imports. This

has been characterized by amazingly dishonest use of statistics in an attempt to make it appear that agriculture was being injured and that trade agreements were in no small part responsible for this alleged injury. You will remember the agitation about increased agricultural imports in 1937, agitation which carefully concealed the fact that nearly half of these imports were of a type not even produced in this country and the further fact that the increase was due almost wholly to two factors, drought shortages and economic recovery. ery. You will also remember the agitation about cattle and cheddar cheese which followed the signing of the first Canadian agreement—to the effect that imports would flood the country and ruin the American market. I have discussed these things fully on other occasions, and my remarks are all a matter of public record. I merely wish to say in passing, first, that analysis of the facts has disclosed the baselessness of all such charges; and second, that those who have thus sought to stir up opposition among the cattlemen, the dairymen, and other farm groups are not, in my opinion, serving the real interests of the Nation, of agriculture, or even of the very groups on whose behalf they assume to speak.

6. EFFECTS ON INDUSTRY AND LABOR

Industry and labor comprise another vast group. Even in manufacturing industry alone, a much larger proportion of the total than is commonly imagined is engaged in the production of typically export in large quantities. Automobiles and trucks, farm and industrial machinery of many types, office appliances, sewing machines, radio apparatus—such is but the beginning of a long list that emphasizes the dependence of a great part of our manufacturing industry upon export trade. would require many pages even to list, much less to evaluate, the great range and variety of concessions which we have obtained on behalf of such industries.

I have been examining some figures recently which I find extremely interesting in connection with this matter of the relation tremely interesting in connection with this matter of the relation of the tariff to industry and labor. The census lists nearly 50,000,000 persons in the United States as being "gainfully occupied." By process of elimination it appears—as nearly as one can estimate it—that not over 2,500,000 workers are employed in industries, or branches of industry, which are within the range of effective tariff protection. By this I mean industries engaged in producing things that tend also to be imported in sufficient quantities so that tariffs can have any substantial effect upon prices of the domestic article. That is to say, probably not over a third of the workers in manufacturing industry—or 5 percent of the number of "gainfully occupied" people in the United States—come within this group.

Nevertheless, it is obvious that this is a large body of workers; and it goes without saying that the possible effects of tariff changes upon their interests must always be a matter of serious public concern. The real issue is not that. The real question is: What kind of a general tariff policy is in the interest of the workers in these industries?

these industries?
Certainly an embargo-tariff policy is not in their interest. The Hawley-Smoot experience is proof positive of that. There are no benefits to either capital or labor in such industries from a tariff policy which spoils their domestic market. If tariffs which are so as virtually to eliminate imports of competitive and semicompetitive articles could have saved such industries, then surely they should have fared better than all the others during the years immediately following the adoption of the Hawley-Smoot Act. I deliberately refrain from singling out particular industries in this connection; but I think it can safely be said that the condition of the supposedly "protected" industries after 1930 was little, if any, better than that of the rest.

7. EFFECTS ON CONSUMERS

A third major group that I want to mention is everybody—in his capacity as a consumer. Here, surely, is the universally gotten man"—and woman.

I need hardly remind you that, in the framing of tariff legislation in the past, the interests of consumers as such have usually been conspicuous for their absence from consideration. And yet

everybody, as a consumer, is benefited by a liberal trade policy and is a victim, in greater or less degree, of embargo tariffs.

It is somewhat futile to attempt to express in statistics the aggregate burden of the tariff to consumers—if for no other reason, because so much of the burden takes the form of deprivation return them. tion rather than of actual money expenditure. Even the most superficial analysis of the problem, however, leaves no doubt that the absolute amount of the burden is staggering. That it falls most heavily on those least able to pay is well known. A program which works toward the moderation of excessive and unreasonable tariff protection is directly in the interest of our 130,000,000 consumers

8. PEACE AND TRADE UNDER NORMAL CONDITIONS

Finally, there is the interest that all of us, as a group, have in this program from the standpoint of its relation to peace.

this program from the standpoint of its relation to peace.

The present world situation is one which calls for sober reflection on the part of everyone. The continuous piling up of armaments throughout the world and the surcharged atmosphere in which the world goes on living from day to day are a menace and a burden the seriousness of which it would be impossible to exaggerate. The diversion, on an enormous scale, of the energies of nations from peacetime pursuits to the building of armaments—however justified it may be in the case of particular countries on grounds of defense—is surely unfortunate from the standpoint of the people of every land. Instead of this vast storehouse of energy being used to raise living standards, the world is confronted with the spectacle of its use for the piling up of weapons of mass destruction of property and of life itself. While this situation of political insecurity and of wholesale diversion of of mass destruction of property and of life itself. While this situation of political insecurity and of wholesale diversion of human energy continues, there can be only retrogression and increasingly imminent disaster.

There is still time to reverse the fatal course of recent years

There is still time to reverse the fatal course of recent years and months and to start back along the road to peace and constructive human endeavor. The way is still open to that gradual resumption of healthy economic and other relations between nations which is essential to genuine and sustained prosperity and to the well-being of peoples everywhere. In this situation the tradeagreements program is all-important. It represents almost the only sustained effort being made anywhere in the world today to

reconstruct international economic relations on a sound and permanent basis. As such, its implications far transcend in importance the immediate commercial value of the agreements, great though that is

That armaments have continued to increase and the danger of war remains ever present does not in the least impair the validity of this approach. No responsible person has ever contended that the trade-agreements program is an effective and an immediate guaranty of world peace irrespective of all else. The fact remains, however, that restoration of a healthy flow of international trade is essential to the creation of those conditions of economic security and well-being throughout the world which make for peace and order within nations and hence between nations. In that sense, the trade-agreements program does strengthen the foundations of

world peace.

The broad goal toward which the trade-agreements program points is the rebuilding of the world's economic life, with all that this means for human advancement everywhere. In this great enterprise all of us have a tremendous stake.

Public Welfare

EXTENSION OF REMARKS

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, May 1, 1939

RADIO ADDRESS BY HON. THEODORE F. GREEN, OF RHODE ISLAND, APRIL 21, 1939

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Record a radio address delivered by the junior Senator from Rhode Island [Mr. Green] on April 21, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, it is good to be home again, even though it be for only a couple of days. It seems like old times for me to be talking to you over WEAN. While, naturally, my time in Washington is taken up mostly with matters of national and international importance, yet somehow I find the time to keep in touch also with matters here at home.

There are a couple of home matters about which I want to talk frankly. You, I know, are as deeply interested in them as I am. Years before I held public office I took an active part in trying to get the State authorities, the Governor and the general assembly, to show a deeper interest in our public-welfare institutions and to reform both their physical conditions and their administration which were in many respects deplorable. It was one of the greatest satisfactions of my administration as Governor that I was able to accomplish this. The State institutions at Howard and at Wallum Lake and at Exeter were provided with new buildings to such an extent that from being among the very worst equipped institutions of the sort in the country, they are now among the very best. Buildings and physical equipment, however, are only means to an end. They are means enabling intelligent, trained directors of the work of these institutions to put into effect their plans for the proper custody, improvement, and cure of the inmates

and patients.

While the physical equipment is important, it cannot be used to advantage without the human element, which is after all even more important. For that reason, I was greatly gratified when as Governor I was seeking a man to direct these institutions to find in Dr. John E. Donley a man standing at the top of his profession, with wide book learning and human experience, eager to help solve the problems of these institutions, and willing to undertake to reorganize and administer them according to modern ideas. I assured him that he would have full control of these institutions and directed that no politics would be allowed to interfere with his administration for the benefit of these unfortunate wards of the State. When Dr. Donley resigned, my successor, Governor Quinn, appointed in his stead Mr. Edward P. Reidy, who had had long practical experience in public-welfare work and was at that time the efficient director of public aid for the city of Providence. He, too, was a man who had never held political office, was a member of no political committee, and a man who would not dream of allowing politics to determine any of his actions in the administration of these institutions.

was a man who had never lead pointed once, was a member of no political committee, and a man who would not dream of allowing politics to determine any of his actions in the administration of these institutions.

So you can perhaps understand with what mixed feelings of disappointment and indignation I learned that the present Governor had supplanted Mr. Reidy by a man without any special qualifications for this position, and in striking contrast to Dr. Donley and Mr. Reidy. The appointee, Mr. Sorrentino, is not a physician nor a social-service worker. He is a jeweler. He was one of a committee

of five who solicited campaign contributions for the ticket in the last election headed by Mr. Vanderbilt. So a member of the Republican State central committee is now also the director of the State department of social welfare. I suggest that this kind of dual office holding is the most objectionable of all, because the wards of the State, whose happiness, health, and even life depend upon good administration of these institutions, may be at stake. It may be inadvisable to let one man draw two salaries. It is far worse to have him serve two masters whose interests are divergent. I trust Governor Vanderbilt will see the propriety of asking Mr. Sorrentino to give up one of these positions; and since he seems eminently qualified for membership in the Republican State central committee and not at all qualified for being director of the department of public welfare, I respectfully suggest that the latter be the position he be requested to give up.

Another appointment which shows the same regrettable attitude toward the public service is the appointment of a member of the new civil-service commission. It is universally admitted that the success of any such movement must depend upon the commission being free from political affiliations, so that the public, as well as those immediately affected by its decisions, may have confidence in its fairness and nonpartisanship. But Governor Vanderbilt has appointed as a member of the civil-service commission a man who has been active in party politics and is the present city solicitor of the city of Cranston. This is another example of dual officeholding about which we heard much in the last campaign. It may not be as serious as the other case, but it more directly violates both campaign pledges and the proposed amendment to the State constitution. Since Mr. Day seems better qualified for the position of city solicitor of Cranston than for the position of chairman of the civil service commission, I respectfully suggest that the Governor request his resignation of the latter office.

Time flies and I cannot at this time give you further illustrations of this regrettable deterioration of the State government, but I hope for various reasons that my visits home will be more frequent in the future and that I may have the opportunity to discuss this matter further.

further.

There is a matter of great local importance and at the same time of even greater national importance in which I have been privileged to serve both my State and my country and about which I want to speak. That is the selection of Quonset Point as a great national naval air base for the northeastern part of the country. I have been working on this matter for a long while—almost ever since you sent me to the Senate. Most of this work has had to be done quietly by personal interviews, but now and then the matter has come before the public as, for instance, when a year ago last June I brought a congressional delegation by airplane to fly over Narragansett Bay to inspect various possible sites.

The first definite official commitment to the plan for Quonset.

The first definite official commitment to the plan for Quonset Point was when the naval board, headed by Admiral Hepburn, made a report in which Quonset Point was mentioned as one of the recommended future naval air bases. It seemed to me, however, that for various reasons preparatory work on that project should be undertaken promptly. So I introduced in the Senate an amendment to the bill which Senator Walsh had introduced, carrying into effect the Hepburn report. My amendment provided that Quonset Point be included in the bill, and for that purpose added \$1,000,000 to the amount authorized. Later Representative Sandager introduced a copy of my amendment in the House of Representatives. There were again many conferences and hearings. As a result, a week ago yesterday Senator Walsh reported from the Senate Committee on Naval Affairs, with the unanimous approval of the committee, including Senator Gerry, who worked for it there, and also with the approval of the Navy Department, a redraft of the act which added to the projects authorized to be undertaken at once "Quonset Point, R. I., \$1,000,000 for acquiring privately owned land," and also authorized the Secretary of the Navy to accept "title in fee simple to land or other realty at or near the vicinity of Quonset Point, R. I., to be used as a naval air base." Day before yesterday this bill passed the Senate without a single negative vote. Yesterday it passed the House of Representatives without a single negative vote. I have no doubt it will be signed by the President, and then Quonset Point, R. I., will have been established as the great northeastern naval air base of the United States. This \$1,000,000 is simply to cover the cost of acquiring the privately owned land which will be needed in addition to the National Guard camp which the State, under Governor Vanderbilt, has already voted to give the Nation. The preliminary estimates for the cost of this development calls for the expenditure of over \$21,000,000, and even after completion it will provide work fo

western shore of Narragansett Bay what the Newport torpedo station means to the eastern shore.

But my fellow citizens, you do not, I suppose, imagine that this result could have been accomplished without overcoming very many difficulties of all sorts: Some of them formidable, like the claims of rival locations, others irritating like the firmly set minds of some naval officers and still others humorous like the opposition of local conservatives who oppose everything new. You may recall one typical example. It was an editorial in the Providence Sunday Journal of last January 29, entitled "Pork or Priority." Let me read you a few extracts in case you did not commit this masterpiece to memory. It begins:

masterpiece to memory. It begins:

"Senator Green's effort to amend the \$65,000,000 Walsh-Vinson
naval bill by directing immediate establishment of an air base at

Quonset Point is another example of his readiness to spend other

people's money at every opportunity."

May I interrupt the quotation by stating that I don't see why this money isn't as much mine as any other citizen's. Furthermore, I don't see why I am spending it any more than all the other Senators, and the Representatives who voted for it, too. In

other Senators, and the Representatives who voted for it, too. In a later paragraph it goes on:

"Senator Green's action places pork-barrel psychology above considerations of priority in providing for the common defense. It can be explained only by excessive eagerness "to get something" for his State because a great deal of Federal money may be made available for defense. He displays little statesmanship in his short-sighted view of the entire national picture."

I must plead guilty to my interest in trying "to get something" for our State of Rhode Island. I think it very fortunate that I can do this at the same time that I render our country a great service too. Naval experts, not only of America but of the world, have declared Narragansett Bay one of the greatest natural harbors anywhere. It is a natural naval and air base. Furthermore, it is right at the heart of the manufacturing and commercial establishments of this country. If, which God forbid, some day some European powers shall cross the Atlantic and attack this country, the logical point of attack is Narrangansett Bay. The holding of this as a base would be the most formidable threat to our national security which an enemy could offer. So this is a matter of national as well as local importance.

There are many worse—because more effective—newspaper arti-

matter of national as well as local importance.

There are many worse—because more effective—newspaper articles than this, which almost every public man has to learn to expect. For that reason, I must advise budding statesmen of all parties to cultivate a sense of humor. If he doesn't get anything for his State he will be criticized as incompetent or lacking in interest and therefore unpatrictic. On the other hand, if he does get something for his State, even if incidentally doing a great deal more for his country, he will be held up to opprobrium, and will be accused of sacrificing the national interest for a "mess of pork." That is, he will be so accused by so much of the press as is blinded by partisanship. But I have too much confidence in your friendly support to think that you will now share the attitude of that paper—any more than you shared it when the same paper opposed me for advocating loans for the erection of much needed State buildings.

Oh, well, we all make mistakes, even those who tell editorial writers what to write.

Labor Day Address

EXTENSION OF REMARKS

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES Monday, May 1, 1939

. SHERMAN MINTON, OF INDIANA, SEPTEMBER 5, 1938 ADDRESS BY HON.

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by myself at the Labor Day ceremonies held in Boonville, Ind., September 5, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of organized labor, their friends, ladies, Mr. Chairman, members of organized labor, their friends, ladies, and gentlemen, gathered here today are representatives of the men and women who work for a living. Here also are gathered many men and women who ask only the right to work and can find no employment. This presents in its dual aspect one of the most important problems before the American people today, namely, the right of workers to protect their right to work and the right of men and women to a job. No one could be more sympathetic to this problem and its solution than I, the son of a laborer.

My earliest recollections of life are as a small boy litting in Craw-

My earliest recollections of life are as a small boy, living in Craw ford County, Ind., where my father worked as a laborer on the bridge gang of the old Air Line Rallroad, now the Southern Railway. As a young boy, I worked in a factory 10 hours a day for dollar, and many days I didn't get to work at all, and at other times I worked long hours of overtime for the same pay. I remember one time when I was only a lad of 15 I went to work in a factory at 7 a. m. one Friday morning and worked all day and all night Friday and all day until 11 o'clock Saturday night, and without rest or sleep. So I know what is meant by child labor, long hours, and poor pay. I know, too, what it is to be without a

Since the days when I started out as a laborer 34 years ago, great changes have come over this land, where men work for a living.

Time was when a man lost a job and times got hard, he could pick up his family and move west, with a chance to develop and prosper with the growth and expansion of an ever-widening frontier. The surplus of workers was absorbed in the development of the frontier as it crept across the continent. That day is gone forever. The frontier has disappeared, and today when men and women turn from the barren wastes of the wind-swept Dust Bowl or the crowded slums to seek a new beginning in a new land to the west they find no welcome and no chance to pioneer a new start. They are met at the border of States and turned back, or herded into camps for refugees. The romance of the covered wagon and the hearty pioneer subduing a wilderness as he marched toward the

the hearty pioneer subduing a wilderness as he marched toward the setting sun is gone forever.

Right here in the hills of southern Indiana, within a few miles of this spot, over a hundred years ago, came a poor family from Kentucky to take up their home in the wilderness. With them came a lad, strong of body and clean of mind, in whose sad, wistful eyes was reflected the dream of a sturdy race, and in whose heart, seared by hardship and privation, was the love and understanding of the common people. Here he spent the days of his boyhood, here he laid the foundation of his imperfect education, here in these hills as a little boy he stood beside the open grave of his mother, who was laid to rest on the hillside in a rude coffin, fashioned by who was laid to rest on the hillside in a rude coffin, fashioned by the hands of himself and his father. Grown to young manhood, he found himself frustrated in the struggle for existence, and he he found himself frustrated in the struggle for existence, and he turned his face westward again and moved to and settled upon the more fertile acres of Illinois. From there he went forth to assume the leadership of his country in a great struggle to free men and women workers from the shackles of slavery. Now, men, women, and children by the millions go each year to these shrines, stretching from the humble log cabin in Kentucky, to that sacred grave in southern Indiana, to that majestic shrine on the banks of the Potomac in Washington, to pay tribute to a man of the humble working people, who led a nation through the hell of the Civil War, that men and women might enjoy the fruits of their own labor, and others may not be pressed down by the evil of competition, with men and women bound to slavery. He lives today enshrined in the hearts of men everywhere, in a love apart, vouchsafed to no other man. He is known to history as the Humanitarian of the other man. He is known to history as the Humanitarian of the Ages-Abraham Lincoln.

The abolition of slavery in America marked an epoch for labor. The abolition of slavery in America marked an epoch for labor. Human slavery was the primitive labor relation. From primitive days until recent years, men with power used it to enslave their fellows. Such slaves had no rights which the law of the land recognized. Feudalism came after universal slavery and men and women were bound to the soil, and when the land was sold, these men and women passed with the deed to the land. Being a part of the soil, they had a value, and that carried with it a recognized right to a job at least. Then came free enterprise, and the so-called right of the worker to sell his labor for a price, but always on the terms of the system under which he lived, and his relation in that system was that of a servant to his master. Always his labor was system was that of a servant to his master. Always his labor was demanded by a master and the worker in the abject role of a servant. In that aspect and in that relationship, the law of the land was In that aspect and in that relationship, the law of the land was developed, always giving paramount consideration to the right of the master, who owned property. Property was held only by free men, upon which they employed successively slaves, vassals, and servants. The relationship of master and servant probably was all right while this was an agricultural country, and a country of small-business men, where the employer knew his men and dealt with them as individuals. A simple relationship of that kind permitted a laborer to contract for his hire, and if he did not like the price offered for his labor, he could go west and find a place in the

with them as individuals. A simple relationship of that kind permitted a laborer to contract for his hire, and if he did not like the price offered for his labor, he could go west and find a place in the ever-expanding development of the frontier.

Then came the new development in business and that of the great corporations and integrated industry, when men controlling enormous wealth, not of their own, but of countless stockholders, sat around the table as directors of the corporations they did not own, and employing thousands of workers they did not know and, too often, cared nothing about, except as they were able to employ them at a big profit. Then it was that men and women were no longer able to meet their boss, and bargain with him about their wages and working conditions. They became a number, and not an individual. They became in the words of the "boss," another one of "my men." They became by force of circumstances, more and more tied to their communities by ties of family, home, and the burden of moving, and could no longer seek their home in another place. Workers were then hired, as unorganized servants of the great corporations, representing thousands of stockholders, whose money was invested in the corporations controlled by a board of directors, that bargained collectively on behalf of the stockholders. The corporation, itself, enjoyed the right to organize and bargain collectively, and they did. They claimed and exercised the right to hire and fire a man at will, and claimed and exercised the right to hire and fire a man at will, and after using the best years of his life, to turn him out to shift for himself in his old age, or, perhaps, broken in health or body by industrial accident, or the wear and tear of his employment, his services were no longer acceptable, and he was released from employment to bear the burden, with the assistance of society,

of the industrial wastage of his life.

The time has arrived, with the maturity of great corporate structures, hiring thousands of men, to permit the men to do what the corporations have always done, that is, bargain collectively by representatives of their own choosing. When a board of directors of a great corporation meet and transact any business,

they are acting collectively for the stockholders. Why shouldn't labor exercise the same right to collective bargaining, through representatives of their own choosing? It is idle to talk of the representatives of their own choosing? It is idle to talk of the individual worker exercising his so-called constitutional right to contract with his employer for his labor. What chance would a mere workman have to get to the office of the management of the United States Steel, the Pennsylvania Railroad, or General Motors, to talk about wages and working conditions? Since the corporation used representatives to bargain for the stockholders, who were too numerous to run the business themselves, why shouldn't the laboring men and women, numbering hundreds and thousands, be permitted to choose their own representatives to bargain for them?

pargain for them?

There is not and never was any good reason why labor should not organize and bargain collectively, but the employer had the power over his workers to prevent them from organizing. Business controlled government from Governors, Presidents, legislatures, and Congresses, to the courts themselves, not by corrupt methods necessarily, but by controlling the political machinery and electing to office men who thought like they did and would do their bidding. When workers tried to organize, their employers fought their organizations and discharged the workers from their jobs for joining organizations and locked them out and blacklisted them so they could not get jobs elsewhere. Indeed, there was a time when the employers were successful in putting upon the statute books laws which made it a crime for workers to organize. The courts of this country have recognized the right of labor to organize and the right of labor to strike to enforce its demands, but the courts have also recognized the rights of the employer to fire lock out and blacklist. recognized the rights of the employer to fire, lock out, and blacklist a worker because he belonged to a labor union. Yes; and after the legislatures recognized the right of labor to organize and made it legislatures recognized the right of labor to organize and made it an offense to fire a man because he was a member of a labor organization the courts held that this was an interference with the right of free contract and nullified the law. They even went further and upheld the "yellow dog" contract, in which a man to get a job had to agree not to join a union. That was not all. Labor organizers and union men were charged in the newspapers with being Communists, Socialists, and anarchists, and their meetings were broken up the effects of the law and their men beginning tilled. by officers of the law and their men beaten and sometimes killed and their strikes broken by the aid of troops. There never has been a labor movement in this country that the reactionary papers did not charge the workers with communism and socialism.

When the first labor organizations were formed among the rail-

when the first labor organizations were broken up by police-read workers in Chicago their meetings were broken up by police-men who fired into their crowds. The armed troops rode down the strikers and their leaders were arrested and sent to prison, while the reactionary newspapers cried: "Communism" and "Socialism." But the railroad workers carried on the fight and today railroad labor is the best organized, best disciplined, and today railroad labor is the best organized, best disciplined, and among the most intelligently led in the country, and there seems to be no problem they cannot set down at the table with the railroad executives and solve. While the railroad workers have succeeded, after years of hard fighting, in producing as fine an organization as labor could wish, industry and a large percentage of the employers in industry have kept up the fight against labor's right to organize. And in this enlightened age we have the rugged individualists, like Tom Girdler, fighting the right to organize by employing spies to spy upon the workers and report them for union activities so they may be fired, employing thugs and gunmen armed with tear gas and machine guns to oppose the right of workers to organize. Fifty percent of all the strikes in this country are caused by the opposition of employers to the right of the workers to organize.

while the right to organize and bargain collectively is pretty generally recognized today, and paid lip service by the "Tom Girdlers" and the reactionary statesmen who do his bidding, it must be remembered that it was only by the continued fight of organized labor that this right was recognized at all. Spied upon by their fellow workmen, discharged and locked out for belonging to a union, slugged and shot by thugs, ridden down by troops, and denounced as un-American and Communists has been the unhappy lot of organized workers in the days gone by. Such tactics are still in use, as evidenced by the story told by the investigation being conducted by Senator La Follette's committee.

With the coming of the present administration to Washington the attitude of Government toward the worker changed. The right to organize and bargain collectively was not only recognized as a

the attitude of Government toward the worker changed. The right to organize and bargain collectively was not only recognized as a right, but that right was protected by law. The Wagner Act not only recognized the right of labor to organize, but it outlawed certain unfair labor practices that had heretofore been used effectively by the employers in defeating organization. Upon its passage the Wagner Act was denounced by the employers and the Liberty League lawyers. Fifty-nine of those Liberty League lawyers signed an opinion to the effect that the Wagner Labor Relations Act was unconstitutional and advised their clients, the employers of labor, to disobey the law. Everyone had declared it unconstitutional, except the Supreme Court, which had the final right to pass upon its constitutionality. For 2 years this law was fiaunted by the employers, and by the injunctions they obtained its operations were suspended for 2 years. For 2 years business had flaunted the law and refused to obey. Finally, after a reversal of form, after a complete about face, the Supreme Court declared the act constitutional; and no sooner was this law held to be valid than the tutional; and no sooner was this law held to be valid than the representatives of big business began to cry for its repeal, or its amendment, before the law had even had a chance to work. Mind

you, no one today, not even Tom Girdler, denies the right of labor to organize and bargain collectively. But the significant fact is that every law that is enacted for the purpose of protecting this

that every law that is enacted for the purpose of protecting this right is attacked by certain reactionary employers of labor, who attempt to nullify the force of its provisions.

I know, and you know, that the great majority of employers of labor in this country are not only willing to recognize the right of labor to organize and bargain collectively, but they are willing that this right shall be protected by law. In other words, the great majority of the employers of labor today are enlightened and approve of the objectives of organized labor. It is not for them that laws are written. You do not need laws for the great bulk of employers of labor in this country. Laws are needed to take care of the Tom Girdlers, for it must be remembered that it is written in the Bible itself that the law was not intended for the honest man. That is to say that the honest man, and that includes the overwhelming majority of the employers of labor, doesn't need any law to keep him from taking advantage of the workers. It's that small minority of chiseling Tom Girdlers that makes it necessary to have protective measures enacted into law.

If there are needed changes in the Wagner law, which has been

to have protective measures enacted into law.

If there are needed changes in the Wagner law, which has been called by labor leaders, the Magna Carta of Labor, let them come from the friends of labor. For my part, I will look with suspicion upon any proposals sponsored by the reactionary representatives of such labor-baiting organizations as the National Manufacturers' Association, and the reactionary statesmen who do their bidding. As far as I am concerned, if the Wagner law is to be amended, no Tory Senator will dictate the amendment. The Wagner Act is here to stay, and labor and its friends will resist to the last ditch the efforts of reactionary labor-baiting organizations and reactionary statesmen in their efforts to wreck this charter of free workers. Labor will no longer be satisfied with lip service to its right to organize and bargain collectively. It will insist that this right be preserved and protected. It will insist that the right of the workers to bargain collectively is as essential to labor as the same right is to the employer. Since the enlightened employers of labor, and that includes the great majority of businessmen, accept the principle of collective barmajority of businessmen, accept the principle of collective bar-gaining, and the right of workers to organize, we may expect to see disappear more than 50 percent of all of the causes of strikes. Opposition to the right to organize caused 50 percent of all strikes.

Opposition to the right to organize caused 50 percent of all strikes. The principle which the Wagner Act embodies is sound. It is accepted by worker and employer as sound. The law must be administered to carry out its laudable purpose. If it is not being so administered, steps must be and will be taken to correct any errors along that line. We seek justice to the workers by this act, and not injustice to employers. But, in the administration of this law, it must be kept in mind that it is the worker who is to be protected from the unfair practices of certain employers. Since the Wagner Act was held to be constitutional and began to function, labor disputes and strikes have decreased by 75 percent. No wonder intelligent businessmen, who want to be fair with their

No wonder intelligent businessmen, who want to be fair with their workers, welcome the enforcement of the Wagner Act and the guaranty it carries to workers of the right to organize and bargain collectively by representatives of their own choosing, just as the corporations do.

It seems to me that it is a sign that promises well for future labor relations when we note that down in the hills of bloody Harian County, Ky., where labor's right to organize has been more cruelly and brutally resisted than anywhere in the country, the operators of the coal mines and the representatives of the miners recently sat down together and entered into an agreement which everyone hopes will bring peace to bloody Harlan. If this can be done in Harlan County, it can be done anywhere. Let us hope and pray that the example of Harlan County may be followed elsewhere in the land.

I have heard it said, and so have you, that businessmen would be glad to bargain with the unions, but they are not responsible. That, it seems to me, is an excuse that does not excuse. What do they mean by being responsible? Do they mean, can a union be sued like a corporation? The answer is yes. Ask the United Mine Workers and the Bedford Stone Cutters. Of course, they can be sued. That has been the law since Chief Justice Taft wrote the opinion in the Coronado Mining case, and it is now carried into the new Federal cutter. rules of civil procedure, and is the law in every Federal court in the United States today.

When Lincoln emancipated the Negroes he did not abolish slavery. All over this country, in sweatshops in the North, and mills and factories in the South, slave wages have been and are being paid. For years we have talked about protecting American labor from the cheen labor of foreign countries. I believe in that labor from the cheap labor of foreign countries. I believe in that, and so does organized labor, but organized labor looked about it and and so does organized labor, but organized labor looked about it and saw that we were at the same time importing that cheap labor here and maintaining sweatshops and slavery economy within our own borders. They sought to stop, and did stop the importation of cheap labor, and then they turned their attention to the exploitation of labor by the sweatshop slavery economy that prevailed throughout the Nation. Let me give you an example of what this slavery economy means to the manufacturer who wants to be fair with his workers: I had a small furniture manufacturer here in Indiana tell me that he was paying the spray-gun operators, spraying the varnish on furniture, a minimum of 40 cents per hour, 8 hours per day, while his competitor in a southern State paid 8 hours per day, while his competitor in a southern State paid Negro women in his factory doing the same work, 6 cents an hour, for 10 hours.

Lincoln was right, this country cannot survive half slave and Lincoln was right, this country cannot survive half slave and half free. I do not mean to intimate that this disparity of wage scales exists only between the North and the South. I know, and you know, that sweatshops exist and child labor is exploited in the North. It was because of this that organized labor demanded that industry in the Nation must be on a parity as to wages, with some differentials for natural advantages, and workers everywhere should be entitled to a decent wage. This evil was so apparent that we were compelled in the last session of Congress to pass a wage and hour bill to drive out child abor slave and sweatshop labor. hour bill, to drive out child labor, slave and sweatshop labor,

within the borders of our own country.

Not only is it the fair and humane thing to do, but it is necessary in order to spread employment and provide more jobs for the worktrs who are being displaced by the technological advancement and the employment of machinery. Instead of business putting men to work, it has been putting machines to work and men out of work. Industrial organization has developed so that speed on the production line calls for young men, and a man over 45 years of age finds it almost impossible to get a job. Our modern machinery of business not only displaces workers but it scraps them at an early age, and that, taken with the disappearance of the frontier, accounts for the unemployment in the country today. The problem of the unemployed we will have until we can find some way to provide for the distribution of the goods and produce we can produce, and which we need but haven't the money to buy. That is our problem. It is one of distribution. We have the resources and the manpower to produce the wealth, but we cannot distribute the wealth we produce. The wealth of the Nation cannot be distributed without a greater distribution of the wherewithal to acquire that wealth, namely, the money, and when we look about us we discover the inequitable distribution of the wherewithal to acquire that wealth, namely, the Government of several billions of dollars for recovery and relief. What was the result? We found that in the last few years by the Government of several billions of dollars for recovery and relief. What was the result? We found that in the end the bulk of this money had gotten back into the pockets of the people who already had money, while the masses of the people received a bare subsistence in the meantime. In other words, the farmer, by his benefit payments, pulled the International Harvester Co. from a loss of \$7,582,879 in 1932 to a profit of \$29,760,372 in 1936. Today a farmer pays almost twice as much for a binder as he paid in 1914. By the expenditure of the money for relief and re within the borders of our own country.

Not only is it the fair and humane thing to do, but it is necessary

were increased largely, and the salaries of executive omcers increased enormously.

By these practices the great monopolistic corporations of the country have taken too much from the consumer and laborer to pay to capital and management. Ways and means must be found to provide a more equitable distribution of the wealth of the Nation. We all know that we cannot go on spending Government money by the faithful to require or more than the salaries of executive to the salaries of executive control of the salaries of executive or provide and the salaries of executive control of the salaries of executive or provide and the salaries or provide and t we all know that we cannot go on spending Government money indefinitely to provide employment, but we are not going to stand by and permit good American citizens to starve while others loll in the lap of luxury. Relief expenditures will go on until business can take on the load of employing more men and sharing more equitably with them the profits from the wealth they jointly

We must not face with too much optimism the future unemployment situation. With the frontier gone and efficiency in production, both in the factory and on the farm, increasing yearly, we must expect millions of unemployed. Get this picture: In all manufacturing industries combined the amount produced by each hour of labor in 1934 was 25 percent greater than in 1929. What manufacturing industries combined the amount produced by each hour of labor in 1934 was 25 percent greater than in 1929. What does that mean? It means if our population and condition had remained the same, one-fourth of all the men in industry would have been without jobs, displaced by improved machinery. In a rough way that is the picture. In 5 years of the depression, labor per hour produced 25 percent more than in the previous years. So the depression feeds upon itself. The same thing is true in agriculture. The output per worker in agriculture has increased 41 percent between 1910 and 1930, and that, too, in the face of the fact that the farmer has not used but a small part of the labor-scaping devices explicitle for use on the farm.

saving devices available for use on the farm.

The rapid increase in labor productivity in agriculture affects opportunities for employment of city workers on the farms. On

opportunities for employment of city workers on the farms. On the other hand, rapid increase in labor productivity in the factory affects opportunities for employment of farm boys in the factories. Employment depends, therefore, on an expanding volume of consumption of basic agricultural and industrial products which calls for a constantly increasing standard of living. This means the rules of the game must be changed. Monopoly that maintains extortionate prices must be destroyed. More consideration must be given to how many human beings can be gainfully employed. There has been overemphasis on dividends and salaries to management. This will illustrate what I mean; In 1929 there were 36,000 families in the country that had as much income as to management. This will illustrate what I mean: In 1929 there were 36,000 families in the country that had as much income as 11,000,000 families. The 36,000 had purchasing power but not consuming power. The 11,000,000 had consuming power but not the purchasing power. We must have purchasing power widely distributed if we are to distribute the wealth we can produce and keep labor in factory and on the farm employed.

Confronted as we are with these perplexing problems it behoves labor and employer to counsel in fairness together. More important still is the necessity for labor to bring peace in its own household. You cannot win your objectives by dividing your forces. By such tactics you confuse your friends and encourage your enemies.

On this Labor Day let labor and its friends resolve to work for better relations among labor and with your employers, but never sacrificing or yielding your fundamental rights to live by your labor at a fair wage that will entitle you to have the comforts of life, some of its luxuries, a home for your family, education for your children, and security for your old age. To these things labor is entitled—less it will not accept.

There'll Be No War

EXTENSION OF REMARKS

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES Monday, May 1, 1939

EDITORIAL FROM WASHINGTON DAILY NEWS OF APRIL 12, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Daily News of Wednesday, April 12, 1939, entitled "There'll Be No War."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of April 12, 1939] "THERE'LL BE NO WAR * * *"-BEAVERBROOK

"THERE'LL BE NO WAR * *"—BEAVERBROOK

The British are famed for their bulldoggedness. Prime Minister Chamberlain, we are told, is now seeking a "last-minute" understanding with Premier Mussolini in the hope of averting war.

Accordingly, Mr. Chamberlain doubtless is now in for a new barrage of sarcasm and derision from various parts of the world, including some from the United States. For among us there are those who, though safely remote from Europe's potential battlefields, never tire of jeering at Britain and France for not rushing into war against Germany and Italy.

We do not share in this sport. We refuse to accept the defeatist view that war is inevitable. Patently, the situation is critical, but we cling to the hope that an honorable understanding can still be reached—an understanding which will leave all concerned free, the democracies and the Fascists alike, to live their own lives and be governed according to their own desires.

We hope Mr. Chamberlain can and will find a way out, for many reasons. One is that war would leave our world a shambles

we nope Mr. Chamberiain can and will find a way out, for many reasons. One is that war would leave our world a shambles in which our own democracy might be trampled along with the rest. Another is that with peace there ought to come a new surge of world prosperity, which of itself would do more to advance democracy and retard totalitarianism, both Red and Fascist alike, than any other one thing we could mention. Compared with these the rest of the ressons are comparatively unimprotent.

allke, than any other one thing we could mention. Compared with these, the rest of the reasons are comparatively unimportant.

"With peace," Lord Beaverbrook told Roy W. Howard in Paris, "there must be a wave of prosperity." Of course, he went on, that prosperity would be due in some measure to Government expenditure exceeding by a good, big sum the collections from taxation. Hence, if you wish, "you may call it false prosperity." Nevertheless, "the people will all have more money to spend," and that should make for better times.

Thus we find Britain's leaders, right up under the guns, talking and working for peace and prosperity while we, over here, are letting the jitters get us down. Whether there's going to be an early war we frankly do not know. But it is certainly worth noting that Lord Beaverbrook—veteran of the World War and one of the best posted men in Europe—hopefully and categorically gave it as his opinion that "there isn't going to be any" just now, while we, on this side of the Atlantic, are acting as if the day of judgment were already upon us. already upon us.

already upon us.

Furthermore, the Canadian-born publisher-peer indicated that in the event of war he and other British leaders are not expecting America to cast her lot with the European democracies.

For our own good, we should try to be as plucky and as optimistic "over here" as the dangerously exposed Britons are "over there." This does not mean that we should blind ourselves to the realities. It does mean, however, that neither should we spend our time in a torture chamber of fear—fear of tomorrow's terrors which may never come.

During the World War the British had a slogan: "Business as burning the world war the British had a slogan: Business as usual." They are endeavoring to live up to it now, though the empire's capital could be reached by Hitler's bombers in 90 minutes. Surely, with 3,000 miles of salt water between us and Europe, we ought to do as much.

So, let's get on with the job.

Imports and Exports

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. REED of New York. Mr. Speaker, the New Deal administration, after lowering our tariff rates by means of trade agreements, has made the important discovery "that nations of the world that pay better wages and work shorter hours immediately are faced, because of the barter system, with loss of trade because aggressors can and do work their people longer hours and pay lower wages." It is a pity that this obvious truth did not dawn upon President Roosevelt before he insisted upon opening our market to the products of the world to the injury and, in many cases, the ruin of our domestic market for our own products. I submit two tables to show how rapidly foreign nations are taking advantage of the Roosevelt good-neighbor policy.

Imports of farm products

Products	January and February 1938	January and February 1939	
Cattle	head 46, 100	184,000	
Hogs		15, 055	
Meat products	do 16, 433, 181	19, 219, 000	
Butter		164, 884	
Cheese		8, 339, 000	
Oats	bushels 4, 432	88, 485	
Corn	do 79, 540	49, 824	
Wheat	do 79, 356	1, 873, 744	
Barley		559	
Barley malt		12, 482, 685	
Flaxseed	bushels 3, 255, 979	4, 360, 000	
Wool and mohair	pounds 8, 260, 000	39, 213, 000	
Molasses (inedible)	gallons 27, 647, 495	31, 618, 114	
Eggs, in shell	_dozen 38, 671	73, 799	
Eggs, in shellVegetables and preparations	value \$3, 974, 735	\$3, 371, 000	
Hides and skins	pounds 23, 164, 000	61, 015, 000	
Tobacco, unmanufactured	do 9,057,000	11, 312, 000	
Cotton, unmanufactured	do 14,023,000	16,090,000	
Vegetable oils, edible	do 17, 401, 000	31, 485, 000	
Cottonseed oil	do 2, 163, 000	12, 949, 000	
Cottonseed oil Olive, corn, and other oils	do 15, 238, 000	18, 536, 000	
Maple sugar and sirup	do 108,006	1, 305, 829	
Oil cake and oil-cake meal:		State From	
Soybean	do 3, 224, 000	4, 420, 000	
Cottonseed	do 888,000	4, 284, 000	
Linseed	do 1, 286, 000	2, 607, 000	
Coconut or copra	do 12,477,000	19, 723, 000	

Source: U. S. Department of Commerce figures.

Value of United States exports of agricultural products, 2 months ended February 1939

	2 months ende	Decrease		
Agricultural products	1938	1939	(-) or increase (+)	
Total agricultural exports	\$165, 979, 000	\$105, 363, 000	-\$60, 616, 000	
Cotton, unmanufactured	55, 777, 000	28, 707, 000	-27, 070, 000	
Tobacco, unmanufactured		18, 653, 000	-9,878,000	
Foodstuffs (total)	77, 230, 000	54, 587, 900	-22,643,000	
Wheat	18, 353, 000	11, 959, 000	-6,394,000	
Corn	21, 376, 000	6, 087, 000	-15,289,000	
Wheat flour	3, 906, 000	3, 644, 000	-262,000	
Oilcake and meal	2, 257, 000	1, 581, 000	-676,000	
Vegetables and preparations	2, 052, 000	1,980,000	-72,000	
Fruits:				
Fresh	5, 799, 000	6, 873, 000	+1,074,000	
		3, 195, 000	+22,000	
Canned	3, 792, 000	3, 517, 000	-275,000	
Meat products	4, 062, 000	4, 489, 000	+427,000	
Lard, including neutral	3, 479, 000	4, 092, 000	+613,000	
Dairy products (except fresh milk).	843, 000	802,000	-41,000	
Other foodstuffs	8, 138, 000	6, 368, 000	-1,770,000	
Other agricultural products	4, 441, 000	3, 416, 000	-1,025,000	

Vice President Garner

EXTENSION OF REMARKS

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES Monday, May 1, 1939

ARTICLE FROM COUNTRY GENTLEMAN

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix of the Recorp an article published in the May 1939 number of Country Gentleman entitled "What Texans Call a Man." The article gives a most interesting and vivid description of the personal traits of our beloved Vice President.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From the Country Gentleman for May 1939] WHAT TEXANS CALL A MAN (By E. H. Taylor)

All polls of public opinion show John Nance Garner ranking highest in public favor after President Roosevelt. In places where people happen to meet and talk, the interest always steps up when his name is mentioned. Stories about him, mostly apocry-

phal, are growing in number.

The silence that he has maintained since March 4, 1933, is a matter of much curiosity and discussion. There is always news in the simple living habits he and Mrs. Garner follow in Washington, a city noted for its social life and its late hours of retiring and getting up. People wonder why, as soon as his official duties permit, he hurries back to Uvalde, Tex., population 5,436, and stays there until Congress convenes again.

Gossip credits him with occasional remarks that are flavored with the picturesque language and plain sense of those who live close to earthy realities. These are never personally verified or denied. But the public has come to identify him with a certain candor and saltiness of expression. Another strange fact whets the interest. Although no opinions of his have been heard over

the interest. Although no opinions of his have been heard over the radio or read in the newspapers for 6 years, his reputation for good judgment and his influence have steadily risen.

This is all the more remarkable because a Vice President is usually the country's No. 1 forgotten man. It demonstrates pretty conclusively that JOHN NANCE GARNER is a distinct personality, with qualities and characteristics that defy obscurity.

Anybody who is around him a while will agree with that all the way and be willing to go some distance further. One reason is that JACK GARNER is just naturally himself, with no frills on. You don't have to remove any rind to get at the meat of what he says. For example, the reason why he goes back to Uvalde just as soon as he can is very simply told. While he enjoys it all, he gets tired of the press of people and things that crowd official life. Besides, he likes it back home. it back home.

the public is familiar with pictures of the stocky man, with the magnitudinous set of bushy white eyebrows, who presides over the dignified Senate. It has seen other pictures of him, as a jovial figure at the Jackson Day dinners, or in white tie, tailed coat, and the rest of the formal attire when he and Mrs. Garner are entertained by the President and Mrs. Roosevelt and when they entertained by the President and Mrs. Roosevelt and when they entertained by the President and First Lady once a year.

Those are not the pictures nor the type of Garner "full dress" with which Uvalde folks are familiar. They know the same man but in a battered cowman's hat, a shirt as often without a tie as with one and a baggy-kneed pair of old pants. A man who knows and calls them all by their first names and gets the same in return. And, as Paul I. Wellman wrote in the Kansas City Star after visiting Uvalde: "John Nance Garner may be the Vice President of the United States to the rest of the world, but to a group of intimates in Uvalde he is any one of a number of gleeful, disrespectful, unprintable but endearing epithets couched in the rich respectful, unprintable but endearing epithets couched in the rich vernacular of the Southwest."

vernacular of the Southwest."

They are his fishing and hunting cronies. When he gets back home, 4 or 5 days of resting and "puttering around" usually follow; and then one of them hears the announcement, "It's about time to go fishing." Four in particular are chosen companions: Ross Brumfield, who has a garage; Ben Franklin, another garageman; Mon Fenley, a well driller; and "Whit" Whittington, a carpenter, "I like to fish because I can relax and get the quiet I want," explains the Vice President. "Maybe it's just sitting on the bank or fishing out of the boat; either way I get what I want, which is quiet as much as fish. And then there are other things I like about it."

Undoubtedly among those other things is the well-thing.

Undoubtedly among those other things is the unhobbled language and company of men who will "cuss him right back," with the same affectionate grin. And somewhere among those other

things is the chance to cook. For the Vice President is reputed to

things is the chance to cook. For the Vice President is reputed to do most of the cooking on these trips. He is no mere skillet-and-coffeepot cook, either, but fixes up and bakes his own mixture of bread and is an expert at broiling steaks or preparing a stew.

The sort of deference he receives from these intimates of the fishing and hunting trips in indicated by a story the Vice President, himself, tells. He and "Whit" Whittington had been in the habit of getting their live bait together. But he got tired of wading around and seining for minnows. So he suggested that he get a Mexican to handle his end of the job, remarking that the Mexican probably could do it as well.

"Yes; and a damned sight better," was "Whit's" reply.

probably could do it as well.

"Yes; and a damned sight better," was "Whit's" reply.
Fishing trips mean not just 1 day's outing, usually, but a camping trip of several days. Nothing is fancy about the camping outfit except the boat. It consists of a car of 1930 vintage, a rather ancient trailer, and a tent taken along for insurance against rain. The boat, though, is a real humdinger, and there are several stories about it. This is the Vice President's:

"My son, Tully, sent up to Maine and got it. Paid \$85 for it. Like a lot of young folks, money didn't mean as much to him as it does to some of us who've had to grub it out. A boat like that would be too much of an extravagance for me. But when Tully left home I just naturally fell heir to it and, anyway, I didn't like to see a boat that cost that much lying around and not being used."

being used."

Mrs. Garner's version is different.

"That is the story Mr. Garner always tells," she said. "Why,
Tully hadn't had the boat but 2 days when Mr. Garner and Ross
Brumfield loaded it onto their car and they have kept it ever

The Vice President's hunting companions say that he is an excel-The Vice President's hunting companions say that he is an excellent shot, that if there are any deer or wild turkey around he is pretty sure to be represented in the bag. But, they add, it isn't the hunting that he seems to enjoy so much as just "gettin' out." Not many know that back of his love for the Uvalde country and the outdoor life it provides him is the story of a young man restored to health. In his early 20's and just after he had finished reading law, his doctor told him that he had tubercular tendencies and would have to go to a drier climate if he expected to live. That was how he came to Uvalde.

"I wouldn't have given six-bits for the whole place when I went."

That was how he came to Uvalde.

"I wouldn't have given six-bits for the whole place when I went there," he remarked. "And now I can't get back fast enough."

Practicing law in those days in a still little-settled country meant such things as riding horseback 87 miles to Rock Springs. It meant sleeping outdoors, for the trip took 2 days. The Vice President still likes to "curl up under a tree" when out fishing and the night is clear. The outdoor life has paid huge dividends. A good deal more than the cowman's hat he invariably wears suggests the rawhide fiber of the range. His legs are hard and strong and his hunting companions are willing to bet that he can walk an uninitiated visitor into the ground. Two days before he returned to Washington last winter he walked 8 miles over typical ranch country.

"It isn't so much the exercise that I enjoy as seeing things, such as armadillos, chaparral hens, and wild turkeys," he explained. "I like to sit down on a log and rest a while about every half mile, but I couldn't find a doggone log on this whole ranch. I told the man who owns it, 'You've got one of the best huntin' places in the State of Texas and one of the poorest to set down in.'"

JOHN GARNER has the feeling for land of men who have always JOHN GARNER has the feeling for land of men who have always lived close to it. He likes elbowroom, too. The Garner home at Uvalde occupies 8 acres, with the house shaded by fine old live-oak trees. There is another 80-acre place a quarter of a mile from town with a good bearing pecan orchard on it. Last year he bought two pleces of range land, one 14,000 and the other 11,000 acres. No doubt many people who read about it wondered at the reasons.

11,000 acres. No doubt many people who read about it wondered at the reasons.

"A man ought to have his eggs in more than one basket if he can," is his explanation. "I wanted to distribute my operations and the risks. No one can know for sure in this world what will happen. But land is permanent. It stays there if you know how to take care of it, no matter what changes there are."

His love for the kind of life Uvalde affords him is as real as the man himself. Few know it, but two Presidents have offered him lifetime lobs on the bench.

lifetime jobs on the bench.

"I suppose every lawyer looks forward to a judgeship," he said, "and I'm no different in that respect. But it would have meant pulling up stakes and having to live in a city, and I figured it just wasn't worth that to me."

Some years ago the citizens of a large Texas city offered to present

Some years ago the citizens of a large Texas city offered to present him and Mrs. Garner with a fine home if he would go there to live and represent that district in Congress. The offer met the same kind of response as those made by the two Presidents.

He not only likes country life but a country district also. When he was in the House, one of the congressional redistricting plans would have divided up his old district and given him a good-sized city constituency. He fought against it like an unbusted bronco and finally got his way.

A PREMIUM ON COMMON SENSE

"I was honest about it," he confesses. "I told those fellows, "There isn't a danged one of you wants to stay in Congress as bad as I do. If I can have the same kind of folks in my district as I have now, I can keep on coming back.' And I did until they stuck me with this job. For 12 years I never did a lick of campaigning, even to writing a letter or personally asking anyone to vote for me. The best kind of a district a man can have is one made up mostly of country folks. If they come to believe that he is honest and dependable and is trying his best to serve their interests and the Nation's, they will stick by him. They're pretty good judges of character and have a habit of using common sense."

The high store the Vice President sets on this last quality is well known. An observation regarding it came out during a discussion of a book he had been reading, Hugh Marshall Fraser's Democracy in the Making.

"Those earlier Americans didn't know as much as we do now but they were helped out by having a lot of common sense," he said. Why isn't it so prevalent now? "Becoming too technically educated" and "being in too much of a hurry to take time for some hard thinking" are two of his explanations.

Conditions and events have swung over a wide arc since he entered the House in 1903. But the caliber of Congress, he feels, remains consistently high.

"Some have come her who lacked in qualifications and come have

remains consistently high.

"Some have come here who lacked in qualifications, and some by means that were not justifiable," he remarked. "But men do not stay long in Congress unless they have some particular quality that stay long in Congress unless they have some particular quality that fits them to be there. Character, ability to render service, being the kind of man who can be depended upon—all of these count. If a man lacks these things he generally doesn't stay long."

As a Member of the House, minority leader, Speaker of the House, and Vice President, John Nance Garner has had an unusual opportunity to observe the relative merits of men in public life. What is the best equipment for public service?

No immediate comment was forthcoming. The man with the prodigious white eyebrows instead walked back and forth across the big office a couple of times. The answer, though, was worth waiting for well worth keeping on one of the open shelves of a

waiting for, well worth keeping on one of the open shelves of a

person's memory.

"The art of handling men is one of the greatest gifts of statesmanship, one of the most important assets of a public man," he said slowly. "It consists of holding men to you by winning their respect and affection. Then if, in addition, a man has ability he becomes a very strong leader."

He paused for a moment, then went on.

"Nature has something to do with it, of course. Just as a beef animal may have some outstanding characteristics that others of "Nature has something to do with it, of course. Just as a beef animal may have some outstanding characteristics that others of the same breeding will not; or as a particular race horse will have both speed and staying qualities, so some men will have the natural qualities that fit them for public leadership. These can be brought out, developed, and accelerated by use and experience. Our elective system, with its local and State offices, its State and National legislative bodies, provides an excellent training school as well as the machinery for selecting the capable from the other kind as they prove themselves. But, of course, the voters have to do their part."

One does not have to talk with many Members of the Senate or veterans in the House to hear mentioned, in reference to Jack Garner himself, some of the very qualities of which he spoke. As Par Harrison said: "If anyone ever had the respect and affection of all 96 Senators, he has; no matter what their politics may be." One of the Republicans over in the House, whose service antedates 1932, recalled: "Jack was certainly a gadfly to us when he was minority leader. We never knew what stratagem he would resort to because he knew them all. But if he ever gave us his word, there was no further worry about what he would do."

When this last remark was repeated to the Vice President he chuckled and said: "Well, my daddy told me, 'Son, always tell the truth and be a gentleman.' I don't know about the gentleman part, but I've always tried to keep the other. If I give you my word and don't keep it, I think you'll be the first one ever to have that happen to him. But I don't go around giving it too freely."

ELOQUENT SILENCE

Perhaps it is the sum of all these things, plus the rare personality that he is, which accounts for the influence attributed to John Nance Garner. Whether he possesses it or how he uses it, no one will learn from him. But here and there something can be picked up that may cast some light on the matter.

"One reason why he gets along so well with Members of the Senate is because he never gives them original advice," remarked one Senator. "He may invite them over to his office or wait until they drop in. Then, in the talk that follows, the subject he is interested in usually comes up and he has a chance to offer his opinion. And when he does, so far as my experience goes, he talks sense."

What John Nance Garner's opinions are upon current political issues, events, or personalities are kept strictly within official confines. This policy has occasioned a vast and varied lot of conjecture. It has given rise to many comments such as this one not long ago in an Iowa weekly paper: "The most eloquent note in the country today is the silence of John Garner." Numerous explanations have been suggested, but the reason has remained one of the country's foremost unsolved puzzles.

"I don't wonder that people find it hard to account for," said the Vice President, and the look of familiar Garner humor appeared. "Six or eight years ago there wasn't a more vociferous cuss in the whole country than I was. Why I was holding press

conferences twice a week and carrying on about Republican mis-management and the combination of Morgan, Mellon, and Mills— sometimes throwing in Mammon for good measure."

A MYSTERY SOLVED

"But someone had to do it. We didn't have much of an organiza-tion then and no one in particular to speak for the party. So I took over the job and used whatever ammunition I could find handy. over the job and used whatever ammunition I could find handy. Maybe all that talking did some good, but it sure didn't make me popular with some folks. You remember, after the nomination, how many good people fairly shuddered at the thought of anything happening to Franklin Roosevelt and having that 'wild man from Texas' take his place.

"Now, look what keeping your mouth shut does for a fellow's reputation. Nobody any longer thinks that I've got horns and a forked tail. I'm getting credit for a lot of respectable things now, whether I deserve it or not. Maybe there's something to that old saying that 'silence is a virtue of the wise.'"

The real explanation of his silence goes back to an occasion after the election of 1932. He was asked by the newly elected President

the election of 1932. He was asked by the newly elected President to come up to see him at the Roosevelt home. During their conferto come up to see him at the Roosevelt home. During their conference Mr. Roosevelt remarked that he had not been in a position to keep close to affairs in Washington in the 12 years since he had been Assistant Secretary of the Navy. The Vice President, he said, could be of help to him under the circumstances. He said he would want Mr. Garner to sit in the Cabinet meetings and be prepared, then and at other times, to give the President the benefit of his judgment and experience in legislative matters.

JOHN GARNER'S answer was that he was willing to carry the skillet and preform early of the precessory drudgery while they were in

JOHN GARNER'S answer was that he was willing to carry the skillet and perform any of the necessary drudgery while they were in camp together in Washington. He would give his opinion and advice whenever it was asked for, and it would always be the truth as he was able to see it. But if the arrangement was to work out as it should it meant he would have to get into the background and stay there. He would have to keep his mouth shut publicly, make no speeches, and give no interviews. Although he was then national committeeman from Texas, he would ask for no appointments. There was a solid delegation of good Democrats from Texas, anyway, and they could attend to such business. But if his opinion were asked on appointments he would give it as on the other matters. the other matters.

COUNTRY-TOWN HOURS

Such is the explanation of his silence. He has always given "the Such is the explanation of his silence. He has always given "the boss" his honest opinion whenever he was asked for it. He has had nothing to say publicly for the record of any political significance, and he has made no speeches. Some of the highest officials in the party have asked him to do so. He has got up and said some inconsequential things on occasions. But they were not John Garner speeches. As he has often said when he makes a speech, "it has got to have guts in it."

One conspicuous test of the Vice President's rule of no speech making was at the recent commemoration of the one hundred

making was at the recent commemoration of the one hundred and fiftieth anniversary of Congress. The committee on arrange-ments asked him to deliver an address along with the President, the Chief Justice, and the Speaker of the House. But he refused to do so even in honor of the body that he had so long loved and

served in.

No one recalls hearing the Vice President ever comment on the promise he made or the subsequent consequences of it further than to say, "I think I had a flash of intuition."

than to say, "I think I had a flash of intuition."

The scrupulous living and working habits he imposes upon himself have acted as a buffer against invitations to make speeches. Weekday evenings are usually spent in reading, finishing up with a couple of games of rummy with Mrs. Garner. He gets 8 or 9 hours of sleep regularly, retiring at what is just the shank of the evening for many Washingtonians. And he follows country-town hours in getting up. At 7: 15 each morning the elevator is waiting at the seventh floor of the hotel where they live to take Mr. and Mrs. Garner down to breakfast. Mrs. Garner down to breakfast.

INSEPARABLE TIES

"The elevator boy is so used to our being prompt," relates Mrs. Garner, "that one morning recently he said to us, 'You're 2 minutes late.' And sure enough we were. I had taken time to do some things I had neglected the evening before, but I never dreamed he would notice our being only 2 minutes late."

One gets from Mrs. Garner the information that the Vice Presi-

dent is a very temperate eater also, with a liking for a glass or two of milk at each meal. "Of course, I don't know what he eats when he's out camping down home," she hastens to add.

"Down home" means as much to Mrs. Garner as it does to her husband. "I'm really happiest when we get back there and I can enjoy our own house and the flowers and the shade of the live-oak trees in the yard," she tells you.

The inseparable closeness of the ties between John and Ettle Rheiner Garner has long ceased to be a matter of Washington com-

ment. She has had charge of his office ever since he first came to Washington as a juvenile Congressman. The same early hour finds them going to work together every morning.

"I learned stenography as a girl," Mrs. Garner tells the story.

"My brother and I were left orphans. He remained on the ranch

and I went to work in town. Then Mr. Garner and I were married and some years afterward he came to Congress. We had a little money and we didn't know whether he would be reelected. A Conmoney and we didn't know whether he would be reelected. A Congressman was allowed only one clerk then, and so I acted as his secretary, brushing up on the pothooks and loops I had almost forgotten since our marriage. Each term in those earlier years we didn't know whether he would be returned to Washington. So I kept on as his secretary. In time I became used to it and I suppose he came to depend on me. In fact, it got so that I knew his reactions to his mail so well that he only needed to write an indicative sentence on a letter and I could fill out the body of his reply." She smiled and added "even to the cuss words."

THE GARNER WAY

The names of Mr. and Mrs. Garner seldom appear in the society columns. "Although I like people, I really don't care for social activities or formalities," she explained. "So my continuing to help Mr. Garner in his office doesn't mean the sacrifice that some might think. It is his life and I am glad to share it with him."

They pay no attention to "nasty" letters or the derogatory references that are the lot of all people in public life. But Mrs. Garner is still sensitive to them

erences that are the lot of all people in public life. But Mrs. Garner is still sensitive to them.

They have one son and a small granddaughter. Though it goes back some time, a story in relation to the son is worth while telling. He was just finishing college when the United States entered the World War. Congressman John Garner had voted to declare war. On his way home that evening he did some thinking. His vote had meant putting millions of other farmers' sons in uniforms. How about his own boy? By the time he had got to where he lived then his mind was made up. Tully was called in and this was the substance of the conversation that followed: followed:

"Son, how do you feel about this war we declared today?"

"Son, how do you feel about this war we declared today?"

"I want to go, dad."

"Hell, it isn't a matter of wanting to go. You're going. And don't ask me for help of any kind. I might be in a position to give it, and I don't want the temptation."

That is the Garner way. The wheel of personal responsibility turns full circle so far as he is concerned. Perhaps that, better than anything else, explains his keen interest in the present and future of the Democratic Party. For, certainly, after his country and family, the Democratic Party is next in his affections. It as given him many years of honors and trust and places of responsibility. No one believes more intensely than he does in its historic principles and their power for the country's good. Under those circumstances one understands how he feels and what he means when he asks, "Why shouldn't I have something to say about the Democratic Party?"

when he asks, "Why shouldn't I have something to say about the Democratic Party?"

If one should draw a conclusion, wholly unsupported by any statement to that effect, it would be that the post which ranks first in John Garner's heart is Speaker of the House. A regretful note comes into his voice when he recalls that, had not the political fates intervened, he would have occupied it longer than any other man in our history—longer even than his political foeman but boon companion, Nick Longworth, or his old friend, Champ Clark

but boon companion, Nick Longworth, or his old friend, Champ Clark.

"It can be a position of the greatest power and influence, when circumstances and the nature of the man holding combine to make it so," he said. "I have seen a Speaker of the House virtually take a President by the throat—one of the strong Presidents—and make him knuckle down. But it is a power, like all the others under our form of government, that should not be abused but used only for the furtherance of sound legislation."

The Vice President's reading is wide, and he always ships a lot of books home to Uvalde. He likes two things in books he reads. One is plenty of references to show that the writer has delved deeply into the available sources of information. The other is simple language.

deeply into the available sources of information. The other is simple language.

"I never use anything but simple words myself," he remarked, "and there are usually plenty enough of them for you tell what you have to say. When a man is able to think about them in simple terms, some of these large problems may come down to the same size."

But back of his simplicity of language and manner—perhaps

because of it—is a deep capacity of language and mainer—pernaps because of it—is a deep capacity for penetration and analysis. "He is the only man I know of in Washington who can literally figure out a tax bill on his cuff," remarked a member of the Senate Finance Committee. "I have seen him make a very close calculation of the returns from a proposed tax measure when the experts themselves had nothing to go on."

One would like to know more about such matters, as well as

One would like to know more about such matters, as well as numerous other interesting things. But they are outside the limits of a purely personality story.

It was almost time for the Senate to convene. The Rev. ZeBarney T. Phillips, chaplain of the Senate and a handsome figure of a man, came into the office. He put an arm affectionately around the Vice President's shoulder, while he gave his own estimate of him to the visitor. It may not be permissible to quote anything but a chaplain's prayer. But what he said echoed the verdict that Uvalde iolks long ago arrived at: "He is what Texans call a man."

Cape Henry Pilgrimage

EXTENSION OF REMARKS

HON. COLGATE W. DARDEN, JR. OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

ADDRESS BY HON. R. WALTON MOORE, APRIL 30, 1939

Mr. DARDEN. Mr. Speaker, it is with pleasure that I submit for the RECORD the splendid address delivered on yesterday by a distinguished gentleman, a former Member of the House of Representatives, R. Walton Moore, counselor of the Department of State, at Cape Henry, Va., the afternoon of Sunday, April 30, 1939.

seior of the Department of State, at Cape Henry, Va., the afternoon of Sunday, April 30, 1939.

President Roosevelt, whom I have the honor of representing, deeply regrets his inability to be here himself this afternoon. I know how sincere is his regret, because in my contacts with him I have had so much evidence of his keen interest in the history of Virginia, his wide knowledge of conditions in the State, and his concern for the prosperity and happiness of its people.

We are here at Cape Henry commemorating a most significant event. The unfading importance of that event was officially recognized by the Government of the United States last year when legislation was enacted incorporating in the Colonial National Historical Park the plot of ground on which stands the granite cross. The act of Congress refers to the colonists who came here as having founded the first permanent English settlement in America. What a long and brilliant record Virginia has had as being first in so many of the undertakings and achievements that has marked the development and progress of America.

At or near the very spot where we are gathered landed some of those who sailed from England in three small vessels, the Sarah Constant, the Godspeed, and the Discovery, names never to be forgotten. They were under the command of Admiral Newport, and brought to this shore, without counting 40 or 50 hardy sailors, 104 colonists. Here they ended a long, uncomfortable, and perilous voyage, and faced the equally perilous and uncertain task of building a structure of civilization in a wilderness containing not a single white inhabitant. What was back of them they knew; what was ahead of them was wrapped in the future's misty veil.

Some time before the voyagers left England the London company had obtained a royal charter that contemplated the creation of a colony in that extensive part of America called Virginia. When the vessels set sail from England the parent company had selected and commissioned a council to conduct a government. Ways and means

commission. mmission. We now know how elaborate the instructions. They were equivalent to a sort of blueprint of the course the government and the individuals were expected to pursue. But the instructions and the names of the members of the council were secreted in a sealed box.

secreted in a sealed box.

With reference to the character of the adventurers and of the principles of the government they were to found and carry on, I quote the noted New England historian, Channing. He speaks of the early Virginia colonists as "the first heroes of American history." Denying that the Mayflower compact was in any way the constitution of an independent state, Channing says that the Virginia commission and instructions provided "in reality a constitution of government." And commenting on the royal charter issued by James I, from which the project sprang, he has this to say: "It was even more memorable for its constitutional declarations than it was for the assertion of English claim to a share to say: "It was even more memorable for its constitutional declarations than it was for the assertion of English claim to a share of the New World." He cites the declaration that the colonists and their posterity "shall have and enjoy all the liberties, franchises, and immunities within any of our other dominions to all intents and purposes as if they had been abiding and born within our realm of England or any other of our said dominions." And, later, Channing mentions the assembly of 1619, held at Jamestown, as the mother of the American representative legislature

Jamestown, as the mother of the American representative legislature.

The little fleet set sail from Blackwall in East London in the dead of winter—on December 19, 1606. I do not find definite evidence, except for the poet Drayton having addressed an ode to the voyagers, and that the Bishop of London preached a sermon in St. Paul's commemorating their departure, that putting into effect the plan that was to so largely shape the destiny of America and England stirred any great public attention, although it may be assumed that officials of the London company and the relatives and friends of the colonists gathered on the banks of the river Thames to bid them farewell. We cannot fail to remember that in the Tower of London, which overlooks Blackwall Sir Walter Raleigh the Tower of London, which overlooks Blackwall, Sir Walter Raleigh

was then a prisoner; that he had the title of first Governor of Virginia and that the London company took over his conceptions and ideals

There were then no weather prognostications and it could not be anticipated that the vessels would be detained until the beginning of the new year. The detention was caused by a storm that compelled the vessels to take refuge at a fairly protected point called the Downs on the Kentish coast. It is a curious fact as mentioned by an old writer, that at Cape Henry the land shows "white hilly sand like unto the downs."

Many years ago, on a first visit to England, complying with a promise to the Richmond Dispatch (now the Times-Dispatch) to make some investigation and write some articles on Virginia origins, I ignorantly assumed old newspaper files would be available containing the story of the expedition. I discovered, however, on visiting the British Museum, that in that day there were no regular publications resembling modern newspapers that reported current events, and I could not find in any of the irregular and meager publications that had been preserved any notice whatever of the departure of the fleet.

Then the only maps were very crude and imperfect and not

whatever of the departure of the fleet.

Then the only maps were very crude and imperfect and not marked by lanes of travel across the Atlantic, and the instruments of navigation were very primitive. Any method of a vessel ascertaining its longitude was unknown. The fleet by sailing southward added hundreds of miles to a more direct course and encountered violent storms. By the violence of one of these storms the vessels of the fleet temporarily lost touch with each other. How wonderfully striking is the contrast between movement over the Atlantic now and movement over the Atlantic then! Since then the Atlantic has become a well known and exactly mapped ocean; since then the science of meteorology has been developed; since then swift steamers have been largely substituted for slow-moving sealing vessels. And in my own life, in the life of one man, means of communication have come into use that are of utmost value to the mariner—the cable telegraph, the radio, and the transocean telephone. Incidentally it may be mentioned that we are now on the verge of systematic trans-Atlantic aviation service similar to the service in effect across the Pacific between California and the Philippines. I can tell you from my own experience the large Philippines. I can tell you from my own experience the large airplanes that are being used are in their operation and accom-

Philippines. I can tell you from my own experience the large airplanes that are being used are in their operation and accommodations highly satisfactory.

Heading northward the little vessels finally reached the Chesapeake Bay and sighted land here before sunrise the morning of April 26, 1607. That was their first view of their Virginia destination and the accounts written by some of them show how attractive was the prospect that spread out before their gaze. They perhaps began to share the conviction expressed by a writer of that period that Virginia is the goodliest land under the canopy of heaven.

On the date mentioned at least a score of the colonists landed on this shore and went a few miles inland. As they returned they suffered an attack by the Indians in which two were injured, one fatally, which, except for a man dying in the West Indies, was the only death that occurred before the expedition reached Cape Henry. That same evening the sealed box was opened which contained the names of the members of the Virginia council and the instructions that had been prepared for their guidance. One of the colonists who did not go ashore because of being held under arrest on a charge of mutiny was John Smith. Subsequently he was tried at Jamestown and acquitted by a jury—the first jury trial that took place in America. It was an ironical circumstance that Smith, who was held in custody at the time of the landing here, had been named a member of the Virginia council, as was revealed when the box was opened, and that he afterward played such an important and determinative part in the affairs of the new colony.

There is a mass of literature pertaining to the expedition that new colony.

There is a mass of literature pertaining to the expedition that made everlastingly famous Cape Henry, which was named in honor of King James' oldest son. More than one writer has dealt with the question as to what prompted the adventure, and to that question there have been a variety of answers. It is perhaps enough to say that when a world or part of a world is unpeopled by civilized inhabitants it does not in vain beckon adventurers. That there was beyond the ocean a vast area without white men was a fact that stimulated the English spirit in "the spacious days of Queen Elizabeth" and her successor.

That era witnessed such an awakening in England as has hardly before been paralleled in any similar stretch of time. Those who came here, several of them men of prominence, were the contemporaries of Englishmen, whose greatness in nearly every field of thought and activity, which is proof of the extraordinary quickening of the English spirit, will be remembered through the centuries. Among them were great sallors like Sir Francis Drake, who were not only ready but anxious to dare fate on all the seven seas. There is a mass of literature pertaining to the expedition that

were not only ready but anxious to dare fate on all the seven seas. Drake died only about 5 years before the little vessels dropped anchor here. In the field of literature there was Shakespeare, who did not die until 1616. In the field of science and law there was Lord Bacon, who did not die until after the institutions of government, with the first legislature on this continent meeting at Jamestown, were firmly established. In the field of statesmanship there was Burleigh, who largely shaped the policies and activities of the English Government under Queen Elizabeth, who died as late as 1598. The English have always been a daring race, and they were never more daring than in that period when their courage and faith were exemplified by those who came to Cape Henry. They were, of course, not prompted by a merely adventurous spirit. They were convinced that the true interests of their country called for the occupation of the land to which the great Queen had given the name Virginia. They believed that should they be successful, Virginia might furnish the gold and other resources in which England was deficient and that new routes of commerce to the South Sea might be opened up. Furthermore, it was their belief that Virginia might afford an outlet for the surplus population of England. In addition, it was their belief that from Virginia as it developed a curb might be placed on the arrogance of Spain, the most sinister enemy of England, bent on extending its power in the west. They were also impelled by a definite desire to Christianize the savages who were ignorant of the religion which in those days held the undoubting faith of even the most reckless

those days held the undoubting faith of even the most reckless men. There was with them a spirital leader, the Reverend Robert Hunt, who planted the first cross here and who, having the respect and reverence of all, was a shining light to the settlers.

Outstanding among those who arrived here 332 years ago was John Smith. Some critics have endeavored to discredit the veracity of his writings in which are set forth his numberless experiences, but my belief is, and if time permitted this point might be argued at length, that he was not only very able but a man of character, who was incapable of the conscious misrepresentation with which he has been charged. What a remarkable career was his before coming to Virginia! Not satisfied with the quiet of the country life in England, he went to the Continent at the age of 16, the same Ing to Virginia! Not satisfied with the quiet of the country life in England, he went to the Continent at the age of 16, the same age that the later Virginian, George Washington, the greatest of Americans, leaving school began his amazing career. Except for a brief return, Smith remained on the Continent 10 years. In Europe war was not then the exception but nearly constant and universal. Nations, groups, and individuals seemed to regard war as the natural Nations, groups, and individuals seemed to regard war as the natural and inevitable condition. In the latter part of the same century in which the Virginia colonists started from London, Machavelli, the Italian philosopher and statesman, wrote a book in which he expressed the deliberate opinion that war is the only proper business of a ruler. In such a turbulent period no man could be a pacifist, and least of all Smith, whose strength and ardor marked him as a fighter among fighters, prepared to match his courage and skill against whatever enemy he might meet and to endure any adversity. There is no opportunity now to follow the romantic

skill against whatever enemy he might meet and to endure any adversity. There is no opportunity now to follow the romantic career on the Continent of the young Englishman and tell the story of the wars on land and sea in which he took part, of the vicissitudes through which he passed, the suffering he endured as a prisoner, and his narrow escapes from death.

There is time to mention only one of the incidents in which he figured while on the Continent. Participating in the war against the Turks in the Balkan country, which is now the scene of so much trouble and uncertainty, he volunteered to fight in hand-to-hand combat with individual soldiers chosen by the Turkish commander. Smith was the victor in the three duels, and the device on his coat of arms recalls how all of his adversaries succumbed to his valor. That was in Transylvania, then and until 1918 a vice on his coat of arms recalls how all of his adversaries succumbed to his valor. That was in Transylvania, then and until 1918 a part of Hungary, now a part of Rumania. The incident is remembered in that portion of Europe. The Hungarian Minister in Washington has discussed it with me, and recently there has been published in an issue of the National Geographic Magazine an article by an American traveler, whose reference to the incident is illustrated by a picture of the town near which it occurred. It was a prince of Transylvania who awarded Smith his coat of arms. When on that first visit to England of which I have spoken, I went into the St. Sepulchre Church, which is in the heart of London, and stood on the stone in the aisle that covers Smith's grave, I saw there lifted on a rod several feet above the pavement of the aisle the coat of arms showing the three Turks' heads.

When Smith returned to England, still well under 30 years of age, he was not content with an easy and several life in England.

he was not content with an easy and serene life in England. He engaged actively in the Virginia project and was one of those foreengaged actively in the Virginia project and was one of those foremost in raising funds and securing enlistments. Recognition of his unusual qualities and of the value of the services thus rendered led to his name being included among those appointed to compose the Virginia council. I believe he was the youngest of the six members. You know more than I of how in the years after the landing here he was conspicuously and usefully identified with the life of the colony. I think of him now as a man who was not life of the colony. I think of him now as a man who was not willing to pursue beaten paths, but whose originality and wisdom turned him toward new ways. Adopting a now-a-day term, I think of him as a leading liberal in that far distant time when he incurred the hostility of many who did not perceive that liberalism is an essential element of genuine conservatism. If I would, I could not ignore the feet that this year, day, April 20, is the provided in the control of the feet that this year, day, April 20, is the provided in the control of the feet that this year. ignore the fact that this very day, April 30, is the one hundred and fiftieth anniversary of the inauguration of General Washington as the first President of this Republic, which would not have been

as the first President of this Republic, which would not have been established without his leadership as a revolutionary liberal in the struggle for independence and for a popular system of government. Here was the beginning of the life of the Virginia colony, which was to become the most populous and influential of the Thirteen Colonies stretching along the Atlantic coast. When the ties between the Colonies and the mother country weakened, except for Virginia military and political leadership, the whole course of events in America would have been different. Except for that leadership the Colonies that were converted into States loosely held together under the Articles of Confederation might not have adopted a constitution and put in operation a government that is now the most resourceful and powerful in the world.

People viewing present conditions on both sides of the ocean who incline to despair should turn to the history of the generations since the English expedition landed here and realize that at every step there have been tragic occurrences. There have been at every step there have been tragic occurrences. There have been many wars, one of which for 4 years swept Virginia like a devastating fire. There have been problems of enormous magnitude pertaining to our foreign relations and our domestic conditions, some of which seemed almost impossible of solution. It would require hours to even outline the great and manifold difficulties that have had to be overcome. In that connection I think of the remark of one of the Greek philosophers that "difficulties are noble." What he meant is that a noble quality marks the struggle to conquer difficulties as man continually, though sometimes very slowly, advances on the unending road of human progress and improvement.

The colonists that came here were not only daringly courageous

and improvement.

The colonists that came here were not only daringly courageous but they were resolutely hopeful, and it is the spirit of unceasing hope that has inspired the development of Virginia and America. At this hour when such institutions as our own are being discarded by some nations and menaced in other nations, we may repeat the final sentence of James Bryce's great werk on Modern Democracies: "Hope, often disappointed, but always renewed," says Bryce, "is the anchor by which the ship that carries democracy and its fortune will have to ride out the latest storms, as it has ridden out many storms before * * * democracy will never perish until after hope has expired."

I should like to conclude these very imperfect remarks by this observation: There was no woman in the company that reached Cape Henry. But it is due mainly to the earnest efforts of the

observation: There was no woman in the company that reached Cape Henry. But it is due mainly to the earnest efforts of the women of this region—members of the Assembly of Tidewater Virginia Women—that there was enacted the legislation under which the Government of the United States has taken over this First Landing Dune at Cape Henry. All who visit this place as the years pass on will think, as we are now thinking, of an event that will be remembered so long as our Government exists, so long as people thrill to the recollection of a marvelous example of human heroism.

Austin, Tex., Celebrates 100 Years of Liberty and Progress-Pontifical Field Mass Brilliant Event, Drawing More Than 10,000 Worshipers-President Roosevelt Sends Greetings and Urges America in These Critical Times to Turn More Eagerly toward Divine Guidance

EXTENSION OF REMARKS

HON. LYNDON B. JOHNSON OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

Mr. LYNDON B. JOHNSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I am happy to have the opportunity to include three documents from the Austin Catholic Centennial Celebration for the city of Austin, Tex., on Sunday, April 23, 1939.

The city of Austin, the capital of the great State and empire of Texas, was founded 100 years ago, in 1839.

In thanksgiving for this century of progress and liberty, 10,000 Texans assembled at House Park for a pontifical field Mass, celebrated by His Excellency Most Reverend Christopher E. Byrne, D. D., LL. D., Bishop of Galveston. The presiding prelate was His Excellency Most Reverend Arthur J. Drossaerts, D. D., LL. D., the archbishop of the venerable see of San Antonio.

Chairman of the clergy committee for this brilliant celebration was my friend, Rev. James J. O'Brien, C. S. C., pastor of St. Mary's Church at Austin.

President Roosevelt sent his greetings to the celebration, and they were read both before the Mass and at the State dinner which followed, and was attended by the Governor and a large delegation of State and city officials and visiting officials from many sections of the country.

PRESIDENT REMINDS NATION OF NEED FOR DIVINE GUIDANCE THE WHITE HOUSE. Washington, April 17, 1939.

Rev. James J. O'BRIEN, C. S. C., Chairman, Clergy Committee, Pontifical Mass, 209 East Tenth Street, Austin, Tex.

DEAR FATHER O'BRIEN: I am grateful to the Austin Catholic Centennial Committee for the kind invitation to attend the celebration which you are planning to carry out in Austin on next Sunday, April 23, and regret exceedingly that circumstances prevent my

acceptance

Our forefathers from earliest times, wherever they settled, made generous provision for the institutions of religion. Due to their faith and vision and sacrifice, we have a rich spiritual heritage out of the past. The world has as great need for religion today as at any time in its history, and celebrations such as yours emphasize the recognition of that need and man's dependence upon the

I trust that the forthcoming celebration will be an inspiring event, and I shall greatly appreciate it if you will extend to all who participate my hearty felicitations and warmest personal

greetings.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

HERITAGE OF THE MISSIONARIES REAPED IN PEACE AND PROGRESS APRIL 14, 1939.

AUSTIN CATHOLIC CENTENNIAL COMMITTEE,
Rev. J. J. O'Brien, Chairman, Clergy Committee.
MY DEAR FRIENDS: It is a source of regret to me that I cannot

be with you on this great occasion in celebration of the first century of liberty and progress for Austin.

Nevertheless, I am with you in spirit, and I wish to join my thoughts with yours as you pay tribute both to our Commonwealth and our capital city.

Surely no celebration of a Texas anniversary would be complete without a fitting remembrance of the magnificent contribution of without a fitting remembrance of the magnificent contribution of the Catholic Church to the pages of its history. By the efforts of the ever-faithful missionary father, the cross has inevitably arisen above the sword of conquest. And by the courage and sacrifice of the men and women who have followed the pioneers, our civiliza-tion has been infused with the truths and precepts of the Redeemer of mankind.

The gem-like missions we cherish are monuments to these souls. The stories of their lives of privation, hardship, and sacrifice are also monuments. But the greatest monuments stand in all of us as individuals and collectively as Texans, reaping today the fruits of their labour.

With greetings and kind remembrances, I am, Sincerely,

LYNDON B. JOHNSON.

SERMON BY THE VERY REVEREND JAMES W. DONAHUE, C. S. C., Ph. D., FORMER SUPERIOR GENERAL, CONGREGATION OF HOLY CROSS

Your excellencies, very reverend and reverend fathers, distinguished guests, my dear brethren, a century ago this month, on the 15th of April 1839, the commission of five named by the Texas Legislature to purchase land for the new capital site of Texas reported to President Mirabeau B. Lamar that they had purchased some 7,000 acres of land on the east bank of the Colorado Rivery, near the footbulk of the Colorado Rivery. rear the foothills of the Colorado Mountains, where a start had previously been made to found the town of Waterloo. President Lamar appointed Edwin Waller as agent to establish and organize the new capital. The site was almost a wilderness, only two families, those of Harrell and Hornsby, residing on the land. There were no settlements north of it on the Colorado, and the nearest communities to the postback to the Postagores. communities to the northeast, on the Brazos, were 60 miles away. San Antonio was 84 miles to the southwest with no settlements between, and there were only a few families on the Colorado between the site and Bastrop.

Waller laid out the land in lots and streets and selected a site of the colorado streets and selected as the colorado selected sele

for public buildings. The lots were then sold at auction and soon the wilderness was the scene of intense activity. Lumber was transported from Bastrop, 35 miles away. Carpenters and laborers

were set to work building a town.

TOWN BECOMES REALITY IN 6 MONTHS' TIME

Within 6 months after the site was selected, the town was a reality. It consisted of a large building for the meetings of Congress, a two-story frame "President's Mansion," a number of board hotels, and log houses for the departments and for residences. These were supplemented by a number of tents and other temporary places of abode. The new capital, in accordance with the law creating it, was named Austin, in honor of Stephen Fuller Austin, "Father of Texas," and on the first Monday in November 1839, the Fourth Congress of the Republic of Texas began its sessions in Austin. By that time it was a community of about fifteen hundred people.

It is a far cry from that little community of fifteen hundred souls dwelling in tents and log huts at the outposts of civilization, in a wilderness of prowling tribes of Indians and thundering herds of buffalo to the fair and friendly city which with her violet crown queens our mighty Commonwealth of Texas today. Rightly do we pause during this centenary to lift our hearts in gratitude to God for a century of favors material and spiritual; for gratitude has ever characterized the noble heart. Rightly do we recall with profoundest gratitude the century of progress, and above all, the century of liberty, civic and religious, with which God has blessed us.

AUSTIN'S "CAUSE OF RIGHT AND LIBERTY" STILL HELD BEFORE WORLD Within 6 months after the site was selected, the town was a

AUSTIN'S "CAUSE OF RIGHT AND LIBERTY" STILL HELD BEFORE WORLD

The lover of liberty looking out upon the world today is appalled as he beholds the most fundamental and inalienable of human rights ignored, abrogated, and trampled upon in nation after nation. As citizens of this great Commonwealth dedicated in the words of

its father Stephen F. Austin, to "The cause of right and liberty," as citizens of the greater Nation "conceived in liberty and dedicated to the cause that all men are created equal, that they are endowed by their Creator with certain malienable rights, that among these are life, liberty, and the pursuit of happiness," and finally as chil-dren of Jesus Christ, God, and man, humanity's Redeemer who saved us not only from the tyranny of Satan but from the tyranny saved us not only from the tyranny of Satan but from the tyranny of pagan government as well, what more appropriate or useful task can we propose to ourselves this morning than to consider the sacred rights we enjoy as well as the equally important fact that liberty as understood in America is the child of Christianity which has ever been her nursing mother and without whose protection she is at the mercy of every Herod that lust for power or other passion may loose upon us.

passion may loose upon us.

This task should appeal in a very special manner to the Catholics of Austin, as they recall that within 6 months of its transfer from Houston to Austin the Legislature of Texas unanimously voted to restore to the "chief pastor of the Catholic Church of Texas the churches of San Fernando, The Alamo, La Purissima Concepcion, San José, San Juan Capistrano, San Francisco de la Espada, Goliad, Victoria, and Refugio, with their lots not to exceed 15 acres," property which had been secularized by the Government of Mexico.

Mexico.

Nor will Texas forget that the Very Reverend Father John Timon, prefect apostolic, who brought to President Lamar the Catholic claim for justice, carried with him from Christ's vicar, Gregory XVI, letters which were practically a recognition of the independence of the Republic of Texas.

When the founders of Texas drew up the constitution of their new nation they attached to it a bill of rights which, in conformity with the American tradition, guaranteed to its citizens all the liberty that anyone can reasonably claim whether as a human being or as a citizen. The natural rights thus guaranteed may be summarized as those of life, liberty, marriage, and property. They included freedom of religious worship, equality before the law, freedom of speech, freedom of the press, freedom of assembly, freedom from unreasonable search and seizure, the right to a speedy and impartial trial and the right to private property.

right to a speedy and impartial trial and the right to private property.

For 100 years we have enjoyed these sacred rights. Let us ask ourselves this morning if we value them aright. Have we not as heirs of the Christian inheritance taken them for granted? Do we understand that it has taken centuries of teaching and struggle for Christianity to establish and safeguard them? Go read the story of the pagan state and understand that before Christ's coming there was no limitation to the power of governments. Pharaoh or Caesar, it made no difference, his power over his subjects whom he owned, body and soul, was unlimited. Writes Lord Action:

Acton:

"The ancients understood the regulation of the power better than the regulation of liberty. They concentrated so many prerogatives in the State as to leave no footing from which a man could deny its jurisdiction. What the slave was in the hands of his master the citizen was in the hands of the community. The most sacred obligations vanished before the public advantage. The passengers existed for the ship." (History of Freedom and Other Essays.)

CHURCH HOLDS LIGHT OF TRUTH TO GUIDE ALL BUILDERS

Well and truly has Francis Leiber written in his work on Civil Liberty and Self Government:

"We observe that the priceless individual worth and value which Christianity gives to each human being by making him an individual responsible being with the highest duties and the highest privileges, together with advancing civilization, developed more and recre the idea of individual rights and the idea of protecting them." more the idea of individual rights and the idea of protecting them" (edition 1859, p. 50).

There is profound truth in S. H. Butcher's observation: "Not until man was rescued out of the kingdom of Nature and taken up into the commonwealth of God and into personal relations with the divine Being could he be more than the member of a social organism or an instrument for attaining the ends of the state. Then only did a universal morality become possible and the idea of personality receive its full content." (Some Aspects of Greek Gonius)

Genius.)

It was Christianity teaching the existence of God, the Creator, Redeemer, and Sanctifier of man, of man destined for supernatural and eternal life; it was Christianity teaching the essential equality and value of all men—black, brown, red, white, and yellow—that laid the foundation and reared the temple of human liberty as we of the western world have known and treasured it for centuries. From Christianity's fundamental teachings followed the existence of that natural law governing man's relations with God and man, that natural law which antedates all human laws and all human society, which gives to human laws their sanction, and which no government may limit or abrogate without committing a crime against God and man. Freedom from the tyrant as from Satan was brought to humanity by Jesus of Nazareth, the eternal Son of God, and Mary's Son.

CHRISTIANITY STORY OF BATTLE FOR RIGHTS

The story of Christianity is largely the story of this battle for human rights against the insolence of power unregulated by

For these rights, Peter and the Apostles laid down their lives. In their defense Christians for 300 years joyfully faced martyrdom and crimsoned with their blood every amphitheater of the

As the centuries unroll we see Peter's successors resisting now Alaric, now Attila, now the Hohenstaufens, even as in our own day and hour the intrepid Pius XI of holy memory fought to his dying breath the mad and monstrous leaders of the renascent pagan states. The Fathers, Ambrose, Augustine, Chrysostom and Gregory and their successors defended those same rights in their writings and in their defense fearlessly resisted tyrants like Theodosius as did Ambrose or for them endured exile as did Chrysostom.

as did Chrysostom.

Liberty as we Americans understand it stems not from the pagan philosophy of Rousseau and the French revolution, but from the ancient English tradition which is only one species of that liberty found in every one of the nations won to the religion of Jesus Christ. That liberty may vary in its details being colored by racial and national differences but as to essentials it is always the same based as it is on the same natural law and the same fundamental philosophy and theology.

Remember that it was Stephen Cardinal Langton, Archbishop of Canterbury, who rode at the head of the English barons to Runnymede to wrench from the resisting hands of the tyrant John that

mede to wrench from the resisting hands of the tyrant John that Magna Carta which is the basic charter of so many of our most sacred liberties. It was Bellarmine and Suarez, the first a saint and doctor of the church, both echoing the teaching of Aquinas and the greatest of the medieval thinkers who consecrated their brilliant intellects to refuting the Stuart heresy of the divine right of kings.

PRECIOUS DOCUMENTS SPEAK LANGUAGE OF CHRISTIANITY

It was from this glorious Catholic tradition that the immortal Edmund Burke, defender of the liberties of our Colonies, as well as Washington, Jefferson, Hamilton, James Wilson, and the other signers of the Declaration of Independence and our Constitution,

signers of the Declaration of Independence and our Constitution, drew their inspiration. Consciously or unconsciously they all speak the language of Christianity. Both the Declaration of Independence and the Constitution of the United States are declarations of principles rooted in the very foundation of Christian civilization. We who gather about this altar today are no strangers in the halls of liberty. We glory in the memory of our martyred ancestors, who in every century since the foundation of Christianity have died that liberty might live. And, which God forbid, should tyranny ever lift its monstrous head in this our land, should it ever dare to touch with sacrilegious hand the rights of our citizens, Catholic or non-Catholic—we march, as Langton did to Runnymede.

to touch with sacrilegious hand the rights of our citizens, Catholic or non-Catholic—we march, as Langton did to Runnymede.

For a century of liberty and progress we thank the Triune God this morning, offering to His adorable Majesty the Lamb that was slain on Calvary's Hill, Him "whom the Father heareth always." We offer our holy mass, not only in thanksgiving but also that God, in His loving kindness, may bless us in the future as in the past. We pray for all the citizens of Texas, regardless of race or creed, recognizing them as our brothers, as children of a common Father whom Jesus Christ purchased at a great price.

We take this happy occasion to offer them in Christian charity the right hand of fellowship. May Austin ever be the friendly city where men and women of every race and creed live united in the

where men and women of every race and creed live united in the bonds of charity. Through the intercession of His immaculate and Virgin Mother, may the spirit of Him who said, "My little children, a new commandment I give you, that you love one another as I have loved you," abide with us forever.

Great Lakes-St. Lawrence Seaway

EXTENSION OF REMARKS

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

ADDRESS BY HON, WILLIAM GEORGE BRUCE AND EDITORIAL COMMENT

Mr. KEEFE. Mr. Speaker, the State of Wisconsin and its port cities on Lakes Michigan and Superior have for more than 20 years fought for deep-water navigation to the markets of the world.

The products of our farms and factories seek only equality in the battle of competition with products from other parts of our Nation. We ask no favor, but we want the removal of artificial discrimination. We want our place in the sun. We are determined to secure it. We seek to injure no one, but we are determined to permit none to injure us.

It has been our settled and official State policy to advocate and work for the completion of the Great Lakes-St. Lawrence seaway. In that fight over the years the Honorable William

George Bruce, of Milwaukee, has been chairman of our Wisconsin Deep Waterway Commission, an official State body. Mr. Bruce is 83 years of age, is president of the Milwaukee Harbor Commission, honorary president of the Great Lakes Harbors Association, and vice president of the National Seaway Council; he is one of our State's leading citizens, and a leader in industrial, civic, and religious activities.

No man can speak with a firmer and more certain voice on the waterway needs of Wisconsin and our port cities than Mr. Bruce. Recently he spoke in Sheboygan and Port Washington, both port cities in my congressional district, in answer to attacks made by sectional interests against the construction of the Great Lakes seaway.

Herewith are excerpts from his talks, together with two editorials from the Sheboygan Press, one following the initial attack on the seaway, and the other following the answer made by Mr. Bruce:

ADDRESS BY HON. WILLIAM GEORGE BRUCE BEFORE THE SHEBOYGAN ROTARY CLUB, SHEBOYGAN, WIS., AND KIWANIS AND ROTARY CLUBS, PORT WASHINGTON, WIS.

The State of Wisconsin has officially and aggressively advocated the construction of the Great Lakes-St. Lawrence seaway for more than 20 years. Every Governor and every legislature and all political parties have during that time joined with municipal naviga-tion, and business leaders to obtain deep-water navigation to the markets of the world so badly needed by the products of our farms and factories.

That the policy of the State of Wisconsin over the past 20

years will continue to be our policy until we attain success is clearly and definitely demonstrated by the fact that in this very session of our legislature a memorial was passed after committee study asking continued negotiation by the President and Federal officials to the end that our present isolation may be relieved as quickly as possible.

officials to the end that our present isolated his acquickly as possible.

Why does Wisconsin want deep-water navigation? Why do other Great Lakes States want deep-water navigation? Why have leaders of municipal, agricultural, and industrial groups fought for years for the completion of what is the greatest project now before this Nation?

SEAWAY IS NATURE'S GIFT

We want freedom and parity to the markets of the world. We we want freedom and parity to the markets of the world. We want equity for our farms and factories; we want employment opportunities for our working people. These are represented in the construction of the Great Lakes-St. Lawrence seaway and we would be recreant to the trust we owe future generations if we failed to fight to develop what is admitted to be the greatest inland ocean in the world.

inland ocean in the world.

Deep-water navigation is now available over 90 percent of the distance from the head-of-the-lakes to the mouth of the St. Lawrence. Nature gave us this great stretch of water and because of its values in dollars-and-cents savings to the public, it has been developed and deepened over the years. Here on the Great Lakes is the only highly developed industrial civilization in the world at a distance of a thousand miles from ocean depths. This fact—and the added fact that great cities have developed out here—is due solely to the transportation facilities of the Great Lakes.

It is a known and admitted fact that transportation makes cities. Navigable waters makes great cities. Great Lakes water transport is the cheapest transportation in the world. In addition, we have in great numbers the other required factor in that picture, namely, men to capitalize these advantages and make them produce for the national good.

them produce for the national good.

Outside of a very few sectional and selfish interests, the Great Lakes are a unit today just as they have been for more than 20 years. We insist that a great national loss is being incurred by failure to develop the short stretch of the river that needs development. The cost of developing is far less than the loss incurred through neglect. The Great Lakes save more to the national freight bill each year than the total cost to our country for the completion of our seave. completion of our seaway.

ENCIRCLEMENT HARMS MIDWEST

Nature gave us this great water artery and left to us to deepen and develop only one short stretch in the international section of the St. Lawrence River. If all of that route were wholly in either Canada or the United States, it would have been developed for the public good years ago. Here in this country we have constructed great artificial waterways at great cost, and yet this natural route remains uncompleted.

Why? Find the answer to that question and you have the entire reason why isolation is forced upon 40,000,000 people in the great Midwest country. New York City maritime interests are opposed, of course. Why? They form the tollgate through which we have paid tribute for passage of our goods. Their iron ring has confined great industries to the Atlantic coast, to the great detriment of our people out here. Sanctimoniously, New York and Boston and Philadelphia and Baltimore tell us they oppose because they do

not want to subject us to the dangers and damages of foreign commerce; that giving us deep-water navigation will open us to trade with all the world. It will—and we want that ability for the products of our farms and factories. If foreign commerce is dangerous to the Midwest, it follows that it must be equally damaging to the Atlantic coast. But if it is so good that the Atlantic coast is fighting to retain its monopoly, we insist on our inherent right

is fighting to retain its monopoly, we insist on our inherent right to participate in the benefits.

Certain forces in Chicago, the Mississippi Valley, and New Orleans oppose our logical ambition, but why? They do not like the proposed treaty with Canada because in it both countries agree to recognize the Supreme Court decree curtailing the so-called Chicago diversion of Great Lakes waters. In addition some of these groups want to force the Great Lakes to send their products to the ocean via the New Orleans gateway. We want to use all gateways, and we will use all, but we continue to insist on our right to have deep-water navigation to the Atlantic Ocean.

ONLY SELFISH INTERESTS OPPOSE

Certain coal interests are opposing our ambition on the false claim it will give our market to foreign coal. Such is not, of course, the case; that is not an actual threat because this Nation can give domestic coal all the protection it needs. Coal is in no different class than any other commodity.

The same is true as to the importation of foreign ores. Raising a smoke screen on coal and foreign ores and using them as objections the contraction of the contraction

a smoke screen on coal and foreign ores and using them as objections to the construction of the seaway is a specious effort and will be unavailing as soon as the false claims are subjected to the sunlight of knowledge. Only selfish interests oppose. Representatives of certain lake-navigation interests expressed to you recently their opposition to the seaway. They are chasing shadows; their business, the business on which they have grown great through the navigation values of the Great Lakes, is port to port, and they must know that foreigners cannot compete with them in that operation. Existing Federal legislation is a full and

them in that operation. Existing Federal legislation is a full and complete answer to their claims and fears.

The railroads have expressed opposition, yet no group will derive greater benefit than the very railroads that now oppose this great national project. The seaway will not compete objectively with the railroads; it will complement that great arm of transportation. The railroads must recognize, and I am sure they do, that commodities are carried on the Great Lakes at the remarkably low cost of 1 mill per ton-mile. This is in contrast, but one-tenth of the average cost by rail. What transportion facility can compete with the Great Lakes? And, why should not our entire Nation receive the greatest possible benefit from this remarkable facility? It is a blind act to keep the Lakes blocked and its benefits from all the people of our Nation.

A MONUMENT TO GENIUS AND WISDOM

The Nation knows that our railroads are great because of the carriage of the products of our farms and factories. Yet, which of our cities would be great today were it deprived of the values of the Great Lakes? If that be true—and it is—how can it be

of the Great Lakes? If that be true—and it is—how can it be claimed seriously that a full development of the Great Lakes will do ought but benefit the refiroads.

In all charity, we say that opposition to the proper and economic development of the seaway is based on strictly selfish interest or on misunderstanding. No project has received greater study, and no project has received greater commendation. President after President, regardless of political affiliation, has favored it. Every Federal agency charged with studies of any part of it, has approved it and recommended that it be constructed. Two great nations—Canada and the United States—have made treaty engagements looking to its construction. Formal ratification by legislative bodies of the two countries alone remains.

Never was a time more opportune for the construction of this great project. It will free the Midwest, but more than that, it will give employment to great numbers who today badly and sadly need work. Here is a project, sound from every view point, to which relief funds can be devoted, that will stand for all time as a monument to the genius and wisdom of our present national

as a monument to the genius and wisdom of our present national leaders.

[From the Sheboygan (Wis.) Press of February 24, 1939] SHORT-SIGHTED POLICY

Recently L. C. Sabin, of Cleveland, Ohio, vice president of the Lake Carriers' Association, discussed the St. Lawrence seaway, opposing it in a vigorous argument before the Rotary Club.

There are always two sides to a question, and Mr. Sabin raises the argument of the invasion of foreign goods to the detriment of home trade. You can always raise that question and get a hearing, but what are the facts? The St. Lawrence deep waterway doesn't make the tariff. Those are instrumentalities entirely divorced from the question. If we are going to take care of unemployment, if we are going to build a great nation, we must be prepared to ship to the four corners of the earth. True, we can expect that we will receive shipments of foreign goods that we be prepared to saip to the four corners of the earth. True, we can expect that we will receive shipments of foreign goods that we need in return. The idea that the grain and coal markets of the United States are to be ravished by opening our doors to seagoing vessels is a bugaboo presented by railroad interests to freighten the people.

We are landlocked, we are at the mercy of the railroad interests, and we will continue at their mercy until we have water transportation. Let us frankly say right here that is a very short-sighted policy on the part of the railroads to try to block a worth-while project like the St. Lawrence seaway. Railroads, if they are alert, will do more business to seaports with additional outlets. Shipments that are barred because of the expense today hold grains and other commodities within a small area.

Let us take for example the products of our canning companies, and Wisconsin is a great canning State. California, Washington, and Oregon can ship their canned commodities by boat to New York cheaper than we can by rail, and as a result we have lost the New York market and for that matter the eastern market. What applies to canned goods applies to other commodities as well.

The United States and Canada are negotiating a treaty at this time, and this is an eleventh-hour attempt to kill off an opportunity to reach the markets of the world, the biggest protesters being the railroads. There are innumerable articles that we do not manufacture and which we need in the United States; and

not manufacture and which we need in the United States; and the lower the freight rate the better it is for industry.

On the other hand there are a great many things we manufacture that other nations need, and lowering the freight rate will give us an opportunity in the markets of the world. The railroads were very short-sighted years ago in letting the truck lines undermine their business. They failed to awake until it was too late. The same was true of their passenger service until they modernized. they modernized.

We are living in a new age and the railroads, if they will keep pace with the times, can increase their business and make it profitable. If they look ahead they can help themselves and help the individual in opening the markets of the world for the advantage of agriculture and industry. If they block it they are holding back recovery and they are hastening the day of their own demise own demise.

What a wonderful sight it would be to see an ocean liner coming into Sheboygan and taking the products of the farm, our cheese, canned goods, and the like, and carrying them to points of outlet at a rate on par with that paid by those of the west coast.

[From the Sheboygan (Wis.) Press of March 28, 1939] ST. LAWRENCE WATERWAY

Back in February L. C. Sabin, of Cleveland, Ohio, vice president of the Lake Carriers' Association, discussed the St. Lawrence sea-

of the Lake Carriers' Association, discussed the St. Lawrence seaway, not from the point of advantages, but he claimed that it is of little or no value to the country.

Yesterday William George Bruce, president of the Milwaukee Harbor Commission, gave the facts in a ringing address that was appealing to every individual who realizes the advantage of shipping by water as well as rail.

Ever since the days of the first meetings twenty-odd years ago, Mr. Bruce has been a dominant figure in this waterway fight. In the first instance Mr. Sabin as well as the railroads were favorable to the St. Lawrence waterway. Then came an order from the east, and overnight railroads that had been favorable to the plan became opponents. It was not of their own choosing, for the

east, and overnight railroads that had been favorable to the plan became opponents. It was not of their own choosing, for the western railroads, everyone of them, stand to share in the profits of an increased lake traffic. However, there are big interests at work, eastern interests, coal and steel interests, and they are trying now to mislead the public.

What we would like to see is a debate between Mr. Sabin and Richard F. Malia, of Milwaukee, executive secretary of the Great Lakes Harbors Association, and held in the city of Sheboygan. Too many times the people do not get the full information. When Mr. Sabin talked here in Sheboygan he enthused listeners and it has taken all this time to get the other side from Mr. Bruce. The things Mr. Sabin said about tariffs and the shipments of foreign goods to the injury of an American market have long since been "shot into a cocked hat" by statements originating out of Washington and Canada.

We would suggest a great evening meeting sponsored by the

ington and Canada.

We would suggest a great evening meeting sponsored by the Rotary, where each side would be given an hour to present the case. It would be a profitable evening and we would then have arguments pro and con. Where would you find a better place to have a debate than right on the shores of Lake Michigan here where the deep waterway will serve its greatest purpose?

Despite the opposition that has been raging for years and the lack of interest of some who ought to be on the firing line, we are willing to predict that in the short space of 2 or 3 years we will find the treaty ratified and the St. Lawrence waterway made a reality.

we will find the treaty ratified and the St. Lawrence waterway made a reality.

No railroads or big interest are going to stop the people from getting the advantages of this new transportation. This waterway besides having a great commercial advantage, will put the United States in a position where we will be better able to meet and combat any warring nation that may see fit to take advantage of the United States. From every viewpoint the St. Lawrence waterway is an American waterway deserving of the support of every loyal American citizen.

The address of Mr. Bruce was a masterly plea for a waterway that will release Wisconsin, Minnesota, Michigan, and Midwest States from a landlocked position.

Classification of Certain Federal Employees

EXTENSION OF REMARKS

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

H. R. 4190 AND LETTER FROM CIVIL SERVICE COMMISSION

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a copy of H. R. 4190, together with a copy of a letter sent by the Civil Service Commission to the chairman of the Civil Service Committee of the House.

[H. R. 4190, 76th Cong., 1st Sess.]

A bill to permit classification of certain unclassified employees of the United States by noncompetitive examination

Be it enacted, etc., That section 7 of the act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, as amended (U. S. C., title 5, sec. 638), is amended by adding at the end thereof the following new sentence: "Any laborer, having an unclassified status, who has completed not less than 5 years' satisfactory service in the employ of the United States, may, under such rules and regulations as the President may prescribe, be promoted to the position of classified laborer through noncompetitive examination."

> UNITED STATES CIVIL SERVICE COMMISSION, Washington, D. C., April 17, 1939.

Hon. ROBERT RAMSPECK, Chairman, Committee on the Civil Service,

Dear Mr. Ramspeck: In compliance with your request in letter of March 15, 1939, I am pleased to present our views on H. R. 4190, a bill introduced by Representative McCormack, "To permit classification of certain unclassified employees of the United States by noncompetitive evanination." noncompetitive examination."

noncompetitive examination."

Section 7 of the basic Civil Service Act, approved January 16, 1883, provides, "* * nor shall * * any person merely employed as laborer or workman be required to be classified hereunder; * * *." Accordingly, in the exercise of power conferred by section 1753 of the Revised Statutes, the President has from time to time issued regulations to govern the employment of unclassified laborers in the executive civil service. Section 1 of these regulations authorizes the Civil Service Commission to apply them to such cities or parts of the executive civil service as it may deem proper. The application of labor regulations is dependent on the demand for full-time laborers and an available supply for recruitment purposes. At the present time, labor regulations are in effect at Washington, D. C., and the larger cities, including the headquarters of each civil-service district, besides a number of establishments under various Federal departments and bureaus such as arsenals, navy yards, veterans' hospitals, etc.

Applicants for unclassified laborer are rated upon their physical ability to perform manual labor as determined by physicians des-

Applicants for unclassified laborer are rated upon their physical ability to perform manual labor as determined by physicians designated by the Commission. To receive a rating of 100, a man must measure at least 68 inches in height, must weigh at least 150 pounds, must be able to lift, shoulder, and easily carry a mail bag and contents weighing 125 pounds, or more, if required, except in certain localities where a waiver of the sack-lifting test has been authorized by the Civil Service Commission, and be free from physical defects. To receive the maximum rating of 100, a woman must measure at least 64 inches in height and be free from physical defects. The sack-lifting test is omitted for female (charwomen) and boy laborers. (charwomen) and boy laborers.

(charwomen) and boy laborers.

At places where the labor regulations are not in effect, unclassified laborers are hired by the appointing officer without examination of any kind. This type of employment is largely of a seasonal nature or of intermittent duration and the number of appointments greatly exceed those effected under the labor regulations. The proposed bill would permit such laborers, as well as persons appointed under the labor regulations, after an aggregate of 5 years' service, to be promoted noncompetitively to classified-laborer jobs.

At the present time the prohibition is the Cart.

At the present time the prohibition in the Civil Service Act of 1883 against the classification of laborer positions constitutes an artificial barrier within an organization for promotion such as does not exist in private industry. The Commission, therefore, is favorable to legislation which will remove this barrier in proper

The merit system established by the Civil Service Act involves open competition, and open competition is also provided for in the labor regulations promulgated by the President and applied by the Civil Service Commission in those localities where it believes competition is practicable.

Combining these two basic principles of open competition for entrance to the service and noncompetitive promotion thereafter leads the Commission to recommend that H. R. 4190 be amended by inserting the words "and having been appointed under the labor regulations" immediately after the word "status" appearing in line 7 of the bill as introduced by Representative McCormack on February 15, 1939. With this change the Commission is favorable to the proposed legislation.

Very sincerely yours,

HARRY B. MITCHELL, President.

National Youth Administration

EXTENSION OF REMARKS

HON. THOMAS A. FLAHERTY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

ARTICLE FROM THE LONDON TIMES

Mr. FLAHERTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the London Times:

[From the London Times]

THE NATIONAL YOUTH ADMINISTRATION IS YOUNG AMERICA'S AT-TEMPT TO SOLVE THE PROBLEMS OF UNEMPLOYMENT ON COOPERATIVE

In the United States, as in most of the industrialized countries of the world, problems faced by youth have been intensified during the past 7 or 8 years. Mass-production methods have led to an increase in blind-alley jobs and trade depression has caused unemployment. Unemployment has operated by reducing family resources which might have been spent on education and by restricting the opportunities of youth. It has been estimated that 28 percent of American unemployed are between the ages of 16 and 25. But the problem is not merely one of unemployment. A generation is growing up self-conscious, restless, and explosive, seemingly forced to rebel against an economic and social system which does not appear to have enough room for it.

The demands of the young are not unreasonable. They want a chance to earn a living, to marry at a mating age, to attain education, to understand the functions and principles of government. Specific deficiencies have been the most important factors in the creation of this problem. There are not enough jobs to employ the youth who need them and want them; the educational system is not adequate in size or scope to prepare multitudes of young people for the opportunities that are available; there is a gap, measured in years, between the time a youth leaves school and the time he finds a permanent job. During this period society completely abandons him and delinquency reaches its peak. In the United States, as in most of the industrialized countries

AN ATTEMPT TO FIND A SOLUTION

completely abandons him and delinquency reaches its peak.

AN ATTEMPT TO FIND A SOLUTION

The National Youth Administration was created to find a solution, or a partial solution, for these shortcomings in American social and economic life. In the spring of 1935 Mrs. Roosevelt, who is by training and practice a social worker and a teacher, summoned a group of 30 unemployed youth of New York representing a cross section of city life. With the help of Government officials practical suggestions of their needs were worked out. Many of these suggestions were passed on to the President, who, in June 1935, by Executive order, set up the National Youth Administration. It is an open secret that the suggestions of Mrs. Roosevelt's conference were used as its basis. The scheme to a large extent expressed the will of those who were to take part in it; it represented youth's own contribution to the meeting of its own needs. This characteristic was retained by inviting the cooperation of the American Youth Congress, a federation of nearly 1,000 youth organizations, which claims to speak for most young Americans.

N. Y. A., as it is popularly called, has three main objectives. It provides funds for the part-time employment of needy school, college, and graduate students between 16 and 25 years of age to enable them to continue their education (the student-aid program). It provides funds for part-time employment and training on work projects of young persons, chiefly from families on relief, between 18 and 25 years of age, the projects being designed not only to give work experience but to benefit youth generally and the communities in which they live particularly (the works-project program). It provides for persons between 16 and 25 years of age placement and guidance centers, which inform them of the conditions and requirements of various industries.

Before 1935 there was no extension system of juvenile-employment exchanges as in England, and the guidance and placement centers were to fill this gap. They serve to link the la

tries to encourage and help young people to accept positions as apprentices. It has also prepared a study of American industry which gives a picture of its growth and decline, its natural distribution, the kinds of skill required, and the conditions of work. The student-aid and the works-project programs have various common assumptions. It is demoralizing to be given money for nothing; if possible, relief must be earned. But work done must be constructive work for the benefit of the school or community of which the worker is a member. Also it must be work which be constructive work for the benefit of the school or community of which the worker is a member. Also it must be work which would not have been undertaken without the help of Federal funds. It must be paid for at normal rates. Participation in all these schemes is voluntary. Student aid may be given to high school or college students who are thought to be capable of profiting by continued education but who could not alone afford to remain at school or college. It is available only in schools not run for profit. In 1937 student aid cost the Federal Government \$72 a student a year, and enabled over 300,000 students who would not otherwise have done so to continue their education. Professors, masters, and students are almost unanimous in their approval of the scheme; the only general criticism is that it does not reach enough pupils.

The N. Y. A. students show themselves, according to inquiries made by Ohio University, on the average, scholastically superior to their fellows. Some of these youths have won first-rate intellectual distinction; an N. Y. A. student at the Dakota University has won a Rhodes scholarship and is now at Oxford. The work done by them in payment for their education has been of great value to the communities of which they are members. They have been assigned to such branches as research surveys and statistics, laboratory assistance, assistance in public nursery schools and bealth deportments ground and haiding maintenance.

value to the communities of which they are members. They have been assigned to such branches as research surveys and statistics, laboratory assistance, assistance in public nursery schools and health departments, ground and building maintenance. In many cases the work has proved so interesting that other students have helped voluntarily. In the schools the wisdom of making aid conditional on work was at first doubted. Now, however, the scheme wins general approval; not only has the work been of educational value in itself but it has increased the self-reliance of the student. Where it has taken the form of clerical work it has also been of immense value to teachers. According to one school principal, many teachers have been able to complete new sets of notes for the first time in 15 years.

The work projects are sometimes confused with the Civilian Conservation Corps camps. But these camps come under a different Government department; they give full-time work with no additional training; they cost a great deal more than work projects; and they are in all cases residential. Nevertheless, they bear a superficial resemblance to some of the work-project schemes. The latter fall under two main heads: Those which are residential and designed primarily to provide training and those which aim at fulfilling useful social functions where education and training are incidental. In the residential training many experiments in

are incidental. In the residential training many experiments in cooperative living are carried out and there is as much self-government as possible. The centers are often in the Southern States, where the sons of tenant farmers, poor whites, and Negroes are taught scientific farming methods and horticulture to enable them to put their land to its most constructive use. Engineering and building centers are being undertaking in the North.

But it is the nonresidential schemes which are really typical of N. Y. A. Under them thousands of young people are providing community service, playing fields, bus shelters, and road improvement. Boys build a country school or a club, girls make swabs in a hospital; boys mend school furniture; girls cook lunch for rickety school children. school children.

In New Haven, W. Va., N. Y. A. members, with local citizens, are In New Haven, W. Va., N. Y. A. members, with local citizens, are constructing a community center which will be a meeting place for every kind of recreational and educational activity. The spirit and enthusiasm of the townspeople are shown by the voluntary civic help given N. Y. A. when it is needed. As a matter of general policy attempts are made to get youths who are not on relief to join in the schemes, thus avoiding treating the unemployed as an alien group.

WORK AND TRAINING

WORK AND TRAINING

For every hour spent on a work project there is provision for an hour's educational or vocational training. The work is paid for at normal wage rates and is in all cases noncompetitive. In March of last year 154,851 young people were engaged under this scheme at a cost of \$242 a year each to the Federal Treasury. Though the expense of maintenance on a work project is considerably higher than that of student aid, it is only about one-fifth of the cost of keeping a youth at a C. C. C. camp.

These work projects cannot create jobs in private industry, and during the 1937-38 recession the number of young people leaving N. Y. A. for private employment declined sharply. But experience on a work project can and does give a youth the ability to hold a job, and, what is perhaps as important, the assurance that he has earned his pay. A country supervisor in Virginia said: "There's something I can't just define about it, but when you see boys and girls who never had a chance before learning to do something actually making something that other people will use, changing their own habits, developing toward one another a sense of responsibility, you decide maybe there's something more to a job than a pay check."

One of the most significant features of N. Y. A. is the pioneer spirit pervading it. Among the administrators at Washington as among the young people employed on the projects there is an

spirit pervading it. Among the administrators at Washington as among the young people employed on the projects there is an enthusiasm and drive most impressive to the onlooker. Undoubtedly this spirit and the acknowledged success of the scheme are

due to members of youth organizations having themselves been consulted. N. Y. A. is a young America's contribution to social progress, an attempt to solve the problems of unemployment and misemployment on constructive, cooperating lines. It is an experiment of great social significance. Although it cannot remedy all the evil, it has given work, training, or education to over 1,500,000 persons. Already it seems to have justified the belief of President Roosevelt, who said when he instituted the program: "The yield on this investment should be high."

More on the St. Louis Memorial

EXTENSION OF REMARKS

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

Mr. LAMBERTSON. Mr. Speaker, at long last a Member of the House of Representatives has taken the floor to defend Mayor Bernard Dickmann and the memorial promoters of St. Louis.

If the truth about the Jefferson National Expansion Memorial and its promotion is a slander to the mayor of the city of St. Louis and those of its citizens who have been active in attempting to secure \$22,500,000 from the Federal Treasury for this project, then I expect to slander those people again today by presenting additional documentary evidence and facts which I feel sure will convince even the most skeptical person that this whole scheme was conceived to deceive and is based upon fraud and corruption.

To go back to the beginning of the scheme, let me recall to the older Members of this body, and this may be news to the defenders of Mr. Dickmann, the way the House of Representatives was led into approving the joint resolution creating the United States Territorial Expansion Memorial Commission.

The joint resolution creating the United States Commission was approved by the House of Representatives only after assurances by the gentleman from St. Louis [Mr. Cochran] that the Commission would not come to Congress at some later time for funds for the memorial in St. Louis. It was the understanding, as I remember, that the memorial contemplated was to be built after the plans formulated by the Commission, but with money raised through private sources and not by allocations or appropriations from the United States Treasury.

If this promise had been carried out, so far as I am concerned my voice would not be raised here today. But what

Almost immediately after the Commission was authorized by Congress and the act was signed by the President, the memorial promoters began a campaign, not to raise funds for a memorial through private sources, but to get the money from the Government.

The promise not to come to Washington for money was lightly cast side, but a huge promotional fund was raised in St. Louis by the Jefferson National Expansion Memorial Association, of which Mayor Bernard F. Dickmann was honorary chairman and Sidney Maestre chairman of the finance committee.

By February 27, 1935, the promoters had raised \$90,877 and were still collecting. No report has ever been made to the people of St. Louis or the public of how much money was collected or to what uses it was put.

But the promoters had a good organization, and they held meetings and luncheons for several weeks preparing the ground work for a raid on the Treasury of the United States.

At this time I will insert for the record a bulletin to campaign organizers, issued on February 27, 1935, by Sidney Maestre, the banker of St. Louis, which speaks for itself. I make no implications against the integrity of purpose of these men, but I cannot forget the promise made on the floor of this House, that this was to be a privately financed

undertaking. About the only thing that was privately financed was the promotion, as far as I have been able to determine from the record.

JEFFERSON NATIONAL-EXPANSION MEMORIAL ASSOCIATION. St. Louis, Mo., February 27, 1935.

BULLETIN TO CAMPAIGN ORGANIZATION-TOTAL REPORTED TO DATE, \$90.877

We had the largest attendance at any of our luncheons this noon—also a 31-percent larger report than last week.

The next report luncheon will be held at the Missouri Athletic Association, Wednesday, March 6, 1935, 12:15 p. m.

Several prospects for gifts attended the luncheon today and after the meeting signed subscription cards. If you have any first-class prospects you think should attend next week's luncheon, be sure and bring them, for they will get the right idea by seeing

be sure and bring them, for they will get the right idea by seeing what others are doing.

Brochures for good work done in the campaign were given to the following: S. S. Adams, Russell E. Gardner, Felix E. Gunter, James P. Hickok, John M. Robertson, Dr. Horace W. Soper, Clarence M. Turley, Albert Wagenfuehr and the firm of Wolf & Pollack. More brochures will be given out at next week's luncheon in recognition of work done in the campaign.

We still have prospects that should be taken care of. If you can help, please call up headquarters and you will have a choice of some desirable cards that have not been taken. If you have not solicited all the cards which you have selected, please do so before next Wednesday.

before next Wednesday.

While the response to solicitation has been favorable, there have while the response to solicitation has been tavorable, there have been inevitable delays in many cases because of the fact that action must be taken by boards, committees, and nonresidents. We hope that the work already done in the first part of the campaign will show real results in the next report.

Sincerely yours,

SIDNEY MAESTRE.

Now, during the time the promoters were raising their promotional fund they were also assuring the businessmen of St. Louis that they did not contemplate a bond issue or assessments of property owners through the creation of a benefit district. Let me read a letter of February 25, 1935, by Sidney Maestre, the banker.

JEFFERSON NATIONAL-EXPANSION MEMORIAL ASSOCIATION, St. Louis, Mo., February 25, 1935.

To the campaign organization:

Some of those working in the campaign have suggested that it would be helpful to have present at the luncheon prospects who do not understand just what is being attempted in raising the expense fund.

For instance, some have the idea that there will be a benefit district—others that a bond issue is contemplated—and so on. As a matter of fact, the Jefferson National-Expansion Memorial Association is trying to get this money without assessments or bond

our next report luncheon is at the Missouri Athletic Association, Wednesday noon. If you have any prospects that you would like to invite to that luncheon and who have not subscribed, bring them up. Before doing so, however, please notify us at Central 8377 so that ample provision can be made for their attendance. Also, please get in all the pledges you can before or at the luncheon. We want to make a first-class report this week.

Sincerely yours,

SIDNEY MAESTRE.

The St. Louis people were perhaps wondering where the money was coming from for a \$30,000,000 memorial. The promoters knew they would have to get it some place. Whom were they attempting to deceive?

They had promised not to come to Washington and they were promising, also, not to go to the taxpayers of St. Louis. But this promise was as lightly cast aside as the first one. At the very time they were making these promises they were laying the groundwork in Jefferson City to get through an enabling act to allow the city to issue bonds for the project, and the mayor was preparing the stage to have a city ordinance passed authorizing a special election for the exact purpose of getting the taxpayers of St. Louis to foot, at least, a part of the memorial cost.

Meanwhile the real-estate men were busy spreading the gospel on the river front. In fact one of them boldy advertised for salesmen with business experience. The advertisement in the local newspaper said:

Salesmen opportunity. River-front project going through. Men wanted with business experience. Wolf-Pollack, 211 Olive, Main

A salesman who answered that advertisement, informs me the real-estate firm told him everything was all fixed. The

businessmen would have to move and that all a salesman would have to do was contact the firms in the area and find out how much space they would need, and the firm of Wolf-Pollack would find the space. This seemed strange to the salesman, who had in his pocket the letter from Washington, saying the project was under examination.

So the salesman organized the citizens' nonpartisan committee and started an investigation of the whole promotion. It is from the documentary evidence of the citizens' nonpartisan committee that I based my opposition to the project at first, but from the hundreds of letters I have received from St. Louis citizens and from a personal investigation, I feel that the Members of Congress will be more susceptible to deception than were the people of St. Louis unless they become fully acquainted with the facts. These I propose to present.

From February 27, 1935, down to the latter part of July 1935, the promoters were very active. In fact one of their activities was the filing of an application with the Public Works Administration for a loan and grant amounting to \$21,015,000. This will be found in the records as Missouri Application No. 1006.

On August 8, 1935, Leona B. Graham in reply to a letter addressed to the Secretary of the Interior by Paul O. Peters, of St. Louis, replied as follows:

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS, Washington, D. C., April 8, 1935.

Mr. Paul O. Peters,
1819 Thurman Avenue, St. Louis, Mo.

My Dear Mr. Peters: This is to acknowledge your letter of August 4, addressed to the Secretary of the Interior, protesting against the proposed Thomas Jefferson Memorial application, MO1006, requesting a loan and grant of \$21,015,000.

The above application is still under examination by the Public Works Administration. Your comments will be duly considered in conjunction with our study.

in conjunction with our study.

Sincerely yours,

LEONA B. GRAHAM, Executive Assistant, for the Administrator.

Now while this application was under examination, what was happening in St. Louis?

The promoters were most shamefully misrepresenting this project to the taxpayers and the voters. If it is a slander to say that a project amounting to \$30,000,000 was grossly misrepresented by the promoters, then here is the evidence.

On August 27, 1935, the following letter was distributed and even mailed out by the memorial promoters over the signature of W. C. D'Arcy, the head of an advertising agency in St. Louis. Let me read this letter:

JEFFERSON NATIONAL EXPANSION MEMORIAL ASSOCIATION,

JEFFERSON NATIONAL EXPANSION MEMORIAL ASSOCIATION,

St. Louis, Mo., August 27, 1935.

The question of forward St. Louis is up to you!

September 10 is an important date in the life of your city. It is a challenge to the vision, citizenship, courage, and judgment of every St. Louisan. On that day you will have a privileged opportunity as a voter to help your city take the biggest step forward in its history—to vote "Yes" and scratch "No" on the \$7,500,000 issue of bonds to reclaim the river front with the erection of the Jefferson National Expansion Memorial.

That St. Louis can fail in this opportunity to increase its civic

That St. Louis can fail in this opportunity to increase its civic values, relieve unemployment, and become forever a national shrine at such low cost to the city is unthinkable. You and those who rely on your voting judgment can send St. Louis forward—by voting "yes" and scratching "no" on September 10.

Here are the facts on the Jefferson National Expansion Memorial.

(1) It will create a magnificent memorial and national park from Third Street to the river between Eads Bridge and Poplar Street, an area of 37 blocks, which is now an unsightly and largely economic loss to the entire city. It will be done at an amazingly lower cost than will probably ever again be available to the citizens of St. Louis for adding value and beauty to their city.

(2) It is a project involving the expenditure of \$30,000,000, of which the Federal Government will provide, without cost, \$22,000,500,000, and St. Louis is only asked to furnish the \$7,500,000 proceeds of this important bond issue—an opportunity to get \$1 back for every 25 cents we put in. The United States Government puts

up \$3 to our \$1.

(3) This project is part of the administration's \$4,800,000,000 works fund. To be frank, that money is going to be spent in this country somewhere, and the whole Nation will have to pay for it. If St. Louis doesn't get its share, some other part of the country will, and St. Louis will have to pay its proportion with nothing to show for it. Passing this bond issue will give St. Louis some of

the benefits of this national expenditure; will relieve the city's unemployment burden; and will establish a civic asset for genera-

tions to come.

(4) The Federal Government has already approved the project of the St. Louis plans for the memorial. Your vote "yes" will and the St. Louis plans for the memorial. Your vote "yes" will clinch it. When completed, the United States Government assumes all expenses of its maintenance for all time to come. There will be no charges or operating costs against the city.

(5) St. Louis will be fully and legally protected in every way

in completing the memorial project.

What it means to St. Louis and to you:

(1) The world's greatest memorial will stand at the doorway of your city—a national shrine of international interest for all time, to attract people from everywhere to our city—to signalize forever the place of St. Louis in the Nation's historic past and in its greater future.

greater future.

(2) St. Louis has 30,000 families on relief—already a costly drain on the city's purse. Passing this \$7,500,000 bond issue means jobs for 5,000 men; restores them to self-support and self-respect; drastically reduces the city's employment relief problem—an immediate and money-saving benefit to you. The Central Trades and Labor Council, representing 70,000 St. Louis workers and more than 40 other business and trade organizations, have already said they will vote "yes."

(3) The bulk of the entire \$30,000,000 will be spent here—bring-profits and business for St. Louis firms, using St. Louis goods

(3) The bulk of the entire \$30,000,000 will be spent here—bringing profits and business for St. Louis firms, using St. Louis goods and materials, and creating more purchasing power by making work for the now idle manpower of St. Louis.

(4) It will enhance property values in a district where they have steadily fallen year after year. It will reclaim an unsightly and increasingly uneconomic section of the city to new use and enjoyment for all. It should promote new growth of the city toward and around this section, preventing the gradual abandonment of river front property which has been going on for years. To say that this project will injure any business or class of business is ridiculous. The memorial will be only a few blocks long. The St. Louis river front is 25 miles long with ample and better locations at no higher rentals, and with equal or better transportation facilities for any and all businesses now located in this cramped and forsaken quarter. quarter.

quarter.

(5) It will provide an unparalleled educational and cultural impetus to the thinking of the whole city—an inspirational and uplifting force to the present generation and, more important still, to the young generations not only of today but of the future.

What it will cost you as a taxpayer:

(1) Figure this out yourself: Right now you are paying taxes to support the unemployed of St. Louis. And you are going to have to keep on doing it with nothing to show for it, when, and if you get through paying. This bond issue relieves that burden, but gives you and your city something no city in the world can match. What's more, the Federal Works fund of \$4,800,000,000 is going to be spent in this country for similar propositions somewhere. No matter what it's spent for, St. Louis must pay its share. Then why shouldn't St. Louis share in the benefits?

matter what it's spent for, St. Louis must pay its share. Then why shouldn't St. Louis share in the benefits?

(2) The cost of the bond issue will be 3 cents a hundred-dollar assessed valuation, with a slight increase after 10 years. That means that if you own \$5,000 in property the cost of this improvement for your city will be less than the cost of 10 gallons of gasoline a year. What a small price to pay to practically relieve unemployment here, to bring \$30,000,000 in business to St. Louis, and to establish in your city a permanent, useful monument that will stand out above those of any city in the world.

Don't forget that Forest Park, O'Fallon Park, and Carondelet were once opposed by many because of expense. Try to picture your city today without them and all they mean to its people. Here's your chance to vote for progress, to vote for your own interests, and your city's future.

It's your city—every dollar you vote for on September 10 brings

It's your city—every dollar you vote for on September 10 brings St. Louis three dollars more from the Federal Government. Can you, can St. Louis business, and St. Louis workers say "no" to this proposition? Vote "yes"—scratch "no" on the September 10 bond issue election, and work among your friends to get it passed.

Sincerely yours,

What do you think of this letter? Does it sound square? No, indeed. But to get back to what was happening in St. Louis from August to September 10, 1935, the date of the special election.

During all of August and the first 9 days of September the promoters were exceptionally busy. They were promising the people almost everything under the sun. For the Negro workers they promised 6,000 jobs at a minimum wage of \$3.50 per day for unskilled labor. This was good votecatching bait. But it was not enough, as I will presently show.

From the forum and over the radio, speakers promised the Government had pledged \$22,500,000 for the project. What was the fact?

On September 6, Col. Horatio Hackett, in a telegram to the Taxpayers' Defense Association, denied that any allocation had been made to the project for which the P. W. A. examining engineers had reported:

This project has social desirability but cannot be classed as a public necessity.

On the day before the election Mayor Dickmann called the city employees and ward heelers together and in a brief speech declared:

The obligation and the responsibility is in our hands. Any pussyfooting and backslapping, any idea of not wanting to pull in harness with me is at an end. We know who is working in each precinct. We don't know how each of you got your job, who endorsed your application, but every one of the city employees will be checked after the election and I don't mean maybe.

That was the ultimatum delivered to several thousand city employees by the mayor of St. Louis for whom the defending Member has the deepest respect and appreciation. How much respect can you Members of this House have for a politician who puts the heat on the city employees in this high-handed and dictatorial manner? Nothing worse could have happened in Soviet Russia. And the election results show the effect of Mr. Dickmann's ultimatum to the city hall employees. The votes were not counted as cast. The ballot boxes were stuffed and the result made to order-for men have to eat and jobs were scarce in 1935-and they still are in Missouri. But with all of his bluster and bluff and threats the honorable mayor could not carry his own ward or precinct for this bond issue and has never been able to carry a bond issue in St. Louis from that time to this.

You are all acquainted with the election scandals in St. Louis. With the exposé made by the St. Louis Post-Dispatch. Now, what was the position of these honorable gentlemen who promoted this river-front enterprise? Did they raise their voice or hand in protest? No. They sat silently by and kept right on promoting. But the citizens' non-partisan committee did not sit idly by. They got action. They helped expose the frauds. They helped get the indictments of the guilty persons. And although over 130 were indicted for election irregularities, and although several judges and clerks of election had confessed their part in the steal, not one single man has ever been convicted or served a day in jail so low has justice sunk in St. Louis, the home of Mayor Dickmann and these memorial promoters whom I have allegedly slandered. It was only last Thursday the St. Louis Post-Dispatch carried the headline story Last Vote Fraud Case Ends in Acquittal-Freeing of Four Wipes Out 140 Cases Without a Conviction That Stuck.

Now, St. Louis is a big city. It has been generously dealt with by the Federal Government. It has received funds for all kinds of projects. And it will not be slandering the city to tell you that, under the leadership of Mayor Dickmann, the deficit for the last fiscal year was over \$3,300,000. And now the memorial promoters want to start the memorial to honor Thomas Jefferson. They propose to begin the honoring by buying up 40 blocks of commercial and industrial property, 39 blocks of which have so far been appraised at \$6,510,071.

The one block still to be appraised is probably the most expensive one in the entire district. It is occupied by people who employ a large number of men and women and will probably eat up the balance of the \$6,750,000 they tried to get approved by a quarter to twelve amendment to the Interior appropriations bill for 1940.

Mr. Speaker, there undoubtedly will be other efforts to get congressional appropriations for this St. Louis memorial scheme. At some future time I will present additional facts if necessary, to expose some other features of this promotion which I feel sure will be most interesting to you all. I trust the money of the promoters is about used up and that the allocation by Executive order will be allowed to revert to the Treasury to provide employment in St. Louis and elsewhere on projects that have more than social desirability to recommend them and which are not tainted with fraud and corruption.

Works Progress Administration

EXTENSION OF REMARKS

HON. PEHR G. HOLMES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 31, 1939

Mr. HOLMES. Mr. Speaker, the figures herewith show that during the first 6 months of 1938, from January 1 to July 1, the W. P. A. spent \$786,855,935.39, or an average of \$131,142,655.89 per month.

During the second 6 months of 1938-from July 1 to and including December 30-the W. P. A. spent \$1,095,443,354.87,

or an average of \$182,573,892.47 per month.

You will note that during the second 6-month period of 1938 the average increased expenditures amounted to \$51,-431,236.58 more per month than they did in the first 6-month period of 1938.

On January 1, 1939, there was an unexpended cash balance of approximately \$314,000,000, which balance paid the Federal expenditures on Work Progress Administration operated projects for the months of January and February. Only \$2,000,000 was used from the additional fund of \$725,000,000 Congress appropriated in February of this year to continue relief during the balance of the fiscal year, namely, the months of March, April, May, and June. Accordingly, \$723,-000,000 allows an average expenditure of \$180,000,000 for each of these 4 months.

Bear in mind that the W. P. A. in January of this year spent \$169,729,356.41, while in January of 1938 the cost of W. P. A. was only \$97,578,330.24. In February of this year W. P. A. spent \$147,119,824.41 as compared with an expendi-

ture of \$100,333,703.05 in February 1938.

In his Budget message the President recommended an additional appropriation of \$725,000,000 as sufficient to carry W. P. A. through until June 30, 1939. Then a little later, without submitting any data or figures to show the reason why an increase was necessary, the President asked for an additional appropriation of \$150,000,000, making the total figure he desired for the balance of this fiscal year \$875,000,-000. Congress voted an increased appropriation of \$100,000,-000 over and above the \$725,000,000 originally requested, thus making available an average of \$205,000,000 per month for use during the 4 months from March 1 to June 30, 1939. In other words, the W. P. A. has \$25,000,000 more available to spend for each of the last 4 months of this fiscal year than the average monthly expenditure over the period from July 1 to December 30, 1938, which average was a little over \$182,000,000.

The week ending October 29, 1938, just before election, shows 3,245,260 persons on the W. P. A. rolls, and for the same month of October the W. P. A. expenditure was a little

over \$191,000,000.

As of December 31, 2 months later, and after election, the W. P. A. roll had dropped to 2,989,976, but the expenditures had increased to over \$197,000,000-255,284 less persons on the W. P. A. rolls and over \$6,000,000 increase in expenses. All this happened before the Seventy-sixth Congress convened on January 3 of this year.

The week ending January 28 of this year shows the rolls were further reduced to 2,895,464-349,796 persons less than the peak on October 29. However, from January 28 to March 11 of this year the W. P. A. rolls again increased by

31,000 persons.

With an average of \$205,000,000 a month to spend for each of the next 4 months it would seem to me there is no occasion for ruthlessly dropping from the W. P. A. rolls deserving, needy persons, nor of curtailing projects, to throw the whole burden of relief on the local communities.

WORKS PROGRESS ADMINISTRATION, Washington, D. C., March 24, 1939.

The Honorable P. G. HOLMES.

House of Representatives, Washington, D. C.
MY DEAR MR. HOLMES: In response to your request by telephone,
I am attaching two tables showing the number of persons em-

ployed and Federal expenditures on projects operated by the Works Progress Administration in the United States as a whole, and in the State of Massachusetts from January 1938 to the latest date for which figures are available.

If I can be of further assistance to you please do not hesitate to let me know.

Very truly yours,

CORRINGTON GILL, Assistant Administrator.

Federal expenditures on Works Progress Administration operated projects, Jan. 1, 1938, through March 1939 (United States and Massachusetts)

Month	United States	Massachusetts	
1938—January February March April May June July August September October November December 1939—January February	140, 727, 411, 70 136, 774, 471, 66 147, 425, 201, 82 164, 016, 816, 92 160, 719, 253, 78 182, 603, 682, 44 183, 835, 799, 75 191, 355, 351, 26 179, 328, 606, 21 197, 550, 661, 43 169, 729, 356, 41	\$5, 042, 971, 00 5, 180, 445, 25 6, 629, 219, 12 6, 837, 439, 03 7, 107, 708, 10 7, 480, 752, 99 7, 209, 198, 48 8, 956, 350, 21 8, 209, 623, 83 9, 542, 500, 49 9, 010, 598, 34 8, 596, 772, 82 8, 294, 017, 54 7, 308, 497, 74	

Source: U. S. Treasury reports of voucher payments.

Number of persons employed on projects operated by the Works Progress Administration, January 1938 through March 1939 (United States and Massachusetts)

Week ending—	United States	Massa- chusetts	
Jan. 29, 1938.	1,900,625	80, 930	
Feb. 26, 1938	2, 075, 492	84, 960	
Mar. 26, 1938	2, 394, 843	97, 708	
Apr. 30, 1938	2, 581, 897	107, 647	
May 28, 1938	2, 678, 223	105, 433	
June 30, 1938	2, 767, 044	110, 167	
July 30, 1938	2, 966, 832	119, 823	
Aug. 27, 1938.	3, 066, 895	125, 345	
Sept. 24, 1938	3, 120, 375	125, 533	
Oct. 29, 1938	3, 245, 260	130, 829	
Nov. 26, 1938.	3, 216, 400	129, 305	
Dec. 31, 1938	2, 989, 976	125, 617	
Jan. 28, 1939	2, 895, 464	122, 880	
Feb. 25, 1939	2, 955, 173	123, 458	
Mar. 11, 1939	2, 927, 115	126, 078	

Effects of Trade Agreement With Cuba on American Vegetable Growers

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 25, 1939

Mr. CELLER. Mr. Speaker, in an extension of his remarks in the House of Representatives on March 20, 1939. the gentleman from Florida [Mr. Peterson] described what he apparently believed were some of the results of concessions on certain fresh vegetables granted by the United States in the trade agreement with Cuba. He painted a distressing picture-the Florida vegetable growers were represented as losing their market to Cuban peons; greenhouses were apparently being torn down all over the United States. It was implied that 386 greenhouses in Massachusetts had been destroyed due to this trade agreement which permits fresh vegetables to enter the United States at lower rates during winter and spring months. I am surprised that the gentleman did not suggest that some of the penthouse vegetable gardens of Park Avenue had been destroyed by the Cuban agreement.

It is difficult to tell where the gentleman obtained the impressions on which he based his statements. An investigation indicates that the Government departments do not have such facts available; legitimate trade organizations state that they have not compiled such data. It was found at the Tariff Commission that greenhouse-vegetable growing was in existence about 40 years ago in Massachusetts. Surely it would require a flight of imagination to trace the effects of

trade agreements that far back.

Now, in connection with these trade agreements it would seem to be about time that someone raised his voice for the benefit of consumers arising from lower tariffs. Have we become so producer-minded that we give no thought to the opposite or demand side of the picture? If half of the things we have said against the Hawley-Smoot Act are true, then the great consuming public must be paying millions annually to tariff beneficiaries. I believe the Cuban agreement has been of substantial benefit to consumers without greatly harming the producers of winter vegetables.

With regard to Florida, the facts show that ever since the Cuban trade agreement went into effect there has been a steady expansion of the winter-vegetable industry. Prices, income, acreage, and production have all been generally higher since the agreement than before it. The careful limitation of the duty reductions to months when domestic marketings of fresh vegetables are slack has minimized the competitive effects of the increased imports from Cuba. Meanwhile, American consumers have been able to obtain these important and nutritious foods during the periods when domestic supplies are inadequate. Domestic growers have in turn benefited from the stimulus to consumption which is imparted by a year-round supply of fresh vegetables at reasonable prices.

With regard to the hothouse vegetable industry, it is almost impossible to get accurate price and production data. If failures and bankruptcies are as prevalent in the hothouse industry as the gentleman from Florida [Mr. Peterson] would have us believe, they are probably due more to the rapid growth of domestic producing areas in Florida, Texas, Arizona, and other regions, than to competition from Cuban vegetables. Certainly, there is no basis in fact for such a statement as "33 greenhouses were torn down in Ashtabula, Ohio, this past summer because they could not compete with imported vegetables from Cuba."

In the trade agreement with Cuba the United States reduced its duties during specified months on tomatoes, potatoes, green peppers, lima beans, cucumbers, eggplant, okra, and squash. In each case the reduced duties applied only during specified winter or spring months when few of these products are harvested in this country.

The gentleman from Florida [Mr. Peterson] centered his attention upon two of these vegetables-tomatoes and cucumbers.

The growing of tomatoes and cucumbers in Florida has been generally more profitable since the trade agreement with Cuba than previously. With regard to tomatoes, a memorandum prepared in the Department of State and dated November 8, 1938, states:

The most important of the six vegetables here considered, both in the value of the Florida crop and in imports from Cuba, is tomatoes. The Florida tomato growers have enjoyed generally higher prices and enlarged incomes since the Cuban agreement. The estimate for the total value of the Florida tomato crop for 1937–38 is \$8,571,000. This represents a gain of about 40 percent 1937-38 is \$8,571,000. This represents a gain of about 40 percent over the average income of \$6,128,000 for the three seasons immediately preceding the agreement with Cuba. Income since the agreement has been substantially above the preagreement average in every season except 1936-37, when excessive rain and insect damage caused extremely low yields and poor quality. Prices have also been generally higher in the post-agreement period, although they are estimated much lower for 1937-38, due to the record domestic production in that year.

Improved prices have been accompanied by a steady expansion

domestic production in that year.

Improved prices have been accompanied by a steady expansion in the acreage planted to tomatoes in Florida. The average planted acreage in the 4 post-agreement years was 41,226 acres, an increase of 37 percent over the 3-year pre-agreement average of 30,000 acres. Production of tomatoes in Florida has shown parallel gains, increasing spectacularly in 1937-38 to almost twice the pre-agreement average. Production in the four seasons since the agreement with Cuba has averaged 3,341,750 bushels, or 34 percent greater than the average production of 2,494,733 bushels for the three seasons previous to the agreement. to the agreement.

The United States duty on tomatoes imported from Cuba was reduced in the agreement with that country from 2.4 cents to 1.8 reduced in the agreement with that country from 2.4 cents to 1.8 cents for the 3 months from December to February, inclusive. Imports of Cuban tomatoes have increased substantially since the agreement, but they have tended to concentrate in the reduced-duty period when Florida production is slack. The study made by the Bureau of Agricultural Economics states that in the preagreement period about 68 percent of our imports of Cuban tomatoes were received in these 3 months, whereas since the agreement 180 percent have been received in this period. Imports in the 80 percent have been received in this period. Imports in the months in which the duty reduction does not apply have shown The greater part of the Florida tomato crop is shipped in the months of March and April. A little less than one-fourth is shipped during the reduced-duty period. The competition afforded this part of the Florida production by Cuban imports is, moreover, limited by the fact that the Cuban product usually sells at a higher price. Furthermore, reduction of the duty did not lessen the differential between these prices. During the four seasons immediately before the agreement became effective, the prices of Cuban tomatoes at New York averaged 68 cents per bushel above the Florida product, whereas it averaged 89 cents higher in the two Florida product, whereas it averaged 89 cents higher in the two following seasons.

In considering the effect of the Cuban trade agreement on Florida cucumber growers the same memorandum states:

on Florida cucumber growers the same memorandum states:

In 1937–38 Florida producers of cucumbers enjoyed their most prosperous season in the seven for which comparable statistics are available. The total value of that year's crop reached a new high of \$1.048,000, which is 47 percent above the average value of the Florida cucumber harvest in the 3 preagreement years. Acreage and production were also well above the preagreement average.

Imports of cucumbers from Cuba gained slightly in the first three seasons following the agreement, but fell sharply in 1937–38 to just over 100 cars. Average seasonal imports for the four seasons since the agreement have been about 121 cars, as compared with an average of 127 cars for the three seasons preceding the agreement.

an average of 127 cars for the three seasons preceding the agreement.

There is almost no competition between Florida and Cuban cucumbers since they are harvested in distinctly different seasons. About 90 percent of our imports of cucumbers from Cuba arrive in the 3 months December to February, inclusive, the period for which the duty was reduced in the Cuban agreement. Only 5 percent of the Florida crop is marketed in these months.

No governmental statistics are available which give definite information concerning the progress of the hothouse industry since 1934 in its production of tomatoes and cucumbers.

From the attached table, which shows imports of tomatoes from Cuba in the 3 months during which the reduced duty now applies, it is clear that December is a highly unrepresentative month.

Again, the attached table shows that the use of the single year 1933-34, when imports were abnormally low, gives an inaccurate picture. When the 3 years prior to the trade agreement are used as a basis for comparison, we find that imports of cucumbers have declined slightly since the agreement went into effect.

It is always fallacious to consider the results of trade agreements from one side only. When exports to Cuba are brought into the picture, it will be seen that wide benefits extending to every State in the Union have been received from the Cuban agreement.

From all available evidence it can safely be said that since the Cuban trade agreement the Florida winter-vegetable industry has expanded appreciably and has been more prosperous, American consumers have enjoyed a more adequate supply of fresh vegetables during the winter months, and United States exports to Cuba have been powerfully stimulated. The agreement has in addition been a notable contribution to improved Latin-American good will.

Imports from Cuba in December, January, and February, 1931-32 to 1938-39

		in the	7	OMATO	ES					
	1931- 32	1932– 33	1933- 34	Average, 3 preagreement years	1934– 35	1935- 36	1936– 37	1937- 38	1938-39	Average, 5 postagreement years
December	Cars 221 354 338	91 427	Cars 126 395 405	Cars 146 392 366	611	559 691	Cars 561 616 479	666		Cars 543 656 499
Total, December to February (reduced duty months)	913	872	926	904	1, 550	1, 739	1, 656	1, 964	1, 580. 0	1, 698
100				CUCUMI	BERS					ISM :
December January February	25 82 56	47 45 25	23 27 13	32 51 31	24 45 29		53	30 29 24	46. 5 38. 5 27. 0	36 43 28
Total, December to Febru-										

Source: The Florida Winter Vegetable and the Trade Agreement With Cuba, a U. S. Department of Agriculture publication F. S. 70; and from the files of the Department of Agriculture, Foreign Division.

63

114

98 113 130

83 121.0

duty months) 163 117

Mercy Killing Suggested for Aged on Relief

EXTENSION OF REMARKS

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. PATMAN. Mr. Speaker, Wednesday, April 12, the Washington Post, a newspaper published here in Washington, D. C., contained the following headlines preceding a news item:

Mercy killing suggested for aged on relief. Retired Army major proposes euthanasia "to save money."

After these startling headlines, the following excerpts appeared:

Euthanasia—or "mercy killing"—was suggested as a solution of the relief question for persons past 70 or 75 years of age at the regular meeting of the Washington Society for Philosophical In-quiry in the new National Museum yesterday. It was put forward by Maj. Edward L. Dyer, United States Army, retired, treasurer of

by Maj. Edward L. Dyer, United States Army, retired, treasurer of the society, who gave yesterday's talk.

"I realize," he said, "that many religions would be against it. But I think perhaps if euthanasia were good and humane and would really be a mercy, this is a case where one of the Ten Commandments—that is, "Thou shalt not kill'—might be modified.

"I don't advocate taking everyone on the relief rolls and giving them a shot," he said, "but euthanasia should be considered in cases of old age where the persons are no use to themselves or any one else. Society is finding so many ways to spend money, this might be a way to save it."

The major pointed out exceptions made to the commandment

The major pointed out exceptions made to the commandment against killing in case of war and in case of the automobile. "Nearly 40,000 are killed in the United States every year on account of the automobile," he argued.

Members of the society sided both with Major Dyer and against him in the ensuing discussion.

Dr. Edward E. Richardson, professor emeritus of philosophy at George Washington University and pastor of the Congress Heights Baptist Church, who has been president of the society for the past 29 years, also opposed Major Dyer's arguments.

"Where are you going to draw the line?" he asked. "I've passed 60 and I don't think they've any right to kill me off. Some people have done fine work when they've been 100. And where are you going to draw the line in killing off the unemployed? Would you start killing all the Democrats?"

As I stated in my remarks on the floor, April 12, 1939, I do not share the views of Major Dyer and consider the suggestion one of the most inhuman, unmerciful, and un-Christian proposals that has ever been advanced in connection with a social or economic problem.

Maj. Edward L. Dyer, who is reported to have made this cruel suggestion, receives \$243.75 a month retirement pay from the Federal Government and, in addition, he is entitled to many other benefits that are furnished free to him by the Government. The records disclose that he has been on the Government pay roll practically all of his adult life. These good old people whom Major Dyer suggests should be put to death simply because they are not physically able to carry on for themselves have worked and paid the taxes which made possible Major Dyer's life income. These aged people have helped to build this country in time of peace and furnished the manpower to save it in time of war. Instead of entertaining any such cruel, inhuman suggestion for a moment, we should consider availing ourselves of the counsel and advice of these aged citizens. They are ripe in years of experience and knowledge. We should draw on their wisdom. It occurs to me that the W. P. A. could well consider a project that would make it possible for the aged people to assemble in every locality a certain time each week or month or at stated periods for the purpose of discussing public and other questions and giving the younger people the benefit of their wisdom and advice.

The Canning Industry and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1939

Mr. BUCK. Mr. Speaker, for the last week or so apparently in an effort to discredit Secretary of State Cordell Hull's program of reciprocal-trade agreements as an effective instrument to rebuild America's foreign commerce, the gentleman from New York [Mr. Reed] has been inserting in the Record a number of short statements dealing with these agreements and their supposed effect on various industries of our own country. I had not paid any considerable amount of attention to them until I happened to notice in the RECORD of March 30 a brief item with reference to the canning industry. Coming as I do from California, the State that produces most of the canned fruit in the United States and a very large proportion of the canned vegetables, I naturally checked this item. The percentage figures which are used in this article are not supported by any statistical table which I have been able to find. In fact, the statistical comparison between 1929 and 1937 is totally fallacious.

The Trade Agreement Act was only enacted in 1934. Its design was to rebuild America's shrunken foreign commerce. The shrinkage occurred between 1929 and 1934, therefore 1929 figures are of no value whatsoever. To measure the results of the program, comparison should be made against 1934 and not against 1929, when foreign trade moved more freely. Analysis of authentic statistical data revealed quite a different picture than the one to which attention was called

in the article to which I refer.

Concessions on canned fruits were obtained in all 16 trade agreements in effect prior to January 1, 1938. Exports of canned fruits from the United States in 1937 compared to 1934 to the 16 trade-agreement countries increased 105 percent, against an increase of only 14.5 percent to non-tradeagreement countries.

Concessions on canned vegetables were obtained in 14 of the 16 trade agreements. I shall submit as part of my remarks the Government figures on the United States exports of both canned fruits and vegetables in 1934 and 1937. figures as to exports of canned fruits speak for themselves. On their face, statistics relating to canned vegetables may seem to indicate a less favorable result. However, two important factors which the gentleman from New York [Mr. REED] did not reveal supply the reasons for this seeming unfavorable result.

Following the enactment of the Smoot-Hawley Tariff Act Canada retaliated by taking severe measures to exclude American processors from Canadian markets. Three of America's vegetable processors were forced to build branch canneries and employ Canadian labor in order to maintain their Canadian markets. Now, remember that in 1929 United States exports of canned vegetables to Canada were valued at \$3,305,000. By 1934, as a result of the migration of this industry to Canada, these exports had dropped to a mere trifle of \$53,000. This has been brought back to the sum of \$204,360 in 1937; yet the opponents of the trade program continue to deride the efforts to rebuild America's lost foreign trade, which are being pursued through the efforts of Secretary Hull, even while they should know that the Smoot-Hawley Act brought about the above result.

The second important factor disturbing foreign markets in trade-agreement countries for American canned vegetables was the French devaluation of the franc. California asparagus planters had, through persistent efforts, established a very large French market for the product. Devaluation of the franc so decreased the demand for asparagus, a luxury product in France, that production dropped to 40 percent.

The following tables, to which I have referred previously, show the exports of canned fruits and canned vegetables to countries affected by trade agreements, comparing the year 1934, when the program was enacted, to 1937, the last year for which complete figures are available:

United States exports of canned fruits

	1934	1937
Total, all countries	\$17, 303, 740	\$21, 063, 872
Total, trade-agreement countries	1, 381, 298	2, 830, 975
Cuba	106, 479	235, 250
Belgium	255, 383	525, 357
	3, 310	2, 576
HaitiSweden	139, 824	263, 888
Brazil	2, 940	7, 199
Canada	132, 951	410, 666
Netherlands	301, 363	480, 092
	59, 877	96, 899
		7, 019
Honduras	5, 269	
Colombia	3, 082	269
Guatemala	1, 898	2, 847
France Nicaragua	352, 162	723, 106
	3, 769	7, 448
Finland	6, 403	30, 746
Costa Rica	3, 157	7, 185
El Salvador	3, 431	30, 428

United States exports of canned vegetables

	1934	1937
Total, all countries. Total, trade-agreement countries. Cuba. Sweden Brazil Canada Netherlands. Switzerland Honduras Colombia. Guatemala France Nicaragua	\$3, 286, 863 1, 333, 728 75, 662 55, 558 12, 301 52, 893 137, 980 147, 601 23, 200 9, 401 3, 667 798, 444 7, 213	\$4, 571, 387 1, 278, 550 204, 360 101, 892 14, 215 79, 349 194, 945 140, 571 20, 697 44, 432 9, 546 430, 966 8, 738
Finland	2, 808 3, 508 3, 492	12, 580 8, 290 7, 969

I may add that an attack on the reciprocal trade agreements program purportedly on behalf of American canneries comes with particularly bad grace when these same canneries have wholeheartedly and continuously endorsed the program. Surely they know, and the farmers who raised the fruit and vegetables they buy know, the truth about the situation.

The American Pottery Industry

EXTENSION OF REMARKS

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

ARTICLE FROM THE WHEELING INTELLIGENCER

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the Appendix of the Congressional Record I include the following brief article which was printed in the Wheeling Intelligencer and associated Ogden papers, written by their Washington correspondent, Mr. Charles Brooks Smith.

My purpose is twofold: I wish to record in this way my pride in being the chosen Representative in the Congress of a district in which is located the largest pottery in the world, at Newell, W. Va., and second, to pay tribute in this way to the master potter whose genius created it, the late W. E.

I wish to add that in the great Wheeling industrial area, which lines both banks of the Ohio River, embraced within the boundaries of the First Congressional District of West Virginia and the Eighteenth Congressional District of the State of Ohio, ably represented here by my distinguished colleague and personal friend, the Honorable EARL R. LEWIS, is located the Gibraltar of the pottery industry of the United States of America.

The article is as follows:

[From the Wheeling Intelligencer]

Washington, April 28.—There is an exhibition of American pottery products in the main foyer of the Department of Commerce Building under the auspices of the United States Potters' Associa-Building under the auspices of the United States Potters' Association. It was meet, proper, and appropriate that Mr. John S. Dowsing, tariff counsel for the association, should formally invite Representatives Schiffler and Edmiston, of West Virginia, and Lewis, of Ohio, to come and see it, because their 3 congressional districts produce more pottery products than any other 3 of the 435 congressional districts. They were posed for the camera in the foreground of reproductions of some of the world's famous pieces of ceramic art and some of the best American originals. A native soup tureen from Wheeling's great industrial area doesn't detract from the pictured grace, elegance, and beauty of a Congressman, the finished photographs proved.

So many things of both foreign and domestic origin enter into

the finished photographs proved.

So many things of both foreign and domestic origin enter into the fabrication of pottery products, it somehow looks to a layman, with a smattering of information about it, that a manufacturer who makes an outstanding success of it must indeed be a business genius. Such a one was the late W. E. Wells, who built his own monument in the largest pottery in the world at Newell, W. Va. The history of American pottery is the story of the flercest kind of a struggle with world competitors for supremacy in its own market. It is going on now as never before. Obviously the question of customs or tariffs enters into the economy of pottery in a way vital to the survival of the pottery industry on a black-ink basis. A master potter must not only know how to turn out a set of dishes and a replica of a Grecian urn such as inspired Keats to write an immortal replica of a Grecian urn such as inspired Keats to write an immortal ode, but he has to have the stern realities of production costs the world over, shipping prices on land and sea, tariff rates in the four corners of civilization—in sum, a knowledge which is approximately encyclopedic and universal.

In this mood we remembered the late Wells of Newell, the only master potter of our acquaintance who appeared to have everything required to make a smash success in this line of industry. We recalled his many times before the House Ways and Means Committee, when it was puzzling over the complications involved in framing a tariff law. He was recognized as a tariff expert in his line; a fair-minded and unselfish man; a sound counselor and adviser. fair-minded and unselfish man; a sound counselor and adviser. Consequently his relations with the committee were always pleasant and mutually helpful. We remembered something else which, it seemed to us, would the better explain Wells of Newell to the new generation, who, whizzing past the great plant in their autos, give no inquiring thought to the man who put it there—and kept it there. We reached off the shelf volume II of the hearings on tariff readjustment held in 1929. We found the quotation wanted, on page 1278. Here it is:

"Mr. COLLIER. What does most of your raw material consist of?

"Mr. Wells. China clays from North Carolina, Tennessee, and Florida, and Cornwall, England; filint from Pennsylvania; feldspar from Maine and Canada: white lead from Colorado: and paris white

from Maine and Canada; white lead from Colorado; and paris white from the Dover Cliffs of England. Gold is our most expensive product. It comes from Alaska and Africa. Colors come from every place in the world; natural gas from the bowels of West Virginia. ginia; the casks that we pack it in from staves that come from Missouri; straw from Ohio; and so forth.

"Mr. COLLIER. How much imported clay do you use. How much

"Mr. Collies How much imported clay do you use. How much imported raw material as compared with your domestic clay?

"Mr. Wells. With respect to china clays, which represent the most essential ingredient in pottery, we get about 40 percent from England and 60 percent from America, because England produces in Cornwall certain clays that have qualities which no American clays the We hear them; there there is the contract of the clay has. We have to mix them.

"Mr. Collier. You are not advocating an increase of duty on that clay, of course, for your raw material?

clay, of course, for your raw material?

"Mr. Wells. Here is what happened. Under the Underwood bill that clay was assessed at \$1.25 a ton duty, specific. Under the Fordney-McCumber bill it pays \$2.50. It was exactly doubled, and there was no competition in this country. It is our pure raw material. I do not like to talk on a low tariff on our raw materials and a high tariff on our finished products, but you have it.

"Mr. Collier. Are you asking for a reduction of that \$2.50?

"Mr. Wells. No, sir. That is up to the importers and the domestic producers."

LXXXIV-App-111

Read What Woodrow Wilson Said in 1914—Are We | California Conference of Deans of Men Goes on in a Similar Situation Now?

EXTENSION OF REMARKS

HON. THOMAS M. EATON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. EATON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to quote from the pen of a great American, Woodrow Wilson, a man I greatly admired because he was my President during those years when I was growing from boyhood to manhood. Then, too, when in the Navy during the war I looked to him not only as President but as my Commander in Chief.

He was highly respected by all the Navy lads and looked

upon as one capable of directing our activities.

Mr. Raymond Moley, in News Week of May 1, calls attention to the words of President Wilson written August 19, 1914. It might be well for Members of Congress to weigh these words now in the light of happenings overseas. Mr. Wilson speaks:

The effect of the war upon the United States will depend upon what American citizens say and do. * * * The spirit of the Nation in this critical matter will be determined largely by what individuals and society and those gathered in public meetings do and say, upon what newspapers and magazines contain, upon what ministers utter in their pulpits, and men proclaim as their opinions on the street. * *

It will be easy to excite passion and difficult to allay it. Those responsible for exciting it will assume a heavy responsibility, responsibility for no less a thing than that the people of the United States, whose love of their country and whose loyalty to its Government should unite them as Americans all, bound in honor and affection to think first of her and her interests, may be divided in camps of hostile opinion, hot against each other, involved in the war itself in impulse and opinion if not in action. * *

My thought is of America. I am speaking, I feel sure, the earnest My thought is of America. I am speaking, I feel sure, the earnest wish and purpose of every thoughtful American that this great country of ours, which is, of course, the first in our thoughts and in our hearts, should show herself in this time of peculiar trial a nation fit beyond others to exhibit the fine poise of undisturbed judgment, the dignity of self-control, the efficiency of dispassionate action; a nation that neither sits in judgment upon others nor is disturbed in her own counsels and which keeps herself fit and free to do what is honest and disinterested and truly serviceable for the peace of the world. * * * for the peace of the world.

Shall we not resolve to put upon ourselves the restraints which will bring to our people the happiness and the great and lasting influence for peace we covet for them?

Mr. Moley draws this conclusion, and I quote him:

As applied to the present situation, they should not prevent Americans from protesting the internal horrors of Hitler's intolerance. But they should prevent our meddling in the question of international adjustments of the map of Europe. There is a distinction here—a distinction we are being urged over and over again to forget. War threatens not because democracy has been attacked. There is no scintilla of evidence that Britain and France are concerned with the defense of abstract democracy. War threatens because of a struggle over old territorial seigures. cause of a struggle over old territorial seizures

As that war threatens we should have held ourselves, as Wilson implored, as "the one people ready to play a part of impartial mediation and speak the counsels of peace and accommodation, not as a partisan but as a friend." Instead, we are found underwriting, by implication, international obligations which do not concern us and defending a status quo which for 20 years every reasonable man has known to be unwise, unjust, and inevitably subject to revision.

I believe that this country ought to do much more than it has I believe that this country ought to do much more than it has done to care for those who are seeking asylum here from oppression abroad. I should like to see the bill before Congress that would authorize the admission of 20,000 refugee children become law as swiftly as possible. But the place to lavish our protective care, the place to give concrete demonstration of our love of humanity and democracy, the place to exhibit the "dignity of self-control," or self-restraint, of peaceable, dispassionate action, should be within the Western Hemisphere.

I commend the above for each Member's close study and consideration.

Record as Favoring Continuance of N. Y. A. Program

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

LETTER FROM THE CALIFORNIA CONFERENCE OF DEANS OF MEN

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks I am convinced that it is important to bring to the attention of the House the following letter from the officials of the California Conference of Deans of Men dealing with the college aid program of the National Youth Administration.

America has always prided herself in maintaining equality of oportunity for her citizens. We have never had any more important place where this equality of opportunity should be upheld than in our educational opportunities. It is important to the preservation of our democracy, it is fair, that the N. Y. A. program be continued.

A great many worthy young people who would otherwise have had to be searching vainly for employment have been kept busy at their college work because of this program.

I think Mr. Aubrey Williams and his associates are to be congratulated on the splendid work that they have done.

The letter from the California Conference of Deans of Men follows:

APRIL 19 1939

Hon. Jerry Voorhis,

United States House of Representatives, Washington, D. C.

Dear Mr. Voorhis: The California Conference of Deans of Men, at its annual meeting in San Diego, on April 14, was much concerned with the report that the N. Y. A. college aid program might be discontinued after the present school year. We are all actively engaged in the administration of the program in the colleges and universities of the State, and we are impressed with its importance and value. We feel very strongly that its discontinuance at this time would add greatly to the economic problems confronting the college students of the country, and consequently reflect unfavorably upon the general economic and social welfare of the Nation.

We respectfully urge you to do your utmost to continue this service in whatever form and whatever auspices seems most efficient and desirable.

Very respectfully yours,

ELMER C. GOLDSWORTHY, University of California.
MITCHELL PIRIE BRIGGS. Fresno State College.

Neutrality

EXTENSION OF REMARKS

HON. LEE E. GEYER OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

RADIO ADDRESS BY HON. LEE E. GEYER, OF CALIFORNIA, APRIL 27, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on April 27, 1939:

Friends, this week hundreds of thousands of American citizens are speaking to and for the people and the Government of the United States. We say we want peace for the world. In part this is a selfish desire. What some call "other people's wars" have too long shadowed our own lives with fear. We say we want security for the United States. Without national security there can be no peace. The conquest of nations and the enslavement of peoples breed new and destroy the structure of international justice on which

enduring peace must rest.

I am glad to add my voice to the American chorus which this real range of add my voice to the American chords which this week proves to the world that we are a great Nation, united in support of our great leader, Franklin D. Roosevelt. I thank the National Broadcasting Co. for this opportunity to join in the program of "Peace and Security Week." The modern invention of radio truly serves the cause of democracy, giving the people of our far-flung continent the free forum of the air in which to express their

flung continent the free forum of the ar a "canned" expression will for peace.

We did not arbitrarily choose this week for a "canned" expression of American opinion. History chose it for us. History faced us with a grave national emergency. History demands of us that we decide now the crucial issue of peace or war. Our own destiny is at stake, and perhaps the destiny of all humanity as well.

In a few short hours another voice will assault the ears of the world. The voice of a man who has proved himself the enemy of his own nation, of neighbor nations, and the enemy of peace

world. The voice of a man who has proved himself the enemy of his own nation, of neighbor nations, and the enemy of peace itself. There are those who say that this man will decide the issues for us. There are those who say that it is "none of our business" whether he decides for war or for peace.

In my opinion this is an un-American doctrine. I agree with President Roosevelt that we are not the helpless prisoners of destiny. I do not believe that the most powerful nation on earth must wait to learn its fate by short wave from a madman across the water. I believe that the decision rests with the Government and the people of the United States and that we still have it in our power to decide for peace. To shirk the responsibility of making that decision is to surrender our dignity as a sovereign people.

people.

Less than 2 weeks ago President Roosevelt spoke for the awakened conscience of America. He explored the dangerous illusion that cur moral fiber is so warped and weakened that we are no longer able to tell the difference between right and wrong. He challenged Rome and Berlin to state their intentions. He told them, "Unless you mean to attack your neighbors, there will be no war."

In that historic message President Roosevelt named the aggressor nations and put the burden of responsibility squarely up to them. We have heard too often in the past few years that to "name the aggressor" would be an act of war. But when the President of the United States named the aggressors and haled them before the bar of world public opinion—the whole world greeted him as a champion of peace. President Roosevelt cleared the moral atmosphere and dispelled the fog of lies behind which the warmakers mobilize pion of peace. President Roosevelt cleared the moral atmosphere and dispelled the fog of lies behind which the warmakers mobilize against world peace. In the name of a great nation and a united people he declared that the United States is not stricken with moral

pecple he declared that the United States is not stricken with moral blindness. It is not "neutral" between justice and lawlessness. It is not "neutral" between peace and war.

But though the President put the United States on record as an ally of peace and justice and an implacable enemy of lawlessness and war—by statute we remain bound to an unmoral "neutrality." Within the next few weeks the Congress of the United States will revise the law which since 1933 has made us an accomplice of aggression and war.

How do you want that law revised? Tested in the acid of expensions are stated in the acid of expensions.

of aggression and war.

How do you want that law revised? Tested in the acid of experience, neutrality legislation has failed tragically. It has made the United States a munitions dump for Japan, delaying the complete embargo against the Japanese war machine, which alone would protect our interests in the Far East. It made us a party to the Rome-Berlin-Franco conquest of Spain and opened a highway to the war axis from Spain to our own continent. This so-called neutrality legislation was a silent partner at Munich, when Czechoslovakia was betrayed. And now it weighs against us in the delicately balanced scale that wavers between war and peace. cately balanced scale that wavers between war and peace

cately balanced scale that wavers between war and peace.

The present neutrality law runs directly counter to the President's peace message. In the opinion of that die-hard proponent of strict neutrality, Senator Borah, it is in conflict with American public opinion. We are not neutral, says Senator Borah. We have made up our minds. We have already taken sides.

Yes; we have taken sides. We side, as we have sided throughout our history, with a free and independent United States, with justice and peace. We are no longer neutral in fact. We must cease to be neutral in law.

neutral in law.

Because I came to believe that legislative neutrality was a menace Because I came to believe that registative neutrality was a merace to national security and peace I introduced in the House of Representatives an amendment to the so-called Neutrality Act. This amendment is identical with the one introduced in the Senate by Senator Thomas of Utah. It prevides that in the event of war the President may, with the consent of Congress, exempt the victim of aggression from embargo while continuing an embargo against the aggressor. the aggressor.

All that I claim for my amendment is that it in principle estab-All that I claim for my amendment is that It in principle establishes the right of the United States to distinguish between and an antion that abides by its solemn covenant. It is an American policy, for it bases its distinction solely on adherence to a treaty entered into with the

United States.

Some of the groups and distinguished leaders who are participating in Peace and Security Week support the Thomas-Geyer

amendments. Many would prefer some other legislation or outright repeal of the Neutrality Act.

I am not a special pleader for my own bill. I am a special pleader only for peace and national security.

In the interests of peace I want to see the United States Government free to throw its moral and economic weight against war and the makers of moral transfer exists. the makers of war. I want to see it put an end to the suicidal practice of stoking the war machines of the enemies of peace and its

the makers of war. I want to see it put an end to the suicidal practice of stoking the war machines of the enemies of peace and its own security. I want the United States to trade with those nations which defend peace by defending their own independence. I believe there are methods short of war to prevent war—and I want the United States to use every one of those methods.

All my adult life I have been a teacher, and my thoughts turn now to the young people of America. My own two sons, hundreds of my former pupils, millions of American boys I have never seen—for them the issue before Congress is a matter of life and death. We who insist on drastic amendment or outright repeal of the present Neutrality Act are often called "warmongers." But I trust the clear vision of youth to see that peace is threatened by aggression and that it is those who would put no obstacle in the path of aggression who are opening the way to war.

War today is not ballyhoo and it is not a "hysterical smoke screen to hide the domestic failures of the New Deal." War is a grim reality. It has darkened the lives of hundreds of millions of people. Its shadow will continue to spread—unless we act to stop it. We must effectively amend or repeal the Neutrality Act before we shall be free to act for peace.

Who threatens the peace of the world and the security of the United States? President Roosevelt? Or that other voice, the voice of systematized aggression and brutal conquest?

That voice will speak again before tomorrow breaks. And we may be sure it will again try to hide its own guilt by calling our Government and our President "warmongers."

But the last word does not belong to the voice of gangsters, aggressors, and barbarians. The last word belongs to us, and to the peace-loving pecple of the world.

Speak that last word now—this week—before a world cataclysm

aggressors, and barbarians. The last word belongs to us, and to the peace-loving people of the world.

Speak that last word now—this week—before a world cataclysm interrupts your speech. Speak to the Congress which is the servant of your will. Speak to your neighbors, your friends. Speak to all the organizations of the people in your community. Say you want the neutrality law effectively amended or repealed outright. Say you support the foreign policies of President Roosevelt and Secretary Hull. Say America will put its whole moral and economic weight in the way of aggression and war.

"America hates war. America wants peace." Speak to America and for America. Speak and decide for peace!

Child Welfare

EXTENSION OF REMARKS

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mrs. O'DAY. Mr. Speaker, to one who is deeply interested in the conservation of our great national resources it is a matter of wonderment that so much concern is felt for the preservation of our forests, our soil, our wildlife, our parks, our waterways, and so little is felt for the most precious asset of the United States of America-our children.

On comparing departmental appropriations one is forced to conclude that Congress still labors under the old delusion that as a child is born its mother at that moment becomes miraculously endowed with all necessary knowledge as to

what is needed for its future well-being.

Such belief may account for the debate that took place on the floor of the House when the request was made for a very modest appropriation for the Fourth White House Conference on Children as instituted by Theodore Roosevelt and continued by Herbert Hoover and Franklin Delano Roosevelt. It was contended that such a conference was not needed.

It took place, however, last week and was attended by delegates from every State in the Union, excepting Idaho and Wyoming, and by delegates from Alaska, Puerto Rico, and far-away Hawaii. There was a large attendance.

Of the great value of this conference the New York Herald Tribune has this to say:

THE WHITE HOUSE CONFERENCE

The child of today and the place he will take in the world of quisition of new equipment. This should be in addition to normal House Conference on Children, which held its first session yesterday in the East Room, where President Roosevelt made an eloquent plea for a broad national program for child welfare. At this year's conference, as might have been expected, the emphasis is upon democracy—that concept of democracy which is beset by grave questionings in some quarters and by direct threats in others

Much of the matter under discussion was hardly new, and the ideas advanced so far are not particularly novel, and yet no one could deny the tremendous underlying importance of the subject matter. Getting away from the usual generalities, the special task of the conference this year is to determine the minimum needs for the rearing of children to be adequate citizens; to measure those services now being rendered and in what ways they fall short, and to recommend how these shortcomings may be over-The dream, of course, is for suitable provision for child health and training to be adapted to all circumstances and conditions in this country, and for every child. An inspiring dream

and a large order.

As Mr. Homer Folks, the sagacious and far-seeing secretary of the State Charities Aid Association of New York, remarked, this conference is looking not to the immediate future necessarily, but rather to 1980 or thereabouts. And we do not even know for sure whether at that remote time there will be such a thing as a democracy. We can only hope and plan as wisely as vision and resourcefulness will permit. As Mr. Folks put it: "Somewhere within these United States, within the last few years, was born a child who will be elected in 1980 to the most responsible office in the world, whose incumbent lives here. We cannot guess his name or whereabouts. He may come from any place and from any social or economic group. He may now be in the home of one of the soft-coal miners, or in the family of a sharecropper, or quite possibly in the home of one of the unemployed, or in a family migrating from the Dust Bowl, or he may be surrounded with every facility, convenience, and protection which money can buy. Very likely his home is on a farm. Even Dr. Gallup, with his poll, can give us no light on his whereabouts."

Since we cannot pick that child, the best we can do is to make provision for every child. Perhaps even in times like these something approximating this noble purpose can be attained. conference is looking not to the immediate future necessarily, but

Necessity for a Large-Scale Railroad Rehabilitation Program in the Interests of National Industrial Recovery

EXTENSION OF REMARKS

HON. LEE E. GEYER OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. GEYER of California. Mr. Speaker, the great railroad industry in the United States is the heart of our national economy and in its present condition of stagnation contributes to the instability of the whole economic structure of the Nation and greatly tends to retard general industrial recovery. Because of mismanagement, overcapitalization, the effects of competition, and the general industrial depression, the railroads have fallen into a serious financial crisis. The total capitalization of all the railroads in the country is nearly \$23,500,000,000. This staggering amount is equal to about 60 percent of the total national debt in the United States, or, in other words, about \$180 each for every man, woman, and child in the country. The most convincing evidence that the railroads cannot carry this overload of capital is the fact that the railroads representing one-third of the total mileage of the country have already defaulted on their interest and principal and are in receivership or bankruptcy.

RECOVERY HELD BACK BY PRESENT PLAN OF MANAGEMENT

The focus of attention of the railroad managements in recent years has been almost exclusively on the attempt to maintain payment of their capital charges at all costs. In pursuit of this policy railroad management has laid off several hundred thousand employees in the past few years. it has attempted to cut wages, it has increased freight and passenger rates, it has reduced railroad service, it has drastically curtailed capital expenditures for maintenance work and for needed equipment and supplies, it has gravely neglected the maintenance of its physical properties and has let its power and rolling stock, roadbeds, and buildings deteriorate to a dangerous degree—all of which measures tend to aggravate the railroad financial crisis and to make worse generally the service provided by the railroad industry. The result of all this, aside from its unfavorable effect upon the railroads themselves, has been to restrict industrial output generally, to drive down the purchasing power and living standards of the railroad workers, and to deepen the depression or hold back recovery.

The need for greatly increased railroad expenditures for rehabilitation work and for equipment and maintenance, both for the sake of the railroads and for the good of the whole national economy, has been recognized repeatedly by the various bodies which have investigated the railroad situation in recent months.

EQUIPMENT AND ROLLING STOCK IN BAD SHAPE

The President's Committee of Three-Splawn, Eastman. and Mahaffie-which reported at the end of March 1938, made as their first recommendation the use of Government funds as loans to the railroads for the repair and purchase of rolling stock and shop equipment. Their report showed that at the end of 1936 about three-quarters of all freight locomotives were more than 17 years old and badly in need of complete overhauling or at least half of these should be replaced at once. More than three-quarters of the switch locomotives were then also more than 17 years old and a third of these need replacement. About 45 percent of the freight cars were found to be more than 20 years old, and most of these require heavy repairs or should be replaced with modern units, to the advantage of both the public and the carriers. The committee was also of the opinion that a return of traffic to the level of the fall of 1937 would disclose a car shortage in the country.

The emergency board which reported to the President on the wage-cut proposal in the fall of 1938 reported as follows on this question:

Expenditures for maintenance, which from 1921 to 1929 averaged about \$2,000,000,000, fell below a billion in 1932 and 1933 and in 1937 stood at \$1,322,302,738, a drop of 36 percent from the average level of the period 1921 to 1928. * * * How far these expenditures have been consistent with those necessary minimum expenditures required for safety this record does not disclose.

Expenditures for maintenance tell only a part of the present needs of the roads. * * * Purchases of materials and supplies have noticeably lagged behind earlier years. Whereas from 1923 to 1930 the amounts spent for this purpose ranged from \$1,038,500,000 to \$1,738,703,000, since then they have fallen as low as \$445,000,000 in 1932, rising to \$803,421,000 in 1936, to \$966,383,000 in 1937, and then dropping to \$277,846,000 for the first 6 months of 1938. * * Equipment purchases fell off sharply in 1931, 1932, and 1933, dropping from the 1930 figure of \$328,269,000 to \$73,105,000, \$36,371,000, and \$15,454,000, respectively. In 1937 they had returned to \$322,877,000, a level exceeded in the last 16 years only in 1923, 1924, 1925, 1926, and 1930. But despite this fact, there remains a great need for new equipment. for new equipment.

INTERSTATE COMMERCE COMMISSION RECOMMENDS GREATER EXPENDITURE FOR REHABILITATION OF ROADS

On November 1, 1938, the Interstate Commerce Commission, in its annual report, again brought up the subject of larger expenditures for rehabilitation work on the railroads. The report reads in part:

A considerable number of locomotives and cars and much shop machinery could be replaced with modern equipment if funds were available, with entire certainty of gain, and the same can be said of various changes in track curvatures and gradients, and in rails ties and ballast. ties, and ballast.

ties, and ballast. * * * *

The future seems to hold opportunities, among others, for electrification of lines with a high density of traffic, for other improvements in motive power, for reduction in the weight of equipment as special steels or other metals are further developed, for widespread use of containers interchangeable with highway and water carriers, for the use of small gas-propelled or other motive-power units for branch-line service, and for the development of light, attractive, and comfortable self-propelled cars for short-haul passenger service. senger service.

REPORT OF COMMITTEE OF SIX

Still further discussion of this question is to be found in the report of the Committee of Six, published last December 23. This committee's finding was:

During the 8 years, 1923 through 1930, they (the railroads) expended a total of \$6,741,000,000 for capital improvements. An average of a billion dollars a year can justifiably be expended in further modernizing and improving their properties, including acquisition of new equipment. This should be in addition to normal

expenditures for maintenance. The resulting gain in employment would extend beyond the railroads to all those engaged in producing and manufacturing railroad supplies and materials.

In the face of this mass of expert testimony as to the need for a widespread rehabilitation program on the railroads and the far-reaching benefits that would accrue from it, no one can deny the expediency of initiating such a program at this time.

The railroad unions and other people's organizations have often pointed out that the railroad crisis can only be solved when the railroads become Government owned and democratically operated, provided such Government ownership is based upon a drastic reduction in present overcapitalization of the railroads and of their vast fixed charges, and the fullest protection of the jobs and improved wages, hours, and working conditions of the workers.

Pending the time when the railroads are taken over by the Federal Government, it is urgently necessary that measures be taken through a national program of rehabilitation of the industry to stabilize the employment of the workers, to put the part-time and unemployed railroad workers back to work, increase their purchasing power, giving them a better pension system, and to provide improved transportation service at lower rates to the shippers, farmers, and traveling public. The American people have a right to demand and to get better and cheaper transportation service from the railroads. And a continuation of the present situation means to render the railroads increasingly unable to furnish any such efficient transportation.

The rehabilitation of the railroad industry is a national necessity. A Nation-wide program of railroad rehabilitation will be a big step in the general New Deal industrial recovery program to stimulate business on the railroads and in all other industries.

To bring about these benefits to the farmers, shippers, and traveling public, to the small investors, the railroad workers, and the American people generally a national railroad rehabilitation program should be undertaken along the following lines:

COMPLETELY OVERHAUL ALL RAILROAD PROPERTIES

(1) Rehabilitation of the railroad properties, with the aim of a general all-around improvement of the physical condition of the railroad plant and equipment—the complete overhauling and repairing of power and rolling stock; replacing antiquated locomotives and freight and passenger cars with new and modern equipment; the electrification of the railroads, especially in the terminals and switching districts; repairing and building up of the roadbeds; repairing and construction of terminals, stations, bridges, roundhouses, and shops; the installation of new safety signals and safety measures; the double tracking of main lines of single-track roads. This program of rehabilitation and improvement in railroad plant and equipment, requiring the expenditure of several billion dollars, will stimulate reemployment of laid-off railroad workers and make for recovery on the railroads as well as in industry generally. Such improvement of the railroad properties will also cheapen transportation and lay the basis for lower freight and passenger rates; it will make possible more expanded, frequent, better, and faster service to which the American public is entitled, and will regain for the railroads the maximum of passenger and freight traffic to which the railroads are best adapted, and will prevent this traffic from being shifted to less efficient forms of transportation.

ELIMINATE GRADE CROSSINGS

(2) Elimination of grade crossings: The elimination of the very numerous grade crossings in the United States is likewise a national necessity. These grade crossings annually cause the deaths of thousands of autoists and pedestrians. Moreover, they slow up transportation and interrupt the normal life and business of hundreds of American cities. The elimination of grade crossings will require the construction of hundreds of new bridges and viaducts, the laying of new steel, and the elevation or depression of railroad tracks in many cities. The Railway Engineering Association, 1924,

estimated that to eliminate all grade crossings in the United State would cost twelve and a half billion dollars. The abolition of the grade-crossing evil will not only make enormously for public safety and convience but will also furnish employment for hundreds of thousands of idle workers throughout the country. It will furthermore stimulate all the communities along the railroads, provide a huge volume of railroad traffic, and give a powerful stimulus for recovery in all branches of industry.

IMPROVE CONDITIONS OF RAILROAD WORKERS

(3) Improvement of the conditions of the railroad workers: Any program of railroad recovery to be effective must be based upon the economic factor of stabilizing employment in the industry, restoring to service these men laid off and strengthening the purchasing power of the great mass of railroad workers, through the protection of their wages generally and the raising up of the poorer paid groups; the establishment of a guaranteed minimum working force of at least 1,400,000 employees in the railroad industry; no consolidation at the expense of the workers' jobs; protection of union agreements, collective bargaining, and the right to strike; complete abolition of company unionism; the inauguration of such measures as train limit and full crew laws; 2 weeks' annual vacation and 10 days' sick leave with pay; more adequate pensions for retirement by reducing the age limit and increasing the amount of pensions; improved unemployment insurance and relief, and the eventual establishment of the 6-hour day for all railroad Putting the unemployed back to work and workers. strengthening the purchasing power of the railroad workers will tend to stimulate every section of the national economy. The railroad workers should not support any so-called program of rehabilitation which does not have as its foundation the complete protection of their jobs, wages, and working conditions. They must especially oppose pending legislation in Congress which in any way opens the door to consolidations that will result in throwing large numbers of them out of employment.

METHOD OF FINANCING AND CONTROL

(4) Method of financing and control: The foregoing program of railroad rehabilitation and recovery should be financed as follows: (a) By Federal loans: Federal loans shall be made only upon the iron-clad guaranty that these funds are to be used solely for railroad rehabilitation and not to pay fixed charges and dividends, the Government shall require that the loans stand as first mortgages on the railroad properties and that Government representatives be placed on the railroad boards of directors to see that the loans are properly utilized; (b) by railroad company appropriations: the railroad companies shall be required to furnish a large share of the funds necessary to rehabilitate the railroad industry, by reducing their overcapitalization and cutting down their bond interest rates, by setting aside adequate sums to maintain the railroads at the necessary high level of efficiency, and so forth; (c) by State appropriations: in the grade-crossing elimination work the various States and cities involved shall be required to pay an allotted share of the costs, inasmuch as they will be direct participants in the huge benefits arising therefrom; (d) strengthen the I. C. C.: that the regulatory powers of the Interstate Commerce Commission be greatly extended over the railroads and made to include all other forms of interstate transportation.

PROGRAM IN HARMONY WITH THE ROOSEVELT ADMINISTRATION

This program of railroad rehabilitation and recovery is in harmony with the general policy of the Roosevelt administration to increase the purchasing power of the workers and thus to stimulate industry and to further the economic recovery of the country as a whole. The spending of the necessary funds in the railroad industry by the Federal Government, State governments, and railroad companies will create employment in private industry for hundreds of thousands of workers now on W. P. A. and relief, and will give an enormous stimulus to every other industry as well

as to the railroads. Moreover, by producing a more efficient transportation system, it will provide greater safety in travel, lower freight and passenger rates, it will bring back to the railroads much of the traffic which normally should belong to them, more employment and improved wages and working conditions for the railroad workers. The program for railroad rehabilitation and recovery deserves to be supported by all trade-unions, farmers' organizations, shippers' groups, and all well-wishers of the people's prosperity and democracy.

Agricultural Adjustment Administration Program

EXTENSION OF REMARKS

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Thursday, April 27, 1939

LETTER OF GEORGE N. PEEK TO RAY ANDERSON

Mr. WOODRUFF of Michigan. Mr. Speaker, inasmuch as the condition of American agriculture continues to present the fundamental reason why we still have 11.000.000 American citizens out of employment and many others on direct relief, I ask unanimous consent to print in connection with these remarks a letter to Mr. Ray Anderson, farm editor of the Cedar Rapids Gazette, Cedar Rapids, Iowa, by Mr. George N. Peek, Administrator of the Agricultural Adjustment Administration in 1933 and later special adviser to President Roosevelt on foreign trade in 1934 and 1935. Mr. Peek is unquestionably the outstanding authority on agricultural economics in the United States today. He not only knows what the agricultural problem is but he also knows what must be done if a solution is to be found for it. The letter I refer to follows. I commend it to the careful attention of every Member of the House and Senate:

MOLINE, ILL., May 19, 1938.

Mr. RAY ANDERSON.

Farm Editor, Cedar Rapids Gazette,
Cedar Rapids, Iowa.

DEAR Mr. Anderson: You have asked me for my conclusions with respect to the A. A. A. program, including and since the time I was Administrator of the A. A. A., which was in 1933. I was special adviser to the President on foreign trade in 1934 and 1935.

adviser to the President on foreign trade in 1934 and 1935.

It seems to me that the whole farm program is tied inextricably to our foreign-trade policy, or lack of one. At present we find ourselves trying to ride two horses going in opposite directions at the same time: (1) Achieving domestic price levels independently of world price levels; (2) internationalism and low tariffs, disregarding living and wage standards in the United States and the rest of the world. This is impossible.

I think I can give you my views best by suggesting a constructive program without unnecessary criticism of what the administration has done or has not done or what it is trying to do now. I will summarize under two general headings "Farm" and "Foreign."

The administration has accepted the principle of control of the farmer's planting ostensibly for the purpose of reducing the supply to the demands of our domestic market. This practice not only has been declared unconstitutional by the Supreme Court but, as demonstrated in 1934 and 1936, cannot insure the desired results as nature determines finally the amount of production from a given

SUGGESTED FROGRAM

(1) Whenever prices fall below parity we should stop the import of competing farm commodities and substitutes therefor and admit them only under a license system. The license fee might be in each case an amount which represents the difference between the

landed cost in the United States and the parity price.

(2) In order to insure more orderly marketing of staples and nonperishable crops and to prevent gluts in the market, commodity loans to farmers on a reasonable basis should be continued and

extended to other crops.

(3) A limited application of the principle of storing excessive supplies and carrying them over to lean years might be undertaken under certain circumstances, particularly when points 1 and 2 are not fully effective.

(4) A surplus-commodity corporation or a similar organization should buy excessive supplies for relief and possibly for trade, particularly with foreign countries.

(5) The possibilities for new industrial uses for farm products now grown and the growth of new products to take the place of those now imported should be fully explored and developed.

(6) A sound soil-conservation program should be followed as dis-

tinguished from the efforts to control production under the guise

of soil conservation.

of soil conservation.

(7) Every reasonable assistance should be given to the development of cooperative marketing. I believe that the farmer will never occupy his proper place in our highly organized economic system until he has the same control over the marketing of his products that industry has in the marketing of its products.

(8) Emphasis should be placed upon marketing rather than upon control of production. I know from my experience in Washington during the first Roosevelt administration that there are markets to be developed. Further, I know the administration prevented many important sales which could have been negotiated to a conclusion. If a manufacturer has excessive capacity, first he makes an effort to sell both at home and abroad at a price that will average in excess of his cost. Failing in this, he makes an effort to an effort to sell both at home and abroad at a price that will average in excess of his cost. Failing in this, he makes an effort to convert a part of this capacity to the production of other products which he can seil. Deliberately cutting his production is the last thing he does. This general principle should not vary much in its application between the farm and the factory, except that the farmer has no control over the marketing system for his production and but little over his production on account of the unknown factors of weather, pests, etc.

(9) Cotton offers a special problem, as normally we export about half of our production. In the case of cotton it may be necessary to pay the farmer a bonus (tariff benefit) in an amount which represents the difference between world prices and parity for the domestically consumed portion of his crop. The funds would have to come from the Public Treasury either from general or special taxation. Similar action could be followed with other export crops if necessary to insure parity prices (perhaps substituting for taxes the equalization fee, as provided by the McNary-Haugen bill, vetoed by President Coolidge in 1928).

It is my view that any legislation existing or contemplated which does not take into consideration the foregoing, but which relies for the suppose of the proposed of the production of the production

does not take into consideration the foregoing, but which relies for its success upon the impossible premise of production control through control of the farmer's planting, should be discouraged and attempted only when all other efforts are ineffective in producing the desired results.

Now as to foreign trade. The administration is headed toward a low-tariff or free-trade policy at a time when our unemployment problem is one of our greatest, without having referred the subject to Congress or to the people of the United States. This is done in the face of the well-known fact that since 1931 other nations have adopted protection to a degree unknown for a century. They have followed a policy of making strictly bilateral agreements on a basis of "quid pro quo." The administration's claim that our program is conductive to world peace will not stand analysis. Foreign trade should supplement and serve our domestic economy. It should not be permitted to dominate it. In short, we should insulate our domestic economy from the ill winds blowing in from any or all corners of the earth.

SUGGESTED PROGRAM Now as to foreign trade. The administration is headed toward a

SUGGESTED PROGRAM

(1) We must open our eyes to what is going on in the outside world, and recognize that foreign trade has become a definite and direct concern of governments. Unless our foreign-trade interests receive backing and assistance similar to that given by other governments to their traders, then we will not be able to compete with them on equal terms

(2) In order to develop consistent and effective foreign-trade policies, the present 50 or more organizations in our governmental set-up dealing with foreign-trade activities should be tied together and should function under a revitalized tariff commission. This commission should in effect be made a permanent board of for-eign trade composed of men experienced in the various fields of agriculture, industry, transportation, finance, and government. These men should come from various sections of the country in order that each section and the country as a whole would be represented.

We need accurate and up-to-date records of our commercial and financial relations with each individual country. We must know how we stand with each country and with the outside world on our trade and financial balances at any given time if we are

to steer our course intelligently.

This work was started more than 3 years ago in the Department of Commerce in cooperation with the subsequently abolished office of Special Adviser to the President on Foreign Trade. It would be a calamitous backward step to neglect to keep these tabulations up to the minute and to fail to make them promptly available to the public.

(4) As international trade cannot move on a one-way street, we should pursue a policy of selective exports and imports. We should send abroad, preferably in manufactured form, particularly those agricultural products which are the backbone of our foreign trade and of our domestic prosperity. We should take in return those raw materials which we need and such other products the importation of which will do the least violence to our domestic economy.

I believe that we should decide for ourselves what imports we will take and in what cusnities and from what countries in every

will take and in what quantities and from what countries in exchange for the goods we choose to send abroad in the national interest. In my opinion, this can best be determined by making individual arrangements with individual nations, country by coun-We should not attempt to apply some blanket formula, such

as a horizontal reduction of our tariffs. It matters little that this be accomplished through general tariff legislation or through generalizing tariff concessions granted under the Trade Agreements Act, as the administration is now doing.

To pursue this policy of selective exports and imports it will be necessary for us to abandon the unconditional most-favored-nation policy, adopted under the Harding administration. We should return to the traditional American policy of extending conditional most-favored-nation treatment only, which prevailed from 1789 to 1922.

As a result of the tendency of free traders in the administration to ignore American interest in the belief they were promoting world affairs, our foreign trade has drifted. Instead of helping agriculture, as intended, the trade pacts have greatly increased the influx of competitive agricultural products and of livestock. Industrial exports, particularly of scrap metals and other war materials, meantime have risen more sharply than agricultural exports and since 1934 American imports have climbed more than American

(5) In the case of foreign countries exercising exchange controls against our nationals, the satisfactory solution of the exchange problem should be made a prerequisite to the negotiation of any general trade agreement. But Secretary Hull and the professors who advise him have repeatedly declined to do so. They say that would be using the "big citick".

would be using the "big stick."

I do not regard reasonable business requirements as coercion.
When our nationals fill their part of a contract and their foreign customers theirs, and the foreign government intervenes, I think that our nationals have a right to ask our Government to act in their behalf. This is a matter upon which only government can act effectively.

I have advanced these general suggestions many times before and

shall probably do so again. Sincerely yours,

GEORGE N. PEEK.

Democracy Can Work

EXTENSION OF REMARKS

HON, ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

RADIO ADDRESS BY HON. ROBERT G. ALLEN, OF PENNSYL-VANIA, ON APRIL 27, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me recently over the radio:

address delivered by me recently over the radio:

The success of a democracy as a political instrument depends entirely on the character and intelligence of the people who live under it. Democracy to be successful must be a positive dynamic force, full of meaning in fact, as well as promise. We Americans can preserve our democracy if we only will. We can make democracy work if we have the determination to do so. Wishful thinking and hopeful talk will not do it. Intelligent action will, and that means that you and I and 130,000,000 other Americans must snap out of our apathy and strive to preserve a system of government which has never been equaled since the dawn of civilization. Our principles of government are unimpeachable. They are founded on the bedrock of universal law. As long as we the people are faithful to these principles we will be happy, prosperous, and will enjoy the security which we all desire. In recent years faithlessness to democratic ideals has brought us to our knees. Now we are alarmed, and rightly so. We must not blame our form of government for this defection, but ourselves. We alone are to blame. Dictators tell us that democracy is decadent.

When they make this statement they virtually say that we the

democracy is decadent.

When they make this statement they virtually say that we the people are decaying; that because of our impotence we are no longer able to govern ourselves. Americans, that is a direct challenge. If we helplessly confirm by inaction these preachments of twentieth century Caesars, we admit that we have sunk to the levels of slaves to be driven, beaten, and exploited. If we pick up the gauntlet, however, and hurl it back into the faces of our traducers, we are justifying the abiding faith in mankind which inspired Washington and Jefferson to build this free Government and Abraham Lincoln to preserve it. We are at the crossroads and we, the people, have to make the choice. If I know the temper of our people—and I think I do—I doubt not which choice it will be.

It is quite impossible to treat this broad subject in 15 short minutes. One aspect of it, however, is of transcending importance,

minutes. One aspect of it, however, is of transcending importance, and I wish to emphasize it this evening. It pertains to our domestic problems, and especially unemployment

The greatest challenge to our democracy today comes from within our own borders and not from some imaginary foe across the seas. Unemployment is our most fearful enemy. It is here on our very doorsteps looming larger and more formidable with each passing month. It is the source of all our political and economic woes. All the battleships and modern aircraft in the world cannot whip it nor can appearant politics such as hump priming nor can it, nor can appeasement policies such as pump priming, nor can sugar-coated palliatives like inflation, nor can a political policy of artificially created scarcity in the face of potential abundance. Unemployment is a critical but not insurmountable problem. We the economic armaments with which we can beat this enemy

Unemployment is a critical but not insurmountable problem. We have the economic armaments with which we can beat this enemy and thereby achieve prosperity for our people. We have in profusion those things for which other peoples are fighting today.

What are they? First, natural resources. We have them in superabundance. No nation on earth with the possible exception of Russia has more. Second, a labor force, skilled and unskilled, to transform these raw materials into consumable goods. We have the best labor force in the world. Third, machinery to augment and perfect the productivity of labor. No country in the world has the mechanical equipment which can equal our own. And fourth, capital. We are the richest Nation on the earth in this respect. We own one-half the world's gold supply and two-thirds of civilization's banking resources. One hour's work in America will buy more food and clothing than in any other nation on the earth. It will buy 12 times more than in Russia, 9 times more than in Italy, and 4 times more than in Germany. The purchasing power of our 130,000,000, people is more than that of any 500,000,000 Europeans or any billion Asiatics. In spite of all this we have one-half as many unemployed persons as all other industrial nations put together. Think of it. With such weapons as our great resources at our command we can annihilate unemployment and low standards of living if we will only learn how to use what God has given us—and that includes common sense. includes common sense.

But instead of that we are literally hamstringing and flagel-lating ourselves. We are committing a heinous social crime by wantonly choking the life out of the most potentially abundant wantonly choking the life out of the most potentially abundant economy the world has ever known. Blindly and without reason we are forcing an unnatural and an unnecessary program of scarcity on our people. We are entrenching unemployment as an established way of life. We are weaving relief into our permanent economic fabric. We are condemning our elderly men and women to an insecure and defenseless old age. We are denying our youth the opportunity to satisfy ambitions and carve out careers. In other words, we are moving in economic reverse. We are applying the brakes to our economic structure instead of the accelerator. Democracy cannot work unless we give it a chance. It definitely won't work unless we, the people, demand of our leaders a sane approach to current problems.

leaders a sane approach to current problems.

The challenge in the situation is just this: We must prove to the world that within constitutional limits we can harmonize conflictworld that within constitutional limits we can harmonize conflicting forces and bring order where chaos now reigns. It is certain
that our Government cannot solve these problems alone, nor can
business, nor can labor, nor can the farmer. Together, however,
they can do it. Today we find the Government pulling in one direction, business in another, labor in another, and somewhere in
between the three we find the poor old farmer. No democracy can
exist for long under such conditions. The leaders of these groups
must be brought together. In a spirit of cooperation and patriotism they must formulate a program compatible with presentmust be brought together. In a spirit of cooperation and patriotism they must formulate a program compatible with present-day conditions. This program will probably call for the abolishment and modification of some existing legislation. It will call for the elimination of onerous taxes. It will call for definite steps to stimulate the flow of capital, which alone will expand business, big and little. This program will require some new legislation which must definitely give due consideration to the technological developments which have made an anachronism of an economic system based on scarcity. scarcity.

scarcity.

It must make possible by legal constitutional methods the full utilization of all our machinery and manpower, to increase production to a point where it will assure to all our people the comforts of life. This legislation must stimulate greater consumption of goods and services by providing necessary purchasing power through productive employment at living wages of those who are now disemployed. We have leaders of intelligence and capacity who could sit down around the council table and develop a program which will prove to the world that democracy can work. By cooperation and coordination such as I have just suggested, we planned our way through the perilous days of the World War. Our democracy is in as grave danger now as it was then. What we did to save it in those days we can do now. Under the Agricultural Adjustment Act of 1934 we subsidized farmers for plowing under crops and killing off surplus livestock. That was an all-time blunder. I mention that act because it is a clear example of legislation which promotes scarcity. which promotes scarcity.

It is the reverse of that procedure which must be encouraged and even subsidized. Agriculture and industry must produce more and then make the increased increment available to all our people. If we want more we must produce more. Plowing under natural resources, plowing under our manpower and our mechan-

cal power is a crime from which there is no escape.

Democracy can work. Democracy is to political economics what Christianity is to religion. Both are based on the spirituality and the majesty of man. America is the best proving ground in

the world to demonstrate the efficacy of democracy. If we Americans cannot make democracy work there is no hope for the peoples of other nations. We, with our great resources and with 150 years of uninterrupted self-government behind us, must set an example for an anxious world to follow.

God and bounteous nature have made democracy possible. The

rest of the job is up to us-the people.

The Wage and Hour Act and the State of Maine

EXTENSION OF REMARKS

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

RADIO ADDRESS BY HON. RALPH O. BREWSTER, OF MAINE, ON APRIL 30, 1939

Mr. BREWSTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address made by me over the radio on Saturday last:

Whether or not 12,000 men will have jobs in the woods of Maine cutting pulpwood may depend to some extent on what Congress does this next week.

Cutting pulpwood in Maine on a 40-hour week is utterly imprac-Cutting pulpwood in Maine on a 40-hour week is utterly impracticable when Canada and Europe are cutting on a 60- or 70-hour week. Pulp and pulpwood is absolutely unprotected and flows into this country as freely as the ships sail the seas.

Germany has been buying wood in Canada, taking it to Germany, making it into pulp, shipping it to the United States, and selling it here at \$5 per ton below the United States cost of production.

production.

Those sales probably represent deliberate subsidy by the Germans of pulp sales here for reasons of their own, but their effect on Maine is apt to be disastrous. A vigorous protest has been filed with the Treasury by all of us interested in the pulp industry and action has been asked under the antidumping law, which, by the way, we are ourselves violating in our subsidized sales of wheat and cotton.

Bond is now required on all pulp shipments from Germany and Czechoslovakia and careful investigation is being made to determine how much duty may properly be imposed. Sympathetic consideration of our Maine problem is assured by the fact that the Assistant Commissioner of Customs in charge of this investigation is Frank Dow, of Dexter, and he has already been most helpful in the various preliminary moves.

Meanwhile however the constant of the West and Verneral Commissioner of the constant of the West and Verneral Commissioner of the constant of the West and Verneral Commissioner of the constant of the West and Verneral Commissioner of the constant of the Commissioner of the constant of the Commissioner of the constant of the Commissioner of the Commissione

Meanwhile, however, the operation of the Wage and Hour Act in woods operations has threatened to affect very seriously the cut of pulp this spring in the Maine woods. It has been nip and tuck to cover the cost of production in recent years and to increase the cost of American wood by \$1 to \$2 a cord would simply mean that most of the wood would come in from Canada or elsewhere. The mills would have no recourse but to get their wood outside the United States or shut down completely, which would simply throw more men on relief. more men on relief.

If the Government will not protect American producers, one cannot expect purchasers of pulp to pay \$5 a ton above the going price and be wiped out of business by less patriotic competitors, nor can it be expected that Maine mills will quit without a struggle and their first recourse for relief from impossible restrictions must be by resort to foreign wood.

must be by resort to foreign wood.

Elmer Andrews, Administrator of the Wage and Hour Act, who spent 3 years in northeastern Maine and so is familiar with our problems, held a hearing to decide on an administrative order to relieve Maine woods operations from the hours restrictions of the act. Representatives of the Maine pulp and lumber and labor interests made a splendid showing at this hearing.

Meanwhile, Congressman CLYDE H. SMITH, as a member of the

House Committee on Labor, has been successful after a tremendous fight in getting the committee to adopt a proposal to exempt pulp and lumber operations down to the mill from the hours restriction

of the act.

of the act.

This proposal was presented to the House Friday and it is hoped to secure its passage this coming week. I am flying back to Washington Monday morning to be on hand to help, giving up the visit I had planned to Aroostock to deliver the dedicatory address at the new cooperative creamery at Fort Kent on Monday evening, since everyone in Maine, and certainly in northern Maine, is vitally concerned with 12,000 jobs in the Maine woods.

The House last weer put foresty on a parity with agriculture

The House last year put forestry on a parity with agriculture and excluded it from the new wage and hour law, but the Senate struck it out and that has presented the present problem.

Maine has been very fortunate in having Congressman CLYDE H.

SMITH on the Committee on Labor at this time, and he is gen-

erally recognized as one of the strongest and most influential men on the committee on either side. In fact, in the final show-down it was his proposal for amendments that was adopted by the committee over the proposal of a leader of the southern Democrats, and he was entrusted with the responsibility of finally formulating the amendments which are now before the House. This is certainly a

amendments which are now before the House. This is certainly a tribute to the prestige and the influence of a man from Maine. People of Maine have a right to ask what Washington has taught me that will be of benefit to Maine.

Hitler declared recently that "Germany must export or die." Secretary Hull apparently has the same idea for America. For those export markets wars have frequently been fought.

So far as Maine and America are concerned, I am convinced of the wisdom of the opposite policy. I believe that America must protect American industry or perish.

Let us keep out of war by keeping clear of European entanglements and involvements. They have fought over their boundaries for 50 centuries. They may fight for 50 more. American blood must not again fertilize their racial lands.

America paid \$25,000,000,000 for the last war to make the world safe for democracy with discouraging results.

Let us now make America safe for democracy by putting 10,000,000 men back to work on honest jobs.

We insist that Europe shall not meddle in America. The Monroe Doctrine makes that clear. Why, then, should America meddle in

Doctrine makes that clear. Why, then, should America meddle in

The European struggle will arrive far more quickly at an equilibrium among the clashing forces as it has always done before if we do not unsettle the balances by rashly rushing in.

Let us be adequately prepared and dedicate our energies to straightening out things here at home rather than chasing a pot of gold at the end of a European rainbow.

Let us also bear in mind that 531 Members of the Congress are the only officials in America with the power to declare war and their voice is not for war but for tending to our business right here in the United States.

Modern Encirclements, by the Old Gray Squirrel

EXTENSION OF REMARKS

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. MASON. Mr. Speaker, my bushy-tailed friend jolted me this morning with the question, "Congressman, what does 'encirclement' mean?" I answered my friend as follows: "Webster defines 'encirclement' as 'state of being enclosed, enclasped, embraced.' The world has always thought of encirclement as a protected condition, surrounded by friends, enclosed in loving arms idea. Hitler, however, has recently given it the opposite meaning, such as surrounded by enemies, prevented from realizing desires, blocked off, frustrated. That is a peculiar question for you to ask, Stuffy. What is the big idea?"

Stuffy grinned quite wickedly and chuckled to himself, then enlightened me as follows: "Well, Congressman, I have listened in lately on several 'encirclement conferences.' They were held in the President's study and did not deal with European affairs. They dealt with our domestic political situation and the coming 1940 battle. The President's New Deal advisors are planning an encirclement movement against JACK GARNER. They hope to block him off from the Presidency by creating an alliance of new dealers, labor leaders, radical 'reds,' and northern Negroes. It is a stop-Garner program.

"Within this large encirclement movement several smaller encirclements are going on. John L. Lewis, with the aid of Mme. Perkins and the N L. R. B., is encircling and trying to block off and destroy the A. F. of L. The Communists are trying an encirclement movement upon the industrial unions of the C. I. O. and are having some success with the United Automobile Workers, at least that part not following Homer Martin. Martin, it seems, evaded the encirclement movement. Then, again, the New Deal administration has been maneuvering during the past 6 years to put across an encirclement movement upon business, and almost succeeded before Congress woke up to what was going on. It is interesting to note that the final success of all these smaller encirclements depends to a large extent upon the success or outcome of the large encirclement movement that is aimed at the Garner camp of Jeffersonian Democrats. We are living in an age of circles within circles, and no one knows what the outcome will be. However, each individual American, each minority, each religious group, each political camp, must be eternally vigilant if we are to preserve freedom of action, freedom of thought, freedom of religion, and freedom of speech in this land of ours. We should go back to the "horse and buggy" kind of encirclements, the loving, protecting, helpful kind, and leave the Hitler kind of hatred encirclements to the dictators of Europe."

After rewarding my little friend for his excellent explanation of American encirclements and his advice upon the same, I walked on to the office, thinking about encirclements and encirclements.

Amendment of the Wage-Hour Law

EXTENSION OF REMARKS

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

LETTER FROM DON L. BERRY

Mr. JENSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the editor of the Record and Tribune, Indianola,

THE RECORD AND TRIBUNE, Indianola, Iowa, April 22, 1939.

THE RECORD AND TRIBUNE,
Indianola, Iowa, April 22, 1939.

Hons En Jensen,
House Office Building, Washington, D. C.

Dear Ben: I am writing to you, along with other Members of the Iowa delegation, asking your support of the amendment to the wage-hour bill, which is being introduced by John Gwynne, which will exempt from the provisions of the law all newspapers with a circulation under 5,000. The exemption limit now is 3,000, which is too low for a good many papers which are strictly local in their nature. I think this amendment will not be at variance with the spirit and purpose of the law.

Papers of this size are strictly local service institutions, and are in no sense in interstate commerce. The only interstate commerce we have is the few out-of-State subscribers who used to live here and want the home-town news. We do not ask exemption for our job departments when they are engaged in out-of-State work. That would give us an unfair advantage over other printers who must comply with the law. But if we have to comply with it, it gives other printers in localities where they have a reserve supply of laborers on which they can call, an unfair advantage over us. We employ all the printers in this community and give them steady work. We cannot tell the people of the community just when and in what order they must demand their printing in order to enable us to hold our men under 44 hours a week.

When the orders for printing or advertising come in it is our

a week.

When the orders for printing or advertising come in it is our When the orders for printing or advertising come in it is our business to serve the community and take care of them. If we have to pay time and a half for all overtime during peak loads, then we either have to lose money on the job, overcharge the customer, refuse the work, or add to our staff enough printers to carry the peak loads, and then have them all left here on part time under normal conditions. I don't believe it is the purpose of Congress to make any of these things necessary. We can, of course, refuse to accept subscriptions from out of the State, then we might become accept subscriptions from out of the State, then we might become automatically exempt from the provisions of the bill, as I understand it, but I don't believe Congress or even the labor agitators care to deprive former residents of their chance to read the old home news. Yet, if there is no change in the law, it seems that that is probably what we will have to do. The law as it is is totally unfair to papers like our own, which are strictly local yet happen to exceed 3,000 by a comparatively small amount.

We have reduced our circulation and kept under the 3,000 by cutting off a lot of exchanges, yet new local subscribers keep coming in. We can't refuse those. The next move will probably have to be to cut off all out-of-State subscriptions.

With kindest regards I am,

Very truly yours,

DON L. BERRY, Editor.

International Relations

EXTENSION OF REMARKS

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

ARTICLE FROM THE WASHINGTON POST

Mr. SHEPPARD. Mr. Speaker and Members of Congress, now that we have heard Reichfuehrer Hitler's radio address, in which he has definitely rejected the proposal of President Roosevelt to keep the nations out of war, it occurs to me that it has been definitely shown that our future international relations should be viewed with deep concern and particularly where they apply diplomatically or otherwise with dictator-controlled nations.

Our experience in the past has proven beyond a question of a doubt that written agreements have no significance when dictator-controlled governments wish to exercise their

While it is difficult to accept the theory of complete isolation as a Nation, nevertheless until a greater respect for international agreements is evidenced we are almost forced to accept isolation.

Old World intrigue is as much in the foreground today, if not more, than it has ever been in the past and the lack of international stability has created a suspicion among nations that is definitely destructive and the policy of expansion that is being followed by Germany, Italy, and Japan, and the methods they have utilized is not conducive of international security and friendship.

I think the position taken by Norway as indicated by the following news release under date of April 27 from Oslo is self-explanatory and one that is to be commended:

Norway Wants No Guaranty, Leader Says—Pledges Regarded as Prejudicial to Scandinavian Liberty

(By C. J. Hambro)

OSLO, April 27.—On April 14 Lord Halifax, in the House of Lords, and Neville Chamberlain, in the House of Commons, declared His Majesty's Government would feel itself bound at once to lend the Greek or Rumanian Government, as the case might be, all support in its power if the independence of Greece or Rumania should be

threatened in such a way that the Government of these countries considered it vital to resist with their national forces.

Similar declarations have been made in regard to various other states, and it has been suggested both in Parliament and in the press that this new policy of security should be extended to the Scandinavian countries.

So far it is not known under what terms the guaranty has been given; whether it is a unilateral declaration or a reciprocal obligation of some kind. But without in any way reducing the importance of the declarations made in the present emergency, it can no doubt be said that the northern countries have not requested and do not wish any such guaranty, nor have they been approached on this subject.

GUARANTIES AVOIDED

It is the declared policy of all the Scandinavian countries to keep outside any bloc of powers that may be formed and to observe a strict and unimpeachable neutrality. There is also among the people themselves a deep-rooted feeling that guaranties of any kind would be prejudicial to their national independence.

The very idea that the Scandinavian countries should need any special guaranty from any state or group of states is foreign to the northern countries and would seem to imply that they had dangerous national or political disagreements with some nation or other, which is not the case.

All the northern states are members of the League of Nations and

which is not the case.

All the northern states are members of the League of Nations and signatories to the Kellogg-Briand Pact for renunciation of war as an instrument of national policy. It would probably be an exaggeration to state they have today an unconditioned and implicit belief in the collective security built upon the Covenant and the Kellogg-Briand Treaty. But, on the other hand, they do not feel convinced that any special guaranty given by one or more of their cosignatories would materially lessen any eventual danger of agression from an outside power. outside power.

PROMISES DISCREDITED

Of course, the great difficulty of the moment, perhaps the greatest, is the general distrust among governments, states, and nations.

What might be called the international political credit system has completely broken down. No state believes wholeheartedly in any promise given by any other state today. Covenants, pacts, treaties, conventions, and agreements violated on the slightest pretext, and obligations, undertakings, promises, and guaranties unfulfilled have left the world in a state of moral chaos. As states have gone off

left the world in a state of moral chaos. As states have gone off gold so they have gone off their whole system of political responsibilities. It is hardly the opportune moment for inspiring confidence. That cannot be done any longer by words, however beautiful and reassuring. It can only be done by deeds, however modest. The nations have lost interest guaranties on paper. They are not deluded quite so easily as they used to be. They even have a lurking suspicion of slogans and are not convinced that democracy or the reverse is the true touchstone of action taken by great powers. The northern countries are fully aware that an absolute condition for remaining neutral in case of a European conflict must be to arm to such an extent that no attempt on their territories could meet with an immediate success, and to be prepared to defend their independence to the utmost of their power. That is why all four countries, with the consent of all political parties, have voted larger credits for national defense than ever before.

The four nations are also fully persuaded that it will be in the

The four nations are also fully persuaded that it will be in the interest of every country and of the future of European civilization that one corner of Europe should remain neutral if the worst

should come to the worst, and they are convinced that the world is longing for hopes once more and also for plain speech.

That is why the attitude of the President of the United States has been followed with so keen an attention in most countries. has been followed with so keen an attention in most countries. The United States is in a singular position. It has not extended its territories as a result of the war. It does not rule conquered nations. Its great cities and its frontiers are in no immediate exterior danger. Akin to all the nations of Europe and indebted to all of them in spite of war loans, it alone can hope to understand and be understood and to incur a minimum of suspicion.

When the United States unreservedly and openly emerges from the shadows of isolation there will be a possibility of starting upon a fresh era of international cooperation and coordination.

The Townsend Plan

EXTENSION OF REMARKS

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

RADIO TALK BY FULTON LEWIS, JR.

Mr. HENDRICKS. Mr. Speaker, recently there has been much pressure put on me to introduce a petition in the Well of the House to discharge the Ways and Means Committee from further consideration of H. R. 2, which is the Townsend plan. I have declined to do so at this time because I believe the leaders of the House plan to give us a vote on this bill at this session of Congress.

I would like to insert in the RECORD here a brief commentary made by Fulton Lewis, Jr., nationally known news commentator on a coast-to-coast radio network, concerning the probability of a vote on H. R. 2 at this session of Congress. This commentary corroborates my belief in this regard.

Now, you may recall that more than a month ago, I made several reports to you, about some hearings that were held on the Townsend old-age pension plan, and the General Welfare Act—which is somewhat similar—and several other bills, dealing with the general subject of old-age pensions.

The Townsend bill seems to be the one that has the greatest numerical support, throughout the country.

numerical support throughout the country.

Every year, at every session of Congress, a little handful of Congressmen who support these old-age pension programs, put up a battle to get their bill to the House floor, and at least get a record vote on it.

At first, of course, it's necessary to get hearings before the House Ways and Means Committee, and up until this session, they never

had been able to get that.

There has never been a vote on the Townsend bill. That's not There has never been a vote on the Townsend bill. That's not hard to understand. Very frankly, the average Member of Congress does not want a vote on any of these bills. The Townsend plan, for example, is a very troublesome and precarious political issue. The average politician much prefers to talk about it, in vague, broad, and ambiguous generalities.

The Congressmen do not relish the idea of a roll-call vote in the House of Representatives, on which they are pinned down to

one of two positions: "Yes, I am for it," or "No, I am opposed to it," and there never has been a vote on the Townsend plan, or any of these other similar programs.

Up until this session the proponents never have been able to get

so much as a hearing.

But this time it was a little different story. The sponsor of the Townsend bill is a young, wiry, persistent little gentleman from Florida, Representative Joe Hendricks; I doubt if he weighs more than 85 pounds, but he has the tenacity of 85 bulldogs.

Representative Hennarches appealed to Representative Doughton, the chairman of the House Ways and Means Committee, to give the Townsendites and the proponents of these other bills a chance to tell their story at least, and this time the committee decided to do so, with the result that those hearings were held a month ago.

Various witnesses appeared on both sides; the hearings lasted 10 days; the committee heard everyone who asked to be heard, including the tall, elderly Dr. Francis Townsend in person; but then, after it was over, the whole subject seemed to die a sudden death. There hasn't been a word of news or a development of any kind for

And it occurred to me this afternoon that it was only fair to the several million backers of these bills throughout the country to find out what has happened to them and whether they have been

merely pushed away in a pigeonhole, brushed under the edge of the rug, so to speak, in the hope that they'll be forgotten. I talked to Representative Hennancus. He said that is not the case at all; he told me that the leaders on the Ways and Means Committee have informed him that the committee is considering the Townsend bill—and these other programs—in secret sessions, at the present time; studying each one of them carefully. As soon as these secret discussions are completed the committee

will take definite action on them. Mr. Hendricks said that as a matter of fairness and courtesy, he wants to give the Ways and Means Committee every opportunity to carry out that promise. If it fails to do so within a reasonable time, there is one alternative he could take.

He could take.

He could bring his Townsend bill to the House floor by force, in spite of the Ways and Means or any other committee, by getting a petition to that effect, signed by at least 218 Members of the House; but he said he does not want to attempt that method except as a last resort.

Now, with that as a starter, I did some digging of my own among members of the Ways and Means Committee and the Rules Committee and among the House leaders in general this afternoon, to see whether Representative Hendricks is looking at the picture through rose-colored glasses, and this is what I find:

The Ways and Means Committee is studying the Townsend bill and these other similar bills at the present time. They will continue for a week or 10 days more at least, probably longer than that. At the end of that time they will take a vote, and there seems to be a very comfortable majority in favor of sending the Townsend bill—perhaps all of these bills—to the House floor without approving or disapproving them, but with a report that will be unfavorable.

be unfavorable.

Now, after that, it's necessary for the Rules Committee to give its permission for the bill to come up for debate on the House floor (that's true of all legislation). The almost invariable custom is, that the Rules Committee does not give its approval under

such circumstances.

But it seems that the Rules Committee will reverse that custom; it will send these bills to the House floor and allow them to come

it will send these bills to the House floor and allow them to come to debate.

The general leaders of the House have decided that although most of them personally are opposed to the Townsend old-age pension plan—the several million supporters of that plan, throughout the country, are entitled to have the bill brought up on the floor of the House of Representatives—they're entitled to a record vote so they can see how every Member of Congress stands.

So it appears that some time this session the Townsend followers, the old-age pension groups, will get their bill to the floor—they

the old-age pension groups, will get their bill to the floor—they finally will get this record vote in the House of Representatives for which they've been fighting for nearly 6 years.

Gen. Peter Gabriel Muhlenberg

EXTENSION OF REMARKS OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

Mr. ROBERTSON. Mr. Speaker, the Seventy-fifth Congress authorized an appropriation of \$25,000 for the erection at Woodstock, Va., of a suitable monument to the memory of Gen. Peter Gabriel Muhlenberg to commemorate his patriotic services during the Revolutionary War. When that bill was pending in the House I stated that the erection of such a monument would stimulate the patriotism of the youth of the

country. In recent months the life and accomplishments of General Muhlenberg have been the subject of study by the pupils of the public schools of Shenandoah County, and the following letter was written by a seventh-grade pupil to the county superintendent of public schools:

MOUNT JACKSON, VA., April 24, 1939.

Supt. C. C. SHOEMAKER,

Woodstock, Va.

Dear Mr. Shoemaker: Mr. Hepner, our teacher, read a letter from you in which you asked that each school have one of the pupils write you a letter telling what we are doing by way of studying the story of Reverend Muhlenberg and the contemplated

memorial in the near future.

I am writing this letter to advise you that our class has delegated this honor to me, and that we have been studying this sub-

ject in school when I was yet in the lower grades.

The Shenandoah County geography that has been in our schools for a number of years gives a very brief but interesting account of this patriotic incident of Revolutionary days, as well as some other books we have been here in school, and the grades from fifth

other books we have been here in school, and the grades from fifth up to seventh have been studying it for years.

The little pamphlet that Mrs. Massie brought to the schools gives a more recent account of just what progress is being made in this matter, and we have studied it as thoroughly as we could.

I think our Representative, Hon. A. Willis Robertson, has done a splendid work in bringing this matter to the attention of our Government at Washington, and for his untiring efforts to secure the sum of \$25,000 to put it across.

The citizens of the county, who have contributed time and effort, also, deserve the recognition of the people of Shenandoah County and the people of Woodstock, especially, for this fine contribution to their town, but the people of our county, State, and Nation owe the greatest debt of gratifude to the patriotic spirit of Rev. John Peter Gabriel Muhlenberg and the patriotic men who volunteered on that fine Sunday morning to march off to war for the noble cause that gave us our liberty and freedom.

Very respectfully yours,

Guy H. Sager,

GUY H. SAGER, Seventh Grade, Hudson Cross Roads School.

Business and Government Must Cooperate and Each Refrain From Punitive Conduct

EXTENSION OF REMARKS

HON. MILTON A. ROMJUE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. ROMJUE. Mr. Speaker, I desire to include herein a copy of a resolution introduced by me, as follows:

Whereas it is imperative that the people who are unemployed and who are willing to work should have every reasonable opportunity to secure employment, and only by cooperation between govern-ment and business can persons on relief rolls or unemployed be given employment and private business interests have urged that expenditures for relief be diminished and a few certain groups expenditures for relief be diminished and a few certain groups assert their ability to bring universal prosperity to the country if the solution of the country's problems were left to them, and while the solution of such problems, during the year 1932 and for several years prior thereto, were left to them the greatest depression our country has known was dropped into the lap of the Government, and those who now proclaim their ability to bring Government, and those who now proclaim their ability to bring about prosperity offer no new solution, except to go back to the policies in which they profess their faith, which actually led up to Nation-wide unemployment and almost a total bankruptcy of agriculture and financial institutions and a wholesale loss of jobs and positions to men and women willing and desiring to work, and the only solution now offered to remedy the situation by those who proclaim that if the full management of affairs should be turned back to them is that they will now solve the problem right, which they solved wrong before, professing at the same time that they have lost confidence; and

Whereas their loss of confidence has been present with them

Whereas their loss of confidence has been present with them Whereas their loss of confidence has been present with them since they were put out of power in the management of the Government on March 4, 1933, and their lack and loss of confidence has existed during 6 long years and no program yet offered by them, except that they want affairs turned back to them without asserting or setting forth any specific program that they profess to execute and the "loss-of-confidence group" has persistently asserted that the credit of the Government is being and was almost actually destroyed as early as 1933 and 1934, and notwithstanding such assertions the United States Government credit is as strong today as ever before in the history of our country, since its own securities are selling on the market far above par and many of the "loss-of-confidence group" are making their investments in said securi-

ties, and while we deplore the troubled conditions now existing in ties, and while we deplore the troubled conditions now existing in world affairs, and so far as can be seen not only has the "lack-of-confidence group" not lost faith in the Government as shown by their investments in the securities of the United States Government but the nations of the world who are troubled with rumors and threats of war are sending their gold and treasures to the United States of America, believing it to be the safest governmental institution on earth: Therefore be it

Resolved, That the people of the United States have not lost faith in their great leader nor in the fundamental principles of

faith in their great leader nor in the fundamental principles of their Government, and while reasonable enough and fair enough not to claim perfection in the administration of public affairs, it is the desire of the Congress of the United States to expedite em-ployment as much as possible and to refrain from the expenditure of public money so far as it can reasonably be done; and be it further

Resolved, That the Congress of the United States proposes to business institutions who have expressed their lack of confidence, that for every man to whom they will give employment the Federal Government will promptly remove from the pay rolls and stop the expenditure of public funds, and that the industrial concerns who have so assertedly stated that they have lost confidence, furnish to the Government the number of men that they will give em-ployment to for at least a period of 6 months at a reasonable wage or salary, and for an equal number that are employed by them the Government will withdraw their names from its employment and

There necessarily must be cooperation between industry and business interests of the United States and the Government itself. It is not expected that any business interest or enterprise will always be perfect, neither should it be expected that the Government in all of its activities be without error. The people of the United States are blessed by having the greatest Government on earth, and taking it all together there is no government anywhere better managed and more responsive to the will and wish of the people than is our own Government of the United States.

There is nothing so easy to do as to be abusive and criticize. I have known many a man who did not know how to run his own business at all, but knew exactly how to run everybody else's. If one chooses to look back over the history of this Government, they will find in proportion as little to criticize as the average person would find in regard to the management of his own business or own life's conduct. Great fortunes have been made and builded up in America the like of which has not been duplicated in any nation or in any combination of nations on earth. Many of these business enterprises have succeeded largely on their own merits, judgment, and management, and many have reached their peak through the processes which they have followed under the guidance and protection of favorite legislation. Many a fortune has been made by industries that were fostered and nurtured by an extraordinary high tariff protection, and that element of business reached the zenith of its power under the administration of President Hoover and a limited group had become so powerful that they influenced the writing of such a high tariff wall that they destroyed the agricultural interests of our country and pulled the roof down upon business in general. For some time President Roosevelt and the Democratic Party have been trying to bring things back to a common level. It is at least as much the duty to help the poor and weak up as it is to bring the strong and powerful down to a plane of equity and justice.

No right-thinking man wants to see any honest and legitimate business treated unfairly. On the other hand, no rightthinking man wants to see men, and whole families sometimes, unemployed and without work, food, and with scanty clothing. So in adjusting the problems that confront the country there must be demonstrated a spirit of cooperation.

I understand there is now meeting in the Nation's Capital representatives of industries and large business enterprises and chambers of commerce. I hope they may devise some plan that they may follow that will lead to better cooperation with the Government itself. Unfortunately, there happens to be here and there men identified with big business and even holding high political positions who can find no other avenue of pretended helpfulness other than to condemn and criticize. World affairs are in a grave situation. It is hoped and expected that the United States may honorably remain free from war; and in view of the very serious situation of world

affairs, it should be plain to every unprejudiced mind that the United States in all of its business interests and those who represent them should cooperate in every fair and reasonable manner, not only to maintain an honorable peace but to maintain a proper relationship among all of its people, including their business relationship. Perhaps what is needed most at this time is a spirit and willingness to lend a helping hand and to be cooperative rather than to be condemning everything. The group or faction or even a nation that thinks everybody and everything is wrong but itself eventually finds that it has not chosen the path either to happiness, contentment, or success. False propaganda and misrepresentation should give way everywhere to clear thinking and honest endeavor, and a willingness to cooperate and a desire first to be helpful rather than to be critical will prove beneficial. Those who indulge in the policy of helpfulness rather than that of vindictiveness will be the happier and more successful.

The "Emergencies" Become Permanent Under the President's Reorganization Plan

EXTENSION OF REMARKS

HON. GEORGE H. BENDER

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

Mr. BENDER. Mr. Speaker, President Roosevelt has taken the bull by the horns with the first proposal for a comprehensive reorganization of Federal agencies. Under his regrouping the Treasury Department will be renamed the Budget Bureau, and the activities of the Central Statistical Board and the Central Statistical Committee will be conducted under direct White House supervision. Our present National Resources Committee and our so-called Employment Stabilization Office, which is now part of the Department of Commerce, will similarly move over into the Budget Bureau; and the financial rearrangement will be completed with the naming of one of the President's yet to be appointed six Executive assistants to act as contact man between White House and Treasury.

So far, so good. But we speedily leave the realm of judicious reorganization and enter the field of controversy. The President has proposed a new Federal Loan Agency, and in it he suggests the lumping of the Reconstruction Finance Corporation, the Electric Home and Farm Authority, the Disaster Loan Corporation, the RFC Mortgage Co., the Federal National Mortgage Association, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, and the Export-Import Bank of Washington. Here is something new. When the E. H. F. A. was set up, when the F. H. A. was created, when the Export-Import Bank was born, it was certainly contemplated that their existence was to be limited to the period during which they were necessary. To consolidate these agencies into a new department is clearly an effort to "freeze" them into permanence. As independent arms of the Federal Government, their activities were open to public scrutiny at all times. Their policies were reviewable, their expenditures were available for examination, their personnel was a matter of public record readily accessible to all who were interested. Once these independent emergency groups become fused in a large, well-concealed department, they will become permanent organs of the Federal Government. Make them part of a staff which is certain of its job, and it will take political dynamite to pry them loose from the Federal pay roll.

But there is still worse in the President's reorganization set-up. We are to be given a new Federal Works Agency. Within it will be embraced W. P. A. and P. W. A., both independent organizations at present, the Bureau of Public Roads, the buildings branches of the Treasury Department and the National Park Service, and the United States Housing Authority.

By consolidating those groups, the President will create a situation in which the most notorious spending agencies of the Nation will be perpetuated. The President's rearrangement, it should be observed, does not contemplate the desirability of eliminating the distinction between P. W. A. and W. P. A. It does not consider the frequently urged suggestion that the United States Housing Authority be replaced by some Federal consulting group which will have as its purpose the encroachment of private housing developments rather than the direct construction of publicly financed slum-clearance projects.

No matter how benevolent the President's intentions may be, there can be no reasonable doubt of the inevitable results of the proposed reorganization. Spending agencies designed for emergency purposes only will become fixtures of our National Government. The effort to correct abuses within the existing framework of our relief administration will be completely forgotten in the excitement necessarily attendant upon the establishment of a new governmental division. We shall be right back where we started from this spring when Congress insisted upon a thoroughgoing investigation of W. P. A. activities. The thousand and one difficulties which always accompany the transfer of Federal business from one agency to another will take up so much time and effort that the hearty enthusiasm for a complete revamping of our direct relief W. P. A. organization will be dissipated. And as a result of all this regrouping, there is nothing to indicate the economies which shall be achieved upon which the Nation or Congress may rest a decision.

To all appearances, the major result of the consolidations proposed by the White House will be the perpetuation of emergency" agencies long after their usefulness is outlived. When the United States Supreme Court killed the N. R. A., back in the first administration of Franklin Delano Roosevelt, most of our people believed that the N. R. A. administrative staff speedily ceased its activities. Yet as late as last year, there were still scattered employees in the service of the dead Blue Eagle. If we elevate W. P. A. and P. W. A., U. S. H. A. and E. H. F. A., D. L. C. and E. I. B. to the dignified status of departmental divisions, the taxpayers of the Nation may resign themselves to a long, hard pull. A huge personnel, administrative, supervisory, as well as the recipients of direct aid, will become vitally interested in assuring their permanent retention of staff positions. Advocates of civil-service extension will insist upon extending the provisions of their pet measure to emergency relief personnel.

We are indebted to the White House for its explicit message. The President's proposal has given us concrete evidence of the purposes to which the new reorganization powers are to be put. They will be used, not for the sake of economy, for the paring down of the huge Federal expenditures which have piled upon our Nation the greatest debt within the history of mankind, but rather for the perpetuation of a bureaucracy which will resist every effort to restore our finances to normal levels to the last man.

Relief Appropriations

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Evening Star of March 29:

[From the Washington Evening Star of March 29, 1939]
UP TO CONGRESS

It is disheartening, although not unexpected, to find Mr. Roosevelt opposing substantial reforms that have been suggested as

means of reducing relief costs and improving the efficiency of relief administration. The President's position, as disclosed in his message asking for \$1,477,000,000 for the Works Progress Administration during the next fiscal year, is particularly discouraging in that it leaves the entire burden of devising a more economical method of administering relief—if there is to be any such saving—to Congress. This is a matter in which a President should take the lead, but Mr. Roosevelt, apparently convinced of the desirability of the present system despite its demonstrated shortcomings, refuses even to consider a trial of alternatives.

consider a trial of alternatives.

It is true, of course, that the President is asking only \$1,477,000,000 for next year and that about \$2,250,000,000 will have been spent for W. P. A. by the end of this fiscal year. This reduction is based on the assumption that W. P. A. employment will average only 2,000,000 next year, as compared with an average employment of about 3,000,000 persons this year. While it is to be hoped that Mr. Roosevelt is correct in this estimate, the industrial outlook as a whole makes it appear optimistic and suggests the possibility that a deficiency appropriation may be sought before the year is over, as has been the case in the past.

In any event, a reduced appropriation based on a restriction in

In any event, a reduced appropriation based on a restriction in the scope of W. P. A. activity because of improving business condi-tions does not go to the heart of the difficulty. So long as unem-

tions does not go to the heart of the difficulty. So long as unemployment continues to be a major problem the cost of relief will continue to be disproportionate to the results secured until there is a drastic change in the present system of meeting this emergency. The principal change suggested has been that we return to a cooperative system of relief, in which responsibility for administration would be left to State and local authorities, assisted by grantsin-aid from the Federal Government. This could be worked out so the Central Government would retain adequate supervisory power to protect its interests. It is, in fact, the method now being followed in a few classes of relief activity.

In specifically opposing this change Mr. Roosevelt said he believes it has "as many disadvantages as there are political units in the

It has "as many disadvantages as there are political units in the Nation." But until the President sees fit to make a more con-Nation." But until the President sees it to make a more convincing statement as to the precise nature of these "disadvantages," the impression will persist that the W. P. A. is more of a pump-priming device than a relief agency. If that is the case, Congress must be prepared to assume the entire responsibility for seeing to it that relief funds are used for relief purposes and nothing else.

Ohio-Lake Erie Canal Should Be Abandoned As Extravagant and Unnecessary

EXTENSION OF REMARKS

HON. PAUL W. SHAFER OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

EDITORIAL FROM PITTSBURGH POST-GAZETTE

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I wish to include an editorial from the Pittsburgh Post-Gazette in opposition to the proposed Ohio-Lake Erie Canal. The editorial follows:

[From the Pittsburgh Post-Gazette]

There is now in the hands of the Rivers and Harbors Committee There is now in the hands of the Rivers and Harbors Committee of the House of Representatives a recommendation by Army engineers of a proposed canal from the Ohio River to Lake Erie. Hearings to determine the merits and defects of the plan, previously called for April 11, have been indefinitely postponed. In the meantime, however, it is in the public interest to examine the project. The engineers' report calls for the construction, at present of a portion pale of the canal extending from the Ohio River to Struth.

The engineers' report calls for the construction, at present of a portion only of the canal, extending from the Ohio River to Struthers, just outside the city of Youngstown. Construction of the remainder of the canal to Lake Erie would be postponed until experience had proved whether the first stages were practical. Youngstown, Ohio, would be practically the sole beneficiary of this canal, and it would not even be of any great advantage to general industry there, but only to one or two large plants, which would be able to take advantage of the cheaper transportation of

To build even the first step of the canal would cost the tax-payers of the Nation at least \$42,000,000, according to Army estimates. The cost of the whole canal, according to the same esti-mates, would be \$207,000,000. Interest charges during construc-tion and the cost to local taxpayers would increase this to \$240,-000,000. Furthermore, equipment, terminal facilities, dredges, and other necessary expenses incidental to the canal would have to be

provided, bringing the total to over \$300,000,000.

In addition to the tremendous expenditure of public money, which ought not to be made under present conditions even if the

canal would be useful, there are numerous other objections to it. It is estimated that more than 22 million tons of freight would be diverted annually from the railroads and that over 8,600 railroad employees would be thrown out of work as a result.

employees would be thrown out of work as a result.

The canal, however, would be closed by ice at least 3 months each year, so that it would be necessary for the railroads to maintain their lines despite these heavy losses. Everyone is familiar with the plight of the railroads; to place this added burden on the shoulders of those which would be directly affected is not comprehensible. The talk that such a canal would be good for defensive purposes in case of war is just pure rot.

However, railroads and railroad workers will not be the only sufferers. The coal industry in this section of the country is another field that would be seriously affected.

Naturally, a decrease in revenue for the railroads will mean a consequent decrease in the present heavy Government taxes paid by roads. The canal will therefore place a further burden on the taxpayer through this loss in revenue to the Government, which is estimated at \$2,000,000 annually.

Nor is the general experience with canals such as to warrant this tremendous investment—with interest and amortization charges of \$12,000,000 each year and maintenance costs estimated at \$2,000,000 annually, which the taxpayers of the Nation would have to take care of.

The National Resources Committee, in a report to the President, has cast serious doubt on the practicability of the canal. As a result of this report, Mr. Roosevelt has ordered further investigation of the project. It is to be hoped that when the House committee comes to consider the recommendation of the canal now before it, it will refuse to commit the Government to the project, which is unwise from almost every point of view.

The Railroad Problem

EXTENSION OF REMARKS

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES Tuesday, May 2 (legislative day of Monday, May 1), 1939

RADIO ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA, MAY 1, 1939

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a speech delivered by the Senator from Montana [Mr. WHEELER] on the railroad situation and legislation affecting transportation in the United States. The speech was delivered over the radio on the Forum of the Washington Star, at 8:30 o'clock p. m., on May 1, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In speaking to you tonight on the Washington Evening Star pro-

In speaking to you tonight on the Washington Evening Star program may I be pardoned for diverting your attention from European affairs and war hysteria long enough to discuss one of our major economic problems at home. It is one which has commanded the front pages not for days, not for weeks, but for months and even years. Its importance can hardly be overestimated. It is a national problem of the first degree.

The President of the United States, recognizing the gravity and the importance of the railroad problem, has twice during the past year appointed committees to study it. Those committees reported, and the President transmitted their conclusions to the Congress. The recommendations of the President's committee have furnished the bases for the general transportation legislation introduced by Senator Truman and myself in this Congress. We have introduced four bills; one deals with regulation of competing forms of transportation, one with reorganization of insolvent roads, one with waste of railroad funds in ventures outside their own business, and one with railroad holding companies.

When the Interstate Commerce Commission was created in 1887

ness, and one with railroad holding companies.

When the Interstate Commerce Commission was created in 1887 it regulated, as its name indicates, interstate commerce. The railroads were then and for years later a virtual monopoly in the transportation field, But today other forms of transportation flourish, and the railroads are subjected to vigorous competition from both motor vehicles and water carriers. The Congress has encouraged the construction of fine highways which the trucks can and do use. We have appropriated millions of dollars for such purposes. Likewise, Congress has aided water carriers with huge appropriations from the Treasury of the United States for the purpose of dredging harbors, canalizing rivers, and otherwise encouraging, with public funds, the growth of water transportation.

It has been requested and urged by many that the railroads be subsidized out of the Public Treasury. But the Congress has refused, and wisely in my judgment, to do this. It is true that the railroads are the most vital unit of our transportation system, Notwithstanding their importance, the railroads are not entitled to any special privileges. Neither should they be made to suffer any discriminations.

discriminations.

The transportation bill which Senator Truman and I have introduced and which we hope the Senate Committee on Interstate Commerce will recommend for passage this week is neither drastic nor radical. It is designed to modernize, codify, and clarify the present law. It seeks to extend regulation by the same and single agency to all competitive forms of transportation, but with recognition of the inherent advantages of each, and with due consideration for the public interest. tion for the public interest.

This will give to the carriers unified and fair regulation. It will insure for the public, coordinated transportation service.

Regulation of all competitive forms of transportation by a single agency, the Interstate Commerce Commission, is reasonable. President Roosevelt, in his message to Congress on June 7, 1935, urged the passage of legislation which would have accomplished this objective. If railroads are to be regulated, certainly their competitors should likewise be regulated. This bill is so drawn that each form of transportation is to be regulated, not for the benefit of any other form of transportation but for the public benefit of any other form of transportation, but for the public interest. This country is committed to regulation of transportation. There are those who believe that Government regulation is wrong, but the Nation is committed to that golicy. If, therefore, it is proper in the public interest to regulate busses and trucks upon the highway as Congress has done, and to regulate the railroads, what excuse can be offered for not regulating all other

forms that compete with them?

Some water carriers have appeared before the Senate committee in opposition to the enactment of the bill. They fight it because they do not want regulation. They say there is no public demand. There is a demand, a demand for a national transportation policy and even-handed justice for all, regardless of whether they be small or great. This bill seeks to do that.

The bill uses in part the language of the Interstate Commerce Act, and in part the language of the water-regulation bills of 1935 and 1937. It has been carefully drafted and thoroughly scrutinized, not only by members of the Interstate Commerce Committee of the Senate but also by experts from the Interstate Commerce Commission.

The rate-making rule, with all its safeguards of the public interest, has been retained. The bill plainly says that in pre-scribing a rate for one carrier the Commission is to consider only the effect of that rate on that particular mode of transportation. Properly administered, this should mean for better and cheaper transportation.

The Senate committee has been considering this bill in executive session and has eliminated provisions to which there were meritorious objections. As it emerges from the committee it will be a constructive and modern piece of regulatory legislation.

Another major railroad problem that has been commanding the attention of the Senate Committee on Interstate Commerce is the challenge to do something constructive about those railroads that are in the financial hospital—receivership or bankruptcy. A large proportion of the railroads, while outwardly in good physical health, are able to continue as going concerns only because they

are in the case of receivership or bankruptcy courts.

To the consumers of transportation service the railroads are so many miles of steel rails, so many locomotives, so many boxears, passenger cars, stations, and terminals. In the securities markets,

however, the railroads are so many bonds, so many shares of stock, so many interest coupons, and so many dividends.

These stocks and bonds make up the financial structure of the -just as the rails, cars, and locomotives make up their

physical structure.
When a locomotive breaks down, it is taken into the shops for When a railroad's bonds break down the financial struc-That repair process is referred to as reorganization.

At the present time, companies operating more than 75,000 miles, or roughly one-third of our entire railroad mileage, are in acute

financial distress.

The burden of the financial structure of these companies on their physical structures has been so heavy that their physical structures were unable to produce enough cash to pay the interest on their bonds.

The effect of this unfortunate situation is no private or local matter—it extends directly or indirectly to every member of the public. The problem is a national problem of first magnitude. The figures run into box-car numbers. The debt and stock of these bankrupt railroads exceed five and one-half billion dollars.

The number of persons directly employed by them exceed a quarter of a million workers.

But the consequences of this financial distress do not stop with the securityholders and employees directly affected—they extend to the passengers and shippers, the industries that supply rail-roads with equipment and supplies, insurance policyholders, the securities market—to every factor in our economic system, and to the Government itself.

Our whole economy is sensitive to the financial stability of the railroads. For this reason adequate procedures and standards for financial rehabilitation of the insolvent railroads are matters of

national concern.

The purpose of bankruptcy or receivership reorganization is to restore the railroads to financial health. Unless really sound financial structures are provided by these reorganizations the consequences to our national economy will be dangerous.

Try as we may, we cannot escape the facts. We cannot escape the fact that roads unsoundly capitalized will find themselves under relentless pressure to skimp on maintenance of their physical structures, with the result that efficiency and even safety will be jeopardized. We cannot escape the fact that the quality of service available to the public will also suffer from the railroads' financial inability to keep abreast of technological improvements. We cannot escape the fact that railroad labor, and labor in general, will be adversely effected. Industrial relations will be disturbed, will be adversely affected. Industrial relations will be disturbed; labor desires to maintain an adequate volume of employment with wages at an appropriate level; but railroad managements, if bur-dened by unsound capital structures, will feel compelled to take the opposite tack.

It takes no financial wizard to realize that the rails, the coal, the cars, and tools which the railroads would be able to buy, if given sound financial structures, may well make the difference between prosperity and depression for the several important industries whose chief customers are railroads.

dustries whose chief customers are railroads.

Here is a problem that calls for the best statesmanship at our command. The lessons of the past have been bitter—but they have been real. Our entire railroad history has been one of recurring cycles of insolvency, reorganization, further insolvency, and further reorganization. The process has been one of fees for bankers and lawyers and then failures. The result has been temporary makeshifts doomed to collapse—makeshifts foisted on the investors and the public at terrific expense and unpardonable extravagance. Worst of all, these reorganizations in spite of their cost have completely failed in what should have been their primary purpose—sound financial structures for the railroads.

The unhappy truth is that these reorganizations which failed so miserably were not infrequently engineered and perpetuated on the public by scandalous methods. The receivership scandals in this country are now matters of common knowledge.

With one-third of our railroad mileage now in bankruptcy, and

With one-third of our railroad mileage now in bankruptcy, and much more of it on the verge of bankruptcy, it would be reckless indifference to tolerate in the future a repetition of temporary makeshifts and unsound reorganizations.

What we are trying to accomplish in this bill is to reorganize the insolvent roads on the basis of what can reasonably be expected for them in the way of future earnings.

The problem calls for realism and realistic methods. All impartial students of the problem realize that a financial structure which is out of gear with the earning power of the property is

doomed to failure.

For the purpose of creating a sound financial structure, it makes no difference what was at one time invested in the road—what it originally cost, what it would cost to reproduce, or what anyone claims its abstract value to be. The controlling question

is: What can the property earn to support its capital structure?

It would be tantamount to fraud to create worthless securities in reorganizations, securities that cannot be supported by earnings. That would be simply creating tokens for stock-market

speculation.

Our bill seeks to measure the earnings that can reasonably be expected in the future by the experience of the past over a period of years. Anyone who claims that the future average earnings will be greater than the history of a past period of years should be required to prove his contention with evidence.

Railroads cannot be reorganized on mere hopes.

Wishful thinking is no substitute for earnings.

Wishful thinking is no substitute for earnings.

Reorganizations cannot succeed if they are based on claimed values that have long since disappeared in a realistic sense, and on business that has long since been lost to the railroads, never to return. A reorganization based on a sound judgment of earning power destroys no values; creates no losses. It simply recognizes the facts, including the unpleasant but nevertheless inescapable fact that values based on original cost or even reproduction cost just don't exist without earning power to support them.

One of the most discouraging facts of the present time is the hysterical fear that is blocking progress.

Fear seems to be the governing factor in our lives. There can

Fear seems to be the governing factor in our lives. There can be no hope of progress on that basis. Nor can we legislate for the public good if fear continues to be the guiding policy of those who appear before committees of Congress to oppose legislation which we have under consideration. At this very moment an effort is being made to block constructive railroad legislation with a lobby of fear. In the past there have been all sorts of lobbies used in an effort to influence Congress. But the hysterical lobby of fear today is a new technique to impede progress, and if successful, will mean not only the defeat of progress but a return to the evils and the abuses of the past.

I do not want to burden you with the technical phases of the I do not want to burden you with the technical phases of the bill relating to railroad reorganizations. But I do want to mention one important part of our program—the establishment of a special centralized railroad reorganization court. This would be a court of three expert judges, appointed by the President with the advice and consent of the Senate. The court's sole function would be to deal with the reorganization of insolvent railroads. That would be its sole responsibility and its reputation would stand or fall on the way in which it did that job. The creation of such a court would offer real opportunities to master the problems of railroad reorganizations that have plagued our entire railroad history. It would place responsibility for avoiding the abuses and scandals of the past where that responsibility cannot be escaped. The establishment of such a court was recommended by two committees appointed by the President to consider the

by two committees appointed by the President to consider the problem, and the President passed that recommendation on to Congress. We are trying to effect such a program, and we will, unless the lobby of fear is the victor.

In conclusion let me say we do not offer this legislative program as a panacea for the railroads, but I do claim it is a step in the right direction. The railroads need what every business in this country needs today—more business. The way to get more business for the manufacturers, better prices for the farmers, is to put the nine or ten million unemployed to work at good wages so that they can travel and buy what the farmer and the manufacturer has to sell. Every effort of this Government as well as every effort of private industry should be directed to this end. Devotion to this Nation and intelligent selfishness on our part demand this policy. demand this policy.

A Generous Peace

EXTENSION OF REMARKS

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES Tuesday, May 2 (legislative day of Monday, May 1), 1939

ARTICLE BY DR. JOSEPH F. THORNING

Mr. TYDINGS. Mr. President, I ask that there be printed in the Congressional Record an article by Dr. Joseph F. Thorning entitled "A Generous Peace," having to do with the settlement of the war in Spain.

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From the Catholic Review, Baltimore, Md., April 28, 1939] A GENEROUS PEACE

(By the Reverend Dr. Joseph F. Thorning, chairman, department of social science, Mount St. Mary's College, Emmitsburg, Md.)

or social science, Mount St. Mary's College, Emmitsburg, Md.)
In an editorial (March 30, 1939), instinct with sympathy and
rich human understanding, the New York Times suggested that
"a generous peace is the best hope of reuniting Spain."
This peace, conceived in terms of generosity, should be extended
to the United States—and it should operate both ways. Those
who had the confidence in the military genius of Generalissimo
Francisco Franco have an obligation to bear themselves modestly
in what is undoubtedly an hour of triumph for an admired and
admirable leader.

in what is undoubtedly an hour of triumph for an admired and admirable leader.

On the other hand, magnanimity is not to be considered an exclusive prerogative of the victors. There is an obligation on the critics and enemies of Generalissimo Franco to do their best to merit generous treatment. Within Spain this will be no great problem. A regime of social justice, coupled with liberty under the law, will in all probability continue to attract Spanish hearts to a love for the soldier-statesman.

Outside Spain it must be observed, regretfully, there is little or no disposition to accept the verdict of arms as final. The keynote of the maintained leftist opposition to Christian Spain was sounded by Prof. Fernando de los Rios in his swan song to the American people.

According to this discredited diplomat the American Friends' According to this discredited diplomat the American Friends. Service Committee was "the only religious group which, organically as such, worked continuously among my countrymen throughout this tragic struggle, bringing them words and deeds of pure Christianity."

throughout this tragic struggle, bringing them words and deeds of pure Christianity."

This is a slander upon Christianity as well as upon Spanish Catholics. The latter, working as volunteers to the number of 400,000, organized and operated the Auxilio Social, whose beneficent labors have often been described and pictured in the pages of the religious press. This is the hour to reemphasize the fact that the cause of the Auxilio Social, although an instrument of the national will and the Franco state, was the direct offspring of the Christian spiritual and moral revival which accompanied the national movement and which, like the armies in the field, received the blessing as well as the organized support of the Catholic bishops, priests, and lay people.

Admirable as was the humanitarian work of the American Friends' Service Committee, it does not bear comparison, either in scope or in wealth of self-sacrifice, with the magnificent development of the Auxilio Social, which is still serving the material and spiritual needs of millions. In the "calm analysis of history" this good-neighbor policy of the followers of Generalissimo Franco will neither be forgotten nor minimized. If we are to enjoy a generous peace, it is time for American columnists and newspaper editors to bestow a word of commendation upon the most truly Christian and charitable organization that emerged from the bloody

Christian and charitable organization that emerged from the bloody crucible of war.

Nor is the cause of a great-hearted peace served by pure inventions such as the Gestapo nightmare invoked out of thin air by Mr. Manuel Chavez Nogales. By what principle of ethics does a metropolitan journal like the New York Herald Tribune (March 29, 1939) foist upon the public a story written in Paris by an ex-publicist for the Madrid leftist regime? This writer admittedly has never seen a German or Nazi agent in rightist Spain. An article like that in the Herald Tribune is no contribution to peace, good will, understanding, or friendship. Rather it is tendentious, inflammatory, and destructive, if not designedly aimed to provoke indignation or reprisal. indignation or reprisal.

Let no patriotic American citizen be deceived. All the pleas for moderation, truth, magnanimity will be addressed to the head of the new Christian Spain. The calumniators, traducers, and jeal-ous, infuriated haters of Spain's first soldier are banded together in a conspiracy against the truth in what we trust will be a futile

ous, infuriated haters of Spain's first soldier are banded together in a conspiracy against the truth in what we trust will be a futile effort to blacken his reputation as a statesman before he shall have enjoyed half a chance to complete his superb social, civic, and humanitarian program.

Walter Karig (who early in January 1939 distorted the record with respect to the South American survey undertaken by His Excellency James Hugh Ryan and the Reverend Dr. Maurice S. Sheehy, of the Catholic University of America) returned to the charge with a vicious piece of anti-Franco propaganda to the effect that "the real master of the Iberian Peninsula is Hitler."

Smarting under the lash of just analysis and brimming over with bitterness with the frustration of his hopes for the victory of atheistic materialism in Spain, Mr. Karig, who no more than Manuel Nogales has any first-hand knowledge of the situation, is able to secure publication for his pious leftist fabrications in the Newark Evening News (March 31, 1939).

As an office of good citizenship we Americans, whether Protestant, Jewish, or Catholic, who believe in God, have a responsibility to point out to Messrs. Drew Pearson and Robert Allen, the defeated journalists of the left, that the challenge of "a generous peace" is a two-edged sword. If, as Herbert L. Matthews contended the moment he realized that his side had lost the war, "the resistance will go on—even underground," then every American who loves truth needs to remain on the alert to nail every lie that appears with respect to the aims, tendencies, or programs of Spain's new leaders.

The leftists have lost the war in Spain and in the United States. It is up to the friends of Christian Spain to insure that a "generous peace" will also be a triumphant "tranquillity of order." That is the definition of St. Thomas Aquinas.

Participation In War by the United States

EXTENSION OF REMARKS

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES Tuesday, May 2 (legislative day of Monday, May 1), 1939

ARTICLE FROM THE CHARLESTON (W. VA.) DAILY MAIL

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Charleston Daily Mail, of Charleston, W. Va., in a column headed "At This Hour," the article being entitled "Foggy 'Causes.'"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From the Charleston (W. Va.) Daily Mail] AT THIS HOUR-FOGGY "CAUSES"

Prior to 1917, America had fought five wars, and the cause of each is clearly recorded in the history books. In each case any high-school youth can state the "cause" of the war. But in reference to our part in the World War, the answer is not simple. What was the "cause" of the World War—particularly of America's participation in it? A British merchant ship, on which some Americant is the proposed to have taken prosesses was torrecome. can citizens happened to have taken passage, was torpedoed and sunk. But that hardly seemed enough to compel us to go to war. Surely our nationals sailed in the ship of a beligerent, laden with munitions, at their own risk. There was much public clamor about the supposed danger that the Central Powers, if successful on the the supposed danger that the Central Powers, if successful on the western front, would attack us; that it would be "our turn next." This assumption disregarded the fact of our geographic isolation. And this isolation was supposed by George Washington and by statesmen generally of the present day to afford America the best possible protection from foreign enemies.

Withal, in 1917 and 1919 there was a prevalent use of the mystic phrase that we must fight "to make the world safe for democracy." You hear the same talk now. But democracy cannot be made se-

phrase that we must fight "to make the world safe for democracy." You hear the same talk now. But democracy cannot be made secure by force of arms. Yet when we ask, What was the cause of the World War? some are sure to answer "To make the world safe for democracy." Well, if that is so, then we and the Allies certainly

lost the war. Nearly every democracy in Europe disappeared after 1918; and in our country there were never so many hostile forces as now seeking to impair it.

If war comes again in Europe, and if America participates in it, what will be the cause, so far as we are concerned with that war? How will you explain it so that a child of 12 (or any mature person, for that matter) can understand? We think you will be confounded. The answer would not be that we have been attacked and must defend ourselves, for no nation has attacked us. The answer would not be that we are liable or likely to be attacked next by the dictators, for no nation wishes to attack us, and no next by the dictators, for no hatton wishes to attack us, and no nation 3,000 miles away can attack us successfully. What, then, would the answer be? You hear people say that the United States would inevitably be drawn into a European war, but they don't tell us why. Perhaps, if we do go into Europe's war, and your boy of 12 or 15 or even of draft age, asks you for the cause of it all, you will simply say, "It was inevitable" and expect him to understand.

Philippine Oil Deal Between Standard-Vacuum and Quezon Government

EXTENSION OF REMARKS

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Tuesday, May 2 (legislative day of Monday, May 1), 1939

ARTICLE FROM PHILIPPINE-AMERICAN ADVOCATE

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Philippine-American Advocate entitled "Sevilla Kills Philippine Oil Deal Between Standard-Vacuum and Quezon Government."

There being no objection, the article was ordered to be

printed in the RECORD, as follows:

[From the Philippine-American Advocate]

SEVILLA KILLS PHILIPPINE OIL DEAL BETWEEN STANDARD-VACUUM AND QUEZON GOVERNMENT—STANDARD-VACUUM OIL INTEREST REFUSES AT LAST MINUTE TO DEAL WITH QUEZON UNLESS LEGAL CLAUSE IS INSERTED IN CONTRACT * * * "TO SUSPEND ALL DEVELOPMENT Work if Anyone Challenges Legality of Contract"—President Quezon Folled Rejection by Both Parties "Final"

(Documentary evidence and history of Publisher Sevilla's opposition to the oil contract negotiated by President Quezon now pending before the Philippine National Assembly)

New York City, February 3.—Porfirio U. Sevilla, Filipino executive businessman and publisher of the Philippine-American Advocate, was today advised from the Philippines that the oil contract pending before the Philippine National Assembly for final consideration, was rejected by President Quezon because the Standard-Vacuum oil interest attempted to have inserted in the contract

Vacuum oil interest attempted to have inserted in the contract with the Commonwealth government a clause permitting the Standard-Vacuum Co. to suspend all development work if anyone challenged the legality of the contract.

When this oil deal first came to the knowledge of Publisher Sevilla, last year, he expressed his opposition to this negotiation being conducted by the representatives of the Standard-Vacuum oil interest with President Quezon in an article entitled "Oil Pact Between the Standard-Vacuum and the Quezon Government," which was published in the May 1933 issue of the Philippine. which was published in the May 1938 issue of the Philippine-

American Advocate.
On June 8, 1938, under the auspices of United States Senator

On June 8, 1938, under the auspices of United States Senator Lynn J. Frazier, on behalf of his colleague, Senator Gerald P. Nye, the article was inserted into the Congressional Record of the Seventy-fifth Congress, third session, which we present on page 14 as evidence, exhibit A.

Publisher Sevilla ordered 10,000 copies of this article printed at his own expense. They were distributed in the Philippines under the franking privilege of United States Senator Gerald P. Nye.

As a consequence, after the article was distributed in the Philippines, the way was opened for opposition against the oil contract bill among the members of the Philippine National Assembly as well as the opposition leaders in the Philippines. Publisher Sevilla received letters commending his activities in this particular case. In the month of September, before the Philippine National Assembly adjourned, the oil contract bill was about to be passed under President Quezon's pressure. Quezon did not meet with much opposition at all from the national assembly, and no publisher or newspaper in the Philippines opposed this particular oil contract under consideration. under consideration.

Publisher Sevilla has for some time been observing and studying the progress of the oil contract negotiated by President Quezon with

the Standard-Vacuum interest. On October 3, 1938, the publisher addressed a letter to Mr. John A. Brown, executive chairman and president of the Socony-Vacuum Oil Co. of New York, and a copy of this letter was sent to Mr. Teagle, chairman of the board of the Standard Oil Co. of New Jersey, whose corporate interests own jointly the Standard-Vacuum in the Philippines, which we present as evidence, exhibit B.

OCTOBER 3, 1938.

Mr. John A. Brown,

President, Socony-Vacuum Oil Co.,

26 Broadway, New York, N. Y.

Dear Sir: During the last special session of the Philippine National Assembly a "must bill," known as the oil-contract bill, was enacted, authorizing the President of the Commonwealth of the Philippines to call for bids for exploration and development of the

oil-bearing lands of the Philippines.

It is a matter of public record that President Quezon, on the one hand, and the Standard-Vacuum Oil Co. on the other, had already entered into a prior agreement before the enactment of the so-called oil-contract bill for the manifest purpose of allowing the Standard-Vacuum interest in the Philippines to develop and control the natural oil resources of the Philippines.

I have been urgently requested by leading citizens of the Philippines and associations as well as some members of the Philippine Assembly itself and former members of the defunct Philippine Legislature, to institute legal action in the District Court of the United States for the District of Columbia, after such date a contract is issued to the Standard-Vacuum of New York by President Quezon, of the Philippine Commonwealth, to declare such contract as unconstitutional and invalid and contrary to—

(1) To the provisions of the corporation law, the petroleum act, e mining act, and the internal-revenue and tax laws of the

Philippines.

That the oil-contract bill is contrary to the aforementioned existing laws and organic acts of the Philippines is sustained by the fact that, according to section 3 of the oil-contract bill passed by the Philippine National Assembly, the assembly itself, as a body, was conscious of this fact and deliberately violated the provisions of these aforementioned existing laws and organic acts of the Philippines, when the assembly inserted a protective and privileged clause, which reads as follows:

"This act shall be liberally construed to carry out and effect the national policy herein declared, and no agreement executed by the President and ratified by the national assembly, pursuant to the provisions of this act, shall be declared or held invalid in whole or in part on the ground that it is inconsistent with or contrary to the provisions of the corporation law, the Petroleum Act, the Mining Act, the internal-revenue and tax laws, or any other laws. Insofar as the provisions thereof are inconsistent with the provisions of any law other than this act, the provisions of this act shall be controlling," in order only to allow the Standard-Vacuum Oil Co. to enter into an exclusive contract with the Philippine Commonwealth.

For example, let me state the fact that in 1926, when the Firestone Rubber Co. decided to develop the rubber industry in the Philippines, their request to lease 200,000 hectares of land for said development was turned down by the Philippine Legislature then on the grounds that it constituted a violation of the corporation law of the Philippines, which would make impossible now the enactment into law of the Quezon oil contract with the Standard-Vacuum Oil Co. "This act shall be liberally construed to carry out and effect the

Vacuum Oil Co.

Therefore, proceeding along this line of argument, why is it that President Quezon is now so insistent in creating a special act which might be termed a privileged contract, and which, in my judgment, is a most pernicious legislation passed by the subservient Philippine National Assembly in order to satisfy the corporate desires of the Standard-Vacuum Oil Co. of New York, which would mean a complete monopoly over the oil industry in the Philippines.

To this one particular issue, the contract to be entered into by President Quezon on behalf of the people of the Philippines, with the Standard-Vacuum, is a violation of the Tydings-McDuffie Act

* * guaranteeing complete execution and enforcement of all existing basic laws and organic acts of the Philippines. Therefore, on this ground, the matter calls for judicial action to declare this contract unconstitutional and invalid.

I also charge and challenge that:

Contract unconstitutional and invalid.

I also charge and challenge, that:

2. That the President of the Commonwealth of the Philippines,
Manuel L. Quezon, has no authority to execute such contract
on behalf of the Government of the Philippines and people because the ultimate authority of the Commonwealth of the Philippines, as a political division of the state belonging to or under
the covariants of the United States reach exclusively either unconpines, as a political division of the state belonging to or under the sovereignty of the United States, rests exclusively either upon the sovereign power of the President of the United States; with the United States Congress; or with the United States Supreme Court, to declare any law or contract as legal and constitutional within the provisions of the constitution of the Philippines as approved by the President of the United States as authorized by the Congress the Congress.

Therefore, the authority of the President of the Commonwealth

Therefore, the authority of the Fresident of the Commonwealth of the Philippines today, as provided by the Tydings-McDuffle Act, is temporal and rests solely upon the sovereign power of the President of the United States as directed under the mandatory act of Congress to suspend the operations of any contract "which in his (President's) judgment will violate international obligations of the United States."

Article 27, No. 19, of the constitution of the Philippines states that:
"Until the final and complete withdrawal of American sover-

eignty over the Philippines * * * *
"No. 2. The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippines, which in his judgment will result in a failure of the government of the Commonwealth of the Philippines to fuifill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippines, or which in his judgment will violate international obligations of the United States."

Is it the intention of the United States."

Is it the intention of the United States Congress, that after the complete withdrawal of the United States sovereignty over the Philippines in 1946, as provided by the Tydings-McDuffle Act, the United States Government and the American people must assume the obligations created and mandated in this particular oil contract between the Commonwealth of the Philippines and the Standard-Vacuum, which contract calls for a period of 25 years' duration, subject to renewal by both contracting parties?

If this is the intention of the Commonwealth of the Philippines and the Standard-Vacuum, which contract calls for a period of 25 years' duration, subject to renewal by both contracting parties?

If this is the intention of the Congress for the United States Government and people to assume national and international obligations after the withdrawal of the United States from the Philippines, then this particular oil contract executed by President Quezon is legal and constitutional.

is legal and constitutional.

If this is not the intention of Congress, then the Congress of the United States must declare this contract as unconstitutional and invalid, because it is contrary to the provisions of the Tydings-McDuffle Act, which calls for complete withdrawal of the United States sovereignty over the Philippines in 1946—assuming no further national or international obligations thereafter.

Obviously this particular oil contract binds the United States Government to act as guarantor, assuming all obligations arising from this contract executed by President Quezon, of the Commonwealth of the Philippines.

Sir, as your organization is one of the leading oil companies

Sir, as your organization is one of the leading oil companies Sir, as your organization is one of the leading oil companies which would be affected by this particular oil legislation, I am taking the liberty of addressing you this letter to have the expression of your opinion, so that when President Quezon, of the Philippine Commonwealth, actually executes the proposed contract with the Standard-Vacuum Oil Co., and when such contract subsequently commences to operate, I shall immediately institute legal proceedings to declare this Oil Contract Act as unconstitutional and invalid.

With assurances of my highest esteem. I remain

With assurances of my highest esteem, I remain, Very truly yours,

(Sgd.) Mr. Porfirio U. Sevilla,

Copies sent to: Mr. Teagle, chairman of the board, Standard Oil Co. of New Jersey; Mr. Berg, president, Standard Oil Co. of California; Mr. T. Rieber, chairman of the board, Texas Oil Co.; Mr. William Humphrey, president, Associated Tide Water Oil Co.

Again on January 12, 1939, Publisher Sevilla communicated exclusively with Mr. John A. Brown, chairman of the executive committee of the Socony-Vacuum Oil Co., and with Mr. Teagle, chairman of the board of Standard Oil Co. of New Jersey, whose corporate interests jointly own the Standard-Vacuum Oil Co. in the Philippines.

Philippines.

We quote from the letter in part:

"Sir: You will recall from my previous communication with you that I cautioned your organization regarding the unconstitutionality of the proposed oil contract under its present form, which is now pending before the Philippine National Assembly.

"But if this oil contract now under consideration is going to extend 1 minute beyond 1946 without the approval of the President and the Congress of the United States, then this particular contract is unconstitutional, and you, my dear sir, on behalf of your organization, are taking a decided risk by executing a contract such as this one now pending before the Philippine National Assembly.

tract such as this one now pending before the Philippine National Assembly.

"After all, using the expression of an authority, 'the entire transaction is to be negotiated under the auspices of the United States and by its recognition and aid.'

"It is therefore my privilege and I am contemplating to institute legal action against President Quezon and your organization calculated to defend the best interests of Philippine-American relations, particularly the 'conservation of our natural resources for Filippinos, as ordained by the Philippine Constitution.'"

Copies of the letter addressed to Mr. Brown on October 3, 1938, were also sent to the major oil companies in the United States, and we present letters of acknowledgment as exhibits C and D.

we present letters of acknowledgment as exhibits C and D.

THE TEXAS Co., 135 East Forty-second Street.

Mr. Porfirio U. Sevilla,

President, Philippine Exporting & Importing Co., 630 Fifth Avenue, New York, N. Y. DEAR SIR: Reply to your communication of October 4 has been delayed by reason of Mr. Rodgers' and my absence from the city.

Our company, as a matter of policy, does not inject itself into affairs of the sort referred to.

Very truly yours,

T. REIBER.

STANDARD OIL CO. OF CALIFORNIA, STANDARD OIL BUILDING, San Francisco, Calif., October 13, 1938.

R. C. Stoner, director.

Mr. Porfirio U. Sevilla,

630 Fifth Avenue, New York, N. Y.

DEAR STR: Your letter of October 4, addressed to Standard Oil Co. of California, attention: Mr. Berg, president, has been referred to me and I have noted what you say about your intention of attacking the "oil contract bill," recently enacted by the Philippine National Assembly.

Our company is not at this time interested in the production of crude oil in the Philippines nor are we directly informed as to the constitutionality of the act which you mention.

We thank you, however, for drawing this matter to our attention.

Very truly yours,

R. C. STONER.

On November 14, 1938, Publisher Sevilla dispatched a cablegram to the president of the Commonwealth of the Philippines, Manuel L. Quezon, which we present as evidence—exhibit E.

E

NOVEMBER 4, 1938-12:20 P. M.

President Manuel Quezon, Malacanang, Manila:

Leading citizens opposition parties Philippines transmitted me public records regarding your proposed oil-contract bill with Standard-Vacuum. After investigation, consultation with United States ard-Vacuum. After investigation, consultation with United States Senators, found you without authority execute such act. Clear violation constitutional provisions Tydings-McDuffle Act. Same Senators demanded me turn over such records to them; will bring issue before floor Senate next session Congress. In my opinion there is corruption in oil monopoly bill. I caution you not to execute that deal on behalf people Philippines, otherwise will resort United States court invalidate same. Your authority involves international obligations of United States Government, American people, after independence as well flagrant violation many acts under Philippine laws to satisfy your desire extending oil monopoly Standard-Vacuum. Standard-Vacuum.

PUBLISHER SEVILLA.

On December 29, 1938, in acknowledgment of the letter of Publisher Sevilla, a letter was received from the Honorable Juan Sumulong, which we present in part as evidence "Exhibit F."

LAW OFFICES, SUMULONG, LAVIDES & SUMULONG, Manila, P. I., December 29, 1938.

Mr. Porfirio U. Sevilla,

President, Philippine Exporting & Importing Co.,
630 Fifth Avenue, New York City, U. S. A.

Dear Mr. Sevilla: For your information, the oil contract in favor of the Standard-Vacuum Oil Co. proposed by Mr. Quezon was not approved in its original form by the national assembly in its last session, but instead another bill was prepared and approved authorizing Mr. Quezon to call for bids for the granting of concessions of our oil-bearing lands. Recently it was announced by Mr. Jorge B. Vargas, secretary to President Quezon, that the only bidder was the Standard-Vacuum Oil Co., and consequently the award was made in its favor. However, under the provisions only bidder was the Standard-Vacuum Oil Co., and consequently the award was made in its favor. However, under the provisions of the act passed by the national assembly, this award in favor of the Standard-Vacuum Oil Co. will become effective only upon approval and confirmation by the assembly. We therefore believe that until the award has been approved by the assembly it will be premature to present any legal action with a view to having it declared unconstitutional.

I am deeply impressed by the keen interest that you are taking in the affairs of our country. Your willingness to bear the pecuniary expenses that may result from the filing of the complaint mentioned in your letter is an example worthy of emulation by all civic-spirited citizens. May I assure you that it would be a pleasure for me to cooperate with you in any movement calculated to defend the best interests of the country, particularly the conservation of our natural resources for Filipinos as ordained by our constitution? constitution?

I also take this occasion to thank you for the copies of the Philippine-American Advocate that you have been sending me from time to time. Very truly yours,

JUAN SUMULONG.

Today Publisher Sevilla summarized his principal objections to this oil-contract bill negotiated by President Quezon with the representatives of the Standard-Vacuum oil interest in the Philip-

Firstly, ne considers the oil-contract bill unconstitutional.

Secondly, he considers it a virtual oil monopoly.

Thirdly, he is against any policy of President Quezon, which in this particular case he considers most destructive and detrimental to the well-being of the Filipino people.

Today Publisher Sevilla dispatched a cablegram to His Excellency, Señor Manuel L. Quezon, which we present as evidence, exhibit G.

FEBRUARY 3, 1939-12:05 P. M.

President MANUEL QUEZON,

Malacanang, Manila:

Malacanang, Manua:

Did I ruin your oil deal with Standard-Vacuum? So sorry. What is next your leadership? Read my publication March issue exposing your administration's relations with foreigners and foreign capital. Congressional consideration timely affecting J. P. C. P. A. report pending Congress.

PURLISHER SEVILLA.

Civil Aeronautics and National Defense

EXTENSION OF REMARKS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

ADDRESS BY CLINTON M. HESTER, ADMINISTRATOR, CIVIL AERONAUTICS AUTHORITY, AT THE WILL ROGERS ME-MORIAL DINNER, WASHINGTON, D. C., APRIL 28, 1939

Mr. RANDOLPH. Mr. Speaker, it was my good fortune the other evening to attend a memorial dinner for the late beloved Will Rogers. Several excellent addresses were given, among them the following speech, which is quoted in part:

You gentlemen are carrying on a truly great work. A great highway upon which the plain people of the United States will go back and forth in pursuit of all the homely little things that were so dear to the great heart of Will Rogers. I think that would have pleased him more than all the great buildings, all the special movements and monuments that have been proposed or are being carried by the keep his proposed or are being carried by the keep his proposed or are being carried.

ments and monuments that have been proposed of are being carried out to keep his memory green.

He was a constant traveler himself. It was one of the truly American things about him. With a deep passion, he wanted to know, always and everywhere, what the simple little fellow was thinking about, what he was talking about, what he was doing by way of earning his living and by way of having some fun with that living after he'd earned it. Because he did travel, because he did learn these things, he was enormously successful in expressing them, in his syndicated articles, on the radio, and in pictures.

learn these things, he was enormously successful in expressing them, in his syndicated articles, on the radio, and in pictures.

So it was with some diffidence and some doubt that I received your invitation to speak here tonight on the subject suggested to me. National defense, the getting ready of all those little people, Will Rogers' real friends, getting them ready for the bitter business of war, just doesn't seem to be the kind of thing that Will Rogers or Will Rogers' friends like to think about or like to talk about.

or will Rogers friends like to think about or like to talk about.

But national defense, my friends, properly conceived, conceived in
the good American way, is not getting the little fellows ready for
slaughter. Adequate preparation for national defense, according to
our concept, is the very thing that will save your children and mine
from the grim business of sacrificing life and limb for the defense
of those beliefs upon which we build the happiness of our hearts

and homes.

That kind of adequate preparation for national defense, my friends, will do more than save our children. When we look at China, when we look at Spain, when we read the story of what occurred at Munich and at Godesberg, we can be pretty sure that adequate preparation for national defense in these days will not only save our youth of military age. There are no noncombatants in modern war. Adequate defense will save our own more or less precious hides, of whatever age they be.

It has been said that if the politicians and the generals were to be sent to the front lines, there would never be another war. Today—and there is no doubt about that—the front line has been brought to the politicians and the generals. Last autumn it is no exaggeration to say that No. 10 Downing Street was as close to devastating enemy fire as was many a doughboy's funk hole out in the lines before the zero hour of an attack in 1918.

I say that with no disposition in the world to reflect upon the

I say that with no disposition in the world to reflect upon the Prime Minister of England or upon the decisions which he then took. He was faced in that decision with an alternative that very surely meant not only the placing of his own official residence under fire, but the placing under fire of the homes of the 7,000,000 little people who make up the population of the London area.

pecple who make up the population of the London area.

Tonight, thank God, no such decision, no such alternative can confront the Chief Executive of the United States. But what about tomorrow night? What about those nights a few years hence; yes, even a few months hence, when our own commercial airplanes are carrying four times a week their loads of peaceable citizens and mail across the oceans that God placed between the White House and any potential enemy? If, as we sit here tonight, our own airplanes can carry peaceable pay loads across the Atlantice and the Pacific, who can say that some night in the not very distant future an enemy plane cannot carry the threat of destruction and death not only here to Washington but to all those little people, the people Will Rogers loved, wherever they may be along people, the people Will Rogers loved, wherever they may be along our borders?

Under the farseeing leadership of the President and with the support of a truly patriotic Congress, the Navy is ready for any foreseeable task and is being made further ready for the development of such tasks as professional skill can plan for. Our small professional Army is quietly fitting itself for the task traditionally assigned it, the task providing trained leadership for a citizenry called to arms. And both the Army and the Navy, as you well know, have a perfectly clear idea of the arms to which that citizenry may have to be called. Thousands of them will have to be called to the arm of the air. Thousands of armed airplanes must be procurable for them to be called to. Unless that is done, for all of the oceans that once protected us, for all the devotion and skill of the men now in uniform, the very heart of this Nation, its people in their homes, may one day stand naked to the threat of alien force, force in the air.

With a wisdom well-nigh prophetic, Congress a year ago, by statute, confided just that task to the Civil Aeronautics Authority which it created. Congress ordered us to "encourage and develop" an air-transportation system adequate to the present and future needs of the foreign and domestic commerce of the United States, the Postal Service, and the national defense.

We found the finest system of marked, lighted, radio-equipped airways in all the world, 25,500 miles of them uniting every part of the Nation, owned, manned, operated, and managed by the Federal Government. Over those airways fly in regularly scheduled service some 350 of the world's finest transport planes, privately owned and operated and flying more miles, more safely, in the service of the Nation's economic needs than all the heavily subsidized and almost completely militarized alrlines of all the rest of the countries of the world put together.

The winter just past has provided striking proof of the safety scheduled airlines have attained. Our three transcontinental lines

The winter just past has provided striking proof of the safety scheduled airlines have attained. Our three transcontinental lines scheduled airlines have attained. Our three transcontinental lines and our principal north-south line flew 50,000,000 passenger-miles between December 21 and March 21—the time when in other years the records of the airlines have suffered—without even so much as a single forced landing. The airlines as a whole flew 65,000,000 passenger-miles between fatalities in this period. That record is more than good luck. It is not the result of any single panacea for safety. It is the result of the infinite capacity for taking pains on the airways and in the air.

than good luck. It is not the result of any single panacea for safety. It is the result of the infinite capacity for taking pains on the airways and in the air.

There is a fine example of democratic cooperation between business initiative and Government regulation and aid to meet a national need, economic now; perhaps, one day soon, strategically vital. And remember welf, Government from the beginning of aviation, properly realized that the safety of its citizens who fly was matter for Government concern. So, almost from the first stroke of a designer's pencil on a drawing board, down to the last radio message about the weather which the pilot receives in flight, Government aid and regulation has played its part in our civil aviation. The creation of the Federal airways, their equipment with the most efficient aids to navigation, and their manning by a personnel strictly chosen on a basis of professional merit have already sonnel strictly chosen on a basis of professional merit have already paid large dividends in safety.

To me, as Administrator in the Civil Aeronautics Authority, has

To me, as Administrator in the Civil Aeronautics Authority, has fallen the task of managing this plant and its crew. And I want right here to say that the 2,500 men along these 25,000 miles of airways, tending 2,130 beacons, standing watch day and night over the transmitters and receivers of 262 radio stations and markers, caring for 298 intermediate landing fields, serving the 30,000 miles of teletype circuits that bring the weather reports and other data to 353 stations, these are men who, again and again, have shown that their devotion to duty can meet any emergency.

It is more or less routine for them to struggle with snow or storm or flood that the radio and the lights shall not fall the pilot who needs them.

needs them.

On occasions like the New England hurricane last autumn the public sometimes hears of what they do. The day that freak storm struck, Newark, on the edge of the area, could not hear the Boston radio. All wire services were down. Within 15 minutes one of our radio-maintenance engineers was in his own car on the way to Boston. How he got there, over roads blocked by fallen trees, around wrecked bridges, we have never been able to get him to tell. But before night fell he reached the Boston airport. He

tell. But before night fell he reached the Boston airport. He found the radio wrecked. Within an hour, with such tools as he could find, he had that station working again. Before morning the air lines, following that radio beam, were the only means of communication into the hub of stricken New England.

If we but give them the material to work with, we know that men like that can be counted on in any emergency, the emergency of war as well as the emergency of storm. The one thing they need most, the one thing all flyers need most is better weather information. Great strides have been made in the methods of observing and predicting weather that will affect flight. But there are serious gaps in the system. On the Pacific coast, for instance, our forecasters suffer from lack of knowledge of weather conditions moving in from the sea. A little more than a year ago a huge transport left in from the sea. A little more than a year ago a huge transmort left San Francisco for the south and east with a prediction of winds of 20 miles an hour from the west. Actually those winds rose to 70 miles an hour, and that plane with its crew and passengers was blown into the side of a snowy mountain, where the wrecked plane with the bodies scattered about it was not found for months.

These aids to air navigation, it cannot be too often emphasized, are not for the exclusive use of the scheduled air-line transport companies. They are available to every Army, Navy, Marine Corps, or Coast Guard plane that moves about the United States. Weather, radio ranges and markers, lights, and traffic control are useful to every one of the 11,000 private planes that fly the skies from point to point in the United States.

Our military pilots have long recognized the advantages of using the Federal airways and of taking advantage of our traffic-control system. Today, in order that the military traffic may fit in safely with the other traffic of the airways, each military pilot cheerfully files a flight plan with the traffic-control tower, has it approved and has his movements checked as he moves amidst the other

traffic.

All these things are instantly available to the Nation in time of war. Air transport within the United States will be just as important as was railroad transport in the World War. But with this great system already integrated to Government control and Government personnel, the Government will need no such revolutionary step as the "taking over" of the airways, as Government had to "take over" the railroads in 1917. Due to the intelligent generosity of the Congress, we can take stock of the airways and the scheduled air lines and report them tonight as ready for duty, for any kind of duty they may be called upon to fulfill. That is only true, however, if these airways can be kept up to the huge advances * * in the arts of radio signal and communication.

Congress has always generously recognized this necessity for the completion of radio facilities on the airways and their improvement wherever possible. Through that generosity we have been able to convert all important radio stations to the most mod-ern type of simultaneous voice and signal transmission. Yet hardly have we accomplished this change when notable advances in the art confront us with the possibility that the entire system of radio communication, as applied to flying, should be changed into the ultra-high-frequency category. Static, as you know, has frequently interfered disastrously with the efficiency of aviation radio. Ultra-high-frequency radio has this supreme advantage: Its vibrations are at a higher rate than those of any natural phenomena and, hence, free of static, and they are far above the vibrations created by any other man-made device and, hence, free of interference with other radio facilities. The installation of the existing radio ranges has made it possible

for pilots to fly through weather hitherto considered impossible. Three other radio developments are now being tested which will Three other radio developments are now being tested which will make it possible for airplanes, civil or military, to take off and land under those zero-zero conditions hitherto considered impossible. The first of these is the blind-landing system. I myself have been riding in the copilot seat of the testing planes to see how these systems work at Newark, Pittsburgh, and Indianapolis. It is indeed an eerie thing to sit in a cockpit, where the pilot, under a hood, can see nothing but his instruments, and to see two lines on an instrument indicate so accurately the course an airplane should fly within a matter of feet and inches as its wheels approach the ground

ground.

I have been flying in the laboratory planes carrying the absolute altimeter, which, by an adaption of the echo principle to radio, likewise indicates in feet the distance above terrain at which a plane may be flying at any given time. This instrument is so accurate that in flying across the Potomac River its needle indicated the

that in flying across the Potomac River its needle indicated the moment when at 1,000 feet we passed from a point above the water to a point above the sea wall at Hains Point.

An airway, of course, is of no use unless you have at the point to which it leads a place upon which to land. Congress recognized the importance of this last year, and required the Authority to survey the entire airport situation and to make a report and recommendation. That has been done. Some of you are familiar with the vast scope of the work involved. One definite recommendation has been made to Congress, namely that the development of adequate airports is a matter of national concern. It is a matter of national concern not only because of their economic importance. of national concern not only because of their economic importance, but of their irreplaceable strategic value in the event of national emergency. Only with adequate airports can an adequate military

but of their irreplaceable strategic value in the event of national emergency. Only with adequate airports can an adequate military air force be moved to the points where it is needed.

Aside from the recommendation for an explicit recognition of this fact we merely asked a definite continuance of the policy toward airport development which the Congress has generously pursued the last few years, in the course of which through the relief-work agencies some \$140,000,000 has been spent upon airports.

But there is one kind of emergency duty which, frankly, the Federal airways and the scheduled air lines cannot be expected to perform. Despite all their fine record, far too few of our citizens still avail of the air lines' services. Though they carry a million and a half passengers a year, so many of these are habitual air travelers that the best estimate places the number of individuals who use the air lines as somewhere around half a million people. A half million out of a Nation of a hundred and thirty million. About the same number of individuals ride as passengers in private planes. In other words only about a million of us Americans, eight-tenths of 1 percent of us, are familiar even with the feel of this great new vehicle of commerce which may tomorrow be the weapon upon which the fate of the Nation depends.

If that tomorrow comes too soon, we face all the horror and all

weapon upon which the fate of the Nation depends.

If that tomorrow comes too soon, we face all the horror and all the loss of fine young lives that marked our effort to improvise an air force in 1917 and 1918. No conceivable expansion of our scheduled air transport system can remedy such a lack. To double the number of transport planes would give us 350 new ones—and we are credibly informed that the German plane manufacturing industry is geared to turn out that number of fighting planes in a single week under pressure. To double the number of our air-line pilots—about 1,100—would be merely to man the equivalent of a single German bombardment wing.

Happily that does not represent our entire stock taking and happily that is not all we can do about it. We have 11,000 private airplanes. We have some 20,000 non-air-line pilots and about

30,000 students who have made some effort of their own to learn to fly. And if we may accurately judge by our first efforts to do something about this situation, we have at least 2,000,000 other

youths who want to learn to fly.

Obviously, if the state of the world demands that American civil avation be healthily expanded—and who can question that?—it is in this field that expansion, on percentage, will produce ponderable

This was the firm mathematical basis upon which the President recommended to Congress that the Civil Aeronautics Authority be required to establish vocational extension courses in the colleges and schools to accommodate at least 20,000 of that estimated 2,000,000 youths who want to learn to fly. As a test program the President allocated \$100,000 of National Youth Administration funds with which in 13 colleges we are now training 330 young men. with which in 13 colleges we are now training 330 young men. There were more than a hundred serious applicants for every one of the places available in these first courses. That is why we say that if 20,000 places are to be provided in courses to be given next autumn, there will be 2,000,000 applicants. As Mrs. Roosevelt said so eloquently in a recent magazine article, "You cannot keep the youth of America out of the air."

so eloquently in a recent magazine article, "You cannot keep the youth of America out of the air."

But you can, and you must, put the youth of America into the air safely. And, aeronautically speaking, that is the first premise of our private pilot training plans. Private flying in the United States has not more rapidly expanded because, frankly, it has not been sufficiently safe. While the air lines were building up to the magnificent record of safety marked by their 65,000,000 passenger-miles between fatalities this winter, private flying was steadily losing patronage because, we firmly believe, private flying was only marking up some 850,000 plane-miles per fatal accident as against the last year's record of over 13,000,000 plane-miles per fatal accident on the air lines.

So we believe that the first effect of the addition of this large body of rightly trained, of safely trained pilots to the private ranks will be a tremendous increase in the safety, and therefore in the usefulness of flying to such large numbers of our youth will, we feel sure, result in a demand for more private flying, for more private airplanes, for the factories in which such planes can be built, for the mechanics to service them, in their use upon the airways, and in every phase of the multifold activities of the plain, simple American citizens.

That will be a gain to the economic activity of these United States upon which it is difficult to set a limit. It may well mean

simple American citizens.

That will be a gain to the economic activity of these United States upon which it is difficult to set a limit. It may well mean the creation of that big new industry which so many of our economists have been looking for to solve so many of our domestic economic woes of unemployment and high taxes. Personally I believe it is the first rational approach to the problem of putting aviation to work in the interests of the eighty billion a year total income that this Nation should enjoy.

aviation to work in the interests of the eighty billion a year total income that this Nation should enjoy.

And if you would measure the effect of such an economic development upon our national strategic position, let me take you back again to the days of 1914, 1915, and 1916. A great President was then striving mightily to keep us out of war. He failed because Germany saw in us no threat. But let me ask you this: Suppose in those days that the automobile and the capacity to manufacture automobiles had been and had been generally recognized as the factor that would decide the fate of nations on the battlefield. Admiral von Tirpitz, I venture to say, would not have advised his imperial master to pursue unrestricted submarine warfare in total disregard of the rights and the protests of Americans on the high seas. Potsdam might well have quailed before the poten-

in total disregard of the rights and the protests of Americans on the high seas. Potsdam might well have qualled before the potential onslaught of Detroit, of the model T Fords alone.

The analogy is not entirely humorous. It is certainly not farfetched. We are not starry-eyed optimists about aviation. We do not foresee production lines turning out Boeings and Douglasses and Lockheeds like Fords and Plymouths and Chevrolets. But if we are allowed to add through the pilot-training program 20,000 intelligent, capable consumers of civil aviation each year, we do foresee the production for those consumers of airplanes by the thousands instead of by the hundreds as at present. And when thousands instead of by the hundreds as at present. And when you get into production by the thousands you get into the kind of mass production at least that enables you to buy a Packard today for what a Ford cost 30 years ago. You break the bottle neck that still keeps flying costs too high for the average American. Once that bottle neck is broken—and provided that always and ever the product, civil aviation, is kept safe for the average American to use—you throw the full weight of the economic power of this peace-loving country of ours directly into scales on which against it no dicator, however mad, dares throw the weight of a temporary military superiority.

porary military superiority.

On this occasion, with a full appreciation of my duties as a public servant, I do not hesitate to ask your support to that end. We want to give proper training to every youtin we can. We want to close every gap in the Government's service to safety. I do not hesitate to ask you to consider the morale of this fine body of men that man the lighthouses of the air along the Federal airways. I do not hesitate to ask your support for the perfection and extension of those aids to navigation.

I hesitate less when I realize that it was for lack of aids to navigation in the Territory of Alaska that Will Rogers and Wiley Post were lost. I am glad to tell you that on the 1st of July we will begin the installation of such aids up there on a program generously provided for by the Congress. I know how he would have approved this highway from Chicago to Santa Monica. I feel sure, too, that he would have gloried a little in the perfection of the highways of the air and their extension to the farthest of our possessions, possessions.

APPENDIX TO THE CONGRESSIONAL RECORD

But I think the thing that would have pleased Will Rogers most was the possibility of extending the fun of flying, which he loved, to the youngsters of America who so loved him. And I think that sly grin of his would have gone a little solemn, as it sometimes did, had he realized this fact—that so many of the simple Americans he typified were getting fun out of flying, were making their livelihoods out of it, and by that very fact were protecting their safe and peaceful comings and goings on the highways and the skyways, safe and peaceful in their homes and in their travels. Will Rogers would have been gled to know that a sound and safe and hig civil would have been glad to know that a sound and safe and big civil aviation was the thing that made the United States, his United States, into "a strong man armed that keepeth the peace."

United States Foreign-Trade Policy One of Giving and Losing

EXTENSION OF REMARKS

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

ARTICLE BY E. CLEMENS HORST APPEARING IN THE DAILY COMMERCIAL NEWS OF SAN FRANCISCO

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks I desire to include an article relating to the foreign-trade policy of the United States, written by E. Clemens Horst, California farmer and practical economist, who does not believe that the present international policy meets the Nation's needs.

In this article, which appeared in the San Francisco Daily Commercial News, April 21, 1939, Mr. Horst shows that the policy of reciprocal-trade agreements has resulted in the United States giving and losing in its trade with Brazil. His conclusions, it is explained, are predicated on authentic data obtained from the Federal Government. The article follows:

(By E. Clemens Horst)

Our dealings with Brazil, as herein shown from Government reports, prove the wild extent of our giving and losing without getting anything in return.

The United States Government reports cover the period of each

of the past 12 years, namely, 1927 to 1938, inclusive.

From 1927 up to and including the year 1938 we have given to Brazil or lost in our dealings with her:

(1) Our investors lost about \$300,000,000 on defaulted Brazilian

bonds. (2) Our investors have expended about \$1,000,000,000 in Brazil

for farms, factories, public utilities, etc.
(3) We have allowed Brazil to collect income taxes that would

otherwise be due to the United States on the profits of these investments.

(4) Above item No. 3 is a so-called reciprocal arrangement, which is not reciprocal because Brazilians have no investments in the United States.

(5) Brazil collects export duties on shipments of coffee and rubber to the United States of America, which shipments are allowed to be imported into the United States of America free of duty. In

other words, Brazil collects as export duties for her treasury what we should collect as import duties for our Treasury.

(6) Brazil collected in import duties in 1938 an average of 23 percent of the total value of all her imports as against the United States of America collecting only 15 percent on the total value

of all of our imports.

(7) In addition to the above 23-percent import duties collected by Brazil, she also charges 5-percent taxes on the amount of all bills of exchange in her payments of merchandise imports and also collects 10-percent taxes on all other Brazilian foreign bills of exchange. The United States of America charges no taxes on

any bills of exchange.

(8) In 1935 the United States made its first Brazilian trade agreement. Since then for the year 1938 our exports to Brazil have decreased, and for the year 1938 our imports from Brazil have

(9) In 1937 the United States Government loaned to Brazil \$60,000,000.

(10) In 1939 the United States Government loaned to Brazil \$150,000,000.

(11) From 1927 to 1938, inclusive, the United States of America imports from Brazil were \$1,550,000,000, which exceeds United States of America exports to Brazil of \$705,000,000. Excess of United States of America exports, \$845,000,000. We loaned Brazil in 1937 \$60,000,000. Excess of our imports from Brazil, plus above 1937 loan, \$905,000,000.

(12) To the excess of the above receipts in goods and money by Brazil from the United States of America, \$905,000,000, item (11), there are the following additional advantages:

(13) Brazil has had the advantage of decline in value of \$300,-

000,000 of defaulted Brazilian bonds, item (1).

(14) It does not appear to have been common-sense business on the part of the United States of America to have loaned to Brazil, in March 1939, in addition to all the above, another \$150,000,000.

(15) Our exports to Brazil are confined to such commodities that Brazil cannot buy cheaper or as cheap as Brazil can buy in other markets. The most important of our exports to Brazil are petroleum, automobiles, and other specialized or of mass-production machinery.

tion machinery.

(16) The fact during the past 12 years we have imported from Brazil over double the value of our exports to her leaves an enormous balance in Brazil's favor for increasing her purchases from the United States without any of the \$210,000,000 we recently loaned her. Those loans are prejudicial to our interests because the loans encourage the increase of purchases by Brazil from countries other than the United States of America.

(17) Our imports from Brazil, exclusive of coffee, are largely farm products directly or indirectly competitive with our own farmers

(18) The net profits to the United States of America, if there were any, on our foreign trade with Brazil would take the accumulations of hundreds of years to overcome the United States Government loans to Brazil of \$210,000,000 in 1937 and 1939, plus the other benefits our country has given and is giving to Brazil, heretofore specified.

The statistics herewith show that with all our favors to

Brazil our exports to them have decreased.

Foreign trade of the world, of Brazil with the rest of the world, and of Brazil with the United States

Exports from all countries Exports from a		A Total of world's foreign trade		States foreign trade in percent- age of the world's		trade in percent- ages of Brazil's total world's		trade with United States in percentages of Brazil's total		E Brazil's trade with United States	
Exports from all countries Exports Expor											
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$				to all other	from all other	from all other	to all other	from Brazil to United	from United	Brazil to United	
	1937 1938 1935 1934 1934 1933 1932 1931 1931 1930	25, 895, 000, 000 21, 134, 000, 000 19, 380, 000, 000 19, 242, 000, 000 15, 103, 000, 000 12, 609, 000, 000 26, 476, 000, 000 33, 021, 000, 000 32, 809, 000, 000	27, 305, 000, 000 22, 078, 000, 000 20, 433, 000, 000 20, 336, 000, 000 13, 886, 000, 000 20, 716, 000, 000 28, 685, 000, 000 35, 585, 000, 000 34, 660, 000, 000	12.0 13.0 11.6 11.7 11.2 11.1 12.8 13.0 14.5 15.8	7. 2 11. 4 10. 9 10. 0 8. 2 9. 1 9. 5 10. 1 10. 7 12. 4 11. 8	1. 2 1. 4 1. 5 1. 4 1. 5 1. 5 1. 4 1. 3 1. 2 1. 4	1.1 1.2 1.1 1.1 1.0 1.1 .8 .6 .9 1.2	33. 0 234. 5 31. 6 36. 9 31. 2 47. 7 45. 3 46. 0 41. 9 45. 6 46. 5	21. 0 20. 5 19. 8 19. 5 19. 6 21. 8 26. 9 21. 9 21. 5 26. 1	121, 000, 000 102, 000, 000 100, 000, 000 91, 000, 000 83, 000, 000 110, 000, 000 131, 000, 000 208, 000, 000 221, 000, 000	\$62, 000, 000 69, 000, 000 49, 000, 000 44, 000, 000 41, 000, 000 29, 000, 000 29, 000, 000 29, 000, 000 109, 000, 000 109, 000, 000 89, 000, 000

¹ The estimate of world's trade for 1935 arbitrarily estimates as the same as for 1937.

Tabulation of dollars is in United States dollars. Conversion of foreign moneys into United States dollars are at the average annual exchange rate for each of the respective years 1927 to 1938, inclusive.

Excessive Spending and Destructive Taxation

EXTENSION OF REMARKS

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES Tuesday, May 2 (legislative day of Monday, May 1), 1939

EDITORIAL FROM THE PITTSBURGH POST-GAZETTE

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the Pittsburgh Post-Gazette entitled "Mr. Benedum Knows the Remedy." Mr. Benedum, a native West Virginian, is now a very successful businessman in Pittsburgh. He has always taken a great interest in governmental

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Pittsburgh Post-Gazette] MR. BENEDUM KNOWS THE REMEDY

M. L. Benedum, the oil man, was not talking politics yesterday M. L. Benedum, the oil man, was not talking politics yesterday on his return to his home here after a 5-month stay in Arizona and California. Rather his advice to the American people in this critical period is to cease thinking as Republicans or Democrats and devote themselves strictly as Americans to the solution of

critical period is to cease thinking as Republicans or Democrats and devote themselves strictly as Americans to the solution of their problems.

He emphasized a point that is increasingly being stressed lately; namely, that if this country gets its unemployed back to work and restores prosperous conditions "the Nation need have no fear of any foreign foe." Fascists and Nazis will have been robbed of one of their stock charges against the democracies, which are said to be unable to end unemployment.

A happy and prosperous people, Mr. Benedum repeated, "is as important to national defense as armament."

He declares that the only barriers to prosperity are excessive government spending and destructive taxation. "Spending to prosperity" was declared contrary to experience and repugnant to reason. The first logical step to recovery "is to eliminate unnecessary expenses of government."

If these remedies were applied and business given encouragement, "an era of unparalleled prosperity would result," because there are so many demands to be met—so much that needs to be done. "The Nation needs a million new homes. Our national inventory is low. The heavy industries need to spend billions."

Must There Be More Gold Star Mothers?

EXTENSION OF REMARKS

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

EDITORIAL FROM THE SAN FRANCISCO EXAMINER

Mr. STEFAN. Mr. Speaker, yesterday, we in this House passed a bill to provide certain additional benefits for World War veterans and their dependents. Outlasting the life of any of us here will be the tragic consequences of that great world conflict. Every Member of this body now has on his desk letters from hundreds of American mothers, all pleading that no thing be left undone to prevent the United States from again becoming embroiled in a foreign war. We cannot be insensible to this plea of American mothers.

Recently an American mother wrote a letter which inspired an unusual editorial. The letter and the editorial should be read by every Member of Congress. The editorial, written by my friend, Charles S. Ryckman, appeared in the San Francisco Examiner. Mr. Ryckman formerly lived at Fremont, Nebr., and while there, in 1930, he was awarded the Pulitzer prize for the best-written editorial of the year.

I regard Mr. Ryckman's recent editorial both timely and significant. It is as follows:

[From the San Francisco Examiner]

[From the San Francisco Examiner]

Those who possess the awful power to put this country into war should ponder deeply over a letter written to the editor of the Examiner by "An American Mother."

Commending the efforts of the Hearst newspapers to keep the United States out of another costly foreign war, the letter said:

"We mothers of sons certainly do not wish to ever become Gold Star Mothers—some day to be granted that great boon of a trip across the ocean to shed futile tears before little white crosses in France—and, merely because another rash, visionary President may deem it the high idealistic thing to do, to conscript our boys and send them overseas to pour out their hearts' blood on the ungrateful fields of some foreign land."

That recalls something some of our people have forgotten and that some of our younger people probably never knew.

Some years after the World War the Government of the United States suddenly remembered that for each boy who died for his country in that conflict there was a mother who had died a thousand deaths, first in fearful waiting, and then in the knowledge of a dreadful fact.

dreadful fact.
So a pathetic little band of American mothers went overseas as guests of the Government to shed futile tears, as this letter reminds

us, over little white crosses in France.

That was a fine gesture, and the country should be very glad it

That was a fine gesture, and the country should be very glad it was made.

But it made up nothing to mothers who had lost their sons.

Young men in the prime of life, mere boys with all of life before them, had been taken from their homes to die.

And the unanswered and unanswerable question in every Gold Star Mother's heart was, "Why?"

Twenty years after the World War a majority of the American people were represented in a national poll of public opinion as being convinced that the entry of the United States into that struggle was a mistake. struggle was a mistake,

We do not have to answer to the dead for that mistake.

But what can we say to the living dead, the American mothers for whom the whole world and time itself came to an end in an adventure that we now brand as a mistake?

It is too late to do anything for the Gold Star Mothers of the World War, except to honor and respect them for a great sacrifice unselfishly and unquestioningly made.

But since the World War a new generation of American mothers has raised another generation of young men with life before them if their country remains at peace, and with death before them if it goes to wer. goes to war.

These recent weeks and months of world crisis have clouded their

Irese recent weeks and months of world crisis have clouded their lives with a great fear.

Is their country to make another mistake?

Are they, too, to be Gold Star Mothers?

Are their sons to be taken out of their homes, out of schools and colleges, out of the useful and happy occupations of peaceful production "to pour out their hearts' blood on the ungrateful fields of some foreign land"?

some foreign land"?

American mothers know how to make the supreme sacrifice for their country as well as the young men of America know how to die, bravely and unquestioningly, when liberty and homeland and honor are at stake.

when the time comes for American blood to be shed in the defense of this free land there will be no holding back of valiant sons of heroic mothers, because tears must also be shed.

But American mothers have a right to know that war, if it comes, is the last recourse of honor and security.

And no emergency confronts the United States today that justifies the torment of American mothers with the fear that is now in their hearts or that justifies the sending of American boys to die on foreign battlefields.

Let us assure both mothers and sons that this time there will be:

Let us assure both mothers and sons that this time there will be no mistakes, and that while we stand ready to defend America at any cost, we cannot be persuaded, beguiled, or paid to meddle in foreign affairs or participate in foreign wars.

Power Trust Violates Corrupt Practices Act-And Gets Caught!

EXTENSION OF REMARKS

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

ARTICLE FROM THE ST. LOUIS POST-DISPATCH OF APRIL 21, 1939

Mr. RANKIN. Mr. Speaker, several days ago I stated on the floor that the opposition to the administration's power program was, in my opinion, inspired by the Power Trust,

which had been contributing to the campaign funds of candidates to public office and using their influences generally to control elections throughout the country by corrupt methods.

That statement was challenged by at least one Member of the House who demanded the proof.

THE SHOCKING PROOF

The proof is now coming in, and I predict that before the Securities and Exchange Commission gets through with its investigations there will be such an abundance of this proof as to leave no doubt in the minds of the American people.

Under permission granted me to extend my remarks in the RECORD I am inserting an article from the St. Louis Post-Dispatch of Friday, April 21, 1939, as the first installment of this proof which I hope every Member of the House

will read carefully.

The matter referred to follows:

[From the St. Louis Post-Dispatch of April 21, 1939]

SUIT TO CANCEL UNION ELECTRIC'S CHARTER IS FILED AT ST. CHARLES—PROSECUTOR DAVID A. DYER BEGINS ACTION TO OUST UTILITY FROM CONDUCTING BUSINESS IN STATE FOR POLITICAL ACTIVITIES—ALLEGES VIOLATION OF CORRUPTION LAW—CHARGES BASED ON DISCLOSURE BY THE POST-DISPATCH THAT COMPANY SUBSCRIBED MONEY TO CAMPAIGN FUNDS OF CANDIDATES

Forfeiture of the corporate charter of Union Electric Co. of Missouri for alleged violation of the State Corrupt Practices Act is asked for in a suit filed yesterday in Circuit Court at St. Charles by Prosecuting Attorney David A. Dyer.

The suit grows out of disclosures made by the Post-Dispatch last

January that Union Electric Co. had contributed financial aid to certain favored candidates in St. Charles municipal elections in 1937 and 1938 and had placed one of its employees on the staff of the St. Charles Cosmos-Monitor in the guise of a news reporter to conduct propaganda against a movement for a municipal electric plant in St. Charles which is now served with electricity by Union Electric.

PERVERSION OF FRANCHISE

Alleged unlawful acts of the company in connection with the St. Charles elections are said in the suit to have been "a great harm and injury to the public and to its (Missouri's) form of government and are a perversion and a misuser of the franchises granted to it by the State of Missouri."

These acts, the suit asserts, constitute "usurpation of franchises

and privileges not granted to it (the company) by the State of Missouri, all to the great injury of the general public of the State of Missouri."

Union Electric Co. of Missouri, a Missouri corporation, is a subsidiary of the North American Co., one of the largest public utility holding companies in the United States. It owns the huge Keokuk and Bagnell hydroelectric plants and distributes electricity in St. Louis and adjacent Missouri counties and through subsidiaries in East St. Louis and some other Illinois and Iowa communities.

THE LAW IN THE CASE

The LAW IN THE CASE

The Missouri corrupt practices statute (sec. 10478, Rev. Stat. of 1929) makes it unlawful for corporations to attempt to influence the results of elections or to endeavor to procure the election of any person or persons by the use of money, directly or indirectly, or to contribute to the campaign funds of any individual or party. The statute provides that as a penalty for violation the circuit court may adjudge the charter of a guilty corporation to be forfeited and may enjoin the corporation from transacting any business in the State. Besides asking for the forfeiture of the company's charter, Dyer's petition also asks that the corporation be enjoined from doing business in the State. This would not prevent the operation of utility properties owned by the company, under orders of the court.

The suit charges specifically that in the city election of April 1937, Union Electric Co. subscribed money to the campaign fund of Mayor Edward J. Schnare, who was an unsuccessful candidate for reelection, and to the campaign funds of C. W. Westerfeld, Oscar Koester, and Harry L. Chrismer, candidates for the city council; and also paid for campaign literature favoring these candidates and for precinct workers engaged in promoting their candidacies, and otherwise endeavored to procure the election of the particular candidates.

It charges also that in the city election of April 1938, when four councilmen were to be elected, the company similarly sought to procure the election of Richard Nordeen, Raymond Buerges, Louis F. Ebeling, and Frederick A. Wehmeier.

REIMBURSED FOR CAMPAIGN GIFTS

As has been told, William F. Waye, Jr., of St. Charles, an attorney for the Union Electric Co., admitted to the Post-Dispatch last January 20 that he had contributed funds to be used in the 1937 and 1938 elections in behalf of certain candidates and said the company had reimbursed him for the expenditures.

Before the 1938 city election, the suit asserts, Union Electric Co. caused to be prepared, and paid the cost of preparing, a card index of all qualified voters for use in trying to influence the result of the election in favor of certain candidates. Leslie B. Harrison, the reporter placed on the staff of the St. Charles Cosmos-Monitor by

Union Electric, told of this activity in the exclusive account of his participation in St. Charles politics published in the Post-Dispatch in January.

PAID SECRET PROPAGANDIST

The efforts of Harrison as a paid but secret propagandist for the company also are cited in the information as evidence of the company's attempts to influence unlawfully the results of the 1937 and 1938 elections. The petition alleges that during the time Harrison was connected with the Cosmos-Monitor the articles he wrote for that paper were subject to the control and supervision of officers and agents of Union Electric Co.

In the account published in the Post-Dispatch January 17, Harrison told of having joined the staff of the Cosmos-Monitor in the summer of 1936 under arrangements made by representatives of Union Electric and of having received his salary from Union Electric throughout his employment there, which terminated in the summer of 1938. He named Fred J. Martin, an employee of the company, and Attorney Waye as persons through whom he received compensation and instructions.

Compensation and instructions.

Harrison, who is now in California, said that some time before he left St. Charles he was told by a representative of the company that a Federal investigation of Union Electric might be made and was advised to leave. He said the company gave him \$600 when he departed.

S. E. C. INQUIRY

An investigation of Union Electric's political activities, legislative lobbying, and business practices was begun last December by the Federal Securities and Exchange Commission. This inquiry, which thus far has been confidential, is understood to have included the

thus far has been confidential, is understood to have included the St. Charles incidents and many others.

A recent order of the S. E. C., however, has turned the inquiry into a public investigation, scheduled to open at Washington next Monday. Federal statutes giving the S. E. C. jurisdiction over utility holding companies and their subsidiaries provide severe penalties for interference in elections and for filing false or misleading statements with the S. E. C. Maximum penalties for various offenses under the Federal statutes and regulations range from 2 to 5 years in the penitentiary or fines up to \$10,000, or both imprisonment and fine prisonment and fine.

NO KNOWN PRECEDENT

There is no known precedent for a suit such as Prosecuting Attorney Dyer has instituted. Because of lack of precedents, Dyer, a young lawyer serving his first term in office, took a great deal of time to study the case and consult with older counsel before filing the suit.

Union Electric Co. operates under franchises from the city of St. Louis and other cities, and also under a certificate of con-venience and necessity from the Missouri Public Service Commis-

Principal executives of Union Electric are Louis H. Egan, president, and Frank J. Boehm, executive vice president. Its chief dispenser of political favors and ace legislative lobbyist is A. C. Laun, vice president.

ST. CHARLES EDITORS AMONG WITNESSES SUBPENAED

St. Charles witnesses were subpensed Wednesday for the Securi-St. Charles witnesses were subpensed wednesday for the Securities and Exchange Commission's public investigation of Union Electric Co. of Missouri next week in Washington. It was learned that among those subpensed were Editors Lee Renno and Martin Comann, of the St. Charles Cosmos-Monitor, the newspaper for which Leslie B. Harrison worked from 1936 to 1938 as a reporter while being paid by Union Electric to spread propaganda against municipal ownership and in favor of the company and its candi-

dates for city offices.

Comann has been in poor health, and it was uncertain whether he would be able to go to Washington. Attorney William Waye, Jr., also under subpena, has been under the care of a physician. The St. Charles subpenas directed the witnesses to appear Wednes-

Export Subsidies and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

Mr. REED of New York. Mr. Speaker, a major argument used by the New Deal in behalf of its reciprocal trade agreement program is that this program would increase foreign demand for our farm products, and thus aid in solving problems which confront American agriculture.

Proof that the reciprocal-trade agreements have failed even in this respect is found in the fact that the administration has been forced to subsidize exports in order to stimulate our foreign trade. Had the trade-agreement program functioned as the New Deal promised, it would have been unnecessary for the present administration to inaugurate the

export subsidy scheme for wheat in the summer of 1938; nor would the President have had to announce plans for a similar

scheme to apply to cotton.

Figures recently released by the Department of Agriculture show that we have heavily subsidized wheat exports. A press release of the Department of Agriculture dated April 13, 1939, indicates that sales of wheat and flour for export totaled approximately 101,300,000 bushels from July 1, 1938, to April 1, 1939. Of the total sales for export, the sale of approximately 77,000,000 bushels or 76 percent have been subsidized by the American taxpayer.

The country of destination is given for 41.000.000 bushels of this subsidized wheat. Of the total subsidized exports for which the country of destination is given 36,629,000 bushels were exported to countries with which we now have trade agreements. This is 89 percent of the total subsidized wheat

for which the country of destination is given.

In the face of these facts it is difficult to ascribe much importance to the trade-agreement program.

I insert the number of bushels of wheat shipped to those countries with which the United States has entered into trade agreements:

export destination:	Bushels
Belgium	10, 229, 730
Holland	2, 862, 267
United Kingdom	21, 948, 898
France	710, 344
Salvador	126, 856
Honduras	1, 838
Colombia	106, 500
Canada	947, 038
Cuba	21, 617

New Industries Board

EXTENSION OF REMARKS

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

ADDRESS BY HERBERT WACHSMANN BEFORE THE CHAMBER OF COMMERCE AND CIVICS OF THE ORANGES AND MAPLE-

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a copy of the address by Herbert Wachsmann before the Chamber of Commerce and Civics of the Oranges and Maplewood, and a report on the new industries board of the chamber of commerce.

The address is as follows:

The address is as follows:

Mr. Chairman, members of the Chamber of Commerce and Civics of the Oranges and Maplewood, and friends, our president, Mr. Schuyler G. Harrison, has asked your committee on the new industries board proposal for a report to the membership on our activities. Mr. Carroll Dunham Smith, chairman of the committee, has given me, as the original proponent of the idea, the honor of making this report on the subject which illustrates the broad general fields of national importance to which the activities of our small chamber extend. A committee headed by Mr. Carroll Dunham Smith was appointed with the following members: Mr. George E. Stringfellow, Mr. Denis F. O'Brien, Colonel Longley, Mr. A. J. Hart, and myself, and in a series of meetings came to the conclusion that a new industries board, to function on the national scale necessary, had best be located in the Department of Commerce in Washington.

Our new industries board proposal is intended to aid in the solution of what is admittedly the greatest national problem of the day—unemployment in the midst of potential plenty in the greatest Nation on earth. In arriving at the definite program which we have presented to the authorities of the Department of Commerce in Washington, we first considered the various directions in which jobs can be made. For a fuller understanding of the advantages of a previous transport of the preserve that I give out the contract of the preserve that I give out the preserve that I give out the contract of a previous transport that I give out the contract of a previous contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contract of the preserve that I give out the contr

Washington, we first considered the various directions in which jobs can be made. For a fuller understanding of the advantages of a new industries board it is necessary that I give you a brief outline of those primary considerations.

Jobs in a democratic country under a capitalist economy can exist only in two major divisions. These are, first, in private industry with all which that term connotes; and, second, on the public pay roll in one form or another. Now, then, no job on the public pay roll—not a Government job—can or should be productive in the same sense that a job in private industry is productive. And all moneys used to pay for Government job—come from tive. And all moneys used to pay for Government jobs come from

levies in one form or another upon private industry. However, I do not wish to create the impression that such Government jobs as have been made in the last few years by the various relief agencies are entirely wrong. Something had to be done to help those who, by no fault of their own, were in need. And some of our Government agencies, such as the W. P. A. and P. W. A., for example, have done invaluable work in alleviating human misery, and perhaps even in avoiding some worse social effects such as have overtaken other countries. But we all agree that private jobs are by far preferable, regardless of the unquestioned need of Government jobs, until the number of real jobs eliminates that

Government jobs, until the number of real jobs eliminates that need.

With this belief as a starting point, we then considered the reasons for not having sufficient jobs in private industry. And here we stayed clear of politics, personal wishes, and what may be called the individual interpretations of economic preachers and their so-called natural laws. We came to the conclusion that there were not sufficient jobs in private industry for the simple reason that there was not enough profit prospect in any business, in the larger sense, to warrant expansion of production and hence make jobs. This applies to the national, and even international, economic impasse of the last decade.

Then, continuing along these broader lines of job hunting we

Then, continuing along these broader lines of job hunting, we came to the conclusion that private jobs could only be made now on any scale in such industries as could make profits, as a general

classification.

classification.

Now, since we saw no hope of expanding existing industry, the only remaining possibility appeared in the direction of what we called noncompetitive new industry. By this we mean things which do not compete with or replace an existing commodity or service within a reasonable time—such things as will increase the social or economic well-being of the Nation on the whole—rather than a new and cheaper gadget to perform an already existing service at less expense. service at less expense.

service at less expense.

It has been estimated that two-thirds of the jobs today are in industries and services which did not exist at the turn of the century. We accept and expect from modern civilization goods and services which our fathers did not have and of which our grand-fathers perhaps did not even dream. The benefits which the automobile, radio, telephone, telegraph, airplane, and other inventions brought in the past must again be brought to us by other similar new industries of a broadly noncompetitive kind.

That in short summary is the sequence of deliberations which

tions brought in the past must again be brought to us by other similar new industries of a broadly noncompetitive kind.

That, in short summary, is the sequence of deliberations which led to the decision that the most promising direction for finding additional jobs in private industry is noncompetitive new industry. It is to be strictly a national coordinating agency in the Department of Commerce, functioning as a liaison between the sources of new industry, the research and development facilities of the Nation, and the producing and distributing plant of the country. The entire functioning is to be on a voluntary basis, with all decisions as to commercial feasibility to remain in the hands of private enterprise and no Government moneys to be used at all in the financing of any project whatsoever. The rights of the original submitter of an idea capable of affording additional employment in a noncompetitive new industry to be protected by advance agreements on a percentage-royalty basis—however, contingent upon actual sales. Thus in effect the new industries board would be a national contact agent, operated by a small staff of qualified persons at a cost of not more than \$100,000 annually. This sum should be initially provided by appropriation either directly or as part of the Department Budget for a period of 2 years. Thereafter a sufficient tax on the new industries resulting from operation of the board would be levied.

It is to be emphasized that such a tax would be on entirely new the board would be levied.

It is to be emphasized that such a tax would be on entirely new sources and would in no way be an additional burden on existing enterprise, nor would it disturb price, wage, or other relations. The operation of a new industries board, it is hoped, would materially speed the time from the birth of an idea or granting of a patent to the use of the new product by the consumer. It would speed the next industries which would do for us what the telephone, telegraph, automobile, radio, etc., have done in the past toward making life fuller, more comfortable, and happier. Its successful operation might provide additional jobs in private industry at purchasing wages to the extent of millions annually. That, in a nutshell, is the program your committee evolved.

The next problem was to devise a practical means of spurring real

The next problem was to devise a practical means of spurring real action in the direction decided upon. The individual members of your committee all had some personal experience with the development of new enterprises, some as executives and managers, others as actual inventors or associates of inventors. All agreed that our past and present haphazard methods, from the birth of an idea to its commercial realization, were too slow. Too much is required of one man in too many different fields—technical, organizational, financial, and legal—to make for rapid progress. We also knew from personal experience that practically all the basic functions essential to the development of a new idea up to the point of compared to the progress of mercial feasibility are already extant and in many cases highly developed. But there is no real coordination of them on any scale

which can promise definite results.

The three factors involved are: First, the sources of new inventions; second, the research and development facilities; and third, the production and distribution plant of the country. The last of these has, in general, all necessary financial means or

Now, then, Americans as a nation are known for their inventive ability, which is that combination of imaginative energy and disregard of impossibility. Organized research in our country is at least on a par with that of other nations. Our production and distribution plant is operating at a pitiable fraction of capacity, and is ready and anxious to go forward. Hence, it seemed to us desirable to have these three factors coordinated on a national scale. We realized that the problem would not be simple, but on the other hand felt that even greater problems of organization had successfully been solved on a cooperative basis.

scale. We realized that the problem would not be simple, but on the other hand felt that even greater problems of organization had successfully been solved on a cooperative basis.

Most of the genuinely new inventions of the job-producing kind required the cooperation of various existing facilities with, in many cases, the development of entirely new ones. Also, in an economy in which the profit motive is the mainspring of progress, we felt that the coordinating agency which should help private industry toward profits through additional jobs would best be a nonprofit organization. There are many reasons for this decision, and I will give you only the major one. That is the fact, sad but true, that only as a nonprofit organization do we feel that our new industries board could be free from the suspicion and lack of confidence which we have found to be a large handicap in the development of new industry. This brought us to the conclusion that a new industries board, to function as a national coordinating agency on a cooperative basis, would be located in the Department of Commerce in Washington.

Now, we prepared a detailed outline of how we considered such a new industries board should function as to procedure and policy. After approval of our board of directors, this outline was presented in Washington by Mr. Stringfellow, of our own committee, and myself last August.

I will not take your time to go into the minutiae of the proposal, but can tell you briefly that the idea is to have a voluntary coordinating agency through which an invention, capable of producting additional jobs in a noncompetitive new industry, can be submitted to the new industries board for routing to properly qualified development and production organizations. The cementing link is to be a minimum royalty to the inventor and development organization, but entirely contingent upon actual commercial interest of all were included. All decisions on commercial desirability are to be in the hands of private industry.

The new industries board is

business and in no way disturbing to existing price, wage, or other

relations.

business and in no way disturbing to existing price, wage, or other relations.

And now a word on the present status. Our reception throughout the Department of Commerce has been very favorable. Through Mr. Stringfellow and our Representative in Congress the Honorable A. L. Vreeland, Mr. Smith, and I were in Washington again last month, and this was confirmed after previous correspondence and a meeting in New York City last November with gentlemen from the Department. There are certain procedural details which must be worked out before what eventually will be a new industries division in the Department of Commerce comes into being. But we feel assured that work on the project is continuing and we expect soon to have word of definite action.

I may also tell you that three national associations of American business have given us off-the-record assurance that they are in favor of our plan but wish for the present to remain anonymous. In conclusion, let me tell you what we feel can be accomplished by a new industries division. It is, of course, impossible to estimate accurately at this time. But we believe that the additional private jobs resulting from operation of this division could run into millions of dollars annually. We do not believe that unemployment can be solved overnight. It would take some years for that to happen, but we would be starting now on a new and permanent basis of job making. Concrete results should be noticeable within the first year of operation—might even come in a matter of months. Such is the kind of activity of our organization, and it is our hope that the Chamber of Commerce and Civics of the Oranges and Maplewood may be instrumental in helping to solve our greatest national problem.

I thank you for your patience, particularly as I did not tell any new jokes, for unemployment is no joke.

I thank you for your patience, particularly as I did not tell any new jokes, for unemployment is no joke.

America Goes to Town, or What We Need in Roads of Tomorrow

EXTENSION OF REMARKS

HON. THOMAS M. EATON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

Mr. EATON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to quote excerpts from an article, America Goes to Town, written by Paul G. Hoffman in the Saturday Evening Post of April 29, 1939. Mr. Hoffman, who has been in the automobile business almost all of his life, is well qualified to write on the question of

roads and highways, because the modern automobile has made the modern highway necessary.

I am quoting a few paragraphs of this article in order that the Members of Congress may make up their minds just where the money should be spent in building the roads of tomorrow. Mr. Hoffman says:

Thirty years ago we didn't know what an automobile was. Not as we know today. And today we don't know what a highway system is. Not as we'll know 20 years from now. By this I do not mean what most readers of this magazine probably think I mean; most of us confuse fanciful ideas with a driver's knowledge of most of us confuse fanciful ideas with a driver's knowledge of highways. My brother-in-law, for instance, is a fair-sized sample of an intelligent American citizen. He looked up from his newspaper with a dreamy expression one day and said, "Paul, won't it be grand when we can shoot right across the country from Atlantic to Pacific on superhighways all the way?"

I have been known to do a little tradition-smashing myself, but I said, "Potter, I don't believe you'll live long enough to see it."

"Why not?" he asked, slightly peeved.

"People don't travel from the Atlantic to the Pacific."
"I do."

"People don't travel from the Atlantic to the Pacific."

"I do."

"Yes; you and a few others."

"A few! Tens of thousands."

"Make it hundreds of thousands. But even so, you're only a drop in the bucket, you transcontinentalists. Just a drop."

Ever since covered-wagon days it has been one of our holy notions that we are a westward-moving people. We were once. But we aren't now. Not any more.

Again, several of us were talking at lunch about roads and automobiles and a man who has done a lot of long-distance touring said: "What we need in this country is good highways around the cities so you can bypass 'em. Why last summer when we were going from Indianapolis to Boston—"

I listened to his story of comfort and speed in the country and crawling and misery in the cities and when he was through, I said, "Bill, you want roads built for your own convenience. Well, that's natural. So do I. And you imagine there must be a lot of others who want to miss the cities, the same as you do. Well, a lot of us do want to miss them. Sometimes. But of all the drivers there are on the road, how many do you suppose want to go around the cities?"

He guessed it would be as high as 30 to 40 percent. I told him the number is actually in the neighborhood of 5 or 10 percent, as

It is.

We have spent a mint of money for roads in this country in the last 30 years, and on the whole we have done a grand job. We have pretty well pulled ourselves out of the mud. The Saturday Evening Post published two pages of pictures not long ago showing the kind of roads that daring transcontinentalists encountered 25 years ago. They wallowed through Iowa with chains on all four wheels, and still got stuck hub deep in mud. In Nebraska the Lincoln Highway was ruts where it wasn't mostly the bed of a creek. And in Nevada you looked across endless miles of sandy gashes slashed through sage or across big boulders. That was your highway. That sort of thing is history now, and mighty glad we are that it is.

Mr. Hoffman then shows why we must plan our highways years in advance. I quote further:

Consider, on the business side alone, a conclusion which I am satisfied may fairly be drawn from some of these studies. With our present highway system and the thirty-odd million cars, trucks, and busses that we now have, we are getting about 250,000,000,000 vehicle-miles per year, or 500,000,000 op passenger-miles, counting two passengers to a vehicle. The conservative estimate is that in another 20 years we will have about 40,000,000 cars, some 10,000,000 more than at present; not a startling increase, just normal, anticipated growth. But what kind of cars will they be? And what use will they give us?

It is my reasoned conviction that the use of cars in this coun-

It is my reasoned conviction that the use of cars in this country—not their number, but their use—will easily double in the next 20 years. Instead of getting 250,000,000,000 vehicle-miles with 30,000,000 cars, as now, we will get 500,000,000,000 vehicle-miles with 40,000,000 cars. There are two good reasons for this.

In the first place, cars are going to continue getting better and better, and less and less costly to operate. Forty years ago it cost a motorist about 30 cents per mile to own and operate a car. Today the average cost is down to 2.7 cents per mile, and unless I am sadly mistaken, it will go to 2 cents, and probably less.

Long-distance motoring is not so important as first imagined. Read on:

Long-distance motoring does not play nearly as big a part in our traffic as most of us imagine. Like my brother-in-law, we think of ourselves as confirmed transcontinentalists. Yet the amount of

of ourselves as confirmed transcontinentalists. Yet the amount of highway traffic moving from coast to coast is insignificant.

If you draw a line across the United States from Mexico to Canada, and if at every point where a main highway crosses the line you station a man or two to count cars going east or west, and if you stop people and ask where they're from and where they're going, what will you learn? The Bureau of Public Roads tried it. Their line was drawn right across Idaho, Nevada, and Arizona. They didn't concern themselves with in-State cars but tackled only those that were crossing the State, and were bound to or from points west of these three States, or to or from points

east of them. Traffic isn't heavy out there at its thickest. It's a jam, in some places, if three cars are in sight at once. And there, if anywhere, you're bound to catch practically all transcontinental traffic

what did the study reveal? This: An average of 2,532 out-of-State passenger cars daily crossed that long line from Canada to Mexico. Not very many. In the East there are hundreds of roads, not considered extremely important, which carry that many cars. Probably a good many of those 2,532 cars, however, were coast-to-coast bound, weren't they? Fact is, of the 2,532, just 251 came from or were bound for the Atlantic seaboard. Less than 10 percent. What's more, only about 30 percent were bound from or to points east of the Mississippi.

Consider now what results we'd get if it were feasible to make a similar study along a line drawn, say, from Tallahassee, Fla., to Cleveland, Ohio—in a part of the country, that is, where motor traffic is many times as great as in the West. The percentage of the total that was coast-to-coast bound would shrink to a nearly negligible fraction of 1 percent. In the Eastern States the volume of traffic traveling north and south is far greater than that bound from coast to coast. Counts were made of in-bound and out-bound from coast to coast. Counts were made of in-bound and out-bound out-of-the-State traffic on all main roads entering Florida, and it was found that there were 3,025 such cars on the average daily.

out-of-the-State traffic on all main roads entering Florida, and it was found that there were 3,025 such cars on the average daily. The State line of Florida is short, compared with the distance from Mexico to Canada across Arizona, Nevada, and Idaho.

We do make long motor trips, of course, even from Portland, Maine, to Portland, Oreg. But they loom large in our minds because they are rare.

A large proportion of all one-way passenger-car trips made outside of city limits actually cover distances of 5 miles or less. You doubt that, don't you? Well, how about this? If you count all trips of 30 miles or less, you include something like 90 percent of the trips made by car in this country. Sounds ridiculous, I know. A 50-mile trip in a car is nothing. Yet these are the facts. They are among the truly surprising conclusions brought to light through Chief MacDonald's surveys, and there's no guesswork about them. They were reached after questioning a great many motorists in 11 representative and widely scattered States—from Utah and Washington to Florida and Vermont—and asking them about their comings and goings. The number of trips of 100 miles or more was not above 2.3 percent of the total in any State, and in some States was less than 1 percent.

We use highways, then, chiefly for short trips. And where do we go?

e go? We go to town.

I suggest that those Members who are interested in modern roads read this entire article and you will be surprised at the conclusion that supertranscontinental highways are not so necessary but "the significant thing is that most of this traffic is going to or from town-much of it to or from the center of town."

Solution of Our Social and Economic Problems

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 2, 1939

EXCERPTS FROM ADDRESS OF HON. MARTIN F. SMITH OF WASHINGTON DELIVERED BEFORE MEN'S CLUB, ORANGE, VA., MAY 1, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert excerpts from an address which I delivered before the Men's Club in St. Thomas Episcopal Church, Orange, Va., May 1, 1939. The excerpts referred to are as follows:

According to some of mankind's outstanding thinkers and philosophers, after 6,000 years of human history, we find that our most serious national and international problems arise principally from two causes: First, our failure to learn how to properly and justly distribute and share the manifold fruits and products of the field, the factory, the forest, and the mine; secondly, our failure as nations to learn how to live together in peace, harmony, and understanding. To deal constructively and effectively with these two primary causes of our economic, social, and political ills becomes the supreme task and duty confronting and challenging mankind

AMERICA UPON THRESHOLD OF GREAT ERA OF SOCIAL AND ECONOMIC DEVELOPMENT

We have here in America sufficient natural resources, raw materials, electrical power, inventive genius, skilled labor, and everything that is required to build the grandest civilization in human

history and make it possible and certain for every man, woman, and child to live in comfort, even in luxury, and enjoy abundant prosperity, security, and happiness. Any person of average intelligence who will make only a cursory study of present technological trends and their social implications will be forced to the conclusion that the scientists and engineers are absolutely correct in their sion that the scientists and engineers are absolutely correct in their contention that we in America stand upon the threshold of the greatest era of social and economic development and progress ever experienced by mankind. If we apply the new secrets, formulas, and processes of modern science and chemistry in the manufacture of goods and the production of foodstuffs, we can give immediate employment to every idle person in the country and keep them steadily employed for decades to rebuild America by introducing the latest approved scientific methods in our industrial and agricultural structure. We can thereby create almost unlimited new wealth to be distributed in wages and bonuses to employees, in salarles and bonuses to employers, in dividends and interest payments to investors, in taxes and revenues to the Government. ments to investors, in taxes and revenues to the Government.

SOLUTION OF OUR PROBLEMS NOT LEGISLATIVE

This, however, is not a task for statesmen and politicians, nor can they bring about its performance, although they may be able to make some slight contribution. We undoubtedly overestimate the importance of legislation in our social fabric and what it can accomplish. No truer statement than that attributed to the late Speaker, Nicholas Longworth, by some of his colleagues has ever been uttered. He is reported to have said upon one occasion after a long-drawn-out and bitter parliamentary battle in the House of Representatives: "After 18 years of active service in Congress, I have come to the conclusion that after but a short lapse of time it makes no difference whether the bill passed or not. The legislation which we considered so important during the heat of debate often proves to have but slight bearing upon our fortunes as a people after it has been placed upon the statute books. Our welfare and condition as a people is determined by numerous other factors." These were truly words of wisdom spoken from the lips of a great statesman This, however, is not a task for statesmen and politicians, nor truly words of wisdom spoken from the lips of a great statesman out of a life of rich and varied experiences. It is a truism which cannot be too often repeated that our most serious economic and social problems cannot be permanently solved by legal enactments or by the expenditure of moneys from the Public Treasury. Their solution cannot be found within the realm of legislation and forum of our lawmaking bodies. Our pressing social and economic problems can and must and will be solved by the cooperative and united effort of the leaders of industry, labor, agriculture, finance, and government. The problems to be solved are basically and fundamentally for engineers, scientists, builders, business managers, and administrators to solve.

Veterans' Bill, H. R. 5452, Explained

EXTENSION OF REMARKS OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 2, 1939

ANALYSIS OF BILL BY THOMAS KIRBY

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD I am inserting an analysis of the veterans' bill (H. R. 5452), which passed the House on yesterday. This analysis was prepared by Capt. Thomas Kirby, legislative representative of the Disabled American Veterans of the World War. Captain Kirby is as well informed on veterans' matters as any man in America, and he has rendered the Congress and the veterans a great service by preparing this brief analysis.

Many Members will be getting letters inquiring about the effects of this legislation. I suggest that they simply clip this statement of Captain Kirby from the RECORD, or secure additional copies, to mail to their constituents in response

to such inquiries.

The matter referred to follows:

NATIONAL SERVICE DEPARTMENT,
Washington, D. C., May 1, 1939.
The House this afternoon passed and sent to the Senate for consideration the Rankin bill (H. R. 5452) to amend the World War Veterans' Act, as follows:

1. Would provide benefits for the city.

War Veterans' Act, as follows:

1. Would provide benefits for the widows and children of all veterans who die of non-service-connected disabilities if they had service-connected disabilities of even less than 10 percent.

2. Would add to the persons entitled to payments under the foregoing item certain dependent mothers and fathers.

3. Would increase the rates of the class of beneficiaries described in items 1 and 2 to \$30 per month for the widow with no child

and \$38 per month for the widow with one child, with present rates remaining unchanged for other children. Also establishes for dependent mother or father a rate of \$45 per month or, if both are

pendent mother or lather a rate of \$45 per month or, it both are living, \$25 per month for each.

4. Would change total compensation payable from \$56 to \$64 monthly, such limitation being applicable on the payments to widows and children, but exempting the parents from such limitation.

5. Would provide the definition of the term "mother" or "father"

to mean the natural mother or father or the wider of a veteran through legal adoption.

6. Would increase the rates for dependents of those who die from service-connected disabilities so that the widow under 50 years would receive \$37.50 per month; the widow 50 years or over, per month; and extends the total for widow and children to

\$82.50 per month; and extends the total for widow and children to \$82.50 per month.

7. Would provide that for anatomical loss of one hand or one foot or one eye the rate (including the \$25 increased award under existing law) shall not be less than \$100 per month.

8. Would provide for the payment of compensation on a basis of permanent partial 10 percent for wounds incurred in line of duty in active service during the World War and covers cases where the existing schedules provide a rating of less than 10 percent

9. Would reduce the rate of interest charges on any loan on Government insurance from 6 to 5 percent, effective the date of

It is estimated that approximately 150,000 veterans and their dependents would be benefited by this bill at annual cost of about \$19,000,000.

THOMAS KIRBY, Director.

Drifting Toward Dictatorship

EXTENSION OF REMARKS

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

STATEMENT BY MATTHEW WOLL, VICE PRESIDENT OF THE AMERICAN FEDERATION OF LABOR

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Matthew Woll, vice president of the American Federation of Labor:

DRIFTING TOWARD DICTATORSHIP—FOR LIBERALS WITH COMMON SENSE: ONE MAN'S WARNING TO THE UNITED STATES OF AMERICA

(By Matthew Woll, vice president of the American Federation of Labor)

The Old World seems to be plunging toward war, bankruptcy, or social revolution. The cause threatening these alternative evils is nationalism run riot, or the totalitarian idea, the dictator

These were vivid convictions from a European trip, which events of months since only strengthen. I'm asked if this "reads a lesson" for Americans. Definitely, yes; and a grave one, because of trends affecting your jobs and your lives.

For better understanding, glance first at the world picture. The dictatorships as commonly thought of are Germany, Italy, Russia, and Japan. Their dramatic and ruthless actions hold the eye, thus tend to obscure a vital truth, which is the fact that so many other nations have become, in varying degrees, superstates. Depression crises, fear of war, actual economic wars—such things have led to successive extensions of power. Peoples have yielded up rights in exchange for the hope of security.

Even great democracies, such as France and England, depart from tradition—as in nationalizing or managing war industries and in many new kinds of control. This trend sweeps the earth, and we are both startled and concerned to find its manifestations among neighbor republics of South America; while, in Mexico, what is essentially the totalitarian idea stands at our very doorstep.

what is essentially the totalitarian idea stands at our very doorstep.

This puts a question: Can we stand against this world trend to supergovernment? Another: Have we done so?

I have no fear of dictatorship in this country. When the idea is personalized—as in thinking of Hitler, Stalin, or Mussolini—of course it is distasteful to us. We want no such absolute "boss." We dislike what we see of the brutal methods of dictatorship. Our attitude is, It couldn't happen here.

However, I think the time has come when we should, and must, stop to see how far along that road we have traveled—before it is too late to retrace our steps.

we have have have have have have the have have the highest before he is too late to retrace our steps.

We became the richest and most advanced nation, sustaining the highest general standard of living, during a century and a half of growth while having the least government of any people. That kind of freedom gave us the greatest initiative and enter-

Then, in the midst of a great economic crisis, our people were desperate in their desire for safety and recovery. They were willing to accept almost any proposal involving more Government

ing to accept almost any proposal involving more Government power and authority.

Understand that I am not questioning motives. The whole drive to extend the authority of the state has had as its aim bringing greater opportunity to the masses of the people. Let us be clear about this, too: Labor, agriculture, industry, Democrats and Republicans alike, turned to Government for help—for solutions.

Like the peoples of Europe, we surrendered rights in exchange for the hope of security. No more than they did we realize the relentless thrust of government power, once it is permitted to start growing. I believe we begin to see more clearly now that we were too willing to accept promised gain at the price of loss of liberty and self-reliance.

Not many years ago we were being warned of the peril of big business. We were told it was a great invisible power which sought to control the processes of government. We now see the menace of big government. It seeks to control business, agriculture, labor. It seeks self-perpetuation. It expands through newly created agencies; and these constantly extend Government power by functioning as judge, jury, and prosecutor. Thus increasingly it tends to make the individual the pawn of the State. Here, as in Europe among the outward menifestations of hig government are Europe, among the outward manifestations of big government are mounting deficits, swollen budgets, increased tax burdens; and where this may lead us no one can tell.

I know from my journey through Europe that business enterprise was paralyzed there by such bondage. We know that business here is alarmed at the intrusion of government into so many parts of our economic life.

of our economic life.

But, some say, has not labor fared well under big government?

Ostensibly, yes; but let's examine that.

Samuel Gompers constantly preached to us that labor unions should not appeal to the state. He warned employers of the dangers of their use of the powers of the state to balk the labor movement. But employers persisted in their opposition to unionization until finally, in the great distress of a few years ago, labor did appeal to Government. As a result, in the Wagner Act there was enacted as a law what should have been an operating principle of industry. The use of Government power proved to be a two-edged sword, because Government, which in the past had been a buttress for the employer and an oppressor of labor, now has become a buttress for labor. The shoe is on the other foot. But should we rejoice over that? A growing number of workers recognize that if labor's destiny is to depend upon the whim and fancy of those temporarily in power, that control may be prolabor recognize that if labor's destiny is to depend upon the whim and fancy of those temporarily in power, that control may be prolabor today—and something else tomorrow.

How much better it would have been if employers, by giving recognition to labor as copartner in industry, had made it unnecessary to pass the Wagner Act at all!

American labor knows what growing bigness of government may mean to the labor movement. That lesson is written large in

Europe.

In old Germany there flourished one of the greatest labor-union organizations of the world. The great change there may not be generally recognized. You read of the labor front today; and it is represented to be the union of all the workers enthusiastically behind the Nazi cause. The truth about that heroic title is that the German worker is virtually the slave of the state. He has lost all voice in determining where, at what kind of a job, and for what pay he will work. With these basic human rights the old living standards also have vanished. A trained mechanic is paid only \$12 or \$15 a week. The average wage for less-skilled workers—after deductions, including social insurance—is less than is paid to prisoners in many States in this country.

In Italy there were some powerful labor unions which had won

In Italy there were some powerful labor unions which had won partner status, sharing in industry's profits. Mussolini first "directed" them, then absorbed them into his "corporate state"; and the worker today obeys Fascist edicts like a good soldier—or else. The first workers, railroaders, to strike in Soviet "proletarian paradise" were shot. That was insurrection against the state. Only recently a Moscow dispatch reported that in a large sector of Soviet industry a general wage cut and speed-up had been ordered. In Japan the worker apparently gets enough rice to keep him reasonably efficient; that and the glory of serving the Emperorstate.

Such conditions arise under the banner of national socialism, of whatever brand. Personal and property rights are either vastly diminished or extinguished.

I would like to point out that American organized labor never has asked for anything which would disturb the basic structure of private property, private industry, and private profit. We do not want all industry to become a Federal any more than a private monopoly. The American workingman does not want this country to become another Russia, controlled by a vast bureaucracy. He wants no traffic with any type of European despotism. All of these have destroyed free trade-unionism and freedom of private enterprise, as well as freedom in social, political, and religious fields.

The totalitarian idea, the system, makes despotic oppression necessary and inevitable. That kind of a system, all-powerful government, cannot endure if free expression of independent thought and critical viewpoints is permitted. From what sources or groups is critical thought likeliest? Why, from the press, the church; from business or social organizations, or a cohesive racial minority; or from independent trade-unionism. The totalitarian system must not be questioned; therefore all free institutions

must come under control or be suppressed. It is simple logic.

We should understand it.

Haven't we seen strong trends of that logic in the intolerance and despotic acts of some of the bureaucrats of our own self-expanding big government? It is inherent in the very nature supergovernment that such trends will grow—unless we stop

them.

I would say that the positions of workers and employers in the face of encroaching Government power should be, and in fact are, identical. Both are threatened.

Equally with business, organized labor views with alarm the spread in this country of boards, commissions, and committees; of rules, regulations, restrictions, and limitations. Control of industry inevitably affects workers in industry. If labor is ruled by edict, that reacts upon the rights and interests of employers. Such control means that deadening precedent and red tape retard the vital processes of the Nation. Initiative and enterprise are strangled. When employees or employers, or both, must goosestep, industry cannot flourish and produce a greater wealth of goods for the use of all. Low living standards in totalitarian states prove this.

Workers and employers should unite to protect each other—and our industries and our people—against the autocratic usurpation

of power by big government.

of power by big government.

Unless both are alert in common defense against such aggression, we may find later that the time has passed in which we can retrace our steps. Because, when trends like this are given headway, they increase momentum at startling speed. The peoples of Germany and Italy saw no great changes in the beginning; but the conditions of their lives were made over in 2 or 3 years.

Happily, within the last few months there have been increasing evidences that American public opinion is becoming aroused to the potential dangers surrounding us and is drawing nearer to unity upon the essentials of a program for recovery and the safeguarding of democratic institutions.

of democratic institutions.

Perhaps most dramatic is the statement of the executive council

Perhaps most dramatic is the statement of the executive council of the American Federation of Labor, issued February 15, 1939, giving complete recognition of the large area of interest which employers and workers share in common. Here we have a demand for the reversal of the notion that the national salvation lies in deficit spending and business baiting, and the call for a Government attitude of trust, good will, encouragement, and cooperation toward industry as well as labor.

Another encouraging sign is the apparent change of governmental representation, as expressed first by Secretary of Agriculture Henry A. Wallace in his appeal for a joint council of labor, industry, and agriculture, voluntarily organized, and designed "to map a united program for the general welfare of the Nation." The omission of governmental regulation and control is especially significant. And, finally, there is the recent appeal of Secretary of Commerce Harry L. Hopkins for "recovery" and a dramatic change in the Government's attitude toward business.

In all of this there is to be found much of encouragement and hope. However, pending performance, I would like to say some-

In all of this there is to be found much of encouragement and hope. However, pending performance, I would like to say something that may seem surprising, coming from a labor leader. I would like to see in this country bigger, better, and stronger organizations of employers. But I would also like to see bigger, better, and stronger unions of workers. Then let the two sit down together and solve problems in the democratic way: through discussion, use of simple common sense, and in fairness to each other and all the people, with Government cooperation but without Government dictation.

But if some employers feel they must still oppose collective

But if some employers feel they must still oppose collective worker action, let them consider. If workers feel forced to make further appeal to Government, they can always win, because they have the votes. But that would mean yet bigger Government. further appeal to Government, they can always win, because they have the votes. But that would mean yet bigger Government. Ultimately we would find ourselves quick-stepping along the road which leads to autocracy; to the downfall of private enterprise, the collapse of rights and liberties.

I plead for a return to the American way, the democratic way, the common-sense way. Through intelligent collective cooperation, let's make big Government as well as big business domination unnecessary and impossible, and avoid the calamities which seem to face Europe.

Address of Welcome to the Finlandia Male Chorus

EXTENSION OF REMARKS

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 2, 1939

ADDRESS BY HON, FRANK E. HOOK, OF MICHIGAN

Mr. HOOK. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address of

welcome delivered by me to the Finlandia Male Chorus on May 2, 1939:

Mr. Minister, Mr. Hurja, members of the reception committee, members of the Finlandia Male Chorus: The world today, in this

members of the Finlandia Male Chorus: The world today, in this time of grave fears and uncertainty, needs more than guns and battleships; it needs more than political leadership; it needs good fellowship, understanding, faith, and confidence among nations and with each other.

It is indeed a pleasure and, I assure you, a distinct honor to extend a sincere welcome to the Finlandia Male Chorus to Washington, our Capital City, and to the United States of America. It is more than a welcome to your fine chorus—it is a welcome to each one of you individually. In doing so, I want you to know it is because of the deep respect and friendly feeling we have for your beloved country of Finland and all those sons and daughters of your fair land who have become respected citizens in the United States of America.

It is our fondest hope that you enjoy your visit here. We are

It is our fondest hope that you enjoy your visit here. We are grateful that you have come, not only for the opportunity of hearing this splendid chorus but for the friendly and neighborly spirit which it exemplifies between the people of two great powers of the

which it exemplifies between the people of two great powers of the world.

I understand you men are practical businessmen as well as fine artists, representing the best male voices in Finland. Our appreciation will only be surpassed by our enthusiasm to serve you.

We have long held in high esteem the people of Finnish descent and the nation of Finland. Our country has come to regard the terms "democracy," "honesty," "integrity," and "intelligent government" as synonymous with Finnish-Americans and Finland.

While many nations in Europe are on the verge of weakening before the onslaught of dictatorships Finland stands as the finest example of true democracy. At a time when nations look with distrust upon the motives and actions of many of their neighbors, at a time when treaties have again become a "scrap of paper," at a time when the whole world is tense and bewildered we see Finland standing by faithful to those precepts of civilization which some nations appear to have forgotten.

standing by faithful to those precepts of civilization which some nations appear to have forgotten.

The Finns have particularly impressed upon the consciousness of the American people their integrity. Americans immediately think of Finns as a people with an alert mind in politics who have in an extremely intelligent manner worked out a form of government embodying the true principles of a true democracy.

Although the Finnish language is so very different from ours, there are so many other common interests and ties between the two peoples that this has never been a barrier between us. Those of us in America who are familiar with the innumerable fine qualities of the Finns, those of us who have lived among them in America and who are acquainted with the many great contributions they have made to the cultural and public life of our country are proud to point to Finland as the country in Europe where the humanitarian and intellectual principles of liberty and justice are working in reality.

where the numanitarian and intellectual principles of floerty and justice are working in reality.

I extend to you my hearty greetings and trust that when you return to your native land you will carry with you a spirit of friendship and good will that will last throughout the ages.

The United States and Finland are at peace with the world and at peace we shall remain. Thank you.

P. W. A. Program Popular-National Survey Reveals Bond Elections Carried in 81 Percent of the Communities Voting on P. W. A. Projects

EXTENSION OF REMARKS

HON. HERMAN P. EBERHARTER OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

Mr. EBERHARTER. Mr. Speaker, information is available that 81 percent of the communities voting in P. W. A. bond referendums have approved the P. W. A. program by declaring their voluntary desire to assess themselves as taxpayers for the local contribution required from sponsors on all P. W. A. projects. This covers the percentage in the 1938 P. W. A. program. It is my understanding that 3,210 elections were held to determine whether these communities should issue bonds to take care of their share of the project cost. Two thousand six hundred and twenty-five of these elections carried; that is, in this many communities bond propositions received a majority vote. In the 585 elections where the propositions were turned down are included instances where majority votes were obtained but regulations of the community required more than a majority vote to carry a referendum of this kind. The Public Works Administration informs me that many of the propositions also were

on bonds repayable from revenues generated by the project only and not from general taxes, as in the cases of toll bridges, waterworks, or power plants, but in such instances the voters were also usually the prospective users and payers.

The communities in which these elections were held are scattered throughout the country and cover various types of projects, such as schools, hospitals, municipal buildings, waterworks, sewage-treatment plants, and so forth.

I think the vote of confidence in P. W. A. is significant and should be brought to the attention of Congress. We are all interested in knowing of the popularity of any Government program, and it is gratifying to know that this particular agency is approved by the people we represent.

Administrator Ickes announced only recently that 1,000 local P. W. A. projects valued at \$33,927,000 have been completed 14 months ahead of the time required by Congress in the current program. This is somewhat of a record, too, and should not go unnoticed. It is my understanding that this represents one-sixth of the entire non-Federal P. W. A. program. It is unusual to find that a Government program of this magnitude is ahead of its schedule. The law provides, of course, that the projects must be completed by July 1, 1940, but we find that 1,000 of them are already completed and are actually in use.

All of this means that P. W. A. has done a splendid job. It is one agency of Government which has never had to come to us for a "deficiency" appropriation, and this is also a record in itself.

An estimate of the construction money released each week in P. W. A. projects during the first 13 weeks of this year is placed at \$20,000,000. In addition, other large sums have been released for industrial orders which provides employment at the mill and factory.

In this connection a statement appearing in the Engineering News-Record recently is of interest. This publication re-

Construction closed its first-quarter books with an over-all gain over 1938 of 22 percent. This means a volume of \$801,000,000, of which \$592,000,000 was public work, the highest first quarter on record of public construction. Private awards, at \$209,000,000, were 27 percent below a year ago.

This is evidence that P. W. A. is stimulating construction.

I thought these facts and figures should be brought to the attention of Congress since we will soon be called upon to consider legislation to extend the Public Works Administration and appropriate additional funds to construct projects for which applications have already been submitted and approved. If the sentiment of the people of the United States means anything to us we will lose no time in extending the authority of the P. W. A.

Address at Dedication of Post Office at Bordentown, N. J.

EXTENSION OF REMARKS

HON. JOSEPH W. MARTIN, JR. OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

ADDRESS BY HON. D. LANE POWERS, OF NEW JERSEY, APRIL 29,

Mr. MARTIN of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered last Saturday by the gentleman from New Jersey [Mr. Powers] on the occasion of the dedication of the post office at Bordentown, N. J.:

Honored guests and Bordentown friends, it was a distinct pleasure to receive, down in Washington, the hearty invitation from your postmaster, my good friend Jim Magee, to attend the dedication ceremonies today for your new post office.

We are busy in Washington these days. In fact, this is one of the most hectic and important sessions of the Congress I have attended during the 7 years I have represented you in the Nation's Capital. But, busy as I am, I was glad to be able to arrange my schedule so that I could be with you today and say a few words of congratulation on your new post office and a few words of commendation for the men who have made this new building

possible.

The king city of Bordentown has, I see, fittingly observed the solemnity of this occasion. The splendid parade we have just seen is ample proof of the importance which the public-spirited members of your community attach to these ceremonies. It is not often that a community has the privilege of opening a new post office. To many of us here it may be the only time in our lives that we shall be able to observe such ceremonies in Bordentown.

The building we are dedicating has a twofold importance. The new facilities it houses are useful to its patrons and its employees. To the patrons, they are assured a speedier service, a greater accessibility to the facilities of the Postal Department. To the employees this new structure represents their modern workshop. The labor-saving devices installed here, the handler arrangements for the discovery of the modern workshop. posal of the mail, both in-coming and out-going, will be to the employees a constant source of delight. To them, also, is given an opportunity to work in a lighter, more airy structure. Their aesthetic senses will be pleased by the grace of this improved architecture.

We are so often prone to look upon new postal structures as the gift of a beneficent government. That is entirely erroneous. These new buildings—in fact, all the new construction work being done by

new buildings—in fact, all the new construction work being done by the Government—are not gifts from the Government itself but from the taxpayers who make up that Government, the taxpayers whose funds are used for these various public works.

This building is therefore a gift to the people of Bordentown from the people of the United States. But you who are the patrons of this post office have done your part to earn this gift, else you would not have received it. Because, let us bear in mind once and for all, our Post Office Department is a great governmental business, larger than any other governmental enterprise and greater than any individual or private corporation in the world.

individual or private corporation in the world.

When the Postal Service was first started it was a private enterprise. Couriers took funds from individuals to transmit their messages to other individuals, guaranteeing a more or less sure and certain delivery. From such humble beginnings came the Post Office Department, the first Government civilian monopoly in this country. This monopoly was founded upon the theory that only the people of this great country could afford to operate the ramifications of a postal service which would embrace the entire United States and would tie in with the postal services of the other countries of the world.

States and would tie in with the postal services of the other countries of the world.

When the Federal Government reserved to itself the right to carry the mails the Postal Service was created. It was planned from the beginning as a service to the public—with every connotation embodied in the word "service." Originally the mails were carried on foot and by wagon. Then later the slow train helped carry the mails into our more populous cities. The romantic pony express, the dashing, bouncing stagecoach all have played their part in the development of this Service.

Today our Post Office Department has progressed to the point where it is the largest employer of labor in this country. Its personnel now represents nearly one-half of the total of all Government employees. It employs about 400,000 persons. The United States mail has grown so that now approximately 26,000,000,000 pieces are handled yearly. This enormous volume has an estimated total weight of nearly 6,000,000,000 pounds a year.

Our Postal Service today comprises our largest savings bank, our largest express business, our largest system for the transfer of money, and our largest agency available to the people for the investment of their savings in Government bonds. Practically every known means of transportation today is utilized by the Postal Service. Mail is carried on foot, on horseback, by carriage, by bicycle, on steamships and river barges, by train, by motorcycle and automobile, by airplane—yes, and in the remote fastnesses of the North it is still carried by dog sled.

That should give you a comprehensive, if brief, picture of the great business which is our Post Office Department. But no men-

That should give you a comprehensive, if brief, picture of the great business which is our Post Office Department. But no mention of any organization is complete unless we give special attention to the men and women who make that organization possible.

In its origin the Postal Service brought into its employ men who were willing to consecrate themselves to the principle that, come

what may, come disaster or good fortune, come sun or storm, the mails must go through. Men have died on our prairies to protect the mail sacks they were carrying. Airplanes which were hurtling through the skies have plunged to the earth, and when the pilot was found he was clutching the precious sack of mail he had sworn to deliver.

Spectacular as those events may be, they are nonetheless important than the men and women who devote their daily lives in the quieter and less risky pursuits of the postal businesss to seeing that you get your mail on time, delivered courteously and promptly.

These men and women of the Postal Service, working in their quiet way, effect the miracle of our routine mail delivery. They are the ones who make it possible that when you spend 3 cents for a stamp and paste that stamp on an envelope your message is de-livered to me in Washington the next day, or to your correspondent in California or Alaska or England or Afghanistan with every promptness possible.

History books have recorded the names of great generals, or great admirals, or kings and queens and princes, whose actions and conquests have changed the face of the world. Men and women who are busy doing their daily work, with efficiency and dispatch, are never mentioned in the annals of human events, but their deeds are just as important in their way as those of the great leaders and conquerors. No; there is little mention in history of the post-office personnel who, with an unfalling cheerfulness, assures to you that your mail will go through. They brave and conquer the elements in their unassuming way. No; these people of the Postal Service are not the stuff of which romantic novels are written, but I feel sure that every postal employee within sound of my voice cherishes sure that every postal employee within sound of my voice cherishes

sure that every postal employee within sound of my voice cherishes deep within his own heart a knowledge of a daily job well done, of a daily service to the public well and efficiently rendered.

Therefore, let us today do more than dedicate this imposing structure to the use of the patrons of the Bordentown Post Office. Let us also dedicate ourselves to a keener appreciation of the work of our postal servants. Let us show them, in our daily contacts, that we are truly grateful for their unselfish devotion to the carrying of the mail.

May we, then, as we use this new building in the future consider

May we, then, as we use this new building in the future consider it not as a structure of stone and metal, not as a local agency of a rederal department, but as a monument to the men and women who originated the principle that "the mail must go through," and to those men and women who are working today, and every day, year in and year out, to assure to you that "your mail shall go through."

I thank you.

Amendment of the Sugar Act

EXTENSION OF REMARKS

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1939

CONCURRENT RESOLUTION OF THE MICHIGAN LEGISLATURE AND ARTICLE FROM THE PONTIAC DAILY PRESS

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Michigan Legislature and an article from the Pontiac Daily Press:

House Concurrent Resolution 27

Concurrent resolution respectfully memorializing the Congress of the United States, the President of the United States, and the Secretary of Agriculture to grant immediate remedy and adjust-ment, by correlating the estimate of consumption to actual needs, based upon the actual consumption of 1938 and the extraordinarily large carry-over inventory of sugar as of January 1, 1939, and that the Sugar Act be amended to provide a larger share of the American sugar market for the American farmer

Whereas the fact that in the continental United States we produce whereas the fact that in the continental United States we produce less than 30 percent of the sugar we consume, and sugar is practically the only nonsurplus agricultural product of the United States; and every acre of land utilized in the production of sugar, either from beets or cane, invariably takes such acreage out of the production of some surplus agricultural product such as cotton, rice, wheat, corn, beans, etc.; and

wheat, corn, beans, etc.; and
Whereas the production of sugar on our continental farms, especially the production of sugar from sugar beets, is conducive to the employment of labor on a large scale at profitable wages or rates and the increased employment of labor on a larger scale in the production of sugar in the continental United States would be a great stimulus to prosperity and the general welfare of such sugar-producing areas and the United States as a whole. The increased prosperity of the sugar-producing farmer would enable him to purchase much-needed agricultural machinery, tractors, trucks, etc., and would reflect directly in increased employment in industry

chase much-needed agricultural machinery, tractors, trucks, etc., and would reflect directly in increased employment in industry producing such agricultural machinery; and

Whereas we believe it is the inherent, fundamental, economic right of the American farmer to produce nonsurplus agricultural products, such as sugar, up to the limit of his ability without restriction, and such production should be protected in our United States market so that sugar will sell at a price comparable or equivalent to the index value of all foods. Foreign sugars should not be permitted to enter the United States market in excess of not be permitted to enter the United States market in excess of the amount which when added to our production of sugar the total will equal our consumption, so that both the interest of producers and consumers of sugar in the continental United States will be adequately protected and the production of sugar in the continental United States fostered on a basis of common defense and general welfare, so that, regardless of peace or war, the citizens of the United States will be protected in their supply of such an essential food as sugar; and

Whereas we believe that the Sugar Act of 1937 was a step in the right direction, but with the removal of restrictions on United

States production of sugar, coupled with a proper administration of the act, the sugar industry of the United States can go forward on a sane, sound basis for the best interests of the United States as a whole; and

Whereas excessive sugar consumption estimates out of all proportion to the actual consumption have been made since the adoption of the act, thereby permitting increased importation of foreign sugars, which has depressed prices in the sugar market to its all-time low, there is now available upward of 600,000 tons of cane sugars, which has depressed prices in the sugar market to its alltime low, there is now available upward of 600,000 tons of cane sugar out of the 1938 quotas, which sugars are mainly the product of foreign countries, and a consumption estimate for 1939 by the Secretary of Agriculture, Hon. Henry A. Wallace, of 6,755,000 tons permits the importation of 3,000,000 tons of foreign sugar to further glut and complicate our American sugar market. It is estimated that on December 31, 1939, the end of the current year for sugar quotas, there will be upward of 800,000 tons of foreign sugars available, over and above our current needs, which sugars are all eligible to be marketed in the continental United States. This in view of the fact that in 1938 a kindly Providence, on a limited acreage, saw fit to give us one-quarter million tons of beet sugar and 150,000 tons of Louisiana and Florida cane sugar over and above our Government marketing allotments for 1939, and this practically 400,000 tons of sugar produced by American farmers in 1938, constitutes a further surplus of sugar. Also the recommendation of the United States Department of Agriculture is that certain districts, some of them in Michigan, shall not be permitted to market in 1939 a single pound of sugar produced in 1939. This situation if not remedied in the near future will destroy the sugar industry of the United States. The enforced carry-over to 1940 of practically 400,000 tons of continental beet and cane sugar produced in 1938 will have the immediate effect of eliminating the opportunity for 64,000,000 hours of labor directly utilized in the sugar Industry, and possibly several times that number indirectly employed. Unless immediate adjustment is made on the recommended sugar marketing allotments, at least one and possibly more Michigan sugar plants, it appears, will be unable to operate this year, thus throwing more American laborers out of work and depriving more American farmers from marketing beets and producing sugar, which is our only nonsurplus ag

therefore, be it

Resolved by the house of representatives (the senate concurring),

That the Legislature of Michigan hereby memorialize the Congress
of the United States, the President of the United States, and the Secretary of Agriculture to grant immediate remedy and adjustment by correlating the estimate of consumption to actual needs, based upon the actual consumption of 1938 and the extraordinarily large agon the actual consumption of 1938 and the extraordinarily large carry-cover inventory of sugar as of January 1 1939, and that the Sugar Act be amended to provide a larger share of the American sugar market for the American farmer; and be it further Resolved, That copies of this resolution be sent to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to all Senators and Congressmen from Michigan.

from Michigan.

[From the Pontiac Daily Press]

SUGAR FACTORY FORCED TO SHUT-MANY SEND PROTESTS ON UNITED STATES RESTRICTION

Mount Clemens, April 29.—Hundreds of residents of the Mount Clemens area have protested to Secretary of Agriculture Henry A. Wallace a continuation of domestic sugar-marketing restrictions which officials of the Northeastern Sugar Co. said would prevent 1939 operation of the local plant, board of commerce officials ansured Schurder Schurder

1939 operation of the local plane, board of conflicted and nounced Saturday.

Many of the protests came from farmers, board officials said, and were contained in telegrams to Washington, which asserted that a quota imposed on the plant was unfair because it was based in part on beet production in 1935, 1936, and 1937, when poor weather conditions resulted in light crops.

THEORISTS ARE CRITICIZED

C. A. Coryell, secretary-treasurer of the Northeastern Sugar Co... issued a statement in which he charged that the making of market-ing-allotment formulas "is in the hands of theorists in the Department of Agriculture who have had no practical experience and who

do not seem to care what disastrous results their rulings may cause."

With the Mount Clemens plant closed, Coryell said, 1,200 farmers in Macomb, St. Clair, Genesee, Wayne, Monroe, and Washtenaw Counties will be deprived of a market for sugar beets that they have had each year except 1931, when the plant did not operate because of poor business conditions. He said that 1,000 farm laborers and 300 plant employees at Mount Clemens also would be left without work.

SURPLUS EXCEEDS QUOTA

Coryell explained that a sales quota of 139,000 bags of sugar was assigned to the Northeastern Sugar Co. for 1939 after a hearing in Chicago in February. The company had 170,000 bags on hand January 1, 1939, Coryell said, which meant that the company would be required to carry over 30,000 bags of its present store into 1940 even with no production this year.

Coryell said that his company had appealed for a revision of the quota, but had received notification that no change could be made. The Mount Clemens plant sliced 60,000 tons of surgar beets last tall.

The Mount Clemens plant sliced 60,000 tons of sugar beets last fall.

OFFICIALS ALSO PROTEST

The Macomb County Board of Supervisors and the Mount Clemens City Commission also have protested the quota restric-

Also joining in the protest campaign was Arthur A. Schupp, of Saginaw, executive secretary of the Farmers and Manufacturers Beet Sugar Association, who predicted that "continued decreasing marketing allotments will gradually force the industry in Michigan

Closing of the factory was deplored by A. D. Brewer, executive secretary of the Mount Clemens Board of Commerce, who was one of the leading figures in bringing about reopening of the factory

some years back.

A Million Railroad Men, Believing in Democracy, Declare for Referendum on Foreign Wars

EXTENSION OF REMARKS

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1939

Mr. LUDLOW. Mr. Speaker, labor has a vital interest in the peace movement. No other element of our complex civilization is quite so deeply concerned in the elimination of the causes of war as the toilers of our land. It is upon them that war's heavy hand is laid most relentlessly. Others may escape the hardships of military service through exemptions provided for executives, farmers, and persons of specialized qualifications, but for workingmen, generally speaking, there is no loophole. They comprise the mass of the eligible fighting population. They have to take it on the jaw. men furnish the great bulk of the cannon fodder.

During the last few days a million railroad men, comprising the flower of organized labor, have reaffirmed their faith in the so-called Ludlow amendment, which proposes to amend the Constitution to give the people a right to vote on nondefensive wars when the issue involved is whether our boys shall be sent overseas to fight in foreign countries.

Labor, the organ of the 21 railroad brotherhoods, in its current issue advises its readers in regard to the action taken by this vast and powerful element of organized labor. The article printed in Labor says:

The chiefs of the standard railroad labor organizations believe the fathers and mothers of Americans should have a chance to express themselves before their boys are sent away to fight another

war on foreign shores.

So, at its recent meeting in Washington, the Railway Labor Executives' Association reaffirmed its support of what has come to be known as the Ludlow resolution, because it was first advocated by Congressman Louis Ludlow, of the Indianapolis, Ind., district.

It calls for a constitutional amendment which would compel a popular referendum before Congress or the Executive could get the country into a foreign war. However, Congress would still have the right to take action should any foreign power attempt to invade the Western Hemisphere.

The adoption of the Ludlow proposal would serve notice that only the people could put the United States into an Old World war but that Americans would "fight at the drop of a hat" to resist invasion of the New World.

Of course, the Ludlow proposal is anathema to the militarists who keep shouting that we can't keep out of the next war, but there is little doubt that it expresses the sentiment of a very large majority of the American people.

STATEMENT OF RAILROAD BROTHERHOODS

By the action referred to above the Railway Labor Executives Association reaffirmed the statement it presented to the House Committee on the Judiciary during the hearing on the Ludlow amendment nearly 4 years ago, or, to be exact, on June 19, 1935. That statement was as follows:

The Railway Labor Executives Association, representing 1,000,000 railway workers of the United States, desires to place itself on record with your committee as being unqualifiedly in favor of the immediate passage by Congress, and the ratification by the several States, of the constitutional amendment proposed in the Ludlow reso-

Every thoughtful American who is at all informed on international affairs must feel that there is very grave danger of another war among European and Asiatic nations within the next few years. Ancient rivalries have been revived and hatreds have been heated again to the point where a minor incident may be enough to precipitate a conflict even more destructive than that of 1914-18. Political adventurers, military leaders, and those industrial interests which profit from wars and preparations for wars have stirred interna-

tional animosities and brought about a situation which can be compared only to that preceding the Great War. The outbreak of hostilities may occur without warning.

We believe in preparedness, but of a kind directly the opposite to that which our own militarists advocate. We believe that our Government must be prepared to keep America out of the next war; we believe that the people of the United States must be prepared to resist those propagandists who will not hesitate to urge our participation in the holocaust toward which the world is moving. We believe that such preparations, if they are to be effective, must be made now, before new warfare has created the atmosphere of panic and hysteria which permits professional patriots to drum up war sentiment. We believe that the constitutional amendment proposed in this resolution is patriotic preparation against European war—we believe that its adoption will keep America out of the general destruction threatening modern civilization.

The workers we represent, in common with all decent citizens of our country, have been sickened and disgusted by the revelations

our country, have been sickened and disgusted by the revelations recently made of the activities and the profits of the peddlers of war munitions. Efforts sincerely made by governments desiring to limit armaments, and thereby to lessen the international suspicions which breed wars, have been defeated by the incredibly brutal and vicious practices of these munition makers. Professional proparanties have collaborated in product the state of the proparations of the proparation of the production o gandists have collaborated in producing the state of mind among the peoples of the world which assures the widest sale of the implements of war. These munitions makers and their agents are creating their markets and selling their goods with no other thought in mind than securing for themselves the greatest possible

profit.

This greed for profits was not lacking from American munitions manufacturers before and during the World War. While American soldiers fought in the trenches to decide a European war whose issues were of no real concern to us, billions of dollars were being paid by our Government directly and through the financial agents of foreign governments to the manufacturers of munitions in the United States. The appalling sacrifices demanded of our soldiers and their families should have brought voluntary surrendering by our munitions manufacturers of all profit; they should have been eager to supply to us and our allies all possible munitions at actual cost. We know now that to the eternal disgrace of these interests they reared profits which were far beyond any possible interests. they reaped profits which were far beyond any possible justifica-tion—which were possible only because of the desperate needs of the Government and the people of the United States

the Government and the people of the United States.

If European war comes again, there will be no lack of the same kind of destructive and unpatriotic action by our munitions manufacturers. Nothing has happened to make us believe they have changed their spots. There will be no lack of newspapers to give space to false reports of atrocities or to imaginary insults to our national honor. There will be plenty of skilled propagandists who will, for money, use all their arts to confuse and to mislead our people into believing that we should take up arms against some other nation. No sensible American, whose memory runs back to the last war, and who has followed the disclosures of the munitions investigation can doubt that the munitions manufacturers will try investigation, can doubt that the munitions manufacturers will try to force this country into whatever war they can promote in Europe or Asia. No sensible American can fail to realize that war psychology can be created out of the lies and the oratory of the propagandists. No sensible American wants to see us in that next war.

The constitutional amendment proposed will prevent the sudden

and ill-considered sort of action which might plunge us into war. The referendum will give time for thought and for countering the propaganda of those whose selfish interests would be served by war. More than that, the limitation of munitions profits would not only force upon munitions makers a decent restriction during war—it would also greatly reduce their interest in promoting American belligerency. This amendment, however, still permits speedy congressional action to defend the Nation against actual invasion.

We urge upon your committee that it report out favorably the resolution under consideration, and that every effort be made to speed its final adoption; this legislation is racing against the danger of war and there is no time to spare.

History of Flood Control in the Alluvial Valley of the Mississippi River

EXTENSION OF REMARKS

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

STATEMENT OF BRIG. GEN. MAX C. TYLER BEFORE THE FLOOD CONTROL COMMITTEE OF THE HOUSE OF REPRESENTA-TIVES

Mr. ALLEN of Louisiana. Mr. Speaker, Brig. Gen. Max C. Tyler, Assistant to the Chief of Engineers, War Department, Washington, D. C., gave to the Flood Control Committee of the House yesterday a history of flood control on the Mississippi River that was so concise, so informative, and of such vital interest to hundreds of thousands of citizens living in this great valley that I though the people generally ought to have the benefit of his fine statement; and therefore, under leave to extend my remarks in the RECORD, I include his statement, as follows:

The Mississippi River rises in northern Minnesota and flows in a general southerly direction for over 2,400 miles to the Gulf of Mexico. With its numerous tributaries, it drains the great central basin of the North American Continent, an area of over 1,253,000 square miles, of which about 13,000 square miles lie in Canada. The watershed includes all or parts of 31 States and 2 Canadian Provinces

The alluvial valley of the Mississippi begins at Cape Girardeau, Mo., 52 miles above the mouth of the Ohio River, and extends to the Delta area on the Gulf of Mexico. This enormous alluvial plain, about 600 miles long from north to south, varies in width from 20 to 80 miles. In its natural state the alluvial valley of more than 20,000,000 acres was subject to overflow. Today its 12,000,000 protected acres constitute the richest and most productive large

protected acres constitute the richest and most productive large agricultural area in the world.

From the earliest time people have been keenly interested in the Mississippi River both with respect to navigation and to the protection of the bottom lands from floods. It is recorded that the Spaniards of De Soto's expedition witnessed a great flood on the Mississippi in 1543, and in 1684 La Salle found the Mississippi out of its banks. Blenville chose the site for New Orleans because it was above water at the time he found it. The first levee was constructed at New Orleans in 1717, and 10 years later the Governor boasted that it was a mile long and 18 feet wide. In the beginning each owner built his own levee with his own resources. The governor possed that it was a mile long and to rect wide. In the beginning each owner built his own levee with his own resources. The government of the times, however, was much interested in the levee construction. One of the conditions of the grants from the King of France obliged plantation owners to build levees. Police judges required inhabitants within 7 miles of the river to work on the levees, and local governments supervised flood-protection work. In 1743 the Governor of the Territory ordered each inhabitant to complete his portion of the levee line or forfeit his grant. Long before

plete his portion of the levee line or forfeit his grant. Long before Louisiana became a State governmental interest in flood protection exerted a powerful influence on the inhabitants.

Statesmen of Europe and of the United States were in dispute about the Mississippi River from the very beginning. At various times England, France, and Spain have sought control of that river. The ownership of the Mississippi River was one of the most difficult problems that had to be solved when the United States gained its freedom by the Treaty of Paris. The Jay-Gordoqui treaty, never ratified, developed a dispute on the navigation of the Mississippi River, which was settled temporarily by Spain's grant of the right of deposit at New Orleans in the Pinckney treaty of 1795. In 1801, Thomas Jefferson considered the transfer of Louisiana to France "very ominous to us."

During the first half of the nineteenth century, national interest

During the first half of the nineteenth century, national interest in the Mississippi River was directed primarily toward the improve-ment of navigation. When steamboats were developed, need was ment of navigation. When steamboats were developed, need was felt for greater navigable depths in the Mississippi River. After a strong appeal for river improvement in 1827, the United States began some work by detailing to the task members of the Corps of Engineers. In 1843 a committee of the Senate reported upon the great importance of commerce on the Mississippi River and urged its improvement. In 1846, John C. Calhoun introduced a bill for the general improvement of the Mississippi River. Navigation was the primary objective, but flood control entered by the back door. Henry Clay and Abraham Lincoln argued at different times for flood-control improvements on the Mississippi River. In 1847, Thomas H. Benton, Abraham Lincoln, John C. Calhoun, and Horace Greeley attended conventions advocating flood control by the Federal Government. eral Government.

Federal operations on the Mississippi River date from 1820. In that year Congress appropriated \$5,000 for the preparation of a survey, maps, and charts of the Ohio and Mississippi Rivers. This survey, maps, and charts of the Ohio and Mississippi Rivers. This survey, as well as a thorough investigation of the navigation problems of the two rivers in 1821 and a survey of the Rock Island Rapids on the upper Mississippi River in 1829, were all assigned by Congress to the Corps of Engineers of the Army. Navigation improvement was first actually authorized by act of Congress in 1824 when the sum of \$75,000 was appropriated for the removal of snags in the Mississippi River below the mouth of the Missouri and in the Ohio River below Pittsburgh. This, and later appropriations for navigation improvement of these rivers, have been expended under the supervision of the Chief of Engineers, United States Army. In 1837 the improvement of the mouth of the Mississippi for seagoing navigation was first undertaken.

Early attempts to improve the river attracted the attention of scientific thinkers, the demand for scientific data increased and

scientific thinkers, the demand for scientific data increased and records of the ensuing years show selected Army engineer officers continuously at work securing data on the characteristics of the river. As investigations continued, the matter of navigation became inseparably enmeshed with consideration of flood-control improvements, which is the case today on the lower Mississippi

The floods of 1849 and 1850 created widespread damage and increased the growing national interest in the problem of flood control. By the Swamp Acts of 1849 and 1850, the National Congress granted to the several States all unsold swamp and overflowed lands within their limits. Under the provisions of the acts, funds accruing from the sale of these lands by the States were to be to the prosecution of drainage, reclamation, control projects. Louisiana, Mississippi, Arkansas, and Missouri organized offices for the sale of these swamp lands and appointed commissioners for the construction of levees. As might have been expected, however, this attempt to secure effective flood protection failed due primarily to the lack of coordination of the work among

the different States and districts. Such progress as was made under the Swamp Acts was ineffective. As a national flood-control measure the laws were a signal failure.

During the period 1851 to 1858 levee construction financed solely by local interests reached its highest point of development. However, since works were intermittent and inadequate in height and cross section, they were hadly damaged by the floods of 1858 and by local interests reached its highest point of development. However, since works were intermittent and inadequate in height and cross section, they were badly damaged by the floods of 1858 and 1859. Notwithstanding the fact that the National Government was actually doing nothing to protect the valley from floods and little for navigation improvement, the interest of Congress in the problems continued. The Secretary of War directed an engineer, Mr. Charles Ellet, Jr., to make surveys and reports on the Mississippi and Ohio Rivers with a view to the preparation of adequate plans for flood prevention and navigation improvement. His report which has been published as Flood Control Committee Document No. 5, Seventieth Congress, first session, is a pioneer paper on the subject. About the same time, by act of Congress, \$50,000 was appropriated for the preparation of a topographic and hydrographic survey of the Delta of the Mississippi. Captains Humphreys and Abbot, of the Corps of Engineers, were placed in charge of the work. Their exhaustive report was published in 1861 and is still of great value. The important operation of establishing a satisfactory series of gages on the lower Mississippi River was undertaken by authority of a resolution of Congress dated February 21, 1871, which directed the Secretary of War to establish gages at certain specified points on the Mississippi River and its principal tributaries and to make daily observations. The work was assigned to Maj. W. E. Merrill, Corps of Engineers, and gages were established at St. Louis, Cairo, Memphis, Helena, mouth of White River, Lake Providence, Vicksburg, Natchez, Red River Landing, Baton Rouge, and Carrollton. Gages were also established at designated points on the upper river and the tributaries. It is believed that this marks the beginning of systematic and continuous river gaging on the Mississippi. Previous gaging operations had been intermittent.

systematic and continuous river gaging on the Mississippi. Previous

systematic and continuous river gaging on the Mississippi. Previous gaging operations had been intermittent.

The year 1874 found the levee system in the lower valley in a condition still worse than that of 1859. The flood of 1874 did considerable damage in the valley, and as a result a board of engineers known as the Levee Commission was directed to make an examination of the levee system and to submit a plan for the reclamation of the alluvial valley. This commission consisted of Army officers and prominent civilian engineers. In its report, submitted in 1875 and based largely on the work of Humphreys and Abbot, the commission found the existing system defective as the result of five principal causes, to wit. Vicious levee organization insufficient the commission found the existing system defective as the result of five principal causes, to wit: Vicious levee organization, insufficient levee height, injudicious cross section and construction, inadequate inspection and guarding, and faulty location. A general system of levees from the head of the alluvial valley to the Gulf, including the valleys of the tributaries, was advocated, and it was recommended that this project be executed under the general supervision and control of a board of commissioners which would report to the authority from which it would derive its legal existence. existence.

existence.

The need for further improvement for navigation and flood control was generally recognized by the year 1879. The necessity for coordination of engineering operations through a centralized organization was also apparent. Reports submitted from time to time during the period just ended had stressed the magnitude of the problem and had discussed most of the methods of flood control which have since been advanced. Accordingly, in that year Congress passed an act providing for the creation of the Mississippi River Commission, consisting of seven members appointed by the President. Three of these Commissioners were to be selected from officers of the Corps of Engineers of the Army, one from the United States Coast and Geodetic Survey, and three from civil life, two of whom were required to be civil engineers. The law also provided that the president of the Commission should be one of the members selected from the Corps of Engineers.

that the president of the Commission should be one of the members selected from the Corps of Engineers.

Under date of February 17, 1880, the Commission submitted its first report recommending the closure of gaps in the levee system and construction of navigation works at several localities on the main river between Cairo and the mouth of the Arkansas River. The River and Harbor Act of March 3, 1881, placed the stamp of approval upon the Commission's recommendations by appropriations 17th act extended the approval upon the Commission's recommendations by appropriating \$1,000,000 for Commission operations. This act extended the jurisdiction of the Commission and it was further extended, clarified, and fixed by acts of Congress in 1882, 1906, 1913, 1916, 1917, 1923, and 1928. The year 1882 is significant as marking the begin-1923, and 1928. The year 1862 is significant as marking the beginning of levee work by the Commission. While the organic act creating the Commission required it to prepare plans to prevent destructive floods, the earlier appropriation acts usually restricted levee construction and repair to such work as could be considered a part of the navigation improvement plans. The Commission was not in complete agreement upon the value of the levee as an aid to channel improvement. Nevertheless, active levee construction was begun, ostensibly at least, on behalf of navigation and com-

By 1906 the operations of the Commission were well advanced. Navigation improvement of the lower reaches of the rivers was effected by dredging. Bank protection by means of heavy willow

mattress had been successfully developed. Extensive levee work

was being carried on below Cairo.

The floods of 1912 and 1913 were attended by disastrous results, and the Mississippi River Commission was directed by the President of the United States to submit a special report on means for flood prevention. This report submitted by Colonel Townsend, then president of the Mississippi River Commission, considered the following methods for flood prevention: Levees, reservoirs, cut-offs, outlets, diversion channels, and reforestation. Levees were considered the only practical method affording immediate relief.

The so-called first Flood Control Act, approved March 1, 1917, extended the jurisdiction of the Commission to all the water courses connected with the Mississippi River to such extent as might be necessary to exclude flood waters from the upper limits of any delta basin. It also affirmed the policy of local cooperation, since it provided that the contribution by local interests of subsince it provided that the contribution by local interests of substantial percentages of construction cost was a necessary condition to the use of Federal funds for levee construction or repair. The acts of 1922 and 1923 further clarified the jurisdiction of the Commission. The so-called second Flood Control Act of March 4, 1923, stated that the Commission jurisdiction for flood-control works extended from the Head of Passes to Rock Island, Ill., and up the tributaries and outlets of the Mississippi River so far as they might be affected by Mississippi River floodwaters.

In 1927 the most disastrous flood of record occurred. Flood levels attained unprecedented heights at many points along the river, and for the first time levees that had been completed to Commission for the first time levees that had been completed to Commission standards proved of inadequate height and consequently failed. Up to that time flood-control works in this country and elsewhere were usually designed to protect against the greatest flood of record, since the necessary basic data was not available nor methods developed for estimating a maximum possible flood with any reasonable accuracy. The 1927 flood disaster attracted national attention and sympathy, and it early became apparent that national assistance in flood-control work must be given to an extent unprecedented in the history of the United States and perhaps in the recedented in the history of the United States and perhaps in the

precedented in the history of the Chief Chief Precedented in the world.

Long hearings were held before Congress which culminated in the enactment of the Flood Control Act approved May 15, 1928, authorizing the plan of the Army engineers (known as the Jadwin plan, so named from its author, Maj. Gen. Edgar Jadwin, the Chief of Engineers at that time). Preliminary to the final Jadwin plan, separate and exhaustive studies were made of reservoirs, diversions, channel enlargement, and reforestation.

diversions, channel enlargement, and reforestation.

The sum of \$325,000,000 was authorized to be expended on this

project. After work had progressed for several years, the Committee on Flood Control of the House of Representatives passed a resolution requesting the Chief of Engineers "to examine and review the present status and condition of the works now in progress as authorized by the Flood Control Act of May 15, 1928, the provisions of the said act and the engineering features of the the provisions of the said act and the engineering features of the project therein adopted, with a view to determining if changes or modifications should be made in relation to the project and its final execution." On February 12, 1935, the Chief of Engineers submitted to Congress, a report in response to this resolution, recommending certain extensions and modifications of the project adopted in 1928, at an estimated cost of \$313,000,000 (House Committee on Flood Control Doc. No. 1, 74th Cong.). An act incorporating the engineering features of this report was approved by the President on June 15, 1936 (Public, No. 678, 74th Cong.). This act amends the 1928 act and authorizes \$272,000,000 in addition to the balances remaining under the 1928 act. It adopts a 6-year program of extension and modification of act. It adopts a 6-year program of extension and modification of the 1928 plan for flood control of the alluvial valley of the lower Mississippi River, in accordance with the recommendations contained in the report of the Chief of Engineers of 1935, except as modified by the act. When the 1937 flood occurred, the original modified by the act. When the 1937 flood occurred, the original 1928 plan was largely completed, except for floodways, and its success in carrying that great flood of the Ohio River to the Gulf without mishap confirms the soundness of the plan. By the Flood Control Act approved June 28, 1938, certain legislative restrictions with respect to the floodways were removed, and \$40,000,000, in addition to sums previously authorized, was authorized for work not contemplated by the project as amended in 1936. The unappropriated balance of the authorization for the flood-control project on the lower Mississippi River is now \$286,000,000.

The present project for flood control in the alluvial valley of the lower Mississippi River provides for protection works from Cape Girardeau, Mo., to the Gulf of Mexico, including the St. Francis, Yazoo, Tensas, and Atchafalaya Basins, as well as the alluvial lands Yazoo, Tensas, and Atchafalaya Basins, as well as the alluvial lands around Lake Pontchartrain, for protection against the maximum predicted flood. North of the Arkansas River floods are to be confined generally to the main leveed channel, a limited area in the St. Francis Basin, and the city of Cairo, Ill., being given additional protection by the New Madrid floodway. South of the Arkansas River floodwaters in excess of what the leveed channel of the main river will carry safely are to find their way to the Gulf through floodways located in the lowlands west of the river. New Orleans has been given additional protection by the Bonnet Carre spillway, leaving the river a few miles above the city and emptying into Lake Pontchatrain. In addition to levee work, the project includes Pontchartrain. In addition to levee work, the project includes construction of revetments and regulating works to prevent bank caving and to stabilize the channel in the interest of navigation.

It should be understood that flood control for the lower Mississippi Valley has been a practical problem to be developed as the wealth of the valley has grown and as additional rainfall and flow records

became available. There has never been any attempt to solve this problem completely in a short space of time as a mathematical equation is solved. The lands of the alluvial valley have deserved piecemeal and partial protection and increasing protection from time to time as populations and wealth have grown—just as railroads, roads, and other modern improvements have been expanded and multiplied as the populations which they served warranted the costs of expansions. The flood-control works in the lower Mississippi Valley have been planned from time to time with a view to securing the greatest protection practicable to be secured with available funds. Each great flood has added to the available data and resulted in additions to the plans. This is not only practical but it is also the only way in which civilization can progress. The authorizations that have been made for improvement of

The authorizations that have been made for improvement of The authorizations that have been made for improvement of the Mississippi River over the period since 1880 may be summarized as follows: \$1,000,000 in 1881; \$4,000,000 in 1882; continuous annual appropriations that reached \$6,000,000 a year by 1913; \$45,000,000 in 1917, of which not more than \$10,000,000 was to be expended in any one year; \$60,000,000 in 1923 to continue the expenditure of not more than \$10,000,000 a year; \$325,000,000 in 1928 to carry out the 10-year plan adopted by the 1928 act; \$272,000,000 in 1936 to extend and modify the 1928 plan in accordance with the amendment of June 15, 1936; and \$40,000,000 in 1938 for additional work.

tional work.

Federal funds were at first expended only when participation by local interests included contributions of substantial portions of the costs of construction. However, as flood-control work in-creased and as the idea of performing such work only in conjunction with navigation improvements was departed from, more and more responsibility was assumed by the Federal Government and less and less contribution was required of local interests. By the Flood Control Act of 1928 the Government assumed, for the first time, the total cost of construction of the flood-control works adopted for the lower Mississippi River. Eight years later this policy was extended to flood-control work throughout the United States was extended to flood-control work throughout the United States, and a national flood-control policy was adopted by the act of 1936 which made flood-control work a national activity and provided for construction costs to be paid by the Federal Government. In the same year legislation was enacted amending the 1928 act for the lower Mississippi River, which provided for the payment for certain land rights not considered a Federal cost by the original cost. The Flood Control act of last were reduced cell further the act. The Flood Control Act of last year reduced still further the requirements for local contribution by providing that in case of any dam and reservoir project or channel improvement or channel rectification for flood control authorized by the acts of 1928, 1936, and 1938, titles to all lands, easements, and rights-of-way for such improvement shall be acquired by the United States.

No other country in the world has had the incentive nor the money to give as much attention to one of its rivers as has been given to the Mississippi River by the United States. The physical records that have been kept are the most complete and thorough of any on earth. The reports of the Mississippi River Commission that have been made annually since 1880, together with special reports and valuable theses prepared by individual officers and reports and valuable theses prepared by individual officers and engineers, constitute the most excellent planning for flood control that has ever been done anywhere, and the project resulting from this planning is without doubt the greatest flood-control project

in the world.

What Would We Fight For?

EXTENSION OF REMARKS

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 2, 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL OF APRIL 25,

Mr. THILL. Mr. Speaker, the American people are fearful

of war. Much of this war hysteria is directly traceable to utterances emanating from the White House. Slightly over 20 years ago a similar situation faced this country. At that time America was urged to enter a war upon foreign soil to "make the world safe for democracy." Before we repeat that folly let us dispassionately review the situation in Europe.

Mr. Speaker, under leave to extend my remarks in the REC-ORD I include the following editorial from the Milwaukee Journal of April 25, 1939:

> [From the Milwaukee Journal of April 25, 1939] WHAT WOULD WE FIGHT FOR?

Out of the welter of hypocrisy in the current series of crises in Europe, one thing stands out: It is none of the United States' business other than a general desire to have a peaceful world; there is nothing actively we can do about it except play the cat's-paw for

other powers.
Even the manner in which the possible combatants are referred to is hypocritical: "The democracies versus the dictatorships."

"The democracies!" The phrase is the sheerest poppycock. Who are these democracies who so badly want American assistance?

Britain, yes, fundamentally a democracy. But does Britain want assistance to preserve democracy or to preserve her empire—now that the dictatorships have grown strong? Did Britain do all in her power to foster young democracy in post-war Germany? Did she fight to save the most gallant democracy in Europe—Czecho-slovakia? Did Britain extend herself to give young democracy in Spain a fair chance or did she leave loyalist Spain to flounder and seek Communist assistance, as it did, only to be conquered by several dictators? several dictators?

France? A semidemocratic country now ruled by a temporary dictator. A country which has changed its form of government half a dozen times since the United States has existed. Does France want American assistance to preserve democracy—or to help hold the second largest prize in the world and to protect because Company expension?

help hold the second largest empire in the world and to protect herself against German expansion?

Poland? Is Poland a democracy—the Poland of Pilsudski, Rydz-Smigly, Beck? Perhaps Poland has the best regime possible to meet her own problems, but if the United States fights for Poland, will America be fighting for democracy?

Rumania? Does King-Dictator Carol want American help to preserve democracy in one of the most corruptly ruled but richest lands of Europe? Or does he want aid to help keep Rumanian oil for Rumanians? Or to keep hundreds of thousands of Transylvania Hungarians in Rumania against their will, or thousands of Polynia Bulgarians in the country they do not wish to live in?

of Dobruja Bulgarians in the country they do not wish to live in?

Are we again to "make the world safe for democracy" by helping England protect Dictator Metaxas' Greece?

Will we join the "democracies against the dictatorships" by fighting as an ally of the largest and oldest dictatorship of them all—

Soviet Russia? Who would win such a war in Europe? Perhaps

nazi-ism, perhaps bolshevism.

It doesn't make sense to us.

It seems perfectly obvious that France and Britain, and all the rest of the potential allies and enemies, are lining up to fight for their own interests only—and not for any ideal of self-determination, or democracy, or sanctity of small nations, or any other ideals. It seems all too likely that the strain of the war, if it comes, regardless of military victory for the axis or the nonaxis powers, would bring revolution and collapse and almost any ultimate result

would bring revolution and collapse and almost any ultimate result except democracy.

We do not believe that American interests are so deeply involved that we have to rush into the war which threatens in Europe. We believe that, if war breaks out, America will suffer. And we believe that victory for the axis powers would hurt American interests a good deal more than victory for Britain and France. But victory in Europe has proved fleeting for a good many hundred years. The victors today are the vanquished tomorrow.

We believe that American participation in the European war now

We believe that American participation in the European war now threatening would cost far more than any gain that might come out of it. We believe that, win or lose on the battlefield, the strain of the war might endanger the very existence of democracy itself in the United States.

The only democracy that is worth our fighting for is right here

The Wagner Labor Relations Act-Sit Down or Get Up-From the Republican and Democratic Viewpoints

EXTENSION OF REMARKS

HON. FRANCIS E. WALTER OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

RADIO DISCUSSION BY HON. ROBERT A. TAFT, OF OHIO, AND HON. T. V. SMITH, OF ILLINOIS, APRIL 18, 1939

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a timely and important discussion on the Wagner Labor Relations Act, disclosing the Democratic and Republican points of view on the subject as presented by Senator Robert A. Taft, of Ohio, and Representative T. V. SMITH, of Illinois, Tuesday, April 18, over the Columbia Broadcasting System:

Announcer. First, from a Democratic point of view, as presented by Representative T. V. Smith.

Representative Smith. Kinsmen in Texas, neighbors in Illinois, laboring men and women of America, greetings from Washington,

let's get at the most delicate thing first. Then perhaps we can be reasonable about the most important things. The most delicate thing in this subject of labor is the sit-down strike. Don't get agitated for I have good news for you, even if it be a little old. The Supreme Court's "agin" it. Attorney General Murphy, late Governor of the most-sat-upon State of Michigan, is "agin" it. Senator Tarr is "agin" it, I think. And I know that I'm "agin" it. I'm even "agin" the conditions that caused the sit-down strikes. Everybody's "agin" the strikes themselves now that safety has returned and popularity whistles down the wind with the hunters. Since we're all "agin 'em," as is the Labor Board, why don't we all be so "agin 'em" as to help the Board keep them or something worse from returning? If the causes remain, there could be worse effects than to sit down in strike. These curious strikes weren't violent, you remember—not much. They were in fact and as a whole puzzlingly peaceful. Speaking of causes, I wonder if we can't agree that the way to keep men from sitting down against employers, or otherwise striking, is to help men stand up on the job—hearts calm in a sense of justice, heads high with hope? That's exactly what the National Labor Relations Act was meant to achieve and that's exactly what the Labor Board has been working at under the Wagner Act, through a tirade of abuse. This tirade has caused newspapers to forget that 15 out of 18 Supreme Court decisions have favored the act and its Board. It has caused nearly half the editorials since the adverse Fansteel decision (154 out of 352) to accuse the Roard of condoning the sit-down though nearly half the editorials since the adverse Fansteel decision (154 out of 352) to accuse the Board of condoning the sit-down, though the Board itself admitted the sit-down illegal and punishable under the State courts. It has caused the impression that the Board favors the C. I. O., which the figures show not to be so.

The real trouble has been, and still somewhat is, that the American employers had to be forced by law to recognize what they ought to have recognized in conscience, i. e., the practice of collective bargaining. That's the meaning of the Wagner labor law. Admitting the principle as an abstract right, employers long defeated it as a concrete privilege by insisting that they be both the judge and jury to administer the right. When a government sympathetic with working men came into power in 1933 it made the right into a privilege by the very Wagner law. Moreover, it provided a public body, the Labor Board, to administer the right. Seeing all this, the employers themselves sat down in plous obstruction.

First the act was declared unconstitutional. No; I don't mean by the Supreme Court. The Court said otherwise. But before the Court could say anything, the employers got 58 lawyers of the Liberty League to save the Court the trouble by themselves declaring the act unconstitutional. But when the act wasn't unconsti-

ing the act unconstitutional. But when the act wasn't unconstitutional, after all; and when the Board, whose duty it was to see that the act acted, began to make the law work, it in turn became the victim of savage attack. Its membership was rotten, they said; its philosophy was biased, they said; its procedures were wrong,

they said.

You've heard the Republican conservative story before, haven't you? First we don't need improvement, for normalcy's enough. Then we need some improvement, but what's proposed is wrong in principle. Then the principle's all right, but the way of working it out (by boards or otherwise) is all wrong. Then at last everything's all right (in about that tone of voice), but we Republicans can administer it better than you Democrats can—and, besides, we'll see to it that the thing doesn't go any further.

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Knowing this story of obstruction now by heart, we can exonerate the Labor Board from what happened while employers were running riot under legal immunity of their self-invented unconstitutionality of the act. After the Court gave the "go ahead," an amazing record has been written by the Board, a record which Fortune magazine describes as "phenomenally successful." The story of that record I'll make brief if you'll enable me to do it by listening closely to these figures. Less than one-third as much time was lost by American workmen on strike in 1938 as was lost in 1937 (when the unconstitutionality question paralyzed the Board). Last year indeed the Board closed 8,851 cases of complaints against employers. In only 2 percent of these cases did the Board have to order employers to quit hindering workers from collective bargaining. Is that what all the hollering's about—the correction of an autocratic 2 percent; 40 percent of the complaints against employers were dismissed by the Board or withdrawn by unions. More than 50 percent of the cases were settled by agreement between the parties. More than half of all the cases.

Hear that record again and behold a Board that's literally protecting employers as well as employees; of nearly 9,000 complaints filed, 40 percent dismissed or withdrawn, 50 percent settled by agreement, only 2 percent of all cases pushed through with decisions against employers. No wonder strikes have now decreased in number and duration, organizations of workers grown apace, and more working agreements signed than ever before in our industrial history.

What, then, of the continuing opposition to the act, coming now

industrial history

What, then, of the continuing opposition to the act, coming now to a head in Congress?

I'm not on the committee to handle the matter in the House, as Mr. Taft is in the Senate; and so I'll content myself chiefly with illustrating the spirit in which current outcries should be heard by liberal men, and I hope by conservatives also. I do this because I am convinced that unless we children of the radio prove less

prejudiced than the children of the press, fiction will continue to outlaw truth and delay industrial justice.

Obviously, the Board itself is in the best position to know what has worked, and what not, in furthering collective bargaining. Any changes, therefore, which the Board proposes will be in keeping with the spirit of the act. The same for Senator Wagner, the author of the act, who is willing for the Board to change its rules to help employers out of a jurisdictional predicament for which they are not to blame. As for the many changes otherwise proposed, let Fortune magazine speak the honest word: "Almost all amendments proposed, from whatever motive, would have the effect amendments proposed, from whatever motive, would have the effect of impeding or slowing down the progress of collective bargaining (October 1938)

Who could sound a more solemn warning than that sounded by this unbiased source, Fortune, the biggest magazine of the biggest business in America? Following this warning, there is one com-plaint in particular that neither Senator Wagner nor the Board nor any other friend of the act is likely to countenance. It is the complaint that the Board is both judge, prosecutor, and jury. Even where the intent of this complaint is not to weaken the act, the result is nevertheless just that—and other results still more far-

reaching.

What would you think if an enemy of our form of government said that our famous system of trial by jury isn't fair because the same system prosecutes and judges the accused? That statement's true, you know. The same system does both functions. But in the system one prosecutes, one defends, one judges, and twelve decide. So in large measures with the Labor Board. Like the jury system, the Board as a body handles all the functions necessary to prevent and to settle these special disputes. But the Board means some 800 trained people. Of these, some investigate, others prosecute, and still others decide. And don't forget that, in addition, the final decisions of the Board itself become penalties only under the tudgment and consent of the regular courts of only under the judgment and consent of the regular courts of the land.

Most of the complaints against its present procedures are covert Most of the complaints against its present procedures are covert attacks upon administrative law. The Labor Board is not essentially different, in the regard criticized, from the now highly respectable Interstate Commerce Commission, which also combines investigative and judicial functions. This form of control has grown up in America, in England, and in other democratic lands because there is no other way so simple, so economical, so effective, and so just to deal with problems requiring control. The courts cannot do it. They are too few by far and too cumbersome beyond all doubt. To ask the courts to do it is to ask that it be not done. A commission or a board can cut through red tape, can get at the A commission or a board can cut through red tape, can get at the facts, can reach a decision, and can right wrongs while the parties wronged are still alive.

Employers who mean to be a law unto themselves naturally prefer a control that does not control them. So long as there are employers who do not fully and gladly accept the practice of collective bargaining—and there are a good many left—friends of labor must look for the bug of sabotage under every chip of an amendment. They who want no interference with their power over their men into forces with those who want no interference. who want no interference with their power over their men join forces with those who want no interference with normalcy anywhere. It is this combination of the industrial autocrat and the political reactionary which must be ever feared, but now be met and mastered. They represent a conspiracy to have those who don't want public control controlled by those who don't want to control them.

These efficient boards and commissions, on the other hand, can track injustice down to morasses not entered by the courts, and can thus clear the ground for judges the better to function. Not can thus clear the ground for judges the better to function. Not to accept and to perfect this type of control is to embrace political lethargy and to restore economic anarchy. And the oldest trick to cover this infamy is to complain at any control that's effective and to praise only the type of government that does not govern. I have this ancient truth on high living authority, the authority of my distinguished opponent, the junior Senator from Ohio. I quote his own telling words from our sixth debate: "Much of the opposition to the extension of Federal power comes from people who know that they are beyond the power of the States, and do not wish to be subjected to any governmental power whatsoever."

I hope that Senator Tart can recognize his specimens as well as

I hope that Senator Taff can recognize his specimens as well as he has described them. If so, he will surely rebuke in the Senate, as I in the House, those who attack the Labor Board with amendments intended to prevent the Board from extending to all workers, under the Wagner Act, collective bargaining through agents freely

chosen therefor.

Pardon me if I speak too earnestly in this matter. near my heart, and that for two main reasons. The first is that this Labor Board is a splendid example of what I have been proclaiming in all these debates as the new federalism. I mean the doctrine of the coordination, rather than the separation, of governmental powers, and the providing of new forms to meet new demands for control. All these boards illustrate how democratic centralism can operate in fashion decentralized. The necessity which called them forth poses this question: Shall we govern ourselves by agencies that coordinate powers, or shall we crucify ourselves upon the cult of separate powers? That's the choice. I for one don't want it said in the hour of democratic failure that we did not even try to govern curselves. try to govern ourselves.

If what we've done in this labor field be one-sided, then Al Capone is right in thinking that the jury system was one-sided against him. When men are violating the elemental rights of other men, you tell them they must stop it. You set up a law with

proper machinery to make them stop it. You enforce that law until they do stop it. They always say that you have it in for them and believe that your process of justice is one-sided against them. If that's what they mean by being one-sided, then in this case they must make the most of it, for it's one-sided only against those who are themselves found off, side in the Truncasser. those who are themselves found off-side of justice. True conservatives like Mr. TAFT must make every effort to show that their criticism of this Board is really not a plea to return to that industrial anarchy where the strong did what they would to the weak, and did it in the name of freedom of contract, not to mention the Colden Palle. When it is used to contract the District Street. tion the Golden Rule. Wasn't it Judge Gary, of the United States Steel Corporation, who, the day after refusing to meet his men in conference, dedicated a great law school by advising young lawyers that he had always found the Golden Rule an all-sufficient guide in business?

guide in business?

It certainly was Chief Justice William Howard Taft who saw and said in 1921 that "A single employee was helpless in dealing with an employer. * * * Union was essential to give laborers opportunity to deal on an equality with their employers."

My second reason for such earnest emphasis transcends all amendments, goes back of the Board, lies back of the act. It arises from what this act has in mind to achieve, industrial peace and democratic justice. Starting with a state of war, we must work cursalves out of it through gradually diminishing forms of warfare. democratic justice. Starting with a state of war, we must work ourselves out of it through gradually diminishing forms of warfare. In our jury system a murder trial is, I admit, a rough way of getting at justice. It's a kind of mutual bickering climaxed by a sort of ordeal of oratory. Rough, yes; but a great improvement over the feud. We're just passing out of the feud stage of labor and capital. Our justice may be rough but it's directed against only malefactors. feud. We're just passing out of the feud stage of labor and capital. Our justice may be rough, but it's directed against only malefactors of economic power. This Wagner Act constitutes the first step, and a long one, toward making political democracy at last "democ" in the industrial field. Are there those who actually believe that we can preserve political democracy as only a green oasis in a desert of industrial autocracy? I cannot think that Mr. Taff believes so; and I know that I could never believe so. Here's democracy for a

In the elections held by this Labor Board, under the Wagner ct, there has been an average vote of 96 percent of all those eligible to vote. Now, that's democracy for you. Compare it with the probable average of 10 percent, or at most 25 percent, of eli-gibles voting in ordinary elections. Talk about local responsibility; here it is under Federal safeguards of fair play. Talk about faith in self-government; here it's demonstrated that when we provide men a way to express themselves on the things that count for most, rather than those that count for least, men are alert

and dependable.

How can one feel lightly about this Wagner Act? It represents the greatest extension of democracy since manhood suffrage. All honor to its fair and courageous Board that has in 2 hard years converted the hitherto empty rights of labor into the daily privilege of genuine collective bargaining. That's the new federalism for you, at work in the factories of our land and triumphant in the hearts of those who man the machines of our great industrial Nation.

ANNOUNCER. That was a Democratic point of view on the Wagner Labor Relations Act—Sit Down or Get Up, as presented by Representative T. V. Smith, of Illinois. Now Senator Robert A. Taft, of Ohio, presents a Republican point of view.

Senator Taft. Citizens of the United States of America, the argument against amendment of the Wagner Act presented by Representative Smith is so typical of New Deal methods that I cannot help but comment on these methods. The argument is Representative SMITH is so typical of New Deal methods that is that no one was ever really interested in the laboring man before 1932, when the New Dealers became his champions. Everyone who suggests the slightest criticism of a New Deal policy is a hidebound Tory, conservative and reactionary, who always did oppose progress and whose motives now must be inspired by a desire to grind down the faces of the poor. Since the critics are people of this character, it is argued, their arguments are not entitled to the clicktest consideration. the slightest consideration.

This position certainly has no strength in the field of labor. Neither the Republican Party nor myself can be accused of conservatism in labor matters. There were many more labor leaders who were Republicans prior to the war than there were labor leaders who were Democrats. The Republican Party was the party which the result of the Republican Party was the party which insisted on adequate protection for American labor against low wages abroad, and labor leaders were insistent upon this protecwages abroad, and labor leaders were insistent upon this protective policy. The high wages of American labor were largely created by an adequate tariff against low wages paid in Japan and Europe and other countries. The Republican Party was the friend of labor in putting through the restriction of immigration, whereas the New Dealers today are exceedingly doubtful whether they want to continue the strict policy of immigration restriction which the Republican Party improved.

they want to continue the strict policy of immigration restriction which the Republican Party inaugurated.

The Republican Party adopted the first workmen's compensation acts in the United States. It has always recognized the right of collective bargaining. I do not know that before 1932 any labor leader or anyone else proposed a measure guaranteeing the right of collective bargaining by law. I give full credit to Senator Wagner, who developed this idea of making collective bargaining more effective than it was before. It was not opposed by the Republicans, and it is fair to say that its basic principle is accepted by all, and certainly will not be impaired by any amendment which Congress is likely to approve. As for myself, I voted for the child-labor amendment and minimum-wage laws for women and workmen's compensation laws and the law outlawing "yellow dog" contracts before Representative Smith ever got into politics at all.

Whether the Wagner Act is the panacea which Representative SMITH describes is exceedingly doubtful. There are still more than 10,000,000 men unemployed in the United States today, and while 10,000,000 men unemployed in the United States today, and while wage rates may be higher, the total income received by each workman is lower, because industry has been so completely discouraged by New Deal policies. Contrast this to the record before 1929. The purchasing power of the average laboring man steadily increased in the United States from an index number of 41 in 1820 to 59 in 1850, to 103 in 1920, and to 132 in 1928. In other words, the position of the average workman improved 300 percent in a hundred years without any Wagner Act.

Whether the Wagner Act has increased the democratic process in industry is not at all clear. The adoption of the sit-down strike throws doubt on this proposition, because a sit-down strike is the means by which a small minority of the men in a plant may throw all the rest out of work. There is not much democracy about that.

As for creating labor peace, the Board's argument is that there

As for creating labor peace, the Board's argument is that there were fewer strikes in 1938 than in 1937. This is true, but there were more strikes in 1938 than in any one of the 12 years before 1937. There were 3,000 strikes in 1938 compared to 2,000 in 1934, before the act went into effect. It was natural that strikes should fall off in 1938 from 1937, because industrial activity suffered a large decrease.

large decrease.

The question before Congress is not one to be determined by emotion. There are very definite criticisms of the complicated provisions of the act, and particularly of its administration by the present Labor Relations Board. In fact, I think the basic difficulty is the bias and prejudice of the present Board, and if it were not for that, amendments might not now even be proposed. The general impression throughout the United States today is that the administration of the present Board is biased, and that many heart are a travesty on justice. I have known of administration of the present Board is biased, and that many hearings under the act are a travesty on justice. I have known of enough cases myself to feel that this is probably true, and when I heard this morning the statement made before the Committee on Education and Labor, by J. Warren Madden, Chairman of the Eoard, I was more inclined to believe the charge. He reflected upon the motives of every critic of the Board, including the officers of the American Federation of Labor, Senator Walsh, of Massachusetts, and Senator Burke, of Nebraska, whose public spirit and disinterestedness are beyond all question to those who know them. interestedness are beyond all question to those who know them. I can only conclude that impartiality is an unknown quality to the present members of the Board. They do not regard themselves as judges, but as men with a mission to organize all employees in the United States, whether they wish to be organized

The character of the Board is shown further by one of its members, Mr. Edwin S. Smith, who attended the International Labor Congress last year in Mexico City, the same congress attended by Mr. John L. Lewis. It was a congress in which the Communists were apparently dominant, and in which the entire tone was communistic. Mr. Smith, speaking before that body, launched an attack against American business which convinced the Mexicans at least that the Roosevelt administration was hostile to American employers. He said in one statement: "Worksrs cannot stand aside at least that the Roosevelt administration was lostife to American employers. He said in one statement: "Works'rs cannot stand aside and listen to explanations of how capitalism might work." Another member, Mr. Donald Wakefield Smith, has been so no-toriously biased that Mr. William Green himself protested against his reappointment to the Board, and the President has withheld the sending of his appointment to the Senate.

It is said that the Supreme Court has upheld the Labor Board, and that therefore the charges of partiality are unsound. It is true that the Supreme Court upheld the Labor Board in all of the earlier cases. This was due to the fact, however, that in those cases the defendants relied largely on the claim that the Labor Act could not apply to an industry in one State because the Constitution only permits a regulation of interstate commerce. The Supreme Court has taken a much broader view of interstate commerce than existed before and held that almost any industry receiving goods from outside the State or shipping goods outside the State is interstate in character. Relying on the constitutional point, few employers even presented the evidence favorable to them. Since the Supreme Court's earlier decisions, facts have been presented, and in many cases the courts have held that the Labor Board's interpretation of the facts was grossly contrary to Labor Board's interpretation of the facts was grossly contrary to the evidence presented. This is the effect of the recent sit-down cases and others.

The C. I. O. and the National Labor Relations Board did the best they could to prevent even hearings being held on amendments to the act, although they were demanded by the A. F. of L. and every businessman in the United States. Why should the defenders of the Wagner Act be afraid of public hearings if their cause is so just?

The most important thing, therefore, is to change the method of administration of the act so that employer and employee alike, A. F. of L. and C. I. O. alike, can be certain of impartial treatment. It is not only important that they receive it, but that all are

It is not only important that they receive it, but that all are satisfied that they are receiving justice and fair dealing. Only thus can we eliminate the unprecedented bitterness, distrust, and suspicion which exist today among worker and employer alike. I think the most important step required is to separate the prosecuting function from the judicial function. Today the Board files the charges, hears the evidence, and decides the cases. No human being exists who can be completely impartial in deciding a case on which he himself has already taken a public position. Representative SMTPH says that is the same thing as

any criminal trial. Of course, he is wrong. The public prosecutor has no connection whatever with the judge. The judge has never filed any charges or taken any position until he has heard the evidence. The Labor Board's position reminds me of Alice in Wonderland: "'I'll be judge, I'll be jury,' said cunning old Fury; 'I'll try the whole cause and condemn you to death.'"

It is true that various administrative boards combine the prosecuting function and the judicial function, but it is always dangerous. The Interstate Commerce Commission is essentially different, because its work is rather legislative than judicial, and it seldom does any prosecuting except in a few technical fields. I think the Federal Trade Commission would be very much better if it did not both prosecute and judge. The Board of Tax Appeals in the Treasury Department provides a precedent in tax cases, where functions are successfully separated so that the taxpayer feels he is receiving justice. But the combination of these functions in the labor field where prejudice and violent feeling are so prevalent threatens to destroy the whole purpose of the act—to produce harmony in industrial relations.

Senator Burke's bill provides that the Board shall be the prosecutor, but that eases were he removed by the defendent to the

to produce harmony in industrial relations.

Senator Burke's bill provides that the Board shall be the prosecutor, but that cases may be removed by the defendant to the Federal district court. Senator Holman's bill provides for the establishment of a prosecuting division in the Department of Labor, the cases to be heard before an independent Labor Appeals Board of nine, responsible directly to the President. Senator Burke's bill also provides for the appointment of a new board, one member to represent the employees, one the employers, and one the public. I should be inclined to favor a prosecuting division in the Department of Labor or the Department of Justice, and an independent board to hear the cases, as proposed by Senator Holman.

Of course, one essential of the act is that employers shall not

Senator Holman.

Of course, one essential of the act is that employers shall not interfere with the formation of unions. The existence of company unions financed by employers, and therefore indirectly controlled by employers, was one of the abuses the act sought to remove. The Board, however, has interpreted this to prevent an employer from expressing any opinion whatever to his employees. The Board has some so far as practically to destroy freedom of speech on the part of employers because of some imaginary coercion involved in any statement made by an employer to an employee. Both the American Federation of Labor and the Burke amendments, therefore, provide that it shall not be considered an unfair labor practice for an employer to confer with an employee, or to counsel and advise employers of the conference of the conf employees, orally or in writing, about any matter within the scope of the act.

Senator Burke's amendments further define certain unfair labor practices on the part of labor organizations as well as employers. Such practices are not to result in any criminal action, but if ille-Such practices are not to result in any criminal action, but if illegal practices like sit-down strikes are engaged in by labor unions, they cannot take advantage of the act. I think some of Senator Burke's amendments go too far, but certainly we should make clear, as the Supreme Court has already made clear, that men who violate the law themselves cannot demand reinstatement with back pay, as the Board has tried to decree in a number of cases.

One of the most difficult matters under the act arises from the rule that the employer shall only bargain collectively with representatives chosen by a majority of the employees. This rule is supposed to carry out the principles of industrial democracy. At first blush it violates our American ideals to say that any group of employees less than a majority who join together and wish to bar-

first blush it violates our American ideals to say that any group of employees less than a majority who join together and wish to bargain with their employer shall not be allowed to do so, but perhaps it is true that the presence of various conflicting committees might impair the whole process of collective bargaining.

The application of this rule is very difficult. The Board has deliberately postponed elections to give union organizers a chance to organize the men into unions, even to the extent of taking them away from older unions, and even though they may be entirely contented with existing conditions in the plant. One of the great complaints has been this delay, which has prevented employers from finding out who the agents are with whom they must bargain collectively, and often required them to determine this question at the peril of expensive back payments if they guessed wrong. All of the amendments propose that the employer be given the right to ask the Board for a prompt election, so that they may know right to ask the Board for a prompt election, so that they may know with whom to bargain.

with whom to bargain.

Of course, in determining who is the majority, the question arises: Majority of what? Of the employees of a particular plant, or of a particular craft, or a particular employer, or of an entire industry? The present act gives the Board wide discretion to decide this question, and the charge is made that the Board has exercised its power so as to favor the C. I. O. unions. The A. F. of L. unions were largely built up on the craft basis, and their amendments provide for the protection of craft unions already existing, with the right to be represented by their own officers. Certainly, it is desirable that more definite rules be made determining what with the right to be represented by their own officers. Certainly, it is desirable that more definite rules be made determining what the units for bargaining shall be; that less discretion be given to the Board; and that no right be given to recognize an entire industry as a unit. If the employees of any particular employer desire to deal with him, they should certainly have the right to do so without being forced into a union with employees of other employers in the same industry with whom they do not wish to join. Peaceful relations will surely be assisted if an employer and his own employees can work out their own particular problems.

There are various other proposed amendments, and it is quite possible that some of them go too far. As far as I am concerned, and I believe as far as any Member of Congress is concerned, there

will be no amendments adopted modifying the fundamental principle that collective bargaining shall be guaranteed by law, unimpaired by any influence of the employer over his employees. I am concerned, however, that every employer and every employee shall receive, and shall feel that he is receiving, impartiality in the hearing of his cases. The labor peace which we are seeking must be founded upon justice and fair dealing between all parties to the labor relationship.

Frank P. Walsh, a Devoted Public Servant

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, yesterday a most distinguished lawyer, Francis Patrick Walsh, passed away.

Mr. Walsh died of a heart attack shortly after 10 o'clock yesterday morning in Foley Square, New York City, in front of the Supreme Court Building. When he was stricken, Mr. Walsh was on his way to the Federal courthouse, where he was to appear as counsel for a labor union. He was given the rites of the church by a priest from nearby St. Andrew's Roman Catholic Church.

Mr. Walsh was born on July 20, 1864, in the city of St. Louis, Mo., the son of James and Sarah Delany Walsh. His father died when he was 7, and at the age of 10 he left school to help support his family. He worked as a Western Union messenger, a factory hand, and a railway accountant.

Studying at night, he learned shorthand, which enabled him to get a position as a court reporter. While serving in this capacity he studied law and was admitted to the bar of Missouri in 1889.

President Wilson appointed Mr. Walsh as Chairman of the United States Commission on Industrial Relations.

In 1918 President Wilson named Mr. Walsh and former President Taft as joint chairmen of the National War Labor Board.

As chairman of the American Committee on Irish Independence, Mr. Walsh vainly petitioned the Peace Conference at Versailles to recognize it. He tried to get both major political parties to take up the cause of Irish freedom in their 1920 platforms.

Mr. Walsh was admitted to the New York Bar in 1919 and served as counsel for labor unions in many important cases.

In 1928 Mr. Walsh became the leader of a progressive league organized to support Alfred E. Smith. During the following years he became a close adviser of Franklin D. Roosevelt, who, as Governor of New York, appointed Mr. Walsh to a commission on revision of the public-utility laws.

Governor Roosevelt appointed Mr. Walsh a trustee of the State power authority in May 1931, and he was immediately elected chairman of that body. He was reappointed for a second 5-year term by Governor Lehman in May 1936.

In 1932 Mr. Walsh helped organize the National Progressive League, which supported Mr. Roosevelt for the Presidency in that year and again in 1936.

He also took a leading part in the formation of the National Lawyers' Guild, in part as a protest against the conservation of the American Bar Association, of which he had long been a member. Last February, however, Mr. Walsh resigned from the guild in protest against its allegedly radical

Mr. Walsh married Miss Katherine M. O'Flaherty in Kansas City on October 21, 1891. She survives, as do seven of their eight children—Sisters Frances Marie and Katherine Louise, of the Order of Loretta at the Foot of the Cross; Jerome Walsh; Mrs. Cecilia Walsh Bradley; John Walsh; James G. Walsh; and Miss Virginia Agnes Walsh.

He was my friend and he was a friend of American thinking. He was ever in the forefront of every battle for true liberalism. He was a liberal when it was not stylish nor

profitable to be a liberal. Clear of mind and voice, his views penetrated the public mind and did much to preserve democracy.

A lawyer of great talents, he often gave legal aid without thought of compensation except the victory of a cause he knew was just.

The New York Times has paid him tribute by editorial. The House of Representatives should read what the Times and what New York thinks about this magnificent advocate. I insert at this point the New York Times editorial of May 3, 1939, entitled "Frank P. Walsh."

> [From the New York Times of May 3, 1939] FRANK P. WALSH

Frank Walsh lived a full life, giving generously of his time and ability to causes in which he believed. He began his political career by denouncing the sins of his own party, and early in his legal career he renounced all corporation practice. He was already one of the leading labor lawyers of the country when President Wilson named him to head the United States Commission on Industrial Relations.

Industrial Relations.

His chief interests ever since had been represented by what he called "the rights of man against the wrongs of property." A Wilsonian radical in those days, he subsequently became a Roosevelt liberal. It was Governor Roosevelt who appointed him chairman of the New York Power Authority in 1931. He was a logical choice as first president of the National Lawyers Guild, organized to support Mr. Roosevelt's crusade for greater liberalism in the courts. When he believed that the guild had refused to take a proper stand against communism and all other dictatorships he withdrew from it. He was an able lawyer, a grim adversary, and an untiring idealist. an untiring idealist.

Equality Before the Law

EXTENSION OF REMARKS

HON. JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

ADDRESS BY HON, JOHN T. CAHILL

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. John T. Cahill, United States attorney, southern district of New York, at Jefferson Day dinner of National Democratic Club at Hotel Commodore, New York, April 22, 1939:

The day we celebrate the birthday of Thomas Jefferson, one of the founding fathers of our democracy, affords appropriate occasion for an examination of our stewardship in connection with democracy's most essential element—the free and fair administration of justice.

This assembly of men and women interested in the democratic

ideals of our country is vitally concerned in eradicating from our judicial system abuses recently brought to light.

Liberty, whether it be the right of free speech, whether it be the right to one's own personal freedom, whether it be the protection against unwarranted invasion of the rights of society by individuals—liberty can nowhere more effectively be stifled than

Individuals—liberty can nowhere more effectively be stifled than through corruption in the courts.

It matters not to the injured citizen whether the deviation from the path of righteous administration of justice is caused by the whim of a dictator or by the bribe of a dishonest opponent, the result is inevitably the same—to destroy that inalienable right of free men: the right to a fair and impartial trial.

The strength of a democracy lies in the confidence of the people that there is sufficient resiliency in its processes to correct abuses, even in our courts; to punish offenders in high offices; and to go forward with remedies designed to prevent their recurrence.

The ideal to be achieved is well expressed in the words of

The ideal to be achieved is well expressed in the words of Thomas Jefferson, whose anniversary we celebrate today, in his first inaugural address: "Equal and exact justice to all men." This means nothing more or less than the honest, fearless, unblased, unprejudiced administration of justice. Whenever or however corruption, bias, or prejudice creeps into the administration of law, then and there equality is destroyed, and the very foundation upon which the Government of the United States rests is impaired. There is no higher duty incumbent upon the people of this country than to see that the traditional true equality before the law is all respects preserved.

So important in our American system of law is this principle of true equality before the law that under our law jurymen are The ideal to be achieved is well expressed in the words of

true equality before the law that under our law jurymen are queried not only as to the existence of actual bias or prejudice, but

as well as to facts from which an inference of implied bias or prejudice might be drawn. Our courts must be held to no lower standard. Not only must actual wrongdoing be rooted out, but judges should comport themselves in such a manner as to be above the merest suspicion of wrongdoing.

What matters it that the taxpayers of this country spend millions of dollars each year in the detection and solution of crime, if at

the very fountainhead of justice where cases are presented the evidence is not fairly and impartially received? In the detection and solution of crime the outstanding work of the investigative forces of the Government has time and again brought Nation-wide appliause. Under the direction of J. Edgar Hoover, the agents of plause. Under the direction of J. Edgar Hoover, the agents of the Federal Bureau of Investigation have made kidnaping the most dangerous crime.

The men of the Secret Service have toiled unremittingly to pro-

The men of the Secret Service have toiled unremittingly to protect the purity of the United States currency against counterfeit. The agents of the Treasury have shown that the income-tax laws are to be rigorously enforced.

These and many others comprise the efficient, hard-working, and never-relenting agencies of the United States Government for the detection and solution of crime. The good work of these men can be set at naught if we fall in that vigilance through which alone the integrity of the judiciary is preserved.

That the need for vigilance is unceasing is most clearly evidenced by the disclosures currently being placed before this community. Outstanding is the fact that, before some judges, equality in the law has come to be a hollow phrase without strength or meaning. A manifestation is the idea that a so-called right lawyer must be retained to appear before a particular judge. A litigant who falls to retain the so-called right lawyer is unable to obtain a fair and impartial hearing in matters involving his rights under our law. For the litigant he represents, the so-called right lawyer can obtain on some basis, ranging all the way from friendship and association to downright bribery and corruption, special favors and unwarranted privileges. unwarranted privileges.

Any notion which may have gained currency in any part of this country that a particular lawyer is the so-called right lawyer to appear before any judge must be struck at just as vigorously as any other manifestation of impropriety in the conduct of our courts. If liberty, in regard to our judicial processes, is to continue to mean just that, then it must guarantee to all members of the legal profession a basis of personal equality before the judges of the

If law enforcement is to have the continued confidence of the people, there must in every sense of the word be equality before the law. One of the most important phases of this is economic equality. The fact must be hammered home that no man is above the law, and the same brand of justice is administered to rich man and poor man alike.

We have had enough revelations of wickedness in high places to show there is no monopoly on wrongdoing in any one class of our society. The wrongdoer offers no explanation at all, satisfactory to my mind, when he argues that the amount involved in his criminal act was small compared to his total wealth. People who argue that way, I have found, are those most merciless in their demands that someone of small income caught in the toils of the law be punished to the fullest extent.

There have been efforts by malefactors highly placed to conceal wrongdoing in a maze of corporate transactions in the hope to becloud the fact and escape prosecution. Any belief that corporate complexities are at a premium in the covering up of crime

must be shattered.

Bar associations, as well, must be vigilant and unremitting in dealing with prominent members of the bar caught in transgressions of the rules for proper conduct of members of the profession.

In summary, economic equality before the law means that gold-plating must be shown to be just that. Where wrongdoing occurs, courts and prosecutors alike cannot and must not allow the magnificence of the defendants and the large amounts of their personal fortunes to influence them to vary their course of procedure course to the contract of the course of procedure one lota.

In the search for lasting remedies certain tentative conclusions, based upon what has been done, commend themselves as worthy of serious consideration.

serious consideration.

It does seem to me that to command the respect of the public at large, one who has been elevated to the high post of judge should spend all of his time and attention being a judge. When he accepts this high calling, he should forsake all interests other than those of his judicial office. Judges with active business interests cannot devote their full time and attention to the matters which come before them. A judge who is deeply involved in active stock-market operations too often has ticker on the brain when he needs all the brain he has for the case on trial before him.

A judge who is heavily indebted financially and pressed for payment of his obligations does not enjoy the calmness of mentality necessary to sound judicial reasoning. Where judges are accepting favors from money lenders they are not in a position themselves to condemn the practices of the Shylocks.

Nor can judges with impunity associate themselves and be seen in public with persons of dubious or criminal reputation and then he in a position to complain when rumor and goes in link their

he in a position to complain when rumor and gossip link their names with the activities of their disreputable associates. Not even a judge can escape the impact of the homely maxim that he who lies down with dogs gets up with fleas.

Our President has indicated most clearly that he will tolerate no equivocation with these matters. Attorney General Murphy has

said that the integrity of our courts must at all costs be preserved. It is essential for the preservation of equality before the law that merchants of justice, where found, be driven from the temple of justice.

Above all we must have men on the bench who will not sully the

ermine of their high calling.

And lastly, when we shall have finished with our activities in these matters, we may expect that there will be renewed confidence in our courts and increasing respect for law.

Detention of Certain Aliens

EXTENSION OF REMARKS

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

Mr. BYRNS of Tennessee. Mr. Speaker, under leave given to extend my remarks, I wish to say that I propose to vote for H. R. 5643, a bill to invest the circuit courts of appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States is not effectuated within 90 days after the date on which the warrant of deportation shall have become final, and to authorize detention orders in certain cases.

It appears that in 1938 alone 460 aliens were ordered deported, having been adjudged unfit to live here further, but foreign governments refused to issue passports for reasons sufficient unto themselves, presumably because they did not want this type of person within their confines. Under the law as it exists at the present time, there is no power to proceed further against these 460 cases, and the majority of them today are as free as any citizen of this country. The bill specifically limits detention of such aliens to several classes-criminals, procurers, narcotic smugglers, or peddlers or the like, immoral persons, or anarchists.

America has made a glorious record of achievement in war and in peace, but this record of achievement has not been made by, or with the assistance of, the criminal, the procurer, the dope peddler, or the anarchist. The mere fact that a foreign government does not wish any more of this kind of cattle running loose within the confines of their country is to me a most sufficient reason why I should vote for this bill. Unfortunately, for us we too have a criminal class, which, through the splendid agencies of the Federal Bureau of Investigation, the Secret Service, the narcotic agents, and the post-office inspectors, we are trying to combat, but we do not need to permit, and we must not permit, the criminal riffraff, the dregs, which foreign governments refuse to receive back, to run at large and to prey upon the citizenry of this country.

Let those who will vote to give the criminal, the procurer, the narcotic peddler and addict, and the anarchist, the right to run loose in this country. I, for one, cannot bring myself to vote for such a procedure, and it is for this reason that I propose to vote for this bill and against any amendments which might tend to lessen its full effect.

Haynesville Tornado

EXTENSION OF REMARKS

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

Mr. BROOKS. Mr. Speaker, in the little city of Haynesville, La., it was Sunday afternoon, April 16, 1939, and all was peaceful and quiet throughout the community. Suddenly, without previous warning, at exactly 1:55 p. m., from

out of the southwest a great tornado descended on this little city in northwest Louisiana. In a few fleeting seconds the northern part of this town was reduced to shambles and ruin. Eight of its citizens were dead, 20 were seriously injured, and many homes and places of business were injured and destroyed. Like a great scythe, this tornado cut its pathway through the thickly settled northern portion of Haynesville leaving death, destruction, and misery in its wake.

No one knows why in the course of events destiny decreed that this peaceful, God-fearing community in north Louisiana should feel the brunt of such a fearful holocaust. Perhaps in the far-flung plan of the universe this was a test which was to try men's souls, to find out the stuff of which they are made. We do know, however, that out of this tragedy, dazed it is true by the sudden and overpowering force, but undismayed and undaunted, arose the true spirit of determination of the people of Haynesville. With a Christian resolution they have gone about the somber task of burying their dead, hospitalizing the injured, and rebuilding their city.

Within a few hours after the tornado had passed, agencies of mercy offered and extended assistance. For these I am sure the people of Haynesville are most appreciative. Local agencies have already expressed their gratitude for the work of the American Red Cross, the National Guard, and civic and local organizations. Insofar as the Federal Government is concerned, I want to express appreciation for the prompt and energetic efforts of the Works Progress Administration, the Farm Security Administration, and the Disaster Relief Corporation. The first named of these organizations immediately sent a representative through the whole territory to see what could be done to relieve the suffering. The Farm Security Administration has already made a complete survey of the farm damage and stands ready to assist those farmers injured. The Disaster Relief Corporation has sent into this territory representatives to offer such relief and assistance as is permitted by the law. In addition to all of this, I am pleased to state that the Civilian Conservation Corps loaned the services of its personnel promptly, energetically, and without faltering to aid in clearing away the debris, reclaiming the bodies of those killed, and aiding in preserving order.

To all of these I tender the thanks of a grateful people.

Improved Homes Today Will Mean Improved Citizens Tomorrow

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I have voted for the adoption of the conference report on H. R. 4852, making appropriations for the Department of the Interior, including an amendment making appropriations for the administrative budget of the United States Housing Authority. I am very much interested in having the U.S. H. A. granted the additional funds necessary for the vital work of providing the machinery to effect decent housing for those unfortunates who have been compelled by economic conditions over which they have no control to dwell in the slums of our great cities. I have been working for many years to obtain better housing conditions for the people of the West Side of the city of New York, whom I represent, and it is my fond hope that through the medium of the U.S. H. A. program we may one day soon look forward to a project which will answer the prayers of so many of the people of my district.

There has never been a greater stimulus to industry or employment than housing and other forms of construction work. The United States Housing Act has been estimated to yield more than 600,000 new jobs in private industry for

an entire year. If this worthy goal may be attained, the largest incident of a program designed principally to relieve slum tenants, will be to form a substantial part of the present unemployment. The people of my district need better housing conditions, and I mean to use every power at my command to secure them; until that time I must concentrate my efforts on the work incidental to the housing program, thereby aiding the unemployment situation as it affects the people of my district, who can benefit by the work necessary in building homes.

In my opinion, the United States Housing Authority has thus far performed its duties admirably, and I am confident they will not disappoint in any way those families who are crying out for an opportunity to better their present unfortunate living conditions, and who look to the Government to continue its scientific attack on crime and squalor. I make an urgent appeal to the local, State, and Federal housing officials to work in unity with a spirit of complete and wholehearted cooperation. I call upon them also for the discontinuance of any undue red tape, with particular reference to the solution of the housing problem on the West Side of the city of New York. Cancer, heart disease, and tuberculosis are rampant in this area, due to the deplorable housing conditions existing at the present time. A careful survey would indicate that there have been practically no new dwellings built in this area in the past 50 The employment and pump-priming features of the slum-clearance program are most meritorious incidents, which are as equally worthy of attention as the primary objects of the original act, and I am glad to state that this phase of the program has been of great benefit to the people of my district in providing employment.

The foundation of our democratic institutions is the home. Improved homes today will make improved citizens tomorrow. Home life is the highest and finest product of civilization. No government can perform a more worthy function than to supply work when work is needed, to supply housing where housing is lacking, or to raise the level of living standards where possibility for crime, illness, and want are ap-

parent on all sides.

What Businessmen Can Do To Aid Recovery

EXTENSION OF REMARKS

HON. WILLIAM P. LAMBERTSON OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1939

ADDRESS BY S. CLAY WILLIAMS, MAY 2, 1939

Mr. LAMBERTSON. Mr. Speaker, under leave to extend my remarks, I want to include the very able address of S. Clay Williams, which I had the pleasure of hearing yesterday morning before the National Chamber of Commerce in their annual convention:

With you I regret exceedingly that my friend the Honorable Harry Hopkins, Secretary of Commerce, is indisposed, and I know that I voice the sentiment of us all when I say that we wish him a speedy and a complete recovery.

a speedy and a complete recovery.

I share, too, your keen disappointment over the consequent fact that you will not hear him today, as planned, on the subject of What Government Can Do To Aid Recovery. By practically unanimous opinion throughout the country, recovery is the all-important problem in the United States today; and the question of the means of achieving it—and of achieving it promptly—is uppermost in the thinking of tens of millions of people. And well to the front in their thinking is the realization that the attitude of the administration, and its policies and proposals affecting business, are enormously important elements in the recovery equation. Under these circumstances it would have been especially gratifying if we could have had Mr. Hopkins with us today. But he is ill, and we send him our regrets and our good wishes.

It is not comfortable for me that I am so suddenly and unex-

It is not comfortable for me that I am so suddenly and unexpectedly called upon to speak in the time allotted to him. In fact,

It is definitely embarrassing that having something to do with the setting up of this program I now find myself appearing on it. But such was the decree of my associates when the time proved to be too short to ask anybody except home folks to take this assignment. Of course, I cannot speak to the subject of What Government Can Do To Help Recovery. I cannot speak for the administration, as could Mr. Hopkins, nor can I speak for him. So, speaking only as one businessman to other businessmen, I change the subject to What Businessmen Can Do To Aid Recovery. I know you realize that the processes involved in What Businessmen Can Do To Aid Recovery are limited both as to effectiveness and as to speed. An administration of government with its opportunity for authoritaadministration of government with its opportunity for authorita-tive touch at so many points of our national life and in so many phases of the economy under which we live has the opportunity of make its policies, its attitudes, and its activities effective—and effective at once. Businessmen have no such authority or opportunity for either effectiveness or for speed. But while ours is the less authoritative position, with, at best, the less speedy results, it is, nevertheless, true that whatever the administration may be going to do, or not do, and however speedily, businessmen, too, have an important part to play in this problem of effecting recovery—and thereafter of maintaining it. Ours is the less spectacular task of doing the "spadework", but it is always to be remembered that the securest crops are grown only after lots of heavy, sometimes

back-breaking and discouraging, spadework.

What, then, can the businessman, from his once-removed position, do to aid recovery?

The answer will appear as readily as in any other way through a cursory survey of the situation with which business and the businessman, and indeed the country, are confronted today.

We have some ten millions of people in this country who are unable to find employment in private enterprise. And the fact that we have them now is not so important as is the fact that we that we have them now is not so important as is the fact that we have had the most of them continuously for some 7 years and in that time have increased the public debt by near \$20,000,000,000 in serving and in trying, to solve this problem. Mr. Hopkins, as you remember, said in his Des Moines speech some weeks ago: "Some people think we can maintain a democracy in this country indefinitely with 10,000,000 people unemployed. I don't. This country can't be in good health and the democratic principle can't be safe until men go back to work." In the same speech he also said: "I have yet to see a businessman who doesn't prefer to give these men work, if he could, rather than pay them wages in the form of taxes to be expended by the Government."

With all of that you and I agree. It recognizes the absolute necessity of men being put back to work and states the ultimate penalty as the loss of our democracy. And on the other side, it credits businessmen with the desire to put men to work if only they could.

they could.

And why can't they? The people do not have all the goods and services that they can enjoy—nor even all that they actually need. In fact it was recently pointed out that we are now closing the first decade of our history in which we have falled to raise the standard of living of the average citizen of the country. And we have 2,000,000 more families both to work and to consume goods and enjoy services than we had in 1930. We have money piling up in reserves in hitherto unheard of excesses. Our natural resources are not substantially impaired. And yet—in this great democracy, whose very existence is admittedly at stake on the solution of this problem, we can't find employment for some 10,000,000 people who

want to work and who are entitled to work!

There have been many guesses at the answer to this enigma but, if I may quote again from Mr. Hopkins' Des Moines speech, he spoke more of truth than a mere guess ordinarily carries when he said: "It is clear to me that a returning increase in production cannot be accomplished without a substantial increase in private investment."

He had just said:
"Among many businessmen there exists a widespread lack of confidence. I am prepared to accept that promise, nor would I underrate its importance. Lack of business confidence is and has underrate its importance. Lack of business connuence is and has been a hard, stubborn fact, and may be as real a deterrent to restored business health as any we have to deal with. * * It is not surprising that business confidence has been affected by the events of the past decade. Economic developments alone were sufficient to disturb the sleep of any businessman. Add to that the revolutionary developments in other countries, add to that the legislative reforms and new Government activities, and you have the research why many people have lost their confidence."

legislative reforms and new Government activities, and you have the reasons why many people have lost their confidence."

I think that the question of why more jobs don't exist can be answered rather simply and directly. It takes money—money at work—to create jobs. Your city and mine, and all of the other cities over the country, have their business establishments of one kind and another, and each has its quota of required or usable workers. When the respective quotas of employees of all the business organizations of this country are full, then it follows that the only way to develop a situation where more men can be employed in industry and business is through extending the industrial plant. in industry and business is through extending the industrial plant In industry and business is through extending the industrial plant and the business machinery. It takes money to extend plants and businesses and to provide additional requirements of raw materials, and it takes more or less venturesome money. America has been built upon the venturesome dollar. Whether we think in terms of the railroads, the steamship lines, air transport, the great industrial enterprises like steel and automobiles, telephones and radio, and many others, or in terms of the great distributing units of one kind and another, we are confronted with the fact that each of them was builded and became able to make its contribution to the employment and to the standard of living of the American citizen through somebody, somewhere, having had a dollar and having been willing to venture it in enterprise. And before it was ventured, the owner of it had to feel some assurance—not always too much—that he had a chance to win some reward and, at least, that he could have the hope that his dollar was reasonably—not too reasonably—secure in the enterprise into which he put it. That's another way of saying that the investment of even venturesome dollars has always had to be accompanied by a degree of confidence as to what was going to happen to the dollars ventured.

as to what was going to happen to the dollars ventured.

I am no subscriber to the concept that at the present time money is on strike. I don't think there's any such thing as money going on strike, because I have never seen the owner of a dollar who wasn't looking for some way to put it into some enterprise where it would have a chance to grow by a few cents each year. But I do recognize the fact that there are conditions of mind on the part of investors that can leave them looking so hopelessly at the prospect for safe or successful investment of their dollars that they fail to put them to work

put them to work.

Without attempting to place the blame therefor, I think exactly that situation has prevailed in this country for some time, and in that situation is to be found the answer to the question of why, with an excess of money in the country and with millions of unem-ployed men, the money has not been used to create jobs for the men and establish that happy combination out of which more goods and services will come for the citizen and more income for the Government. In 1926, 1927, and 1928 the new capital that flowed into business in this country averaged \$4,600,000,000 per year. In 1937 the total amount of such new capital flowing into industry was only one billion two hundred million—and that in the face of the fact that the assets of the business mechanisms of the country had meanwhile shrunk, as was recently pointed out, by some \$10,000,000,000 that ought at least to have been replaced if we were even to

but maintain the job-providing efficiency of our industrial plant.

Just there would seem to lie a lot of the explanation of our present predicament, and apparently just there, too, lies the cure for it. At any rate, I agree with Mr. Hopkins' statement: "It is clear to me that a returning increase in production cannot be accomplished without a substantial increase in private investment,"

and with his further statement:

"If we could find a way to break the log jam of private invest-ment in the fields of utilities, railroads, and housing, we will have gone a long way toward making the essential steps to ultimate

recovery.

It seems pretty clear that confidence is the key to that measure of recovery on which everything hangs—confidence on the part of us who are active in the management of business, but much more importantly confidence on the part of those who own business and who own the idle money that could be used to build more business, more jobs, more taxpaying ability, and a better standard of living. Yes, confidence is the catalyst without which the desired reaction of element upon element will not take place. We have the men and the money and the natural resources ready under the hand of American ingenuity—that hitherto unbeatable combina-tion of elements that in their reactions, the one upon the other, have made this country great and have given man here more than he has ever had anywhere else. But we are now forced to the realization that even America's magic formula won't work except

as an atmosphere and an attitude of confidence is present.

The question then of "what the businessman can do to aid recovery" seems to reduce itself to a question of what the businessman can do to aid in restoring confidence—confidence for himself; but, again, more importantly for the owners of business and for the owners of idle funds and the potential employers of idle men. Again we pass by what the administration may do. That is neither

Again we pass by what the administration may do. That is neither our task nor our knowledge.

But every man in this hall can, here and now, in his own right and without waiting for anybody else's consent or cooperation, do a very important thing in aid of recovery. Most of us got a lot of shock a few years ago when we were being told so emphatically and so frequently that we had to run our businesses in the interest of the public welfare. In fact, we got so much shock at hearing that thing said in the way it was said that we forgot for awhile that we had been doing exactly that. One of the virtues—probably the outstandingly precious value—in this American system of free enterprise under which we work is that no one can continue to succeed in it except as he runs his part of it consistently with the public welfare. That's guaranteed in the very mechanisms of the system—materials bought in open competition and goods sold the same way with the only hope for continuing success to be found in the ever-expanding results of fidelity to that magic formula of the the ever-expanding results of fidelity to that magic formula of the American businessman that ever and anon demands "more goods for more people at less cost."

That policy—innate in the American system of free enterprise—is what put half of the telephones of the world in the houses and offices of the American people though they are only one-fifteenth of the population of the world. That's what provided a radio for 5 out of 6 of the families in this country, electric light for 5 out of 7, and an electric refrigerator for 1 out of 3. That's what gave us nearly three-fourths of the world's automobiles—I for every 5 persons, while in France it's 1 for 22, in England 1 for 23, and in Italy 1 for 109. And while doing all of that and thousands of kindred things you American businessmen have provided wages in your factories that enable an American worker to buy with 1 hour of work as much food and clothing and of the little luxuries of life

as can be bought with 12 hours of work in a Russian factory, 9 hours in an Italian factory, or 4 hours in a German factory.

And that wasn't all. Without suggesting that industry was moving fast enough in the matter of assuming social responsibility before the time at which Government entered the field it must be remembered that it was moving and moving consistently and continuously. As one indication of that developing sense and practice of social responsibility, industry had, prior to 1932, put into effect for the protection of its workers more than \$10,000,000,000 of group insurance. The idea had been evolved in 1911 and by 1925 the amount of such policies was four billion four hundred million, increasing from that figure in the next 7 years by more than twice as much as it has increased in the 7 years since the beginning of 1932. Similarly, the workweek in this country had been reduced between 1890 and 1930 from an average of 60 hours per week to 48 hours per week. And from an early stage of American industry in 1850 wages had been multiplied by 1930 by 500 percent. Welfare plans generally throughout industry had become very common, and many of the larger industrial units of the country were spending. plans generally throughout industry had become very common, and many of the larger industrial units of the country were spending, prior to 1932, enormous sums in the pursuit of their sense of social responsibility for their workers. All of this happened without apparent injury to industry and without impairment either of the standard of living of the people or the security of our business system or form of government, or impairment of Government credit. It happened in spite of the fact that in effecting it you were always face to face with the cold fact that every time you, or Government, serve a social need an economic problem is created. It may not be insurmountable—your accomplishments have proved It may not be insurmountable—your accomplishments have proved that it isn't necessarily so—but it was a problem nevertheless. When wages are increased and other cost expenditures are made to serve the social needs of the worker—always in itself a commendserve the social needs of the worker—always in itself a commendable object—the economic question of whether the goods can be sold in sufficient quantity at the necessarily higher price is presented. And upon the question of whether or not they can be so sold in sufficient or expanding volume depends the volume of employment that can be sustained in their making. The social needs of the worker are not met by a wage scale that defeats the possibility of selling the goods, and therefore destroys his job. The social needs of a worker in one part of the country are not met by increases in the cost of goods manufactured there which leave them unable to compete with similar goods manufactured elseby increases in the cost of goods manufactured there which leave them unable to compete with similar goods manufactured elsewhere, and therefore force the abandonment of his industry in his section. He can't move—at least he can't in any considerable numbers—and when industry is destroyed in his section it is to all practical purposes relating to his employment utterly destroyed. Similarly, the expenditure of Government funds for relief and employment—under some circumstances a highly commendable policy—creates an economic problem in that it increases the part of the income dollar which recer to the support of Government and

policy—creates an economic problem in that it increases the part of the income dollar which goes to the support of Government and reduces the part which is available for the purchase of goods and services in the making or rendering of which employment is at stake. Maybe the key to that part of the present predicament is to be found in the speed with which the assumption of social responsibility on the part of the Government and of industry has been undertaken in recent years.

undertaken in recent years.

Certainly what business undertook by way of meeting its social responsibilities was not too much. Probably it was too little. But, on the other hand, I think a reasonable approach to our present situation indicates the necessity of an open mind as to whether or not in recent years we have not in some respects, at least, been called upon to go too fast where in former years we may have gone too slow. Something slowed business and maybe that speed too slow. S

Let me summarize what I am reminding you of in terms of your conduct of your businesses under the American free enterprise system and consistently with the public welfare by quoting Mr. Gerard Swope, president of General Electric Co., who was chosen by the President to head the investigating commission sent to Europe in 1937 to investigate certain industrial conditions and procedures and compare them with our own. Mr. Swope said recentity.

recently:

"While I was in Europe in 1937 I made a comparison of the living standards in the different countries I visited with living standards in our own country in terms of the length of time a workman has to toil in order to pay for his rent, food, transportation, electricity, and other items. In all the other countries I found that a workman must toil longer, and in most cases many times longer, in order to provide himself with the necessities of life, and that therefore he has little margin for the acquisition of the comforts and conveniences so widely possessed in America. Therefore, such items as automobiles and electric refrigerators are beyond the reach of the foreign worker.

Therefore, such items as automobiles and electric refrigerators are beyond the reach of the foreign worker.

"The higher living standard in our own country is due in part to our great natural resources, but these alone could not create or maintain it, because many countries with ample raw materials have low living standards. The American standard of living has been built by the American people—the inventor, the scientist, the engineer, the executive, and the worker—each doing the job for which he is best fitted, and all cooperating through the medium of this system which we call American industry. By constantly developing new products, by improving the quality of products and services, by learning to produce them at less cost, and selling them at lower prices, industry has increased the volume of its production, which has brought benefits to the workman, the customer, and the stockholder.

"Obviously we are not, and cannot afford to be, complacent with past accomplishments. A sizeable portion of our people still do

not have a satisfactory living standard, even though they are far better off than many of a generation ago. We must keep everlastingly at the job of creating more goods for more people at less cost, and that is the formula by which we have created and must continue to create a richer life for the people of this Nation."

No; you businessmen are no strangers to the principle that in a democracy—this one in particular—business is to be conducted consistently with the general welfare and in direct aid of it. consistently with the general welfare and in direct aid of it. Neither are you unfamiliar with a sense of social responsibility and the practice thereof. In short, you are not as bad as at some times you may have been led to think. And the realization of that and of all of the support it has in your own personal survey that you can make much more pertinently and effectively than I have made this general one should give you more of that confidence you need—and so many others need—for that recovery we must have. Your complete reestablishment of your faith in the American enterprise system and your rededication of yourself to the task of defending it and of saving yourself the opportunity of operating under it as the only system in all the world that can so efficiently serve the standard of living of the people of this country is your first task as it is my first task in this matter of reestablishing confidence and thereby effecting recovery in this country. And we can do that one thing here and now.

But you say that isn't all; that isn't sufficient. I agree. It isn't sufficient for two reasons: Your confidence in yourself, your poli-

confidence and thereby effecting recovery in this country. And we can do that one thing here and now.

But you say that isn't all; that isn't sufficient. I agree. It isn't sufficient for two reasons: Your confidence in yourself, your policies, your accomplishments, and in the system under which you work isn't all of the confidence you need. You must have some kind of satisfactory confidence in your neighbor, in the general citizenship, on questions of what they are going to demand be done to you and to your business from sources beyond any control of yours. And possibly more importantly than that—since you are still at work and these discouragements Mr. Hopkins refers to haven't stopped you—it is necessary, since we are talking about a recovery to be effected through reestablishing a flow of capital into industry and are promising the impossibility of that except in an atmosphere of confidence, that something be done to develop that confidence; also, in those who own business and who own the idle funds that must be put to work in making replacements, improvements, and extensions and establishing new ventures before we can hope to see men put back to work. The confidence that can bring the recovery we seek must serve both of these ends. And maybe for both groups it is to be found in the same facts and developed in the same way.

Let us then look for a moment at some of the reasons that caused the loss of confidence on the part of these groups to whom we must look for the attitudes and entered the terms that can be the confidence on the part of these groups to whom we must

the loss of confidence on the part of these groups to whom we must look for the attitudes and actions that can effect recovery—the relatively small group who manage industry and business; that enormous group of citizens who own it; and that possibly larger group who own that accumulation of money whose flow into enterprise must be started to enable enterprise to relieve against unemployment.

ployment.

Mr. Hopkins listed some of these reasons, which I have already quoted from his Des Moines speech. Let us remark one more, which quoted from his Des Moines speech. Let us remark one more, which it seems to me has proved so far-reaching that it almost has the character of a background against which all other specific reasons are to be presented. I refer to the change that has been made in the function of government—not wholly new in recent years, but recently so greatly expanded in practice that it all but seems new, and certainly has brought with it far-reaching effects that were unknown or at least inconsequential under the former more limited

Practice of the function.

When to relieve against an appalling emergency government began to serve directly the material needs of the citizen we made a gan to serve directly the material needs of the citizen we made a long step away from our old form of representative democracy, with its high premium on and its encouragement of statesmanship, and moved by that same long stride toward a direct democracy, with its necessary discouragements to statesmanship and even at times, in some situations, its penalties on the practice thereof. That new function—meritorious and even necessary as it may have been—gave the citizen a very direct new interest in his Government and in what it did; and it insured a directness and a continuity of contact with and demand upon the representative by his constituent citizen that was shockingly impressive. And when citizens with common interests banded themselves together to support their common demands this country had its first real introduction to pressure groups. pressure groups.

That development was, of course, perfectly natural—it was to be expected. And it's not necessarily bad or out of order. This is a democracy, thank God. But it has proved bad—hurtful to the a democracy, thank God. But it has proved bad—hurtful to the country—I think, in a number of instances most of which can be accounted for by a single fact. While other important groups were greatly strengthening their voices in the affairs of the Government and were selling their cases to the people of the country, we who are concerned directly with business were losing our voices, or at least not raising them in support of business and were not telling the people of the county what the case of business was or what it meant to them.

I don't mean we should have had or wanted a pressure group.

ness was or what it meant to them.

I don't mean we should have had or wanted a pressure group. We didn't and we don't. In this progressive atmosphere in which we work in this country today the emphasis is not on what should be done to or for business for its own sake or for the sake of those who manage it, or even for the sake of those who own it. The main question today is how what is done to or for business affects it in its relationship to its neighbors in terms of their stake in it, their dependence upon it, and their benefits out of it. After all, the high objective of business in this country is to

continue to serve—and to continue to improve the service of—the American citizen in terms of the standard of living he can have for himself and for his family. In the operation of the great mechanism of business in this country effectively to that end there's necessarily a place for those who furnish the capital and for those who manage the enterprise as well as for those who do the work and those who produce the raw materials. That's why we shouldn't need or want a pressure group.

But, as has already been indicated, there is something else we

But, as has already been indicated, there is something else we need—something, indeed, that we must have—if a measure of confidence effective to restore the flow of capital into enterprise and thereby relief against unemployment is to be built up in this country. We of business, business itself, and the relationship and importance of business in the American manner to the life of the American citizen must somehow and soon come to be much better

understood by the American citizen.

That is our old problem of education—to develop understanding upon which, in turn, confidence can be developed. Much has been upon which, in turn, confidence can be developed. Much has been done, but the problem has lost none of its importance. Still, "this is a race between education and chaos"; and, as time passes, the race gets tighter and tighter, and more and more dangerous. Without dwelling upon that point, which has been so often urged in this chamber, suffice it to say, with a new emphasis justified by the conditions obtaining in this year, 1939, that there, of course, lies the other installment of what you as businessmen can do to aid recovery. If you have resold yourselves to the value and the worth and the service of this American business system to the life of the American citizen, it but remains to sell those same conceptions to your neighbors—to all of your neighbors. Only then will the basis for confidence be complete—confidence on the part of the managers of business, confidence on the part of the owners of business, and confidence on the part of the owners of that vast sum of capital which must flow into enterprise before men can be put to work and which must flow into enterprise before men can be put to work and before the national income can be raised to a point where it can support satisfactorily both the tax requirements and the standard

support satisfactorily both the tax requirements and the standard of living of the people.

Your job and mine in this matter of helping restore such confidence is largely a matter of reminding the neighbors of business of things they already know and of provoking their thinking in terms of what their stake in business is. It is not a matter of our urging security for business for our sakes or for the sake of the owners of business. That would be a hard case to win, and possibly not worth the winning. But business in this country is due to be made secure—is entitled to be made secure—all other reasons aside, for the sake of the neighbors of business, who in their grand total are the American people.

the sake of the heighfolds of business, who in their grand total are the American people.

Theirs is the more important stake and that means that every one of them with a sound mind—and without a subversive purpose—is a potential ally of all those who dedicate themselves to this all-important task of rebuilding the confidence that will aid recovery. Do you know anybody in your community who doesn't want to see recovery? want to see recovery?

Do you know anybody who doesn't wish that a degree of con-

fidence could be developed that would give your community a chance to operate to the full its existing plants, expand them, and even hope for new ones?

Don't the merchants in your community want more and bigger pay rolls turned loose to furnish bigger volumes of business for

them?
Isn't the same true of the filling-station operators, the automobile dealers, the insurance agents, the cafe owners, the laundrymen, the hotel keepers, the service men, the owners of houses and offices to rent, the doctors, the lawyers, the dentists, and the nurses—in short, of all that group that makes up a community and lives very largely on the pay rolls of industry?

Do you know any farmers in the areas around your community who do not know that they are better off in markets for their produce when your factories are busy and you are building more?

And, even more pertinently, do you know any workers in those factories who don't see values for themselves and for their families in busier factories and bigger ones and more of them, and who don't see hurt for themselves in factories closing down or working short time?

who don't see nurt for themselves in factories closing down or working short time?

And lastly, I ask you how many politicians you know who wouldn't be happier if the confidence of the people of this country were so built up that money would flow back into industry, making jobs for men and goods for a standard of living and relieving government of the burden of serving—at the risk of its own destruction—so many of the needs of citizens that if served by industry would pile no burden on government and place no mortgage on the future?

mortgage on the future?

But when you preach that doctrine you'll meet two questions: First, you'll be asked: "Why, if it's that simple, hasn't it already solved itself without even waiting for your preaching?"

Well, for some time now a lot of the American people have been mightily intrigued and quite busy with some highly diverting enterprises. Some years ago we had a rich government that didn't owe too much money, and when emergency developed the need it was pretty hard to see how it could be very hurtful to get a little aid out of the Treasury even if current income did fail to meet outgo. Then, too, there were in the hands of individuals great pools of potentiality whose size afforded much basis for an argument that they should be divided up and distributed. There were some big incomes, too, and it was thought that some division and distribution would be good there, too. That was a bad background against which to try to put on the brakes, especially when the economic needs of many citizens were so pressing

and seemingly could not be served so promptly in any other way, and could be served in that way without—for the moment, at least—any appearance of danger to the general economy of the country. No wonder the brakes wouldn't work.

But all of that is changed. Our Treasury is not as stout as it

was when it owed \$20,000,000,000 less. And it's not strengthened any nor are the people encouraged by the fact that the established drain on it currently is at the rate of \$3,000,000,000 a year more any nor are the people encouraged by the fact that the established drain on it currently is at the rate of \$3,000,000,000 a year more than its intake in spite of the high tax rates that have been established. Moreover, all those pools of accumulated individual wealth have been drawn down or set for drawing down promptly under tax laws that guarantee that we won't have in this country any more very rich men. Whether tragic or constructive the accomplishment of the tasks undertaken in those regards has definitely completed a highly demoralizing phase of the process the American people have been experiencing. It has cleared the atmosphere and ushered in a new phase of the case. We all know now that government isn't rich enough to do everything the citizen may want done, or even assuredly rich enough to do all the things that ought to be done. We know, too, that the pools into which it could dip with a large ladle in our recent past are largely exhausted and that no more such can be established under present tax laws. We are beginning to see that our problem cannot be much longer served out of the accumulations of the past or through borrowings against the future. That means that the time is rapidly approaching when this United States of America must get on a going basis. It's got to be a matter of making it as we go. And the citizen—the neighbor of business—is beginning to realize that, and further to realize that making it as we go is a condition that can't be met either locally or nationally except with a confident, active, expanding, and locally or nationally except with a confident, active, expanding, and prosperous industry. That's why you can expect the seeds of information you can sow now to fall on fertile soil, instead of on that stony soil on which most such seeds fell in the early phase of this experience.

But you'll be asked, too, how can you ever hope for an effective recovery and a solution of the unemployment problem when our frontiers are gone?

They mean geographical frontiers-free land in the West-the most exaggerated contention, I think, that touches this problem. The Indians had more frontier than anybody else who ever lived on this continent, and they had the lowest standard of living. And, conversely, the maximum employment and the highest standard of living. And, conversely, the maximum employment and the highest standard of living we have ever known came years after those frontiers were gone. Frontiers did it, but they were not geographical frontiers; they were frontiers that industry built for itself. They were found in the telephone, the automobile, the radio, the airplane, and a in the telephone, the automobile, the radio, the airplane, and a thousand other things that men are busy making today that were not even known a generation ago. To accept the theory that there are to be no more such frontiers of employment is to assume that all of a sudden and for no known cause American ingenuity has died in its tracks and that research and invention can never again be counted on as elements of our economy.

And there are temporary frontiers, too. Every depression builds

And there are temporary frontiers, too. Every depression builds its own. Brookings Institution in a recent study made this finding: "The expansion of capital required to replace depreciated and obsolete plant and equipment, and to raise the standards of living even back to the 1929 level is sufficient to absorb all of our unemplayment."

No, gentlemen, it's not a matter of lack of frontiers; it's a matter No, gentlemen, it's not a matter of lack of frontiers; it's a matter of lack of confidence as to what is going to happen to business and to the dollar ventured in business. And the answer to that question will be, and can only be, given by the neighbors of business. Your concern and mine need only be that we put and keep the facts about the parts our businesses play in the lives of our neighbors before those neighbors. We are not the army that can protect and preserve. For that purpose and under present conditions we are but the watchmen on the wall with the duty of seeing and reporting. I am ambitious that none of us may fail in either duty.

My Country 'Tis of Thee

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, ladies, and gentlemen, like yourselves, I have wondered if the Pulitzer prizes have any practical value. But last Tuesday I saw in my morning newspaper a reprint of the editorial published in the Portland Sunday Oregonian which won the \$500 Pulitzer prize for the best editorial last year.

Thousands and thousands of copies of that beautiful and practical editorial have been published in leaflet form, and now newspapers all over the country have reprinted it. Its title is "My Country "Tis of Thee," and I beg leave to refresh your memory by quoting some of its powerful lines. I do this with high pride in the skill of its author, Mr. R. G. Callvert, who gives us a new and deathless picture of the peacefulness of our native land. He writes:

In this land of ours, this America, the man we choose as leader dons at no time uniform or insignia to denote his constitutional position as Commander in Chief of armed forces. No member of his Cabinet, no civil subordinate, ever attires himself in garments significant of military power. When the Chief Executive addresses his fellow countrymen, goose-stepping regiments are not paraded before him. When he speaks to the civilian population it is not over rank upon rank of helmeted heads.

In this land of ours, this America, there is no fortification along the several thousand miles of the northern border. In the great fresh-water seas that partly separate it from another dominion no naval craft plies the waters. Along its southern border there are no forts, no show of martial strength.

In this land of ours, this America, no youth is conscripted to labor on devices of defense; military training he may take or leave at option. There is no armed force consistent with a policy of

In this land of ours, this America, there is not a bombproof shelter and a gas mask is a curiosity. It is not needed that we teach our children where to run when death hawks darken the sky.

In this land of ours, this America, our pledges of peace toward our neighbors are stronger than ruler's promise or written treaty. We guarantee our pledges by devoting our resources greater than the resources of any other nation, to upbuilding the industries of peace. We strut no armed might that could be ours. We cause no nation in our half of the world to fear us. None does fear us nor arm against us.

In this land of ours, this America, we have illuminated the true road to permanent peace. This liberty, this equality, this peace, are imbedded in the American form of government. We shall ever retain them if foreign "isms" that would dig them out and destroy them are barred from our shores. If you cherish this liberty, this equality, this peace, then defend with all your might the American ideal of government.

To these brave words of the prize editorial, as a Representative in Congress, sworn to uphold the American ideal of peaceful government, I say "Amen." I represent the State and the city of New York, which is now holding, not a parade of death and destruction, but a peaceful World's Fair. In the not too distant future I confidently believe the private people of Europe and Asia will detect that war is a great illusion, a costly, evil, and barbarous fraud. Then, instead of goosestepping at the feet of sword-rattling dictators, they too will devote their energies to building World's Fairs and to other symbols of the great fellowship of humanity and the brotherhood of all men.

Our Natural Resources

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

RADIO ADDRESS BY HON. JOHN M. COFFEE, OF WASHINGTON, APRIL 29, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein the following address delivered by me at a luncheon, Saturday, April 29, 1939, given under the auspices of the People's Lobby, Washington, D. C., at Wesley Hall, located in the National Capital. This speech was broadcast over a national hook-up of the National Broadcasting System:

Of all man's natural possessions, few are more valuable than those that provide power to aid in lightening his toil. The scientific discoveries that have at last made plenty possible for everyone depend upon power and upon those natural resources that provide it, namely, oil, coal, water power, and natural gas.

BASIC RESOURCES MUST BE PRESERVED

Such resources, upon which the happiness and prosperity, and indeed, even the orderly life of our country depend, should obviously be the possession of our entire people. Yet we find that these invaluable national assets are principally in private ownership; and in the control not of a large segment of our population but of a small and ever-narrowing group.

Such a condition is full of danger to our country. Private property, whatever may be its advantages in other parts of our national economy, is a definite evil when existing in natural resources. Private property means operation of them for private gain and it is this lure of profit that has gutted our mines and drained our oil wells at a rate unsurpassed in any other country in the world.

NATURAL RESOURCES ARE EXHAUSTIBLE

On her supplies of oil, coal, and gas Nature appears to have placed an absolute limit. When this is reached those supplies are gone for good. We shall then have to do without these most valuable commodities or use inferior substitutes while Nature replenishes her ravaged storehouse over future geologic eras.

That these treasures should be subject to competitive extraction and marketing in order to hasten their consumption is utter folly; and our descendants will certainly look back with hatred and shame upon ancestors who could have tolerated such carelessness of their

upon ancestors who could have tolerated such carelessness of their

own children's future.

WANTON WASTE MUST BE ENDED

Certain evils of private operation in mining coal or extracting oil and gas are outstanding. In the production of coal, for instance, in order to obtain the maximum profit operators have often mined the most productive seams first in such a way as to render forever inaccessible, or available only at far greater cost, the more numerous thinner seams of lesser productivity. Again, for want of sufficient resources, or because it was too expensive or would yield no immediate profit, private owners have also tolerated enormous mine fires that sometimes burn for generations over thousands of underground acres.

In oil production, competition has caused and still causes a frightful waste of natural gas. Producers often blow off gas into the air, or put a torch to the escape jet so that the oil, on which more money can be made, will come sooner to the surface. This results in much oil being forever lost underground, whereas a more temperate procedure would have utilized the gas to force up more of the oil.

DUPLICATION IN OIL MARKETING

Another waste in private ownership, though more of surface structures, perhaps, than of the oil itself is offsetting, and the extravagant drilling of excess wells on property-line borders in order to divert oil underground from a producer that has brought in a gusher. Worst of all, however, the greed for profit results in artificially pushing consumption. All the devious arts of advertising and "scientific" marketing are employed to make us use up as fast as we can irreplaceable national treasures.

Conservation, thrift, and prudence have had no place in a scheme of things where despoliation of natural resources for private gain

of things where despoliation of natural resources for private gain was the rule. The voice of experience is loud and clear; until such a rule is changed this ghastly waste will continue.

PRIVATE EXPLOITATION

Not only has private exploitation meant a rapid exhaustion of our natural treasures, but it has also proved to be an exceedingly inefficient method of operation. From the standpoint of duplicate facilities alone, two or three times as many oil wells, refineries, mine outlets, pipe lines, and coal railroads have been put up as were needed.

Moreover, where the lure of gold is the sole incentive to activity, beauty vanishes. Today most oil or coal fields are as ugly as city slums, and some of our fairest acres are coated with films of soot or grease and blankets of poisonous air. To be sure, public ownership would not eliminate the derrick or the tipple, but it might considerably reduce their numbers. It could and would transform company towns into garden cities; and if all scars on Nature could not be removed, those that remained might at least assume the sturdy character of functional order in which perhaps the beauty

of logic might not be too deeply concealed.

Private ownership, however, will continue to mean chaotic and planless production, ugliness, and waste.

MISTREATMENT OF LABOR

Labor, also, suffers from private ownership of our natural resources. In their struggle for profits from a daily diminishing source mine and well owners, it seems, have been more than commonly ruthless in exploiting their workers. The first labor spies in American history invaded the coal fields of Pennsylvania at the time of the Molly Maguires.

Colorado coal fields saw the Ludlow massages 50 years later 50.

Colorado coal fields saw the Ludlow massacre 50 years later, 50 years which in the oil industry were marked by the violence of the Rockefeller interests as they tried to strangle every attempt of their workers to organize to improve their conditions. Harlan County, Ky., the coal fields of southern Illinois, and the Commonwealth of Pennsylvania have all seen operators attempting to crush labor with rifle and machine gun, and with deputized thugs or with their more highly organized fellows, the coal and iron

THE CONSUMER HAS BEEN MULCTED BY CORPORATE AVARICE

On the consumer, too, heavy tribute is levied to help the private owners of natural resources amass their giant fortunes. Oil has long been a virtual monopoly and the coal and water-power industries have many monopoly features. In 1936, for instance, Standard Oil of New Jersey alone made a profit of \$144,000,000. Such a vast profit comes from the joint exploitation of the worker and the consumer. Since these are usually the same individuals it simply means that those who are underpaid are also overcharged, while the lords of coal and oil continue to pile up enormous fortunes from resources which should be our common property.

I am firmly convinced that the time has now come to make these resources the possession of the entire people. I propose that the public hand, which extended these treasures to private individuals in a trust that they have so abused, should now reclaim its own. I propose, in short, that the people of the United States should take head the title to a patiental inheritance that by patient right take back the title to a national inheritance that by natural right should belong to all and not to just a few.

H. R. 3121

To that end I have introduced into the House of Representatives To that end I have introduced into the House of Representatives a bill (H. R. 3121), known as the national natural resources bill, that would restore to our citizens the ownership our forefathers once had of the natural wealth of this country in the sources of power. It would do this by setting up the National Natural Resources Corporation, with power to acquire and operate as a publicly owned unified system all the coal, oil, natural-gas, and electrical-energy industries of the United States.

BENEFITS ACCRUING FROM THIS BILL

Passage of such a bill at this time is an essential part of any progressive program that would have a larger number of our citiprogressive program that would have a larger number of our citizens enjoy a greater share of our national wealth. Everyone today pays a greater or lesser toll to the private owners of these power resources. Eliminate that toll, and more money at once would be available for food and shelter, for health and schooling. The businessman could afford higher wages and lower prices, as his expenditures for power to run his machines would be reduced. The motorist could go farther for the same money; families could cook and heat and light their houses for less; and conveniences now looked upon as luxuries on account of their cost would be made. looked upon as luxuries on account of their cost would be made increasingly available, even to the very poor.

THE BILL APPLIES ONLY TO SOURCES OF NATURAL POWER

Although far-reaching in its aims, this bill is both conservative

Although far-reaching in its aims, this bill is both conservative in its methods and limited in its scope. It applies only to sources of natural power, the prime movers of our civilization. Natural resources in metals and forests, in land, soil, or wildlife remain untouched in their existing ownership.

By no means, however, is this a confiscatory measure. On the contrary full payment is provided for by the Government in an equitable manner that would protect the interests of the investor as well as the consumer public. Weight would be given, not only to past earnings, but also to future prospects of the companies in establishing a fair value for their securities. Negotiations with security holders hold first place in taking over the properties, and only if these are unsuccessful may the corporation exercise the right of eminent domain.

ADMINISTRATIVE PLAN OF THE BILL

The administration of the act through a board of five directors appointed by the President is simple and uncomplicated. Indeed it is far simpler than the labyrinthine corporate structure that today conceals from the public eye the activities of the private owners of natural resources. Furthermore the interests of labor are safeguarded. All employees of the corporation will have the protection of civil service and are guaranteed compensation benefits, retirement pensions, and full rights of collective bargaining.

Finally, this corporation is specifically directed to acquire all coal, water-power, oil, and natural-gas properties in the United States as quickly as possible, together with the equipment necessary for their operation. At the end of 18 months continued private production or sale of these resources is forbidden.

Passage of this bill can do much to make America a happier land to live in. Members of the radio audience, I invite your support of this bill. Write to the Clerk of the House of Representatives, Washington, D. C., for a copy of this bill. Remember its name, the national natural resources bill, H. R. 3121.

I trust you who are sympathetic will do everything possible to foment widespread popular support of this measure. We, the people of this country, will then be well on the road to restoring to ourselves and to our children the national treasure that should be and will be our birthright again. The administration of the act through a board of five directors

will be our birthright again.

I thank you.

Foreign Relations-Congress or the President-From the Republican and Democratic Viewpoints

EXTENSION OF REMARKS

HON. FRANCIS E. WALTER OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

RADIO DISCUSSION BY HON. ROBERT A. TAFT, OF OHIO, AND HON. T. V. SMITH, OF ILLINOIS, APRIL 25, 1939

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a timely and important discussion on Foreign Relations-Congress or the President. disclosing the Democratic and Republican points of view on the subject, as presented by Senator Robert A. Taft, of Ohio, and Representative T. V. SMITH, of Illinois, Tuesday, April 25, over the Columbia Broadcasting System:

Announces. From a Republican point of view, as presented by Senator Robert A. TAFT.

Senator Tarr. Citizens of the United States of America, the express powers given by the Constitution of the United States to the President in respect to foreign relations are quite limited: "He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers, and consuls." But from the nature of foreign relations, and from the hearing of the Government the second from the and from the beginning of the Government, the courts and the Congress have held that the President's power over foreign relations is predominant. The Nation cannot speak with a multitude tions is predominant. The Nation cannot speak with a multitude of voices, and the President must be the person who conducts all negotiations with foreign nations. The Supreme Court has said: "In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it."

On the other hand, Congress, and particularly the Senate is

On the other hand, Congress, and particularly the Senate, is On the other hand, Congress, and particularly the Senate, is given extensive powers and duties with reference to any Government action other than negotiation in the foreign field. Only Congress may regulate commerce with foreign nations. Only Congress may declare war. Only Congress may raise and support armies and provide and maintain a navy, although the President is Commander in Chief when they are raised or provided. Only Congress, therefore, has power to act in the field covered by the Neutrality Act, involving the embargo of shipments abroad, restraint on American ships, restraint on the loaning of money or credit to foreign nations.

The President is responsible for what this Nation says to foreign nations, but he must be very careful in his statements as to what this Nation will or will not do, because, unlike most executives in European countries, he has not the final power to put his foreign policy into effect.

The position sometimes taken that Congress should keep entirely out of foreign policy is wholly contrary to the Constitution. Congress has no business to interfere in negotiations with foreign governments, but it has not only the right, but the duty, to consider the policies which involve specific legislation like the Neutrality

There is another careless statement that no American, in Congress or out, should criticize anything the President does or says in his relations with foreign nations, because politics should stop at the water's edge. I quite agree that foreign policy is not a partisan issue; and, as a matter of fact, there is just as much difference on the Republican side today as on the Democratic side. But if in time of peace any citizen feels that the President's handling of foreign policy is wrong or likely to lead to a war which he thinks unnecessary, it seems to me his right and duty to state fact clearly on foreign poincy is wrong or likely to lead to a war which he thinks innecessary, it seems to me his right and duty to state fact clearly and do whatever he can to change a policy which the thinks likely to result in war. The essence of democratic government is that men shall be free to express their opinions on any subject, certainly on a subject as vital as foreign relations. No President tainly on a subject as vital as foreign relations. No President should be permitted to lead the country gradually into a situation where a declaration of war is almost forced on Congress without full opportunity for criticism. The people whose very existence may be terminated by war should have full opportunity to hear both sides and approve or disapprove the preliminary steps of any policy, and so it is entirely proper that Congress and Representative SMITH and myself, as junior Members of it, should discuss our foreign policy, whether that discussion involves criticism of the President or not.

Everypody in the United States today asserts that he is for peace.

Everybody in the United States today asserts that he is for peace, though some of the weapons to secure it seem to me rather warlike. Everybody in the United States today asserts that he is for peace, though some of the weapons to secure it seem to me rather warlike. The basic purpose of the Neutrality Act and the amendments now being considered is to keep the United States out of war. I believe that most of the provisions of that act tend to accomplish that purpose. The cash-and-carry provisions, providing that credit may not be given to governments engaged in war, certainly prevent our acquiring a financial interest which may lead to our support of one country against another. The provisions prohibiting loans directly to such governments have the same effect. The prohibition against American vessels carrying arms to belligerents should prevent incidents of the kind which led to our joining in the World War. The prohibition against American citizens traveling on vessels of nations involved in war is likely to remove a cause of war if such a vessel is sunk by an enemy.

The only provision in the Neutrality Act which seems ineffective to me to aid peace is that which prohibits the shipment of arms, ammunition, and implements of war to belligerent states. Since we are selling on a cash-and-carry basis the materials from which such munitions may be manufactured there does not seem any great difference in principle in the shipment of munitions. Nor do I see that any nation can object to other nations buying arms in this country if the same market is open to every nation which can approach it, and so we give them no cause for war. I cannot believe that inability to get arms from us will prevent a nation going

to war, for it can build its own munition plants and buy the raw materials from us. But the refusal to sell any arms discriminates against small nations which have no arms plants of their own. I should be inclined to favor an amendment of this section of the act to permit the sale of arms to any nation on a cash-and-carry basis.

But I should be very much opposed to the Thomas amendment and to any other amendments which give the President any power to discriminate between different nations according to his idea as to discriminate between different nations according to his idea as to which may be the aggressor in a particular war. If we begin to take sides in foreign disputes, we will almost certainly become involved in such disputes. From George Washington to Woodrow Wilson a policy of neutrality has always been considered as likely to keep us out of war and benefit this country. George Washington said: "Europe has a set of primary interests which to us have none or a very remote relation. Hence, she must be engaged in frequent controversies the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to complicate ourselves by artificial ties in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or emmittes." Woodrow Wilson insisted on a complete neutrality for 2 years, until direct interference by Germany with our own citizens and rights compelled us to war. and rights compelled us to war.

and rights compelled us to war.

If a war occurs in Europe and our Government deliberately sides with one nation or group of nations and assists that nation by embargoing exports to its enemies, it will not be long before our people identify their interests completely with one side. In these days of propaganda, all of the propaganda would come from that side. The Government itself, having taken sides, would tend more and more toward war until we would find ourselves first financing and the grapped that the grapped that the grapped that the grapped have the favored patting. The slightest and then supporting with troops the favored nation. The slightest incident with the nation against whom we discriminated would arouse, both in the people of that nation and in our own people, the intense bitterness which leads inevitably to war. I am pleased that even Senator Pittman, in his amendments of the Neutrality Act, proposes no power to the President to discriminate. Should a situation ever arise, after a war has begun, in which our interests seem to be directly involved in the result, Congress can determine

at that time whether or not to declare war.

at that time whether or not to declare war.

The President's position seems to me much too warlike. A year ago in Chicago he declared his belief that we should "quarantine the aggressor nations." In his opening speech to Congress he said: "The defense of religion, of democracy, and of good fath among nations is all the same fight. To save one we must now make up our minds to save all." It is somewhat difficult to see how we can save democracy and good fath among nations by a policy of mere defense of the United States. The President said further in that address that we cannot safely be indifferent to international law-lessness anywhere in the world, and cannot let pass, without effective protest, acts of aggression against sister nations. The word "effective" suggests armed intervention. The President, however, suggests that he does not mean armed intervention, and says: "There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governeffective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people." This must mean economic sanctions or embargoes against foreign nations, which, in my opinion, would abandon our whole historical policy of neutrality and lead directly to war.

The President seems to me to accept too easily the assumption that we will become involved in a European war. In leaving Warm Springs 2 weeks ago he said: "Til be back in the fall if we don't have a war." Finally, after his return, he endorsed whole-heartedly an editorial in the Washington Post which interpreted his Georgia remark as a threat to Germany and Italy that we would join England and France in case of war. That editorial said: "Nothing less than the show of preponderant force will stop them, for force is the only language which they understand." The President "made it plain that a war forced by them would, from the outset, involve the destinies of a nation which, as they fully realize, is potentially far stronger than Italy and Germany united."

There are plenty of other people in the United States who believe that we should threaten to join in a European war. Some of them would frankly be in favor of taking, immediately, an active part in The President seems to me to accept too easily the assumption

would frankly be in favor of taking, immediately, an active part in behalf of England and France if war occurred. Others argue that if there is a European war we are bound to become involved sooner if there is a European war we are bound to become involved sooner or later, and if we threaten to join England and France we will decrease the chances of war. I do not accept this argument. I do not see any reason why we must necessarily become involved in a European war if the people do not wish it. If we are determined to stay out of such a war, we can stay out of it. It is a question of our determination to do so. Those who argue that we cannot keep out are really in favor of going in. I believe we should stay out of it, and can.

The argument is that we should join England and France first, in order to save democracy in Europe, and then to prevent Hitler and Mussolini from overrunning the United States. I do not believe that a war in Europe, no matter what its result, would ultimately assist democracy in the world. As a result of the last war, half the democracies became dictatorships.

The line-up in Europe today is more one between nations, as in 1917, than between forms of government. Already we see lined up on the English and French side the autocracies of Poland, Rumania, Greece, and Communist Russia. A practical dictatorship has been established in France. Before such a war were over we might find communism or fascism in control in England and France, even if the war is successful from their standpoint. We are primarily interested in the preservation of a republican form of government in the United States, not in Europe. If we join in another world war, I doubt if we could maintain such a government in this

country. There would be an immediate demand for arbitrary power, unlimited control of wages, prices, and agriculture, and complete confiscation of private property. We would be bound to go far toward totalitarianism. It is doubtful whether we would ever return. War is the enemy of democracy. Our best service to the cause of democracy is to keep it alive in the United States, and provide a standard to which the world may in time return.

Nor do I believe that we face any danger from Germany or Italy. We can defend our position in North America and the Caribbean.

Nor do I believe that we face any danger from Germany or Italy. We can defend our position in North America and the Caribbean against the world if we have to do so, and that very fact means that we will never have to do so. There is some selfish reason for all of Hitler's and Mussolini's acts of military aggression up to now, outrageous as those acts have been. But it is hard to see any reason for a military attack on the United States. Germany and Italy will never be released from the complications of the European situation to such an extent as to become a threat to the United States.

United States.

United States.

Those who desire the repeal of the Neutrality Act, those who favor the President's apparent position, may talk of their affection for peace, but they have already accepted in their minds the thought that we should take an active part in a European war if it occurs. They have developed the same callousness to war which has existed in the past, and they do not even admit to themselves that it involves the suffering and death of millions of American under the most hourible circumstances. Modern war Americans under the most horrible circumstances. Modern war is more terrible than any past war. It involves the unlimited slaughter of civilians as well as soldiers. If we had been in the last war from the beginning, as these people would have advocated, we would have lost millions of men instead of hundreds of thousands. Almost any solution is better than war, and certainly we should not admit that the welter of different races in Europe and the inevitable conflicts which constantly result should drag

and the inevitable conflicts which constantly result should drag us into a maelstrom of destruction.

I hope the President does not mean what he seems to say. Perhaps he is only threatening Germany and Italy, without intending to carry out that threat. But such a course is dangerous, for it may lead England and France into taking a position they cannot maintain without our active assistance. It might even encourage a too aggressive attitude, which the French at least have often adopted in the past. Let us not threaten anything unless we intend to carry out the threat. Our bluff might be called. Finally, the President should be exceptionally careful about promising support in war, which he cannot give without action of Congress, for Congress accurately reflects today the determination of the American people that they shall not become involved in European war.

Announcer. From a Democratic point of view, as presented by Representative T. V. Smith, of Illinois.

Representative Smith. In some lands differences between patriots end at the boundaries in trying times like these. Or are these try-

end at the boundaries in trying times like these. Or are these trying times? I could not escape the impression from the Senator's speech that because he's secure he thinks everybody's secure, and, ing times? I could not escape the impression from the Senator's speech that because he's secure he thinks everybody's secure, and, therefore, that anybody who talks of war is warlike, trying to create war. Particularly he seemed to suggest that any American who tries to prevent war is endangering the peace of the world. Bickering along, the Senator has jockeyed himself into a threefold error. He is as obviously wrong in dramatizing a cleavage between Congress and the President in foreign affairs as he is, after the cleavage is made, in taking sides against the President's honest efforts to keep us out of war by helping to prevent horrors of war for the whole world. With war and peace at stake, I cannot believe my fellow citizens primarily interested in a jurisdictional dispute over the dogma of separation of Federal powers, and I will not believe them indifferent to the problem of prevention.

I know indeed from my mail that you are immeasurably more interested today in what is done than in who does it. You are justly impatient with bickering as to who shall lead when the world's smoldering with passion and is blazing here and there into flame. I shall return to the minor issue of who is to lead only therefore after getting back into strong focus our common desire for peace, and our deep faith in the possibility of world-wide prevention. This desperate desire for peace—I know it as much from my heart as from my mail—is the one fullest thought in America today. I do not know of a single Congressman who does not share with the President and with you this concern over war and this common will to peace. Our differences have to do with ways and means, not the end of peace. That said, and solemnly said, let's look at the Senator's bickering against the President, our strong leader for peace.

The Senator is brought round by the bold words of the Supreme Court into admitting that "the President alone has the power to speak or listen as a representative of the Nation." He is even brought to admit that "into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it."

But still he bickers at the present President's magnificent use of this exclusive constitutional initiative, accusing the President of helms wealing and even of contemplating light in the contemplating the president.

of this exclusive constitutional initiative, accusing the President of being warlike and even of contemplating lightheartedly our embroilment in Europe. Such easy imputations against the Chief Executive of this Nation, any Chief Executive of this Nation, is to me downright saddening. I will not be so caught up in the spirit of debate, however, as to reply in kind. Walter Lippmann has replied appropriately. Arthur Krock has replied appropriately. I imagine the Senator's conscience will in time reply appropriately to this abuse rather than right use of our splendid heritage of free speech and open criticism.

I am moved, the rather, as a student of American life to inquire into the causes of such intemperate speech on the part of a conservative. Partly, I suppose, it is merely the tactics of the "outs"

who want in. We all do this more than is to my liking. But more importantly, the Senator is guilty of this indiscretion because he sees the fact without seeing the reason for the fact of the executive leadership declared so forcibly by the Court. And yet he might have learned the reason as well as the fact from the Court itself. In the same decision from which he quotes the reason follows what he

same decision from which he quotes the reason follows what he quoted. Let me give you the reason in the language of the Court: The President, "not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries, and especially is this true in time of war. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results * * *."

Thus the Supreme Court (1936) on the reasons for Executive leadership in foreign affairs. The trouble with Senator Taff—If I may speak as frankly of him as of myself—is that he doesn't know what he's talking about. I'm convinced that, though he's a Senator, he knows as little about foreign affairs as I admit that I know. Indeed, I believe he knows less; for, like old Socrates, who knew that he didn't know, I know, at least, that others know more than I do and that it is knowledge that counts here more than all our prejudices put together. Mr. Taff and I are both midwesterns with the prejudices of our region around us and the ignorance of our offices about us. We appropriate several hundred thousand dollars a year, however, so that somebody may know more than we know and may the veguidance force we interpreted before the better the circum. however, so that somebody may know more than we know and may give us guidance for our ignorance before we begin to give you guidance in your ignorance of foreign affairs.

Think a moment concretely of what the Court gave as reason for trusting the President: "He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials." Yes, indeed. He has at this moment 57 ambassadors and ministers and 722 consular officials stationed in listening posts throughout the complex web of this whole troubled world. A half hundred trained diplomatic officers, I repeat, and more than 700 trade specialists out there listening and reporting more than 700 trade specialists out there listening and reporting daily upon everything from a closing market for hairpins to an opening avenue for a new plea for peace. "Daily." did I say? Why, Mr. Stimson, our late Secretary of State, quoted to the Senate committee the other day a remark of his predecessor "that nothing could happen in this world of any importance that did not come over his desk within 2 hours." Mr. Stimson added: "Now, certainly, that does not happen to the Members of Congress." It does happen every day, however, to the Secretary of State and it happens even faster to the President of the United States. The world is today literally at the other end of the telephone. The President knows what there is to be known; and yet he must tell little that he knows, lest indiscretion further inflame the world. He must sit by with heavy heart while Senators accuse him of fingering lightly the threads of fate, and he must wear his heart out for peace to the tune of senatorial criticism that he is warlike. If he drops, at the threads of face, and he must wear his heart out of peace to the tune of senatorial criticism that he is warlike. If he drops, at Warm Springs, a cautious word (interpreted most incautiously by the Senator) to let the dictators know that he knows what they're up to and that we don't like it, he becomes to dictators and to some Senators alike one engaged in foreign ballyhoo to save his

face at home.

Let no Senator have the comfort of self-pity to shield him from the consequences of such irresponsible criticism as this. Nobody wants or means to stop free criticism, but we all join in hoping that Senators will progressively learn to talk like statesmen rather than like street urchins engaged in free name calling to see who can do it the loudest and the naughtiest. The Gallup poll shows that the American people are not partners in this perpetration against the President as our leader. They overwhelmingly share his feeling that we are hit when our religion, our democracy, and our moral faith are attacked. They share the fear that war threatens the world. They share too the hope that a conference of nations can help us all more than a mere do-nothing policy.

It was, I admit, the absence of this latter faith in the Senator's speech that disturbs me most of all. He seems to think that Europe is not on the brink of war. I don't know who Senator Taft's private ambassadors are. Is there a Cliveden Set operating behind the scenes to provide us with an American Munich by telling us to be merely neutral until we cannot be neutral at all? Whatever the grounds of Senator Taft's complacency, our President, who has a half hundred diplomatic and 700 trade ambasdent, who has a half hundred diplomatic and 700 trade ambassadors abroad, thinks that war, terrible war is imminent if things are allowed to drift. Mr. TAFT may be right and the President wrong. But Chamberlain, since Europe's Munich, has lost his face and his courage for nothing, unless there's daily danger of doom impending from the air. If there's not daily danger of war in Europe, what does the Senator make of the apparent extremity that drives Britain to conscription, a measure heretofore faced only in the heat of war itself?

It may be that Senator TAFT thinks so too but has no faith of

only in the heat of war itself?

It may be that Senator Tart thinks so, too, but has no faith at all in efforts to prevent war. Yet he has great faith, he says, that neutrality can keep us out of whatever comes if only we will observe neutrality strongly enough. The very best way to keep out of war is to keep war out. Who doubts it? Those who surrender to fate in Europe will have to meet fate face to face with one more reserve lear. lost. We might stay out of a raging war; we're certain to stay out of a nonexistent war. Prevention is so infinitely the better bet for us to avoid war that nobody who cares will spare any effort at

prevention.

I emphasize this because every criticism made against the President's use of his constitutional power is directed at his efforts to prevent war. And not a critic has proposed a single other thing

to do, so far as I can recall, to prevent war. They want us to stay out, as you and I want to stay out. But they seem resigned to let war come and then hope that we can stay out. Only that hope is realistic which uses all peaceable prowess to prevent war at all,

anywhere.

All honor to the President, who is straining might and main to All honor to the President, who is straining might and main to keep us out of war by keeping war from coming to anybody. He has suggested a just approach to raw materials, as well as a gracious respite from the groaning tension of awful armaments. He might have done more but for critics that want nothing done; but how could he have done less, knowing what he knows, seeing what he sees, feeling what he feels? It is too early to say that he may not be successful in his latest bid against almost certain war in Europe. If those in whose hands our future fate is, since it is no longer wholly in our own hands, can listen to reason, they have been given the most compelling reasons of our generation to leave off coercion and to come to conference with guns parked outside the door.

III

If this heroic effort fail, God grant it fail not through irresponsible criticism of the President here at home during these days of waiting and hoping for a reasonable reply from Germany. If this effort at prevention fails, then we shall unite ourselves in a drive for the wisest possible neutrality. I join Mr. Taff at that point in a hope as firm as it is desperate. There is no fate that foredooms us to war, even if war comes to Europe. Our best chance seized and lost—the chance to prevent—then we'll hug our last chance, the chance to avoid the chance to avoid.

the chance to avoid.

But that chance will prove the less if we make neutrality mean isolation. As a midwestener, I'd personally prefer complete isolation. Why not let the Old World go its old way of war and the New World keep the peace it has? Well, prejudice apart, we cannot possibly isolate ourselves from the fear of airplanes and the insistence of ideas. Even if the airplanes elect to stay away—there's nothing else to keep them away—the ideas undo us, especially when they as ideals get completely outraged by those who boast over the radio their outrages and threaten more and more of the very same. The trouble with us Americans is that we aren't used to having to choose between two evils. We don't want war. But we also got all fussed up at the thought of death rained from the air on women and children, of cities razed and cruelty enthroned. There is no isolation of ideas. Our sympathies undo enthroned. There is no isolation of ideas. Our sympathies undo us. The will to power must be made of sterner stuff. Moreover, economic isolation would so dislocate our whole national life that nobody, I fear, but a philosopher who lives on humor and high thinking would stand the gaff. Jefferson tried the embargo until the people decided the cure of isolation worse than the disease—so the War of 1812. We must say, in general, with an ancient sage, that isolation is for gods and brutes alone. Alas, we Americans are not gods, and God grant that we be not brutes.

Our neutrality cannot mean isolation. It must mean self-defense. But it must mean a very spacious self-defense. The Monroe Doctrine involves us in defense to the south of us, and in de-

rense. But it must mean a very spacious self-derense. The Monroe Doctrine involves us in defense to the south of us, and in defense to the north of us. That's a big order—two continents, you know, and some scattered islands. What kind of neutrality can a country have that has already undertaken to defend two whole continents, in an age of radios and airplanes? We have accepted a man's job, and we must go at it in a man's way.

It must be a bold neutrality. Only that kind is open to us. Such a neutrality may not "name the aggressors," but it will mark who they are when they boastfully name themselves by short wave and through ugly deed. It will not purport to sympathize with crime nor stoop to recognize pillage. It will not be bullied into restricting its trade; but will do so only out of prudence and from a sense of caution. It will arm itself adequately and will keep its powder dry. A bold neutrality will harm friends as little as possible and will help its friends' enemies as little as possible. But most of all and best of all, it will leave inaction to the reactionaries, and will push for prevention while yet there's time. It will not lie down on peace just because tyrants shout for war. A bold neutrality will be what our neutrality has become under our dynamic leader—a strenuous struggle for peace through every peaceful means that's humanly possible.

Proposed Amendment of Merchant Marine Act Regarding Ship Construction

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1939

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD I want to refer to bills H. R. 6118 and H. R. 6117, which amend the Merchant Marine Act regarding ship construction, extending the effects of said act to Puerto Rico.

It seems to me these two bills are of great importance for the welfare and security of the people of the island and will no doubt contribute to remedy the unemployment situation uplifting the progress of Puerto Rico.

With the purpose of explaining the above contention and to demonstrate the importance of approving such bills on behalf of Puerto Rico, I am inserting herein the essence of

Section 2: Section 211 (a) of such act is amended by inserting, following the comma after the word "markets" and before the word "which", in the fifth line, the following: "and between ports in continental United States and Puerto Rico"; and by inserting following the comma after the words "United States" and before the word "and", in the seventh line, the following: "and the commerce between continental United States and Puerto Rico."

Section 5: Section 502 (b), as amended, of such act is further amended by adding at the end thereof the following:

The term "domestic shipyard," as used in this section and elsewhere in this act, means a shipyard owned by a citizen of the United States and located within the United States, including Hawaii, Alaska, Puerto Rico, and the Virgin Islands; and the term "American shipyard," as used in this act, means the same as "domestic shipyard."

Section 7: Section 601 (a) of such act is amended by changing the period at the end of the first sentence to a comma and inserting the following: "or in an essential service in the commerce of the United States between continental United States and Puerto Rico"; and by inserting, following the comma after the words "United States" and before the word "and" in the eighth line the following: "or the commerce of the United States between continental United States and Puerto Rico"; and by changing the semicolon after the word "commerce", in the seventeenth line, to a comma and inserting the following: "or commerce between continental United States and Puerto Rico"; and by changing the semicolon after the word "commerce", in the twenty-first line, to a comma and inserting the following: "or commerce between continental United States and Puerto Rico" (H. R. 6118)

Section 2: Section 702 of such act is amended by striking out the words "on the Atlantic and Gulf and Pacific coasts", in the second line of said section, and by adding at the end of the section the following: "The term 'domestic shipyard' as used in this section and elsewhere in this act means a shipyard owned by a citizen of the United States and located within the United States, including the Territories of Hawaii, Alaska, Puerto Rico, and the Virgin Islands; and the term 'American shipyard' as used in this act means the same as 'domestic shipyard.'" (H. R. 6117.)

Under the provisions of the Merchant Marine Act, 1936, as amended, ship differential construction subsidies are not allowable unless the construction of the vessel is performed in a shipyard "within the continental limits of the United

States."

Whatever motive may have prompted the Congress in that act to discriminate against Puerto Rico, Hawaii, Alaska, the Virgin Islands, the Canal Zone, and the other outlying possessions of the United States is not known. If any substantial reason existed for such discrimination at the time the Merchant Marine Act, 1936, was passed, no such reason is now

The fact that no important shipyard then existed or now exists in any of the Territories or possessions seems to be beside the question, for many concerns within the continental United States without extensive shipyards are bidding for contracts for ship construction, which involve differential

construction subsidies.

Puerto Rico has had for years an excellent repair shop where ship repairs are made, and the efficiency of the workmen in this line throughout the years has been demonstrated. It is understood that this plant could promptly be equipped to build vessels up to 3,000 tons capacity, and that the plant is as well fitted now as are many concerns in continental United States that are bidding for Government ship-construction contracts.

Be that as it may, certainly Puerto Rico should at least have the chance-which it does not now have-to participate in the ship-construction program of our Government. A few contracts for the building of vessels in Puerto Rico would help to relieve the unemployment situation there, which is not only a problem—as it is in the States—for the local administration but for the Congress as well.

The loyalty of the people of Puerto Rico to our Government has been demonstrated and the efficiency of Puerto Rican workers is well known. Vessels could be as well constructed and, it is thought, as economically built in Puerto Rico as in

continental United States.

Hence it would seem to be in the interest of our merchant marine and our national defense that the Congress, through these amendments, give Puerto Rico, as well as Hawaii, Alaska, and the Virgin Islands, the opportunity to share in the benefits of the ship-construction program of the Maritime Commission.

The beautiful island of Puerto Rico is situated at one of the crossroads of world commerce-1,380 miles southeast of New York and 1,010 miles from the Panama Canal. Puerto Rico has been a part of the United States since 1898. We were made citizens of the United States by Congress in 1917. We buy more American goods from American manufacturers than any Latin American country, more than Mexico or Cuba. In world trade with the United States we hold sixth place as a purchaser from the mainland. Puerto Rico's total commerce, imports and exports, is around \$200,000,000 per annum. The influence of the people of the United States in Puerto Rico has been a tremendous help to us.

Immortality and Politics

EXTENSION OF REMARKS

HON. LOUIS LUDLOW OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Friday, April 21, 1939

ADDRESS BY DR. GEORGE A. FRANTZ

Mr. LUDLOW. Mr. Speaker, in response to a unanimousconsent request presented by my colleague, Hon. WILLIAM H. LARRABEE, and me, I hereby present for printing in the RECORD the following inspiring address delivered on April 9, 1939, by Dr. George A. Frantz, of Indianapolis, Ind.:

Politics without God and immortality are in their end tyrannous,

brutish, and degrading.

Why? Because what you undertake to do for men and with men depends upon what you think a man is, whence he came, and

whither he is going.

Ours is the first age in history to form a conspiracy of silence about the goal and significance of life. We appear to be afraid to

ask the ultimate questions.

Let your memory range back, back over the last two generations.

Upon our fathers fell the shock of the view of life as an evolu-

Upon our fathers fell the shock of the view of life as an evolutionary process minus Providence; a creation without the Creator; no "Father Almighty, Maker of heaven and earth."

They were wounded in their pride. They saw themselves born of dust. Now, the Genesis story had long ago told us that truth, but had touched it with the flame of immortality. Our fathers under their shock felt no breath of God. They saw only forty-second cousins hanging by their tails in the family tree.

Upon our generation fell the horror of war and the ghastly failure of peace.

Psychoanalysis tagged along to give us the strange comfort of uncovering for us the black, beast desires which blind and pervert our boasted human reason. And the age of reason learned to distrust reason.

The economic slump brought the collapse of the gilt gods called "Comfort and Security." Who now can sing "Glory to man in the highest, for man is the master of things"? It is as silly as it sounds, Mr. Swinburne.

Do you wonder that our generation is disillusioned and frustrated? We gave up our hope of immortality, our sense of eternal justice, yonder, if not here. We traded our hope of eternal life for "the larger hope," as we were taught to call it. We exchanged heaven for high-pitched expectations of a perfected human society. An earthly paradise was just around the corner. It was to replace the kingdom where God's love has room and authority to make all

wrong right.

New inventions would air-condition even Utopia. Comfort was to be king, pain killed, all hurdles down, all sand traps carted off, all greens to be shaped like funnels, every hole "a hole in one." Life without hazards.

And when will all these things be? Next year? In 10 years? In a rounded century? No. The bubble burst. The new society turned out to be the old society minus God and immortality, plus hate and braggadocio and brutal race nationalisms.

We are left now with men who are not sons of the eternal. They are only biological specimens, born from below, born to perish. Their only need is bread and someone to herd them, order them around, and use them.

If man is born from below, if he is nothing but the product of a biochemical process, then certainly he has no inalienable human rights—no more than a fat steer in a field has rights.

If man is not immortal, he has no eternal value. If he is not the child of God, then he may be used as a mere instrument in any political and economic experiment. He is not only the product of his tools; he is just a tool. And there is no sanctity in a shovel: it can be cast aside when the grave is dug. Death is the only immortal. Man is merely a dictator's cannon fodder. He is a pawn in a supreme state. He is just a fraction, a humiliating, vulgar fraction, in a totalitarian system. He is only one eightymillionth of the population.

The tragic deflation in our day is the reduction of the gold con-

tent of man, the depreciation of our spiritual currency, the wiping out of the eternal human values. When the Christian conception of man is nothing but a flat money, man is only dust, and not

gold dust.

When God or God's will becomes a question mark, man is only a colon. In the Fitzwilliam Museum in Cambridge is a huge canvas showing nothing but a gray sky—no sun, nor moon, nor stars—ominous and dark with fearful portents, and against that leaden sky a colossal question mark. It has a title, "Young man looking at the future."

Make no mistake, we cannot maintain the eternal values of man as a person, with rights, if we let go God and immortality. Banish God and an eternal life and you banish human sanctity. You bow meaning out of existence. There is no purpose in man's history.

There is no purpose, no progress, only change.

п

But, God be thanked, man is a rebel—a rebel against a meaning-less life. Look what happens! Godless, devalued, lonely, mecha-nized man calls for the collectivisms in which he may find signifi-

nized man calls for the collectivisms in which he may find significance again—in something bigger than himself.

Godlessness calls for a collectivism, as social chaos calls for a dictator. Better any kind of social order than no order at all. Better any kind of bigger purpose for life than to remain a lost, frightened, and self-distrusting, lonely individual in an empty world whence God and life eternal have gone. This world is too big for mere mortals. It makes us afraid to be alone.

The collectivisms have a message for frustrated and despairing mortals who see themselves as extles from immortality. They have a message for such men, but no permanent solution. They rescue drowning men at too low a level. They just bring our noses above the water. And the next political ripple or economic swell will strangle us.

We need a boat. We need wings.

We need a boat. We need wings.

"Bird which on frail branches A moment sits and sings,
He feels them tremble, but he sings unshaken,
Knowing that he has wings."

Our immortality keeps us unshaken.

The terrible "isms" are the joint creation of all men who have helped to devalue man by stealing the gold of his immortality. The political "isms" are the last effort of a godless world to bring back significance to a dehumanized civilization. They are the demonic attempt to make man content here without his immortality.

Their end is an injustice to man made into a religion. Their

and is regimented misery erected into a social order.

A this-world-centered life, which means a self-centered life, is moral anarchy for you and for any society which you may build on that God-divorced foundation.

And contemporary history is underlining every word which I have spoken; underlining it with red—the red of the blood of brothers.

brothers.

III

But, thanks be to God, there is God and immortality. The eclipse of faith is not total, nor final.

We know something real and ennobling about man when we read him in terms of Jesus Christ. Here is man; man as God intends him. This is his value—worth the disturbance of the stars; worth him. This is his value—worth the disturbance of the stars; worth the cross of the Son of God; worth the shattering of the seals of all tombs; worth redeeming; worth raising from the dead; worth Christ's preparing a place for him.

The world is God's world. It depends utterly upon Him. Apart from Him it has neither worth nor meaning. Man is God's child, and apart from Him we have neither value nor significance. "In Him is life" (deathless life), "and that life is the light of man."

All our prized liberties are coming back again.

For men who recognize each other as children of God can trust each other with political freedom. They can tolerate difference of opinion. They dare to have free speech and a free press. They

can always appeal to the constitution, to God's constitution of the universe, which was made by Christ and for Christ and a world of his brothers. Nothing but Christ's conception of life stands be-

tween us and the world spread of degrading tyrannies.

Here in this land you may still dally with your decision for God and immortality. Here a man may still say that the church is just cheap sentiment about life—"rose water, wishful thinking,

None of the dictators has ever said anything so silly. They recognize their real enemy to their purposes. And they set themselves to silence the prophets and to destroy the churches. They are fully aware that they cannot ultimately mistreat men who know themselves as the immortal sons of the Eternal Father.

The brutal tyrant in Browning's Instans Tyrannus laid his plan. is complete. Comes the moment when he thinks he has achieved It is complete. his horrid ambition, the domination of a fellow man. The victim

is down-

"Do you see? Just my vengeance complete,
The man sprang to his feet,
Stood erect, caught at God's skirts, and prayed!
—So, I was afraid."

And fear is the tyrant's portion, so long as man may catch at God's skirts and appeal to immortal justice. "The weapons of our warfare are mighty before God to the casting down of every high thing that exalteth itself against the knowledge of God." You may consider the desire for continued personal life for yourself to be only a very subtle form of selfishness. But is it selfishness to treat other men as the immortal sons of the everlasting Father? Is it selfishness to treat them with respect, and love, and care, knowing that what you do to them helps to decide their destiny? To treat them as immortals is the death of brutality and tyranny, and the resurrection of hope and liberty.

The only practical politics are the politics of the Kingdom of God. And the supreme political question is still the question about the soul of man.

We have the eminent advantage of living at the end of an age.

We have the eminent advantage of living at the end of an age,

We have the eminent advantage of living at the end of an age, an age that held a conception of life as of this world only; a view of human existence entirely confined to time; an attempt to shape human society by purposes set solely in this earthly scene. We are now at the forks of the road. We see the end results. Blind guides have led blind men. And there is the ditch. We know now that where there is no vision of God and of man's immortal worth, the people perish, and they perish by wholesale. And it matters little what pretty interests you fill into your days and nights; it matters little what kindly things you do for folks; if you are not dealing with men on the basis of their immortal worth and destiny, you are helping to sap the ramparts of human freedom, and you are on the side of the demons. What can we do?

Numan freedom, and you are on the side of the demons.

What can we do?

Nothing till we take our place in the community of the immortals, which is the body of Christ.

Nothing till you protest, in the name of Jesus, to the eternal God against everything that destroys a soul for whom Christ died.

Nothing, till we who call ourselves Christian become a society of people who treat each other no longer in the contract of the contr of people who treat each other, no longer in terms of income, or class, or color, or race, but as sons and daughters of the King, immortal, invisible, the only wise God our Saviour. Nothing, till

mmortal, invisible, the only wise God our Saviour. Nothing, till we see our neighbors as children of the King.

Then everything! Then shall we see the morning break, the powers of darkness take their flight.

A few months after the war I was in the regions of France over which "The Four Horsemen" had swept. In many of the villages the only thing rebuilt was the church tower. The bishop had said, "Build the towers. Set the bells ringing. The people will come and restore their homes."

Build again the twin towers for God and immortality. Set the

Build again the twin towers for God and immortality. Set the bells of eternal hope ringing. And men will, amid the ruins, again build homes for habitation, and a free society for the children of God.

Treatment of Prisoners

EXTENSION OF REMARKS

HON. MATTHEW A. DUNN OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

JOINT RESOLUTION BY HON. MATTHEW A. DUNN, OF PENN-SYLVANIA

Mr. DUNN. Mr. Speaker, under leave to extend my remarks in the RECORD. I include the following joint resolution which I have introduced:

Joint resolution to abolish chain-gang systems, dungeons, a inhuman treatment of prison inmates, and for other purposes

Whereas there are many unfortunate people who, because they cannot find employment are compelled to solicit in order to obtain the necessities of life; and

Whereas many of them have been arrested and sent to prison as vagrants, and while in prison have been subjected to inhuman treatment: Therefore be it

treatment: Therefore be it Resolved, etc., That all chain-gang systems and dungeons in the United States and its possessions shall be abolished and inhuman treatment of prison inmates shall be permanently discontinued.

SEC. 2. Penitentiaries, jails, police stations, and all other places of incarceration must at all times be kept in a sanitary condition.

SEC. 3. Any official, guard, or overseer of any of the institutions mentioned in this act who would be found guilty of inhuman treatment of a prison inmate shall be sentenced to pay a fine not exceeding \$1,000 or to undergo imprisonment not exceeding 3 years, or both.

SEC. 4. This act shall become effective immediately after its

Necessary Additional Money Supply in Order to Keep Pace With Our Growing Nation Must Be Put Into Circulation Among the Lower Income Group to Create a Consuming and Purchasing Power

EXTENSION OF REMARKS

HON, BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

RADIO DISCUSSION BY SENATOR SHERMAN MINTON, OF IN-DIANA, AND HON. ROBERT G. ALLEN, OF PENNSYLVANIA

Mr. GEHRMANN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include what is known as congressional breakfast talk over station WOL every Tuesday morning under the personal direction of former Congressman Charles G. Binderup, of Nebraska; also a brief letter entitled "Unrobing the Ghosts of Wall Street," which is one of the usual letters preceding these Tuesday morning radio discussions. The Constitutional Money League of America is a patriotic organization supported by volunteer workers and contributions. It is nonpartisan, nonracial, nonsectarian, and nonprofit. The purpose of this organization is to spread monetary knowledge and to coordinate and unite into a national organization all the various detached local monetary study clubs and organizations of the United States together with unattached students and citizens who are in sympathy with constitutional money and Government monetary control as the first step to economic stability. Anyone interested in monetary reform should write to their Senators or Congressmen for copies of these congressional breakfast talks or write to the Constitutional Money League of America, Washington,

UNROBING THE WALL STREET GHOSTS

1. Fifty-cent dollars.

2. Printing-press money.

3. Fiat money. 4. Inflation.

4. Inflation.

Ghost No. 1: Fifty-cent dollars. There is no such thing as making a 50-cent dollar, when measured by its own content, out of a piece of money stamped by Uncle Sam "One Dollar." You know there isn't.

We changed the size of the paper dollar in 1929 and made it about one-half size, but you didn't notice the change in its value or purchasing power, did you?

You tried it in 1933 when we reduced the gold content of the dollar 41 percent. You bought just the same amount of com-modities as you did before. You never noticed any difference in its value or purchasing power, did you?

Then why this continued talk of 50-cent dollars? We all know

You cannot possibly change the value or purchasing power of the dollar by changing the size or material on which Uncle Sam's It is the stamp of Uncle Sam which makes and determines the unit of exchange.

It is the abundance or scarcity of dollars which determines the purchasing power or value. Whether it is a 50-cent dollar or a dollar-and-fifty-cent dollar, can only be determined when measured by the dollar's purchasing power of commodities.

Unless you are in the market buying gold. Then by reducing the gold content of the dollar 50 percent you double the price of

gold, because it requires only half as much gold to make a dollar; but no other commodity on the domestic market is affected.

Sincerely yours.

C. G. BINDERUP.

but no other commodity on the domestic market is affected.

Sincerely yours,

C. G. Binderup.

Announcer. It is now 8:15 o'clock and we are again privileged to hear the regular Tuesday morning congressional breakfast talk under the personal supervision and direction of former Congressman Charles G. Binderup, of Nebraeka. Mr. Binderup.

Mr. Binderup, of Nebraeka. Mr. Binderup.

Mr. Binderup of Nebraeka. Mr. Binderup.

In the House and Senate and a hearty welcome to our guest speakers the House and Senate on your part of America is very appearance of the House and Nebraeka.

Mr. Binderup on your part of America is very appearance of Indiana, and Congressman Robert G. Allen, from the great industrial State of Pennsylvania. Senator Minron, I am going to ask you to open the discussion.

Senator Minron, Mr. Binderup, in your last Tuesday morning broadcast I note you said that we should create new additional money yearly to the extent of 4 percent every year, and that this would amount to approximately \$2,000,000,000 a year at present. Now, I believe this philosophy of additional new money every year is more or less a new thought. Most of the people think that if we can only maintain the same amount of money from year to year, that that would be all that is necessary. I think this is a subject which should be brought out in a clear manner, and definite statistics, facts, and figures should be provided. How do we arrive at the 4-percent increase and how do we arrive at the 4-percent increase and how do we arrive at the 4-percent increase and how do we arrive at the 4-percent increase and how do we arrive at the 4-percent increase and how do we were the facts. In the statistics facts, and figures s

Mr. BINDERUP. Yes, Senator, you are correct.

Mr. ALLEN. I don't think we are making this point plain enough.

Mr. Binderup, you say add 4 percent each year to our money supply. From what time or amount do you figure or base your 4 percent?

Mr. BINDERUP. I base the 4 percent on, or figure it from, the amount of money in circulation on the 31st day of December each year.

each year.

Mr. ALLEN. I believe, Mr. Binderup, you said in one of your **RILER. I believe, Mr. Billiettly, you said in one of your recent Tuesday morning discussions that we were approximately \$18,000,000,000 behind in our money supply and that it would be necessary to add about this amount in order to reach the price level for labor and commodities equal to the year 1926. From what year did you start adding 4 percent in order to establish this sum of \$18,000,000,000?

Mr. RILER. I delive, Mr. Billiettly, you said that it does not be not supply that it is a price of the year 1926.

Mr. RILER. I delive, Mr. Billiettly, you said that it does not said that it would be necessary to add about this amount in order to reach the price level.

this sum of \$18,000,000,000?

Mr. Binderup. In our calculations we go back to the year 1926 and add 4 percent every year from that point and you will find by so doing the amount of money necessary to attain the 1926 price level will be approximately \$18,000,000,000.

Mr. Allen. Just what do you mean by money in circulation? Do you mean gold, silver, Federal Reserve notes, checks, or what?

Mr. Binderup. We take from the records of the Comptroller of the Currency the amount of demand bank deposits. This con-

stitutes our checkbook money. Add to this the amount estimated that we carry as pocket money, or, in other words, small change and currency, which is estimated to be \$1,000,000,000. This constitutes our money supply.

Senator Minton. Mr. Binderup, I would like to know why you take the year 1926 as your standard. I don't think we had full employment and real prosperity in the year 1926.

Mr. Binderup. No; in this you are right, Senator. But during the Coolidge administration it was decided to establish that year as a period or point from which to measure prosperity, and so all our charts and records and statistics are based on the average 1926 price level. Now, this does not mean that that is our definite, permanent goal; but we cannot go at random, so in order to protect the creditors we say our plan or bill proposes that we shall set the stake here at the 1926 price level, and when we are established on this price level Congress shall determine if we shall move any definite number of points higher.

Mr. Allen. President Roosevelt has suggested that the national income next year should be at least eighty billions. Suppose we

income next year should be at least eighty billions. Suppose we add the sum of money you suggest. Would it result in accomplishing President Roosevelt's objective?

Mr. BINDERUP. That would depend on this: If we should donate it to the banks by selling bonds (as we have been doing), who al-It to the banks by selling bonds (as we have been doing), who already have more money than then can loan, it would not have much effect, as what we need is purchasing and consuming power among the lower-income group. With our unbalanced financial condition there is an abundance of money among about 4 percent of the people at the top, and the remaining 96 percent of the people are more or less below their standard in purchasing and consuming power. If, however, you distribute this new money among the lower-income group, our national income would go to no less than \$120,000,000,000 as soon as the \$18,000,000,000 plus the necessary yearly addition of approximately \$2,000,000,000 had been released into the veins and arteries of trade, which should take about 5 years. It would be wise to release the eighteen billions which we are behind at this time cautiously in order to make it unnecessary to take money out of circulation at times as we must not exceed the take money out of circulation at times as we must not exceed the

1926 price level. Senator Minton. And now, then, Mr. Binderup, if I understand your monetary philosophy correctly, first "ou claim that we must add and distribute the amount of \$18,000,000,000 approximately add and distribute the amount of \$18,000,000,000 approximately over 5 years, and in addition to this you would add 4 percent from year to year in order to keep up with the growth of our Nation. The first objective is to reach the 1926 price level, and if this does not give full employment and the desired higher standard of living among our laboring people. Congress shall instruct the monetary authority, an agent of Congress, to increase the amount of new money amount the lower-increase group in an amount sufficient to money among the lower-income group in an amount sufficient to reach this 1926 price level. The price level of 1926 is not necessarily the definite goal which we expect to attain permanently, but only a mark or a period from which Congress can determine and instruct our monetary authority, the agent of our Government. Am I not right in this?

Mr. BINDERUP. Yes, Senator. You are definitely right.
Mr. ALLEN. Now, just a minute. This sounds awfully big to me. Just suppose you get too much money into circulation. Then how

Just suppose you get too much money into circulation. Then how would you reverse your monetary machinery in order to protect the creditor, for he is also entitled to protection as much as is the debtor. It is a poor rule that does not work both ways.

Mr. Binderiff, senator, may I answer this? To reverse the machinery and take out just exactly enough to balance our money supply which determines prices by and according to its own supply and demand, as compared with the supply and demand of commodities, if this should at any time become necessary, it is simple enough. Suppose we reach over and take our telephone and say to the Associated Press and the United Press, "Give the public this little news item: 'On the 1st of the next month Uncle Sam is going to sell \$500,000,000 in bonds direct to Tom, Dick, and Harry, not to the banks but through the banks * * * at a good rate of interest.'" Let the money be hoarded or rather this Governe Harry, not to the banks but through the banks * * * at a good rate of interest." Let the money be hoarded, or rather this Government credit remain inactive for a few months or until the ernment credit remain inactive for a few months or until the Nation has grown enough to catch up, and then take up these bonds callable at any time. What would millions of people do when they read this article? Why, they would take their phones and call up their banker, saying, "Hold \$1,000 of those bonds for me." That phone call would immediately stop \$1,000 from circulating, and in 1 day we could take out or stop as much money as we wented to and not one cent more than we wented to. Now we wanted to, and not one cent more than we wanted to. that is what we call scientific Government monetary control.

Senator Minton. I think everyone understands that we must have new money in circulation yearly, but what plan shall we use to get it into circulation? We have exhausted the plan of letting the banks create it as they now do and loaning it to the people, charging interest, which at present amounts to over \$1,000,000,000 a year. The banks can no longer loan it down to the people for the borrowing public has become depleted of their equities, their property has become worthless by deflation, so there is only one way left—put it into circulation among the lower income group. Tell us, Mr. Binderup, what do the banks think of your plan? They should welcome a plan which would make their business safe after their disastrous 13 years' experience preceding the year 1934, when about 16,000 banks failed.

Mr. BINDERUP. Well, Senator, the banks as a whole are not favor-I believe they read of this plan like the devil would read the Bible, with a prejudiced mind, especially the large banks, who make their profits out of a fluctuating price level. However, we have hundreds of bankers who are very enthusiastic about the plan, and among these we have three presidents of bankers' associations. Those who have not read the bill or plan are the loudest in their criticism. There isn't a small commercial banker in the Nation who wouldn't definitely approve of Government monetary control and constitutional money if they understood the plan.

control and constitutional money if they understood the plan.

Mr. Allen. I think in a former broadcast you estimated a potential profit of \$2,500 yearly to each of our banks on an average from old-age pensions only; but this, it seems to me, is too low, as this money remains in the community, and your estimate was only for the first year. It would gradually increase over this figure in following years as it accumulates. And you stated that old-age pensions for 3,339,000 old folks over 60 years old at \$50 per month, plus other benefits, would amount to \$1,602,000,000 a year. Their expectancy of 10 years, according to the American Table of Mortality, would create a credit on which banks could loan the \$17,126,000,000 hoarded money now lying idle in the banks, as this would virtually be a definite, guaranteed income of \$16,020,000,000 to their customers. With this income equities would be built, and equities and guaranteed income are the bankers' base for loans. All of this would be builded on a safe and sound base, for a Government contract to pay old-age pensions is as secure a foundation for loans as is a Government bond.

loans as is a Government bond.

Mr. Binderup. Yes; I agree with you, Congressman Allen. I have been too conservative in estimating the profits in this plan to the

commercial banks.

Senator Minton. In conclusion let me ask you, Mr. Binderup, suppose you are mistaken in your 4-percent yearly increase and that the \$18,000,000,000 won't work out right distributed in the channels of business in 5 years, and again suppose the \$17,126,000,000 which the Federal Deposit Insurance Corporation claim are now lying idle and dormant in the banking system should flood the market, and suppose the \$4,500,000,000 which the Board of Governors of the suppose the \$4,500,000,000 which the Board of Governors of the Federal Reserve Banks state we have in excess reserves should at once be utilized by the banks and put into circulation; then suppose we should be confronted with perhaps the greatest financial problem of all, human psychology of an approaching period of prosperity which would have a tendency to boom prices sky high by speculation. Suppose all of these monetary cyclones tear loose on you, as they will some day, as they will together with the international bankers' desire to destroy your plan. Do you think your constitutional plan for Government monetary control can withstand such gigantic pressure? such gigantic pressure?

Mr. Binderup. Yes, Senator. If all the figures I have given you are wrong and all the history and statistics are wrong, and all the idle money in the banks should be rushed on the market, our plan for Government monetary control and constitutional money is still right, and will do the work regardless. Yes; truly I didn't answer you in reference to the power of the international bankers who would want to destroy our plan. Oh, we know their power and we do not underestimate that these are the enemies of our Government. A president of one of our western banks told me before I came to Washington the recombination of the proposed and the president of the proposed and the president of the proposed and the pr Washington that we could not succeed unless we took this group out and set them up against a stone wall at sunrise. But our plan Government monetary control does not contemplate anything so rash. Knowledge is light and wisdom is power, and the Constitutional Money League of America set out to build up this fortification first, for it is still more powerful than the international bankers.

In our plan for Government monetary control we have what you might call a "monetary valve," which we can open and allow this money to flow into the channels of business among the lower income group just as fast as it can be absorbed into the veins and arteries of trade and commerce. We have the green and red signal, our 1926 price level. This is our ceiling to prevent inflation and repudiation. We have the plan for taking care of the overflow by absorbing it in bonds to be purchased by the people thus hoardabsorbing it in bonds to be purchased by the people thus hoarding the overflow until we can again release it into the business channels of the Nation in an orderly manner. But everyone knows the truth of your statements, Senator, about the avalanche of uncontrolled inflation which is threatening us and some day will make the German mark inflation look like a miniature gesture. And only one thing can prevent this. It is Government monetary control. We did have hopes at one time that the Board of Governors of the Federal reserve banks would represent the people and find the way to prevent these catastrophes but they have given up. They have informed us in print that there is nothing that can be done, that we must allow our great Nation and our people to be destroyed by the continuation of these disastrous people to be destroyed by the continuation of these disastrous booms and depressions which Uncle Sam has endured 27 times. But now his vitality is gone. He cannot stand another one without destruction of his Constitution.

Mr. Allen. In this it seems to me they have ignored President Rosevelt's splendid challenge when he said: 'Let us refuse to leave the problem of our economic welfare to be solved by the

to leave the problem of our economic welfare to be solved by the winds of chance and the hurricane of disaster, let us not admit that we cannot find a way to master economic epidemics, just as after centuries of suffering we found a way to master epidemics of

"We are not interested in stabilizing the franc and the pound for a short time. We are only interested in a dollar with the same debt paying and purchasing power now and a generation hence."

debt paying and purchasing power now and a generation hence."
ANNOUNCER. You have just listened to another one of the congressional breakfast talks from this station every Tuesday morning sponsored by the Constitutional Money League of America under the personal direction of former Congressman Binderup from Nebraska. Your speakers this morning were the Honorable Sherman Minton, Senator from the State of Indiana, and the Honorable Robert G. Allen, Congressman from the State of Pennsylvania.

Doctors of the South

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Thursday, May 4, 1939

EDITORIAL FROM THE ATLANTA JOURNAL

Mr. LEE. Mr. President, I rise for the purpose of asking leave to have printed in the Appendix of the RECORD an editorial from the Atlanta Journal of March 11, 1939, under the caption "Doctors of the South."

This editorial pays high tribute to the trail blazers of the medical profession. It recounts a number of epoch-making surgical operations that were first performed by doctors of the South. It pays high tribute to Dr. L. L. Hill, of Montgomery, the father of one of our colleagues, the brilliant and sincere junior Senator from Alabama, Senator Lister Hill. Dr. Hill was the first American surgeon to successfully stitch a stab wound in the heart. That operation was performed by the light of a coal-oil lamp in a Negro cabin.

Mr. President, my father was a country doctor. I used to go with him on some of his calls. One time in the old Indian Territory I accompanied him on one of these calls. There were no section lines then. The directions were rather vague—only such guideposts as the forks of the road; an old dead tree.

It was a cold winter afternoon. I remember we saw a timber wolf. It grew dark, and yet we had not found the place. There was little daylight left, and father drove the team up on a mound in order that we might look around. Just then a door opened beneath us, and a man stuck his head out and shouted, "Get off of my house." We were on top of his dugout. That was the place that we were trying to find.

The woman was very sick. There was a large family of children. They all lived in that dugout. I was just a little shaver, and I bedded down on a pallet with the other children. Soon I was asleep, but all night long my father toiled over the sick bed. The crisis passed. Daylight came. We drove home. The sincerity and the effort and the medical skill of the country doctor had saved the life of a mother of a large family of children.

One time I saw my father amputate a leg in a log cabin. He did not have his surgical instruments with him. He performed the operation with such instruments as he could get there. He sawed the bone with a hand saw. Later I saw the man, hale and hearty, hobbling around on one leg, of course, living because of the determination of a doctor who performed his services to humanity. A country doctor had saved his life.

Mr. President, the biography of every country doctor would make a volume of such stories. I shall certainly give my support and my efforts to any legislation which is designed to help make the services of the medical profession available to those who are too poor otherwise to afford them; but I shall never lend my support to any effort which has for its purpose removing the personal incentive, the thing that has

caused the great medical profession to move forward from the days of Louis Pasteur to the present day. I shall support any efforts toward cooperative hospitalization; I shall support any legislation which has for its purpose making available medicine and medical facilities; but I shall oppose with all of my vigor any effort which would tend to regiment the doctor.

The family doctor is an institution in America. He served as the adviser for the family. When he came into the sickroom, the tension relaxed. Those watching over the sickbed allowed the burden and the worry and the responsibility to shift to his shoulders, and he accepted that burden and that responsibility; and the smile of the family doctor brought hope and courage to those in the sickroom. But how different it would be if all doctors were appointed and paid a salary. The professional pride which has caused the development of the medical profession would be gone. The motive that causes the country doctor to pore over his crude laboratory, and to fight out the battle of life and death would be removed.

In my opinion, it would be a dark day for the medical profession as well as for the people whom they serve if we could not have freedom in selecting the doctor we want to serve us.

This desire to succeed, this ambition to become a great doctor and a great surgeon that burns in the heart of every young medico is the stimulus that causes the great medical profession to move forward. It is that secret ambition on the part of every doctor that has caused them to work all night over a sickbed when reason and hope were both against them, but finally succeed because of their sheer determination. It is that ambition and inspiration that causes every good doctor to put his profession above his personal comfort.

Mr. President, I ask unanimous consent that this editorial be inserted as a part of my remarks in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Atlanta Journal of March 11, 1939]

Trail blazers of the past, penetrating the unknown with vision and courage, made possible the mighty highways of modern progress. The medical scientists who met in Atlanta this week bore this in mind, their postgraduate assembly presenting not only a panorama of modern surgery but a striking picture of pioneering achievement. In his scholarly address as retiring president of the Southeastern Surgical Congress, Dr. T. C. Davison read the honor roll of southerners who have made signal contributions to the science of medicine and surgery.

science of medicine and surgery.

The towering achievement of Georgia's own Crawford W. Long in demonstrating the value of ether as a surgical anesthetic is well known, of course, but other pioneering feats of the first magnitude are not so well known. To many it will be news that the South is credited with the first operations to open up the stomach, remove part of the spine, remove a rib, and drain a lung, correct a cleft palate, remove an ovary, correct a clubfoot, and amputate a leg at

Beside the Crawford W. Long statue in the hall of fame are statues honoring Dr. Ephriam McDowell, of Kentucky, for performing the first successful operation for removal of an ovarian tumor, and Dr. John Gorrie, of Florida, for inventing artificial ice in the course of his search for means of bringing comfort to feverish patients. Dr. Rudolph Matas, of New Orleans, now 80 years old, is justly renowned for his work in blood-vessel surgery and related fields, while Dr. L. L. Hill, of Montgomery, now 77 years old, is hailed as the first American surgeon successfully to stitch a stab wound in the heart. Dr. James Marion Sims, of Alabama, is recognized as the founder of modern gynecology. Dr. Jesse Bennett, of Virginia, performed the first Caesarian operation in this country. Dr. Francis L. Parker, of Charleston, was the first American surgeon to stitch a large nerve center. These and other pioneering southern doctors helped elevate medical science to the lofty position of effective humanitarian ministration which it occurries today.

occupies today.

The Atlanta assembly, with its review of the past, its intensive study of the present, and its indications as to the future of surgical science, was perhaps the most successful in the 10-year history of the congress. The credit goes not only to the medical scientists who contributed their services as teachers, but to the many local surgeons who worked so hard to make the meeting an unqualified

success

Illinois Manufacturers' Association

EXTENSION OF REMARKS OF

HON, JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

ADDRESS BY HON. HARRY F. BYRD, OF VIRGINIA, BEFORE THE ILLINOIS MANUFACTURERS' ASSOCIATION AT CHICAGO, ILL.,

Mr. BAILEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a very important and timely address delivered by the Senator from Virginia [Mr. Byrd] before the Illinois Manufacturers' Association at Chicago, Ill., April 25, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a particular honor and a particular pleasure for a Virginian to be permitted to address this distinguished gathering of Illinois citizens.

Under the royal charter of 1609, Illinois was controlled by Virginia. By authority of that charter Virginia established Illinois County. The only claim the old Mother State has today is the fervent hope that you in Illinois have for Virginians the same affection and esteem that we have for you.

esteem that we have for you.

In these troubled times, when democracy must fight for its very life, when dictators deride the democratic dogma, when innocent subjects of a great empire are stripped of their property, it is well to recall the sacrifices made by Colonial leaders of America in defense of democracy. Great masses may be regimented and drilled under fear of punishment in the discipline and subservience to the supreme state, but the one "most rublime thing in the universe, except its Creator, is that of a great and free people governing itself by a law higher than its own desire."

The sacred responsibility of preserving representative democracy

by a law higher than its own desire."

The sacred responsibility of preserving representative democracy rests upon the shoulders of American citizens, because here it has flowered to the fullest perfection in freedom and in our progress and our development. Preserve it not only for ourselves and Americans who come after us, but as an inspiration and encouragement to the depressed peoples in other lands who seek the blessings of the freedom we enjoy here.

depressed peoples in other lands who seek the blessings of the freedom we enjoy here.

What we need most in our country today is a program of education in the operations of government, and then an aroused public sentiment to fortify and improve good legislation, and to discard impractical theories; to demand sound economic principles that have never been set aside successfully since the beginning of time; and to act not for the political aggrandizement of any one individual or of any one political party, but for the true and best interests of all the American people. We want debate, free and unafraid, coming from members of both political parties, conducted utterly regardless of political consequences to those who speak the convictions that exist in their hearts.

For the past several years we have had at Washington much loose talk and loose thinking of a new liberalism which we are

for the past several years we have had at washington much loose talk and loose thinking of a new liberalism which we are told will sweep away the clouds of depression, wave a magic wand of legislative panaceas for our ills, and give a substitute for those time-old virtues of thrift, frugality, self-reliance, and industry that have made our country great and given to us a progress, a freedom, a happiness, a contentment that have never before been enjoyed by any great nation.

enjoyed by any great nation.

From my own personal observation in the Senate of the United States a modern liberal if often tested and judged in proportion as to how liberal he is willing to be with other people's money. When the history of this momentous period is written, I believe the true liberals of today will be recorded as those who fought the packing of the Supreme Court by the Executive, who risked their political lives in defense of the immortal principle that our Government was established in three branches each independent of ernment was established in three branches, each independent of the other.

These of us who act to preserve the financial solvency of our Nation are fighting for true liberalism, because without solvency there can be no liberal government. And so it was when we voted to make illegal the use of relief funds in elections. Certainly there is nothing more unliberal and un-American than to coerce and control the sacred privilege of suffrage in a free country by commands from those who dispense relief to the destitute who

are compelled to accept charity from their Government.

And again in supporting the resolution condemning sit-down strikes, a liberal vote was cast, because the principle of the sanctity of private property from mob possession is inherent in every liberal form of government. So the classification is largely a matter of definition. But I can say definitely that good government and liberal government would be vastly promoted if the brain trusters, from Tugwell to Corcoran, would go home and leave Congress free to perform its constitutional duty of initiating, considering, and passing upon national legislation.

ing, and passing upon national legislation.

Today the time has come to analyze, to appraise the good as well as the bad, and to pass judgment on the vast legislation adopted by the National Congress in the past 6 years. Our last election indicates very clearly that the American people intend to do this very thing, and are doing it. In this analysis let us remember that the real test of a law—the real worth of legislation—is in practical administration and its effect upon all the millions of our citizens and that a principle enacted into a law—a just and a fair principle—is often defeated by the maladministration of its operation.

With much important legislation enacted in this period I can

With much important legislation enacted in this period I can agree. I have supported Secretary Hull in his efforts to regain our foreign trade. I have supported adequate national defense and will continue to do so unless national defense is used merely as a means of public spending. I favored control of the New York Stock Exchange. I am opposed to monopolies that operate to throttle competition and to fix prices. I applaud the remarkably fine work done in the reorganization of the banking system. I will support measures to reform, strengthen, and make workable a social-security program within the ability of our citizenship to pay. Social security, in one form or another, is here to stay. I favor the taxation of tax-exempt salaries of public employees and the taxation of future issues of tax-exempt securities.

In surveying recent legislation, remember that private enterprise is the foundation stone on which our Republic is founded. Private enterprise is the motor that provides the taxes on which our Government operates. If taxes become confiscatory, if governmental regimentation becomes too oppressive, if governmental competition becomes too destructive, then private enterprise can neither pay the taxes nor give employment to the workers.

Remember, too, that the character of our individual citizen is With much important legislation enacted in this period I can

Remember, too, that the character of our individual citizen is our most valuable national possession, and the character of many can and will be injured, if not destroyed, by unrestricted and profil gate public relief, because character comes from self-help and industry and not from idleness and thriftlessness. The very im-

gate public relief, because character comes from self-help and industry and not from idleness and thriftlessness. The very immensity of our relief expenditures has made impractical the confinement of relief to those actually in need—an obligation that all of us recognize must be met in the fullest measure.

A grant to the States by the Federal Government is not a gift. Nothing would curb the wanton extravagance in our Federal Government more than a recognition of this very simple and elementary principle. Actually every grant from the Federal Government in the past 6 years has in fact been a mortgage, and a first mortgage, on the property of every citizen in each of the 48 States. In this confederation of States—the United States of America—the Federal Government has no money except such as is derived from referred Government has no money except such as is derived from the States by taxation. It has no security on which to borrow except the property of the citizens of the 48 States; so instead of a grant being a gift, we are given a mortgage to pay with accrued interest, and the bureaucrats at Washington take a toll for top-heavy administrative cost, which, in some instances, as I have shown on the floor of the Senate, has equaled a full 33 percent of the sum expended.

As one who for 3 years has been investigating our Federal expenditures as chairman of the select committee created for that purpose, I assert that we have at Washington today the most costly, the most wasteful, most bureaucratic form of government that this Republic has ever known, or any other nation has been afflicted

with.

What is our situation today after 9 years of deficit spending?

Our tax burden is the largest in peacetime history—two and one-half times more in Federal tax receipts than in 1933.

Our Federal debt has been increased from sixteen billions to more than forty billions today, and an estimated forty-five billions on July 1, 1940. In addition, we have a contingent liability, none of which existed in 1932, of nearly \$8,000,000,000 in Federally guaranteed securities of the Government corporations not included in the public debt. The losses of these corporations, certain to be heavy, must some day be transferred to the direct public debt. These corporations, without further legislative authority, have the power to obligate the Federal Government for another \$7,000,000,000 in addition to the eight billions of debt already created. addition to the eight billions of debt already created.

addition to the eight billions of debt already created.

Some of the vast Federal corporations make detailed reports to Congress and some do not. Many are not accountable to the Comptroller General for control audit, such as the Tennessee Valley Authority, a corporation with over a quarter of a billion of stock and further authority to issue bonds guaranteed by the Government.

In January 1936 the President said:

"Our policy is succeeding. The figures prove it. Secure in the knowledge that steadily decreasing deficits will turn in time into steadily increasing surpluses and that it is the deficit of today which is making possible the surplus of tomorrow, let us pursue the course that we have mapped."

Since the President spoke these words 3 years ago in defense of deficit spending to restore prosperity, Federal deficits have continued to multiply. Today we are further away from a balanced Budget—I say this advisedly—further away than at any time since the deficit spending began. The deficit so far this fiscal year is three times as great as for the corresponding period of last year.

In this year the Federal Government is spending four times as much for unemployment relief as the total cost of the Federal Government in 1916. I repeat this because I want this astonishing

fact to sink in. This year the Federal Government alone is spending \$2,741,000,000 for unemployment relief as compared to \$734,-000,000 for all expenses of the Federal Government in 1916. Thirtyfact to sink in. three States now take from the Federal Government for relief alone, exclusive of grants and subsidies, more than they pay into the Treasury from which they draw. Virginia and Illinois are among the 15 States in all the Nation drafting less relief money from the Federal Treasury than they contribute in tax revenue.

The interest charge on the Federal debt is now \$1,050,000,000, and this is 40 percent more than the total Federal expenses in 1916.

Today for every dollar you pay in Federal taxation 20 cents goes directly to the payment of interest. If the Budget were balanced now, and the sum of of \$500,000,000 paid each year on the Federal debt, it would take 56 continuous years to reduce the debt to where

it was 8 years ago.
We are being told that we are in a new era. We are listening again to the story that the old rules no longer hold; that the magic of new advisers and new tricks in financial manipulation have wiped out the significance of addition and subtraction. We are listening to the siren song of debt and still more debt. Wishful thinking and mere good intentions are not quite enough. In India the mother who casts her infant into the Ganges as an act of worship to the devouring greenful is inspired by the most secred. worship to the devouring crocodile is inspired by the most sacred intentions. But, it is pretty hard on the infant. Is it any wonder that the average businessman, as Secretary Morgenthau says, has the state of mind of "What's the use?"

You know and I know that the extravagance of today must be

paid by great taxation tomorrow. You know that tax-free Gov-ernment competition throttles private enterprise. You know that oppression by needless governmental regulation stifles the business

The Federal Government alone is spending \$23,000 every minute of every day and every night, including Sundays, and of this \$11,500 is being added each minute to the public debt.

Coincident with the rise in the Federal debt and increase in

rederal taxation have come similar increases in the burdens of the States and localities. The Federal Government has demanded the same prodigality of spending by the other governmental units of our Republic. Only recently the sovereign State of Georgia was publicly reprimanded because that State was reluctant to amend its constitution to issue State bonds and to abandon its wise and forces policy of review receipts.

amend its constitution to issue State bonds and to abandon its wise and frugal policy of pay as you go.

This current year, the fiscal year of 1939, the expenditures of all governments in America will be more than \$20,000,000,000, or about one-third of the total gross income of this Nation, and this \$20,000,000,000 is more than twice the value of all products that come from the soil and the earth—farm crops, livestock, metals, coal, oil, and lumber. How long can a Republic exist spending one-third of its gross income and twice the value of the new wealth that comes from the soil? As great as are our vast expenditures for recovery and relief, it is a fact, also, that by actual Budget figures. the regular or ordinary expenses of governactual Budget figures, the regular or ordinary expenses of govern-ment have increased more than 100 percent since 1934. We are told that the millionaires will pay this debt and this

we are told that the millionaires will pay this debt and this spending. The total income of those receiving more than \$100,000 last year was \$974,000,000. If this income were all confiscated by taxation—take it all—it would pay the cost of the Federal Government for less than 30 days and the cost of all governments—local, State, and National—for less than 15 days. For the balance of the year the public expenses would be paid "in the sweat of every man who labors," and you know who described in 1932 our tax problem with the wisdom and accuracy of those words.

tax problem with the wisdom and accuracy of those words.

The vast spending is entrenched in every nook and corner of America. Actually, 1 out of every 80 men, women, and children in the United States is now on the regular Federal pay roll. More than one million and a half are regularly employed by the Federal Government in its various activities. In addition, there are more than 1,000,000 Federal pensioners, and to this must be added the many millions receiving Federal relief and subsidies of one kind or another. To dismantle and reduce this gigantic bureaucracy is a task of overwhelming proportions, but the reward is the preservation of sound government, the prevention of inflation and keeping our country secure for our children and those to follow. After years of deliberate deficit spending and the trebling of the public debt, the Honorable Marriner S. Eccles, Chairman of the Federal Reserve Board, said a year ago that the premature cessation of government spending (premature after 8 years) brought on the reversal of recovery and the return of the depression in 1937. Have iron lungs been used for so long that they

sion in 1937. Have iron lungs been used for so long that they cannot now be dispensed with?

The fact is that this so-called contraction of spending was due to the payment in the previous year of the soldiers' bonus (a nonrecurring expenditure) and even then the reduction was less than 8 percent. So, in the early part of 1938 another gigantic program of pump priming was started, and the expenditures increased nearly 30 percent over the previous year.

We are now told by the President and the Chairman of the Fedrick President and the President and the President and the President and the President and

We are now told by the President and the Chairman of the Federal Reserve System that to reduce spending would be to "invite certain disaster." No one can deny that deficit spending has been given a fair trial to the tune of nearly trebling the public debt. Faced now with stagnation of industry, stoppage of investment, serious unemployment, and other marks of economic depression at hand, we must ask ourselves the serious question: When is the flood of spending to cease and be replaced by a balanced Budget or a surplus? It would appear that we have "got a bear by the tail."

The sponsors of excessive spending, until very recently, refused to admit any possibility of error and in the teeth of logic and cold

facts contended that prosperity could be purchased on borrowed money just like a commodity could be purchased on the market.

Has it relieved unemployment? It has not. More than 10,000,000

are now unemployed, nearly as many as when the depression began, and no less than a year ago.

and no less than a year ago.

Has it reduced the relief rolls? It has not. W. P. A. rolls during the current fiscal year reached their peak. The Social Security Board states that 21,300,000 persons are recipients of public relief. Has the United States kept step with recovery in other countries? It has not. The League of Nations monthly bulletin of statistics placed the recovery of the United States (based on the 1929 level) as the lowest of 20 nations, with 64 percent recovery as compared to 113 percent in the United Kingdom and 78 percent in France.

Has deficit spending stimulated business expansion? It has not.

Has deficit spending stimulated business expansion? The financing of new capital issues—a certain index of business expansion—shows that in 1928, 10 years ago, 75 percent of all capital issues for that year was for private business and 25 percent for Government agencies. In 1938, 10 years later, 79 percent of new capital issues was for Government agencies and only 21 per-

new capital issues was for Government agencies and only 21 percent for private business. In 1929 about 29 percent of all bonds held by banks were Government; now 57 percent are Federal bonds. Our greatest need is production, and especially more of the sort of production that goes into new plants, more modern equipment, expansions, additions, improvements, and betterments. Such undertakings are financed by the sale of corporate securities and such sales are made only when executives have confidence and hopes for profits and when investors share that confidence. With large private sums lying idle, it is a significant and telling comlarge private sums lying idle, it is a significant and telling com-parison of how far we have gone in 10 years from new productive business expansion to dependence upon nonproductive public assistance when the financing of new capital issues has been reversed from three-fourths private in 1928 to one-fifth private in 1938. We know that the primary function of long-term private debt is to help finance the creation of durable goods, whereas public debt does not do this.

Have continued deficit spending and the mounting public debt impaired business confidence? I say emphatically that it has, Every intelligent businessman knows that the extravagances of today must some day be paid for. The profit motive is to capital-ism what the law of gravitation is to the physical universe. Pri-vate enterprise is more concerned about the "hope" of profits than the profits of the hour. This must be so because a factory is not built for this year but for many years. It is this confidence and hope of profits that is impaired by the expectation of the inevita-ble day of settlement.

Sound economic theory and the practical lessons of experience are proof that our present financial program is not promoting economic recovery. When the spending ceases, so does the effect, Like a habit-forming drug, the longer the indulgence in deficit spending continues the harder it is to stop.

In order to combat the evil of deficit spending we must understand the theory underlying the principle of proportion are provided.

In order to combat the evil of deficit spending we must understand the theory underlying the principle of promoting prosperity by borrowing and spending public money. Its chief exponent is Mr. Marriner S. Eccles, Chairman of the Federal Reserve Board.

In plain language, the Eccles theory, as elucidated in his public letter to me of December 14 last, is to stimulate private enterprise by "properly directed and properly timed Federal expenditures," and that such expenditures must be financed by the purchase by banks of Government bonds. The important thing is not the mere magnitude of Government expenditures but the excess of the Government

of Government bonds. The important thing is not the mere magnitude of Government expenditures but the excess of the Government spending over its income; in other words, the magnitude of the deficit. The borrowing by the Government to meet the deficit, from the standpoint of the Eccles theory, must be not from individuals but from banks, so that new bank credit will be created to increase what Mr. Eccles calls "purchasing power." In his own language, appearing before the House Banking and Currency Committee in December 1937, Chairman Eccles explained his policy by saving: "The way to get money into operation is for the Governsaying: "The way to get money into operation is for the Government to spend more than it collects. If you spend more than you collect, you create that budgetary deficit that puts money into operation."

He appears to think that public appropriations can be turned off and on like a spigot—that when the national income increases you turn the spigot off and when it declines you turn it on. Nothing could be further from the actual practical facts. These vast sums are spent by gigantic Government bureaus reaching into every nook and corner and manned by politicians of influence. Solomon in all his wisdom could never have devised a plan of public spending "directed and timed to stimulate private enterprise" and to raise this expenditure up and down in accordance with the national income and at the same time satisfy the 48 States and 4,000 communities. So this planned economy for timed expenditures is thoroughly impractical of operation, even if otherwise desirable.

It was Mr. Eccles who, in February 1933, testified before the Senate Finance Committee that \$3,000,000,000 of gifts from the Federal Government to the States was a sufficient contribution to restore Our deficits to date are twenty-eight billions and still

prosperity. Our deficits prosperity has not come.

Only recently Mr. Eccles said that the overwhelming majority of the people of the United States favored drastic reduction in public spending, and while he still believes that such a course would invite disaster, yet Congress should obey the popular mandate and reduce. I have set your house on fire, says Mr. Eccles; now you do your best to put it out unaided by me or the administration.

In fact, the Eccles theory is the dogma of that erratic English economist, Dr. J. M. Keynes, who, though a prophet without honor in his own country, seems to have sold his seductive schemes of

borrowing and spending to those vested with power and responsi-bility in this country. England rejected his fantastic fallacies of borrowing, spending, and lending, and adopted a rigid policy of re-trenchment and economy, reduced her per capita tax, balanced her

trenchment and economy, reduced her per capita tax, balanced her budget, and revived prosperity.

Our public debt—national, State, and local—now averages \$450 for every man, woman, and child in the country, as compared to \$277 per capita in 1939. The present generation has placed a mortgage on all the people and on all the property of all the people in order to prime the pump for the present generation. We are handing down to our children a staggering indebtedness which they did not incur but which they will be required to pay. But Mr. Eccles says what difference does this make because we owe the debt to courselves.

High taxes mean high cost of living. High taxes retard business expansion and prevent employment of the unemployed. In some emergencies high taxes may be necessary and advisable, but high taxation as a permanent diet is another thing. There is a definite limit to the percentage of the Nation's productivity that can be

taken for taxes.

taken for taxes.

To the suggestion made by Mr. Eccles that this public debt need not be paid, I respond that America has always paid her debts. She did so after the early days of the Republic. She did so after the Civil War. After the World War nearly one-half of the debt created was paid. We are an honest people. If the Government does not pay in an orderly way its debt, the citizen will not pay his debt, and financial chaos will follow.

On March 27, 1936, Mr. Eccles made a speech at the University of Cincinnati, and said:

"I agree with most businessmen and bankers that a budgetary deficit, if continued, will create inflation."

"I agree with most businessmen and bankers that a budgetary deficit, if continued, will create inflation."

Mr. Eccles apparently believes the way to maintain the solvency of the Government is to continue indefinitely to increase its debt. He believes the way to avoid the evils of inflation is to embrace inflation, as he, himself, described it—"continuous deficit financing through bank credit"—that is what is being done—"is inflationary."

In his public letter to me, written last December, Chairman Eccles took the position that "the same general economic considerations apply to both private and public debt."

I did not suppose that anyone familiar with the science and principles of public finance could give sanction to such a self-evident absurdity. About the only things they have in common are that they are both promises to pay.

In our Government of checks and balances the check on excessive spending comes from the tax-conscious citizen who can see where his tax money goes and criticize its use. If deficit spending is practiced indefinitely, the taxpayer is not directly conscious of the burdens to be imposed later upon him.

I want to get business prosperity restored, not by financial ma-

I want to get business prosperity restored, not by financial manipulations on the part of the Government, but by restoring confidence of the business community in the fairness of the Government, by eliminating needless restrictions and restraints, and by freeing the enterprise of a great people, who want jobs, not char-

ity work, not taxes.

freeing the enterprise of a great people, who want jobs, not charity work, not taxes.

Nine years of deficits, very largely financed by bank credit, should shake even Mr. Eccles' faith in the value of deficits as financial magic in making business prosperity. I emphatically repudiate the doctrine that debt for its own sake is good; that deficits for their own sake are good, and that an expansion of bank credit for the purpose of financing deficits is good. I believe that the general flow of purchasing power must come out of production itself—production in one industry giving rise to the demand for goods produced by other industries—that, with the proper proportion among the different kinds of industrial activity, the producers themselves will clear the markets of the goods that other producers create, and that all the financial manipulations of Government deficit spending designed to create additional purchasing power merely mess up and distort the picture.

We know that the Federal Budget cannot be balanced immediately, but the longer we delay the approach to a balanced Budget, the greater the penalty we will pay.

In January 1938 the President said in his Budget message that seven billions was adequate to prevent distress and to operate the agencies of the Federal Government. Yet now we are spending nine and a half billions, and may soon spend ten billions as compared to four billions when Mr. Roosevelt took office.

We cannot collect nine or ten billions in Federal taxes, pyramided on local and State taxation, and maintain our business progress and development.

To reduce public spending becomes of imperative importance

progress and development.

progress and development.

To reduce public spending becomes of imperative importance to every American who believes in our democracy, founded upon a government operated within the ability of the people to support. We are facing a perilous situation and what can be done about it? Can we expect any leadership from the present administration for economy and retrenchment? In my judgment, only an aroused public interest by the citizens who must sooner or later pay for these extravagances will protect us from the disasters of uncontrolled inflation or taxes so high as to be confiscatory.

Public spending grows by what it feeds on. Many more billions may be added to the public debt before this excessive spending is stopped, for the very simple reason that the experiences of all governments prove that one of the most difficult of all things is to eliminate spending that feeds great bureaucracies established

an governments prove that one of the most difficult of all things is to eliminate spending that feeds great bureaucracies established and firmly entrenched in every hamlet of our vast country.

I suggested a five-point program as an aid to gradual restoration of the country to fiscal sanity, and of this program Chairman Feeles said:

man Eccles said:

"I am convinced that your program is not only a defeatist one; a program of retrogression and not of progression, but it would jeopardize the salvation of democracy."

I confess this program, as limited as it is, is intended to be a gradual approach to a balanced Budget. In this respect it means "retrogression" and not "progression" in debts and taxes. I will let you decide whether it will "jeopardize the salvation of our

democracy."

Here it is:

First. Reorganize the Federal Government for simplification, retrenchment, and economy, and many millions can thus be saved. Second. Cancel existing authority of 30 borrowing corporations and agencies to borrow an additional \$7,000,000,000 without further legislation, and require these corporations and agencies to function through the Budget, allowing Congress to approve or reject their

through the Budget, anowing Congress to approve or reject their future expenditures.

Third. Scrutinize the new activities of government now responsible for the expenditure of 30 percent of the total appropriation, exclusive of relief, eliminate the dispensable activities, and reduce others to a minimum cost.

Fourth. Have a thoroughly honest purge of relief rolls to stop all expenditures in excess of provision for those in need and through requirement of the localities to bear a portion of the burden; direct

local interest to needed reforms.

Fifth. Conduct the Government within the ability of the people to pay and regard reasonable taxation as one of the best assurances

for business prosperity.

And last but not least, let us be realistic about this No. 1 Government problem. To retrench there must be the will and desire ernment problem. To retrench there must be the will and desire for economy. Such a proven fallacy as the Eccles spending and borrowing plan to bring prosperity must be thrown out of the window. Worth-while economy will only come through cooperation for retrenchment between the Executive and the Congress. The very complexity and operation of the Budget system make this so. The Budget is submitted to Congress by the Executive after exhaustive investigation by the Budget Bureau. Under sound budgetary practice, the Budget should be a balanced program for expenditure within the ability of the Nation to pay. The very immensity of our Federal expenditures and the vast detail involved make most difficult worth-while economies in reducing Budget estimates in the face of Executive opposition. Congress is in a mood for retrenchment, and with Executive cooperation much can be accomplished immediately to restore the country to sound fiscal policies. policies

Tax reform in the removal and modification of tax barriers to business progress should not be delayed, but after all remember that expenditures regulate taxes. As long as we spend two dollars for every one the Government receives, long-range tax reform, so vital to business recovery, remains unattainable. To the contrary, vital to business recovery, remains unattainable. To the contrary, unless retrenchment comes quickly, we must prepare for much greater tax burdens, falling heavily on every class of our citizens. I still agree with the philosophy of the late Will Rogers, repeated often but not often enough, that "we ought not to spend money we haven't got for things we don't need."

In conclusion, may I be permitted a personal word? Since I came to the Senate in 1933 I have consistently fought what I regarded as waste and extravagance in Government expenditures. At no time have I opposed what I believed to be appropriations sufficient and reasonable to provide for the needy and to finance the proper and necessary functions of government. I mention this only because of the inference often suggested and implied that if only because of the inference often suggested and implied that if one opposes waste and extravagance, he is willing for citizens of America to starve and freeze and suffer and the country to stagnate because of the lack of adequate Government appropriations.

Let us so conduct our Government as to keep our resources free to meet any emergency the future may have in store for us. Gov-

ernment, efficiently and economically administered, is our best protection against the undermining of democracy. Financial preparedness is the greatest bulwark of national defense, and it is the greatest guaranty of national security.

The Merchant Marine

EXTENSION OF REMARKS

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

ADDRESS BY REAR ADMIRAL EMORY S. LAND, APRIL 25, 1939

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the Congressional Record a most informative address delivered by Rear Admiral Emory S. Land, retired, Chairman, United States Maritime Commission, at a luncheon of the Chicago Rotary Club, Chicago, Ill., April 25, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The opportunity of speaking here today is one which I appreciate. I hope that we may benefit mutually by an exchange of ideas. For that reason I have informed your chairman that upon the For that reason I have informed your chairman that upon the conclusion of my remarks I shall be glad to answer any questions which I can from the floor. No holds will be barred. If you have something on your mind concerning the merchant marine and our program, let's have it.

One reason for my gratitude today is the fact that this is an audience representing many and varied business and financial interests. The merchant marine can do much directly for many of you. It is necessary to all of you.

I propose to tell you something of what the Commission has been doing and then, if I may, suggest how your cooperation and interest can contribute to the success of the program that Congress has

charged us with perfecting.

Some of you I am sure are familiar with the decline in quality and prestige of our merchant marine following the war. For a number of reasons the decline continued almost without interruption from 1920 to 1936. Those reasons I will not describe in The American merchant marine has too long had a past. we are much more interested in the future. I feel that it can be said today that with a thorough understanding of our problems on the part of the American people that future is brighter than

for many years.

The Maritime Commission was created under the Merchant Marine Act of 1936. It was charged with the responsibility of rehabilitating our merchant fleet. That involves replacements and additions to provide an adequate and well-balanced instrument of

trade promotion and national defense.

The Commission did not formulate a definite program until it had made a thorough and comprehensive study of all the problems in this most complicated and oldest of our industries. Some of us knew that a substantial and efficient merchant fleet was a national necessity. This was fully confirmed by our study which was undertaken by a group of experts and the staff of the Commission—experts in many lines, from finance to naval architecture.

There have been some who doubted, and I presume may still There have been some who doubted, and I presume may still doubt, the advisability of maintaining what is commonly described as an adequate merchant marine. Their memory does not go back to the spectacular experience of business and industry during the war. Millions upon millions of dollars were lost to American industry through lack of shipping facilities. Foreign markets passed into other hands, with a consequent loss which cannot even be reckoned.

found that shipping services throughout the world frequently improved upon the entrance of American-flag vessels into the trade. It tended to stabilize and in numerous cases even re-

duce existing rates.

The Commission wanted to avoid the waste and extravagance entailed in our wartime construction program. For that reason we projected our plans on a long-range basis. We have undertaken new construction on a 10-year schedule, during which time we plan to build a minimum of 500 new vessels. This we believe will provide a systematic and orderly replacement program. sible, of course, that it may be necessary to expand the undertaking. The extremely dangerous international situation reminds us, unhappily, of the importance a merchant marine must play in the national defense. I am not going into that in detail. I merely wish to call to your attention with some emphasis that the efficiency of a navy is dangerously impaired without a strong and a well-balanced merchant fleet. This fleet feeds and fuels the navy in time of emergency. That is a fact which in these times it is folly to ignore.

Today the record of our program includes 66 ships, several of which have already been launched. This, we believe, is the beginning of one of the best merchant fleets that science and engineering

skill can produce.

There is under construction at Newport News, Va., the largest liner ever laid down in an American shipyard. Her name will be America. She will stand as a symbol of the rehabilitation of our merchant fleet. Next spring she will enter the North Atlantic trade

merchant fleet. Next spring she will enter the North Atlantic trade as one of the finest and safest ships afloat.

Other ships are building in California, Florida, Pennsylvania, Massachusetts, New Jersey, and Mississippi. Please note that the work is reasonably well distributed.

Four of a series of 12 high-speed tankers already have been launched. They and their sister ships were ordered by the Standard Oil Co. of New Jersey. Because of certain vital national-defense features built into them, the Maritime Commission paid approximately 28 percent of the cost. They are remarkable vessels. Trials have shown that they develop approximately four times the horsepower of an ordinary tanker and are capable of a speed approaching 20 knots per hour loaded with almost 150 000 times the horsepower of an ordinary tanker and are capable of a speed approaching 20 knots per hour loaded with almost 150,000 barrels of oil. This makes them the fastest ships of their kind of which there is any reliable record. The Navy has acquired two of them and expects to buy a third; two more have been purchased by Keystone Tankship Corporation of Philadelphia. All will become available for naval service should an emergency arise.

In addition to the tankers, we are building several types of drycargo vessels, including four with the American Export Lines and three combination cargo-passenger vessels with the Mississippi

Shipping Co. Vessels under construction for our own account will

Shipping Co. Vessels under construction for our own account will be sold or chartered to private operators.

Last Saturday the first of the dry-cargo ships was launched at the yards of the Sun Shipbuilding & Dry Dock Co., Chester, Pa. This vessel and the other 19 of her design carry the names of 20 of the most famous clippers. It is hoped that in using these names something may be contributed to a revival of the spirit and enterprise which existed in our merchant marine when it was at its peak during the clipper days. The ship launched last Saturday was named *Donald McKay*, in memory of one of the greatest shiphuilders of all time. builders of all time.

Within a few weeks keels will be laid for a series of combination cargo-passenger vessels with accommodations for 68 to 100 passengers, depending upon the trade they enter. We propose to build a series of smaller cargo ships and we have on the drawing boards

plans for several liners.

From what I have said thus far you might assume that the Maritime Commission has no duties other than construction. I almost wish that were true. However, there is no need to discuss before this audience the complications involved in the Commissional sion's regulatory functions. It is enough to say that they impose an arduous burden upon this five-man board.

be interested, I think, in the improvement that has You will be interested, I think, in the improvement that has been brought about in steamship service between New York and the east coast of South America, a market for American products that can be of inestimable value. Last year the Commission established the "good neighbor fleet" of the American Republics Line, operating between New York, Brazil, Uruguay, and Argentina, with stops at Barbados and Trinidad en route. This service was operated from October 8 to January 1 by the Commission. On the latter date, it went under charter to Moore-McCormack Lines, Inc., of New York. We are confident that this operation will make a material contribution to our trade in South America and will supply a long-needed link in the friendly relations existing between us and our neighbors to the south. and our neighbors to the south.

The Commission spent over \$2,000,000 in equipping three of the finest ships of their type under any flag for this service.

named Argentina, Brazil, and Uruguay in honor of the three principal foreign countries they serve.

We have been gratified by the results to date. Passenger traffic has shown a steady increase since October and we have reason to believe that this will continue.

There are indications that within a reasonable length of time many of the existing difficulties involving exchange problems, import restrictions, and similar handicaps will be overcome. This will mean increases in cargo, both to and from the United States, and a healthier condition in general.

These conditions are improving right now.

Here in Chicago you are also interested in matters pertaining to domestic shipping. The Commission has under way at present an extensive survey and study of inland and lake shipping.

We have just completed a similar inquiry into coastwise and intercoastal shipping. Our domestic fleet, as distinguished from those vessels in the overseas trade, is operated by about 135 companies with 277 received of 1000 gross tops and over They constituted. panies, with 877 vessels of 1,000 gross tons and over. They constitute a majority of the tonnage of our merchant marine, and likewise constitute an essential part of our transportation economy.

We found that here, too, operations were being carried on primarily with vessels built during the World War. Many of them have passed the limit of their economic lives. Many others are approach-

ing obsolescence.

We also found that a number of the companies faced sharp com-petition in many instances from the railroads. Generally unsatisfactory economic conditions in the past also served to depress the industry as a whole. Instances of unsound business judgment and unwise practices were disclosed, including disbursal of dividends without adequate provision for replacements in the fleet.

The matter of replacements was the most pressing of all the

problems, both in connection with the fleet's strength and with its

efficiency, the latter vital to any reduction in operating costs.

The Commission, therefore, is faced with the problem of how to stimulate construction in the domestic fleet and in the overseas trade as well. The domestic operators, being protected by law from foreign competition, do not receive construction or operating sub-Our investigation did not disclose justification for under-

taking that type of assistance even now.

The Commission did conclude that stimulation might result from the introduction of what has come to be a common commercial policy—namely, trading in the old for the new. Consequently we policy—namely, trading in the old for the new. Consequently we asked the Congress for authority to accept vessels of 17 years of age or older as a credit toward the purchase of new ones. Their worth would be evaluated by the Commission on several bases, including scrap prices and the higher world-market value. This figure would be set up on our books as a credit and limited ex-

figure would be set up on our books as a credit and limited exclusively as partial payment on new construction.

We recently had to prohibit the sale by one operator of several of his ships to a foreign buyer. The transaction was considered contrary to the public interest. However, had the sale gone through, this operator would have received considerably more than three times as much as he could obtain in the domestic scrap market. This, it was felt, was an unavoidable injustice to the operator and at the same time prevented the undertaking of new constants. ator, and at the same time prevented the undertaking of new con-struction. Had our proposed "trade in" authority been available,

this situation could have been remedied to a great extent and new

this situation could have been remedied to a great castle construction undertaken promptly.

There is another matter which I think should be presented here.

You have undoubtedly heard criticism of service on American-flag ships. Certainly there have been occasions when it was justified. I would like to assure you that no general criticism of our merchant personnel can be supported in fact. True, there is room for improvement just as there is upon the ships of other nations. Unfortunately we Americans are prone to advertise our shortcomings; our foreign competitors do not. Right here I would like to say that the American merchant marine today stands upon the official records of the past several years as the safest in the world from the point of shipboard casualty.

Our merchant marine personnel are O. K. All they need is the

"will to do."

"will to do."

The Maritime Commission last year organized and established the United States Maritime Service, which provides an opportunity for licensed and unlicensed merchant personnel to obtain formal and valuable training. At present enrollment is limited to men with 2 or more years' experience at sea. Under this set-up we are operating one training station at Hoffman Island, in New York Harbor, another at Government Island, Oakland, Calif., and a third, where licensed men may take training, at Fort Trumbull, Conn.

There has been considerable opposition on the part of some organized seamen, but I am glad to be able to say that today on the east coast men who were almost violently opposed to this training system have gone through the school and come out enthusiastically

east coast men who were almost violently opposed to this training system have gone through the school and come out enthusiastically urging their fellow seamen to do the same. On the west coast the opposition is still vigorous, but I expect even there conditions will change within a comparatively short time.

We have facilities for training 300 licensed and 3,000 unlicensed men annually. We hope eventually to make available correspondence courses and other educational aids to the merchant personnel in general. Nor are we overlooking young men without previous experience. We hope to expand this activity to round out our whole program, which is aimed at developing a merchant personnel second to none.

second to none. I suggested earlier that there was a very definite and constructive part that you gentlemen should play in the program that is directed to restoration of our merchant fleet to its proper place upon the seas. I want you to remember that a merchant fleet is vital to our economy in peace and to our national defense in war. For that reason we must have a fleet strong and efficient, and we must have the whether it he owned myivately or owned by the Government. If reason we must have a fleet strong and efficient, and we must have it whether it be owned privately or owned by the Government. If you fail in your responsibility, it will, of course, be necessary for the Government to own a greater and greater share of the enterprise. However, with your cooperation our merchant fleet can continue not only as a desirable form of private enterprise, but it can be strengthened; it can provide better service with better ships, and it can become a most attractive investment. In shipping as in everything else, good management is a primary requirement, but the best management without adequate revenues cannot accomplished the desired results.

accomplished the desired results.

What is the situation today in this respect? Simply this: American ships are carrying less than 30 percent of our foreign trade. About 7 out of every 10 American citizens crossing the North Atlantic sail under a foreign flag. This situation, which seems to me hardly justifiable, makes doubly difficult restoration of our fleet to an appropriately healthy condition.

But, what, you ask, can be done about it? The answer to that question, gentlemen, rests with you. In this audience are men who control the import and export of large amounts of goods and products flowing into world trade. There are those in this audience who finance and extend the credit necessary to the conduct of this trade. It is within your power to designate shipping, where services are available, on American-flag ships.

I am not urging, nor would it be wise to do so, that all the world's trade, or that even all our own, be carried in American-flag ships, but surely 27 or 28 percent of our own is a pathetic share of that business.

business

but surely 27 or 28 percent of our own is a pathetic share of that business.

As I told the New York Board of Trade the other day, estimates have been made that, were our share in the carriage of our foreign trade to rise even to 35 or 40 percent of the total, the annual revenues of the shipping companies involved probably would increase some \$75,000,000, and more than half of that would go to lines which are now subsidized. You can figure for yourselves what such an increase would mean when I tell you that operating subsidies today are running something like thirteen millions annually. Give more business to American-fiag ships, and the Treasury of the United States can reduce its contributions to its support.

Given a fair and substantial share of our foreign trade, American shipping would find the majority of its existing problems eliminated. You are not to interpret my remarks on this subject as an effort primarily directed along lines of patriotic appeal. Surely we can and should take pride in seeing American merchantmen filled to the hatch covers with many cargoes. My suggestions today are made purely as a business proposition. You need not pay any premium for patronizing American-flag services. You are not being urged to indulge in philanthropy. You are being asked to examine this question yourselves. I think when you have, you will find that it is to your own interests to travel and ship under the American flag.

We ask for your help and your active cooperation. flag.
We ask for your help and your active cooperation.

Americanism

EXTENSION OF REMARKS

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

INTERVIEW WITH WILLIAM RANDOLPH HEARST

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Record an interview with William Randolph Hearst on the subject of Americanism, published in the New York Journal and American of Sunday, April 30, 1939, under the heading "Let America Set a World Example." The interview is by the well-known writer Damon Runyon, It gives in splendid form a historic résumé of the many patriotic services rendered over a long period of years by the distinguished publisher.

There being no objection, the interview was ordered to

be printed in the RECORD, as follows:

[From the New York Journal and American of April 30, 1939] "LET AMERICA SET A WORLD EXAMPLE," URGES W. R. HEARST—FAVORS PEACE, INDEPENDENCE, AND "FRIENDLY ISOLATION"—URGES RETEN-TION OF HISTORIC AMERICAN IDEALS AND POLICIES

(By Damon Runyon)

William Randolph Hearst is my ideal of a truly great American. "There is nothing new in Americanism. It is what the founding fathers put in the Declaration of Independence and the Constitution and into practical operation and that we have proceeded on for over 150 years with the most amazing success the world has ever known."

This is from an interview with him that I had on the occasion of his 76th birthday.

We are hearing so much about Americanism nowadays and so many people are discovering Americanism for the first time that I thought the views of a man who has made Americanism the very keynote of a long life would be interesting.

"In the short period of America's existence, we have accumulated more than half the wealth of the world and almost 100 percent of the peace and happiness of the world."

"I SEE NO REASON TO ALTER UNITED STATES POLICY"

William Randolph Hearst for nearly half a century has been preaching from the text Americanism and democracy. He was the apostle of Americanism long before many of those who have recently discovered it were born.

"I cannot see any reason for changing those plans and that policy, unless we are dissatisfied with having too much wealth and too high a standard of living or with having too much peace and progress."

progress."

As a young man and through his middle years, the voice of William Randolph Hearst was constantly heard in the land of the free trumpeting the tenets of the founding fathers and sounding his

own faith in his native country.

You go through the files of the Hearst papers from the still inkyodored copies of yesterday, on back down the years to the time of
their inception, and you will find that same strain running through
them like an echo of the national anthem—Americanism and

democracy.

democracy.

"What do we envy those foreign nations for? Their wars? Their depressions? Their poverty? Their persecutions? Their concentration camps and their bloody purges? Why should we adopt their theories and their policies, and why participate in their destructive conflict? That is the whole theory of the situation."

In days of national prosperity and consequent carelessness toward serious thought, it is conceivable that some of Mr. Hearst's readers wondered at his insistence in keeping the topic of Americanism constantly before them and were even bored. They could not see how it concerned them when things were going nicely and smoothly. That is exactly what Mr. Hearst was always trying to guard against—the inertia of the American public mind toward American spirit and American interests—toward Americanism in general.

against—the inertia of the American public mind toward American spirit and American interests—toward Americanism in general. That is why for nearly 50 years his voice has ever been booming out over the United States, calling on Americans to think American and to talk American and to be American.

"But in addition to theory we have the practical result of having departed from our peaceful Americanism in the World War. That showed us how great a folly such departure was. That proved to us, if we needed proof, that Washington and all the great American Presidents down to the time of Wilson were right in keeping us free from foreign entanglements."

WORLD WAR PROVED FOLLY OF MEDDLING

WORLD WAR PROVED FOLLY OF MEDDLING

I remember hearing, long ago, a couple of Mr. Hearst's editors in the office of the New York American discussing an editorial that had just come in from him. It was during one of those periods of public inattention toward anything but money making and amusement and this editorial was a regular old drum-ruffle on Americanism. One of the editors was a Johnny-Come-Lately to the service and he remarked:

"This Americanism seems to be the chief's phobia."

"Phobia?" said the other editor, who had been around there quite a spell. "That's no phobia—that's his religion."

Now, in the serenity of 76 years of life, Americanism remains a religion with Mr. Hearst, as I soon learned when I went to interview him—Americanism and democracy.

religion with Mr. Hearst, as I soon learned when I went to interview him—Americanism and democracy.

"So we have two things to guide us. First, proof of the wisdom of adhering to American principles in over 150 years of peace and progress, and second, the folly of departing from them in the consequences of the World War."

Mr. Hearst is easy enough to interview after you get to him, and I was fortunate enough in getting to him with a celerity that caused me to reflect on other occasions when I was not so lucky. It struck me when I was interviewing him this time that he had not greatly changed in physical appearance since then, though it was years ago, and that he had changed not at all in courtesy and patience.

and patience.

When he thought he was talking a little too fast for my note taking during the interview, he slackened his vocal speed or came to a stop and waited until I caught up, as when I asked him what he thought of a policy of isolation for America.

"I FAVOR ISOLATION TO KEEP OUT OF WAR

"I favor an isolation policy as far as adhering to American principles and keeping out of foreign wars is concerned. We have never been completely isolated. We have traded with all the world. We welcome the friendship of all the world. We have had the admiration and respect of all the world."

His big frame was relaxed in a chair, his long legs crossed, his functor expectations to what has a chair, his long legs crossed, his

His big frame was relaxed in a chair, his long legs crossed, his fingers sometimes toying with the charm on his watch chain or pulling at his upper lip when he was giving consideration to a question. He watched our pencil flying across the note paper. "We want the benefits of those friendly contacts, but if anyone means we should take part in the prejudices and persecutions of Europe and in the antiquated theories of despotic government, that we should seek the level of their wage standards and industrial standards, I say 'no'; let's maintain a policy of isolation as far as those matters are concerned." far as those matters are concerned."

"LET NATIONS FOLLOW AMERICA'S EXAMPLE"

You do not have to ask Mr. Hearst many questions. You ask one to indicate the thought you are trying to capture and he talks to that question with great clarity until he has answered it

completely.

Of course, Mr. Hearst is a newspaperman himself and that makes a big difference. Moreover, I was interviewing him on a subject on which he has talked and written more than any other man in

the United States.

"Let's keep out of international conflicts. Let's keep out of class, racial, and religious conflicts. Let's maintain the liberty and tolerance and fraternity and opportunity which have made us a unique and isolated example of human progress. In other words, let the less happy, less peaceful, less successful nations of the world follow our example, and let us not follow theirs."

I asked Mr. Hearst if he thought there would be a war. That is the question everybody is asking nowadays. He talked for some time on the matter:

is the question everybody is asking nowadays. He talked for some time on the matter:

"I don't think there will be a war because, in the first place, no nation wants war. In the second place, no nation can afford it economically, politically, or socially.

"Every government realizes what another great war would mean to it. The consequences, win or lose, would be worse than the World War."

"BUNDS ARE OFFENSE AND MENACE TO UNITED STATES"

We asked him what he thought of those organizations in America

We asked him what he thought of those organizations in America of foreign-born such as the so-called bunds.

"They are an irritation and an offense, and to a certain degree a menace. I do not think an overt act is any worse than a secret or a subversive act. We are threatened on the one hand by fascism and on the other hand by communism. It isn't necessary to decide which is worse. It is only necessary to realize that both of them are offenses against our generosity and outrages against our liberty."

He paused as if in thought, his fingers pulling at his upper lip. He has strong-looking hands. He likes very fancy neckties though otherwise dresses quietly and in garments that fit him loosely.

"I believe in free speech, but not in freedom to destroy the political system which provides and protects free speech. I believe

political system which provides and protects free speech. I believe in liberty, but not in liberty to undermine our liberties.

"I would protect our liberties by deporting those trying to destroy

our liberties.

"If these malcontents prefer political systems and conditions which exist in other countries, let them be transported to those other countries and live under those conditions. There is nothing

very drastic about that program."

He added that he thought if we have a right to prevent undesirables from coming into this country, we have a right to prevent undesirables from remaining in this country.

"This United States should be a nation for desirables and for people who love liberty and know how to exercise it and preserve it—who know how to use it and will not abuse it."

He thought there could be a great deal of overdiscussion of racial and religious questions and that such overdiscussion sometimes makes people think they ought to take sides, when, as a matter of fact, there is no real basis of prejudice or persecution in this country on which to base that discussion and dissension.

"The greatest single problem—quite as great as the war problem—is whether America as we know it can continue to exist. Whether

American individualism and successful industry can continue under the present back-breaking burden of taxation. Personally, I don't think it can possibly do so."

He said if taxation continues as it is, the private enterprises will be largely driven out of existence and we will have an entirely new system, a socialization of industry and regimentation of the in-

That's close to the totalitarian theory

"That's close to the totalitarian theory."

Mr. Hearst said it does not make any difference under what theory you reach this result—whether it is under the theory of communism, which produced Stalin, or under the theory of State socialism, which produced Hitler and Mussolini.

He said the people must compel the Government to be economical and efficient—to do what it is paid to do; to do what it is elected to do, which is to run the Government in the interest of the people and not regiment the people in the interest of the people and not regiment the people in the interest of the politician.

"We still have the democratic processes under which this can be accomplished, but if we wait long enough, even those democratic processes may be taken away from us. However, I do not despair. I believe in democracy because I believe in the ultimate wisdom and justice of public opinion.

"Sometimes," he said, "it takes the people a little longer than we think it should to make up their minds and take action, but they generally make up their minds wisely and take the right action.

"It took us 10 years to get rid of that particular regimentation known as prohibition, but the people finally decided that it was an unwise invasion of their personal liberties and they eliminated it.

"I believe the people are being thoroughly aroused to the disastrous effect of overtaxation and that they will correct that situation and correct it thoroughly and get rid of all the wasters and all the prodigal sons. If they don't, it will not be the prodigal sons but the American people who will eat the husks."

I sat thinking that here was a man who had seen all the great social upheavals in the United States for generations past—who

sons but the American people who will eat the husks."

I sat thinking that here was a man who had seen all the great social upheavals in the United States for generations past—who had seen the Nation change its manner of living and mode of thought, not once but a dozen times, and who had been an active figure in most of those changes. I asked Mr. Hearst what period, in his experience, had produced conditions similar to those of today. He said the second Cleveland administration.

"We had the same hard times, the same visionaries, the same malcontents, the same disbelievers in American principles. We had Herr Most and his theory of anarchy instead of Karl Marx and his theory of communism.

his theory of communism.

"SOUND AMERICANISM" TERMED SOLE NEED

"What corrected that situation was the eventual triumph of sound Americanism, and that is all that is needed to correct the present situation."

present situation."

I asked him what he considered the most thrilling period of his newspaper career, and he said it was the time he came out of the West and invaded New York City, buying the Journal from John R. McLean and starting out to rival the great Pulitzer. He thought the Spanish-American War was a mighty exciting newspaper period and told me about the Journal yacht following the American fleet through the Battle of Santiago.

The Americans drove the Spanish ships ashore and Mr. Hearst landed and captured 27 prisoners, though he said it was not a heroic feat because they wanted to be taken. Then he said he had quite a time turning them over to the American forces.

CALLS NEWSPAPERS "VOICE OF THE PEOPLE"

He tried to deliver them aboard the battleship Texas, but the commanding officer ordered him off in great irritation, saying: "We don't want any yellow fever on this ship."
Finally, Mr. Hearst induced the commanding officer of the converted liner Harvard to accept his prisoners and give him a receipt. Richard Harding Davis, Frederic Remington, Karl Decker, Stephen

"Ah, well. We were young. It was adventure."

He talked of some of his great editors and publishers of another day—Arthur Brisbane, Sam Chamberlain, Arthur McEwen, Dent Robert, and others, and of some of his former writers, such as Ambrose Bierce, his greatest columnist, and Alfred Henry Lewis,

Ambrose Bierce, his greatest columnist, and Alfred Henry Lewis, his greatest political commentator.

"But news is the most important thing to a newspaper. Features are fine, but they are lagniappe. An editorial page is good for character and occasionally makes circulation, though not in ordinary times. I like pictures. It is a pictorial age. But news is most important of all."

HOPES FOR LEADERSHIP "BACK TO AMERICANISM"

I asked him what he considers the newspaper's duty to the people. He said its first duty is to give the people voice and expression of their views and sentiments and that a paper is chiefly influential when it does that.

He was obliging and entertaining as he responded to my questions about newspapers, but his thoughts seemed to be lingering with our original discussion—Americanism. That, I think, is even

nearer and dearer to his heart than his papers. His mind traveled

hearer and dearer to his heart than his papers. His hind traveled back to the subject before I left.

"All that is needed to correct the present situation is a realization that the Declaration of Independence does not belong to the oxcart age and that the benefits of the Constitution are not limited to the horse-and-buggy age, and that Washington, Jefferson, Jackson, and Lincoln are not back numbers. All we need the contract of the constitution are proposed to the contract of the contract son, Jackson, and Lincoln are not back numbers. All we need today is a good, sound American to carry out the American ideal."

Long afterward I kept thinking of one remark during this inter-

view with a great American:

"I do not despair. I know that somewhere there is a good, sound American who will lead us back to good, sound Americanism."

Unemployment Compensation

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 4, 1939

ADDRESS BY HON. WILFRED JESSUP

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech of Hon. Wilfred Jessup, a distinguished lawyer of Richmond, Ind., and a member of Indiana's Unemployment Compensation Commission, on the subject of unemployment compensation delivered before the Indiana section of the United States Chamber of Commerce on the night of May 3, 1939, at the Mayflower Hotel in Washington, D. C .:

OBJECTIONS TO PROVISIONS OF BYRNES BILL AFFECTING UNEMPLOYMENT COMPENSATION

The two immediate fundamental objectives of unemployment compensation, as embodied in the social-security program, are (1) to insure workers against the hazards of unemployment, and (2) to aid in bringing about stabilization of employment.

Underlying and entwined in these two specific objectives is the

eneral principle that unemployment compensation, if it is to be successful, should contribute constructively to the country's economic well-being—and that means to the economic well-being footh employees and employers in industry. If successful, it must help to create employment, and not to destroy employment. To be successful its benefits must outweigh its costs. If the process of the process providing insurance against the hazard of unemployment becomes such a load on the economic machinery of the country that addi-tional unemployment is created thereby, then unemployment com-

pensation obviously becomes a failure.

Objections to the proposed Byrnes committee amendments affecting the unemployment-compensation program may be summed up in the statement, and this statement is not exaggerated, that the amendments constitute a major stride toward the defeat of the underlying principle and the fundamental objectives of the

It is significant that unemployment compensation is conceived It is significant that unemployment compensation is conceived as insurance against the hazards of unemployment. It is based, to as great an extent as practicable, on insurance principles. Certain sums, the amount of which are based on an individual's earnings, are set aside for him as insurance. Unemployment compensation is an insurance and not a relief program. It does, of course, provide relief at a time when relief is needed, but in the same manner that sickness or fire insurance provides relief when relief is needed. When unemployment compensation attempts to take on the outright relief functions now performed by other governmental agencies and private charities its break-down is assured, just as the break-down of a private insurance company that abandoned insurance principles in the payments to policyholders would be assured. assured.

The second immediate objective, stabilization of employment, is

calculated under the unemployment compensation program to be attained in two ways. One is the pouring of reserve money into the channels of trade when employment is falling off, thus lesthe channels of trade when employment is falling off, thus lessening the shock and protecting consumer buying power. The more direct factor is the offering to employers of a practical incentive for the stabilization of employment in their own plants and industries. This incentive is the opportunity—in those States with workable merit rating provisions in their laws, of which Indiana is one—for employers to reduce their unemployment compensation pay-roll taxes by planning their operations so as to provide steady employment in their establishments.

Amendments affecting unemployment compensation that are incorporated in Senate bill 2203 should now be examined for their effect on the unemployment-compensation program as a whole

and, more explicitly, for their effect on the excellent program developed in Indiana.

The requirement that unemployment compensation pay roll

The requirement that unemployment compensation pay roll taxes be geared in each State to produce the equivalent of an average tax of 2.7 percent on all pay rolls would, first of all, sound the death knell, for all practical purposes, to State merit rating provisions offering the incentives for employers to stabilize employment. Merit-rating provisions that still might be possible under such a requirement would be so difficult to administer and restricted to such narrow limits as to be virtually worthless. Under this requirement, tax-rate reductions for employers with stabilized employment could be granted below the 2.7-percent level only to the extent that the reductions were offset by revenue from "penalty" rates in excess of 2.7 percent. Increases in penalty rates, imposed on employers not carrying their own load in the program, sufficient to broaden the merit-rating limits to any extent obviously would be prohibitive.

would be prohibitive.

Application of the 2.7-percent average rate requirement to Indiana would nullify what employers of the State believe is one of the soundest and most workable set-ups encouraging stabilizaof the soundest and most workable set-ups encouraging stabiliza-tion of employment that can be found in the unemployment com-pensation programs of any States in the country. Under the Indiana individual-reserve partial-pool type of fund with merit rating, employers are encouraged to build up their own reserves by the opportunity to earn tax reductions thereby, and at the same time they contribute to a general pool which guarantees to every worker—even though he may have been working for an em-ployer who has failed to build up a reserve—full payment of all benefits to which he is entitled.

benefits to which he is entitled.

Further aspects of the effect which the 2.7-percent average tax requirement would have toward increased costs of the program will

be discussed later.

Violation of insurance principles of unemployment compensation is embodied in the dual requirements of the Byrnes committee bill that weekly benefit amounts be computed on the basis of full-time that they be paid for a minimum of 13 weeks. that weekly benefit amounts be computed on the basis of full-time weekly earnings and that they be paid for a minimum of 13 weeks. In other words, total benefits payable would be based not on what an individual actually had earned and on which pay-roll taxes had been paid, but on a formula involving what an individual would have earned had he been working full time at his regular rate of pay, multiplied by the arbitrarily fixed duration of at least 13 weeks. The combined full-time earning base and minimum 13-week duration actually is a compromise between insurance principles and an outright relief basis for the unemployment-compensation program, with the implication that the relief basis would be the next step. Those who believe sincerely in the unemployment-compensation program must agree that abandonment of insurance compensation program must agree that abandonment of insurance principles and acceptance of the relief concept would endanger seriously the soundness of the program.

Under the Indiana benefit formula the weekly amount is determined on the basis of actual earnings in the calendar quarter of highest earnings among the first 4 of the last 5 completed calendar quarters of an individual's employment. Despite this somewhat complicated explanation, the formula actually represents one of the simplest methods yet devised of approximating full-time earnings for the purpose of computing the weekly benefit amount. It is assumed that within the year's period of employment an individual has had in most instances at least one quarter of full-time work. Thus the Indiana formula is in approximate compliance with the proposed requirement of relating weekly benefit amounts to full-time weekly earnings. However, the Indiana formula then bases duration of benefits—or total benefits payable, up to the maximum of 15 weeks of benefits—on actual earnings in the base period of five and a fraction quarters, rather than following the plan of paying benefits for a fixed period of time. Therein lies the major departure from the Byrnes committee bill requirements in respect to total benefits payable.

At this point it would be well to examine another very important Under the Indiana benefit formula the weekly amount is deter-

Ments in respect to total benefits payable.

At this point it would be well to examine another very important objection to the weekly full-time wage-base requirement. States that have attempted to adhere strictly to a weekly full-time wage base for the computation of benefits have encountered almost insurmountable administrative difficulties, even when the plan of using the most recent wage rate is followed. Employers are confronted with reporting tasks and administrative agencies with computing and record-keeping tasks involving weekly and hourly rates. pronted with reporting tasks and administrative agencies with computing and record-keeping tasks involving weekly and hourly rates of pay, hours actually worked, full-time working schedules, and similar detailed matters. Difficulties of deteremining in many instances exactly what constitutes regular rates of pay and full-time working schedules are obvious. Studies show that administrative costs of State programs, including the connected employment services, now range from 8.7 to 24 percent of contributions collected. (The administrative cost in Indiana for 1938, including the employment service, was about 14 percent of contributions.) With administrative costs already quite high and simplification of the program an aim, it would appear to be wholly unwise to augment administrative complexities and difficulties.

Under a fourth requirement of the Byrnes committee bill, waiting Under a fourth requirement of the Byrnes committee bill, waiting periods preceding payment of benefits would be shortened to 1 week of total unemployment. The Indiana law now specifies waiting periods of 2 weeks of total or partial unemployment. Purposes of the waiting period are to encourage unemployed individuals to seek new employment during a short period in which they still are living on their own resources, and to provide time for administrative procedures to be carried out. Practical effects of the shortening of the waiting period would be to create added administrative difficulties in carrying out the registration and benefit payment procedures on time; to cut 1 week off the end of the benefit period, when it is most needed by the individual, and add it to the beginning of the period; to reduce the incentive for individuals to seek new employment, and to increase benefits paid in cases of short, temporary lay-offs.

While it is certain that provisions of the Byrnes committee bill

would result in a substantial increase in benefits payable out of the Indiana unemployment-compensation fund, figures on which can be based an exact computation of such an increase are not available. A conservative estimate is that the proposed amendments would increase the financial drain on the fund 15 to 20 percent.

Benefits paid in the first full year of benefit payments—April 1, 1938, to April 1, 1939—amounted to \$20,258,271. A 15- to 20-percent increase would have amounted to \$3,038,740 to \$4,051,654. At the present time benefits are being paid at the rate of about \$1,000,000 a month. A 15- to 20-percent increase applied to the present monthly basis would amount to about \$150,000 to \$200,000 a month.

The estimate of a 15- to 20-percent increase in benefits payable in Indiana if the Byrnes committee amendments were enacted is based in the main on figures indicating the 13-week minimum duration requirement would increase benefits payable to at least 12 percent. In addition to that, the requirements shortening the waiting perod, relating benefits to full-time weekly wages, and establishing a \$5 minimum-benefit amount would increase the

benefits payable in an unpredictable amount.

benefits payable in an unpredictable amount.

During the first full year of benefit payments, the average duration of benefits established by eligible applicants was about 12½ weeks. If the 13-week minimum were established and the present 15-week maximum remained in effect, it could be assumed that the average duration would be about 14 weeks, or an additional week and a half of benefits for each of the 207,455 applicants who established benefit rights during the first year of payments in Indiana. Those figures applied to the average weekly benefit amount of \$12.34 would indicate the 12-percent increase growing out of the 13-week-minimum duration requirement.

This 12-percent increase estimate obviously is extremely conservative in one respect. It is obtained by using figures for the first full year of benefit payments, during which the total benefits payable, and the duration of benefits, were much larger than they will be under normal circumstances in subsequent years.

While the foregoing figures indicate the immediate cost effect of the Byrnes committee amendments on the Indiana fund, they are far less significant than a consideration of the ultimate, overall effect in adding to the burden that must be borne by industry. If the incentive for stabilization of employment is to be removed,

all effect in adding to the burden that must be borne by industry. If the incentive for stabilization of employment is to be removed, the ultimate effect can only be more benefits paid out to individuals in the place of wages they would receive for working under a stabilized program. If unemployment-compensation pay-roll taxes are to be continued indefinitely at an average rate of 2.7 percent, it may be taken for granted that ways will be devised to accelerate the outgo from the State fund to approximate the income. If business is to continue to be dwarfed by a tax load that it cannot afford to carry, the result can only be more unemployment, and hence more unemployment-compensation benefits.

Business in Indiana subject to the unemployment-compensation program had a \$900,000,000 pay roll in 1937 and a \$629,000,000 pay roll in 1938. At the 1937 pay-roll level, business of the State would be compelled to look forward to the payment, indefinitely, of \$27,000,000 a year in State and Federal unemployment-compensation pay-roll taxes—should the requirements of the Byrnes committee be imposed. At the 1938 pay-roll level, the annual bill would be \$18,870,000.

\$18.870,000.

But if the present Indiana program is allowed to stand without interference, it is probable that the annual unemployment-compensation tax bill on Indiana business eventually will be reduced automatically to somewhere in the neighborhood of \$12,000,000 or less.

Any consideration of the need of business for all possible relief from unemployment-compensation taxes must take into account

from unemployment-compensation taxes must take into account the very important factor of the scheduled increases, under the present social-security law, in the Federal old-age annuity taxes. These taxes are scheduled to jump from 1 percent to 1½ percent each on the employer and the employee in 1940, continuing upward at one-half of 1 percent jumps each 3 years until the maximum of 3 percent paid by the employer and 3 percent by the employee is reached in 1949.

The same Indiana pay rolls that contribute to the unemployment compensation program will be forced in 1940—assuming the 1937 pay-roll level of \$900,000,000—to shoulder an increase in the old-age annuity tax of \$4,500,000 on the part of employers and another \$4,500,000 on the part of employees, minus some deductions by reason of the fact that the annuity tax is not paid on earnings of persons 65 years of age or more or on salaries in excess of \$2,000

earnings of persons 65 years of age or more or on saiaries in caces of \$3,000.

Although the Byrnes committee bill amends all phases of the Federal Social Security Act, it ignores the recommendations of Secretary Morgenthau concerning possible reductions in the schedule of old-age annuity taxes. Should the bill be adopted, it would prescribe for Indiana pay rolls subject to the unemployment-compensation program, with some exceptions, a pay-roll tax bill in 1949—still assuming the 1937 pay-roll level—of \$27,000,000 for unemployment compensation and \$27,000,000 for old-age annuities, paid by employers, and another \$27,000,000 for old-age annuities, paid by employees. This amounts to a grand total of \$81,000,000, or 9 percent, but leaves out of consideration the old-age annuity

tax on employers of less than eight persons and the somewhat compensating exemption from the payment of old-age annuity taxes on salaries in excess of \$3,000 a year and on earnings of persons who have reached the age of 65.

Arguments have been advanced in support of the proposed aver-

age State rate of 2.7 percent on all pay rolls for unemployment compensation to the effect that such a rate is necessary to protect the financial stability of a State program. Such arguments, as applied to the Indiana program, appear to be without substance.

In Indiana, when payment of benefits began April 1, 1938, the balance in the State fund was about \$27,000,000. The first year

of benefit payments were made under conditions of most severe strain on the fund. Characteristic of unemployment-compensation programs, the start of benefit payments always constitutes a period of heavy payments. Added to that was the fact that bene-fit payments started at a time when industry was in a low point fit payments started at a time when industry was in a low point of the late 1937 and early 1938 economic recession. Yet after a full year of benefit payments, under such conditions, the balance in the fund on April I, 1939, was about \$24,324,000.

More significant in respect to the trend of the fund under somewhat normal conditions was the fact that the balance in the fund grew \$1,607,435 in the first calendar quarter of 1939.

Under provisions of the Indiana law no employer's tax contribution to his own reserve fund will cease until his reserve has reached 15 percent of his preceding calendar year's pay roll—an amount

tion to his own reserve rund will cease until his reserve has reached 15 percent of his preceding calendar year's pay roll—an amount sufficient to pay all his employees all benefits to which they are entitled if his plant were shut down permanently. If every Indiana employer were able eventually to build up a 15-percent reserve, the State unemployment-compensation fund would accumulate \$135,000,000, assuming the 1937 pay-roll level of \$900,000,000. This would be a sufficient reserve to pay every eligible employee in Indiana the full amount of the cash benefits to which he would be entitled.

be entitled.

It is obvious that a point never will be reached at which all employers of the State will have established 15-percent reserves. It is

ployers of the State will have established 15-percent reserves. It is equally obvious that the State does not need to anticipate such severe conditions as the complete shut-down of all industry and the full payment of all benefits to which all workers are entitled. Actually, under the Indiana law, many employers under normal conditions will in a relatively short period of years establish their 15-percent reserves, others will approach that point more gradually, and others never will establish any substantial reserve. Safeguards guaranteeing the payment of benefits to all eligible workers lie in these phases of the program:

these phases of the program:
1. If an employer's individual reserve becomes exhausted, benfits are paid out of the State pool, to which all employers contrib-ute a flat rate of 0.135 of their pay rolls, and to which is credited interest received on State funds in the custody of the Federal

Government.

Government.

2. If an individual employer is not carrying his own load—that is, if his individual reserve goes into a deficit—his tax will be increased to 3.7 percent for at least 1 year, continuing until the State pool has been reimbursed for benefits paid in his behalf.

3. As an additional protection to the now-growing State pool, the State unemployment-compensation board is empowered, if the bal-

State unemployment-compensation board is empowered, if the balance in the pool falls below \$3,000,000, to increase the contributions to the pool on the part of all employers to a flat 1 percent of all pay rolls.

Thus under the Indiana program the contribution rates are geared to meet the financial needs of the program—expanding and contracting as needs arise and at the same time rewarding those employers who succeed in stabilizing their employment. The Byrnes committee bill differs radically in that it would eliminate the rewards for stabilization, would establish a fixed taxation level, and would tend to great certs of the program and the contraction. and would tend to gear costs of the program upward to the taxation level.

Requirements of the Byrnes bill in respect to unemployment

Requirements of the Byrnes bill in respect to unemployment compensation are:

1. All States would be required, regardless of merit-rating variations among individual employers, to levy pay-roll taxes that would produce the equivalent of a 2.7-percent levy on total pay rolls of employers subject to the unemployment-compensation programs. The Indiana law now provides for the individual reserve partial-pool type of funds, with merit-rating provisions calculated to meet adequately the financial needs of the program, but it does not attempt to perpetuate an arbitrary 2.7-percent level of taxes. After reserves have been built up to levels making the merit-rating provisions effective, the financial needs of the Indiana program and employment records of individual employers automatically will control rates of contribution.

2. A minimum 13-week duration of benefits for totally unem-

2. A minimum 13-week duration of benefits for totally unem-

ployed eligible individuals would be required.

Indiana now bases duration of benefits within a maximum of 15 weeks on actual earnings of an applicant in his base period of five and a fraction quarters. Total benefits to which an eligible appliweeks on actual earnings of an applicant in his base period of live and a fraction quarters. Total benefits to which an eligible applicant is entitled are 15 times his weekly benefit amount or 16 percent of his earnings in the base period, whichever is the lesser.

3. The waiting period for eligible applicants would be shortened to 1 week of total unemployment.

Indiana now requires 2 weeks of total or partial unemployment as a waiting period, on the assumption that such a period is a reasonable length of time during which an individual is to look for new employment while living on his own resources.

4. States would be required to relate weekly benefit amounts to full-time weekly earnings—or to the earnings which an employee would have received had he worked full time at his regular rate of pay-and to meet specified minima ranging from \$5 to \$15.

Indiana follows the much simpler plan of computing weekly benefit amounts on the basis of actual earnings in the calendar quarter of highest earnings among the first 4 of the last 5 completed calendar quarters of an individual's employment. The specified minimum amounts would affect the Indiana program only to the extent of increasing the absolute minimum amount from \$2 to \$5.

5. State programs would be administered under "merit" systems

approved by the Federal Social Security Board.

This would make the present merit-system administration in Indiana subject to Federal approval and implied regulation.

It is significant in this, as well as in the proposals affecting merit rating and method of computing benefits, that the underlying aim appears to be Federalization of unemployment compensa-tion. There has been a very apparent unwillingness on the part of many of the social theorists in this field to accept the thinking of many of the social theorists in this field to accept the timking developed from actual experience with the administration of the system and with the operation of a business, out in the States. Indiana has done a notably good job in administering its law, partly because it has had a competent administration, partly because of the cooperation of both employers and employees affected, and partly because its law, with simple method of computing benefits, makes all this possible.

Shall It Be War or Peace?

EXTENSION OF REMARKS OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, May 4, 1939

RADIO ADDRESS BY HON. DANIEL A. REED, OF NEW YORK, MAY 3, 1939

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address made by me recently over the radio:

Ladies and gentlemen of the radio audience, President Roosevelt for some time past, has made direct attacks upon the rulers of certain nations with which this country is at peace. This conduct on the part of our Chief Executive is unprecedented in the annals of our history, and nothing he could have done would have been more likely to engender resentment and hostility than to publicly criticize and abuse the rulers of nations with which the United States has long enjoyed friendly diplomatic relations.

If President Roosevelt had not taken sides in the foreign controresident Roosevelt had not taken sides in the bright conduct in harmony with the rules of neutrality, he might have become the greatest peacemaker in history, but after having involved himself in the pending foreign disputes he lost this opportunity and became merely a meddler. I believe that enough has taken place to make all good citizens realize that the interference of President Roosevelt in European and oriental affairs which do not concern this Nation is a dangerous departure from sound Executive conduct.

in European and oriental affairs which do not concern this Nation is a dangerous departure from sound Executive conduct.

I maintain that under our form of government it was never intended by those who founded this Republic that any President should use his official prestige to create a situation by which a free people might be forced unwillingly into war. For a Chief Executive to pursue such a course is a transgression, if not a usurpation, of power never contemplated by the American people. To permit a President to exercise such power is in violation of a fundamental concept of our Constitution. Abraham Lincoln, in discussing the constitutional power to declare war, made these observations:

"The provision of the Constitution giving the war-making power to Congress was dictated, as I understand it, by the following reasons: Kings had always been involving and impoverishing their people hn wars, pretending generally, if not always, that the good of the people was the object. This our convention understood to be the most oppressive of all kingly oppressions, and they resolved so to frame the Constitution that no man should hold the power of bringing this oppression upon us."

I say here and now that the violation of this principle by President Wilson brought its oppressions, and the people are still suffering from them. There is no reason, none whatever, why the citizens of this country should suffer or permit President Roosevelt to violate the spirit of the Constitution, and thus bring down upon them oppressions as great or greater than those which resulted from the Movel War Engley congression from them war and the New Engley congression was a suffering them them was and the people are still the world War. Engley congression that war and the New determine the Mexiculation of the Service o

them oppressions as great or greater than those which resulted from

them oppressions as great or greater than those which resulted from the World War. Enough oppression from that war and the New Deal experiments are quite sufficient, without having our country participate in another foreign armed conflict to add further to the crushing oppressions which are people are now suffering.

All this lack of neutrality, which inevitably builds up a war psychology, happened in 1917 when Europe was actually at war and when American rights were being interfered with by both sides. How infinitely worse is the situation today, when the administration has dropped all pretense of neutrality and has definitely

taken sides when there is no war and when the various European nations are doing all in their power to prevent war. The President, in drumming up a war spirit in time of peace, is not only endangering his country but is making it harder for the nations of Europe to carry through their processes of appeasement. They have not forgotten what war means and are determined to avoid another disaster. Our highest officials are scratching matches while they are sitting on the powder kees. are sitting on the powder kegs.

are sitting on the powder kegs.

It is quite unnecessary to call attention either to the cost of the last war or to speculate as to the probable cost of another World War. Terrible and horrible as the last war proved to be, destructive as it was to property and to human life, the instruments of death and violence then cannot be compared with the efficiency of modern implements of human destruction which are now available for wholesale slaughter of human beings and the demolition of the products of civilization.

the products of civilization.

the products of civilization.

The cost to the nations involved in the last war is estimated at \$200,000,000.000. Can any person conceive what the cost of a modern world war will prove to be? Millions of lives were sacrificed then, and among them thousands of innocent women and children. Villages were blotted from the map. Large parts of industrial cities were wiped out. The cost to our own Nation was over \$51,000,000. Our own Army casualties were 350,300 men—all this in only a few months of extual fighting.

only a few months of actual fighting.

The heartaches and the suffering of our soldiers and their parents, wives, and children have been pouring over my desk for over

Is our Nation in financial condition to engage in another foreign war? No; certainly not! Would not this Nation be pauperized by a violent inflation? Would it not mean an immediate change in our form of government? Without participation in a war during the last 7 years the national debt is so large it staggers the imagination. Yet clamor for war emanates from our high official quarters. Where does this Nation stand financially? Vast sums, collected through taxes, have been spent. But this is not all. The administration has borrowed over \$16,000,000,000, and this also has been spent. The result is an intolerable burden of each even without The result is an intolerable burden of debt, even without another war.

It must be remembered that in addition to the national debt of It must be remembered that in addition to the national debt of \$39,950,000,000 there are other Government obligations in the hands of the public, fully guaranteed by the Government, amounting to \$5,416,700,000. The whole story of the public debt does not end with these figures, because there are authorized, but unissued, guaranteed obligations amounting to \$9,485,000,000. Once these authorized obligations are issued the crushing debt burden resting upon the shoulders of the people will be some \$60,000,000,000. I ask you in all candor, Is the United States financially prepared for another war?

ask you in all candor, Is the United States financially prepared for another war?

But there is something far more important to consider than the cost of another war in dollars and cents. The cost in lives and suffering must not be ignored. I call attention to the fact that in addition to our own Army casualties in the World War—350,300 men in just a few months of fighting—we have today 66,898 service-connected World War mental cases receiving care by our Government. They are all cases where mental disease is the major allment and of service connection. The number of these tragic victims of the last war is increasing and will continue to increase. These 66,898 mental cases were hows 20 years ago and were then accented. 66,898 mental cases were boys 20 years ago and were then accepted for duty by their Government as sound mentally and physically.

for duty by their Government as sound mentally and physically. Today they are pitiful human wrecks.

I am astonished to see by the Gallup poll that the number of those in favor of sending our boys into a European war has increased from 5 percent to 16 percent. How can this happen unless through continual suggestion that war is inevitable? It would be interesting to know the names of the 16 percent and their motive for writing to send our how into another foreign shample. These for voting to send our boys into another foreign shamble. These persons should have an opportunity to embark on the first trans-port for the front when and if this Nation enters the fight

overseas.

I am sure that in the light of past experience the reckless and intemperate public utterances of President Roosevelt and members of his Cabinet, relating to our foreign relations, have alarmed the citizens of this country. We all know that to the average father and mother the term "war" is almost synonymous with wholesale murder. It would seem to me that it would be more in keeping with the dignity and wisdom of the Chief Executive at a time when the United States is at peace with all the world, to remember that as President he is the trustee of the lives of millions of his fellow citizens. I do not conceive it to be the function of a President of the United States to engage in foreign controversies that do not concern us as a Nation. The belligerent attitude that President Roosevelt has assumed toward some nations, and the that do not concern us as a Nation. The belligerent attitude that President Roosevelt has assumed toward some nations, and the partiality he has shown for others is something for which this country may pay dearly in years to come. I maintain that the President has violated the fundamental principles of our foreign policy as laid down at the very beginning of our Government. The wise admonition of George Washington to his fellow countrymen with reference to the policy that should be followed in our relations with foreign nations is familiar to almost every citizen, but even so, it is timely to mention what he had to say. I quote from his farewell address:

"The nation which includes toward another an hebitual batrad."

"The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest.

"Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of

umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence frequent collisions, obstinate envenomed and bloody contests.

"The nation, prompted by ill will and resentment sometimes impels to war the government, contrary to the best calculations of profiler."

I am sure that we all read with profound astonishment the speech made by President Roosevelt in Chicago on October 5, 1937, in which he characterized certain nations as diseased and therefore subject to quarantine. If these are not words prompted by ill will, I can consider of near that one

conceive of none that are.

The statement made by President Roosevelt at a press conference on April 11 came as another shock to the American public, except on April 11 came as another shock to the American public, except perhaps to a small minority whose zeal for war far transcends any desire on their part to personally participate in the actual fighting when and if war is declared. I claim it is an astounding violation of Executive power to pledge this country to support certain foreign nations in the event of a European war. It is an assumption of aribtrary power surpassing that of the rulers which the President so violently berates.

The precedent which Woodrow Wilson established in ignoring the advice of George Washington seems to be the one that is now being followed by our present Chief Executive. When I speak of the advice given by Washington I have in mind not only the part of his Farewell Address already quoted but to that portion where he suggests that—

"Europe has a set of primary interests, which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmittes."

I cannot believe that American citizens have lost their reverence for those who fought to establish our freedom, and who later framed the Government under which we have lived and prospered for the past 150 years. Out of the mental confusion arising from war propaganda, daily and hourly pouring in over the radio and appearing in the press, urging preparedness, the calm words of wisdom of the fathers seem to have been forgotten. I doubt if ever in the history of the world a group of men of comparable numbers, with ing in the press, urging preparedness, the calm words of wisdom of the fathers seem to have been forgotten. I doubt if ever in the history of the world a group of men of comparable numbers, with higher motives and with greater consecration to the cause of human liberty, ever set around a council table and formulated a more perfect form of government for a free people than did those who framed our Constitution. They searched the annals of history; they studied every form of government, ancient and modern; they exhausted all the then existing knowledge that might throw light upon the problems before them; they plumbed the motives of men; and, so far as human fallibility would permit, they sought to place all sovereign power in the people, and also to eliminate the means by which men, ambitious for arbitrary and tyrannical power, could seize the reins of government. It is to the words of such men that we, as American citizens, should give heed when a man entrusted with power seeks to enlarge his powers and make them permanent.

I invite you to listen to the words of James Madison on the question now foremost in the public mind, because what Madison had to say is pertinent to the issue and timely.

"The means of defense against foreign danger," said Mr. Madison, "have always been the instruments of tyranny at home." And, continuing, he said: "Among the Romans it was a standing maxim to excite war whenever a revolt was apprehended. Throughout all Europe the armies, kept up under the pretext of defending, have enslaved the people. It is perhaps questionable whether the best concerted system of absolute power in Europe could maintain itself in a situation where no alarms of external danger could tame the people to the domestic voke."

concerted system of absolute power in Europe could maintain itself in a situation where no alarms of external danger could tame the people to the domestic yoke."

This statement by Mr. Madison is a perfect picture of the situation today, both here and abroad. This is no time to become hysterical in dealing with national defense, since every sane man knows that we are not in danger of attack from Europe. Even before there are any hostilities abroad, President Roosevelt has taken the first step in violating the fundamental rules of neutrality by taking sides in the controversy and berating, in the name of 130,000,000 Americans, the rulers of other nations.

It is true that Congress along can declare way but there will be

It is true that Congress alone can declare war, but there will be no alternative if the Chief Executive and his Cabinet spokesmen continue to involve this Nation in the spider web of foreign en-

tanglements.

In the light of the experience of 22 years ago, is it not the duty of every Amercan citizen, of every Christian father and mother to protest against Executive meddling in the age-old bickerings and controversies of foreign nations and to make that protest now? Is not this the crucial time for those who must suffer the consequence of participation in a foreign war to assert, and to assert emphatically, their rights as sovereign citizens to remain at peace?

I say that the time for every citizen to speak is now, because once war becomes inevitable and war is declared the right of petition, freedom of speech and of the press will be supplanted and suppressed by laws so drastic and enforced by informers so numerous and tyrannical that protest will mean prison or a concentration

I say to 130,000,000 free Americans: Your boys, your wealth, your welfare, your liberties, your form of government are at stake! It is your sacred, patriotic, Christian duty to preserve, protect and defend all of these from the hazards and horrors of a foreign war.

Public Control and Ownership of Natural Resources

EXTENSION OF REMARKS

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 4, 1939

ANALYSIS AND BRIEF BY THE PEOPLE'S LOBBY, INC.

Mr. KNUTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert a statement of a proposed plan for public control and ownership of natural resources. I am doing so by request, and not with any thought that I am in accord with the proposal.

I. ANALYSIS OF PROPOSED BILL

The policy of Congress is declared to be "to encourage and promote the public control and ownership of agricultural land and resources in order to prevent absentee private ownership of land, speculation in farm lands, exploitation of farmers, and the subjection to debt burdens of land operated by owners."

The Secretary of Agriculture is authorized to acquire any real property within the United States and its territories, for the purposes of the act, "by purchase, exercise of the power of eminent domain, or gift."

The total appropriation for the purpose is \$250,000,000.

The Secretary is authorized to lease farm lands acquired to bona fide farmers or other cooperatives on conditions he prescribes and also to operate such farms.

also to operate such farms.

also to operate such farms.

It is stipulated that in acquiring farm lands consideration shall be given to what the average net return of the lands has been during the preceding 10 years, and what it probably would be should the land remain in private ownership, and that the price paid "shall be, as nearly as possible, what the land would bring in the open market without any Government subsidy on crops, direct or indirect."

To protect standards of labor it is provided:

"The wages, hours, conditions of labor, or terms of contract for compensation shall be at least as favorable to the worker as those prevailing for similar work in the county of, or in the counties adjacent to, the place of employment: Provided, That the wages shall be sufficient to insure to the worker at least the second-class diet as defined by the United States Department of Activations diet as defined by the United States Department of Agriculture, proper housing where such is not already existing or provided by the Secretary, sufficient clothing for the farmer and his family, and adequate provision for other essential needs."

II. BRIEF FOR EMPOWERING THE SECRETARY OF AGRICULTURE TO ACQUIRE FARM LANDS AND OPERATE OR LEASE THEM

1. All good farm land has passed into private ownership

All good farm land has passed into private ownership and is held for speculative selling prices or profits.

The Department of Agriculture reports that about 100,000,000 acres of land should be withdrawn from cultivation.

In a pamphlet, Saving the Soil, it states:
"Of the 1,907,000,000 acres representing the total area of the country, exclusive of city and water territory, nearly two-thirds is in some degree affected by erosion.

* * *

"In terms of money, the direct toll of erosion is estimated at

\$400,000,000 annually.

In 1929 only about 8,000 farms were classified as large-scale farms—or one one-hundredth percent of all farms—but they paid 11 percent—about one-ninth—of the total farm wage bill. In 1935 there were 88,662 farms of over 1,000 acres out of

6.812.350 farms.

6,812,350 farms.

In 1935, 3,899,091 farms were operated by owners of which only 3,210,224, less than half of the total, were operated by full-time owners, and 48,104 were operated by managers.

Tenant farmers operated 2,865,155, or 42.1 percent of all farms, and there were 336,802,000 acres in tenant-operated farms, or 54 percent—considerably over half—of all land in farms.

By 1937, Secretary of Agriculture Wallace reports, the number of farm tenants was about 2,565,000, and he commented:

"Not all farm tenants need to be converted into owners in order to give them the necessary security. Cheap land in itself may not be the answer. This country had plenty in the past and gave it away freely under the homestead laws; yet throughout large areas today there are more tenants than owners, and the tenants are very insecure. It is well to aid tenants in becoming owners as funds and opportunities permit, but the problem of giving more security to the remaining tenants must be dealt with in other ways. Land buying, indeed, sometimes causes speculation, excessive debt, and foreclosure, the end result of which is more tenancy. We need a better farm-tenant system and better methods of land loaning." 2. Government policies are increasing selling prices of farms and rentals and reducing demands for farm products

The Secretary of Agriculture in his annual report for 1938 states that in 1938 the index of the value of farm land per acre for the entire country was 85, compared with 73 in 1933, with the years 1912–14 equaling 100, and makes two comments:

1912-14 equaling 100, and makes two comments:

(a) "Important among the current factors in the situation are the present ample supply of credit for land transfers, the prevailing low level of interest rates, and the sharp decline that has taken place in the last decade in the total agricultural indebtedness."

(b) "Many farms still carry indebtedness that is excessive in relation to their earning power.

"Moreover, farm earning power tends frequently to be overestimated, particularly when land values are rising. It makes no difference whether the advance results from an actual increase in current farm earnings or from a gain in the net income to the

ference whether the advance results from an actual increase in current farm earnings, or from a gain in the net income to the farmer as a result of low interest rates. Whatever the cause, farmers tend to capitalize the favorable prospects excessively and to make them the base for an unwieldy superstructure of debt." He also states: "Rent paid by farmers in the United States to nonfarmers in 1935 is estimated at \$699,000,000, in 1936 at \$743,000,000, and in 1937 at \$829,000,000."

This excludes rentals paid to relatives and to other farmers, and since buildings on rented farms are notoriously poor, it is chiefly

since buildings on rented farms are notoriously poor, it is chiefly

rent for farm lands.
In 1929 such rentals were \$1,110,000,000.
Higher prices for farm products due to higher costs of production and distribution have curtailed domestic consumption, which the administration seeks to increase by special arrangements for

those on relief, and has also reduced demand abroad.

We exported only about as much wheat in 1938 as in many years before 1932, and about half as much cotton.

The plan for export bounties on farm products won't meet the situation.

3. Farm program does not raise standards of landless farmers

For the current fiscal year, Federal expenditures for agriculture, exclusive of appropriations for the Department of Agriculture, are estimated at \$1,092,973,500, of which "aid for tenant farmers" is only \$26,800,000, or about 2½ percent.

A small part of the Farm Security Administration and Rural Electrification Administration outlays also seeps through to tenant farmers and shorecomment.

farmers and sharecroppers.

Emergency subsistence payment to farmers amounted in 1938 to \$22,609,000.

4. Mechanization on farms militates against tenant farmers

Dr. C. Horace Hamilton, in a study "The Social Effects of Recent Trends in Mechanization of Agriculture" by the Texas College of Agriculture and the Mechanical Arts, says:

"It has been estimated that, in 1830, 288 hours of man-labor were required to produce a hundred bushels of wheat on 5 acres of land. By 1930 only 49 man-hours were needed to produce 100 bushels of wheat on 5 acres.

"In the production of corn, the number of man-hours needed to produce 100 bushels dropped from about 180 in 1880 to 104 in 1930. "In 1930 only 235 man-hours were required to produce a bale of

"In 1930 only 235 man-hours were required to produce a bale of cotton as compared to 285 in 1900, and 304 in 1880.

"The surplus of farm tenants available in Texas has created considerable competition among tenants for places to rent; and, as a result, rental rates are rising. In areas that once followed the straight third-and-fourth share rent systems, cash rents and privilege rents of various types are being used. Pasture land, which tenants formerly received free of rent, now rents frequently for \$1 per acre.

"In some areas tenants are being charged cash rent for their dwellings. In many areas from three to six dollars per acre is being charged for land planted in fee crops. On many of these farms the cash rent on the feed lands amounts to more than the income from cotton."

Dr. Hamilton estimates there are between 200,000 and 300,000.

Dr. Hamilton estimates there are between 200,000 and 300,000

cotton pickers.

Mechanization is partly responsible for the fact that about one-seventh of the farms of America produce about one-half of all farm production.

This leaves one-half of farm production for six-sevenths of the

farms!

farms!
Dr. Paul S. Taylor, in an article in the United States Department of Labor Monthly Review for April 1938, states:
"Between 1930 and 1937, according to the best data available, the number of tractors (on southern farms) increased from 12.2 percent to 18.5 percent of the national total. While tractors increased 23.7 percent in the United States, they increased 87.9 percent in the 10 southern Cotton States."

5. Present status of farm tenants and farm labor

Mr. J. R. Butler, president, Southern Tenant Farmers' Union, describes the status of "more than 10,000,000 human beings" as "enslayed in chains by 'King Cotton,' absolute monarch of America's

He states:
"During the past 5 years, more than 500,000 sharecropper families, white and colored, have been displaced from their homes, forced into the cities, there to begin futile competition with America's 10,000,000 unemployed, or have accepted the horrible alternative of becoming farm laborers, paid by the day, for working from sun-up to dark, at a wage between 50 cents and \$1.50." He reports the practical working out of the crop-reduction program of the A. A. A., in displacement of labor, and that cash benefits induce landowners to shift from sharecropping to day labor, thereby depriving former tenant farmers of their rightful share of the cash benefit.

He says:

"If the landowner wishes to escape the burden of 'furnishing' for their tenants during the winter months, they send them to Government relief agencies for groceries and clothing.

"But if they feel that relief from the Government may make the cotton workers less eager to work for 75 cents a day wages the following spring, these families are kept off relief."

In 1935, the then Resettlement Administration estimated that 630,682 farms with 91,246,000 acres, presented use problems which "appear to warrant encouragement of a change from crop farming fourteen Southern States had 451,767, or over two-thirds of these farms, with 44,012,000 acres, or nearly half of the acreage.

These States did not include the Dust Bowl nor the big grazing

Sharecroppers, tenant farmers, and farm labor are being made the victims of this "economic planning" for the benefit of southern plantation monopolists and their northern avaricious credit brokers.

6. Present status of Government resettlement projects

The Assistant to the Secretary of Agriculture stated January 6, 1939

"(1) The Farm Security Administration has virtually completed (1) The Farm Security Administration has virtually completed 149 projects which were initiated by the Resettlement Administration or other preceding agencies. This total includes five migratory labor camps and three suburban housing projects known as Greenbelt towns. The remaining projects vary greatly in type. Although no two are quite alike, they all fall within these general classifications. classifications:

"(a) Full-time farming projects.
"(b) Subsistence homestead projects, in which the residents produce most of their food supplies in their own gardens, and earn their principal cash income by working in established industries in

nearby cities.

"(c) Part-time farming projects, in which the residents earn part

(c) Part-time farming projects, in which the residents earn part of their income by working in industries which have been established at the project site.

"(2) Expenditures on all projects up to November 30, 1938, totaled approximately \$102,678,753. The total expenditures for all projects except the suburban communities and the migratory labor

camps was \$64,461,122.

"(3) Although some of the projects are not yet fully occupied, 49,781 persons, or approximately 10,000 families, were in residence as of December 1, 1938. We regret that we do not have a breakdown showing the number of adults and the number of minors resident in our projects. In general, however, the typical families selected for residence included two adults and between two and three children.

"(4) Industrial enterprises have been established, or are being planned for nine of the projects. These enterprises include hosiery mills, woodworking plant, a farm equipment factory, and two garment factories. We are enclosing a statement explaining the plan for establishing the hosiery mills, in which you expressed particular interest. Approximately 35 additional projects have some type of expreditural products processing plants such as cotton gives structured. agricultural products processing plants, such as cotton gins, sirup mills, and feed and grist mills. In most cases the plants are cooperatively operated by the project residents for the processing

of their own crops."

This is a good beginning, but meets the needs of only about 1 percent of those equally needing a chance.

7. Reasons for provisions as to payment

The admission by the Secretary of Agriculture that Federal payments to landowners for soil conservation, crop benefits, etc.—really a subsidy—has increased the selling price of farm lands shows the necessity for ending the policy of scarcity subsidy, which inures chiefly to the benefit of farm-land owners, as there has been a marked reduction of farm-mortgage debt, as well as interest rates.

Government, representing all the people, cannot maintain class

Its largesse to farm-land owners was designed to save their productive plant, but does not establish a precedent.

The fact Government has given such salvaging subsidy gives it a prior ethical claim to acquire farm lands for the use of the most helpless of the farm population—on the basis of the selling price of farms without a Government subsidy.

In the early thirties few farms showed a net return.

No net return means no commercial selling price. Government must not, in fairness to all, buy back what it has

Legally title to all land is inalienably vested in the Government-State or Federal.

Refusal to provide Federal subsidies to farmers would insure acquiescence in a rational program of land taxation, and acquisition for the public welfare, at a price not bloated by Treasury grants; that is, by taxes on consumers.

Only Federal subsidies prevents the debacle of agriculture today.

8. Chief alleged objections and answers

First. Taxing all ground rent into State and local treasuries in place of taxes on consumption would make land available for a song and remove the need for such a measure. This should be done, but would not be enough, because farming can no longer be conducted as an individualistic competitive enterprise, as the growth of farmers' selling and buying cooperatives

Second. The plan would lead to an orgy of speculation in farm lands and the Government would be struck heavily.

The Government will be much more careful about paying high prices for land, when it is to retain title, instead of unloading it on sharecroppers, tenant farmers, and agricultural workers, and making them hold the sack. The Government can refuse to buy highpriced land, and through its grants from the Treasury compel State and local governments to adopt tax systems which will reduce the selling price of good farm lands.

Third. It will ruin farmers' independence.

That has already been done; and the wealthiest farmers, with the highest-priced land, are most dependent upon the Government, and getting the biggest cut out of the Treasury, and ultimately the people, by bonuses, soil-conservation payments, tariffs, and county agents' services.

Fourth. The yearning for ownership is essential, and home ownership is the bulwark of democracy.

This has never been true and has less validity now than ever. (a) Home ownership for low-income families is being discouraged

(b) Labor has too much sense to try to buy out railroads, mines, factories, and most distributing agencies and run them as owners.
(c) Mechanization in agriculture, speculation in farm lands and in farm products, and soil mining has made individual ownership of farms and of farm equipment and machinery highly dangerous for most untrained farmers.

This does not apply so much to well-financed farmers in dairying, poultry, fruits, and vegetables near large industrial centers. It does apply to a great majority of sharecropping and tenant farmers and agricultural workers throughout the Nation, for whose benefit this program is devised.

9. Agricultural experts favor general plan of Government and cooperative farming

Dr. H. C. Nixon, Birmingham, Ala., executive secretary, Southern Conference for Human Welfare:

"I am in hearty sympathy with the idea of setting up Government farming corporations, with power to operate farms directly or through cooperative societies; in other words, with the idea of providing facilities by which more people can help themselves as producers and consumers on the countryside.

"This is particuarly important in the South, where so many people are backed up on the land but where human and physical resources are not adequately harnessed for producing a living or for living.

"The Farm Security Administration program is good as far as it goes, but it does not go far enough."

Dr. J. D. Black, department of economics, Harvard University:
"So far as the proposal relative to farming operations is concerned,
I think it would be better to work this out of the F. S. A. by the
procedure of amending the act to permit the Government to acquire
land and sell it under flexible long-time contracts, preceded by short-term lease periods, as was recommended in the original report on farm tenancy

"My principal objection to that proposal was that I would make the period during which the contract can be paid completely elastic

up to 40 years.
"I would also amend the act to permit experimenting with cooperative farming ventures. I think we must feel our way along with respect to undertakings of this sort. In general, I would expect with respect to undertakings of this sort. In general, I would expect an arrangement under which each man operating his own farm by large-scale machinery was owned by a group of farmers cooperating for that purpose would prove more satisfactory.

"I should also like to see the rehabilitation program of the F. S. A. pushed as rapidly as is warranted by the success which it achieves in any given area."

Barry Bingham, president and publisher, and Mark F. Ethridge, vice president and general manager, the Courier-Journal and the Louisville Times, join in the statement:

"You ask our opinion on the value of an expansion of the resettlement program of the Farm Security Administration. It was the sentiment of the Atlanta meeting (of 29 representative southern leaders), as stated in their declaration, to urge the continuation

sentiment of the Atlanta meeting (of 29 representative southern leaders), as stated in their declaration, to urge the continuation and expansion of this program.

"We personally feel that it is one of the outstanding, constructive efforts to which we should devote ourselves in order to obtain any measure of security in the farming regions of our Nation.

"The limited program which has been in operation, as you suggest, barely touches the problem. It has been sufficient to prove, however, the soundness of such a plan, and the overwhelming need for a reconstruction of our American farm life along these lines."

Dr. T. Lynn Smith, director, experimental stations, Louisiana Agricultural and Mechanical College:

"I favor a limited amount of governmental experimentation with large-scale cooperative agricultural ventures. I am particularly concerned, however, that such undertakings be designed in a manner that allocates responsibilities for decisions and failures to the various members of the society. In other words, if all of the thinking is reserved for a few managers of the project, in my estimation the thing has failed before it has started.

"There are problems of land tenure in the South which are very real, but these are similar to tenure problems in other parts of the

country. In addition to these the South has the acute problems which arise out of the plantation system due to the fact that the

country. In addition to these the South has the acute problems which arise out of the plantation system due to the fact that the great mass of the agriculturists have no tenure rights, and a few people shoulder all the responsibilities. At the present time the so-called tenancy of the South is blamed for the one-crop system, inefficient labor, low returns to the laborers, soil erosion, soil exhaustion, etc. It is interesting to note that prior to the Civil War the institution of slavery received the blame for these.

"Why not saddle the responsibility onto the plantation system where it properly belongs? Perhaps in the future a system of cooperation will be evolved which will overcome the social disadvantages of large-scale agriculture. But so far in the history of the world large-scale agriculture has always resulted in the development of a small selected group of the elite, while the great mass of the population has remained in ignorance and poverty."

Dean Thomas S. Staples, Hendrix College, Conway, Ark.:

"We need to subsidize or finance the marginal and submarginal farmer. It is unwise, to my notion, for us to colonize people from the lowlands, the highlands, and the alleys together in colonies situated in social and geographical areas to which they are not accustomed. To be specific, it is my opinion that it is unwise to bring people from the hills and from the bottoms where they have lived in houses situated far apart and locate them in such projects as the Dyess colony. It is unfair as well as unwise to set up Government farming corporations for a few of the people and subsidize the projects at the expense of other people. I approve in principle agricultural cooperative societies. However, I do not believe in the Government subsidizing them."

Dr. Charles S. Johnson, director, department social science, Fisk University:

"I believe that in the present situation of the great mass of

University:

"I believe that in the present situation of the great mass of tenants, in the South notably, the major needs are (a) for security above the rather questionable unique advantage of ownership in fee simple, and (b) for intelligent and dependable guidance in the form of Government services, in the interest of the producers themselves

themselves.

"No other arrangement that I can think of can serve both the long-exploited producer at the bottom and at the same time contribute intelligently to the preservation of the soul of the South." William Mitch, president, district 20, United Mine Workers of America, Birmingham, Ala.:

"It seems to me that it would be well for the Government to give a trial to this experimental proposition of cooperative farming when full facts have been developed in the matter."

The proposal is not to "socialize" or "collectiveize" agriculture, but to extend rapidly practical Government ownership of farms, and provision of Government direction and guidance for hundreds of thousands of untrained and impoverished farm families by methods which have already proven their worth. methods which have already proven their worth.

Quota Works a Hardship

EXTENSION OF REMARKS

HON. ALVA B. ADAMS

OF COLORADO

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

EDITORIAL FROM DETROIT NEWS OF MAY 2, 1939

Mr. ADAMS. Mr. President, on behalf of the junior Senator from Michigan [Mr. Brown], I ask unanimous consent that the leading editorial from the Detroit News of May 2, 1939, be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Detroit News of May 2, 1939] QUOTA WORKS A HARDSHIP

The Mount Clemens factory of the Northeastern Sugar Co. will not operate this year unless the Department of Agriculture changes the quota restrictions put on its production. This plant for many years has furnished the market which has built up a flourishing sugar-beet industry in Macomb, St. Clair, Genesee, Wayne, Monroe, and Washtenaw Countles.

Such a shut-down coming at a time when agricultural plans must be well advanced will work hardship. Farmers must make quick shift to some less profitable crops for which they have made no preparations. The plant management says 300 factory workers and more than 1,000 farmers will be affected.

The logic of the entire sugar-control policy of the Government is not clear. Before a hearing of the Agricultural Committee of the House of Representatives recently, Secretary of Agriculture Wallace said the sugar industry is subsidized by gifts of about \$350,000,000 annually. When questioned, he admitted that the amount spent

annually by Americans for sugar would be that much less if quotas,

sanitarity by Americans for sugar would be that much less if quotas, tariffs, and benefit payments to growers were discontinued.

So the people pay \$350,000,000 to reward producers for accepting quotas, and the quotas shut down factories so sugar cannot be made from beets, farmers cannot find markets for their crops, and workers lose their jobs. It probably is carefully thought out by Washington experts but it will be confusing to the people in those six Michigan counties who have depended largely on the sugar-beet industry for a living. industry for a living.

Red Cross Convention

EXTENSION OF REMARKS

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

ADDRESS BY HON, NORMAN H. DAVIS, APRIL 24, 1939

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the Congressional Record an address made by the Honorable Norman H. Davis, chairman of the American Red Cross, at the session of the annual Red Cross Convention, Constitution Hall, Washington, D. C., April 24, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In this opening session of our annual convention we witness again a demonstration of the spirit of voluntary service which is so characteristic of the Red Cross. The delegates gathered in this hall, the associates in communities throughout the Nation, and their predecessors have, by intelligent leadership and unselfish service, definitely established the American Red Cross as an essential expression of our national life.

This convention marks the end of my first year as your chairman. I am deeply conscious of the privilege and honor which I enjoy in serving with you, and I am conscious, also, of the responsibilities which my office entails. During the last 12 months I have seen the Red Cross in action, dealing with great emerging the last 12 months. gencies and maintaining the lines of service and communication which reach out to meet human distress and need in every community in this country, and also in certain stricken areas abroad.

I have discussed the common ideals and objectives of the Red I have discussed the common ideals and objectives of the Red Cross with the representatives of other national societies. For me it has been a year of education and inspiration, and I share with

it has been a year of education and inspiration, and I share with you the deep satisfaction of participation in a great endeavor.

The Red Cross enjoys unusual confidence and support both at home and abroad. In thousands of communities, great and small, citizens of every class have found time to contribute a portion of their busy lives—a portion of their substance—to the development of the Red Cross. They have created an organization embodying the better side of human nature, an impressive example of our national unity and solidarity, a great reservoir of the American spirit of neighborly service from which we may draw the resources to meet great emergencies.

There is much that I might say to you of the progress and development in our various fields of service since the meeting in San Francisco last year, but ample provision has been made for such discussion in the succeeding sessions of this convention. I feel it is my duty, however, to make reference to some of our major

During the past year we have been faced with a number of tragic situations requiring relief both at home and abroad. Emergency aid and rehabilitation following the hurricane which struck New England and New York last September alone involved an expenditure of \$1,682,000. In an appeal confined largely to the affected States a total of \$931,000 was raised and the balance had to be provided from the national disaster relief appropriation and the disaster revolving fund.

There were many other disasters—not so large or spectacular in their scope, but involving the same suffering and the same privation. These smaller disasters, numbering 140 during the last fiscal year, occurred in all parts of the continental United States and required aid in excess of \$1,000,000. But the expense thus incurred by no means represents the full value of the aid rendered. To this sum must be added the immeasurable value of the devoted service of several hundred thousand Red Cross volunteers. These volunteers in our 3,714 chapters join hands with the national organization to give the Nation assurance that human need will be met when disaster occurs.

There has been a satisfactory growth in all of our services and a corresponding public support. The number of persons helped through our chapters and the national organization shows a marked increase. The persons trained in first aid and lifesaving, the mothers and younger women completing courses in home hygiene and care of the sick, the veterans and service men who have been assisted, the needy families who have received care from the publichealth nurses and from our home-service workers form a vast and createful legice. grateful legion.

Our efforts to prevent accidents or give first aid on highways, in homes, farms, and industries have been rewarded with encouraging results. We have strengthened and consolidated our nursing services, establishing a unified direction that assures a sound and consistent development, and, we hope, a great increase in the enrollment of qualified nurses in the first reserve of the Red Cross.

Our junior membership has increased to over 9,000,000, and the senior enrollment now numbers upward of 5,700,000 men and women in all walks of life and in every corner of our Nation. Such a devoted army is indeed an effective force for good in these unsettled days.

During the past year pressing calls have come for emergency assistance from several parts of the world. Of these, the most urgent were from China and Spain. For China, through appropriations and collections, we have made available for relief over \$810,000 and in addition have provided large quantities of medical supplies donated by the public, and two cargoes of wheat provided by the Covernment.

by the Government.

Spain has presented many distressing problems. First, the Red Cross was called upon to assist American citizens to leave the danger zones. Then the International Red Cross Committee appealed for funds to finance its work with the wounded and prisoners of war in both Loyalist and Nationalist territory. Large quantities of flour and wheat from our surplus supplies were also provided for impartial relief of women and children refugees on the vided for impartial relief of women and children refugees on the verge of starvation. This aid was made possible through the cooperation of the Government in providing flour and wheat at a nominal price, the Maritime Commission in furnishing free transportation, and the American Quakers in acting as distributing agents in Spain. Furthermore, a grant of \$20,000 was made to the French Red Cross to assist in caring for Spanish refugees in France. Altogether some \$200,000 has been provided from our national reserves in connection with the relief problem of Spain.

The Red Cross Society of Czechoslovakia was also assisted through

The Red Cross Society of Czechoslovakia was also assisted through donations of milk and the transfer, through our organization, of

funds collected in the United States.

The sad plight of the Jewish and other refugees in central Europe also has been a question of serious concern. Although recognizing that this problem is so politically complicated as to require governmental initiative and action rather than that of private agencies, I have, nevertheless, as chairman of the League of Red Cross Societies, appealed to the 61 national societies to render such emergency assistance as may be possible and necessary to the Red Cross societies of those countries where temporary refuge is being provided provided.

The devastating earthquake of last January in Chile left great suffering in its wake. To meet these needs medical supplies, vac-cines, serums, and foodstuffs were rushed by Army and commercial airplanes to the scene. Later, shelter tents and clothing were sent. In addition to this, Red Cross cash grants and collections of \$45,000 have been transmitted to the Chilean Red Cross, while in total, American donations from all sources have amounted to over

Thus today, as for more than half a century, the American Red Cross has, through its far-reaching activities, maintained a barrier against the forces of disintegration which inevitably follow natural catastrophes. It has mobilized the Nation's resources to relieve the victims of war and the despair of war's aftermath. Its understanding and its mercy have followed close upon the heels of destruction and distress. and distress

and distress.

Men of all nations have tried valiantly through the ages to establish institutions, principles, laws, and rules of conduct to insure a greater measure of justice, forbearance, security, and peace between peoples and nations. While erecting these safeguards, man's inventive genius also has been creating forces for his progress and convenience—forces which may, however, be used to his detriment or even destruction, and which, unfortunately, man has not yet learned to control. We can speak and be heard around the world, but the messages that pass in the air carry too often the foreboding of disaster. We have made the world a neighborhood by the marvel of communication and transportation, but the spirit of neighborliness does not always pass so readily over these facilities as the spirit of intolerance and strife.

The building of our civilization has been a slow and tedious

spirit of intolerance and strife.

The building of our civilization has been a slow and tedious process of evolution, with varying periods of progress and retrogression. Today there are disturbing indications of retrogression. We see man's disruptive forces at work—forces destructive of the basic principles that men of good will in every nation hold dear. Treaties, laws, and covenants of peace which have been bulwarks of security and confidence are being brushed aside, leaving nothing but naked force to take their place. The world in which we live is, accordingly, in a state of doubt and anxiety.

In this welter of uncertainty it is encouraging and significant that one most important international covenant, the Treaty of Geneva, the origin and foundation of the Rea Cross, signed in 1864, has never been criticized, challenged, or repudiated by any nation. This Red Cross Convention, which was originally signed by 12 governments three-quarters of a century ago, has grown to include 65 adherents and to become the universal authoritative guide and protector of the forces of mercy in time of war.

of adherents and to become the universal authoritative guide and protector of the forces of mercy in time of war.

I cannot emphasize too strongly the belief that the Red Cross societies must all carefully guard this treaty, this world-unifying force, with every resource at their command. They should, furthermore, endeavor to supplement it by securing agreement on protective measures to minimize the horror and suffering of modern workers and particularly to seferguard women and children against

warfare, and particularly to safeguard women and children against slaughter by bombs from the air.

It is not within the province of the Red Cross to deal with or pass judgment on political questions. It has no authority to determine what the rules of warfare shall be. Of necessity, however, it is concerned with the burdens imposed upon it by modern warfare and the ingressing demands which may be made upon it ever, it is concerned with the burdens imposed upon it by modern warfare and the increasing demands which may be made upon it to care for the civilian victims of war. It must, therefore, endeavor to promote, by every means in its power, peaceful and humane instincts among the people of the world. In this endeavor it will have the force of a great movement—the strength of the good will generated by the hearts and minds of those in every nation who earnestly desire to contribute to human welfare.

Born on the battlefield, the primary purpose of the Red Cross for years was caring for sick and wounded soldiers. Now, however, aside from its responsibilities in war and its increasing peacetime.

from its responsibilities in war and its increasing peacetime activities, it has become a great channel for the maintenance of international cooperation and friendship. Today it bands together in the League of Red Cross Societies and in the International Red Cross Committee many millions of Red Cross members in 61 nations. In the Red Cross we have expression of universally accepted accepted whether the committee the committee of the commi cepted moral principles which extend beyond all national boundaries; a great instrument of human progress that withstands the forces of prejudice, of intolerance, and of strife.

Around the council table of the international Red Cross are seated representatives of all nations. I have myself seen within a year men from countries locked in undeclared war, men representyear men from countries focked in undeclared war, men representing opposing sides in civil strife, seated in Red Cross conclaves. In these councils there are no political divisions. Here men's minds are intent on methods of mercy, of saving lives, of preserving the finer human instincts of generosity and fellowship.

There are some who believe that America has little or no responsibility to assist the victims of catastrophe in the outside world.

of course, the obligations of catastrophe in the outside world. Of course, the obligations of charity begin at home, and the primary responsibility of the American Red Cross is at home, but as charity is not worthy of the name if it ends at home, so the American Red Cross must, within the limit of its recourses, extend aid to the victims of disaster in the world neighborhood in which we live.

The charter obligations of the American Red Cross are well defined. Our responsibilities are clear. We are called upon to act in

fined. Our responsibilities are clear. We are called upon to act in matters of relief under the Treaty of Geneva in time of war, to furnish volunteer aid to the sick and wounded, to carry on a system of national and international relief in time of peace, and to apply the same to the mitigation of suffering * * * and to devise and carry on measures of prevention.

and carry on measures of prevention.

Under this wide franchise we are pledged to duties that are challenging and inspiring. Men and women in every walk of life should gladly embrace the opportunity to serve in this endeavor. We need their support to help us meet our obligations both at home and abroad, to assist in mitigating suffering, and to devise methods of preventing it.

I do not think that I can overemphasize the opportunity of the Red Cross. I have watched its growing success as it ministered to human suffering. I have seen its impartiality and humanity bring together peoples and nations of every sort of political, social.

bring together peoples and nations of every sort of political, social, and religious faith.

In the light of my experience, I say to the millions of Red Cross members and workers in this country and throughout the world—you have forged a great instrument of human cooperation which is of increasing importance and benefit to mankind. We must all work to strengthen this great agency, to make it worthy of the ideals of its founders and the challenge of today. I urge that, as a minimum and as a token of our resolve to be prepared for all eventualities, we set our plans to increase our Red Cross membership by at least a million members in the coming annual roll call.

We are today confronted not only with a struggle of ideas but of values, and in that struggle it will be the responsibility of the Red Cross to see that where brute force leaves its victims mercy and helpfulness will follow.

and helpfulness will follow.

At whatever cost, we must keep open the channels of understanding and service which the Red Cross has established, face our obligations in peace or in war, and move forward toward the goal we so earnestly desire. If we can realize the significance of the Red Cross in the world today, if we can mobilize the moral forces in this Nation and in other nations, the Red Cross emblem will lead the great majority who, in their hearts, hold true to the course of human kindness, human sympathy, and human understanding, the great majority of those who hold fast to the age-old faith of good will and fellowship among men. There is in such a fellowship a bond between men and nations more lasting than the spoils of victory and more satisfying than the pursuits of war.

The War-Profits Tax

EXTENSION OF REMARKS

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

ARTICLE BY JOHN T. FLYNN

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting article from the pen of John T. Flynn, a well-known writer for prominent magazines. Some time ago a bill was introduced in Congress dealing with the question of taxes on income received during wartime. There was discussion of it. particularly at the hands of one or two commentators, especially of that section dealing with net incomes of over \$1,000,000. Some misinformation, I think, to state it temperately and mildly, has been given to the public. The matter of the levels of taxation under the wartime taxation proposal would, of course, have to rest in the sound discretion of the Members of this body. I would not set myself up as a judge to decide what they should be or indulge in a discussion of decimal points, but I think the particular matter touched upon by Mr. Flynn in his article will prove of great value to those who have interested themselves in this bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OTHER PEOPLE'S MONEY THE WAR-PROFITS TAX

. The Senate will soon be called upon to deal with the anti-war-profits bill introduced by Senator Homer T. Bone and some 49 other Senators. When this bill was introduced various newspaper other senators. When this bill was introduced various newspaper reporters made much of the point that the taxes in the higher brackets were so severe that they were confiscatory. A person with a million-dollar income, they announced in a burst of triumphant criticism, would actually be taxed \$1,061,030, or \$61,030 more than his income.

Here is how they worked it out. They assumed that the tax-payer's net taxable income for Federal tax purposes would be \$1,000,000. On that there would be a State tax in New York State of \$79,750. The Federal tax would be \$981,280, making a total of

\$1,061,030.

\$1,061,030.

This would indeed be confiscatory if it were true. But let us look at the facts. We begin with the assumption that the tax-payer has an income of \$1,000,000 taxable for Federal purposes. Let us assume the year we are dealing with is 1939. What is the net taxable income for Federal purposes in 1939? To arrive at that figure one must deduct the State taxes paid in 1939 on the 1938 income. In other words, the person's income before taxes would be \$1,000,000 plus the State tax paid. Assuming the tax-payer had the same income in 1938, the State tax on his 1938 income would be \$79,750. His income in 1939 would be \$1,079,750. less the His net income for Federal purposes would be \$1,079,750, less the \$79,750 paid in State taxes.

\$79,750 paid in State taxes.

To put this differently, the taxpayer's income must be shared by him with the Federal Government and the State government. The Federal Government permits him to deduct what he pays the State to arrive at the tax base for Federal purposes. But the State does not permit him to deduct the Federal tax to arrive at the base for State tax purposes. The taxable income for State purposes would be \$1,079,750. The taxable income for Federal purposes would be \$1,079,750, less the State tax, making his taxable income for Federal purposes \$1,000,000. That's how we arrive at a million-dollar net taxable income. And so when our reporters took a net income of a million dollars as an illustration they took an income from which the State taxes for the preceding year had been deducted.

Now with this as a base, let us see what a taxpayer would pay under this bill. He is paying income taxes on his 1939 income. These he will pay in 1940 of course. His 1939 income is \$1,079,750. Now what will he have to pay?

State income tax, 7.9 percent (approximate) on

State income tax, 7.9 percent (approximate) on \$1,079,750 \$86, 110 Federal income tax:

6 percent on \$1,000,000 \$60,000 Tax on \$20,000 9,880 93 percent on balance of \$980,000 911,400

Total tax_____ 1,067,390

981, 280

As his income is \$1,079,750, his tax consumes all but \$12,360 of his income. This is a very different result from the one given by the critics. It leaves this million-dollar gentleman very little, it is true, but it is in conformity with the principle of the bill to leave to people earning over \$20,000 no more than around \$10,000 a year in the event of war. One may quarrel with the principle, but that is another question. It has nothing to do with the actual arithmetical problem of computing how much tax will be taken.

Now, of course, one may say that this overlooks the fact that the man has paid \$79,750 in income taxes to the State out of his 1939 income already. That is not quite true. That \$79,750 deduction was the tax for 1938. It was paid in 1939, but it was actually assessed against the 1938 income. We cannot undertake to assume out of what year's income it was paid. But one thing we know: We cannot, in determining how much taxes a man will pay out of his 1939 income, add the State taxes for 1938 and the State taxes for 1938 also. We cannot assess 2 years' taxes against that one year's income. And that is precisely what the critics did in this case. By taking a million-dollar-a-year income for Federal tax purposes, they assumed an income from which had already been deducted the State taxes for the preceding year. And having deducted the State taxes for the preceding year, to arrive at the million, they then proceeded to deduct the State taxes for the taxable year.

million, they then proceeded to deduct the State taxes for the taxable year.

Why the drastic tax? A tax of \$1,067,390 out of \$1,079,750 looks pretty stiff. Yes, it is. But remember, this is a wartime measure. How about the young man who has a job paying him a salary of \$3,000 or \$5,000 and who is drafted for the Army. Not only is his body taken for military purposes to be shot at, but his entire \$5,000 salary is extinguished and he is given \$360 a year by the Government. Pretty tough? Yes, to be sure. But the Government needs him—all of him, his entire body and perhaps his entire life, his whole supply of blood, not just 93 percent. Will anyone contend that it is less just to take 93 percent of the earnings of the man who remains behind?

man who remains behind?

Man who remains behind?

Now, of course, there is the economic argument—namely, that this will upset the economic system. That is a long story. But as a matter of fact a war will upset in the most alarming manner the economic system. As for profits, men may enjoy them for a year or two, but with the end of the war the profits will be quickly extinguished, as they were last time. The object of this bill is not to upset, but to protect the economic system. These taxes will certainly upset the economic habits of those who are taxed. But they will protect the economic life of the Nation as a whole. They are indeed the only way to safeguard the national economic life against the disastrous effects of war inflation.

Men have got to make up their minds that war is not a means to a boom, but that it is a grim and terrible thing which involves sacrifices and that these sacrifices must be shared by the whole society—by the young men who will be taken bodily to fight the war.

JOHN T. FLYNN.

Neutrality

EXTENSION OF REMARKS

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES Thursday, May 4, 1939

STATEMENT BY RUSSELL A. BLACK

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an excellent statement on the subject of neutrality by Russell A. Black, a high-school instructor of Los Angeles, Calif.

Mr. Black treats this interesting subject with so much good common sense that I should like to make it available to all students of neutrality. I find myself in complete accord with Mr. Black's views as expressed in the statement on everything except his position with regard to China, with which I agree only in part. I commend the whole article to interested persons.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Shall the United States maintain strict neutrality in Europe and Asia? Time and again we hear, from Americans who should know better, from students, college professors, and people in all walks of life, that we should throw our influence one way or the other in some of the conflicts now raging or in the making. Various reasons are given for this belief. One group will say that Christianity is imperiled or that we should ship arms to one side because the other side is able to get them here. Another will say that effect this or that faction has conquered Furence it will invade that after this or that faction has conquered Europe it will invade America; therefore we should fight it while we have some allies to help us. We hear this counsel from the protagonists of both bolshevism and fascism, the current "isms" which are now making a shambles of Spain, in the endeavor to see which side will be able to exploit her resources. Still another would say that since

a shambles of Spain, in the enceavor to see which side will be able to exploit her resources. Still another would say that since we cannot expect to keep out of a world war in any event, there is no use of trying. We often hear that it is our duty to come to the aid of the democratic countries in their fight for existence, or to take issue with the peaceful nations against the warlike ones. What do we mean by neutrality? The story is told of the owner of a small farm situated close to the Mason and Dixon line at the time of our Civil War. His place had been raided first by the northern troops, who took his chickens, then by the southerners, who made off with his cow. Then his farm was seized by a band of guerrillas of doubtful allegiance. The farmer did not know which side they were on. The leader approached him and growled, "Well, what are you, a Yank or a Reb?" The old man looked about him cautiously and replied, "Well, I'll tell you, boys. I'm neutral, and dam' little of that." While we need not adopt his policy, nevertheless we shall be in quite a similar situation if we allow ourselves to be inveigled into taking sides in any of the quests for power now going on. Neutrality, in international law, is the condition of a state or government which refrains from taking part, directly or indirectly, and taking the transfer of the state of the condition of the powers.

It is not easy for any government to observe strict neutrality, directly and traditions the street in the condition of the condition of the powers.

It is not easy for any government to observe strict neutrality, directly and indirectly, in the complicated relations which exist in international intercourse. But it should be our highest resolution that in every possible way we will show all the nations that we have every intention of observing and defending our right to be have every intention of observing and defending our right to be neutral. We should, as a nation and as individuals, keep ourselves from any word or act which could be construed as taking a side. Empty talk of "quarantining the trouble makers" does no one any good, and does us considerable harm by making other nations think we are bluffers, who make threats which we are not prepared to back up. There is enough bluffing going on; we are one Nation which does not have to bluff. The advantages of remaining neutral for cytivation the difficulties

far outweigh the difficulties.

far outweigh the difficulties.

In the unfortunate event of our allowing ourselves to be dragged into the miserable mess, which side should we take? Should we defend Christianity from the atheism of the Communists by joining with the neopaganism of the Nazis? Should we send our ships to be blown up by one contestant because his enemy is buying from us here? Shall we throw in our lot with one group because the other, if victorious, will invade the United States later? That was one of the big arguments in the "war to end all wars" in 1917. If we are to take sides on this theory, which country is the more likely to invade us? The best way to predict the future is by the past. Who has invaded the United States? Did our enemies of 1917, Germany or any of her allies, ever do so? No. Did our Allies? England invaded the United States in 1812, destroyed Washington and burned the Capitol. But that do so? No. Did our Allies? England invaded the United States in 1812, destroyed Washington and burned the Capitol. But that was long ago; they would not do so now. Of course not, they couldn't right now. But as recently as 1865, they gave all possible aid and comfort to our enemies, threatened and bullied us, and did everything they dared to assure our ruin, at a time when our national existence was at stake. At the same time, France was getting a foothold in Mexico from which to assall us. And the only thing which prevents them from doing so again is the power of the United States. If anyone believes they have reformed, they will have to admit that it is not necessary to risk the future of the United States to find out. There is only one country that we can depend upon to resist invasion, that is our own United States of America.

What about the argument that since we cannot hope to keep

What about the argument that since we cannot hope to keep out of a world war anyhow we should get in early in order to "keep the fire from spreading"? The Scandinavian nations, without our wealth or resources or isolation, were able to hold themselves aloof during the World War. Is there any good reason why we cannot do as well?

as well?

Suppose we should wish to join forces with the democratic nations. Which are the democratic nations? Forms of government change so fast in Europe that it requires a good memory to keep up with them. Since 1918 Germany has been monarchy, republic, socialist state, and whatever she is now. Spain has gone through these stages of evolution and is being forcibly changed into no one knows what. The Government of France changes almost weekly and is very likely to be violently overthrown at any time. England has managed to keep one form of internal government, but is so tied up with treaties that her foreign policy is not her own. Italy Portugal. Hungary, Greece, and most of the not her own. Italy, Portugal, Hungary, Greece, and most of the Balkan States have been at different times controlled by socialists, monarchists, fascists, and other forms of government; Russia has had three forms, and no country in Europe can be said to have a stable government and any certainty of maintaining it from one year's end to another. If we try to pick out the democratic nations from this scramble, we have got to pick the needle out of any one of a group of haystacks into which it may have jumped. And every time we pick wrong we have more enmity piled up for us. No, indeed; it cannot be done.

To those who would have us favor the "peaceful" nations I say, "Will you please point them out?" That is the trouble—there are none. Neither side is peaceful, and any one of the belligerent States will shift sides at any time if it thinks it sees some temporary advantages. States will shift sides at any time if it thinks it sees some temporary advantage to itself in so doing. The law of the jungle still reigns supreme in Europe. That unhappy continent has not been able to learn by its thousands of years of pain and sorrow that no permanent advantage can be secured there by force. Every boundary line on the continent has been driven back and forth time and again at infinite cost in human suffering, and still no boundary is secure. In this saturnalia of blood and greed, the nations have changed partners in the dance of death for any reason or for preson. Nations have waited to see which side was winning. have changed partners in the dance of death for any reason or for no reason. Nations have waited to see which side was winning, then thrown themselves upon the loser like hungry wolves pouncing upon one of their fellows who has been wounded. The fact that Italy was bound by treaty to come to the aid of Germany did not prevent her from springing upon Germany's back when the latter country was facing Russia, France and England, and it will not prevent any country there from duplicating this treachery if it looks feasible. Treaties are made for expediency only; they are "scraps of paper" made in the hope that they may impede the other nation's freedom of action while leaving "this one" free to take any action that looks advisable at the moment. Small nations which happen to stand in the line of march are ruthlessly trampled under foot. The last time it was Belgium: will Switzerland share her terrible fate next? If these small nations are protected by solemn treaty, so much the better; it may keep Switzerland share her terrible fate next? If these small nations are protected by solemn treaty, so much the better; it may keep them from building adequate defenses; the treaty can be torn up when "the day" arrives. "Peace conferences" confine themselves to squabbles about armaments; agreements arrived at are concerned with what type of devilish tortures will be tolerated in "civilized" warfare. Even these agreements, if made, are invariable breaken agreements. bly broken as soon as they become inconvenient.

NEUTRALITY

This is a sorry picture, but it is not overdrawn. It is a candid facing of the facts. We had a hard lesson in 1918 regarding meddling in European affairs. Every nation among our Allies heartily despises us because we did not do more to help them. They do not feel that way about the Scandinavian nations which remained neutral. Certainly the countries which we helped to defeat do not neutral. Certainly the countries which we helped to defeat do not love us any more for that reason. War breeds upon hatred and fattens on revenge; and each war leaves its seeds behind, to take root like the foul weed that it is, and defile the fair fields of peace and progress with its abominable contamination.

Why is it that the Continent of Europe is so cursed with this blight? The answer is complicated. Hatred and revenge have been bred into the fibers of its unhappy citizens for so many centuries that they are going to be hard and slow to remove But more

that they are going to be hard and slow to remove. But many estimable people come from Europe, and when they get an ocean between them and the land of their sorrow they become useful, peaceful citizens. Even in their own countries many of them prefer peace to war. Why, then, can they not have peace? The selfish few who assume control of these countries are such absolute masters of press, radio, and all forms of communication, and such masters of propaganda, that they are able to educate the younger generations particularly into any state of mind which they desire them to have.

Any person having views contrary to the leader is afraid to express them, or is promptly liquidated if he does. The leaders are mad for power and feel that they must advance or lose their power. They give the orders and the rest of the nation must follow. What They give the orders and the rest of the nation must follow. What percentage of the population of any European country is in favor of peace or war would be hard to determine. But thus much we do know: If we go to war with any of these peoples, we shall be fighting the entire population; the system will take care of that. Perhaps a majority of the people may desire peace and would be heartly glad to see the last of the madmen who rule them, but the fact is that they permit this condition, and we must be concerned with facts and not let wishful thinking distort our vision.

Our American forefathers realized this and left Europe behind to found a new nation in a new world, uncontaminated by this heritage of hatred. Their wisdom becomes ever more apparent as the

tage of hatred. Their wisdom becomes ever more apparent as the

years pass.

years pass.

This is the picture of Europe as a whole today. Are there any exceptions to this rule? Perhaps there may be. Let us hope so. But we need not experiment to find out. Maybe Finland is the exception. The Scandinavian nations seem to be able to act sanely. For some strange reason we in this country had a tendency to believe Great Britain's protestations of friendliness until she proved that her word was just as valueless as that of her partners in crime by joining the list of defaulters. George Washington's advice to refrain from entangling alliances applies with more force today than it did the day it was delivered.

All the European nations which took part in the World War with the single exception of Finland stand revealed as breakers of treaties. A treaty made to be broken is much worse than no treaty at all. We can thank the wisdom of the American people that we were not dragged into the League of Nations. The European situation is hopeless at the present time. When peace comes to Europe, it must come from an overwhelming desire for peace within Europe. Until that day comes, all we can do is to

peace within Europe. Until that day comes, all we can do is to leave them alone. Any interference will cause them to hate us more, and only delay the final solution of their internal problem. Fortunately, we have no possessions or important interests there, and desire none.

But what about Asia? Should we come to the aid of hapless China, writhing in the clutch of the invader? Again the apostles of fear spring forth with their alarms. "If Japan subjugates China," they wail, "she will have a population and resources greater than ours. We cannot stand by and see this menace created at our doors."

They alarm themselves unnecessarily. Our European friends are not going to see Japan get China. Unless China can unite and repel the Japanese herself, she is due to be split up between Russia, England, and France. These countries will come to her "rescue" in due time, when Japan has weakened herself to the extent that she will be unable to offer effective resistance. And their armies, after entering China, will never leave. This may well be for the best in the long run. A country which cannot govern itself is going to have its governing done for it. At any rate, if the Chinese, with their tremendous resources and population, do not care enough for their country to protect it from being overrun by a little fifth-rate power like Japan, certainly the matter should not be of greater concern to the United States than it is to China.

The time to get excited about potential enemies who may invade America is when we know who those enemies are likely to be. Before that time comes the warlike nations will change partners Before that time comes the warlike nations will change partners many times, and there is no way to predict what particular combination of powers may decide to attack us. All we can do in the meantime is to look to our defenses and keep our men at home. Our past, present, and future are confined to the continent of America. Let us hope that some day a basis of peace, founded on justice, will be acceptable to the rest of the world. No arguments of feer manager along sealers or profit hunters must be allowed.

of fear mongers, glory seekers, or profit hunters must be allowed to shake our unflinching determination to keep our hands out of foreign wars. Only in this way can we be in a position to show the other nations the path to peace when they desire to find it.

Collect War Debt and There Will Be No Danger

EXTENSION OF REMARKS

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

LETTER FROM WILLIAM GRIFFIN, EDITOR AND PUBLISHER, NEW YORK ENQUIRER, TO SENATOR ROBERT REYNOLDS APPEARING IN NEW YORK ENQUIRER ON MONDAY, APRIL 24, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, I believe the following letter under date of April 17, 1939, from Mr. William Griffin, editor and publisher of the New York Enquirer, addressed to Senator ROBERT REYNOLDS, of North Carolina, concerning the war debt is of such importance that I hope every Senator and Representative will carefully read it and give it his most serious consideration. Senator Reynolds is to be congratulated for his statesmanlike and typically American approach to this vital issue. Under leave to extend my remarks in the RECORD, I include the letter, as follows:

Hon. Robert Reynolds, Senator from North Carolina, Senate Office Building,

Washington, D. C. MY DEAR SENATOR REYNOLDS: I want to send you my warmest MY DEAR SENATOR REVNOLDS: I want to send you my warmest thanks for introducing the concurrent resolution relative to my being appointed as special envoy in connection with the collection of the war debts. You have indeed done me a great honor.

To my mind, the collection of this enormous sum of \$13,000,000,000 is one of the most important and pressing issues confronting America right now. You, as an upstanding American, are

not afflicted with the spirit of defeatism which makes some of

not afflicted with the spirit of defeatism which makes some of our citizens shrug their shoulders and scoff at the very mention of exacting payment of the war debts.

If this Republic acted as the men who founded it and made it great would have had it act, it could have compelled our welching friends beyond the Atlantic to observe to the fullest the solemn agreements entered into by them with our Government as to the payment of the amounts due by them.

Even if we really thought it impossible to collect this \$13,000,000,000, it would be gravely harmful to the national interest to admit such a view openly. If we were to submit supinely to being defrauded on such a colossal scale, how could we expect honest treatment in our international dealings in the future?

We already see how our permitting these defaulters to victimize us has militated against our national prestige and material in-

terests throughout the world. As a much-traveled American, you, I am sure, know that we are looked upon abroad as a people who love to be fooled and fleeced.

If another European war breaks out, can we escape the self-reproach of having been morally responsible for it. For if we had compelled England, France, Italy, and the other war-makers to pay their indebtedness to us, they would not have been able to find the wherewithal to prepare for and wage war. We now see France and England engaged in bribing (with loans) Poland, Rumania, Greece, and other nations whom they wish to place on their side. The cash they are using is our cash, the cash which of right belongs to the crucified American taxpayer.

In its dealings with foreign nations our Government is in

In its dealings with foreign nations our Government is in duty bound to follow at all times the great guiding principle laid down by George Washington, namely, to act with strict impartiality. You will recollect that when the dictator of the Reich ruthlessly wiped out Austria's independence, there was a vigorous design of the state of the recomment that the Belgh proposed the

mand on the part of our Government that the Reich assume the

mand on the part of our Government that the Reich assume the American debt owing by Austria.

But when the dictator of the Reich ruthlessly seized Czechoslovakia, and since then, our Government has not said one word with regard to the American debt owing by Czechoslovakia. Why? Hitler is concerned in both instances. Can it be that the reason for this discrimination lies in the fact that someone high in official circles in Washington did not and does not desire to compel payment of Czechoslovakia's war debt of \$165,000,000 to Uncle Sam? Uncle Sam?

The \$84,000,000 in gold which the dictator of the Reich confiscated in Prague was not in actual fact the property of Czechoslovakia, but of the American people. Czechoslovakia was one of the most brazen members of the united war-debt welshers front, headed

by John Bull and Marianne.

There is a tremendous amount of talk in high places on the

Potomac as to the vital necessity of getting the disputing nations of Europe to sit down around the council table and devise ways and means of avoiding war.

By all means, let England, France, Germany, Italy, Russia, and the others concerned sit down in conference, and instead of intriguing and jockeying for position with regard to the balance of power to Function and the property research the results are the property and powerful to device the results are the property and powerful to device the results and the control of the property and the property and powerful to device the property and powerful to device the property and powerful to device the property and the property and powerful to device the property and the property a

guing and jockeying for position with regard to the balance of power in Europe, set themselves zealously and honestly to devising ways and means of fully meeting their debts to Uncle Sam.

If they act as thus indicated, they will do a service of transcendent importance to world peace, international concord, and international cooperation. By paying their debts to the crucified American taxpayer they will neither be in a position to wage war nor prepare for war.

With kindest regards and all good wishes I am

With kindest regards and all good wishes, I am,

Sincerely yours.

WILLIAM GRIFFIN. Editor and Publisher, New York Enquirer.

Agricultural Conditions In Wisconsin

EXTENSION OF REMARKS

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, May 4, 1939

RESOLUTIONS BY AGRICULTURAL GROUPS OF WISCONSIN

Mr. MURRAY. Mr. Speaker, I wish at this time to call your attention and the attention of the Members of this House to the deplorable agricultural conditions that exist in parts of Wisconsin.

The accompanying resolutions are presented by men who have intimate knowledge and contacts with these agricultural programs and I am sure we should give heed to their suggestions.

Whereas the mortgage indebtedness of a farm is a vital factor in determining whether or not the farm family can continue earning a living from the farm, and in view of the fact that many farm mortgages now being foreclosed are greater than their actual value; and

their actual value; and

Whereas resales of foreclosed farms, many of which were grubbed out of the wilderness and developed by those who lost them, are being made to new owners at much less than the foreclosed mortgages: Therefore be it

Resolved by the Agricultural Group of the Proposed Plans for Northern Wisconsin Counties, That this group recommend assistance through reamortization and adjustment of such mortgages at 3 percent for a period of 40 years in accordance with the principles of the Frazier-Lemke plan.

Dated at Rhinelander, Wis., this 17th day of April 1939.

Whereas it must be admitted that the fundamental cause of this Nation-wide depression rests wholely upon agriculture and the lack of purchasing power on the part of the American farmer with which to acquire and utilize the products of industry; and

Whereas practically every farmer, in order to continue operations, is getting assistance in some form or other from a Government agency, and such procedure has produced a tendency on the part of

agency, and such procedure has produced a tendency on the part of the farmer to relax in his efforts to promote better farming methods and reduce his production costs; and

Whereas agriculture as a whole has not benefited by such national farm legislation as has been enacted due to the fact that some sections of the country have been encouraged to produce certain products and commodities heretofore not produced in that area, thereby entering into competition with commodities produced in other sections, which practice tends to reduce the basic market price of such commodities; and commodities; and
Whereas securing to the farmer a minimum price of not less than

whereas secting to the tarmer a minimum price of not less than the cost of production would—

1. Create a new spirit through the knowledge that with proper farming methods and management he would be assured of a living in keeping with American standards and could eventually retire the indebtedness that hangs like a cloud over practically every farm at present, and could provide for his children the education to which they are entitled.

present, and could provide for his children the education to which they are entitled.

2. Tend to minimize the spread as exists between producer and consumer, which condition is recognized as one of the greatest evils retarding the return of prosperity to America; and Whereas it appears that existing conditions can be remedied only through the acknowledgment on the part of our lawmakers that agriculture is the foundation of this country and prosperity depends entirely upon the ability of the farmer to dispose of his produce at a price not less than the cost of production, which in turn would enable him to purchase and consume the products and services of industry: Therefore, be it

industry: Therefore, be it

Resolved by the Agricultural Group of the Proposed Plans for Northern Wisconsin Counties in session assembled at Rhinelander, Wis., This group unanimously endorses bill No. H. R. 2372, providing for cost of production, as well as other identical cost-of-production bills, and petition passage by the Congress of the United

Resolved further, That a copy of this resolution be forwarded to the President of the United States, to the Secretary of Agriculture, and to all Members of Congress representing the State of Wisconsin. Dated this 17th day of April 1939.

F. J. PAWLITSCHECK. Chairman, Agricultural Group for Northern Wisconsin Counties.

Our Obligation to Veterans and Their Families

EXTENSION OF REMARKS OF

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Monday, May 1, 1939

Mr. CANNON of Florida. Mr. Speaker, under permission to extend my remarks with reference to H. R. 5452, which was passed by this body today, I wish to make the following statement:

I supported H. R. 5452 as introduced by Mr. RANKIN and reported by his committee, not because I believe that the enactment of such legislation will completely discharge the obligation of this Government to the veteran and his family, but rather because I feel that it is a step in the right direction.

WAR DEBTS

Much has been said on this floor in years past about the war debts owed to this country by foreign nations. Let us not forget that the greatest unpaid and almost repudiated war debt is the one which this great country owes to those who sacrificed themselves and their families in the armed services of this country. Until this debt is paid in full we Americans cannot conscientiously chide others who have forgotten their obligations.

Many of those of whom I speak are alive but not living. Normal employment opportunity is not theirs. We have allowed this condition to exist for 20 years, and it is about time we were doing something about it.

ECONOMY ACT

It is encouraging to hear so many of my colleagues express themselves in favor of reestablishment of those benefits cut

off by the Economy Act. I, too, believe in economy, but there is a difference in economy and repudiation of an honest obligation and debt.

TECHNICALITIES

Our present veterans' laws are so complicated with technicalities that in many cases the most deserving receive little or no benefits. Let us do away with all technicalities and meet our obligations to this most deserving group in a simple and fair manner. They served this country as it has never been served by any official, agent, or employee. We pension all other employees, irrespective of every technicality and strictly on the basis of their needs. If we will pension every veteran, his widow, or his children or parents, as the case may be, on the basis of their needs, then, and then only, will this country have satisfied its obligations to the veteran.

ECONOMIC EFFECT

There is no doubt that if we will proceed to pay our obligations to the veteran, W. P. A. rolls may be reduced. There will be less people on our social-security rolls. The lines in front of our employment-service offices will be shorter. Yes; even bread lines will be shorter. Every cent paid will go into circulation. From a credit standpoint, in my humble opinion, it is more desirable for this Government to clear its credit with millions of American people to whom we owe a solemn debt than with the banks. I hope both can be done in time. But if there is any priority in the debts that this country owes, that seniority is certainly in favor of the veteran, for this debt has been overdue and unpaid for 20 long years.

IMMEDIATE ACTION

There is no excuse for waiting longer in taking care of this our war debt. Over 20 years ago we sacrificed the youth of this country in a foolish war, and now we are sacrificing on the altar of economy the same group, which is now our older people, their widows, parents, and children. Yes; their children, who, because we will not pay our obligation to them, go uneducated, ill-clothed, and in many cases unfed. No other question warrants the immediate action of Congress more than this vital and most important matter. Let us pay our debt now.

The Collapse of the New Deal

EXTENSION OF REMARKS

HON. CHARLES A. HALLECK

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 4, 1939

EXCERPTS FROM ADDRESSES BY HON. CHARLES A. HALLECK, OF INDIANA

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks in the Record, I include the following extracts from addresses recently made by me at Columbus, Ohio, and Richmond, Va.:

In November of 1936 President Roosevelt was returned to office by a 10,800,000 majority—the largest in our history. That year the Republican Party carried only 2 States for the Presidency, and elected but 5 Governors, 6 Senators, and 89 Representatives. The newspapers were full of editorials that the end of the G. O. P.

Two years went by—two of the most dramatic years in our political history. Then last November a Republican landslide swept 18 Republican Governors, 11 Republican Senators, and 169 Repub-18 Republican Governors, 11 Republican Senators, and 169 Republican Representatives into office. The political picture had reversed itself. There were, I know, a great many factors which caused that change, but all of them can be lumped together in a single sentence, "The people of the United States have discovered that the New Deal does not work."

When Mr. Roosevelt was campaigning for office in 1932 he pointed with horror at the sight of 11,000,000 unemployed. He rightly said that this great country of ours was too rich to allow 11,000,000 men and women to tramp the streets for long looking for work. And yet, in spite of wielding more centralized power

than any President in our peacetime history, in spite of 6 years devoted to ceaseless talk of trying to help our underprivileged, the American Federation of Labor figures show that unemployment last November still stood at 11,000,000.

FABULOUS SPENDING

Certainly this failure to help labor cannot be blamed on lack of Government funds. Since coming to office President Rooseveit has spent \$47,000,000,000. No human mind can understand what that much money means. But it can understand the fact that that much money means. But it can understand the fact that \$47,000,000,000 is \$18,000,000,000 more than was spent by the Federal Government from March 4, 1789, under George Washington, to the day we entered the World War. During those 122 years 26 American Presidents expended only 60 percent of the money Mr. Roosevelt has spent in 6 years. With it they paid for the American Revolution, the War of 1812 with England, all of our nineteenth century wars with the American Indians, the Mexican War with our sister Republic to the south; the great and tragic War between the States, and the Spanish-American War that made us an imperial power. And, in addition, those 26 Presidents bought the Louisiana Territory, Florida, Alaska, and the Virgin Islands. They dug the Panama Canal, dredged our rivers and harbors, and spanned dug the Panama Canal, dredged our rivers and harbors, and spanned this continent with a firm network of highways; paid the wages and pensions of the veterans of the above-mentioned wars; and carried on all the activities of the United States Government for 122 years. All of that took but \$28,729,000,000. But since March 4, 1933, the Federal Government has spent approximately \$47,000,000,000.

BUSINESS STILL RETARDED

Two simple ways of measuring the health of business in this country are to consider the types of new financing and the number of houses built each year. From 1920 to 1930 new financing in this country, exclusive of refunding, was divided 88 percent corporate and 12 percent Government, which includes Federal, State, and municipal. From 1931 through 1937 the division was 15 percent corporate and 85 percent Government. In other words, since the New Deal business has not been able to raise money to repair old

plants, let alone to build new ones.

During the 8 years leading up to 1929, private capital built annually 223,000 houses. Since the New Deal has been in office (during which time vast sums have been spent by the Government for housing) the average number of homes built in the United States has fallen to 77,000 annually. Do I hear you say that is because the whole world has been in a bad state for the last 6 years? Well, recent figures released by the League of Nations show that industrial production in Japan is 67 points ahead of the 1929 level, that Norway is 35 points, and England 9 points ahead, while the United States, which stands thirteenth on the list of nations, is 15 percent worse off than in 1929.

BROKEN PROMISES

BROKEN PROMISES

The tragic weakness of the President is his inability to read election returns correctly. The votes that first elected Mr. Roosevelt in 1932 were votes for recovery, and when the New Deal first came into office it took every step in its power to promote that recovery. But before this program had been under way for 3 months President Roosevelt switched to a program of reform, and the great impetus that had been given to prosperity died.

The great victory won by President Roosevelt in 1936 was again a mandate from the people to go ahead with recovery. But instead of recognizing it as such, President Roosevelt set out early in 1937 to remake the Government along the lines of one-man

in 1937 to remake the Government along the lines of one-man rule. He tried to pack the Supreme Court, and to centralize the Federal Government. He closed his eyes to the lawless excesses of misguided groups of labor. By the end of 1937 we were in a violent depression.

Just as President Roosevelt failed to read correctly the meaning of his 1936 victory, so he has failed to understand his 1938 defeat. The real Democrats in Washington interpreted the message from

The real Democrats in Washington interpreted the message from the voters. But instead of turning to proven political advisers, President Roosevelt listened to the very group of starry-eyed reformers who had advised him so unwisely after his 1936 election victory. Let's see how the President has responded to the mandate of the people as expressed last November. One mandate of the 1938 election was to take politics out of relief. President Roosevelt put Harry L. Hopkins, the key man in the whole relief picture, in his Cabinet. Cabinet.

Another mandate of 1938 was to enforce law and order, yet President Roosevelt put Frank Murphy (repudiated by the voters of his own State of Michigan for his action in sit-down strikes) into his Cabinet as Attorney General, the chief law office of the Govern-

The mandate of 1938 was for Government economy. But in his annual message to Congress this January, President Roosevelt not only gave up any idea of balancing the Federal Budget but took the indefensible position that Government spending is Government

investing, and that the United States should continue to try the impossible course of spending its way into prosperity.

The mandate of 1938 was that this country should check radicalism and encourage business, but President Roosevelt to date has uttered no word to discourage alien radicalism in its attack upon Americanism.

Americanism.

It is true, too, that the New Deal reluctantly, 3 months after the election, executed one of its apparent about-faces for the declared purpose of appeasing business. Speeches extending the olive branch were delivered by Mr. Hopkins and by Mr. Morgenthau, Secretary of the Treasury. But scarcely had the echoes of these orations died until President Roosevelt himself turned thumbs down on the appeasement policy, and business again began discounting a discouraging future.

REPUBLICANS PLEDGED TO RECOVERY

If Mr. Roosevelt ever actually seeks to appease business—instead of permitting a temporary breathing spell so that a firmer grasp may be had at its throat, he will find the Republicans in Congress stanchly behind him. But we are not interested in political gestures or economic panaceas. Let the President undertake to cut down some of the reckless spending that has marked his administration and we will follow him. Let him call for the repeal of down some of the reckless spending that has marked his administration and we will follow him. Let him call for the repeal of the discretionary powers he now holds, which have created so much uncertainty. Let him propose a common-sense tax program, designed to raise revenue and not punish business, and we will be with him. Let him propose a fair revision of the Labor Relations Act. Let Mr. Roosevelt frankly and specifically place a limitation on Government competition with private business and he will get our votes. Let Mr. Roosevelt declare that the era of experimentation is over, and let him back up his words with deeds.

If Mr. Roosevelt does these things, he will find the Republicans in Congress with him because these proposals constitute the stand the Republicans have taken for the last 4 years. We protested incessantly against the punitive measures taken against business, despite occasional honeyed words of appeasement.

Until we witness a little action to follow promises we cannot be blamed for keeping our fingers crossed. The New Deal for 6 years has a record of breaking one promise after another. At least once in every year of his administration Mr. Roosevelt has reversed himself. He has described himself as a "quarterback." The description is an apt one. So until we have an opportunity to see a little specific action we do not know whether the play is going to be a line plunge down the field or just another end run with another loss of 10 yards.

STRANGLING PRIVATE ENTERPRISE

But let me say that the New Deal efforts to solve the depression are no longer a game, if they ever were. Its spending program has become an economic treadmill.

In fact, the cold figures show it is not even a good treadmill, because, instead of running as fast as you can to remain on the same spot, we are actually drifting backward toward constantly lower standards of living for millions of our people, particularly in the form resions. farm regions.

farm regions.

Now, this slow economic degeneration can be demonstrated by figures. We need only look at the amount of durable goods purchased by private enterprise in the heavy industries since 1933.

During the 10 years 1919-29 the American people spent an average of \$19,000,000,000 a year for durable goods—new machinery, new factories, new railroads, and other such forms of capital equipment.

But since 1933 our expenditures for this type of goods have averaged only about \$11,000,000,000 a year. We, therefore, have a deficiency of \$8,000,000,000 a year for the 7 years of the Roosevelt era, up to the end of the 1940 fiscal year. This means that the accumulated national deficiency in durable goods under Roosevelt's policies now approaches the staggering figure of \$56,000,000,000.

Of course, no one can have any real comprehension of what this amount of money means, even when spread over 7 years. But we can come to a good relative appraisal of the amount by recalling that the total deficiency of the Federal Government for the 9 years 1932-40 aggregates \$28,000,000,000.

These are the official figures submitted by President Roosevelt in his Budget message last January.

January.

Now, the official justification offered is that these huge Government deficits "prime the pump" and thereby help restore jobs and prosperity. The new dealers overlook the fact that their unsound fiscal policies have driven to hiding \$2 of private buying and investment for every \$1 of Government deficit spent in pump priming. If we had spent the \$56,000,000,000 in private capital, it would be working for a higher living standard. Instead, we owe \$28,000,-000,000 of Government debt.

Or we may put it another way: In spending \$28,000,000,000 to restore prosperity, this administration has driven \$56,000,000,000 of private spending and investment out of the market. The answer? It is only one phrase—lack of robust business confidence. This is why I say the Roosevelt scheme is worse than a treadmill. The problem of restoring a robust national confidence in private enterprise, and in harnessing once more the great driving power of investment capital is the one great problem before this Nation

We know there is hat one great problem before this Nation today.

We can never have solid and sustained prosperity, we can never have real jobs at honest wages for our 10,000,000 unemployed until the American people feel certain of the future of America and its bountiful system of competitive free enterprise.

This is the one problem the President and his inner circle of imperious advisers will not face or discuss.

We know there is hat one real presents of recovery that is the

We know there is but one real measure of recovery, that is the number of people restored to jobs. And we all know that today, after 6 years of unrestrained new dealism, we still have 10,000,000 unemployed.

But the American people will discuss our 10,000,000 unemployed even if the President would rather talk about the war in Europe.

Our first responsibility is not to Europe but to the old frontier of unemployment and economic insecurity in the United States of America. The elimination of the bread line is our first line of defense.

We challenge the President on this issue and we propose to make the challenge, not in the quiet confines of our offices in Washington

the challenge, not in the quiet confines of our offices in Washington but in the public forum of America from coast to coast.

And we do not intend to be diverted from this fundamental issue of American life by the President's excitement over imaginary threats from other quarters.

We are going to carry this issue right to the people who must decide it; and if you have examined the election returns of last November, you will hold every confidence, as I do, that the American people already are feeling their way toward the right conclusion, namely, that the New Deal alone is the one great factor in American life which makes for continued depression and prolonged unemployment. unemployment.

That is what the record tells us; that there never will be any solid and sustained recovery and prosperity in this great country of ours until Franklin D. Roosevelt ends his one-man war on private enterprise, on profitable business, and against the American gov-

ernmental system of ordered liberty under law.

The Needs of New England

EXTENSION OF REMARKS

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES Thursday, May 4, 1939

ADDRESS OF RALPH E. FLANDERS, DIRECTOR OF THE NEW ENGLAND COUNCIL

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Ralph E. Flanders, of Springfield, Vt., director of the New England Council, at Washington, D. C., May 3, 1939:

Council, at Washington, D. C., May 3, 1939:

It is something of a responsibility to be asked to present New England needs and possibilities before its representatives in the Senate and House as I have been asked to do. The difficulty lies in the fact that no one man can see the whole picture; nor can any two New Englanders, with their traditional independence of opinion, fully agree on just what it is that we want and in just what direction we should go. You must then discount this as an authoritative presentation, and give it only the importance which your own judgment assigns to it.

New England has had an interesting history. The industry of modern America was established there. The iron industry started there. The cotton textile industry started there, and so did many another of our great industrial developments. Meanwhile we fed ourselves as well as manufacturing for the rest of the infant Nation. Our fields of grain, flocks of sheep, and herds of dairy cattle supplied us with food and clothing. Our industries paid the highest wages, and our workers enjoyed the highest standard of living of any part of the country.

Meanwhile our fishermen drew the heaviest catches from the ocean, and our merchant ships sailed the world around and were the undisputed masters of the seas. New England led the Nation in industrial and mercantile enterprise for more than half of the

in industrial and mercantile enterprise for more than half of the

nineteenth century.

Her subsequent history has not been so spectacular.

nineteenth century.

Her subsequent history has not been so spectacular. The limited sources of iron yielded place to the vast deposits of Pennsylvania, the South, and the Lake Superior region. The lower wages of the South attracted the cotton industry and much of this has left New England forever. Shoemaking drifted away from our cities and towns nearer to the sources of leather and to the centers of population of the Nation. New England wool gave place to that from vast flocks raised on the open ranges of the West, made available by the building of the transcontinental railroads. Our grain supplies come from the West. And while our milk is for the most part raised within our boundaries, yet cream and butter come to Boston markets from beyond the Mississippi.

New England geographically, industrially, and agriculturally is "out on a limb." The air is bracing and the view is unexcelled, but still we are "out on a limb." To leave the picture here, however, would be to give a very false impression of what is really a heartening rather than a disheartening picture; for when New England found it necessary to give up providing the rest of the Nation with bulk and staple goods, she turned her energies to the production of quality goods, and in the production of those goods she finds her present field of activity and her present source of employment for her workers and of income for her industries. Wherever material cost is high and the amount added to the production by labor is inconsiderable, we relinquish the field to our competitors. Wherever skill of hand and brain is applied to the refined manipulation of quality products, there we find our field.

Although much of the low-priced shoe trade has left us, we still find a market for the highest grade of men's and women's shoes. It has become difficult for us to compete in the manufacture of staple cotton textiles, but the finer weaves and the artistic specialties meeting the demand of enlightened style—these we can and will produce. We no longer sell pig iron to the rest of the country, but we continue to manufacture the highest type of machine tools and find our market in the Waltham watch rather than in structural steel.

Thus for the industries which we retain we still pay the highest wages and enable our workers to live at the highest standard of living of any section of the country. We have abandoned the quantity ideal and have become a region whose industries are based on quality. This has been made possible by the fact that we have as a foundation for our production of quality products a quality population, whose native ingenuity, skill, and character fit them for our type of industry to an extent not to be matched elsewhere in the Nation.

elsewhere in the Nation.

Carrying this idea still further into other fields than that of industry, we see the new opportunities of agriculture pointing in the same direction. Our future lies in food specialties which will bring a price above the market. Butter, cheese, hams, country sausage, bacon, each stamped with a trade-mark whose reputation has been founded on cleanliness of preparation, delicacy of flavor, and unvarying high standards, point the way to the future of New England agriculture. Add to this the New England tradition of farming as a way of life and we have not only the background farming as a way of life, and we have not only the background for a solid success in agricultural pursuits; we have as well a con-tinuation of the New England countryside as a source of the finest

human material for the replacement of the leaders of the Nation in commerce, industry, education, and statesmanship.

As our final resource, we again have quality in the recreational facilities which we have to offer. There is quietness, beauty, and regenerating peace in our landscape. Those who live in the region and minister to its visitors have such a real, though unconscious, participation in the quality of the scene that they are at unity with it, and the discerning visitor seldom finds himself disturbed by the jarring note of dissonance between the seashore the mounby the jarring note of dissonance between the seashore, the moun-

tain, or the valley and its inhabitants.

A region whose prosperity is based on quality has difficult problems to face, some of which come very clearly within the influence of national legislation. Let us consider a few of these matters with which you, our representatives in Congress, are particularly con-

cerning yourselves.

cerning yourselves.

There is, of course, the ever-present question of the tariff, with relation to which our region presents no unusual problems. I must say that the terms of the recent reciprocal arrangements with Great Britain and Canada made it look as though New England had either been kept too much or too little in mind, when such things as milk, maple sugar, and fisheries had their protection decreased. I do not know that it is yet time to appraise the results of this action, and perhaps we had better wait until the results are clear before we try to make protest; for there until the results are clear before we try to make protest; for there are other legislative problems which do affect us more directly.

are other legislative problems which do affect us more directly. The Wages and Hours Act is a serious matter. Here we find ourselves on the horns of a dilemma. I am sure that most of us are opposed to the setting of wage rates and hours by national legislation. The lack of flexibility, the widely varying conditions, the impossibility of granting exemptions with even-handed justice, the inevitable necessity for the building up of great bureaucratic administrative institutions, and the choking of natural developments in accordance with economic needs are only a few of the difficulties which follow an attempt to introduce totalitation. of the difficulties which follow an attempt to introduce totalitarian administration into a highly developed and elaborately organized society like ours

Yet, on the other hand, a region which must subsist on quality products, paying high wages, is ever sensitive to the disadvantages which those high wages entail. Our region has led the Nation in its wage and hour standards. It has placed itself at a definite disadvantage thereby, and the temptation is strong to support wage and hour limitations and to demand their extension.

However advantageous such a course might be for New England, I believe that it would be bad for the Nation as a whole and ultimately bad for us. The most we should ask for, it seems to me, is such a wage rate as gives minimum standards of decency, giving assurance that the industry is just above the sweatshop level. Thirty-five cents an hour or even thirty-two cents an hour as a minimum would seem to meet these requirements for goods

made for interstate distribution.

A quality region also has its definite problems with relation to taxation. For one thing it is subject to greater fluctuations of income. It has years of loss in its operations and then a few years of profit. The net result over a period of years is a tax on its average profits higher than the normal rate of taxation for any 1 year. We are thus far more heavily taxed than regions engaged in more stable occupations, such as the food industries. We have a particular interest in taxation policies which carry over gains and losses so that the taxation is on the basis of our average conditions instead of on the abnormal ones.

In a region renowned for its inventiveness and its enterprise, we have been hard hit by the special forms of taxation which have been devised, it would seem, specifically to penalize business risk. The undistributed-profits tax bore heavily on businesses whose earning power fluctuated widely, but it bore still more heavily on the growing industry, attempting to make for itself a place as a new venture against the competition of established businesses. The capital-gains tax, like the undistributed-profits

tax, has been somewhat lightened, but even in its present form

tax, has been somewhat lightened, but even in its present form its effect is to discourage "venturesome capital." There is nothing this Nation needs more than a revival of the spirit of business risk and enterprise, and the ability to realize on profits from risk and enterprise is an essential necessity. Full reemployment waits on risk and enterprise and at this moment it waits on little else. While these things of which we have been speaking are specific, there is a general requirement still unmet which it is most difficult to put into words. That general requirement relates to the atmosphere or the "weather" in which business enterprise must live and act. The weather has not been good. The weather is made in part by business itself and in part by the conditions which surround it, which in the last few years have been primarily determined by the Federal Government. I think that I may safely say that the arrival of good business weather and consequent revival of employment and a decrease of the excuse for large governmental expenditures depends overy little upon the passing of new legislation. It depends, on the whole, rather more on the refraining from legislation or from the threat of legislation. We are, indeed, in a dangerous position when we assume that business depends on positive action by government for its health and depends on positive action by government for its health and activity.

There are certain business evils from which government must protect the body of its citizens. There are certain evils from which some sections have to be protected as against other sections. There are certain disasters which come to business from the raids of speculation, for instance, from which protection must be pro-vided. But, take it altogether, these various protections are of a general sort and fall far short of the regulation of the details of general sort and fall far short of the regulation of the details of business by government on which we have embarked in the last few years. Such detailed regulation is impossible. The attempt to enforce such legislation meets with difficulties such as to require an ever-expanding and ever-elaborating administrative machinery. It is not too much to say that the attempt to govern the details of business by government, if persisted in, will destroy popular government, and destroy the useful functions which our representatives in Congress now perform. Only the totalitarian government can give detailed management to business, and in the totalitarian government the people's representatives play no part.

I might properly close by calling attention to the fact that New England's particular forte of providing the more refined goods and services for the rest of the country gives her a particular interest in the welfare of the country as a whole. It is New England's industries which suffer first and most if the Nation's business is not sound. We have, therefore, no special favors to ask. We ask only that our Nation be permitted to continue on its old course of private enterprise and activity with only the necessary checks on the evils which have hindered that enterprise and activity.

I hope that this picture will appeal to you as clarifying and simplifying the responsibilities and opportunities of you who are responsible for national legislation. We are dependent on you, and we believe that the requirements which we feel must be met in your sphere are requirements which you are as well fitted to carry out in the future as you have shown yourselves to be in the

The Unconstitutionality of H. R. 5643 and the Danger of Concentration Camps Under Its Administration

EXTENSION OF REMARKS

HON. RUDOLPH G. TENEROWICZ OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1939

Mr. TENEROWICZ. Mr. Speaker, I rise in opposition to H. R. 5643. Were it not that this bill, in my humble opinion, strikes at the very roots and foundations of the Bill of Rights for all Americans, citizens and noncitizens, I would not ask your indulgence. Because it does propose an opening wedge in the bulwark of our civil liberties-specifically, imprisonment without trial upon a class of foreign-born residents-I feel it to be a menace to us all.

Do not misunderstand my position. If any alien has violated the laws of our country, he should be immediately subject to the operation of the Criminal Code of the Federal Government and to the laws and police regulations of the States. These Federal and State laws have in the past, and are today, bringing about the conviction and punishment of such violators. And even the remedy this bill seeks to bring about is, as stated in the majority report from the Committee on the Judiciary, designed to care for and not to exceed 50 such aliens a year.

It is not the scope of this bill which arouses our violent protest but the future implications which are bound to follow its passage. It is repugnant to me as an American citizen to see introduced within these Halls legislation so palpably copied from the tactics of foreign dictators, legislation which openly provides for concentration camps in freedom-loving America. I, for one, could never live with my conscience if I permitted my vote to be cast for the first concentration camp ever contemplated in these United States.

Are we Members of this Seventy-sixth Congress-all of us as President Roosevelt has recently reminded us, the sons of immigrants-seriously considering the passage of this bill? Do we favor this measure which, for the first time in our long history, would introduce into American jurisprudence a procedure calling for prison terms which could amount to life imprisonment and for persons who, through no fault of their own, are unable to obtain travel documents to foreign countries? I for one do not think we do.

The danger, however, lies in permitting the forces of reaction to set up such machinery under the guise of punishing wrongdoers of foreign birth. Should this measure pass, how long would it be, I ask, before these concentration camps, where men and women are committed without due process of law-without benefit of a jury trial or assistance of counselhow long before they would be suggested for, yea, and even used, to imprison American-born citizens who disagreed with those in power?

At first glance this may seem farfetched to some of us. "What do we care," you may say, "what happens to foreigners who have violated our laws?" But the wiser among us will remember that eternal vigilance is the price of liberty. That what happens to unwanted aliens today may tomorrow happen to us.

Sometimes I feel we are apt to forget in these frenzied times just what appeal the United States holds out to a fearconstricted world. It is well for us to remember that from 1820 to 1920, 33,000,000 immigrants entered this country drawn by the irresistible promise of freedom and liberty for all. These immigrants of every race and creed shared in the great national development of America. Their brains and skill helped build this country and make it great. They came here, reared their children, and remained because of the degree of freedom and economic security they found here. And today, perhaps more than ever before, men and women of the world are looking to the United States as the haven and shining light of liberty and civil rights.

The ably written minority report of the Judiciary Committee raises a grave doubt about the constitutionality of this bill. It points out that this bill "sets up a procedure for the arrest, and in some cases permanent detention, of persons in a way which contravenes well-established principles of the United States Constitution."

May I, with your permission, quote from this report:

If Congress provides for imprisonment, however, for deportable or the persons it would seem to follow that such persons are entitled to a jury trial, the assistance of counsel, compulsory process, and other rights secured to persons accused of crime by the fifth and sixth amendments to the Constitution, since the courts have held that these amendments apply to the prosecution of aliens as well

as citizens.

It is apparent that the draftsmen of this bill had this objection in mind, since the provision is made for confinement "though not at hard labor" and for release by the Secretary of Labor "upon sufficient evidence of good cause." It is difficult to see how the Constitution can be circumvented by referring to indefinite imprisonment as "detention" or confinement "without hard labor." Nor does the provision for release upon the order of the Secretary of Labor cure the constitutional defects in the bill, since there is no definition whatsoever of the phrase "good cause." Obviously, what might seem "good cause" to one Secretary of Labor might not seem "good cause" to others. The provisions for judicial review of the Secretary's orders in these detention cases is meaningless, since the courts would have no legislative standard with which to measure the validity of the Secretary's action.

Indeed such a vague phraseology would indicate that the bill not only conflicts with the specific language of the fifth and sixth amendments but is probably also unconstitutional on the ground of unlawful delegation of power.

Can we forget, my colleagues, that it was not so many years

Can we forget, my colleagues, that it was not so many years ago that we invited aliens to our shores? We needed their

brawn and their brains and we promised them freedom. Today the picture is changed. Today many a good worker, through neglect or ignorance, finds himself an unwanted alien in our midst. We know that at this very session of Congress there have been more than fourscore bills introduced under the heading of antialien legislation. Instead of harassing and persecuting these aliens and foreigners in our midst would it not be more to our mutual benefit to encourage and assist them to become American citizens by liberalizing our naturalization laws for those who have been here a number of years?

I cannot close without pointing out the danger to organized labor, and to workers everywhere, which lies inherent in the bill under discussion. Labor has found, all too often to its sorrow, that such measures directed against aliens frequently are used to intimidate and threaten workers exercising the right to join with their fellows in improving their living conditions. The existence of concentration camps in America would be an especial menace to organized labor.

And does it not seem incongruous to us here that we should be considering such a tyrannical measure at the very moment when hundreds of thousands of our citizens are gazing with reverence and awe on that great English foundation stone of democracy, the Magna Carta now on view at the New York World's Fair?

In closing I ask you, before voting on this bill, to reread the Constitution of the United States and the Bill of Rights. And, if you still waver, the Magna Carta. I firmly believe that no lover of democracy could read these immortal documents and then vote "Yes" on this bill.

Has Business Lost Interest in Tax Revision?

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES' Wednesday, May 3, 1939

JOINT DISCUSSION BY HON. EMANUEL CELLER, OF NEW YORK, AND HON. JOHN W. McCORMACK, OF MASSACHUSETTS, BROADCAST OVER A COAST-TO-COAST NETWORK FROM WASHINGTON, D. C., MAY 3, 1939.

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following joint discussion by Hon. John W. McCormack and me, which was broadcast over the coast-to-coast red network of the National Broadcasting Co. from station WRC, Washington, D. C., May 3, 1939:

Mr. Celler. On March 14 we were privileged to discuss certain changes in existing tax laws that might be put into effect without loss of revenue to the Government, and which at the same time would tend to restore confidence, to stimulate employment, and to more quickly bring the country back to normal prosperity. The suggestions made during that discussion have received Nation-wide acceptance and approval.

Mr. McCormack. That is true, Congressman Celler. Many thousands of copies of our tax discussion were requested and distributed throughout the country. While there has not been the articulate demand for tax revision expected, still, so far as I am aware, not a single dissenting voice has been raised against the proposals we submitted at that time. On the contrary, wholehearted endorsement has come from business, large and small, from individual taxpayers; and from the public in general.

Mr. Celler. Nevertheless, I have been somewhat puzzled, Congressman McCormack, that there is not a livelier and more articulate interest on the part of businessmen and taxpayers generally

late interest on the part of businessmen and taxpayers generally in the revision of Federal tax laws at this session of Congress, Discussions involving earlier efforts at tax adjustment were accorded overwhelming endorsement, but recently the drive for tax revision seems suddenly to have slowed down. I am disturbed by this recent let-down, although there has been some awakening from this apparent apathy on the part of taxpayers since our discussion

Mr. McCormack. I share this concern with you, Congressman Celler. While the articulate demand has not evidenced itself, there does seem to be increased interest for pressing reasonable tax revision on Congress since our last radio talk. While corporations or businessmen are not expecting much in the way of reduction of the total amount of revenue to be raised, at least not until there seems to be more definite prospects of reducing Government expenditures, nevertheless, a healthy growing feeling is evidencing itself at the repeal or alleviation of some oppressive taxes, which will contribute to a rapid business recovery. The question at the moment is not so much the reduction in the total taxes collected as it is the elimination of the varied and intricate forms of taxation and tax reports, and the simplification of procedure to such extent that the actual saving of time and money to the executives and employees in private business will in and of itself result in a substantial reduction in the present total expenditures for taxes, as well as a reduction in the cost of preparing, filing, and examining the multiple tax reports which have to be made.

Mr. Celler. You probably observed, Congressman McCormack, a few days ago the Brookings Institution submitted recommendations, based on a survey by one of its economists, which are practically on all fours with the tax recommendations contained in our recent radio talk. Similar recommendations have been made by other groups also. Inasmuch as our suggested changes involve no loss of revenue to the Federal Government, why should there be any

objection to their adoption?

Mr. McCormack. I see no justification whatever, Congressman Celler, for anyone opposing proper and necessary tax revision. So far as I am aware, no proposal has been advanced by any leader in the tax-revision drive which has as its aim the facilitation of tax avoidance by wealthy persons. I know of no pending proposal that the tax and the facilitation of tax and the facilitation of tax avoidance by wealthy persons. that aims to reduce the total of governmental revenues from business taxation. I do know that a lot of hard work and study have gone into plans to eliminate some of the many complex levies now gone into plans to eliminate some of the many complex levies now assessed against business. Such a revision would give businessmen some time, which is sorely needed, to run their business and to permit them to make sound business decisions, which are impossible today without expert professional advice. Further, such liberation would give businessmen time to expand their enterprises, create more jobs, promote recovery, and thereby build still greater revenues for the Government.

Mr. Celler. Isn't it possible, Congressman McCormack, that the seeming lack of interest on the part of businessmen today may be caused by some of the recent unfounded press statements? For example, some dispatches have indicated that a corporation tax as high as 27 percent might be necessary to bring about the desired

revision.

Mr. McCormack. Such statements are, of course, fantastic; but, unfortunately, they do have the effect of disturbing business equilibrium and creating more unrest throughout the country. It is the duty of businessmen to distinguish between political propaganda and constructive criticism. You will recall that in his first speech after assuming office, Secretary Hopkins, on February 24, stated: "Among many businessmen there exists a widespread lack of confidence. I am prepared to accept that premise, nor would I underrate its importance. Loss of business confidence is and has been a hard, stubborn fact, and may be as real a deterrent to restored business health as anything we have to deal with." I think, therefore, we cannot afford to ignore this fact.

I, like yourself, Congressman Celler, have been preaching tolerance and understanding on the part of all—Government, business, finance, employers, labor, everyone—as essential in the first instance to a restoration of confidence. We cannot have confidence where suspicion of each others' motives exists, or where hate exists.

where suspicion of each others' motives exists, or where hate exists. where suspicion of each others motives exists, or where hate exists. With tolerance and understanding existing, and with proper tax revision, the businessmen of the country will be inspired to greater activity, and the country as a whole will benefit therefrom.

The country cannot be lifted from its present state of economic depression except by private enterprise. A revival of private enterprise can be secured only by a restoration of business confidence.

Mr. Celler, I am in thorough accord, Congressman McCormack.

Mr. Celler. I am in thorough accord, Congressman McCormack. However, some objections to this position have been advanced by theoretical economists and a few officials in Government. These theoretical economists remind me of the teacher who had a class in arithmetic in a school in one of Ohio's numerous cities who posed the question: "If there were 12 sheep in a field and 5 jumped the fence, how many were left?" She asked several pupils and got the lence, how many were left?" She asked several pupils and got numerous answers. Some said 3, some said 9, and some said 6. She asked Johnnie, who had recently moved in from the country, and his reply was "no sheep left." The teacher told him that he was mistaken and that if 5 sheep out of 12 jumped the fence, there would be 7 left. His answer to the teacher was: "You might know arithmetic, but you don't know sheep." The theoretical economists might know economics, but evidently they don't know human nature and practical business.

Mr. McCormack. Additional fears understally have been been

Mr. McCormack. Additional fears undoubtedly have been engendered by the charges of a small group that the changes we have advocated in the tax revision program would amount to a defeat advocated in the tax revision program would amount to a cereat of the social economic concepts of measures intended to correct inequalities. I see nothing in our proposals that in any way affect such objectives. On the contrary, the adoption of these proposals will tend to consolidate the gains that have been made through the social legislation adopted by Congress during the past 6 years.

Mr. Celler. I know, Congressman McCormack, that the Ways and Means Committee, of which you are a distinguished member, will compare the provideration to all expects of tax revision possible at this seements.

give consideration to all aspects of tax revision possible at this session of Congress. Certainly the studies which Treasury officials have made, and which Secretary Morgenthau and Undersecretary Hanes have stated they are prepared to furnish to your committee whenever called upon, should dispel any misunderstandings or

wrong conclusions as to what this tax revision program amounts to. I have implicit confidence in the ability and fairness of the members of the Ways and Means Committee to recognize the necessity for proper tax revision to restore prosperity. Such action on the part of your committee will terminate the uncertainty that exists at present and it will restore confidence.

at present and it will restore confidence.

Mr. McCormack. You will recall, Congressman Celler, that in his message to the Congress on January 4, 1939, President Roosevelt stated: "It is my conviction that down in their hearts the American public—industry, agriculture, finance—wants this Congress to do whatever needs to be done to raise our national income to \$80,000,000,000 a year." To me that statement is clear. It is equally clear to me that a returning increase in production cannot be accomplished without a substantial increase in private capital investment. Furthermore, the responsibility of Government with respect to the health of business is to make sure that business, as a whole, is properly sustained.

a whole, is properly sustained.

Mr. Celler. There is no argument on that score. I have never belonged to the school of thought which holds that merely dividing up the present national income would provide a decent living for all. If new jobs are to be provided, the national income must be increased. It is only by increasing the national income, and increasing the number of people with receiver their treasure.

all. If new jobs are to be provided, the national income must be increased. It is only by increasing the national income, and increasing the number of people who receive their income through private wages, that we can hope to obtain anything resembling security in America. A rising national income means good homes, a decent education, and genuine security for the families of America. This country cannot be in good health, and democratic principles cannot be safe, until men go back to work—until we solve the unemployment situation.

Mr. McCormack. Again, Congressman Celler, we are in substantial agreement. In a message to the World's Fair Commission, on the evening of April 23, Secretary Hopkins said: "We know at home that stimulation of recovery rests primarily upon the resumption of the flow of private capital into enterprise. It has been this risk of investment funds—this willingness of businessmen to venture into new fields—that has supported a rising national income, increased our national wealth, and provided jobs in the past."

Recovery in the United States has been delayed because of idle men, idle machines, and idle money. Since 1930, the waste of labor time through unemployment has reached the appalling total of 80,000,000 work-years. This problem becomes constantly more acute because the growth of the population adds about 600,000 new workers to the labor force annually. It is estimated that an investment of \$7,000 per worker is required for our industrial economy. That means an investment of \$4,200,000,000 annually is required to give employment to the new workers alone in this country. You have only to study the investment figures in the United States during the past few years to realize why so many men have been and still are out of work.

Mr. Celler. What makes the situation more perplexing to the ordinary person, Congressman McCormack, is the realization that the amount of money lying idle is greater in this country today.

ordinary person, Congressman McCormack, is the realization that the amount of money lying idle is greater in this country today than in any previous time in our history. We have more money to lend for productive purposes than ever before. The proportion of loans to our total bank deposits and net capital funds averaged 39 percent for the last 5 years against 63 percent for the preceding 11 years. The surplus of bank deposits and net capital funds over total loans and investment has more than trebled in the last 5 years. Fear is a deterrent to the use of this money. Tax revision will dispel that fear.

Mr. McCormack. The adjustment of the two factors of idle men and idle money will solve this problem. The present Budget, as everybody knows, cannot be balanced by increasing taxes alone. It cannot be balanced by reducing appropriations alone. It can be balanced only by increasing the national income. But the na-tional income can be increased only by a revival of private capital

tional income can be increased only by a revival of private capital investments; and private investments can be revived only by assurances of reasonable profits.

Mr. Celler. The situation may be likened to a poker game. Would you sit in a game where some outsider took out of every pot you won 6 or 7 chips out of every 10 in the pot? Certainly, you would not. Well, that is what business is facing with the Government taking the same percentage from the businessman. The existing tax system does not balance the Budget; but by stifling private enterprise it perpetuates the deficit.

We may as well recognize the fact that it is only men with large incomes who are the sparkplugs of industry and prosperity, and if you cripple them the machine won't operate satisfactorily. They are the ones who do and can take the risks of new enterprises. Men with small incomes, as a rule, do not put their money

prises. Men with small incomes, as a rule, do not put their money into new enterprises. Risk capital must be furnished by men with the larger incomes. It is such investments that bring about

employment.

When you give a man on relief a dollar, you assist that individual and tide him over a period of embarrassment. That dollar, however, does not add to the national income to the same extent however, does not add to the national income to the same extent as a dollar earned in private enterprise. The latter dollar would turn over approximately 20 times, and would contribute to the sum total of national income of all our people. It requires no stretch of the imagination, therefore, to visualize that if the amounts spent by the Federal Government for relief were paid directly to workers in private enterprise, instead of being collected in the form of taxes and disbursed by the Government, there would be restored to gainful employment almost overnight many millions of employables now seeking jobs. In every factory in the land you would see a sign, "help wanted," hanging over the entrance to the shops. The measure of recovery, in my opinion, is going to be in the reduction of unemployment. Have you any suggestions to offer at this point, Congressman McCormack?

Mr. McCormack. I would suggest, Congressman Celler, that all

taxpayers—business groups, large and small; individuals; labor, and agriculture unite on a reasonable program of tax revision, such as that suggested in our last radio talk. That program included:

1. Drastic modification of the capital gains and losses tax.
2. Drastic reduction of income surtaxes, preferably to a maximum of 25 percent.
3. Complete repeal of the undistributed profits tax.

4. Substitution of a single income tax for the present corporate income tax, capital stock tax, and excess profits tax.

5. Granting the right to corporations to carry over their net losses for at least 2 years.

6. Elimination of the tax on intercorporate dividends.

7. Elimination of the dividend corporate dividends.

Elimination of the individual normal income tax on corporate dividends

8. Permission for affiliated corporations to file consolidated returns.

I know that members of Congress are sympathetic with such problems and are anxious to do what is for the best interests of the country.

Business received assurances from Congress last Friday of defi-nite steps toward encouraging recovery by tax legislation. The Ways and Means Committee voted to defer for 3 years the scheduled increases in social-security taxes for old-age pensions, which would go into effect next January 1 under present law. This was a good start toward removing or lowering taxes which have

been criticized as deterrents to business.

Mr. Celler. I want to compliment you, Congressman McCormack, on offering the motion to make this effective, and which was adopted unanimously by the committee. Just what does that mean in the way of tax savings?

Mr. McCormack. It represents tax savings of approximately \$275,000,000 per year for the next 3 years, beginning January 1, 1940; or a total of \$825,000,000 for the full 3 years. In other words, employers and workers in the United States will have \$825,000,000 more to spend, which otherwise would have been taken from them in taxes. This is the first step. And Chairman Doughton, of the committee, has announced that next week Treasury officials will be invited to submit recommendations for a general tax-revision program.

general tax-revision program.

I would suggest further that when and if hearings are held by the Ways and Means Committee businessmen themselves should attend these hearings and express their views personally. I can appreciate the hesitancy shown in the past by businessmen to do

appreciate the hesitancy shown in the past by businessmen to do this. However, professional representatives, while helpful in some instances to the committee, cannot be a real substitute for the tax-payer himself. The real way to learn about taxes is to pay them, and, certainly, businessmen in this country have had plenty of opportunities to qualify in this respect.

Mr. Celler. That is good advice, Congressman McCormack. This is a truly nonpartisan question. Federal taxation hits everyone. Government reaches intimately into the daily lives of every citizen in this country. No tinge of bias, therefore, should be permitted to creep into a discussion of this all-important question. Tax revision is only one of the steps necessary to make possible industrial expansion and increase employment. Our present system discourages risk capital and stands in the way of recovery. Any tax system that does this is self-defeating, because on the one hand it reduces revenues by reducing the sources of revenue, one hand it reduces revenues by reducing the sources of revenue, and, on the other hand, it perpetuates the need for increased subsidies and relief payments of all kinds.

Taxing the life out of business won't create work. Fear won't create work. There is only one thing that will create work, and that is cooperation with business; providing for business the one thing it needs—confidence—a confidence that the green light will be turned on and the signals will be set to go.

In this effort we need the active support of every citizen in the land. Have you any further message for the radio audience, Congressional McCongress.

gressman McCormack?

Mr. McCormack?

Mr. McCormack. Yes; just a parting word in closing. You of the radio audience stand as our counselors tonight. Your voices carry weight. You can help us in obtaining proper tax-revision legislation. Those who are interested in proper tax revision should make known to their Senators and Congressmen their views. We will welcome constructive suggestions.

Neutrality

EXTENSION OF REMARKS

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I include certain interesting and timely observations made to me on the subject of neutrality, by J. Anton De Haas, well-known writer, scholar, and lecturer, and present occupant of the William Ziegler Chair of International Relationships at Harvard University:

A simple answer to the question of whether we can stay out of the European turmoil can be "yes." If, however, we interpret the question to mean should we shut our eyes and our ears to the goings-on in Europe, and endeavor to retain a complete isolationgoings-on in Europe, and endeavor to retain a complete isolationist policy, then the answer is an entirely different one. Of course,
the way to stay out of European troubles and problems is to build
a completely self-sufficient economy. This method, which has been
advocated by not a few, is obviously absurd; for it is a method
which is physically impossible, since we lack the necessary raw
materials to permit us to be self-sufficient.

There will be those who will say that we can proceed far in the role of isolationist by following Germany's example and endeavor to produce substitute articles. These advocates should realize, however, that a tendency in that direction will inevitably necessitate the regimentation of industry. This has been the experience wherever such attempts have been made. It will start with rigid control over foreign bank balances, selective control over imports, and control over exports. All of this, of course, will reflect itself in a rigid control of the domestic economic life as well. There will inevitably follow from this a regimented economic life and a lowered standard of living.

The question therefore comes down to this: Is it wise to follow such a course? And the answer is definitely: No.

We come now to the second interpretation of our original question: Not, can we keep out of European affairs, but, do we want to keep out? It is quite obvious that we cannot want to keep out of European affairs for the simple reason that since our capital and economic interests are tied up with those of Europe or any other part of the world, it means that we have no alternative but to interest ourselves in those events which may destroy these very interests in some manner, shape, or form.

Aside from all of the above, we cannot very well deny the fact that the present is an uncomfortable time to raise such a question. For the present places us face to face with all the accumulated problems and troubles which are the direct outcome of an unwise peace treaty of years gone by, and of a 20-year period of successful undermining of the principle of collective security. For whatever may be thought of the League of Nations as it was conceived, it should be clear to anyone today that the League does represent the only principle upon which a decent and stable world society can be built.

Unless through cooperative and mutually beneficial effort a State running amock is restrained, it is inevitable that the world groups proceed in the disastrous way in which we are now drifting. Once we abandon the principle that the interest of one is the interest of all, there is no obstacle in the way of progressive coninterest of all, there is no obstacle in the way of progressive concessions to the aggressors. Today, the question may be: Would you go to war for Albania? Tomorrow, would you go to war for Switzerland? And since the question, put in that way, almost always is answered in the negative, the aggressors, by a method of piecemeal aggression, can establish themselves ever more strongly. The policy which has now been adopted by the nations of the earth is the policy of the frontier. Everyone looks out for himself. It is as if the United States were saying: "Go ahead and help yourselves, but we will shoot it out with anybody that shoots at us." Obviously, an ordered society is utterly impossible under these conditions.

these conditions.

Now it is true that the principle of the League of Nations has been ridiculed, and that the League has been criticized as being theoretical and impractical. But it is equally true that the practical world which has now been created by those who undermined the League, is quite practical, but certainly not more comfortable. For that very reason, it is the height of folly for the United States to believe that it can find a cyclone cellar in which it can hide in perfect security. Let us suppose for the moment that in the next war, Great Britain were defeated and conquered, and that we, in our desire not to become involved, had allowed Italy and Germany to gain the upper hand, what would be the position of Canada? How would we feel and what would we do if the British possessions off the coast of South America were to fall into German hands? And what about the Bahamas or Bermuda? All of them would be most attractive possessions for Germany or Italy?

Such suppositions may appear absurd today; but when we glance

Such suppositions may appear absurd today; but when we glance back over the developments of the last few years and realize that Great Britain has completely lost control in the Far East and in the Mediterranean, then such suppositions seem quite possible. Should these suppositions become realities, then we shall be forced to face an extremely difficult and serious problem. For when they begin to shoot at us and we take up arms to shoot back, we shall find to our dismay that we are the only ones doing the shooting on our side.

Now, does not common sense dictate that we take cognizance of all of these facts and that we take such action today as will make such developments in the future unlikely? This does not imply simply that we must join forces with the democracles. That is not the main issue. The really main issue which we, as a nation amongst nations, must face is whether the powers of the earth will abide by international law and decency, or whether they, or any one of them, will break international law and use force. That is

the issue. It is none of our concern whether a nation is a de-mocracy or an absolute monarchy or a dictatorship. Since that is the issue, it would appear that our position is clear. We have announced in Lima just where we stand. Then let us have the courage to stand there. We need not make any alliances or treaties about it. We can merely serve notice upon the world that we will refuse to give any assistance, economic or financial, to any nation which breaks the international law. This means, of course, that we must repeal, not amend, our neutrality legislation. We cannot continue to leave it to accident whether the victim or the criminal shall receive our assistance.

Relief of Puerto Rico

EXTENSION OF REMARKS

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1939

HOUSE JOINT RESOLUTION 285, AND MEMORANDUM BY M. GONZALEZ QUIÑONES, SECRETARY, PUERTO RICAN FARM-ERS' ASSOCIATION

Mr. MARCANTONIO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following joint resolution introduced by me, together with a memorandum in support thereof:

Joint resolution (H. J. Res. 285) providing for cancelation of loans made to farmers of Puerto Rico by the Puerto Rican Hurricane Relief Commission or its successor, and for other purposes

Resolved, etc., That the Puerto Rican Hurricane Relief Commis Resolved, etc., That the Puerto Rican Hurricane Relief Commission or its successor is authorized and directed to provide for the immediate cancelation of all leans which have been made to farmers in hurricane-stricken areas in Puerto Rico pursuant to resolution approved December 21, 1928 (Public Resolution No. 74, 70th Cong.), as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929 (Public Law No. 1035, 70th Cong.), and as amended by resolution approved August 27, 1935 (Public Resolution No. 60, 74th Cong.).

Sec. 2. That the Puerto Rican Hurricane Relief Commission or the successor is also authorized and directed to release all liens.

its successor is also authorized and directed to release all liens given to secure the loan or loans made to any such farmer pur-suant to any such act or joint resolution, and to notify each such farmer that no further payments of principal or interest shall be required after the date of enactment of this joint resolution with respect to any loan so made to him.

MEMORANDUM IN SUPPORT OF HOUSE JOINT RESOLUTION 285, SUB-MITTED BY M. GONAZALEZ QUIÑONES, SECRETARY, PUERTO RICAN FARMERS ASSOCIATION, SAN JUAN, PUERTO RICO

On December 21, 1928, Congress passed a "joint resolution for the relief of Puerto Rico," appropriating the sum of \$6,000,000 to provide loans for distressed farmers after the hurricane that swept the island during the days of December 13 and 14, 1928. A Central Survey Committee, which was appointed immediately after the hurricane, appraised the damage and destruction wrought by same as \$85,312,120, of which \$35,525,959 were in the coffee, by same as \$55,512,120, or which \$55,525,959 were in the conce, tobacco, citrus, and coconut farms in the island. It was the main objective of the resolution for the relief of Puerto Rico, to provide employment to the poor people of Puerto Rico, rather than to invest money as a commercial proposition in Puerto Rico.

According to a statement made by Senator Hiram Bingham, at the time the chairman of the Senate Committee on Territories

insular possession of the United States * * *. However," continued Senator Bingham, "when such large areas have been destroyed as have been destroyed in Puerto Rico, when a poor people and a poor country have been hurt to the extent that one out of and a poor country have been that the state of the state

or employment, there is urgent need. We never had anything like that in our own country."

The history of this legislation, as it appears in the record of the joint hearings, shows that it was the purpose of Congress to provide relief for the distressed laborers and farmers of Puerto Rico in the same manner as it has been done with the farmers and laborers of other continental areas affected by similar disasters. Most of these laws were made without what we would regard as commercial security, and in fact the joint resolution

itself gave the Hurricane Relief Commission power to prescribe the

itself gave the Hurricane Relief Commission power to prescribe the kind of security to be requested from borrowers.

The report of the Central Survey Committee above mentioned shows that not less than one-half million persons were left in a state of destitution, that the replacement in the coffee trees and shade trees would be ineffective unless undertaken at once, and that 3,368 farmers, in spite of this necessity of beginning immediately the rehabilitation of their farms, were not doing so on account of lack of funds. The problem created by the chaotic situation that followed the hurricane of 1928 was not considered a private problem to be solved by the coffee, tobacco, citrus fruit and coconut farmers of Puerto Rico, who after all, were merely victims of an act of God, that entitled them to protection from their Government. It was a public problem involving the life or death of 1,000,600 Americans, and the wreckage of the entire ecotheir Government. It was a public problem involving the life or death of 1,000,600 Americans, and the wreckage of the entire economic system in a territory governed by the American flag, to be solved by the national administration in the fulfillment of its responsibilities for the life and welfare of the people of the

Taking cognizance of this responsibility, Congress approved the afore-mentioned resolution for the relief of Puerto Rico, whose title reads as follows: "To assist in the rehabilitation of the island of Puerto Rico, particularly in the coffee plantations and on the coconut plantations, to encourage a more general planting of food crops needed by laborers on the plantations, especially of root crops, to aid in the repair and restoration of schools and roads, and to assist in providing employment for unemployed and destitute laborers." This means that the loans authorized were not to rehabilitate Puerto Rican agriculture, but merely to assist in the efforts to that end to be made by the farmers themselves, and that employment for the unemployed and destitute laborers had to be provided by the farmers without assistance of the Hurricane Relief Commission through these loans.

It can easily be seen that the remedy offered by the joint resolution, though sufficient to set the wheels of farm progress in motion as a solution of the administrative problems, was clearly of Puerto Rico, particularly in the coffee plantations and on the

in motion as a solution of the administrative problems, was clearly insufficient to put these farmers, who lost \$34,000,000, in a position that might have enabled them to work out the recuperation of their loss, not only because of the character of the measure and the small amount appropriated, but also because the farmers' hands were tied by the conditions established in the loan contracts, to expend the amounts borrowed in the manner required by the Commission. It was, however, a great help at the moment to the people of Puerto Rico as a whole, and I can assure you that the people of this island were grateful to the administration that made this assistance possible.

The condition of the Puerto Rican farmers, indebted to the

Federal Government in accordance with this resolution, has not changed, except to be aggravated by many new problems, including the very disastrous hurricane that swept the island in 1932, wiping out not only the investments made by the farmers with the money borrowed from the Hurricane Relief Commission but every bit of money that they had put in the land for the rehabilitation of

their properties.

Ever since the hurricane of 1928 everything seems to have been designed to hit and destroy the farmers of Puerto Rico, especially the coffee, tobacco, citrus fruit, and coconut farmers. To the hurricane of 1932 there was added the general economic depression, the Federal legislation increasing the price of the continental products that the island's farmers must buy, the reduction of tariff on Puerto Rican products, or the lack of protection as in the case of coffee; the loss of the European and continental markets, the trade agreements, which in many cases, like in coconuts, has been trade agreements, which in many cases, like in coconius, has been a death blow to the farmers of the island. All this has brought nothing but ruin to our fellow citizens from Puerto Rico, who struggle heroically to keep their country going.

The hurricane relief debts are, in many cases, one of the heaviest handicaps with which the coffee, tobacco, citrus fruit, and

coconut farmers are burdened.

Congress approved, since August 1935, Public Resolution No. 60, amending "Joint resolution for the relief of Puerto Rico," authorizing the readjustment of such debts. This authority was given to the Hurricane Relief Loan Section of the Interior Department as the successor of the Puerto Rican Hurricane Relief Commission. However, almost 5 years have elapsed since the approval of the above-mentioned Public Resolution No. 60, and nothing has been done up to this time in regard to the enforcement of this resolu-

tion, intended to favor the farmers involved.

The farmers of Puerto Rico cannot understand why the Hurricane Relief Loan Section, under the Division of Territories and Island Possessions of the Interior Department, has not adopted a liberal readjustment rule that would do away with the burden a liberal readjustment rule that would do away with the burden of this emergency indebtedness, or reduce it to a nominal sum, as a help in the disastrous situation recognized to exist in the island's agriculture by officials of the Insular and Federal Government. Instead, the Hurricane Relief Loan Section has lately moved to starting a drastic collection policy, and to demand immediate payment at this particular moment in which the condition of all the people of Puerto Rico, and especially of the coffee, tobacco, citrus fruit, and coconut farmers are so desperate, and deserve to be given the benefit of every doubt. We have been informed that on different occasions, the Secretary of the Interior has sent down to Puerto Rico persons to investigate the condition of the borrowers of the Hurricane Relief Commission. condition of the borrowers of the Hurricane Relief Commission, and that as a result of these investigations, it has been admitted that most of these loans cannot be collected, due to the difficult economic situation of these farmers, and that some of these loans can only be collected through foreclosure proceedings, which will mean that the Government of the United States will be bound to adopt the bolicy of driving Puerto Rican farmers out of their properties in order to recover a very insignificant amount of money which was given to them primarily for the purpose of helping the island's rehabilitation and to provide employment for unemployed and destitute laborers, after the most disastrous

hurricane in the island's history.

The moment does not seem the most appropriate, both in Puerto Rico and the United States, to create uncertainty, discouragement, and anxiety among the distressed Puerto Rican farmers through foreclosure proceedings that the hurricane relief loan section is carrying out. The Government of the United States has in the past given millions of dollars for relief purposes not only in the continental United States but even to foreign nations when such help was deemed necessary. And if we are to follow the policy of encouraging a friendly attitude among the nations of Latin America, we should be at any moment in a position to present as the best example of such friendly attitude the treatment to our citizens of Puerto Rico that will at the same time promote the best feeling of the people of this small island toward the United States.

There has been introduced in the Senate by Senator WHEELER Senate Joint Resolution No. 20, to provide for the immediate cancelation of all loans which have been made to farmers in droughtstricken areas in the United States, and there is no reason why we should not accord the same treatment to the farmers of Puerto Rico, in connection with the loans made after the hurricane of 1928, and whose investments therein were completely lost on account of another act of God, the devastating hurricane of 1932, and whose condition was further aggravated by the economic depression and as a result of the effect of compencial treaties. depression, and as a result of the effect of commercial treaties signed by the United States on the products of those farms in Puerto Rico which Congress intended to rehabilitate.

A Problem in Goat's Milk

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 3, 1939

LETTER FROM JOHN DOE

Mr. VOORHIS of California. Mr. Speaker, even aside from the humorous aspects of the letter which follows, I am convinced that the communication from my friend-"John Doe." for the Record—is well worth the reading. He is a man of wide experience, of marked ability, and, above all, with a most earnest desire to serve the best interests of his country. I have purposely omitted my reply to his letter and commend to Members of the House for earnest study the questions he raises at the end of his letter.

APRIL 6, 1939.

Hon. Jerry Voorhis,

The House of Representatives, Washington, D. C.

Dear Congressman Voorhis: I am calling on you in the hope that you can be of some help to me in my trouble. The trouble is mental and maybe I need a psychiatrist, but it started with my trying to think through a very simple matter of money and banking; and, as you have done some study in this field, I thought I would try you first in the hope that you might be able to convince me that I am not as crazy as I sometimes feel I am, or at least that there are enough other people in the same fix for me not to worry too much about my own condition.

It all started several months ago with Mr. Talburt's nanny goat. The Washington News carried his very clever cartoon pointing out the absurdity of Mr. Eccles' theory of spending our way to prosperity. The United States was pictured as the nanny goat, and Mr. Eccles, who stood by with a couple of buckets, was explaining his theory to an incredulous Uncle Sam. The idea was to milk the goat and feed it on its own milk. The more the goat was milked, the more milk it would have to drink, the more milk it had to drink, the more milk it would give, the result more milk it had to drink, the more milk it would give, the result more milk it had to drink, the more milk it would give, the result being that it would continue to grow stronger and fatter and more productive. While I am not an expert on goats, I know enough about them to know that they can't thrive on a diet of their own milk and nothing else. But the goats I am used to have two teats, and if I saw rightly Mr. Talburt's had four; so perhaps his is a different kind of goat. Moreover, it occurs to me that there is some similarity between his goat and a system that has actually been working for some time in this country. During the bank troubles in the early thirties I was eager to know what the cause was but not eager enough to do any bard study.

what the cause was, but not eager enough to do any hard study

on my own account; so I asked some of my business friends who should know all about it. They assured me that they did know, and it was all very simple. People were merely scared, so they and it was all very simple. People were merely scared, so they were drawing their money out of the banks and putting it in safety-deposit boxes or burying it in the back yard. Specific examples were given of one of our leading citizens who only the day before had drawn \$200,000 out and locked it up in a safety deposit box, and of a thrifty Italian who a few days before that had drawn out his life savings of \$20,000 and buried it in some unknown spot. With the restoration of confidence these people would put their money back in the banks and everything would be all right again. The explanation was both simple and logical. With President Roosevelt's inauguration in March 1933, followed immediately by the banking holiday, and later by the program of recapitalizing the banks through the R. F. C. and insuring of deposits through the F. D. I. C., confidence was restored and bank deposits stopped declining and started going up. From June 1928 to June 1933 the deposits had decreased from \$53,000,000,000,000 to \$54,000,000,000.

But the trouble with the answer was that all the money we

But the trouble with the answer was that all the money we have ever had in this country, including coin, silver certificates, Federal Reserve notes, and Federal Reserve bank notes, has never amounted to much over \$6,500,000,000, and the amount of cash in all the banks at any given time has never amounted to over \$1,000,000,000. So the flow of this money in and out of the banks can't very well account for the deposit shrinkage of \$15,000,000,000,000 and the subsequent increase of \$16,000,000,000; and it is clear to me now that bank deposits are not money but debts which the bank owes, and that even the item on the asset side of a bank balance sheet, "cash in banks," represents only a debt which one bank owes to another. However, while deposits are not money, they are what we use for money in over nine-tenths of our business transactions. In other words, the United States Government and the Federal Reserve provide us with the nickels, dimes, and quarters for newspapers, coca-colas, and taxi fares, and the bills with which we buy our hats and shoes if we don't charge them; But the trouble with the answer was that all the money we and the Federal Reserve provide us with the nickels, dimes, and quarters for newspapers, coca-colas, and taxi fares, and the bills with which we buy our hats and shoes if we don't charge them; but, if we want to buy a house or an order of goods or an automobile, we use a medium of exchange provided us by the banks—provided by the banks getting in debt to us. But the banks can't get in debt to us until we in turn get in debt to them because this seems to be the principal way deposits are created; and the more we get in debt to the banks, the more they can get in debt to us, and the more we get in debt to each other, the more the banks have to lend, and the more we have to spend. It does look very much like a case of a goat living on its own milk, or perhaps more accurately of two goats living on each other's milk.

It seems that the trouble in the early thirties was not that cash was being taken out of the banks and hidden, but that we and the banks stopped getting in debt to each other, that is, we stopped it

was being taken out of the banks and hidden, but that we and the banks stopped getting in debt to each other, that is, we stopped it as far as we could, and we didn't start it again to any great extent after 1933 until the Government got into the game. It issued its bonds, thereby getting in debt to the banks, and to a like extent the banks got back in debt to the Government by entering deposits in its favor; and, because the banks were indebted to the Government, we were able to get in debt to the banks again, and the banks were able to get in debt to the banks again, and the banks were able to get in debt to us again, and we once more had enough medium of exchange. It looks now as if it takes three goats to keep the scheme going instead of two.

If I am wrong about the goat theory, I will greatly appreciate your straightening me out. If I am right, what happens when one goat starts drinking more than its share of the milk? It seems to me that in that case the other goats will begin to get thinner and give less milk, and in time the goat that is getting the biggest

give less milk, and in time the goat that is getting the biggest share still won't have enough to keep it going. Have you any suggestions as to how the matter can be worked out so we will be sure that each goat always gets just exactly the right amount and no more

Yours very truly,

JOHN DOE.

Independence of the Philippine Islands

EXTENSION OF REMARKS

HON. USHER L. BURDICK OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1939

ARTICLE FROM THE PHILIPPINE-AMERICAN ADVOCATE

Mr. BURDICK. Mr. Speaker, the question of the ultimate independence of the Philippine Islands is a matter of grave concern to the people of the United States. It was never our policy to acquire this Territory for ourselves but to protect it until such time as the people of the islands were ready to operate their own government. We have set the date of

their ultimate freedom for 1946, but in our declaration granting independence to the islands we would be making a grave mistake should we attach any strings to that independence.

Mr. Porfirio U. Sevilla, publisher of the Philippine-American Advocate, and a young progressive Filipino leader, has some very definite views on this subject which I desire to submit herewith. His statement follows:

[From the Philippine-American Advocate]

SEVILLA, PROMINENT PHILIPPINE LEADER IN UNITED STATES, CAUTIONS EVILLA, PROMINENT PHILIPPINE LEADER IN UNITED STATES, CAUTIONS
THERE WILL BE CIVIL WAR IN PHILIPPINE ISLANDS UNLESS CONGRESS CURBS QUEZON'S POLITICAL AGITATIONS—SEVILLA ASSAILS
SENATE BILL 1028 EXTENDING PREFERENTIAL TRADE RELATIONS TO
QUEZON GOVERNMENT IN HIS TESTIMONY BEFORE THE UNITED
STATES SENATE COMMITTEE ON TERRITORIES AND INSULAR POSSESSIONS—HE CONSIDERS BILL A MOVE ESTABLISHING A QUASI-PROTECT
STATES TO THE PROPERTY OF THE PROTECTION. TORATE TERRITORY IN THE PHILIPPINES; A CAMOUFLAGE FOR BOYCOTT AGAINST FOREIGN POWERS; A DISTINCT VIOLATION OF FILIPINO RIGHTS AFTER INDEPENDENCE IS GRANTED TO THE PEOPLE—CONGRESS MUST SAFEGUARD AMERICAN INTERESTS FIRST LEST FOREIGN POWERS EXERCISE RETALIATORY ACTS, SEVILLA CAUTIONS COMMITTEE

Washington, March 8.—If the United States Congress passes Senate bill 1028 as well as similar bill pending in the House of Representatives, calling for preferential trade relations with the Representatives, calling for preferential trade relations with the Philippines after independence is granted in 1946, as provided by the Tydings-McDuffie Act, Porfirio U. Sevilla, Filipino executive, businessman, and publisher, testifying before the United States Senate Committee on Territories and Insular Possessions, warned the Congress that "civil war is ahead if Congress allows further interference in Philippine problems after independence is granted to Filipino people in 1946."

"We must not forget," said Mr. Sevilla, "that the Filipino people have had nothing but deep affection and loyalty for the American people and Government for the past 40 years of their administration, but millions of Filipinos were led to believe that, under the provisions of the Tydings-McDuffie Act, the United States would completely withdraw her sovereignty from the Philippines in 1946, politically and economically, without strings attached to the Independence Act.

Independence Act.

"Again, we must not forget," Mr. Sevilla went on to say, "that the Flilpino people ratified the Tydings-McDuffie Act on the strength that this act guaranteed complete and absolute independence in 1946."

During the hearings of the Senate Committee on Territories and Insular Possessions, prominent Government officials, representing State and War Departments, as well as members of the Filipino missions, headed by Sergio Osmena, Vice President of the Philippines, were present. Also present were professional lawyers. Lobbyists and officials representing various commercial interests and sociations were interested spectators.

BILL LEGALLY QUESTIONABLE

"In my opinion," Mr. Sevilla further stated, "this bill is merely one of those administration policies which, if enacted into law, are subject to ratification or modification by Congress at any time Congress chooses to do so. What will prevent any Member of Congress or any other administration in the future who may be hostile to Philippine commercial interests, and whose political and economic theories are against the present administration, from completely ratifying or modifying this act? Then what will happen to the Filipinos and the Philippine Islands?" Mr. Sevilla asked the committee the committee.

"This bill is a move on the part of Congress to establish a quasi-protectorate territory in the Philippines," said Mr. Sevilla. "It is a camouflage for boycott against foreign powers who, under international laws and orders, are entitled and justified to conduct business in the Philippines. It is a distinct violation of Filipino rights after independence is granted."

ECONOMIC CONDITIONS

"Economically," said Mr. Sevilla, "all local industry and foreign trade of the Philippines have, for the past two decades, been owned and controlled by foreigners and foreign capital."

Mr. Sevilla then asked, "What are the products, trade, and industries that we Filipinos have to offer or bargain with in the consideration or acceptance of this bill? None!" And in a strong loud voice, thumping his fist on the table, Mr. Sevilla told the committee, "the full and ultimate benefits of this bill would fall upon foreigners and foreign capitalists namered by President. upon foreigners and foreign capitalists pampered by President Quezon, pauperizing the Filipino people."

Mr. Sevilla then cited the fight in which 25 Filipinos were wounded in the agrarian troubles in the province of Pampanga. And in wrathful tones, he denounced the foreigners and foreign capital, that while they profited in millions, the Filipino laborers were being shot at and wounded in their effort to obtain better wages than the 10 to 20 cents a day they now receive, to support 7 or 10 members of a family.

"The President of the United States was misled," thundered Mr. Sevilla, when he denounced the members of the Philippine committee group composing the Joint Preparatory Committee on

Philippine Affairs. Mr. Sevilla went on to say, "If President Roosevelt had been aware of the true colors of this matter, and they are very bad colors, I doubt very much whether the President would have recommended this bill to Congress."

Emphatically thumping the table and with a strong remark, Mr. Sevilla denounced President Quezon as the "father of foreign capitalists," and shouted that "the Filipino laborers are the lowest paid laborers under the American flag."

Mr. Sevilla asked the committee, "What are the reasons for the success of those interests militating against free entry of Philippine products into the United States in open competition with American interests?" American interests?"

"One exponent reason," he told the committee, again thumping on the table, "is cheap Filipino labor destroying the American standard of living."

RETALIATORY MEASURES

Mr. Sevilla then cautioned the committee that "if this bill is

Mr. Sevilla then cautioned the committee that "if this bill is enacted into law, there certainly would be positive retaliatory acts against the dual Philippine-American political and economic interests from foreign powers who are equally and justifiably commercially interested in the Philippines."

Mr. Sevilla then cited the textile bill which was introduced during the last days of the defunct Philippine Legislature, imposing 75 percent duty against Japanese textile and its products into the Philippine markets. "What was the result," shouted Mr. Sevilla, "of this bill? The Japanese Government protested through the United States State Department that if this particular bill would be enacted into law by the Philippine Legislature, then, it would mean an international war on textile and its products in many foreign countries, particularly in Latin-American countries."

"The State Department warned the Filipine leaders in the Philippines, headed by President Quezon, of the protest on the part of the Japanese Government," continued Mr. Sevilla, "and as a result, a gentleman's agreement was concluded between the United States and Japanese Governments at Washington to the effect that the textile exports of both countries into the Philippine markets would be based on a pro rata basis."

be based on a pro rata basis."

Mr. Sevilla again warned the committee, emphatically banging his fist on the table, "We must not forget the fact that, according to the provisions of the Tydings-McDuffle Act, upon reaching the period when the United States will completely withdraw her sovereignty from the Philippines, the President of the United States

ereignty from the Philippines, the President of the United States will invite foreign powers to sign, recognizing and guaranteeing the safety of Philippine independence."

With another emphatic thump, Mr. Sevilla served notice to Congress that "to effect the successful neutralization of the Philippines, the American Government must exercise justice and impartiality with foreign powers."

Mr. Sevilla then asked the committee, "Do you expect Germany, Italy, Japan, Russia, or any other foreign power to guarantee the independence of the Philippines when this bill itself explicitly provides that these powers cannot conduct husiness in the same manvides that these powers cannot conduct business in the same manner as American businessmen conduct business in the Philippines?"
"No," shouted Mr. Sevilla.

EXPECTS CIVIL WAR

"All that Filipinos expect from the Americans today is that by "All that Filipinos expect from the Americans today is that by 1946, by act of Congress ratified by these millions of Filipinos, they will become a free and independent people. There are now about seventeen to eighteen million people constituting the population of the Philippines," Mr. Sevilla told the committee, "and only 25,000 Filipinos, so-called land owners and producers dominated by foreigners—Spaniards and Japanese—know about this Senate bill 1028 before the committee. To alter the provisions of the Tydings—McDuffle Act would mean civil war upon those millions and millions of Filipinos who were made to believe that under the provisions of Filipinos who were made to believe that, under the provisions of this act, some day, and that day is in 1946, they will be a free and independent people. To enact this bill into law would mean a camouflage for a quasi protectorate territory in the Philippines."

SEVILLA HITS QUEZON ADMINISTRATION

"It is a matter of public record," shouted Mr. Sevilla, "that no one shall say one word against the administration of President Quezon."
Then Mr. Sevilla cited the many intimidations and offerings on the part of those administration leaders, advisers, and friends close the part of those administration readers, duvisers, and friends close to President Quezon, that "if I should go on to criticize President Quezon's administration here in Washington, it would mean that my business enterprise would be at stake." He then recalled the fact that his company was barred from participating in government bids under the instructions of President Quezon, an instance of this intimidation.

And while thumping his fist on the table, he questioned the committee, "Do I look like a man who can be intimidated or bribed for political-financial reasons or expediency? No! I shall keep on if I am the last man to stand or fall for the cause of my people,"

Mr. Sevilla said.

"If this bill is recommended by this committee and enacted into law, it simply means one thing: The surrender of this committee. That and nothing else," thundered Mr. Sevilla.

Mr. Sevilla spoke for 35 minutes before the committee, the longest

time allowed by the committee at the hearings regarding Senate

J. Sterling Morton

EXTENSION OF REMARKS

HON, GEORGE H. HEINKE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

ADDRESS BY STERLING MORTON, II, ON THE OCCASION OF THE OBSERVANCE OF ARBOR DAY AT NEBRASKA CITY, NEBR., APRIL 22, 1939

Mr. HEINKE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address made by Sterling Morton, II, at Nebraska City, Nebr., on April 22, 1939, which was the sixty-seventh anniversary of the founding of Arbor Day, of which his grandfather, the late J. Sterling Morton, was the author:

One memorable evening just before Christmas in the year 1897 I sat in the stage box of this theater, one of several grandchildren of J. Sterling Morton, here with him for the opening performance. The play was Secret Service, that American classic, superbly acted by William Gillette. Over 40 years have passed, but the scene comes back vividly, as it must to others in this audience. I only wish that we had with us both of the surviving members of the citizens' committee for the occasion, Paul Jessen and John Steinhart, then, as now, leaders in your community. Judge Jessen, then county attorney, presented resolutions commemorating the event and grandfather's 43 years of service to the State, the county, and the city. May I in turn congratulate these gentlemen on their even greater length of service? Like the third committeeman, W. L. Wilson, they have shown not only a fine record of usefulness, but have impressed their ideals on those who have come after them. Nebraska City has indeed been fortunate in its men.

Nebraska City has indeed been fortunate in its men.

Yet I know well that could my grandfather guide my words today he would not have me devote them to a eulogy of himself. He would not have me speak of the past, except as we could seek there our course for the future. For he was always more concerned with the things of tomorrow than with the things of today or the things

the things of tomorrow than with the things of today or the things of yesterday.

Within these walls spoken drama has given way to the silent film, and today, with sound and color, the world is brought near to us as never before. We feel ourselves, for better or for worse, closer to events. Times change, habits change, ideas change; but may we hope that ideals will not change; that love of country, of religion, of truth, of freedom will always remain the American heritage. May we of this rapidly passing generation bequeath to those crowding after us the virtues, the vitality, the vision our predecessors left to us. We need the calm, firm determination of the pioneer, his strength of character, his true liberalism. These must not pass out of our lives along with the Indian and buffalo. So it is vastly encouraging that character is again becoming the criterion by which a man in office is judged. It rekindles one's faith in human nature to see the public approval which greets one from this State, high in the councils of the Nation, who places conviction above convenience, experience above expediency, and patriotism above partisanship. May his example be a shining light to all of us.

Today, when the very foundations of our civilization are rocked by the impact of new philosophies, new kinds of government; when the old standards of conduct are ceaselessly attacked, we would do well to look for guidance to the past. Washington, in his Farewell Address, set forth the principles which, until 25 years ago, guided us well in our foreign relations. Were we to return to them, the future would indeed be much cleare. Jefferson laid down rules of internal government which are scarcely followed by those who claim to be his political descendants, while Marshall wisely delimited the authority of the Federal Government.

As we look down the procession of Presidents the foursquare figure of Grover Cleveland looms ever greater. More and more grows our appreciation of the essential honesty with which he approached governmental prob Within these walls spoken drama has given way to the silent film,

grasping minorities.

J. Sterling Morton was a close associate and a loyal disciple of Cleveland. His attitude on governmental matters is very well summed up in the trenchant sentences of his chief, which I have quoted. Throughout his life he was guided by those ideals, plus a keen sense of the necessity of economical administration of the

very minimum of government that could fulfill its functions. While Secretary of Agriculture he not only strenuously opposed the addition of new bureaus and divisions to the Department, but, more remarkable still, returned unused to the Treasury approximately a quarter of the money appropriated for the Department. His example has not been followed, for today the Department of Agriculture spends each week at least as much as it spent during the entire 4 years he was Secretary. You ask why taxes are high, why commerce and industry do not go ahead. Perhaps this ray of light on the expenditures of one governmental department may furnish a clue as to where to look for the real cause of our depressed economic conditions, our staggering taxes, our ever-recurring deficits!

Today, however, I shall speak chiefly of that characteristic of my grandfather which was indeed outstanding. This is best expressed in his own words, now inscribed on the monument here: "Other holidays repose upon the past; Arbor Day proposes for the future." What a vast difference that suggests!

future." What a vast difference that suggests!

On Memorial Day we rightly honor those who made the supreme sacrifice that the Nation might live; on Thanksgiving Day we acknowledge the blessings the year has brought; on Independence Day we turn our thoughts to the founders of our country. Again we celebrate the birthdays of great men of the past. These holidays, even the Christmas one, turn our thought backwards; their inspiration for the future is only incidental. But Arbor Day truly proposes for the future. There are indeed few tangible actions of which man is cauchle into which the future are strongly. proposes for the future. There are indeed few tangible actions of which man is capable, into which the future enters more strongly than into the planting of a tree. We lay cornerstones; we bury cylinders of time-resisting materials containing records of present-day things, hoping some kind of men will dig them up thousands of years hence. But such actions, interesting as they are, seem sterile compared with the simple act of planting a tree. That action shows at one time our faith in Nature, our love of beauty, our desire that, long after we are gone, our act may bring comfort and pleasure to many of whose very existence we are ignorant. fort and pleasure ignorant.

Just as man, through speech and writing, is the only animal who can draw on the wisdom and experience of the past, so is he the only animal who consciously can plan for the remote

Just as man, through speech and writing, is the only animal who can draw on the wisdom and experience of the past, so is he the only animal who consciously can plan for the remote future. It is in such wise, intelligent, thorough planning for the future, whether it be the future of the individual, the community, or the Nation, that man reaches his greatest heights. But such planning must be soundly done. It cannot be based on untried theories, on wishful thinking. No; the plans must be molded in the light of experience, tested in the accumulated knowledge from the past, and tuned to the real needs of the present. They cannot be based on wishful thinking alone. Rainbow chasing is not planning.

Arbor Day could not have been conceived by a man whose thoughts were fixed in the past, nor could it spring from the brain of one wholly occupied with the concerns of the present. Those here who knew J. Sterling Morton will agree that, to him, the past and the present were but the servants of the future. A great artist, looking at the statue now in Washington, said: "There is a man who looks ahead." The genius of the sculptor, fortified by that sculptor's intimate knowledge of and love for the subject, has caught that outstanding trait of character and immortalized it in bronze. The level glance, the foot in advance, symbolize it. The book held in his hand, representing the past, is subordinate. What lies ahead is all-important,

You who, like me, were privileged to be with him on the corner of his porch during long summer evenings remember that past experiences of those who came by had but little of his attention; that always he asked what they planned to do. He was intensely interested in the young people, the ones who would be the builders of the future. Typical is the story he told at the centennial exercises here on July 4, 1876. "I am reminded of a somewhat ungrammatical citizen, who, having listened a long time to an orator who dwelt at great length on the glorious achievements of our ancestors, declared in a loud

studied what the future might bring, and, quietly and thoroughly, prepared to meet it. As the years went on, he turned again to the trees, and, thinking always of the future, founded the great arboretum which bears his name. Every year it becomes more convincing proof of his inherent faith in the future.

We meet here today to honor the founder of Arbor Day. In Washington your Representative in Congress plants today a tree to his memory. In all parts of this wide land, in many foreign countries, the Arbor Day he created is observed. I like to think that the real reason for the widespread acceptance of his concept is that it appeals to the finest inner conclusion of problems of the first three concepts of the concept is that it appeals to the finest inner emotions of mankind; that it gives man, no matter how humble he may be, an opportunity to do something really creative, to contribute tangibly to the future

of all.

So I can give you no better text for today, I can give you no better star to guide your course than is contained in that terse phrase, "Arbor Day proposes for the future." Can we not find time,

amid the duties and stress of the present, in some small way to "propose for the future"? Can we not translate into our daily lives something of the idealism which this spring today, in all parts of the world, moves men, women, and children to plant trees? No matter what tomorrow, next year, may bring to those who plant, most of these trees will for many years give welcome shade to the weary, furnish fruit to the hungry, and gladden the eye of the

To most of us it is not given to be leaders. About most of us the pages of history will be silent. But yet each of us, in our own way, can bring some thought of tomorrow into our daily lives and actions. Just as the simple faith of the tree planter builds a better world for all, so we, too, by renewing our faith in the fundamental principles of our national life, can build a better future for those who will live in it.

Conservation of American Youths by the National Youth Administration

EXTENSION OF REMARKS

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

STATEMENT BY HON. AUBREY WILLIAMS, DIRECTOR OF THE NATIONAL YOUTH ADMINISTRATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am presenting herewith a very timely and interesting article prepared for the April issue of the Phi Delta Kappan, publication by Phi Delta Kappa, a professional and fraternal association of men in education, by Hon. Aubrey Williams, Administrator of the National Youth Administration.

Mr. Williams is a far-sighted and progressive student of the problems of youth. All of those who are familiar with the N. Y. A. program will agree, I am sure, that he is doing an outstanding work.

The article, in which I am sure Members of Congress will be interested, follows:

Those who see only glory and hope in the period of youth must have short memories indeed. For youth, by definition, is the period of transition from childhood to the responsibility and indeperiod of transition from childhood to the responsibility and independence of adulthood. No transition so fundamental can be accomplished without struggle and pain even under the most favorable conditions. But when you add to the normal difficulties of young people, who must throw off psychological and physical dependence on parents and other adults, the difficulties attendant on our present economic situation the problems of transition become exaggerated to a painful degree.

There are two characteristic stages to the transition period of youth. First is the period of preparation centering traditionally youth. First is the period of preparation centering traditionally in our educational system. Second is the actual process of absorption into the economic system, the process whereby young people achieve financial independence and with it the social independence that goes with self-support. Both of these functions have been seriously affected by the depression. It has been more difficult for young people of this generation to secure adequate preparation for adult life because of their parents' financial difficulties and because of the reduction in public expenditures for educational and related services affecting youth. It has been difficult, if not impossible, for young people to break through the barriers imposed by widespread unemployment and economic the barriers imposed by widespread unemployment and economic contraction to find employment of any sort, let alone that employment best suited to their individual capacities and temperament. It is to compensate for these special difficulties imposed on young people by this period in our history and this stage of our economy, that the National Youth Administration came into

It is not a new departure for the Federal Government to assist young people in meeting these problems. In the period of our geographical expansion the Government assisted States and Terrigeographical expansion the Government assisted States and Territories to educate their youth through grants of public land, and provided an outlet to energetic and ambitious young people seeking their place in the Nation's economy by free homesteads on the country's wide frontier. Today the Government's aid must take new forms, adapted to the economy and geographical limitations of our time, but the spirit and the motivation are the same. A country must find ways to provide for the uninterrupted and concountry must find ways to provide for the uninterrupted and constructive absorption of its young people into its life if it is to remain a healthy, dynamic democracy.

The National Youth Administration has undertaken to perform its function of assisting young people through the medium of jobs

and it is this factor which, in the final analysis, distinguishes it from other youth-serving agencies. Work is provided for young people in high schools and colleges in order to permit them to earn the necessary funds to continue their education. Work is pro-vided for needy young people who are out of school and unem-ployed in order to provide them with a small income and with the work experience so essential to the finding of a job in private employment.

I am one who believes that public work is to this generation I am one who believes that public work is to this generation what free land was to earlier generations. It is the means whereby the Government undertakes to compensate for the apparent tendency of our economy to contract its employment opportunities. It is the means whereby the Government undertakes to fulfill the first responsibility of a democracy, the responsibility of guaranteeing to every able-bodied individual a place in the national economy through which he may contribute to its wealth and receive in return his share of the national income. It is a function of Government which benefits society by making use of availa-

economy through which he may contribute to its weath and receive in return his share of the national income. It is a function of Government which benefits society by making use of available manpower to create new public facilities and services, which benefits our economy by maintaining a steady flow of purchasing power, the lifeblood of any economic system, and which benefits the individual by providing him not only with the income necessary for his survival but also with that sense of pulling his own weight, which is so basic in our society to what we call morale.

In the case of young people, assistance in the form of work has an additional value. One of the special trials of young people is their inexperience. When the young man or young woman goes to look for his first job, he is confronted with the unwillingness of employers to take any chances with a person who has never worked. Apparently employers feel that the very discipline and continued application of a job, of any job, is something that takes learning, and they do not feel that their offices, factories, or farms can afford to meet the cost of that educational period. It seems logical, therefore, that the public's agent, the Government, which has already made such a large investment in the education of its young people, should carry them this one stage further and provide them with that first job, without which all other employment becomes so clusive.

But we in the National Youth Administration feel that this first job should, if possible, do more than provide that discipline and ability to apply one's self to the work at hand that comes with paid employment. Many young people have had little opportunity to discover their own aptitudes and so face the employment market with little or no conception of what they can or would like to do. Here again it is difficult to make these discoveries without actually trying one's hand at a fairly wide variety of occupations. And here again private employers see little to be gained in turning their business over to exploitation by young people in this essentially educational process. For this reason the National Youth Adminiseducational process. For this reason the National Youth Administration has tried to provide a wide variety of work activity, rotating young people from one job to another so that they may try themselves cut on many fronts and so find the field where they feel their own aptitudes will be put to best use. N. Y. A. projects are currently employing 242,435 young people on such projects.

We have also endeavored to supplement this actual work experience with vocational counseling and, insofar as possible, with actual placement in regular employment. Material has been prepared setting forth in simple but comprehensive terms for the benefit of young people seeking to find the work they would like to do, the nature of various industries and occupations. Young people

fit of young people seeking to find the work they would like to do, the nature of various industries and occupations. Young people on projects have been encouraged to attend classes in subjects related to the work they are doing. Vocational counselors have interviewed and tested young people on projects in an effort to help them to make the most effective use of this N. Y. A. employment and to discover their own best qualities as workers, the vocation toward which they might successfully train themselves and ment and to discover their own best qualities as workers, the vocation toward which they might successfully train themselves, and the resources available for this purpose. In addition the National Youth Administration has provided trained personnel to State employment offices in order to establish junior placement offices especially equipped to help young people to get over the hurdle of that elusive first employment. Such offices are now operating in 124 cities of 39 States. State employment services have been quick to recognize the value of this type of specialized service for young workers, as is evidenced by the fact that in 62 cities the financial responsibility for this service is now carried by the State employment services on their regular budget. As of March 1, 1939, 427,133 different young people have applied at these offices and 166,168 placements have been made in private industry.

The student-aid program of the National Youth Administration, providing stipends through jobs to 263,242 high-school students, 109,237 college students, and 2,950 graduate students, who could not otherwise have continued their education, is of particular

109,237 college students, and 2,950 graduate students, who could not otherwise have continued their education, is of particular interest to people in the field of education. We in America are proud of the fact that one of the first acts of the people who settled this country was to recognize the principle of free education for all children. We have felt that the extension of this principle to high-school and later to college education was one of the first safeguards to the continued vitality of our democratic institutions. But recently we have come to recognize that the provision of publicly supported or privately endowed institutions of learning does not in itself insure an education to all young people who wish such an education and could benefit from it. The economic situation of the family is also a factor in making education possible for individual young people. Education requires books, possible for individual young people. Education requires books, clothes, subsistence away from home in many cases, tuition expense, and, above all, the ability of the individual or his family to do without the possible income he might bring in if he were

employed. Poverty has thrown many a promising student onto an

already glutted labor market.

The National Youth Administration has undertaken to compensate, through its student-aid program, for this factor in the inequality of opportunity for education. Here, again, it has done this through the medium of jobs rather than through direct handouts or loans. It is our opinion, an opinion in which the many educators who help us administer this program seem heartily to concur, that work is not only the best way to give assistance without injury to morale, but that work experience, under direct educational supervision, is a desirable supplement to the academic work

tional supervision, is a desirable supplement to the academic work of regular school studies.

In order to provide the flexibility of decentralized administration and the advantages of educational control, the actual running of the student-aid program has been turned over to the institutions participating in the program. It is their responsibility to select the students who need this assistance and whose scholarship assures their benefiting from it. It is their responsibility to select the projects, seeking projects of maximum educational value to the students as well as value to the institution, and to supervise the work of the students so as to assure the diligent and efficient work which alone can instill proper work habits. This coperative arrangement with educational institutions, through which the National Youth Administration, supplies the funds and general direction, and the educational institutions the immediate supervision, has been to my mind a successful demonstration of the possibility of Federal aid to equalize educational opportunity without Federal dictation of educational policy.

vision, has been to my mind a successful demonstration of the possibility of Federal aid to equalize educational opportunity without Federal dictation of educational policy.

It is axiomatic and even trite to say that no problem confronting our country today is more critical than the problem of training our young people for intelligent participation in the democratic process and providing the means for their absorption into the functioning of our economy. For we in this country have had the advantage of observing the heartbreaking disappearance of democracy in country after country and should be forewarned as to the danger of a frustrated generation of young people. It is obvious that any system, and especially a democracy, cannot expect to long endure if it excludes from all active participation the very young blood which should be renewing its vitality. Youth must have its place in the sun; no generation will stand aside passively while life passes it by.

These are major problems involving an adjustment in our entire economy. It would be presumptuous, indeed, to claim that the program of the National Youth Administration alone could solve them. But it can perform a very necessary and basic function in easing the process of transition, in compensating for special handicaps imposed on young people coming of age during this period of transition. It is an agency of conservation in the most fundamental sense, for it is helping to conserve our most vital national resource—the citizens of the future.

H. R. 2, the General Welfare Act

EXTENSION OF REMARKS

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

PETITION OF CITIZENS OF WILKINSBURG, PA.

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following petition of citizens of Wilkinsburg, Pa.:

To the Members of the Seventy-sixth Congress of the United States of America, Washington, D. C.:

Whereas for the past 9 or 10 years our Nation, the richest in the whole world, has been confronted with an oversupply of labor and

whole world, has been comforted with an oversupply of labor and an underconsumption of goods; and

Whereas, after all "appeasement" programs between Government and business, together with all other efforts, the problem is still unsolved; and

Whereas day after day want, misery, and crime continue to stalk our fair land due to the fact of so many millions of idle people with no purchasing power; and

Whereas untold natural resources of every kind are ours, together

Whereas untold natural resources of every kind are ours, together with millions upon millions of dollars seeking investment, that now lie idle in our banks: Therefore be it Resolved, By the Townsend Club, No. 3, of Wilkinsburg, and the Thirty-first Congressional District of Pennsylvania, with a large number of the more than 1,400 members present, in regular session assembled, March 16, 1939, do hereby petition your honorable body and our representatives, to appeal to the Ways and Means Committee to send to the House the General Welfare Act, H. R. 2, and that you there consider well and act favorably on this bill. It is our belief, as well as that of many millions of others throughout

our Nation, that the principles involved in this bill are just and our Nation, that the principles involved in this bill are just and fair to all. Furthermore, it is our opinion that this method will pump the money right to the roots of the Nation's economy—across the counters of stores, in every city and town, in an ever-flowing stream, that will solve our problem of an oversupply of labor and an underconsumption of goods, with an established prosperity throughout our beloved land; be it further Resolved, To present these resolutions to our fellow townsman, the Honorable John McDowell, who is our Representative in Congress, asking him to convey this expression of our desires to the

gress, asking him to convey this expression of cur desires to the Members of the Seventy-sixth Congress at the proper time and in

the proper manner.

JAMES PETERSON,
President, WM. ADAMS, Vice President, AMANDA J. ADAMS, Secretary, Resolutions Committee.

The Townsend Plan

EXTENSION OF REMARKS

HON. ROBERT T. SECREST OF OHIO

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

RESOLUTION OF THE TOWNSEND PLAN ADVOCATES OF WASHINGTON COUNTY, OHIO

Mr. SECREST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

To the Honorable Robert T. Secrest,

Member of Congress, Washington, D. C.

We, the Townsend-plan advocates of Washington County, Ohio, in mass convention assembled, express our approval of legislation for the Townsend national recovery plan, as embodied in a bill pending in the House of Representatives, for the various reasons

whereas the problems of unemployment and social security are two of the most vital economic issues now confronting the people of the State of Ohio, as well as other States of the Union; and Whereas the United States Government has incurred an enormal of the States of the Union; and the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States Government has incurred an enormal of the States of the United States of the United States Government has incurred an enormal of the States of the United St

whereas the United States Government has incurred an enormous debt in providing a bare subsistence for several million unemployed persons; and

Whereas it will be impossible to continue such relief appropriations indefinitely without serious injury to the credit of the Na-

Whereas the economic problems of unemployment and social security cannot be properly handled by individual States but are national problems involving the general welfare of the whole Nation; and

Whereas the economic problems of unemployment and social security cannot be properly handled by individual States but are national problems involving the general welfare of the whole

Nation; and

Nation; and
Whereas the Townsend national recovery plan, as set forth in
the General Welfare Act of 1939 (H. R. 2), introduced in the present
session of Congress, provides for a 2-percent tax on business transactions and the pro rata monthly distribution of the proceeds to
persons over 60 years of age who agree to retire from gainful employment and expend their monthly allotment for the products of
American capital and labor; and
Whereas it is the purpose of such plan—

(1) To retire from active employment some four or five million
persons over 60 years of age and thus provide jobs for several mil-

persons over 60 years of age and thus provide jobs for several million persons under 60 years of age.

(2) To decrease, if not eliminate, expenditures for relief.

(3) To eliminate the necessity of hoarding to provide for needs

(4) To stimulate the necessity of hoarding to provide for needs incident to advancing age.

(4) To stimulate trade and industry by increasing the purchasing power of persons of advanced years.

(5) To relieve the present stagnation of money and credits by providing a market for products of American capital and labor: Now, therefore, be it

Now, therefore, be it

Resolved, That this mass meeting requests the Ways and Means
Committee of the House of Representatives, Representative Robert
T. Secrest, and Senators Vic Donahey and Robert A. Taft to support the proposed legislation (in order to accomplish the foregoing purposes) to immediately enact the said bill, a law providing for national old-age retirements system and create a fund for the maintenance thereof through a 2-percent Federal Government transactions-tax levy, the proceeds of which shall be distributed equitably to all citizens over 60 years of age, with the provision that it shall be expended within 30 days; and be it further

Resolved, That copies hereof be transmitted to said Ways and Means Committee and the Ohio legislators herein named, and they and each of them be requested to use all honorable means within their power to bring about the enactment of the Townsend recovery plan into law at the earliest possible time.

Respectfully submitted.

CHARLES H. WEBER, Chairman, EARL D. SCHOB, Secretary, EDWARD H. KINTZE Resolutions Committee.

Our Most Destructive Tax

EXTENSION OF REMARKS

HON. BEN F. JENSEN OF IOWA

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

EDITORIAL FROM NONPAREIL, OF COUNCIL BLUFFS, IOWA

Mr. JENSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial captioned "Our Most Destructive Tax," by A. M. Piper, editor of the Nonpareil, Council Bluffs, Iowa, as follows:

[From the Nonpareil, of Council Bluffs, Iowa] OUR MOST DESTRUCTIVE TAX

Decision of the House Ways and Means Committee to recommend suspension of further increases in social-security taxes for 3 years is commendable, but it does not do a single thing to

solve the present problem.

What is breaking the backs of employers is the 3-percent unemployment-insurance tax. Until this is substantially reduced small businesses, employing eight or more people, will continue to go to the wall. Many of them simply cannot afford this drain. Almost every city and good-sized town has had examples of the destructive effect of this tax during the past

Firms in Council Bluffs have quit because of it, among them the Woodward Candy Co., employing from 150 to 200 people. A public accountant told us recently that more than 100 of the firms for which he made out income-tax returns were in the red last year because of the unemployment tax.

last year because of the unemployment tax.

The tax is a ghastly joke on the people it was enacted to protect. Here in Council Bluffs it has cost several hundred people their jobs. The State total runs into thousands.

But that is not all. It keeps people from getting jobs. Firms employing less than eight people almost invariably refuse to increase the number to more than seven, for the eighth worker makes the entire working force subject to unemployment tax, increasing the firm's overhead costs by several hundred dollars per year.

Furthermore, the unemployment tax results in wage cuts and causes workers to be discharged. Often the employer has no other alternative. He has to get the money to pay the unemployment tax somewhere, and if he cannot make it out of his business, he has to take it out of his employees.

We are informed that about 200 Iowa firms have not paid their unemployment taxes for last year and face legal action which may put them out of business.

The unemployment tax does more than any other one thing to discourage employment. It is easy to see why this is true. Every time an employer puts on a new worker at \$100 per month he adds \$48 per year to his tax bill—\$12 for old-age retirement and \$36 for unemployment insurance.

Would you be enthusiastic about giving a man a job if it cost you that much in taxes every year whether you had any profits or not?

Half of the unemployment tax burden is unnecessary. Unemployment taxes could be cut in two in most, if not all, the States if the system were put on a pay-as-you-go basis.

Congress could do more to help employers and workers by cutting the unemployment tax in two than by any other legislation it could pass during the present session. State legislatures could then change the State laws to conform to the Federal reduction. Those that have adjourned could be called into special session for a few

that have adjourned could be called into special session for a few days to take the necessary action.

We believe a 50 percent reduction in unemployment taxes would put a million men to work within a year, besides saving the jobs of hundreds of thousands who will be thrown out of work if the present tax remains in effect and puts more and more firms out of business.

Why doesn't Congress wake up and do something about this?

Silver

EXTENSION OF REMARKS

HON, GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

EDITORIALS FROM THE AMERICAN METAL MARKET

Mr. WILLIAMS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorials from the American Metal Market relative to silver:

[From the American Metal Market of January 21, 1939] THE SILVER "GOLD BRICK"

As Senator Townsend is a member of the Senate Silver Investigating Committee, the bill he introduced this week which provides for the cancelation of all administration powers to acquire further supplies of silver, or to further issue silver certificates, and to revoke the President's power to revalue silver and place an embargo

revoke the President's power to revalue silver and place an embargo on silver imports, it seems likely that our legislators will be given an opportunity in the near future to place themselves on record by either endorsing or repudiating the silver racket.

During the past couple of years we do not recall that any person or organization of any standing has had a word to say in defense of the Silver Purchase Act, with the exception of a few members of the so-called silver bloc headed by Senator Pittman, while on the other hand, there has been frequent condemnation, backed by logical argument and devastating statistics, by outstanding bankers. other hand, there has been frequent condemnation, backed by logical argument and devastating statistics, by outstanding bankers, industrialists, economists, and the press everywhere. There has been no sensible reply from the small handful of men who sold the country a gold brick on the installment plan which, up to the present, has cost in the neighborhood of \$1,000,000,000. Such answers as have been made by Senators PITTMAN and KING have only served to further emphasize that the false premises of the original scheme are supported only by other premises equally false and equally dangerous. and equally dangerous.

and equally dangerous.

Col. Percy E. Barbour, in a careful analysis of the economic and practical results of the Silver Purchase Act, recently published in the New York Sun under the proper and informative caption "16 to 1 and a Billion Gone," put his finger on the spot when he said:

"Silver ceased being a precious metal and has become a common metal. That is why it lost its place as a monetary metal in most parts of the world. And there is nothing that can be done about it except to have someone, like the American people, come along, buy all the silver that is produced or offered at a fancy uneconomical price, and then bury it at a beautiful mausoleum at West Point, built to get the stuff out of sight."

True, there is nothing to be done which can make a common

True, there is nothing to be done which can make a common metal precious, but something can be done to put a stop to a further accumulation of this common metal at fictitious prices in the world's market, plus an extra 50-percent bonus to domestic

producers.

At any rate, it is pleasing to think that at long last this monstrous gold brick will have to be analyzed by Congress, and when this has been done the public will have an opportunity of counting and identifying the noses of those who may still be in favor of perpetuating one of the worst rackets ever imposed upon the American people.

[From the American Metal Market of February 10, 1939] FOREIGN APPRECIATION OF OUR SILVER AID

The Northern Miner in an editorial under the caption "More

Aid for Silver," says inter alia:

"For every ounce of domestic silver purchased under its silver-buying policy the United States is estimated to have bought 6 ounces of foreign metal. This has included practically the entire Canadian output during the past 5 years. The aid to Canadian silver pro-ducers, which include most of our base metal companies, has been substantial and for this reason the extension of the Washington policy is welcomed in this country."

And concludes:

"Canadian silver producers, fortunately, have never put much faith in the theory that silver would become a partner of gold as an international standard of value. The ideal, which still persists in some circles, with sufficient influence to keep the price at artificial levels, has meant millions of dollars to this country, however, and it would appear the advantage is not to be lost, for some time

Every other foreign silver-producing country in the world feels the same way about it. Wasteful Government expenditures in our own country at least keep our substance at home. Giving

our substance away to foreign countries for something we cannot use and can only bury is thoroughly dumb-if the motivating cause is not worse.

[From the American Metal Market of April 14, 1939] THE TITULAR AND REAL OBJECT OF SENATOR PITTMAN'S SILVER INVESTI-GATING COMMITTEE

It takes a great deal of courage to wade through the reports of some Senate committee hearings, even when the task is imposed by moral duty. However, there is found some compensation, not in much information, but in some grim humor and sometimes a grain of truth of vital import.

The bill authorizing the so-called Pittman silver committee was "a resolution authorizing a special committee of the Senate to investigate the administration and the economic commercial effect of the Silver Purchase Act of 1934." That is printed on the cover leaf of the report of the hearing March 23, but on page 123 the real purpose

"Mr. Eccles. Now, this is the silver hearing, for the purpose, I suppose, of justifying the continued purchase of silver not only domestically but foreign silver, for the purpose of assisting recovery, of assisting the price level, of helping to maintain stability, etc.

"Mr. Treent. That is right."

"Mr. TRENT. That is right."

Senator Pittman was not presiding at the moment or he would have been quick enough to head off this damaging admission by Mr. Trent, who is technical director of the Rocky Mountain Metal Foundation, who, Senator Pittman announced, has been working for him "on various subjects for about a year."

There is really a great deal of difference between "investigating" a subject and "justifying" it.

Now, it happens that Senator Townsend, of Delaware, has a bill to abolish the Silver Purchase Act and is also about to hold hearings, but he is also a member of this Pittman committee.

This Pittman committee hearing, well along in the third session.

This Pittman committee hearing, well along in the third session, had devoted almost all of its time to the matter of Federal Reserve

had devoted almost all of its time to the matter of Federal Reserve control of prices, bank reserves, prosperity, and depression, developed by a set of questions designed by Mr. Trent for Senator Pittman, when Senator Townsend got beautifully snubbed.

"Senator Townsend, Mr. Chairman, I think Mr. Eccles has made a very interesting statement. It would seem to me from that statement that there would not be much reason for any effort to increase reserves. Now, I only have time to ask you one or two questions. We will leave out of the question domestic silver, but what effect would the cutting off of the buying of foreign silver have upon the situation?

"Mr. Eccles. I have said privately, but I do not mind saving—

"Mr. ECLES. I have said privately, but I do not mind saying—
"The CHAIRMAN (interposing): Let me say this, if I may at this point; I am not going to interfere with your questions, but let me say that the hearing will last for a month unless we can proceed and not leave one subject to go to another every few minutes. I want to say that as chairman of this committee I have had Mr. Trent here studying the Federal Reserve System with relation to this subject for a long time, for a year. He had prepared a series of questions at my request which were to develop the whole ques-tion before the committee; then the committee could ask any ques-tions they may want to ask, and in that way proceeding along the

logical line.

"This session opened up today with a statement by Mr. Eccles—
a perfectly justified and valuable statement. That is the question
that is in the minds of the members of this committee right now;
and why get clear off the question again onto another subject absolutely another subject?

"Senator Townsend. I guess I misunderstood it, then, Mr. Chairman. I thought this was a committee to consider the silver proposition."

It is of incidental interest to note that Mr. Eccles in reply to one question said "I am not an authority on monetary history."

Would it be dumb to suggest that the Chairman of the Board of Governors of the Federal Reserve System, occupying the position in control of the United States monetary and fiscal system, might well be a man who is an authority on monetary history?

Taxation and Business

EXTENSION OF REMARKS

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

LETTER FROM THE PHILADELPHIA RAPID TRANSIT CO.

Mr. RUTHERFORD. Mr. Speaker, I have just received the following letter from the trustees of the Philadelphia Rapid LXXXIV-App-116

Transit Co. relative to the effect of the present tax laws upon industry and containing some pertinent suggestions as to what should be done to relieve the situation. It seems to me that the time has come when more attention and consideration should be given the views and suggestions of these who have to meet the pay rolls and pay the taxes. For 6 years the New Deal economists, who have had no actual experience in business problems, have been trying to tell businessmen what should be done, with the result that business is in a worse condition now than it ever was. Let us now listen to the suggestions of businessmen on matters of taxation and business and I am sure that the results will be beneficial. Every Member should read the letter.

The letter is as follows:

PHILADELPHIA RAPID TRANSIT CO., Philadelphia, April 28, 1939.

The Honorable Albert G. Rutherford, 1711 House Office Building, Washington, D. C.

My Dear Congressman Rutherford: The situation of business is such that it can stand no increase in taxation. Any increase in the present taxes will stifle private enterprise and react detrimentally upon both business and the country. Pay-roll taxes are particularly unfavorable because their effort is even more damaging to labor them this to industry. than it is to industry.

OLD-AGE BENEFITS

The tax for old-age benefits under title VIII of the Social Security Act is now 1 percent of the pay rolls upon both the employer and employee. This tax rate should not advance for at least 5 years in order to give business an opportunity to regain its feet. The increase in this tax rate scheduled for 1940 will make private enterprise considerably more difficult and force employers to convert to labor-saving devices to compete in a market made by those mechanized processes to avoid the highly taxed labor overhead. Such an increase in the tax rate will accumulate a huge fund diverted from the normal channels of commerce and prove a stagnating influence upon private initiative. We urge amendment of the Social Security Act to keep the tax at a rate no higher than we now have.

UNEMPLOYMENT COMPENSATION

There are two credits against the tax imposed by the Social There are two credits against the tax imposed by the Social Security Act for unemployment compensation designed to coerce the States into passing legislation to effect two purposes. The principal purpose was to effect a stabilization of employment through a system of experience rates. Most of the States have included merit rates in their employment compensation laws, but the majority of these provisions are inadequate to accomplish stabilization. Thus, this legislation has failed to accomplish one of its objectives—stabilization; one which, if accomplished, would make the other objectives unaccessary tives unnecessary.

tives unnecessary.

To accomplish this the cost of unemployment compensation should be placed directly upon those employers causing it through a system of experience rates. Having these rates designed to place the tax burden upon the employer directly in proportion to the compensation his employees receive is not only equitable and fair among taxpayers, but is also the only incentive expedient for bringing about stabilization of employment. The unemployment compensation laws of all States give as a purpose of that legislation the overcoming of the social evils arising from fluctuating employment. A few States make no attempt to correct this situation in their law and the attempt in most of the other States is inadequate. and the attempt in most of the other States is inadequate.

The operation of the unemployment compensation laws is proving very inequitable among the various industries, among employers within an industry, and among employers in various States, giving some a competitive advantage and even subsidizing some of this unfair competition. For instance, in Pennsylvania the transit industry uses about 8 percent of the funds which it pays in unemployment compensation tax. In New York it is 7 percent. Other industries use several times as much as the tax they pay. This discrimination is particularly unfair to industries such as the transit industry, which generally pay 50 percent or more of their gross earnings in wages, as compared to 15 to 25 percent of gross earnings in other industries. It is believed that 90 percent of the benefit claims in Pennsylvania are paid to employees of one-tenth of the tax-contributing employers. Ninety percent of employers should favor complete experience rates. Thus, the flat 2.7-percent rate causes unemployment because some employers, desirous of getting a return for their expenditure, set up stagger systems which The operation of the unemployment compensation laws is provgetting a return for their expenditure, set up stagger systems which use the compensation for lay-off pay. Unemployment compensa-tion is a proper business expense which should be borne by each employer in proportion to the liability he creates. It is a social insurance, the premium costs of which should be distributed as in all insurance, i. e., as near to the actual liability risk as may be reasonably computed.

Employers who operate in a stable manner do so at additional cost, and must compete with employers who do not have that cost, and then must pay the same rate of tax into a fund which the unstable employer uses in lieu of lay-off pay. The inequality of the present arbitrary rates is also found in competing industries

situated in various States. Some have merit rates, wherein a stable employer may reduce his overhead, competing with a similar concern in another State where even partial merit rates have been impossible because of the political domination by industries in a favorable position because of the inequality of the law.

We urge you to revise the social-security law to bring about comwe trige you to revise the social-sectivity law to bring about complete experience rates because they are indispensable to the proper function of this law. They are needed to stabilize employment and thereby reduce the tax requirement for unemployment compensation to make the tax fair and equitable among the taxpayers, to promote more stable markets, and the general social welfare of the

promote more stable markets, and the general social welfare of the community.

Senate bill 2203, introduced by Senator Byrnes, includes an amendment which will require that unemployment contribution in State laws must not be less than 2.7 percent of the total annual pay roll of employers of the State in order for those employers to qualify for the credit against the Federal tax. This particular amendment would preclude the possibility of much needed merit rates and is definitely inadvisable. With the possible stabilization of employment, there is no need for a State tax rate averaging as high as 2.7 percent of the annual pay roll. The only amount of tax required is that sufficient to pay the cost of the compensation benefits and it is inadvisable to freeze the tax rate at such a high figure as 2.7 percent and to thereby negate all incentive for stabilization. It arbitrarily imposes a needlessly high pay-roll tax.

CORPORATE SECURITIES

Under the rules of the Internal Revenue Department and the boldings of the Supreme Court, corporations are not permitted to purchase their own outstanding securities at any price less than the price for which the securities were originally sold, without reporting the difference between the original selling price without reporting the difference between the original selling price and a lesser purchase price as a profit to the corporation. Many corporations, in the interest of a sounder financial structure, have desired to purchase their own securities at the presently reduced market values but have been unable to do so because the difference in cost would have to be reported as a profit on which income tax is assessable. A profit resulting from the purchase of a corporation's own securities is not an actual profit but merely an accounting or expert worst and is not profit but merely an accounting or paper profit and is not a proper basis for income-tax assessment. This situation should be corrected in order that corporations may conduct their financial matters in a sound manner.

Very truly yours,

H. RENNER, Jr., Assistant Comptroller.

Sale of War Materials and Supplies to Aggressor Nations

EXTENSION OF REMARKS

HON. J. HAROLD FLANNERY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

RESOLUTION OF THE FEDERATION MEN'S BIBLE CLASSES OF HAZELTON, PA.

Mr. FLANNERY. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following resolution of the Federation Men's Bible Classes of Hazelton, Pa.:

As our fathers regarded freedom worth fighting for to obtain, so we regard it worth fighting for to preserve, if necessary, though we do not advocate war, but oppose it as a means of settling differences wherever possible, without sacrificing rights worth fighting

for.

And as we value freedom for ourselves, we concede the right to it to others, and oppose being placed in the position of aiding tyrants in depriving others of it: Therefore be it

Resolved by the Luzerne-Carbon County Federation of Men's Bible Classes, That we urge Congress to provide by law that aggressors be denied the help of obtaining supplies in our country that will strengthen them in preparing for or prosecuting any war to impose their wills on other people, so soon as their intentions have been made known.

tentions have been made known.

That any objection to such action because it might involve us in war is inimical to freedom, whether it arise from timidity or otherwise for if we are denied control over our actions in such matters, we have already lost freedom.

That copies of these resolutions be sent to our Senators, Hons. Joseph F. Guffey and James J. Davis, and to our Representative, Hon. J. Harold Flannery, for presentation to the Senate and House of Representatives, respectively.

The Retirement Pension Issue Will Not Down

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

LETTER FROM THE GENERAL SECRETARY OF THE GENERAL WELFARE FEDERATION OF THE TWELFTH CONGRESSIONAL DISTRICT, CALIFORNIA

Mr. VOORHIS of California. Mr. Speaker, sooner or later Congress will have to meet the issue of retirement pensions. To do so now-to pass a genuine effective law providing direct Federal pensions for our older citizens-will make this one of the great Congresses in American history. To delay, to refuse to act, will not mean that this issue will be forgotten. The logic, the economic necessity, and the evident justice of retirement pensions are too great for that. To delay will merely mean additional suffering for many people, a yet more insistent demand, and perhaps all too hurried action in some future session. We have spent all day today on a bill to put 460 aliens in concentration camps. When are we going to spend some time meeting the needs of 10,000,000 Americans?

As another bit of argument on this matter, I submit herewith a letter from the general secretary of the General Welfare Federation of the Twelfth Congressional District, California. He speaks for a movement of earnest people who are working for a cause. They stand ready, as I do, to do anything in their power to promote that cause. They support first their own bill. But they will support any workable proposal which will reach the same objective.

The letter is as follows:

GENERAL WELFARE FEDERATION, TWELFTH CONGRESSIONAL DISTRICT OF CALIFORNIA, Baldwin Park, Calif., March 22, 1939.

Hon. ROBERT L. DOUGHTON,

Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.
GENTLEMEN OF THE COMMITTEE: I have received a copy of the transcript before your committee of February 1 to 10, inclusive, dealing with the Social Security Act, including testimony on H. R. 11 and H. R. 2, viz, the General Welfare Act and the Townsend General Welfare Act.

I have been intensely interested in the testimony of Mr. Arthur L. Johnson, Hon. Harry R. Sheppard, Hon. H. Jerry Voorhis, Hon. Charles H. Leavy, Hon. J. C. Oliver, Mr. McMasters, and others.

For more than 40 years I have been a businessman, for years owner, publisher, and editor of my own newspapers, and for many

years a newspaper writer and correspondent. For many more years I have been in the real estate and insurance business, and for years secretary of chambers of commerce, businessmen's organizations, and active in municipal, public, and civic affairs.

During all of those years I have been something of a student of

economic industrial and technological trends and conditions. For the past 4 years or more I have made a careful study and analysis of the fundamental principles of the Townsend and general-welfare plans and have always endorsed the improvements made in these acts as time and experience has demonstrated the wisdom of mak-

acts as time and experience has demonstrated the wisdom of making certain changes that would more nearly meet the changing political and economic thought of our Congress and of the business interests of the Nation as a whole.

I therefore approach this subject of national old-age annuities from several standpoints, which, with your permission and indulgence, I want to present to your committee from the standpoint of a businessman who for more than 40 years has been in daily contact with the common everyday citizens of this Nation, and whose tact with the common, everyday citizens of this Nation, and whose viewpoint, I believe, I quite thoroughly represent in the arguments I want to herewith present to your committee for its earnest consideration.

First. I contend the past few generations—especially the past First. I contend the past few generations—especially the past three generations—have created the principal part of the wealth of this Nation. This wealth was created from the natural resources of the Nation found here at the beginning of our national existence, therefore was the property of the Nation as a whole and not of any individual, group of individuals, or corporations.

From these natural resources, therefore, the property of all of the people these past generations have created all of the wealth of the Nation was now how each only at the property of the second of the second or the second

Nation we now have and enjoy. If, therefore, in other words, this

wealth was created through the labor, sacrifice, ingenuity, and inventive genius, coupled with intelligence and frugality, should not those who created this wealth have some share in that wealth and should not that share be distributed to those citizens who have

should not that share be distributed to those citizens who have worked, let us say, for the 40-year period of from 20 years to 60 years? If this be true, and I cannot see how any member of your committee can successfully demonstrate that it is not true, then the citizens of this Nation 60 years of age and over now have stored up in that national wealth they have created an annuity, or, if you please, a dividend, the same as an annuity or dividend created through a life insurance or annuity policy which they had carried and on which they had paid assessments for the period of 40 years. My contention is, therefore, that the citizens now 60 years of age and over have stored up this reserve through their 40 years of labor and are now entitled to have this dividend paid to them in monthly installments.

installments.

Second I contend that the most equitable method of paying these dividends so far conceived, is through a national 2 percent gross income tax, which would meet the maximum spread and reach the greatest number of taxpayers on an equitable basis, as has been thoroughly demonstrated by the successful operation of this tax both in Hawall and the State of Indiana, the full details of which I have on file in my office.

this tax both in Hawall and the State of Indiana, the full details of which I have on file in my office.

Third. According to the most authentic governmental figures available such a tax at this time would, if properly administered, create a fund somewhere around \$7,000,000,000 to \$8,000,000,000 per year. From a business standpoint there seems no reason why such a tax would not produce this result. If, therefore, let us say \$7,000,000,000 a year was collected and distributed to some \$,000,000 or more citizens as annuities of \$60 per month and when this \$7,000,000,000 was put into circulation by these annuitants no member of your committee can fail to realize that it would mean a great volume of business which does not now exist, and mean a great volume of business which does not now exist, and when we consider the natural turn-over of this \$7,000,000,000 of a number of times each month it is very evident as an undisputable business fact that a vast increase of business throughout every State in the United States would be the result. Let it also be distinctly realized by your committee that any balance collected, after paying the annuities of \$60 a month and after all administration expenses had been taken out, would be turned into the Treasury of the United States to be applied on the national debt, or other governmental expenses.

Fourth. And what would this mean from the standpoint of the taxpayer, of whom this writer has been one for many years? It would mean that millions and billions would be saved to these taxpayers every year through the reduced cost of maintaining huntaxpayers every year through the reduced cost of maintaining hundreds and thousands of public hospitals, sanitoriums, relief departments, and other public institutions of a relief and charitable nature; for with millions of new jobs created through the constant circulation of these annuities millions now on relief and being aided by doles and charity would then be able to earn a decent wage and be in a position to take care of themselves, thereby relieving the taxpayer to a great extent. Another tremendous saving would come through the decrease of crime and the cost of crime, which is admitted by all psychologists to be caused to a great extent. which is admitted by all psychologists to be caused to a great extent by poverty and idleness, which go hand in hand. Our crime bill is given as \$15,000,000,000 to \$16,000,000,000 a year, many billions of which would be saved the taxpayer if poverty and idleness were substantially decreased.

Fifth. Special emphasis should be put on the salvation of the youth of this Nation. It is an established fact that we are graduthousands upon thousands of young men and women from our high schools, colleges, and universities, who when turned out into the world face an unemployment stone wall. With millions of new jobs created through the passage of H. R. 11 the youth of the Nation would be given opportunities in many fields of endeavor which are now filled and overflowing.

Sixth. In the consideration of those citizens under 60 years of

which are now filled and overflowing.

Sixth. In the consideration of those citizens under 60 years of age, who, we are often told, must pay through their labor and sacrifice the pensions of the aged, it must be thoroughly understood that when the young man or woman reaches the age when he or she enters the work world and participates in the work of the Nation, let us say at 20 years of age, that worker begins at that point to create wealth and through the production of that wealth to participate in the production of a national wealth fund, and that every year thereafter through the 40-year work period between the ages of 20 and 60 years that worker will continue to contribute his share, or his proportion, of wealth to this national fund, from which fund this annuity or dividend should be paid for the remainder of his life after reaching the age of 60 and can no longer secure employment in any industrial plant. Those between the ages of 20 and 60 are not, therefore, paying the annuities of those over 60, but are merely paying from year to year for their national insurance policy, the dividends from which are to be returned to them after they have reached the age of 60, the same as would be done on a life-insurance policy on which they had been paying assessments for 40 years. Those who would receive this annuity would have already paid their assessments for the 40-year period and would be entitled to receive this dividend.

Seventh. And may I stress the fact, which is generally conceded, when the citizens of the Nation have security of employment, with a fair wage scale, the morale of that community or of that nation is a better place in which to live and rear a family.

is raised to a much higher plane; that such community or nation is a better place in which to live and rear a family.

The establishment of the fundamental principles embodied in H. R. 11 is, therefore, more than the establishment of an equitable annuity for the citizens over 60 years of age and more than a

national economic recovery plan. It is an outstanding humanitarian, Christian movement and obligation on your committee and

upon the citizens of this Nation.

May I thank you most sincerely for your careful consideration of the arguments I have herewith presented?

Most sincerely.

S. HOWARD LEECH. Secretary-Treasurer.

A National Airport Program

EXTENSION OF REMARKS

HON. MELVIN J. MAAS

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

REPORT OF SPECIAL AIRPORT COMMITTEE TO THE CIVIL AERONAUTICS AUTHORITY

Mr. MAAS. Mr. Speaker, under leave to extend my remarks in the Record, and because of the interest of many Members of Congress, I include a report of a Special Airport Committee which early this year submitted a report to the Civil Aeronautics Authority. The report should be considered in connection with the airport survey report recently submitted to the House and Senate by the Civil Aeronautics Authority. The report was drafted for the committee by Mr. Paul V. Betters, executive director of the United States Conference of Mayors, and contains recommendations which have been approved by various aviation groups and public agencies throughout the country.

The report is as follows:

Your subcommittee has given careful consideration to many phases of the general airport problem. Specifically, the committee has directed its attention to the two major questions presented in the section of the Civil Aeronautics Act authorizing presented in the section of the Civil Aeronautics Act authorizing the airport survey: (1) Whether the Government should participate in the construction, improvement, development, operation, or maintenance of a national system of airports, and (2) if participation is recommended, the basis for such participation. In this connection, at a series of meetings held by the subcommittee, careful study has been made of the evidence presented at the board of inquiry hearings. Additional data developed by the subcommittee itself have been reviewed. This report, therefore, represents the conclusions of the working subcommittee. The committee is unanimously of the opinion that the cities

fore, represents the conclusions of the working subcommittee.

The committee is unanimously of the opinion that the cities of the country are financially unable to provide further those airport facilities necessary: (1) To the Postal Service; (2) to the proper development of commercial air transport; and (3) to the national defense. The testimony on this aspect of the problem is clear and includes the following points:

1. Most municipalities are financially unable properly to maintain present facilities and to make necessary extensions.

2. Cities have limited tax-levying and debt-incurring powers. Relief expenditures have exhausted the resources of many communities.

Local taxpayers are increasingly opposed to further airport expenditures for the reason that their purposes and services and utility extend beyond the jurisdictional scope or tax-levying power of the community.

4. Owing to increasing traffic, larger aircraft, stricter Federal standards and air-line requirements, many communities will lose their present airport investments unless further expenditures are made for expansion and improvement.

5. Lacking increased Federal participation, communities will have to defray expenditures by increased charges on the transport industry, private flying, and on various military and civil branches of the Federal Government, and, thus discourage increased usage and development of aircraft.

6. Units of the Federal Government that use municipal airports, seldom pay adequate rental and other charges. The cities are, therefore, in effect, subsidizing the National Government. The proposed development of schools of instruction for civilian flyers and mechanicians will require further expenditures at local airports which expenditures should be assumed by the whole economy

ports which expenditures should be assumed by the whole economy where they have benefit.

7. Almost without exception, airports are operating at deficits. With these points we are in complete agreement.

Further, there is need for a more complete exposition of point No. 3, that the service rendered by an airport extends beyond the taxing jurisdiction of the local community. It must be stated that even if the municipal financial situation were such as to make possible additional expenditures for airports, the status of

public opinion in most of our cities is unfavorable toward community responsibility for the entire burden of air terminals. Taxpayers point to the well-known fact that any adequate civil airport must serve largely, perhaps principally, purposes far beyond the jurisdictional scope or the tax-levying power of the local civil division. The airport has taken on more and more a character comparable to the harbors, the inland waterways, and the network of Federal-aid highways of the Nation.

There is little questioning of the basic contention that airports serve needs intercity and interstate and national in character. As prought out in the hearings:

serve needs intercity and interstate and national in character. As brought out in the hearings:

"Aviation is essentially an interstate activity (mail, passenger, and express) having a vital military aspect, and it requires a more positive policy of Federal regulation, development, and assistance."

The extent to which even a medium-sized city is subsidizing the flow of air travel and the delivery of the mails is well illustrated by a report from a western municipality:

"A check on local business in this city shows that for the past 9 years every passenger that left, together with every one that arrived, by United Airlines received a contribution of \$10 toward his trip by the city taxpayers and, in addition, \$100 was paid toward the cost of transporting each ton of mail and express, both going and coming."

Likewise the civil airports of the country form an integral part of our national-defense needs. Aside from the fact that most all terminals are used for military maneuvers of one kind or another, there are permanently based on these airports over 40 component units of the military branches of our Government, as well as many units of the ancillary services of aviation operated by Federal Government.

The late Chief of the Army Air Corps stated: "The principal basis for defense against air attack is the network of civil airports, extending into all the strategic areas of the continental United States."

Realizing the national character of those airports fundamental to the Postal Service, civil air transportation, and the national defense, the problem presented, and the task required in the survey, may be stated as follows: To evaluate and appraise the contribution of municipal airports to commercial and military aviation and the adoption of a Federal program based on such evaluation and appraisal.

In the main we find that the basis for such an evaluation, as well as its actual application, is contained in the Civil Aeronautics Act of 1938 itself. That act clearly and squarely placed upon the Administrator this specific duty:

"Sec. 302 (a) The Administrator is empowered to designate and establish civil airways and, within the limits of available appropriations made by the Congress, (1) to acquire, establish, operate, and maintain along such airways all necessary air navigation facilities; (2) to chart such airways and arrange for the publication of maps of such airways, utilizing the facilities and assistance of existing agencies of the Government so far as practicable; (3) to acquire, establish, operate, and maintain, in whole or in part, air navigation facilities at and upon any municipally owned or other landing area approved for such installation, operation, or maintenance by the Administrator; (4) to provide necessary facilities and personnel for the regulation and protection of air traffic moving in air commerce."

And the act went further and, in a detailed manner, defined the

in air commerce."

And the act went further and, in a detailed manner, defined the exact meaning of "air navigational facilities":

"'Air navigation facility' means any facility used in, available for use in, or designed for use in, aid of air navigation, including landing areas, lights, any apparatus or equipment for disseminating weather information, for signaling, for radio-directional finding, or for radio or other electrical communication, and any other structure or mechanism having a similar purpose for guiding or controlling flight in the air or the landing and take-off of aircraft" (title I, sec. 1 (7)).

The congressional intent of these two provisions is apparent. Congress was insistent on providing for every possible item having

The congressional intent of these two provisions is apparent. Congress was insistent on providing for every possible item having to do with safety. It, therefore, following the precedent in other fields of transportation (as, for example, marine transportation), placed upon the Federal Government responsibility for all "air navigation facilities." Certain testimony introduced at the hearings is of interest and explanatory of this point:

"I. Aviation is essentially an interstate activity and with a definite military aspect, and is so recognized by the very fact of the Federal control and supervision always heretofore exercised and now to be more comprehensively established through the C. A. A.

"II. Federal agencies now control and furnish navigation aids for both water and aircraft in motion or flight; such aid and control by the control of the property of the prop

"II. Federal agencies now control and furnish navigation aids for both water and aircraft in motion or flight; such aid and control should not cease when an aircraft enters the zone of an airport. On the contrary, the same agency of control should function until the craft is at rest.

"III. The runways of an airport are not separate and disconnected entities but are essential parts of the airways and comprise perhaps the singly most important 'facility to air navigation.' The Federal Government recognized the necessity of landings when it provided emergency fields all over the country; it should, in the further interest of safety for air navigation, be financially responsible for the more essential and continuously required terminal runways.

runways.

"IV. Lighting and traffic-control facilities, including localizers and landing beams, are similarly a part of the airway system and should be completely federalized. Airport control towers, where they are necessary, should be provided and operated by the Federal Government; it is incongruous and makes for confusion for these

to be locally operated. An unnecessary and wasteful duplication of personnel can be avoided where the C. A. A. combines the airport and airway-traffic control. At major airports it already maintains personnel for airways communication, range operation, airways lighting, etc., and could readily complete and coordinate the traffic-

control function as its own."

The working subcommittee thus suggests that in our efforts to find a solution to this pressing problem of airports we simply carry out the intent of the Congress as contained in the Civil Aeronautics Act of 1938. Let the Federal Government extend its responsibility to all air navigational facilities as defined in the law instead of limiting, as it does at present, its jurisdiction and functioning to only certain aids. If this proposal is adopted, we will have the following division of financial responsibility as between the National Government and the local civil divisions.

FEDERAL RESPONSIBILITY

1. All communications and required radio devices.

Weather control facilities.

3. Landing area proper (runways, including such costs of con-struction and reconstruction involved in providing and maintaining a safe landing area).

4. All costs of lights and other facilities or devices necessary for

LOCAL RESPONSIBILITY

1. To provide the land. (Except in such cases where, because of national requirements, the Civil Aeronautics Authority finds it necessary to provide land.)
2. All buildings required. (But all agencies using floor and office

necessary to provide land.)

2. All buildings required. (But all agencies using floor and office space, includings Federal, commercial, and private agencies, should and would be expected to pay reasonable rentals.)

3. Management of the airport.

4. Routine maintenance of landing area.

This is a division of responsibility which can be upheld on the basis (1) of the law of the land as it stands today, (2) of the economics of the problem, (3) of the feasibility of its efficient administration, and (4) of the responsibility of the whole economy to assume the burden of facilities necessary to the whole economy. In the evaluation of the extent to which airports render a national service and the application of Federal financial responsibility for such costs as are properly chargeable to the Nation we, in effect,

for such costs as are properly chargeable to the Nation we, in effect, are simply presenting a plan under which the 1938 act can be properly carried out. The working subcommittee is not proposing a Federal-aid plan such as is involved in Federal-aid highways. This is a plan for sharing certain responsibilities and represents solely an extension of the present system under which it is the national duty to establish airways and provide aids to navigation. In this respect the proposal is similar to the traditional principles embodied in the rivers and harbors program of the Government.

the proposal is similar to the traditional principles embodied in the rivers and harbors program of the Government.

Of course, adoption of this recommendation involves appropriations. The amount of such appropriations as may be authorized is dependent upon future action of the Congress. On the assumption that Federal appropriations for all types of air navigation aids are made, our suggestion is simply that the Civil Aeronautics Authority be empowered to distribute such funds on the basis of the best interests of aviation from the standpoint of the Nation. In the past airways and other navigation aids have been developed by the Government. airways and other navigation alos have been developed by the Government in this manner. We must deal with all air navigation aid requirements from this standpoint. In the final analysis, the Civil Aeronautics Authority and the Administrator are responsible for the development of aviation and discretion must be vested in them with regard to the application of such Federal funds as are authorized by the Congress. We are sure that in this task the Authority and the Administrator will seek the active cooperation of all agencies and groups concerned, including the many State aviation commis-

and groups concerned, including the many State aviation commissions which are in existence.

It is assumed, of course, that prior to the allocation of any funds which may be made available to the Civil Aeronautics Authority for the purpose of providing adequate air navigational facilities, the Authority will adopt a national airport plan, wherein each community will know the status of its airport in the national network. This is the crying need at the moment. In our judgment, the same factors which make aviation and airports largely an interstate and national problem should determine the national network, namely, the needs of: (1) The Postal Service, (2) civil air transport, and (3) national defense. In this connection it may well develop that certain private terminals, as distinct from public airports, as well as certain fields used primarily for miscellaneous flying, must be as certain fields used primarily for miscellaneous flying, must be given consideration. As an example, reference might be made to those airport facilities which would be needed and used should the Government undertake a national program of training pilots and

mechanics

mechanics.

In conclusion, the working subcommittee wishes to call to the attention of those concerned that the program outlined above is nothing new or novel. Even before the Civil Aeronautics Act of 1938 had been enacted, a committee of the United States Senate had formally recommended this approach to the problem.

In the report of the Senate Committee on Commerce, entitled "Safety in the Air" (pursuant to S. Res. 146, 74th Cong.), dated March 17, 1937, these recommendations were made:

"City pride results frequently in a municipality's assuming an unjustified obligation to provide facilities which keep its terminal in satisfactory condition for interstate air commerce. The ownership, operation, and maintenance of an airport used in interstate commerce should be assumed by the largest possible political division enjoying the benefits from the facility, just as is the case now with our inland waterways. The present and future construction

and maintenance of the inland waterways and the facilities for coastwise shipping is assumed by the public at large. A similar arrangement should exist for air navigation facilities used in interstate air commerce. A further and supporting reason for suggest-ing Federal control and support of such landing areas along Federal airways is the growing use of municipal air terminals by military aircraft. The necessity for centralized control of every part of our Federal airways system, including air terminals, is indicated by the rapid development of radio control over all airplane movements on our Federal airways.

"The present system of airway traffic control has in it a missing link, caused by the fact that the control of the Federal Government does not reach within the boundaries of the air terminals. The complete control of the Federal Government along the Federal airways should not be jeopardized by breaks in the system. The navigation of the airplane should be controlled, not only while the airplane is in the air along the airways, but also during its maneuvering on or about air terminals. There is every evidence that such a development is mandatory and should not be delayed."

such a development is mandatory and should not be delayed."

On the basis of our studies and the statutory mandate of the present law, we urge adoption of what the Senate committee recommended nearly 2 years ago. This plan is one on which practically every aviation group in the United States is agreed. It does not propose placing the Government in any land-buying scheme. It does not place on the shoulders of the Government actual management of the air terminals—this remains a local responsibility. It does not involve the Government in construction or operation of airport buildings. It simply gives to the Civil Aeronautics Authority the job which Congress intended it to do, namely, to accept and carry out full and complete responsibility for the development of American Aviation, and insure safety in its operation.

Let Us Look on the Brighter Side

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

EDITORIAL FROM THE WICHITA (KANS.) BEACON OF MAY 3, 1939

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following timely editorial which appeared in the Wichita (Kans.) Beacon of May 3, 1939:

> [From the Wichita (Kans.) Beacon of May 3, 1939] LET'S LOOK ON THE BRIGHTER SIDE

We've read so much and heard so much about Europe and its recurring crises that we overlook some very important facts about things here at home. We can't see the forest for the trees. We've heard so much about what we have not that we've forgotten to

list the things we still have.

We've been flooded with figures and more figures on the number of unemployed, on this factor, and that trend. For a change let's take a look at the other side of the picture—at the silver lining behind the clouds. The following statistics are from Department of Commerce reports:

Jobs: More than 43,000,000 Americans still have their regular jobs; they still buy food, clothing, cars, radios, refrigerators, and go

Automobiles: More than 30,000,000 Americans still own and drive

Automobiles: More than 30,000,000 Americans still own and drive cars, and buy about 60,000,000 gallons of gasoline a day. Entertainment: More than 10,000,000 men and women in America still go to the movies every day.

Holiday: More than 10,000,000 Americans are taking vacations, planning fishing trips, or journeys to the mountains, the seashores, or the two world fairs. Most of them are taking their vacations on pay and will spend about \$4,000,000,000 on their trips.

Education: More than 27,000,000 young Americans are still attending school, preparing themselves for useful work in the years ahead.

ahead.

Banks: Millions of Americans sleep peacefully every night be-cause they have no fear of losing the \$57,000,000,000 they have on deposit in the banks of the country.

Radio: More than 27,000,000 Americans own radio sets over which they hear programs that have not been packed with propaganda. Newspapers: American newspapers are still selling 114,000,000 papers a day, continuing to print unbiased news to readers without fear of expressing their opinions about their Government.

Optimism: American businessmen are spending \$450,000,000 this year in advertising products which they fully expect will be bought

by the American public.

This Nation has 7 percent of the world's population but half of the world's wealth; 6 percent of the world's acreage, and yet

harvests more than half of the world's crops. We make 90 percent of the world's automobiles and use 75 percent of them. We consume 75 percent of the world's rubber and 75 percent of the world's silk.

We spent in 1935, \$3,000,000,000 for education, or five hundred million more than all the rest of the world. Our 7 percent of the world population seems to be getting along quite well, in comparison with our foreign neighbors. Let's don't throw away all the advantages we have.

New Deal Foreign Trade Policy is Driving American Fur Farmers Into Bankruptcy

EXTENSION OF REMARKS

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

STATEMENT BY N. S. LIDDELL

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I have repeatedly called the attention of the House to the disastrous effect of the administration's reciprocal-trade policy upon American agriculture. Other Members of this body have joined with me in the demand for a repeal of the reciprocaltreaty law which now permits the President to reduce the tariff duties on farm and other commodities. We have appeared before the Committee on Reciprocity and entered vigorous protest against reductions in tariff duties on competitive products. The President and his committees have disregarded our protests. To the contrary, the program of giving away our market to foreign producers has been enlarged to such an extent that a large part of our industrial and agricultural activity is now being forced out of business.

The reciprocal-trade program has worked against the interests of American producers. If this program is not now repealed, and adequate protection restored, many branches of our industrial and agricultural structure will be put out of business.

Today I want to call your particular attention to what has been done to the business of fur farming as a result of the reduction of the duty on furs produced in other countries. Fur farming has been a thriving new development in agriculture. This business has spread over the entire country and has gone far in producing a high type of fur for domestic use. The trade agreement with Canada, in which the duty was lowered, has now demoralized the fur market in the United States. The domestic price level has been driven down as a result of foreign importations to a point where the domestic producers are now being forced into bankruptcy.

I can give the Members of the House and the country the best picture of the situation by quoting hereafter a statement made by Mr. W. S. Liddell, the president of the Gold Star Fur Ranch at Owatonna, Minn., who portrays the actual situation as it is found today in the United States relative to fur farming.

Mr. Speaker, I ask unanimous consent to extend my remarks by including therein the statement just referred to. The statement is as follows:

To the honorable Congress of the United States:

GENTLEMEN: You have been receiving a great deal of informa-tion of late pertaining to the insolvent status of the fur-farming industry, which was brought on by the reduction in the duty on silver fox pelts coming into the United States from foreign counsilver fox pelts coming into the United States from foreign countries. As you are now aware, this reduction has thrown the gate open to all favored nations, when we already had an overproduction of silver fox pelts here in our own country and were working hard to find a way to market the surplus of this country; then we get this reduction in duty, which is uncalled for—the net result being a 36-percent direct drop in pelt prices from 1937-38 season market levels, plus all the natural improvement in quality from year to year by selective and scientific breeding. Silver foxes of today are so superior in quality to the foxes of even 10 years ago that the fox of 1929 would not even resemble the 1939 fox; yet our market decline is so great that this great improvement cannot keep pace with it but drops 36 percent in 1 year. So the improvement seems as nothing as far as prices are concerned. All of this is beyond our ability to endure and still survive.

My object is to furnish you with a conservative estimate of the value of our industry and to call to your attention some of the other industries in the United States that are depending a great other industries in the United States that are depending a great deal upon the fur farmers as consumers of their products. If you have not analyzed this situation from this point of view, permit me to remind you that the fur-farming industry consumes enormous quantities of farm products, such as wheat, corn, oats, barley, alfalfa, soybeans, sugar beets, and other vegetable matter, together with millions of pounds of meat products from the farms and packers; enormous quantities of whole-milk and dried-milk products. Besides we are large consumers of mineral feeds medical supucts. Besides we are large consumers of mineral feeds, medical supplies, steel and wire, aluminum dishes, dairy palls, food choppers, grinders, mixers, and other machinery, electric motors, refrigerators, ice machines, lumber, cement, tile, roofing, paint, salt, fuel, automobiles, trucks, oil, gas, hardware, and many others too numerous to mention.

It is evident from the above that the fur farmer is one of the consumers in every major industry in the United States, and this strangulation of our industry by the Government will mean quite a set-back to business in general, from the steel manufacturer to the strangulation of our industry by the Government will mean quite a set-back to business in general, from the steel manufacturer to the dirt farmer and dairyman. And, mind you, some of our fellow fur farmers have already been forced to quit, broke, and many, many of us will follow if we do not get aid at once, with the restoration of the tariff, to keep our fur buyers from going abroad to buy or have the pelts shipped in here for them to buy cheaper than we can produce them here, because the foreign countries can raise them cheaper than we can, and then come here and steal our markets; yes, it is the same as stealing them when our Government lets the bars down and lends a deaf ear to our distress call. Don't we deserve consideration from the Government? Aren't we paying taxes to support this Government? Do the foreigners in foreign countries pay taxes here to support this Government? Do the foreigners interest themselves in our welfare? No. Isn't every Member of Congress sent to Washington to protect our interests? Certainly. We need help now, not in 1940, because we will be dead as far as our fur farming goes and on relief; and think of the unemployment it will cause when fur farmers are stamped out of existence. What else can anyone call it except stamping us out by cutting off our source of revenue, our markets, and giving them to foreigners? Would they do as much for us? When foreign nations want money, men to fight, or markets they "come crawling" to the United States, and we are foolish enough to let them have all they want. What did they do about the payment of the war debt? The writer of this spent 5 of the best years of his life in the Army during the World War.

I remember our President said, when he took office the first term, that we should all be patient and try things, and if they did not work out he was willing to change them. Well, we have tried this

that we should all be patient and try things, and if they did not work out he was willing to change them. Well, we have tried this tariff reduction on 1 year's crop, and it was ruinous; why have another year of it and all go bankrupt? Restore the silver-foxpelt tariff now.

As a concrete example of my statements in the foregoing paragraphs, I have worked out the following figures based upon our own ranch operation and taken from our own records. Assuming own ranch operation and taken from our own records. Assuming that the United States fox farmers total 5,000, which is the quoted number of fox farms, and that their breeders produce annually 350,000 pelts, I place the breeding herd at 100,000 female foxes (forgetting the male foxes), which makes a total of 450,000 animals. Now, if we had this herd on our ranch at our present operating cost our yearly expenditure would be as follows:

Food supplies for 1938

Meat and meat products	\$4, 797, 000
Cereal food or farm grains	3, 150, 000
Milk and milk products	1, 350, 000
Vegetables, fresh and canned	540,000
Fruits, fresh and dried	500,000
Eggs, fresh, frozen, and dried	31, 500
Hay and straw for litter	75, 000
Mineral foods of all kinds	486, 000
Cod-liver oil	36,000
Consequent of all complete or a second	10, 965, 500
Medical supply, 1938	
Worm capsules, all sizes	\$90,000
Flea powder	
Mite oil	
Disinfectants	18, 000
Miscellaneous medicines	6, 020
Albertaneous medicines	0,020
	11, 219, 020
Other overhead, 1938	
Electricity	\$1,508,500
Electricity	1, 100, 000
Paint and repairs	900,000
Fuel	1,000,000
Insurance	1, 250, 000
Automobiles and trucks at \$600 per year	3.000.000
Automobiles and trucks at \$600 per year	
Oil and gas	450,000
Oil and gas	450, 000 6, 000, 000
Oil and gas	3,000,000 450,000 6,000,000 675,000

Other overhead, 1938—Continued Pelt insurance to market (blanket insurances, by dealers, etc) Transportation and cleaning	_ \$180,000
Operating expense	28, 163, 500
Then there would be the cost of equipment, as follows:	
Breeding pens	
Breeding kennels Furring sheds	2, 250, 000
Guard fence	1,000,000
Machinery	5, 250, 000
Tools (hand)	500, 000
Dishes (feeding)	100,000
Pails (feeding), etc	60, 000
Total	51, 573, 500

Plus real estate, which is impossible to figure.

Now, if we have to incur \$28,163,500 in operating expenses to feed 450,000 foxes per year, and be compelled to sell 350,000 of them as pelts, for an average of \$30 per pelt, we would be taking a net loss of over half of the cost of production, because the pelts would bring \$10,500,000. An adequate tariff should be placed on silver foxes to protect the breeders of this country against the importation of foreign pelts; and that tariff, in view of foreign standards of living, wages, and food costs, should range between 75 percent and 100

foreign pelts; and that tariff, in view of foreign standards of living, wages, and food costs, should range between 75 percent and 100 percent of the full and true value of the pelts or live animals.

Your constituents—the fur farmers of the United States—are depending upon you, the honorable body of Congress, our representatives, to see to it for us that the above-mentioned tariff is immediately placed upon all silver fox imports into this country in order that we may have the opportunity to dispose of our pelts in this spring's sales (1939) at true American prices, and save our industry from bankruptcy. industry from bankruptcy.

Capital City Described

EXTENSION OF REMARKS

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1939

ARTICLE FROM THE ARIZONA REPUBLIC OF APRIL 30, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, I have asked unanimous consent to extend in the RECORD an item taken from the Arizona Republic of April 30, 1939, it being an accurate description of the physical plant of our Government in Washington, D. C. So concise and informative is this article that I believe Members of Congress will find a need for it among their constituents, for this word picture paints so clearly the Government set-up in the Nation's Capital that citizens the country over, to whom it may be accessible, can easily fancy they have made a trip up Constitution Avenue.

Because the schools of Arizona and of the Nation at this time of year are studying the make-up and the functioning of the Government of the United States, and because Members of Congress receive letters daily requesting public documents and any printed material pertaining to our Government at the Nation's Capital, I believe this article will be most helpful as partial answer to their numerous requests.

The article is as follows:

[From the Arizona Republic of April 30, 1939] CAPITAL CITY IS DESCRIBED

(EDITOR'S NOTE.-Washington as the compact dynamo of wide fung governmental force is sketched this week by Mrs. John R. Murdock. The "Congressman's wife" tells, not about "Washington life," but about the structures housing the departments of government and the functions of all these departments. Her letter to Mrs. Herman Hendrix, of Phoenix, might serve as a permanent source of reference on the Capital's architectural and functional design.)

MY DEAR MRS. HENDRIX: I've been writing to Arizona for 2 years now about happenings in the Nation's Capital, and I've never really sketched for you Washington as the center of the Government of the United States. That would have been my first letter had it not taken me all this time to learn first-hand about the Government buildings and something of what they contain.

I have just been given copies of an air-view picture of official Washington. It is so well done and so pride provoking that I am induced to picture by words that section of Washington which houses the major part of the Government of the United States. The District of Columbia, as presented to Uncle Sam, was 10 miles square, but the Washington on which is built most of our beautiful Government buildings is only about 2 miles square.

Let us imagine we are in an airplane directly over the Lincoln Memorial, where Warten Anderson gave her governers. Easter connects

Memorial, where Marian Anderson gave her gorgeous Easter concert

Memorial, where Marian Anderson gave her gorgeous Easter concert. Or would you be just as happy in a hydroplane? You see, I shall later have to land you on the Potomac.

Three landmarks will be outstanding: The Capitol dome, the Washington Monument, and the Lincoln Memorial. If you'll imagine a huge Easter cross about 2 miles long, lying flat on the ground in such manner as to place the Lincoln Memorial at the very top, the Capitol at the very bottom, and the Washington Monument as the giant white nail that holds the cross-arm in place, it will be comparatively easy for you to locate many of the Government buildings. This plan of the cross is said to have come down from the days of L'Enfant, the Frenchman, whom President Washington chose to be designer of our capital.

But first I must tell you that just north of the Monument, and

But first I must tell you that just north of the Monument, and at the tip end of the cross bar is the White House, and just south of the Monument, at the other tip end of the cross bar, is the new Jefferson Memorial, now under construction. Between the Monu-Jefferson Memorial, now under construction. Between the Monument and Lincoln Memorial is the long and slender reflecting pool,
and between the Monument and the Capitol dome is the wide and
green expanse of well-kept lawn called the Mall. Behind the Lincoln Memorial is the beautiful Potomac, and running from the
Potomac toward the Capitol and parallel with the Mall, but some
distance north, is famous Constitution Avenue. (On the day Marian
Anderson sang, cars were going toward Lincoln Memorial five abreast
on this spacious avenue, and it is never a one-way street, either.)

HUGE CHECKERBOARD

I have told you before that Washington is divided into a huge checkerboard by streets running north-south and east-west. The foundation streets, from which the other checkerboard streets are

checkerboard by streets running north-south and east-west. The foundation streets, from which the other checkerboard streets are numbered or lettered, are the north-south Capitol, which would go through the dome, only, of course it stops, and the east-west Capitol, which would also go through the dome, only of course it stops, too. In fact, there is no West Capitol because the Mall is where West Capitol ought to be.

Now if you'll imagine four wide diagonal streets also cutting through the Capitol you can easily locate the famous Pennsylvania Avenue, forming many triangles of land, as it cuts past those east-west streets. It is said that all the grand parades of past history went up and down Pennsylvania Avenue, from the White House to the Capitol, and from the Capitol to the White House. In fact, so well known was this Pennsylvania boulevard that Washingtonians referred to it simply as the Avenue.

But in recent years Constitution has stolen the show, for this wide, scenic thoroughfare boasts so many Government buildings that one can go up Constitution and see practically all the Departments of Government. Let's try it!

First we must leave our hydroplane on the smooth and lovely Potomac. As we start up Constitution Avenue we see to our right two immense low buildings that don't even stop for streets or blocks, and they're not very elegant looking, but they serve as headquarters for the Army and the Navy Departments. These two sprawling buildings were put up as emergency construction during the World War, and are still helping to house these Departments.

By the way, we couldn't even walk through all of these Government buildings, much less around them, so I'm going to confiscate

the way, we couldn't even walk through all of these Government buildings, much less around them, so I'm going to confiscate a few of the sightseeing busses that are visiting Washington now by the hundreds. They line up by the day while the students visit the Library of Congress. We can take a dozen or so of those busses, make our trip around, and have them back at the Library before the students have seen half the paintings and statues and exhibits.

ORNATE CASTLE

The Department of War was established by the first Congress in 1789. The Department of the Navy was established almost 10 years later. Both of these Departments were housed, before the World War, in the old State, War, and Navy Building. We can look north and easily distinguish that structure, for it somewhat resembles a fort or a castle, or a hundred old Civil War landmarks huddled together, with thousands of windows and almost as many little porches and turrets and ornate trimmings.

The State Department, the first to be established (July 1789), has spent the last 65 years under this old roof, and the rambilingmass of gray stone looks all the more antique beside the grace and dignity of the White House, which is just across the street. The State Department has to do with our foreign relations and with ambassadors and ministers and trade agreements and treatles and with the issuing of passports. The Department of War was established by the first Congress in

with the issuing of passports.

Across the street and east of the White House is the Treasury Across the street and east of the white house is the freship Building, with heavy doors, heavy columns, and heavy guards. This Department was also established by the First Congress, and was originally meant to take care of revenue, but today it has varied duties, such as preventing violations of narcotic laws, coining money, collecting of import duties, preventing smuggling, looking after the Public Health Service, engraving and printing Federal Reserve Public States securities previous reserves. eral Reserve notes, United States securities, postage stamps, and revenue stamps.

It requires two huge buildings to house the Interior Department, and they are just to the left as we look up Eighteenth Street toward the White House from Constitution Avenue. The Interior Department has to do with "promoting domestic welfare." It looks after such home features as mining, reclamation, grazing, education, all Indian affairs, and the entire national-park system. There are in the United States some 277 Indian tribes. We have in Arizona about 45,000 Indians, and this figure exceeds that of every other State with the possible excentions of Chicken

out of 27 national parks, Arizona has the Grand Canyon. Out of 27 national monuments, Arizona has the Grand Canyon. Out of 77 national monuments, Arizona has 15, and nearly all of these were established before 1930. Let me name them:

Canyon de Chelly, Casa Grande, Chiricahua, Grand Canyon, Montezuma Castle, Navajo, Pipe Organ Cactus, Petrified Forest, Pipe Spring, Saguaro, Sunset Crater, Tonto, Tumacacori, Walnut Canyon, and Wupatki.

They tell me at the Interior Department that a national park is an area of superlative scenery and large size, set aside by Congress for recreational use, and that a national monument is a smaller area of historic, prehistoric, or scientific interest set aside by proclamation of the President of the United States.

proclamation of the President of the United States.

But we must go on up Constitution Avenue. There are so many beautiful white Government buildings on the point of land made by the crossing of slant Pennsylvania over straight Constitution, that the group has been called the Federal Triangle. Four Government departments are stored away in that triangle—the Department of Justice, the Post Office Department, the Department of Commerce, and the Department of Labor. All together these four Departments employ 14,000 Government workers.

We'll try not to be on Constitution Avenue when the "Government lets out," for traffic is paralyzed every afternoon at 4 o'clock when 115,590 Government workers begin swarming the streets of Washington.

ENFORCEMENT-AND-

ENFORCEMENT—AND—

The Department of Justice was created to enforce the Federal laws, but it also has general supervision over Federal prisons and prisoners; deals with questions concerning indictments, grand juries, search warrants, alien enemies, and extraditions; and has charge of cases involving crimes on the high seas and violations of the naturalization laws. The Federal Bureau of Investigation, under the Department of Justice, investigates offenses against Federal laws—only counterfeiting and narcotics traffic are taken care of by the Treasury Department.

The Post Office Department was created in 1794. The original purpose of this Department was to provide "the best means of establishing posts for conveying letters and intelligence throughout this continent." It has been enlarged in this manner: Postage stamps were authorized in 1847; registered mail, 1855; Railway Mail Service, 1862; City Delivery Service, 1863; postal money orders, 1864; foreign money orders, 1867; special delivery, 1885; rural delivery, 1896; postal savings, 1911; village delivery, 1912; parcel post, 1913; and air mail, 1918.

1913; and air mail, 1918.

ALABASTER CITY

The Agricultural Department was eighth to be established (1862). It was not housed in the Federal Triangle because it needed several city blocks of ground space, so it is just south of the Federal Triangle and south of the Mall, but we can easily see the buildings from Constitution Avenue, since they resemble a little alabaster city all to themselves. This Department engages in agricultural research. It tries to control or wipe out plant and animal diseases and to improve crops and livestock. It has charge of the Weather Eureau, protects wildlife, and cares for the Nation's forest lands. It also helps with the construction of public roads and enforces the Food and Druss Act. the Food and Drugs Act.
The Department of Commerce came in ninth, in 1903. It is con-

cerned with developing foreign and domestic commerce, manufacturing, shipping, and fishing; it takes the decennial census of the United States, which covers population and unemployment; it

turing, shipping, and fishing. It takes the decennial census of the United States, which covers population and unemployment; it operates fish hatcheries; it conducts research in civil aeronautics; it establishes and maintains navigation aids, such as lighthouses and buoys; it surveys and charts the coasts of the United States; it develops working standards of measurements used in science, engineering, industry, and commerce; and it has charge of all matters pertaining to patents and patent laws.

The Department of Labor (1913) was the last Government department to be established. This Department has to do with promoting the welfare of the American wage earner. It collects and publishes statistics on all matters pertaining to labor; it has a Children's Bureau and a Women's Bureau; it administers naturalization laws and looks after the deportation of obnoxious aliens; it attempts to make peace between employers and employees; and it promotes a national system of employment offices.

But our busses have tarried a long time between the National Museum and the Federal Triangle, so we'll continue up the hill on Constitution Avenue toward the Capitol. On the way, if you'll look across the Mall you'll see a towering castlelike superstructure made of reddish sandstone that doesn't at all harmonize with the other Government buildings. It was designed in 1852, more than 20 years after James Smithson, an English scientist, without having even visited the United States "to found at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men." So the Smithsonian Institution is a private foundation under Government trust. The

National Museum belongs to the Government of the United States, but is managed by the Secretary of the Smithsonian Institution.

Near the tip of the Federal Triangle is the beautiful new Gov-

renment Archives building, that looks something like the Lincoln Memorial, and holds many of the Lincoln papers, as well as most of the precious old books, records, treatles, and manuscripts of the United States. Here the temperature and moisture and light are so controlled as to preserve forever the valuable Government documents. The beautiful pink marble structure, growing before our very eyes, across Constitution from The Archives, is to be the National Gallery of Art. You remember that Andrew Mellon gave an art collection to the United States in 1937, valued by experts at \$50,000,000, and offered to build a National Gallery of Art, as well as make an endowment fund of \$5,000,000 for the project. The Gallery is now being built by the A. W. Mellon Educational and Charitable Trust at an estimated cost of \$17,000,000.

Going on up Constitution avenue we realize that the Capitol is really on an elevation. This elevation at though only \$8 feet shows

Going on up Constitution avenue we realize that the Capitol is really on an elevation. This elevation although only 88 feet above the Potomac, is high enough to create the colloquial expression, "On the Hill." The two House Office Buildings, containing the offices of the United States Representatives; the Senate Office Building; the Supreme Court; and the Library of Congress, with its gorgeous white marble annex, are all "on the Hill."

The Capitol itself is the oldest Government building in Wash-

ington, having had its cornerstone laid by Washington himself in 1793. Flags fly over the Capitol by day, and immense floodlights play on its dome by night. The architecture of Washington is so planned that no structure overshadows the majesty of this

precious old building.

We'll leave the busses now at the Library of Congress where they haven't been missed, because the students are still exclaiming over the sculpture, the paintings, and the books in the grand old Library. We'll climb to the top of the dome. It's a winding hidden stairway that leads up some 285 feet to an exterior gallery where we can stand outside and see again what we have seen. As we look out this time over our Capital let us think of the three great branches of the Nation's Government. The judicial branch is typified by the Supreme Court Building; the legislative branch by the Capitol itself, spread out beneath our very feet, because by the Capitol itself, spread out beneath our very feet, because within this old building is the Senate Chamber over in the north wing and the House Chamber in the south wing; the executive branch is typified by the 10 departments down Constitution Avenue, together with the President in the White House.

And so I leave you, in imagination, on the dome of the Capitol of the United States. At any time you wish you may look out over beautiful Washington, your Capital, or you may look up at the statue of Freedom, or you may simply stand reverently and think on the meaning of the Government of our great Republic.

—Mrs. John R. Murdock.

A Midwesterner's View of War and Neutrality

EXTENSION OF REMARKS

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 11, 1939

STATEMENT BY HON. VINCENT F. HARRINGTON, OF IOWA

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I include herein a statement addressed to the people of the Ninth District of Iowa covering my views on legislation to preserve neutrality and keep our country out of

The statement is as follows:

So many of the good people of the Ninth District have written to urge me to support rigid neutrality legislation and keep our country out of a European war that a few remarks on the subject seem to be in order.

First, in regard to a neutrality act. We already have one. Since its adoption there have been three wars, and in each case our neutrality policy seemingly has played into the hands of the parties thereto that we commonly consider the aggressors; namely, Italy,

Japan, and General Franco.

It is evidently impossible to devise any type of neutrality law that will not favor some nations and retard others in case of war. that will not layor some nations and retard others in case of war. Our present act and practically every plan proposed obviously benefits the stronger nations—those with the ships to blockade the seas or the money and power to buy or seize what they need. In effect this legislation guarantees to would-be aggressors that we will not interfere in whatever ruthless conquests they may undertake, provided they stay away from our shores. If this is what we want, we already have it. My belief is that any and all neutrality legislation is only as good and as strong as the public opinion behind it. If public opinion is poisoned by propaganda or outraged by wanton aggression and ruthless atrocity the passion of our people is bound to get out of hand. It is doubtful if any neutrality policy could stand up against such pressure. Assuming that Congress would then change or repeal the policy we would be deliberately antagonizing one side or another and such an act would be sure to invite retaliation. Then we would be in for trouble.

There is some sentiment in Congress that the best solution is

There is some sentiment in Congress that the best solution is no neutrality act at all. This way we would continue to reserve our freedom of action in foreign affairs and go along and mind our own business as best we could. Its advocates argue that this course has proved the best policy in the long run. Also by this method no aggressor could be sure in advance of inadvertent American cooperation, as is the case under the present law and other plans suggested.

On one point all neutrality sponsors seem to agree: That we should retain the provision in the present law forbidding Americans to travel on belligerent ships and keeping our citizens out of

Regardless of the policy that Congress elects to follow, it can only succeed if backed up by a desire and determination on the part of our citizens to make it succeed, come what may.

Second, I do not agree with those experts who insist that if there

is another major war in Europe we simply can't keep out of it. I am pretty sure that we can keep out if we want to, and I, for one, am determined that we shall keep out.

In the last World War, if you remember, quite a few nations managed to keep clear of the fighting, notably Norway, Sweden, Holland, and Denmark. It is true that they lost a great many Holland, and Denmark. It is true that they lost a great many ships and suffered inconveniences, insults, and indignities in varying degree, but they kept away from the trenches, and most of their fighting men of that era still enjoy normal good health. It will be recalled, too, that after their shipping had been pretty badly shot up they worked out a deal with both sides whereby their normal needs, based on the previous 10 years' average, was permitted to go through the blockade, and after that they got along fairly well. They may have lost some of their "honor," but they certainly saved their hides!

I am not an expert, but I fall to see where maintaining our

they certainly saved their hides!

I am not an expert, but I fail to see where maintaining our foreign trade and protecting our foreign investments is more essential than keeping our present crop of soldier material out of European trenches. After all, we are a pretty resourceful nation, blessed with practically everything we need in the way of things to eat, wear, be comfortable, and enjoy ourselves with; so why worry so much about possible interference with our foreign shipping in case of war? Maybe we can learn to do without some of the things we now import and which, I am told, our own farmers and chemists can be taught to produce.

Third, I do not agree that the President is necessarily exceeding his authority by what the critics call meddling in foreign affairs. Under our Constitution the President is charged with the responsi-

Under our Constitution the President is charged with the responsibility of conducting our normal relations with other countries. That is his business. It is also his right and duty to use every peaceful means to exert the moral influence of this Nation in the interest of world peace and justice. If he can stop, delay, weaken, or confuse any elements seeking to start a war that would eventually endanger our peace, isn't it worth the effort? If he should go too far or show poor judgment, public opinion can and should stop him.

On the other hand, he has no authority to declare war, no authority to draft our boys to fight in European trenches. That is your business and my business. Only Congress can do that, and here is

one Congressman who won't!

Fourth, I am going to repeat what I have said many times before—"All our investments abroad and all our foreign trade are
not worth the slaughter of a single American boy. If so, what
mother will furnish that boy?" This means I am opposed to any
war except in defense of our national coast lines (island possessions
not included)—and I don't believe any foreign nation or group of
nations is going to be rash enough to attack us on the home
grounds providing we keep abreast of them in aircraft and defensive armament. fensive armament

Fifth, I do not honestly believe there is any serious danger of the United States becoming actively involved in a European war—unless the rank and file of the people want to engage in such a war (which they don't). Congress is responsive to the people, and if American citizens will stifle their sympathies and close their eyes and ears to foreign propaganda, I feel sure they will not get mad enough to want to go overseas and fight.

Yes, some of you may say, but look what happened in 1917. My answer is that this country learned an impressive and sorrowful lesson in the last World War and one which none of us cares to

lesson in the last World War and one which none of us cares to repeat. Will we profit by that experience? I think that we will. It is altogether up to you folks at home.

All of this may sound like a naive country boy talking, and maybe the so-called "experts" can shoot my arguments full of holes. But there are just enough naive country boys in Congress, who are either too dumb or too bullheaded to listen to the experts right now, and as long as we continue that way we are not going to send our children overseas again—unless you folks at home absolutely insist on it. absolutely insist on it.

Resolution in Behalf of Coffee Growers of Puerto Rico

EXTENSION OF REMARKS OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of Puerto Rico, with accompanying letters:

> HOUSE OF REPRESENTATIVES OF PUERTO RICO. San Juan, P. R., April 15, 1939.

Hon. SANTIAGO IGLESIAS.

Resident Commissioner for Puerto Rico in Washington,

House Building, Washington, D. C.
Sm: For the information of Your Honor I take pleasure in enclos-SR: For the information of Your Honor I take pleasure in enclosing herewith English copy of House Concurrent Resolution No. 9 of the third session of the Fourteenth Legislature of Puerto Rico entitled "Concurrent resolution to request from the Congress of the United States that it resolve the critical situation of the coffee growers of Puerto Rico," duly signed by the speaker of the House of Representatives and the president of the Senate of Puerto Rico, and certified to by the secretary of the House of Representatives of and certified to by the secretary of the House of Representatives of Puerto Rico.

Respectfully,

ANTONIO ARROYO, Secretary.

GOVERNMENT OF PUERTO RICO,

BUREAU OF TRANSLATIONS,

San Juan, P. R., April 15, 1939.

George W. Roberts, chief of the Bureau of Translations of the
Legislature of Puerto Rico, hereby certifies to the Governor of

Puerto Rico; and Luis A. Deliz, assistant chief of the said bureau,

certifies to the president of the Senate and to the seader of the Puerto Rico; and Luis A. Deliz, assistant chief of the said bureau, certifies to the president of the Senate and to the speaker of the House of Representatives of Puerto Rico, that each of them has duly compared the English and Spanish texts of a certain act (H. Con. Res. 9) of the third session of the Fourteenth Legislature of Puerto Rico, entitled "Concurrent resolution to request from the Congress of the United States that it resolve the critical situation of the coffee growers of Puerto Rico," and finds that the same are full, true, and correct versions of each other.

George W. Roberts.

GEORGE W. ROBERTS, Chief, Bureau of Translations. Luis A. Deliz, Assistant Chief, Bureau of Translations.

House Concurrent Resolution 9

Concurrent resolution to request from the Congress of the United States that it resolve the critical situation of the coffee growers of Puerto Rico

Whereas various agencies of the Federal Government have for some time been aware of the serious situation confronted by coffee growers in the insular possessions of the United States, and al-though several remedies have been suggested no definite program has been put into effect to resolve the difficult crisis experienced by these growers;

Whereas the coffee growers of Puerto Rico and of Hawaii, although whereas the conee growers of Puerto Rico and of Hawaii, although separated and at great distance from each other, and although their conditions are different, have in essence the same problem, inasmuch as both are forced to buy in a protected market having high prices and to sell their exports in unprotected markets, and it appears clearly that their condition can be remedied only through the grant of at least some measure of recognition by the Government of the United States, such as is granted to the sugarcane

Whereas since there are over 14,000 coffee plantations in Puerto Rico and around 1,000 in Hawaii, and since 500,000 inhabitants depend for their subsistence on the success of these plantations, the problem is urgent, involving not only a social problem but also just recognition of an old and well-established agricultural

industry;
Whereas on the financial condition of the coffee industry depends directly the welfare of almost half a million people residing in the coffee districts, and indirectly the welfare of 2,000,000 people, it becomes very important that the critical condition of the said industry be recognized, with a view to remedying the situation;

Whereas coffee plantations occupy a considerable portion of the territorial area of the island of Puerto Rico, and coffee is the only commercial product of importance cultivated in such portion and occupies 25 percent of all the tillable land of the island, and it being a product grown in the most mountainous regions, no substitute has so far been found that will yield better results to the growers:

Whereas the cost of producing coffee in Puerto Rico amounts to approximately 14 cents a pound, of which approximately one-half is a fixed cost, inasmuch as almost the whole industry is laboring under the burden of heavy indebtedness dating from the hurricane of 1928:

Whereas the high cost of production and the high standards of living in Puerto Rico and in Hawaii hinder the coffee growers thereof from competing with other coffee sold in the market of the

United States;

Whereas Puerto Rican coffee had a very good market in the various countries of Europe, which market it has gradually lost through the restrictions imposed by many of the various governments, and through the failure of the United States of America to take it into consideration in making its reciprocity treaties, the Puerto Rican growers find themselves in the difficult plight of not being able to export their coffee at prices in consonance with their high cost prediction:

of production;
Whereas since the continental United States consumes more coffee than any other nation in the world, and since consumption therein has reached, during the last 3 years, an approximate average of 1,750,000,000 pounds, it would be easy for the United States to solve the problem;

Whereas in order to enable growers to compete successfully it would be necessary to grant each grower a subsidy or compensation of 5 cents a pound;
Whereas through a direct compensation of 5 cents a pound made to the coffee growers of Puerto Rico and Hawaii, these could attain sufficient stability, and the emigration en masse of the mountain people to the cities, which will come unless the situation with which they are confronted is not permanently resolved, would be

prevented: Whereas the payment of this compensation of 5 cents a pound

would serve, among others, the following purposes:

1. Of allowing coffee growers under the American flag to compete in the American market with foreign growers of Arabian-type coffee;

 Of bringing with it a saving in direct emergency relief;
 Of rehabilitating the coffee industry of Puerto Rico, on which depend several hundred of thousands of people, and which is now experiencing deplorable conditions;

4. Of enabling the coffee growers to save their plantations from mortgage foreclosures, said plantations being now heavily burdened with liens the growers will not be able to meet at maturity; 5. Of enabling the United States to have a source of supply of coffee in case the Nation should be cut off from any South American

countries through such internal revolutions or disturbances as may occur in some of these countries;
6. Of greatly improving the general stability of the leading coffee

districts of Puerto Rico and Hawaii and eventually rendering them capable of self-support;

capable of self-support;

7. Of lessening social unrest and preventing an increased number of persons from leaving the coffee districts to move to the central cities, which are already overpopulated;

8. Of entailing recognition and encouragement of an industry in every way entitled to recognition and encouragement, and which, due to the absence of investments of American capital and to the distance which separates it from the continent, has found scant backing and small opportunity to protect itself, and, lastly, the possibility of furnishing through this compensation protection to the coffee growers of Puerto Rico against the consequences of the hurricanes by continuing the payment of 5 cents to the growers to the coffee growers of Puerto Rico against the consequences of the hurricanes by continuing the payment of 5 cents to the growers whose crops and trees are destroyed, taking as a basis therefor the average production of said growers during the 3 years preceding the hurricane, these annual payments assisting them in great measure in the rehabilitation of the plantations destroyed by the hurricanes and of farms in general by providing a source of income until such time as the farms are again in production: Now,

therefore, be it

Resolved by the House of Representatives (the Senate of Puerto Rico concurring):

First. To request from the Congress of the United States, as it is hereby requested, that a tax be levied on each pound of coffee imported into the continental United States (an import duty and

imported into the continental United States (an import duty and handling tax) and that the amount of this tax be one-fifth cent on each pound, to be applicable to all coffee imported, including the coffee from insular possessions.

Second. That a copy of this resolution be sent to the President and to the Speaker, respectively, of the two Houses of the Congress of the United States, to the President of the United States, to the President Commissioner for Puerty Ricc in Washington, and to the Resident Commissioner for Puerto Rico in Washington, and to the Governor of Puerto Rico.

MIGUEL A. GARCIA MENDEZ, Speaker, House of Representatives. R. MARTINEZ NADAL, President of the Senate.

Farmers' and Consumers' Financing Corporation Bill

EXTENSION OF REMARKS

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

Mr. LEMKE. Mr. Speaker, Members of Congress in amazement are asking, "What in thunder happened to the House Committee on Agriculture? Why did it not report out the cost-of-production bill?" Nothing happened to the committee. It has consistently refused to support and recommend real farm legislation. It has consistently supported and reported for passage make-believe, Alice in Wonderland legislation.

It has consistently refused to support the Frazier-Lemke refinance bill or the Massingale cost-of-production bill. It has consistently refused to consider the Farmers' and Consumers' Financing Corporation bill, H. R. 2766, the bill in which my friend Benjamin Marsh, of the People's Lobby, is vitally interested. It has consistently refused to consider this bill because it might interfere with the gamblers in food and food products. It has consistently refused to consider this or any other bill that would bring about just compensation to the farmers who feed and clothe the Nation, and at the same time assure just and reasonable prices to the consumer.

The Farmers' and Consumers' Financing Corporation bill will not interfere with legitimate handlers or distributors of agricultural products. But it will cut out the gambling, at the expense of human misery, in such products. For example, it will cut out the selling of millions of bushels of imaginary wheat, oats, corn, and barley each day. All this gambling is at the expense of the consumer and the producer. For example, when a farmer offers a thousand bushels of wheat for sale and then some gambler offers a hundred million of imaginary wheat in competition, you can readily see that the farmer will get the worst of the deal.

The final solution of our consumers' and agricultural problem is to cut out useless gambling in agricultural products. Let us have an honest distribution and an honest marketing system for that which the farmer produces.

Ever since 1920 there has been a real agricultural problem. Ever since 1920 farmers by the hundreds and thousands have lost their homes by mortgage foreclosure, tax, judgment, or forced sale. Hundreds and thousands of innocent men and women and children have been evicted from their homes—hundreds and thousands more lost their farms and became tenants or sharecroppers and serfs for absentee landlords. All this because they have been compelled to accept less for their products than it cost to produce.

While at the same time millions of boys and girls and men and women went undernourished—in fact were starving, slowly dying of malnutrition—in our overcrowded cities and towns. Ignorant people call this overproduction. Intelligent and reasoning men and women know that it is underconsumption and maldistribution.

Ignorant people say it is the law of supply and demand. Intelligent men and women know that the farmer had the supply and the hungry and starving people had the demand but for some strange reason the demand could not hook up with the supply. They had the urge but did not have the means. They had the desire to eat but the supply was beyond their reach because they lacked purchasing power. Too many middlemen and gamblers in food and food products drove the price up beyond their reach.

Since 1920 over 10,000,000 farm boys and girls have been driven from the farms into the already overcrowded cities and towns to swell the ranks of the unemployed—compelled to look for W. P. A. jobs or doles. This is an insult to our

intelligence. This condition has been brought about because we have compelled the men, women, and children who live on the farms to feed the Nation—to feed us—below the cost of production.

While, on the other hand, the consumers have been compelled to pay unreasonable tribute to the gamblers in food and food products. On an average the farmer receives only about 25 percent of what the consumer pays for the products produced. This condition the Farmers' and Consumers' Financing Corporation bill intends to remedy.

I am sorry that the House Committee on Agriculture does not see fit to report this class of legislation favorably out of the committee. But it seems that anything that interferes with the mighty gambling machine is always looked upon with suspicion. Not that the Members of Congress do not know the situation but because they are afraid to disturb existing conditions. They feel that gambling in the necessities of life always existed and therefore always must exist. Their slogan seems to be let bad enough alone for fear we will make it worse.

Our trouble never has been overproduction, but maldistribution and underconsumption. If the Committee on Agriculture would hold hearings and report the Farmers' and Consumers' Financing Corporation bill out for passage, then it would take the first step in the right direction. We have heard no valid criticism against the desirability of this class of legislation. There is not a single Member on the House Agricultural Committee who does not feel the necessity of doing something that will close the wide spread between what the farmer gets for his products and what the consumer pays.

This bill has for its object the bringing of the farmers of North Dakota, South Dakota, Montana, and other distant States closer to the markets of the East—to the consumer. When it becomes a law then it will not be necessary for millions of bushels of potatoes, apples, and other farm products to go to waste because of prohibitive prices to consumers.

When this bill becomes a law, mass production will be met by mass consumption. The North will then meet the South and the West will meet the East in the exchange of their commodities. New fields of industry and new fields of consumption will be opened. It will facilitate the exchange of farm products with manufactured commodities—the things produced by human energy—the wealth of this Nation—can then be exchanged without penalizing anyone, but it will prevent excessive gambling and speculative prices to the consumer.

The farmers' and consumers' financing bill is sponsored by the People's Lobby, an organization of many years' standing here in Washington, which represents the best interests of the consumers and also of the producers. The aim and purpose, among other things, of this organization is to protect the consumers from excessive prices due to gambling in agricultural products.

We have not been able to get this bill reported out of the Agricultural Committee. It seems strange that the committees always suppress legislation that the people really want and need. There is no reason why this bill, and many other bills, should not be reported out of the committee and discussed on the floor. Then the Members can get all the light and all the pros and cons and use their own best judgment when they dispose of the bill on its merits.

We have everything at our fingertips to bring about real prosperity. Our farmers are willing to produce and our consumers are willing to consume. Yet, the great American engine is stalling. The Executive at one end of Pennsylvania Avenue does not know how to open the throttle and start it going. Congress at the other end of Pennsylvania Avenue has become thoroughly demoralized and is afraid to move. In the meantime, the 13,000,000 unemployed and millions more ill-fed, ill-housed, and ill-clad demand action.

When the cost-of-production bill was up before our committee the other day a few subsidized farm leaders, whose membership for years has endorsed the principle of cost of production, sent letters and telegrams and called up mem-

bers of the committee, asking them to oppose the bill. They falsified and misrepresented the bill in every possible way in order again to deceive the farmer and at the same time to fool the consumer.

As a result, only one Democrat on the committee voted to report the bill out, together with five Republicans. Thirteen Democrats and four Republicans voted to suppress this legislation—voted to prohibit it from coming up on the floor of Congress so that the Nation might know who is who.

This star-chamber proceeding behind closed doors I always have and shall continue to condemn. Millions of men and women want the cost of production, the Frazier-Lemke refinance, and the Farmers' and Consumers' Financing Corporation bills reported out of the committee so that they may know after all the light has been turned on, why their Representatives in Congress are either for or against this legislation.

Yet the hour has arrived for sanity. The intelligent people must solve the agricultural and the unemployment problems or the unintelligent will solve them in the way that we will not like. These problems must be solved now. The Farmers' and Consumers' Financing Corporation, the cost of production, and the Frazier-Lemke refinance bills are the solution.

Get back of these three bills. The cost of production bill will save the small farmer and it will save the large farmer. It is not a "division of the wealth" bill. It is an agricultural bill which will take the whole agricultural structure out of the mire and make it self-sustaining. The Farmers' and Consumers' Financing Corporation bill will largely cut out the gambling in food and food products to the benefit of both the farmer and the consumer.

H. R. 5643-A Belated Measure

EXTENSION OF REMARKS

HON. JOHN R. MURDOCK

OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, much has been said in this debate today about rash legislation adopted in the hysteria of the moment, and it has been suggested that we are being swept off our feet in a patriotic impulse akin to a wartime emotion. The intensity of the debate most of the afternoon does reveal strong feelings as this debate has worn on, but I want to assert that my vote has not been influenced by any such hysteria. This bill is not quite as I would like to have it, but my vote is for it, and I expect to see the changes, which I would like inserted, to appear in the final legislation.

It is not cruelty nor hard-heartedness on my part that causes me to support this measure, but, instead, it is the safety of our people. While this country has been blessed by many noble spirits who have come here from many lands, it has also been cursed by dangerous criminals, and we are derelict in our duty if we do not protect our people from such alien criminals. It is indeed unfortunate if, after an alien has been ordered deported because of crimes for which he has been tried in our courts, the country from which he came will not receive him. It has been suggested here this afternoon by the gentleman from New York that such a bill as this enacted into law will give offense to many other nations. It must be very offensive, indeed, for us to detain an alien criminal who is so dangerous that his own country will not admit him to its shores. Would they have us turn him loose upon our society when they will not claim him? My own feeling is that this measure will be offensive only to the individuals who are detained and to their friends and accomplices, and I would like to know how much we owe aliens who have been pronounced criminals by our courts and who, accordingly, are dangerous to be at large in this country.

My opinion is that this law gives enough discretion to the Secretary of Labor to show any leniency that ought to be shown. We have been assured that crimes committed under the eighteenth amendment and the prohibition law will not enter into this matter. I see no reason why that should be brought up, and I would not want to see a law long since repealed enter into it whatsoever. Personally, I would like to have this measure provide for an appeal to the Supreme Court of the United States. In a private conversation with Congressman Hobbs, I find that he is not opposed to such a provision, and no doubt it will ultimately be added to this measure.

I feel that we might have had some such provision as this during the last 30 years, not because of any wartime hysteria, but as a simple protection for our people against dangerous characters that ought not to be at large among us. So I regard this as a peacetime measure and feel it was just as needful in 1913 as it is today or any time since the Great War.

I have received two letters within the last few hours from thoughtful men in Arizona, one an educated American citizen of German extraction, who severely condemns the work of the German Bund and a spokesman for it—William Kunze. He feels that racial groups and foreign "isms" are playing havoc with our institutions and recommends the utmost severity on the part of this Government in dealing with these enemies within our gates. The other letter is from the pastor of a great church, and he implores Congress not to go wild with wartime hysteria, such as he recalls in 1917–18, and he greatly fears that such legislation as this bill is but a step in the direction of establishing concentration camps, which have become a horror in Europe.

I agree with both of my friends so far as their conflicting philosophies will permit. However, I do not feel that it is justifiable to say that we are here setting up concentration camps in the European sense; but I do agree with the pastor who reminds us of the war hysteria of a generation ago. I remember what terrible things were done in the name of loyalty, when patriotism became pat-riot-ism. I do not wish to see such violent outbursts again, and I pray God there may be no occasion for such; but I do think we ought to distinguish carefully between a safe and sane peacetime measure, which this is, and the immoderate enactments which frequently go with war psychology.

Mining Needs Encouragement

EXTENSION OF REMARKS

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, one of the basic industries of our country, one upon which our national prosperity depends in large part, and upon which local prosperity in the far West depends absolutely, has been sadly neglected by national lawmakers. I refer to metal mining, not including gold and silver. Of course, the present administration deserves great credit for having stimulated domestic production of gold and silver, but the field that has been neglected has been the mining of copper, lead, zinc, and some of the strategic war materials, such as manganese and tungsten. I have lately traveled over a portion of the mining West and talked with hundreds of small mine operators, who have outlined a dozen or a score of legislative enactments needed to put mining on its feet again.

These are some of the things they have suggested: That the mining code be entirely revised; that the Government facilitate the sale of newly mined gold on the part of the small operators at its present price of \$35 per ounce; that the price of domestically produced silver be raised to 77 cents per ounce, or, as some would have it, 92 cents per ounce, although

a few demand \$1.29 an ounce; that R. F. C. regulations be changed to permit of loans for mining development with greater facility; that the S. E. C. rules be modified in such a way as to induce new capital to come to the mining field, and that the development of mining of strategic materials at home be directly encouraged. This list is not complete, for there are many other things that ought to be done to encourage mining.

At the suggestion of several councils of small mine operators in Arizona, particularly at the instance of the Yavapai Council at Prescott, I have introduced a bill, H. R. 6131, for the purpose of creating a Mines Finance Commission and authorizing funds to carry on its purpose. We of the West frankly recognize that mining is a venture and we feel that the Securities and Exchange Commission has been given a great task to protect the investing public from those who would sell chunks of blue sky or any worthless stock, as promoters have done so frequently in the past. However, we do recognize this, that investments in mines are different from investments in any other industrial enterprise and should be under different regulations both in the interest of the investing public and in the interest of developing this vital industry. That is the reason why we feel that we ought to have a separate commission for the encouragement of mining.

We are well aware of the fact that in late years there is a tendency to create too many commissions, thus making Government top-heavy, cumbersome, and expensive. Nevertheless, mining, from its very importance, deserves special consideration from our Government. All other lines of industry have been encouraged by tariff walls or by subsidies or by regulation both in the public interest and in the interest of the industry. Mining alone has been excluded from such benefits. My bill seeks for mining the same consideration

that other industries have long had.

Asking for this new governing body and set of regulations at this time is very opportune when we consider the stagnant condition of mining in this country, but inopportune when we consider the mounting national debt and our frantic effort to economize and balance the Budget. Let it be remembered that many of the industries that have been aided by our Government have received outright gifts, while some of them have been partially self-sustaining. The mining industry of the West feels that the money which they wish set aside to encourage mining shall not be a gratuity but shall be the Government's profit on the silver which is domestically produced. In other words, the seigniorage is asked to be set aside to further encourage mining in general.

The present price paid for domestic silver is sixty-four and a fraction cents per ounce. It passes indirectly into our monetary system at \$1.29 per ounce. It is only fair that Uncle Sam should place at the disposal of western mining this 100-percent profit which he makes on silver, so it seems to the miners. This is not asked, of course, as a subsidy or gift but as a liberalized loan, just as citizens receive productive loans through the Reconstruction Finance Corporation. the Farm Credit Administration, or the Home Owners' Loan set-up. We westerners feel that such a provision would be as safe and sane and reimbursable as the reclamation fund. which has done so much to build up the West agriculturally.

"My Thought Is of America"

EXTENSION OF REMARKS

HON. FRANCIS H. CASE

OF SOUTH DAKOTA IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

OBSERVATIONS ON OUR PRESENT FOREIGN POLICY

Mr. CASE of South Dakota. Mr. Speaker, an undeclared war is now going on in Europe-an economic war. The people whom I have the honor to represent, the people of western South Dakota, are tremendously interested in knowing the temperature of the war fever in Washington. They are alarmed by the obvious lack of neutrality in many newspapers and in many utterances by the President. They realize, as the Honorable Alfred M. Landon said in Kansas City a night or two ago, that "economic quarantine and economic assistance mean the inevitable sending of our sons to France to die."

Under permission granted by the House, I desire to place in the Record a comment on Mr. Landon's speech written by Mr. Ernest K. Lindley, known in Washington as a writer who has been generally friendly to the administration. The article is from today's Washington Post, headed "Neutrality Abandoned-Mr. Landon's Views-The President Has Abandoned Neutrality."

In his speech Wednesday night Alfred M. Landon redefined his

attitude toward the President's foreign policy.

He endorsed the President's appeal for a peace conference and urged him to try again. As he read Hitler's speech, the door is still left "slightly open for further discussion of the common destiny of the common people of this world."

But Mr. Landon at the same time put his finger on the point of weakness and of denger in the President's foreign policy. This

of weakness and of danger in the President's foreign policy. This is, that insofar as he is able to do so, the President has "abandoned neutrality for the United States." Mr. Roosevelt does not approach the European scene with impartiality. He has chosen sides—in fact, he has almost succeeded in making himself the chief spokesman for one side. Thereby he has weakened himself and the United States in the role of intermediary.

The dangerous aspect of the President's policy, as Mr. Landon sees it, is that if the great European war does break out, the measures "short of war" with which the President proposes to help

one side may lead to our full participation in the war.

MAY MEAN SENDING OF AMERICAN TROOPS

"If the side we are helping is winning, we may be able to stay out," Mr. Landon thinks. "But the situation is different, both actually and psychologically, when our side is losing. We—a proud people—would then be in the position of starting something we won't finish. Therefore we have an exact duplication of the situation when we entered the World War."

Mr. Landon wants us to face frankly the fact that "economic assistance means, in the end, 'doughboy assistance'"—the sending of American boys into the cockpit of Europe to fight.

of American boys into the cockpit of Europe to fight.

Mr. Landon's speech is extremely important, because for 2½ years he has been upholding the President's hands in the foreign field. After his defeat in the 1936 election he came to Washington and declared, in substance, that politics should stop at the water's edge. During the Panay crisis he called upon the Nation to back the President, and he was helpful to the administration in heading off the Ludlow resolution. Last winter he went to Lima, as second man in the American delegation, to prove to the world that the Monroe Doctrine is a national and not a party policy.

MIS POLICY MASS, ON LOWER MANY.

HIS POLICY IDEAS ON LOFTY PLANE

By action, as well as word, Alf Landon has put his consideration of our foreign relations on a lofty plane. If there has been any thought of partisan politics in what he has said, it has been very high-class politics. There was no suggestion of partisan politics in his speech Wednesday night, in which, for the first time since the 1936 election, he indicated where he disagreed with the President's foreign policy. He was temperate in tone and constructive in his attitude

Throughout the campaign of 1936 I traveled with Alf Landon as a newspaperman. I know that he is a man with a lot of "horse sense." You might not have suspected it from some of the speeches he made, especially during the latter part of his campaign, when he had been broken to harness by the Republican National Committee, the party's big contractors, and an extremely conservative "brains trust." But left to himself he can come as near as anybody I know to expressing the sentiments of the intelligent middle-class American citizen in the area between the Alleghenies and the Rockies.

As he said Wednesday night, he does not like to see people who claim to be American citizens organizing in "pro-Hitler bunds" or in "stop Hitler parades." He does not like to see people who claim to be American citizens "organizing as Czechoslovakians to regain the independence of that country." He wants a thoroughly American foreign policy—based upon our interests, not upon emotion. Throughout the campaign of 1936 I traveled with Alf Landon as

can foreign policy—based upon our interests, not upon emotion. But he acknowledges that emotional, economic, and other pulls are already making themselves felt. He is fearful that we couldn't stay out of a prolonged general war.

BELIEVES AMERICA USUALLY IS "SUCKER"

He believes that our naval power assures our security for his time, and probably for his youngest child's time. But he wonders "how long popular government can survive in a world armed to the teeth and constantly attacking or threatening to attack."

He believes we have usually played the "sucker" in our relations with Europe, and he remembers that we were involved in a World War by another President who tried to act as a mediator. But he urges the President to keep on appealing for peace.

There is not a trace of dogmatism or smugness in Alf Landon's speech. Nor is there any effort to belittle the gravity of the crisis that gribs Europe and Asia.

that grips Europe and Asia.

Alf Landon, moreover, has the courage to say that even though Hitler is Hitler, the Germans have a case. One of Mr. Roosevelt's great errors, I believe, has been his failure to acknowledge that the Germans have a case. If he had acknowledged it and stated it earlier, he would be in a stronger position now to act as an intermediate in confict to preserve the confict to the confic

mediary in an effort to preserve peace.

Alf Landon's speech ought to be read carefully in the Roosevelt administration as well as in the chancelries of Europe. Better than anyone else, I suspect, he has worded the sentiments of a great body—perhaps a majority—of the American people.

Mr. Speaker, evidence that Mr. Lindley is correct in that estimate of the sentiments of the American people is to be found in every newspaper that comes to my desk from South

May I call to your attention the opinion expressed in the following editorial from one of the smaller newspapers, the Belvidere Times:

OPINIONS IN HOME-TOWN NEWSPAPERS

The press and radio are still announcing daily that the greatest war on earth is to get started right away, and a flood of propaganda is being loosed in this country in an attempt to get the United States to stick its neck out if and when the big mass murder starts States to stick its neck out if and when the big mass murder starts over there. We have plenty to do to restore normal conditions right at home without butting in on European politics, and if President Roosevelt can't do any better in handling Europe's troubles than he has at home, Europe will be a lot better off if he doesn't meddle. Then, too, everyone knows that when an outsider attempts to step in and tell a bully that he can't pick on some smaller guy, he must be ready to whip the bully, if necessary. We can whip either one or both of them if it is necessary, but it isn't necessary to send thousands of American boys over there to be murdered just to show that we are a "good neighbor" of either England, France, or any other European country.

And here is the opinion expressed in the largest newspaper published in the district, the Rapid City Daily Journal:

IF EUROPE FIGHTS, IT WILL BE OVER EUROPEAN ISSUES

Today anyone with a long memory has a dreamlike feeling that

Yes; it was in 1914 that an expanding, ambitious imperial Germany, bitterly complaining of "encirclement," ran headlong into war. And the cry rang out, "Save the world from this barbarism, this militarism."

Imperial Russia, that historical defender of the rights of minor ities and of small neighbor peoples, rushed into war, and with her France, bound by a military alliance. England hesitated a bare moment, then plunged into the maeistrom.

It was a crusade, we were told, to halt the onrush of militarism and Kaiserism and barbarism. And the millions fought and died, and finally the United States joined the crusade.

Now the crop is harvested, a crop of dictatorships and woe and basic problems left quite unchanged after all the horror.

We know now that Britain, France, and Russia went to war for one basic reason: to prevent the rise of a great German power on the continent of Europe.

Today it is happening all over again. A resurgent Germany again seeks domination over Europe, and again Britain and France seek to prevent it.

Again Germany cries "Encirclement!"
Again the cry of democracy is raised, but Britain allies herself with the Polish dictatorship, and seeks aid from totalitarian Russia, while France gives dictatorial power to her own ruler.

A world recoils with horror at the German purges and persecu-

tions of minorities, yet we are asked to sympathize with Poland, whose treatment of minorities certainly leaves something to be desired, and with Russia, whose arbitrary and brutal purges rival

Let's not fool ourselves! What goes on in Europe Democracy? is a naked struggle for power that is not a whit higher in principle than that of two savage jungle tribes shooting and braining each other for possession of the best hunting grounds.

It is possible, of course, that if the British Fleet were destroyed,

the Empire broken up and transferred to a Germany that was supreme in Europe, the United States might be in an uncom-

fortable situation, perhaps in active danger.

But this time we ought to think in terms like that, in terms of stark and sordid realities and interests—and not in terms of a starry-eyed crusade or a slippery slogan.

At such a time and under such conditions, Mr. Speaker, it seems appropriate to recall what Woodrow Wilson said in 1914. In his appeal for a true neutrality of heart and mind, to which public attention has recently been directed by Mr. Arthur Peter, of Bethesda, Md., Mr. Wilson said:

THE EFFECT OF THE WAR UPON THE UNITED STATES WILL DEPEND UPON WHAT AMERICAN CITIZENS SAY AND DO

The spirit of the Nation in this critical matter will be determined largely by what individuals and society and those gathered in public meetings do and say, upon what newspapers and magazines contain, upon what ministers utter in their pulpits, and men proclaim as their opinions on the street.

It will be easy to excite passion and difficult to allay it. Those responsible for exciting it will assume a heavy responsibility, responresponsibility for no less a thing than that the people of the United States, whose love of their country and whose loyalty to its Government should unite them as Americans all, bound in honor and affection to think first of her and her interests, may be divided in camps of hostile opinion, hot against each other, involved in the war itself in impulse and opinion, if not in action.

My thought is of America. I am speaking, I feel sure, the earnest wish and purpose of every thoughtful American that this great country of ours, which is, of course, the first in our thoughts and in our hearts, should show herself in this a nation that neither sits judgment upon others nor is disturbed in her own counsels and which keeps herself fit and free to do what is honest and disinterested and truly serviceable for the peace of the world.

Mr. Speaker, if war comes-if military methods come-if the instruments of death and destruction are loosed, and if the position of the United States is committed without a declaration of war, those who dare to speak for international understanding and good will will be misunderstood and efforts will be made to muzzle their utterances.

Surely that time has not yet come. Surely every effort must be made to establish understanding and to keep open the paths of peace. Our ability to contribute soundly to solving the world's problems depends upon our ability to keep America from becoming a partisan in quarrels that do not directly concern us.

Everyone agrees that the Monroe Doctrine is the cornerstone of sound American foreign policy. No foreign footholds in this hemisphere. How can we tell European nations to stay out if we insist on mixing in over there? "My thought is of America."

American Neutrality

EXTENSION OF REMARKS

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

RADIO ADDRESS BY HON, BENNETT CHAMP CLARK, OF MISSOURI, ON MAY 5, 1939

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Missouri [Mr. CLARK], over a national broadcast on Friday evening, May 5, 1939, on the very important subject of American neutrality.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Probably there is no question now confronting the American people which even approaches in importance the question of what our attitude is to be in the event that a war develops abroad which the President of the United States will be compelled to recognize as a state of war.

recognize as a state of war.

It is so plain that he who runs may read that the situation with regard to war in Europe is far more ominous and more threatening than at this time of the year 1914, just a few months before the outbreak of that titantic struggle to which we commonly refer as the World War. Far worse and far more tragic in its implications is the fact that already we are much further along the road to actual involvement and active participation in the next European war, even before it develops, than we were even 3 months before our entrance into the last war after 2½ years of carnage abroad. years of carnage abroad.

Already the effort is being made to have us choose sides and commit ourselves irretrievably to one set of prospective belligerents before as much as a single gun is fired in the war. Already the effort is being made to bring about commitments on our part the effort is being made to bring about commitments on our part which will again set our feet upon the path which inevitably leads to war. Already while we are still talking about our obligation to make the world safe for democracy, there is being made the suggestion of our responsibility to participate, if necessary, in another "war to end war," in which we will again send the best and bravest of our youth to die on foreign fields, thousands of miles from home, in quarrels which do not in any degree whatever concern us. Already high Government officials, including some eminent Senators, have contributed what they could toward bringing us into conflict by consistently thumbing their noses and making faces and shaking their fists at certain nations abroad. Already, while they still owe us nearly a score of billions of dollars from our advancements to them in the last war, the nonpayment of which is largely responsible for our continuing a 10-year period of economic depression. plans are already afoot to permit these European nations to make so-called token payments; that is, an insignificant portion of their old debts and in return be permitted to make new raids upon the Treasury of the United States, either in preparation or for the prosecution of a new and even more dreadful war. Already, while there is talk of our efforts being limited to "measures short of war," the effort is being made to commit us to policies which must inevitably lead us not only into participation in war but into bearing the financial burden of the whole war and in all probability the military burden as well. More than a year ago I charged in the Senate on my responsibility as a Senator that the Nation was to be subjected to a deliberate, amply financed, ably led propaganda participated in by high officials of the Government including high-ranking officers of the Army and Navy designed to make this country war minded and to prepare public opinion in the country for another costly adventure abroad. That prediction has literally come to pass and we have had in the public press, over the radio, and in the utterances and writings of high public officials the efforts to lash our people into the prewar frenzy that will ultimately lead to our being called upon to offer up hundreds of thousands of lives and billions of dollars of our national wealth in quarrels with which we have no direct concern. of our national wealth in quarrels with which we have no direct concern.

The desire to keep the United States from involvement in any The desire to keep the United States from involvement in any war between foreign nations is still very strong today—well-nigh universal in spite of all of the efforts of all the propagandists to involve us in war. But we cannot forget that there was an almost equally strong demand to keep us out of the last war. In August 1914 no one could have conceived that America would be dragged into a European conflict in which we had no part and the origin and ramification of which we did not even understand. Even as late as November 1916—after more than 2 years of carnage in Europe—the American people reelected Woodrow Willstand. Even as late as November 1916—after more than 2 years or carnage in Europe—the American people reelected Woodrow Wilson "because he kept us out of war." And yet, 5 months later we were fighting to "save the world for democracy" in the "war to end war." How hollow those slogans seem tonight!

In the light of that experience it is high time that we seriously apply ourselves to the hard practical question of just how we pro-

pose to avoid war if war comes again. No one who has made an honest attempt to face the issue will assert that there is any easy No one who has studied the history of our participation in the World War will tell you that there is any simple way out. There is none—no simple panacea, no magic formula. But if we have learned anything at all we know the inevitable and tragic end to a policy of drifting and trusting to luck. We know that however strong is the will of the American people to refrain from mixing in other people's quarrels, that will can only be made effective if we have a sound, definite policy from the beginning. No lesson of the last war is more clear than that such a policy cannot be improvised after war breaks out. It must be worked out in advance before it is too late to apply reason. I say with all possible earnestness that if we want to avoid participation in another war we must have a definite policy beforehand based upon an understanding of the problem confronting us.

I trankly confess that I make no pretension of knowing of a policy which can provide an absolute and infallible guaranty against involvement in war. Certainly there is no such policy which can be written into law or enacted as legislation. The only sure way to avoid involvement in another war is for another war not to break out. I have advocated preventive measures, and I have advocated preventive measures, and I have supported disarmament and settlement of disputes by peaceful means. But if these fail, or if nations insist on arming to the teeth for conflict and that conflict comes, then I insist that we must do everything in our power to stay out. And I believe that the United States can stay out of the next war if it wants to and if it understands what is necessary to preserve neutrality and is willing to pay the price for peace. Such a policy means the sacrifice of the transitory profits which come from warmongering and trafficking in death. It will be far, far cheaper for us in the long run in blood and treasure and in the perpetuation of our most sacred institutions. It will cost us millions but it will save us billions. It will save us from footing the bills for other nations whose aims are not our aims and whose democracy is not our de-mocracy. It will save us from sacrificing the flower of our youth—

your boys and my boys—in quarrels in which we have no interest.

In line with this policy and with the overwhelming sentiment of the American people, Congress has in the last few years passed and the President of the United States has signed three measures which, taken together, embody the neutrality law of the United States. I am proud to have been one of the authors of the original resolutions upon which the first Neutrality Act was based.

The present act is by no means perfect. It represents much less The present act is by no means perfect. It represents much less than the proponents of the original law advocated and sought to provide. But, imperfect as it is, the present neutrality law does take the American flag off of munition ships. It does prevent loans and credits to belligerents resulting in pre-war inflation and tending to involve us in the affairs of other nations. It does prevent us from entering upon the fake, spurious prosperity, which depends upon the ghastly trade in munitions and instruments of death. It does prevent the American flag's being used as a shield to protect a handful of American adventurers in their pursuit of the tear-rusted blood-stained gold to be made by trafficking in the the tear-rusted, blood-stained gold to be made by trafficking in the agonies of other people.

The present Neutrality Act, passed by an almost unanimous vote of both the Senate and House and signed by President Roosevelt, is now under vicious attack in the press and in the Senate. As I predicted would happen more than a year ago, a most serious effort is now being made to break it down and to destroy our theory of neutrality. To discuss briefly these efforts and to point out the import of the various proposals now pending before the Foreign Relations Committee of the Senate is the purpose of these remarks this evening. this evening.

this evening.

Let me say at the outset that the remark frequently heard that the Neutrality Act has been proved a failure and therefore should be changed is fallacy pure and simple and takes no account whatever of either the law or the facts. The Neutrality Act could not have been proved a failure because the Neutrality Act has never been invoked. On the other hand, the President has flatly disregarded the plain terms of an act which he signed himself and has flagrantly disregarded the specific provisions of the law which required him to put the Neutrality Act into effect in the case of the existing war between Japan and China.

The excuse is made that there is doubt as to the application of the

of the existing war between Japan and China.

The excuse is made that there is doubt as to the application of the Neutrality Act to undeclared wars. But there is nothing in the act itself which makes possible any such construction. Nor is there anything in the act which leaves any discretion in the President, after he has made a simple finding of fact based upon ordinary evidence. The law does not mention declarations of war. The law says, and I quote: "Whenever the President shall find that there exists a state of war between or among two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation. United States to any belligerent state named in such proclamation, or to any neutral state for transshipment to or for the use of any such belligerent state." Here is no delegation of discretionary power. Here is only the imposition of the simple duty of ascertaining facts with, of course, the implication that the task of finding the facts will be diligently pursued and the finding of facts beneathy made. honestly made.

Certainly I would not so far reflect upon the intelligence and information of the President of the United States as to suggest or intimate that he does not know that a state of war exists between Japan and China. Everyone in the world knows that. But if such a state of war does exist then the obligation of the solemn public statute of the United States is upon the President, and has been upon him, to impose an embargo on munitions. Yet, despite a universally recognized fact, the United States has gone ahead supplying Japan with the instruments of death. The Chinese-Japanese situation does not represent a failure of the neutrality law but a failure of the executive department of our Government to enforce the

plain provisions of a public statute.

Furthermore, I should like to point out that the application of the Neutrality Act to Spain had nothing whatever to do with the principles or provisions of the original Neutrality Act and pro-ceeded upon an entirely different and diametrically opposite theory. No such provision was contained in the act as originally introduced by Senator Nys and myself. That provision was contained in a special resolution introduced by Senator Pittman at the urgent request of the State Department and rushed in for passage under whip and spur under the excruciating wall that a sudden emergency existed. Even if the noble Pittman and the distinguished experts of the State Department are now prepared to repudiate their own brain child—with which I am in entire agreement—it has nothing on the face of the earth to do with the real Neutrality Act, which I repeat has never been tried, which has never even been involved. been invoked.

been invoked.

There are three major proposals for amendment of the Neutrality Act before the Foreign Relations Committee of the Senate at the present time. No matter what may be the action of the committee, all of these proposals will later be before the Senate and the Congress for action. To my mind, it behooves every intelligent American citizen, particularly every father and mother, to study these measures and their effect. I cannot conceive of any more valuable purpose to which they could devote their time.

The three principal suggestions may be briefly summarized.

First, there is the proposal by Senator Elebert Thomas, of Utah, for returning to the old League of Nations theory of sanctions, the failure of which was notably exhibited by the complete failure of

failure of which was notably exhibited by the complete failure of the proposed Hoare-Laval sanctions against Italy. To choose any aggressor nation and impose sanctions is to choose sides and commit an act of war. It commits us to a war without the people of the United States knowing that we are doing it. It takes us down the path of foreign entanglements against which Washington and Jefferson, Monroe, Madison, and the Adamses solemnly warned us

Jefferson, Monroe, Madison, and the Adamses soleming warned as and prayed over us.

There are in the United States perfectly honest and intelligent people who conceive that it is our destiny and our duty to act as policeman for the world, to send American boys to die on foreign fields to protect Great Britain and France and Russia in the far-flung dominions which they have taken by ruthless force throughout the years. Those who hold such a view should support the Thomas amendment. I do not, and therefore I shall oppose it with averaging a tray command.

every vigor at my command.

There are those who regard war in the world as inevitable and who conceive that in the event of such a war it will be inevitable or may be desirable for the United States to be drawn into the war, to bear the principal burden of the war, and to make the major sacrifices both of men and money. Those who adhere to such a view should logically support the Thomas amendment. Some of

us who hold no such view will resist it to the utmost limit of our

mental and physical endurance.

In brief, the Thomas amendment is a proposal for us to choose up sides, even in advance of war, and to commit ourselves once more to a foreign war. Against it I solemnly protest, and I promise that no such policy will ever be enacted into law as long as some of us are able to stand upon our feet in the United States Senate

and discuss the issue.

and discuss the issue.

The next proposal is that of my friend, the distinguished chairman of the Foreign Relations Committee, Senator Pittman, of Nevada. His bill contains certain very meritorious features. If makes mandatory the operation of the Neutrality Act in the case of an undeclared war as well as a war following a formal declaration. I favor this, although I do not believe it to be necessary if the I favor this, although I do not believe it to be necessary if the President could be brought to carry out his plain duty under existing law. He reinstates and makes permanent the so-called cash and carry provisions of the old act which expired by limitation on May I. I favor that. But the Pittman bill wipes out the embargo now imposed by law upon the exportation of munitions to contending countries. It puts us again into the category of a nation building up a spurious prosperity by the sale of death-dealing agencies to one set of belligerents as against another set. It puts our feet again on a path which must lead inevitably to war. In its original form, Senator Pittman's bill makes us the ally of Great Britain and France in the Atlantic and of Japan in the Orient. For if we are to sell munitions on a cash and carry war. In its original form, Senator Pittman's bill makes us the ally of Great Britain and France in the Atlantic and of Japan in the Orient. For, if we are to sell munitions on a cash and carry basis that is the unescapable result. When the result of his own measure was pointed out to Senator Pittman, he introduced a new resolution imposing sanctions upon Japan. I do not like Japan. I do not like its ideology or its conduct. But I am not willing to send American boys to fight 7,000 miles from home in order to back up Senator Pittman's hatted of Japan.

The third proposal is a bill introduced by Senators Nye, Bone, and me. It is very simple. It simply continues the existing law with a few simple amendments. It makes the duty upon the President apply to an undeclared as well as a declared war. And in case the President does not perform his fact-finding function as to the existence of a state of war, it permits Congress by concurrent resolution, which does not require the approval of the President to make the necessary finding of fact.

If the United States actually desires to keep out of war, this seems to be the way. It provides by processes recognized by our Constitution the means of doing it.

Let us not forget that the greatest service we can possibly render to the cause of democracy in the world is to preserve democracy in the United States of America. War itself is the greatenmy of democracy throughout the world. Hitler, Stalin, and Mussolini, triple emblems of tyranny and murder, all owe their present power to the breakdown in national self-respect which followed the last war. It might be entirely possible for us to win a war against totalitarian powers and emerge as a totalitarian state.

I appeal to my fellow citizens for the old American way, the

state.

I appeal to my fellow citizens for the old American way, the way under which our fathers and mothers have lived, the way of the American Constitution. And to perpetuate that way I am certain that it is necessary for us to avoid entanglements with the quarrels of any nations whatsoever. Let us preserve dethe quarrels of any nations whatsoever. Let us preserve de-mocracy in the world by preserving democracy in the United States

of America.

Monetary Powers

EXTENSION OF REMARKS

HON. JOHN G. TOWNSEND, JR. OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, May 8, 1939

EDITORIAL FROM SATURDAY EVENING POST

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the Congressional RECORD an editorial on monetary powers published in the Saturday Evening Post of May 6, 1939. The editorial is entitled "Power in the Closet."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Saturday Evening Post of May 6, 1939] POWER IN THE CLOSET

Mr. Roosevelt thinks the transfer of the financial capital of the United States from Wall Street to Washington will be remembered as one of "the two important happenings of my administration." That may well be; and it may be also that when we come to remember it we shall have a better understanding of what it

A Government that has seized the financial power out of private hands is not bound by that fact to assume a dictatorial character.

You cannot say so. You can say only that no government on its way to assume that character would fail to take that necessary step; and you can say that, of the governments in the world not step; and you can say that, of the governments in the world not yet arrived at the absolute form, the one that has most effectively employed financial power to gain control of the economic and political life is the American Government.

When Wall Street was the financial capital of the United States,

private bankers manipulated money and credit and administered the capital resources of the country, not without evil, certainly, yet they did it under two very definite limitations. Firstly, they were limited by the law of solvency; secondly, they could not alter the basic value of the dollar in which they were obliged to balance

Now that the financial capital is in Washington, the Government manipulates money and credit and administers the capital resources of the country under no limitations whatever. It is bound by no law of solvency and it has the power to debase the money in which its liabilities are calculated.

It is the fashion now to say that the financial power is too dangerous and too easily abused to be left in private hands; only the Government can be trusted to exercise it for the general wel-That is, of course, a very fine saying. Never does a governfare. That is, of course, a very fine saying. Never does a government extend its will and authority over the lives of people but to say it is done for the general welfare. Fascism, nazi-ism, Stalin-ism—all rest upon that saying. But that is another subject. What we are talking about here is a single thing—namely, the seizure of financial power by the Government.

When the financial capital was in Wall Street business was a selfish activity, and that was both good and bad. With the transfer of the financial capital to Washington, business becomes a political activity, and that is wholly bad.

activity, and that is wholly bad.

activity, and that is wholly bad.

From time to time an unguarded phrase lights up the administration's way of thinking about its financial power. A few weeks ago, at a White House press conference, the reporters asked Mr. Roosevelt how he felt toward the proposal to repeal the law that permits him at any time he likes to issue three billions of fiat money. His answer was that although he had no thought of printing the money, still the law ought not to be repealed because the power was "a good club to keep in the closet."

was "a good club to keep in the closet."

It was an emergency law that put that three billions free into the hands of the President. The Congress that enacted it was in a panic. Six years have elapsed. The President still has the power and thinks of it as a club. Any use he might make of this club would presumably affect only our internal economy. But he has in his hands, besides, a secret fund of two billions that may be used, and has been used, to affect our foreign relations.

When in 1933 the Government debased the currency it made a profit of 40 percent on all the gold owned by the Treasury—just as the kings of old, controlling the mint, made a profit by diluting the pure coin of the realm with base metal—and of this profit the sum of two billions was set aside and called the stabilization fund, to be handled by the Secretary of the Treasury, and accounted for only to the President. only to the President.

One of the principal activities of the stabilization fund has been to operate in foreign exchange. That means to buy and sell the

money of other countries.

When the financial capital of the United States was in Wall Street when the mancial capital of the United States was in Wall Street private bankers controlled the foreign-exchange market. They bought and sold the British pound sterling, the French franc, the German mark, the Dutch guilder, the Japanese yen, or any other national money, not with any political motive whatever but, selfishly, for profit.

Now, the United States Treasury, or, that is to say, the stabilization fund, controls the foreign-exchange market, and one of its applicated archievements have been to uphold the walks of the

applauded achievements has been to uphold the value of the French franc. Had it any political motive for doing so? The official answer is positively no. The French franc was in trouble, It might have collapsed. The United States Treasury saved it. The stabilization fund bought it with American dollars and it did not collapse and there was no chaos and everything turned out

did not collapse and there was no change very well.

Would the stabilization fund have bought the German mark or Mr. Mussolini's money with American dollars to save either of them? The question is offensive.

It was circumstantial only, very happily so, that the franc was French money and that France was one of the European democracles needing economic support against the dictators; and it happened very happily, too, that by upholding the value of French money we made it easier and cheaper for France to buy military planes in the United States just at a time when the President was planes in the United States just at a time when the President was promoting the emotional thought that we ought to arm the democracies of Europe against the dictators as a matter of our own national defense.

Yet when the Secretary of the Treasury went before Congress to argue for an extension of the stabilization fund, the law that created it being about to expire, together with the law that permits the President to change the value of the dollar, he said:
"This power is a weapon in reserve for the protection of American
interests. In the monetary field it is as important as a powerful
navy in the field of defense against armed attack."

Financial power regarded as an instrument of foreign policy, as a weapon—that is what we are talking about; that and the fact that it may be exercised in a discretionary manner by

Executive will.

Besides the \$3,000,000,000 club in his closet, besides the stabilization fund of two billions, the President commands the largest

banking institution in the history of the world. That is the R. F. C. It acts as a private bank, lending public money to private persons for all purposes; it acts as a Government bank, lending public money to Government agencies; and, thirdly, it acts as an international bank, sending public money on foreign errands; and the Aladdin fact about this bank is that if it loses money, to any amount, it has only to write the loss off and forget it because it is public money; and, in addition to this, the Government has a special bank, named the Export-Import Bank, that uses ment has a special bank, named the Export-Import Bank, that uses public money to finance such foreign trade as the State Department

public money to finance such foreign trade as the State Department is minded to promote.

When the financial capital was in Wall Street a foreign loan was for profit; it represented the voluntary-risk of private investment money, with no political implications.

Now that the financial capital is in Washington, it is the Government that lends money—public money—to foreign countries. These are bound to be regarded as political loans, and they are, in fact, political loans, however they may be disguised. Yet we find out about them after they are made.

There was a loan to China to finance the purchase of war supplies. The American public knew only as much about it as the angry Japanese public knew, and the United States Senate debated it after the fact.

There was a loan to Brazil through the Export-Import Bank. The

There was a loan to Brazil through the Export-Import Bank. Brazilian Government knew about it before the Congress had the

The only statement the stabilization fund ever offered to the

The only statement the stabilization fund ever offered to the scrutiny of Congress shows that it owns paper of the Central Bank of China valued at \$48,657,070 and holds for the Central Bank of China \$48,838,340 of gold. These are strange banking operations for the American Government to be engaging in.

Whose money is it? Does it belong to the Government or does it belong to the people? If it belongs to the people, were they asked if they wanted to lend their money to China? Not even Congress was asked. Among private American investors are thousands who hold defaulted Brazilian bonds. Were they asked if they wanted to lend any more of their money to Brazil? No. The Government loaned it for them, and they had nothing to say about it. Are the people whose money is risked in the maelstrom about it. Are the people whose money is risked in the maelstrom of foreign exchange ever asked which country's money they would prefer to uphold? No. The Treasury decides that. Not to speak of the money risk, who is aware beforehand of the political hazards involved in this foreign employment of public money?

The President makes loans to foreign countries. The Secretary of the Treasury, who was an apple grower, controls the foreign-exchange market. The Secretary of State, who was a Tennessee judge, makes the tariff schedules, not Congress any more. The State Department, the Department of Agriculture, the Export-Import Bank, and other Government agencies more and more conduct our foreign trade by a theory of commerce that was current

in the Middle Ages.

in the Middle Ages.

The material results are a matter of sad statistics in the annual book of foreign and domestic commerce.

Meanwhile, though it may be immaterial, economic freedom as we knew it when the financial capital of the United States was in Wall Street is very rapidly eroding for the greater benefit of all concerned, and now the principal business of the private banks that could not be trusted to manipulate money and credit and administer the capital resources of the country in a selfish manner is to exchange their depositors' money for the boundless bonds of a Government that treats solvency as a fetish and has given up trying to balance its own books.

And all of this has yet to be remembered.

Deportation of Aliens

EXTENSION OF REMARKS

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

EDITORIAL FROM SHREVEPORT TIMES OF APRIL 22, 1939

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial with reference to the deportation of aliens, published in the Shreveport Times of Saturday, April 22, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Shreveport (La.) Times of April 22, 1939] AFTER THE STRECKER DECISION

In the Joseph Strecker case the Supreme Court ruled that the defendant alien was not deportable, since he had severed his affiliation with the Communist Party prior to the institution of deporation proceedings.

Thus an alien agitator who thinks he may face deportation action need only withdraw from membership in his subversive organization. He is then free of any risk of ejection from this country.

The decision reveals the need for new legislation governing the deportation of aliens who advocate un-American doctrines. One of the best measures of this type now passing through the congressional mill is that of Representative Dempsey, New Mexico Democrat.

Under his bill, any alien who believes in or advocates, or who belongs to an organization believing in or advocating "the making of any change in the American form of government" would be subject to exclusion or deportation.

It is claimed that such legislation might be used improperly to

aliens. This "danger" does not deserve serious con-

sideration.

Aliens in the United States must avoid any appearance of association with subversive groups or movements. The aliens who are unable to do that deserve to be deported. It is up to the alien himself to conduct himself in such manner that he will not be suspected.

National Health Bill

EXTENSION OF REMARKS

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

RADIO ADDRESS BY HON. ROBERT F. WAGNER, OF NEW YORK, MAY 7, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address delivered in the American Forum of the Air on the evening of May 7, 1939, by the distinguished Senator from New York [Mr. WAGNER]. The subject of the address is the National Health

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, this is the time of year when in every local community public attention is focused on the problems of childhood and maternity. As Child Health Day and Mother's Day pass in annual review, they stimulate searching inventories of health progress and mobilize sentiment for the better satisfaction of health needs. Their celebration this year has a special significance, for at last a broad-gaged national health program is being translated from expert blue prints into concrete legislation.

The national health bill which I have introduced does not break

The national health bill which I have introduced does not break with American tradition. In the earliest days of the Republic, Congress authorized Federal cooperation with the health regulations of the States and created a health-insurance system for seamen in the merchant marine. The sphere of Federal action has seamen in the merchant marine. The sphere of Federal action has steadily widened with the impact of social conditions and the march of medical knowledge. For two decades or more Congress has made some appropriations for cooperative health work by State and Federal agencies. From the outset of this administration our social-security program has conceived of health protection as an essential part of human security. The Social Security Act, which I sponsored in 1935, launched a program of Federal aid in maternal and child care, public health, and scientific investigation. Within the last 2 years Congress has approved special legislation for cancer research and venereal-disease control.

research and venereal-disease control.

The expanding role of the Federal Government in safeguarding the people's health has met with general approval. Today no responsible person challenges the proposition that the health of the people is a direct and vital concern of government—Federal as well as State. At this time it is obviously the part of wisdom to take stock of our unmet medical needs, to coordinate more effectively what has already been done, and to lay down a rounded program for future development. for future development.

America is justly proud of the world's finest resources of medical knowledge, facilities and personnel. But we have less cause for satisfaction with our efforts to make those resources serve the

needs of the people as a whole.

needs of the people as a whole.

As the general health level has been improved, inequalities in the distribution of medical care, hospitals and physicians have become more acute, especially as between rural and urban centers. As medical techniques have advanced, their cost has increased to a level far beyond the means of a large proportion of our citizens. This is not merely a problem for people on relief; the unpredictable cost of serious illness falls like a calamitous blow upon millions of families in the wage-earning and salaried groups.

These facts have been documented by survey after survey over the last 10 years, covering periods of prosperity as well as periods

of depression. Their bitter consequences are well known to many

a family within the range of my voice.

The American people are already meeting a bill for health services amounting to three and one-quarter billion dollars a year, 80 percent of which they pay directly in the form of private fees. Their plea is that the full blessings of medical science be brought within the reach of all. They ask, as eloquently expressed at the National Health Conference, that "our Government take health from the list of luxuries to be bought only by money, and add it to the list containing the inalienable rights of every citizen."

The national health bill was framed in response to that plea.

There is urgent need for its enactment now, if the lessons of the facts we have marshalled and the sound diagnoses we have de-

facts we have marshalled and the sound diagnoses we have developed are not to "lose the name of action."

The bill does not put the Federal Government into the business of furnishing medical care, or impose any program upon any State. The initiative will rest with the States, to make careful surveys of local requirements, to develop and administer their own plans suited to their local problems, or to decline altogether to cooperate under the legislation. The bill simply offers the helping hand of the Federal Government, through the time-honored methods of grants-in-aid, which has functioned so well under the public-health features of the Social Security Act. These grants would be available to aid cooperating State plans for maternal- and child-health services, for public health work and research, for the construction of necessary hospitals and health censearch, for the construction of necessary hospitals and health centers, for general programs of medical care, and for insurance of workers against loss of wages in periods of sickness. The Federal funds would be allotted and distributed so as to bring the greatest measure of Federal help to the States which are in the greatest need of health services and which are least able to meet those needs by their own resources. The program would thus work to

need of health services and which are least able to meet those needs by their own resources. The program would thus work to the special advantage of rural areas. To qualify for these grants the States must comply with certain necessary basic standards, including the selection of personnel on a civil-service basis, and the representation of the professions on advisory councils guiding the administration of State plans.

There are two aspects of the legislation which I want especially to emphasize. First, nothing in the bill requires the State to establish compulsory health insurance. Subject to appropriate standards to insure economy and efficiency of service, the nature and scope of any State plan and the method of its financing are for the State alone to decide. Second, the bill contains no threat of competition with existing voluntary and charitable hospitals or clinics. No new hospital construction will be financed except of competition with existing voluntary and charitable hospitals or clinics. No new hospital construction will be financed except upon a clear showing that existing facilities, private as well as public, are inadequate to supply the community's needs. Moreover, the States will be free to provide health services under State plans by compensating private hospitals, as well as private practitioners, for performing such services. The voluntary and charitable hospitals have an established place in our social system. That place has been jeopardized in recent years by the diminishing support of philanthropy. This bill, far from threatening such institutions, brings sorely needed financial help, to enable them to carry on more effectively the work which they have so long pursued, with unswerving devotion to the public service.

In effectuating a national health program, we propose to make haste slowly. Starting with a new appropriation in the first year of about \$80,000,000, the program would develop gradually under professional guidance in the light of experience and in the direction of clearly revealed human needs.

The enactment of this program would result in the practice of economy in the highest sense of the term. The national drain of medical bills, loss of earnings and earning power through illness and practice of a contractions of a contraction of the program and earning power through illness and practices of the term.

medical bills, loss of earnings and earning power through illness and premature death, reaches the staggering sum of \$10,000,000,000 a year. Federal, State, and local governments are already spending about \$500,000,000 a year for health services, devoted almost entirely to the care of human wreckage after disease has gained an unshakeable foothold. Beyond all that, sickness is responsible for fully one-third of all dependency on public relief or private charity. My State alone spends \$22,000,000 a year to maintain on home relief thousands of families whose bread winners have been incapacitated by sickness.

The essential problem is not so much to increase the total now spent for health services from all sources, but rether to redirect

spent for health services from all sources, but rather to redirect those expenditures more wisely and more economically. By the those expenditures more wisely and more economically. By the more prompt and widespread application of techniques and knowledge already available, we could save the lives of thousands of mothers who die in childbirth each year, as well as a large proportion of those doomed by cancer, tuberculosis, and other scourges of mankind. Increased public expenditures now, wisely directed, would yield substantial savings in the costs of medical care and the economic losses of illness and dependency—costs and losses which must inevitably be met later on out of the pockets of the American people, either as private citizens or as taxpayers.

There can be no question that from the long view the national health program is a sound and economical investment in the human

There can be no question that from the long view the national health program is a sound and economical investment in the human resources of America. That investment the American people are willing and eager to make.

In closing I want to pay deserving tribute to the enterprise and self-sacrificing labors of the medical profession in alleviating sickness and promoting the people's health. In the perfection of the bill and in its administration upon enactment we ask, and I am confident we will have, their constructive cooperation. For the national health program, like the profession, "has for its prime object the service it can render to humanity."

The State of the Union

EXTENSION OF REMARKS

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN, AT ATLANTIC CITY, N. J., ON MAY 6, 1939

Mr. BARBOUR. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record a very excellent and embracing address entitled "The State of the Union," delivered by the senior Senator from Michigan [Mr. VANDENBERG | in Atlantic City on Saturday, May 6, at the twenty-fourth annual convention banquet of the Manufacturers Association of New Jersey. Having had the honor of introducing Senator Vandenberg to this large audience, I would appreciate the privilege of inserting his speech in the CONGRESSIONAL RECORD.

There being no objection, Senator Vandenberg's address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I am glad to come into this forum of commerce and industry tonight to discuss some vital phases of the state of the Union. I shall chiefly discuss domestic phases, because I believe our destiny must be settled here at home and not upon some alien battlefield. I decline to permit a war psychology, often mounting to a war hysteria, to dominate my thinking in this respect or to conveniently divert my notice from unsolved problems within our own too paralyzed United States.

I decline to rivet restless eves solely and exclusively upon alien

lems within our own too paralyzed United States.

I decline to rivet restless eyes solely and exclusively upon alien crises 3,000 miles away, despite their admitted influence upon our own economy. I decline because, even though war unhappily comes to other benighted continents, it need not necessarily come to ours. If we reject all needless interference in other people's business; if we refuse to surrender to the sinister, fatalistic propaganda that we cannot escape participation in other people's wars; if we embrace a rational neutrality which, no matter what our sympathies, declines to take the first steps that ter what our sympathies, declines to take the first steps that would put our feet upon the road to war; if these be our attitudes, there is no reason why we may not expect to keep America at peace and to keep democracy alive upon at least one continent in this distraught and war-scared world.

this distraught and war-scared world.

Certainly we cannot be blind to cataclysmic events abroad which remake an alien world and which inevitably affect the universal equilibrium. Neither can we be insensible to human suffering that flows from outrage and exploitation and conquest which we could never tolerate. But our own primary responsibility is to our own America. No objective could be greater, and no emotional internationalism can be a valid substitute. It is not our business to choose favorites and become partisans among the clashing imperialisms of the Old World. It is not our responsibility to police the earth. It is not our need to defend frontiers beyond the insulating oceans which, though foreshortened by science and invention, are still the greatest protection ever bestowed by Providence upon a favored land. We tried once before to "make the world safe for democracy," and we failed, despite heroic sacrifice which will continue to burden generations yet unborn. About the only will continue to burden generations yet unborn. About the only memento left to us is some \$12,000,000,000 of unpaid foreign war debts and a dislocated economy which has plagued two decades and will continue to plague many yet to come. Our task is to make America safe for democracy and to make democracy safe for our own United States.

We certainly shall not do that by going to war. Our participation in another world war would swiftly and necessarily force our own Government into the strait jacket of an American dictatorship. Even though victory be reasonably prompt—and we never yet lost a war—the new and unavoidable debt could crush the public credit. We cannot maintain our democracy that way; and we should incorrigibly resolve to keep out of war unless war comes to our own

America.

It is said, and often earnestly believed, that we can favorably influence the outcome of other people's wars—and thus serve our own welfare by proxy—by boycotts and embargoes and sanctions and other measures said to be "short of war." I think that phrase—"short of war"— is an utterly dangerous delusion. I do not believe we can be half in and half out of one of these modern wars. We stay thoroughly out or ultimately we are all the way in. If we are "going in," let us deliberately and consciously go all the way in, with all the might and thunder of our every resource, thus to make shortest possible work of such bad business. But until we are ready deliberately and consciously to go all the way in, let's deliberately and consciously stay all the way out.

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It is said, and often earnestly believed, that we might hasten peace for the world—and thus for ourselves—by taking moral sides as a sort of vicarious ally. My answer is this: A great historian, testifying before our Senate Foreign Relations Committee last week, asserted that President Wilson's great peace note of December 1916 might have stopped the World War if it had not been preceded by unneutral acts and attitudes which robbed it of the impartiality essential to success. The moral is obvious. True neutrality, so long as possible and practical, is our role of greatest pacific service to ourselves and to the world.

Having said these things. I dismiss the war equation from the

Having said these things, I dismiss the war equation from the balance of this discussion. I do not think it is necessary for us to go to war even if Europe goes to war. I do not think that the greatest dangers to the maintenance of democracy in the United States are across either ocean. I think the greatest dangers are right here at home. I think we grievously err if we concentrate our gaze on distant horizons and forget the domestic necessities of our own people and our own economy right here in home, sweet home. If our democracy dies, it will die from internal decay, not from external assault. I think the maintenance of democracy in the United States, linked as it inevitably is with our way of life, depends chiefly at the moment upon the restoration of profitable commerce and industry, which shall once more be liberated to make economic democracy work; liberated to revive private employment, private investment, and mass prosperity in the only way these things can be achieved; liberated to build anew the American system of free enterprise for a once-more happy and contented people.

The maintenance of democracy in the United States depends, of course, upon other factors, too. For example, it requires constitutional fidelity to the "checks and balances" of a free and independent Congress which declines to goose-step under "government by Executive decree," and which recaptures the delegated powers which Executive decree," and which recaptures the delegated powers which too frequently have given the President a one-man control over the destinies of 130,000,000 people. It requires constitutional fidelity to the "checks and balances" of a free and independent judiciary, culminating in a Supreme Court which acknowledges no obligation but its oath—a Supreme Court which was saved 2 years ago from a sort of New Deal "Munich Pact" when brave Democrats joined with loyal Republicans to repel a yoke of dictatorship which, please God, shall never curse America in any form. It requires constitutional fidelity to the Bill of Pights under which life liberty and tional fidelity to the Bill of Rights under which life, liberty, and property are vouchsafed to every citizen, no matter what his nativ-ity, his color, his race, or the altars of his religious faith. These

ity, his color, his race, or the altars of his religious faith. These are the rocks whence we are hewn.

The maintenance of democracy in the United States requires eternal vigilance against both fascism at the right and communism at the left, or any Washington paraphrase of these. We did not reach the heights—the land of greatest individual privilege and greatest common opportunity ever known to civilization—by submitting the minutiae of our lives to Government dictation and control. We did not erect the world's supreme achievement of effective and fruitful liberty by making the citizen the subject of the state. Of all monopolies, the most dangerous is the monopoly of political power, whether exercised by master minds or mobs. These alien ideologies, whether imported from Rome, Moscow, or Berlin, or whether built into the tyranny of domestic bureaucrats Berlin, or whether built into the tyranny of domestic bureaucrats who often differ more in name than method from the others, these alien ideologies are at violent variance with the institutions that are our inheritance, our benediction, and our only hope. They are vipers in Columbia's bosom. Against all such we must set ourselves like flint. This shall remain a representative Republic, in the traditional American system, or the lamp of liberty snuffs out for us and for the world.

The maintenance of democracy in the United States requires the preservation of legitimate States' rights and home rule. This country is physically too big, its characteristics are too complex, its sectional problems are too diverse, its people are traditionally too autonomous, to be run in all the intimacies of life from one central control. While we must frankly concede that there is constantly increasing need for Federal jurisdiction in constantly multiplying interests preprietties the great fundamental feet remains tiplying interstate perplexities, the great fundamental fact remains that we want, and we must have, the maximum retention of selfgovernment in State and local units or we shall finally face our

own Frankenstein.

I may say, parenthetically, that the whole problem of relief is involved at this point. So long as we have Federal dictation and control in relief we shall have needless and costly overhead; we shall have waste, extravagance, exploitation, and politics. Not until we have a unified relief formula under which State and local government, supported by Federal grants-in-aid, shall recapture sole responsibility for relief administration and for the selection of relief methods; not until we restore home responsibility as well as home rule shall the taxpayers get their money's worth or the reliefers themselves get their full share of the relief dollar.

The maintenance of democracy in the United States requires

The maintenance of democracy in the United States requires yet other things. It certainly requires a constantly progressing effort on the part both of our Government and of our society to distribute the largest possible dividends of democracy to the greatest possible numbers of our people. It requires practical social-mindedness sleeplessly at work for the common good. I emphasize social-mindedness as opposed to socialism. The one is a concept of fellowship in a free economy; the other is compulsory submission to deadening dogma. The one giorifes individualism and its opportunity—aye, its privilege—to helpfully serve the brotherhood of man; the other kills individualism and

any opportunity for anybody. The best answer to irrational radicalism is rational liberalism. I am not speaking of a "liberal" as one who has been too frequently correctly described as having his feet firmly planted in midair. I speak of the "liberal" as one who recognizes many maladjustments and maldistributions in this country and who proposes to give them practical correction without creating more problems than he solves; who rates human rights as infinitely superior to property rights, yet who does not neglect to remember that property rights are among the not neglect to remember that property rights are among the greatest of human rights; who wants to lift the lower one-third up without pulling the other two-thirds down; who is social-minded without being socialistic; and who, above all else, recognizes the Constitution of the United States as the most liberal

human document ever penned by man.

This brings me back to the particular theme that I wish to stress tonight; namely, that the maintenance of democracy in the United States finally depends upon the restoration of general employment and general prosperity through the restoration of conditions permitting profitable commerce and industry to thrive are steady of the winter restoration of a very again. Otherwise, we shall face the sinister creation of a vast, permanent relief population whose necessities and demands will declinate our resources, degenerate our morals, and confront us with the historically suicidal doctrine that "government owes every man a living." Government does not owe every man a living; but it does owe every man a chance to make a living and

a chance to make a life.

In the last analysis, I repeat, the maintenance of democracy in the United States requires renewed proof that this American system can once more function to produce enough real jobs at real wages to go around among those who are willing and who want to work. A contented people, living in their own homes, and profitably employed and enjoying their share of the comforts, the leisures, and the privileges of life; such a people are immune to the lure of and the privileges of life; such a people are immune to the lure of subversion. I do not mean that we lack the rugged character which will once more suffer, if need be, for the Republic. But I do mean that the whole world has moved into a new psychology of human relationships; and I do mean that the new spirit of a social-minded age requires of material democracy that it shall justify itself—that it shall, in the language of the street, "deliver the goods." I do not mean that we should trade liberty for security; those who try it usually lose both. But I do mean that, keeping liberty, we must strive for the greatest possible measure of security for the greatest possible numbers of our people.

That is democracy's prime challenge to business and government.

That is democracy's prime challenge to business and government. But it is a challenge first to government, because government must first give business a fair chance. Business has not had a fair chance the last few years. It does not have a fair chance today. If given a fair chance, based on dependable confidence and accepted in the spirit of this new day, I assert my deep conviction that America could be definitely out of its depression in 6 victorious months.

Do not mistake me. Business cannot unload all responsibility on government, any more than government can unload all responsi-

government, any more than government can unload all responsibility on business (as it often has tried so desperately hard to do). Business must forget its yearnings for "the good old days" when "everything went." America will never go back—never should go back—to the old deal of frenzied finance, speculation, exploitation, and piracy in the market place. Business must faithfully cooperate in whatever new social-minded devices prove ther practical and rational value in the defense and promotion of the general welfare. Business, more than ever, must accept its opportunities and responsibilities in the nature and the spirit of a quasi public trust. But it is not called upon to surrender its birthright of free enterprise. It is not required to surrender to so-called "planned economy"—not, at least, without a fight—when it can read the League of Nations charts showing that among 20 leading industrial nations of the world, we (as a result of our "planned economy") stand twentieth at the bottom of the list in degree of recovery between 1929 and 1938. It is not required to surrender to those who have said "we planned it this way, let no one tell you differently"; it is not required to surrender, when it knows that the International Labor Office at Geneva reports 9 major countries with less unem-Labor Office at Geneva reports 9 major countries with less unemployment during the first quarter of 1939, and 13 countries with more unemployment, while the United States shows the greatest increase in unemployment in any country in the world. It is not required to subordinate individual initiative to the mandates of required to subordinate individual initiative to the mandates of collectivism dictated by central bureaucrats, most of whom never met a pay roll in their lives. Nor can it be expected to overcome, with its own resources, the fateful handicaps that may be flung upon it by unwise, unsympathetic, or improvident government. Business is the door, but government is the key. I repeat my profound belief that the "key" can open the "door" behind which lies the happy destiny of 130,000,000 people.

All right; what can government do?

Well, first of all it can put its own fiscal house in order. It can turn back from its pell-mell, headlong dash down the slippery road that leads either to bankruptey or to equally suicidal inflation or to the repudiation of debts. It can guit deliberate deficit spending

that leads either to bankruptcy or to equally suicidal inflation or to the repudiation of debts. It can quit deliberate deficit spending—I believe it is now politely called "deficit investing"—which proceeds on the Houdini notion that you can turn a \$60,000,000,000 country into an \$80,000,000,000 country by spending the difference. It can quit the prodigal tempo which counts \$15,000 going out of the Federal Treasury every minute of each 24 hours while only \$8,000 comes in. Until it does there can be no such thing as the restoration of reliable business confidence and the creation of a reasonable business assurance that taxes piled on taxes—like Pelion on Ossa—will not bury what is left of business under mountains of disaster.

The total cost of government, National, State, and local, in 1937 was seventeen and one-half billion dollars. How much is seventeen and one-half billion dollars? It is the total annual income enjoyed that same year by all the people in all the States Mississippi River.

In 1913 the cost of all government in the United States was \$34 per family. Now it is \$540 per family. The cost of all government is more than the year's yield from soil and earth—crops, livestock, metals, coal, oil, and lumber. It is more than we spend for food, clothing, and rent. And Washington sets the pace! If we were to confiscate every dollar of every American income in excess of \$5,000 as shown by the income-tax returns it would not pay the bill for the Federal Government alone. Out of every nine persons employed in the United States, one—one out of nine—is on a government pay roll. ment pay roll.

Our net Federal deficit from 1931 to 1938 actually totaled more Our net Federal deficit from 1931 to 1938 actually totaled more than all the deficits of all the other major nations of the world combined for that same period. Our deficit this fiscal year will pass \$4,000,000,000. The Treasury announced on February 15 that it had paid out in the first 7½ months of this fiscal year \$90,000,000 more than the estimated revenue for the whole 12 months. In other words, every penny spent from February 15 to next July is money we do not have and cannot get, despite the fact that our taxes already are an all-time record high.

These are shocking facts. They also are significant facts. New York State had a Governor in 1932 by the name of Franklin D. Roosevelt. On July 30, 1932, he said:

"Any government like any family can for a year spend a little

"Any government, like any family, can for a year spend a little more than it earns; but you and I know that a continuation of that habit means the poorhouse."

He was right:

The United States had a President in 1933 also by the name of Franklin D. Roosevelt. On March 10, 1933, he delivered an heroic message to the Congress in which he dedicated himself bravely to retrenchment as the way to recovery, saying:

"Most liberal governments are wrecked on the rocks of loose fiscal

Again he was right! Indeed, he was so right that by faithfully following this policy his administration produced more economic recovery in the subsequent 120 days than was ever previously rerecovery in the subsequent 120 days than was ever previously recorded in a like span of time in all economic history. Then something happened—and it has been happening ever since. We completely reversed the course. And that's the chief thing that is the matter with us. It is the greatest of all deterrents to business and reemployment. Therefore it is the chief hazard to the maintenance of democracy in the United States.

Oh, but they say, "You cannot balance the Budget today; it is impossible." Let's be entirely frenk about it. It is impossible.

Oh, but they say, "You cannot balance the Budget today; it is impossible." Let's be entirely frank about it. It is impossible—this year or next. We have created too many new instrumentalities of government in recent years, many of which are sound in principle, which the people would not permit to be abandoned. But we can stop the creation of new instrumentalities where we are.

ciple, which the people would not permit to be abandoned. But we can stop the creation of new instrumentalities where we are. We can quit making new ones until we have pruned the old ones and caught up with the bills for those now existing. We can postpone every new governmental enterprise not immediately essential and provably indispensable. We can clean house, wherever possible, in respect to existing undertakings. An evidence of a real will to thrift, an evidence of a dependable conservation purpose, will go far toward anticipating the solvency and stimulating the confidence which this national crisis so badly needs.

I think there is something to the Presidential theory that we must have an \$80,000,000,000 country in terms of annual income in order to sustain the Government structure and the Government services now demanded by the people, because it is not easy to see how we can close the unavoidable portion of the budgetary gap without increasing revenue from increased wealth rather than from increased taxes. But here's the question: How shall we get an \$80,000,000,000 country? There are two schools of thought. One—the one, fortunately, in receding control of popular thinking at the moment—says the way to do it is to spend your way to higher levels, to borrow yourselves out of debt, to lift yourselves by your bootstraps, to out-Ponzi Ponzi, and to bet on Aladdin's lamp. You are entitled to correctly suspect that I do not belong to this school. The other school—to which I do belong—believes that the quickest, surest way to become an \$80,000,000,000 country is to embrace reasonable governmental economy; to strive toward a balanced Budget; to set the public credit once more on firm foundations: to ensurest way to become an \$80,000,000,000 country is to embrace reasonable governmental economy; to strive toward a balanced Budget; to set the public credit once more on firm foundations; to encourage public and private confidence; to stop the throttling dread to more and heavier taxes; and thus to stimulate the release of the forces of American private enterprise and investment, which, given the chance, can and will produce the wealth to make a sound and solvent \$80,000,000,000 country in which life once more will be a benediction, and in which democracy will be entirely safe.

But this is far from all that Government must do as its share in

But this is far from all that Government must do as its share in this partnership recuperation. Mind you, I am not talking about saving business for its own sake. I am talking about saving business as the one and only instrumentality which can save the rest of us. Every man, woman, and child in America has a vital, personal, individual stake in healthy business. The truest slogan I ever saw plastered across the billboards of this Nation was that famous poster which shouted "What hurts business hurts you!" It

famous poster which shouted "What hurts business hurts you!" It is on that clinical basis that I proceed.

Government must do some other things. It must quit putting itself into commercial competition with its own citizens. No private business can compete with public business. The battle is lost before it begins. Government can and must police business at points

where a definite public purpose cannot be otherwise subserved. Obviously, for example, Government must effectively regulate monopoly wherever it permits monopoly to persist. It must regulate competition, too, wherever competition involves unfair trade practice. But all regulation should be the minimum consistent with a sound public purpose. It should not be the mere meddlesome, snooping, inquisitive activity of over-zealous bureaucrats who, unconsciously or otherwise, bring us uncomfortably close to some of the curses of totalitarianism. Why, some of them can think up so many questionnaires that the average businessman spends half his time trying to puzzle out the answers and is finally reduced to the temperament of a jitter-bug. An essential minimum of regulation—a vitally essential maximum of legitimate freedom—and no public competition with private business—that should be the rule. the rule

and no public competition with private business—that should be the rule.

Then when Government, experimenting in unexplored fields, finds that it has made a mistake, it should frankly admit its error, retrace its steps, and start over again. It should not doggedly give the guinea pig another shot of poison on the theory that its victim's death is preferable to its own confession of infallability. As a matter of fact, confession of fallability is a refreshing and encouraging thing, because it is a human thing, and nothing is more disastrous than to have our overlords get the idea they are superhuman. We have very recently enjoyed the novelty of our first contemporary experience with this human quality. After 2 years of relentless bombardment, the Government has grudgingly confessed that the "full reserve fund" under title 2 of the Social Security Act, that monstrosity which would ultimately accumulate the unthinkable sum of \$47,000,000,000, is unnecessary; and, therefore, that it is necessary for pay-roll taxes to increase 50 percent next year and 200 percent in the subsequent 8 years. We shall probably be permitted to legislate accordingly. This will be a tremendous boon to every employer and to 40,000,000 workers. It is the most encouraging thing that has happened in a long while. There is no discredit to its authors in conceding that such a far-flung experiment as the Social Security Act was not born perfect—like Minerva from the brain of Jove. The hopeless thing is to pretend otherwise.

There are numerous other opportunities for this sort of helpful appraisal and improvement. Emphatically one of them involves the

There are numerous other opportunities for this sort of helpful appraisal and improvement. Emphatically one of them involves the Wagner Act and the National Labor Relations Board. Nothing would be more effective as both sedative and stimulant to business than a realistic resurvey of the Wagner Act, not only for the sake of the public welfare but also for the best long-range welfare of labor itself. I would not take away from labor one single privilege set up for it in its new statutory bill of rights. It is entitled to organize and to bargain collectively through agents of its own choosing, wholly and completely free from all duress and all coercion. It is entitled to unrelenting protection against adverse employer tactics, which in some instances have shocked the public conscience and which could not persist along with maintained democracy. But, secure in these rights, labor itself should be selfishly eager to remedy any inequities embedded in the original law, because it should be selfishly eager to pacify industrial relationships in the interest of uninterrupted jobs. Labor harms its own cause when it permits innocent employers to be the helpless victims of jurisdictional disputes. There is no sound reason why employers, under such circumstances, should not have the right to appeal for determinative elections. Again, the dignity of collective heads of the self-shall grain when contracts these well are a self-shall grain when contracts these well appeared the self-shall grain when contracts the self-shall grain whe There are numerous other opportunities for this sort of helpful employers, under such circumstances, should not have the right to appeal for determinative elections. Again, the dignity of collective bargaining will immeasurably gain when contracts, thus voluntarily achieved, are policed against infraction. Again, the board which administers the Wagner Act should be an independent tribunal—not plaintiff, prosecutor, judge, and jury, often serving all the intolerances of an inquisition. Meanwhile, the law should say that there is no place for violence, for coercion, for duress, for lawlessness, or trespass by anybody, any time, anywhere in these or any other situations.

We need a friendly, sympathetic meeting of minds upon these

or any other situations.

We need a friendly, sympathetic meeting of minds upon these problems of employer-employee relationships. We need an end to hymns of hate—both ways. We need the mutual acknowledgment of partnerships. We need cooperation. We need to realize, upon the one hand, that labor is entitled to an ever-broadening share of the fruits of its own production; upon the other hand, that employers cannot share a profit until they are permitted to make it. Jobs must exist before they can be passed around. We need government of all the people, for all the people, by all the people once again.

need government of all the people, for all the people, by all the people once again.

Now let me refer to one final thing—although it far from finishes a complete inventory—that government can do to create a fair chance for business to answer "reveille" and "forward march." It can remove all the artificial uncertainties which are needlessly created by maintaining vast, floating, executive powers to be used at the whim and discretion of the President—powers nominally and rationally and constitutionally exercised by 531 Members of Congress, reflecting the deliberative judgment of the whole Nation. Under these extraordinary executive powers—temporarily granted to serve an emergency which seems never to end—the President can change, over night, the value of the American money in which business must figure its commitments and expectancies. He can change, over night, the protective tariffs upon which American business often indispensably depends for its assurance of a domestic market. He can manipulate a \$2,000,000,000 so-called "stabilization fund" with no questions asked, and none permitted. He can use blank checks for relief in almost any fashion his fancy dictates—and it too often dictates blighting competition for private industry. He can do these things solely on his own responsibility as completely as Bergen controls McCarthy. In the face of such

unpredictable hazards, business is irresistibly at the mercy of government. More specifically, it is at the mercy of 1600 Pennsylvania Avenue, where hostile "purges" and conciliatory "appeasements" too indiscriminately succeed each other to permit of any dependable prophecies for longer than 24 hours at a time. A major contribution to the restoration of natural opportunities for business, American style, would be for Congress to reclaim these floating powers-all of them—and to reestablish a representative republic.

I must conclude this analysis. It is by no means the whole story respecting the perplexing jeopardies that beset "the state of the Union" tonight. For example, I have had no opportunity to speak of agriculture and the fundamental need to assure it its fair share of the annual American income. But I have wanted to concentrate upon some of the problems in which my auditors tonight are particularly concerned. I have wanted to concentrate upon my profound belief that a realistic rapprochement between Government and business—the creation of a new and sympathetic and dependable and forward looking and cooperative "era of good feeling"—is the vital American necessity if we are to have recovery before it is too late. It is necessary in order hopefully to anticipate reemployment. It is necessary in order to prevent national bankruptcy. It is necessary in order to restore stability to our institutions. It is necessary to the maintenance of democracy in the United States. the United States.

National Youth Administration

EXTENSION OF REMARKS

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

LETTER FROM H. D. WEATHERS

Mr. BANKHEAD. Mr. President, I request unanimous consent to have printed in the Appendix of the RECORD a letter from Mr. H. D. Weathers, superintendent of education for Conecuh County, Ala., in which he makes a statement about operations in that county under the N. Y. A. The accomplishments have been so large and the results of the N. Y. A. in that county so constructive that I have felt that the facts relating to the activities of the N. Y. A. in that county should be made available to others who are interested in the subject.

There being no objection, the letter was ordered to be

printed in the RECORD, as follows:

CONECUH COUNTY BOARD OF EDUCATION, Evergreen, Ala., May 2, 1939.

Senator BANKHEAD,

Senator Bankhead, Washington, D. C.

Dear Mr. Bankhead: This letter is to tell you just how much the N. Y. A. has meant and is now meaning to the schools of Conecuh County, and I, as a schoolman, urge you to lend your influence and support in making the N. Y. A. a permanent educational project in Alabama. At present I am operating a county-wide N. Y. A. repair and building project in this county. During the past year, with about 30 Negro boys and a Negro foreman, I have succeeded in constructing one \$10,000 school building and a \$3,000 county-wide school repair shop. At present with this same group of Negro boys I am building a brick veneer addition to the Evergreen City School. Also, we have planned two other much-needed school buildings in the county to be constructed next year. In addition to this we have the county to be constructed next year. In addition to this we have planned to repair and paint 25 school buildings in the county. Our present strained school finances in this county would not have enabled me to do any of the above-mentioned improvements. During the depression, for the past 10 years, the school buildings in Conecuh County have become in a very bad state of repair, and I conecun county have become in a very bad state of repair, and I can truthfully say that if it had not been for the N. Y. A. our school buildings would have been in a wretched condition. However, if we can continue our N. Y. A. projects we shall again get the school buildings all in fine shape. Besides this the boys are learning a useful trade in the way of brick masonry and carpentry work. Many of the boys we have trained are now profitably emplored.

In addition to the work, as I have already explained, we are oper-In addition to the work, as I have already explained, we are operating in Evergreen a county-wide school repair shop. The workers in this shop are N. Y. A. white boys, and they, too, are learning a useful trade. We are repairing our bus bodies, building new school furniture, building windows and doors, etc. If we could continue for several years this shop work and other work, I have just mentioned, we can get the school buildings and equipment in Conecuh County in fine shape. Mr. Ledbetter, of the State Department of Education, after visiting and inspecting our shop, stated that we were doing some of the most constructive work in Alabama. We very urgently ask you to do all you can to make the N. Y. A. a permanent educational project whereby so many youths will get useful training and whereby so much needed work will be done in our county.

Very truly yours,

H. D. WEATHERS,
Superintendent of Education, Conecuh County.

American Neutrality

EXTENSION OF REMARKS

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

STATEMENT BY THEODORE H. HOFFMANN

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by the chairman of the National Council of the Steuben Society of America, Theodore H. Hoffmann, on the subject of the pending neutrality issue.

There being no objection, the statement was ordered to be

printed in the RECORD, as follows:

New York, April 11, 1939.

The Steuben Society of America, founded in 1919, respectfully submits to the Foreign Affairs Committee of the Senate, now examining into the advisability of amending the neutrality law, the following:

First. Bearing in mind that we are living under and wish to First. Bearing in mind that we are living under and wish to preserve a government of the people, by the people, and for the people, as defined by Abraham Lincoln at Gettysburg, we oppose every endeavor to abridge the right of the people to deliberate and determine for themselves what their course of action shall be in any given instance, especially when it concerns itself with the question of peace or war.

While foreign governments may decide for themselves that it is to the interest of their people to empower a single individual to manage their foreign affairs, our own people having so often and vehemently declared themselves against transplanting such a system to our shores, logically cannot agree to place such power in the hands of one individual, though he be the President. We, therefore, deem it inadvisable to give the President the power to determine in any given event who among contending nations shall be termed the "aggressor." Having done so, such decision would inevitably draw us into a war against the alleged aggressor.

Right here may we suggest that we heed the warning not to be misled by the "tyranny of words." China may soon become the victim of Japan's undeclared war and be compelled to sign a so-

victim of Japan's undeclared war and be compelled to sign a so-called peace treaty. Would that be classed among the sacred treaties and would China, chafing under its debasing terms, attempt to burst its shackles, wage war on Japan, be classed by the President as the "aggressor," a disturber of world peace? Then, again, suppose the "subject" people in Asia or Africa, of im-perialistic countries of Europe, Great Britain, and France, may some-day rise in rebellion against their oppressors. Would they be classed as "aggressors," disturbing the peace of the world, and would it then become our duty to assist their rulers in preventing them from gaining their liberty? from gaining their liberty?

If we as a people are of a mind to stand by Great Britain and France under all circumstances, to assist them in holding what they have garnered against those who are asking for restitution, let us say so in so many words, but let us get away from the hypocrisy of stating that we are at their beck and call because they are fighting for the principles of democracy against autocracy. It is a case of power politics, and nothing else.

Should these countries now intervene to check Italy, we should

clearly understand before we act that what is going on there is a struggle for the domination between those foreign powers for the control of the Mediterranean and adjacent waters

Principles of democracy have nothing to do with it.

Principles of democracy have nothing to do with it.

At the outbreak of the Russo-Japanese War, Theodore Roosevelt said, "All officials of the Government—civil, military, and naval—are directed to abstain from either action or speech which can cause irritation to either combatant. It is always unfortunate to bring Old World antipathies and jealousies into our life, or by speech or conduct to excite anger and resentment toward our Nation in friendly foreign lands; but in a government employee whose official position makes him in a sense the representative of the people, the mischief of such actions is greatly increased."

The President, being the representative of the people, especially in foreign eyes, might well take note of these words uttered by his illustrious namesake.

illustrious namesake.

If amended, the Neutrality Act should contain a provision taking from the President the power to impose economic sanctions or commit any other act "short of war" against foreign nations with which we are at peace. Our tariff legislation was never intended to give him that power. The American people have not given expression to a belief that they have a world mission to perform, which is to maintain law and order in all parts of the globe.

The President should bear in mind and recognize the fact that he is but the agent of a free people who wish to remain at peace with all the world.

with all the world.

The road to peace lies not as has been suggested in an agreement to disarm but rather in arriving at some adjustment of the economic inequalities causing universal unrest among the nations. The haves must surrender to the have nots sufficient of their holdings to enable the latter to afford a decent living to their peoples. If it is true that "new instruments of public power have been forged that might someday provide shackles for the liberties of the people if they come into improper hands," our Representatives in Congress should make certain that those powers be not now further extended to permit the creation of a situation in the conduct of our foreign

to permit the creation of a situation in the conduct of our foreign relations which might force us into war.

If "we have a rendezvous with destiny," it is to prove to the world that our system of government is superior to that of any other. Empty phrases about the blessings of democracy prove nothing. With millions out of employment, millions on the dole, industry at a standstill, agriculture in a precarious condition, and, as the President himself advertises to the world (which includes the totalitarian states) that one-third of our people are ill-housed and ill-fed, with a crime bill which goes into the billions of dolars, corruption in the ranks of even the judiciary, we are not in a position to boast about the blessings of democracy in many major respects.

respects.

It is our duty to move heaven and earth to remove these blots

The Steuben Society of America is interested in not what takes place in Europe, Africa, or Asia. What it strives for is to put our own house in order, give employment to those that seek it, and bring the greatest modicum of happiness and contentment to our own. We deem it unfair to attempt to distract the attention of our people from these problems by drawing their attention to the troublous affairs of state in foreign countries, with the intimation that we may become involved therein.

For many years we have issued the slogan: "No Presidential wars," with all that these words imply.

Respectfully submitted.

THEO. H. HOFFMANN.

America's Foreign Policy

EXTENSION OF REMARKS

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Monday, May 8, 1939

STATEMENT OF DR. L. W. STILWELL, OF DARTMOUTH COLLEGE

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the statement on America's foreign policy made before the Committee on Foreign Relations by Dr. L. W. Stilwell, of Dartmouth

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

printed in the Record, as follows:

This issue before this committee is a question of commitments, will this Nation tie itself now to the British and their allies or will we keep our independence?

Any plan which gives discretion to the President means alliance with the British. Every speech and act of the President for 2 years points in that direction. He feels intensely that the British are all right, that the Germans are all wrong, and that the United States must marry itself to London now. Any plan which provides "cash-and-carry" in wartime commits us to Great Britain. The law itself might be technically impartial. But it is the British who have the power to pay cash. They could raise \$10,000,000,000 in gold and American securities if they had to—enough to pay for 2 years' supply of United States war goods. And it is the British who can carry. They rule the seas so far as that is possible. They have the merchant marine. They could carry all they could buy and buy all they could carry, without any help from United States ships or United States banks for at least 2 years. Later on, when American business was all tied up with war orders, the law could be liberalized if necessary. The State Department knows that "cash-and-carry" means a working alliance with the British. That is why they favor it.

On the other hand the Neutrality Act as it stands is noncommittal. It says America stays free. We are making no comcommittal. It says America stays free. We are making no commitments, no promises and no half-promises to any foreign office. We are reserving judgment. One beauty of a really neutral policy is that it can be changed. Later on, if we thought we absolutely had to, we could still take sides in Europe. But "cash-and-carry" or presidential discretion would commit us now so thoroughly that we could not back out. To move from neutrality to belilgerency to neutrality is almost impossible. A great many Americans would prefer to keep the whole case open, and to keep the whole case where it belongs, in the hands of the Congress of the United States. If you gentlemen should pass the Pittman or the Thomas measures you would sign away your constitutional birthright. You would become the rubber stamps not merely of the White House but of Downing Street.

They tell us that real independence for this country is im-

House but of Downing Street.

They tell us that real independence for this country is impossible—that we should be inevitably drawn into a European slaughter. That is plain nonsense. We can keep out if we want to keep out. We kept out officially from the last war for 2¾ years. We kept out of the actual warfare for 4 years. American troops really fought for only 4 months—about 8 percent of the time-duration of the war. If Champ Clark had been President and Bryan Secretary of State or if [a few] more Senators had voted against war, we would have staved out entirely. War is not an against war, we would have stayed out entirely. War is not an act of God.

Even better proof that neutrality is entirely possible is the record of the European neutrals. Norway, Sweden, Denmark, Switzerland, and the Netherlands were in the thick of the whole business, subject to all sorts of pressures. But they stayed out because they wanted to stay out. And they are planning to stay out again. And Belgium has joined them. If little democracies within gun range of a great war can keep free, surely a great democracy protected by a great democracy protected by a great ocean can do likewise.

The jingoes play a variant on this theme of inevitability by scaring

a great war can keep free, surely a great democracy protected by a great occan can do likewise.

The jingoes play a variant on this theme of inevitability by scaring us with the assertion that if there is a war, and if the Germans conquer England and France, America will be next. That is not only plain but fancy nonsense. Any nation which has overcome the British and French powers combined will be so bled white in that process that it will be entirely incapable of further aggression for the next 20 years. Even if that were not entirely obvious, any attack on America by any power or combination of powers ranks next to an attack on Mars for military fabulousness. Armies, navies, and air forces all require bases—big bases, heavily supplied and heavily fortified. And those bases must be located within a tleast 1,500 miles of the object of attack if any plan of conquest is to have the slightest chance. There are no such bases within 1,500 or 3,000 miles of the United States nor any sign of the establishment of such a base. Therefore, whatever happens in Europe or in Asia, the United States is safe as a kitten in its basket—entirely safe.

Another variant of the scare propaganda is the old cry, "Make the world safe for democracy." If ever this people had experience with an idea, it is with that idea. We have tried making the world safe for democracy; and it was made "safe." I mean that we won the war and President Wilson told us "All America's ideals have been achieved." We have been growing more and more bitter about that achievement ever since. We learned many things at Versailles, but one thing especially. The British and the French weren't interested in democracy. They were playing straight power politics, and that was all. So they lied to us. They lied to us about the causes of the World War. Their official White Books and Yellow Books were full of deliberately altered documents. They lied to us about the remains the nord of the war. They lied to us about the secret treatles. We didn't know that they had already

an American stomach—the delivery of 180,000 milk cows and heifers at a time when German babies were already dying for lack of milk. If you gentlemen still feel credulous about the high ideals of the British and French empires you have only to observe the recent moves. It is straight power politics all over again. The next war for "democracy" is going to be fought to maintain the dictatorship in Poland, or the dictatorship in Greece, or the dictatorship in Rumania, or the dictatorship in Turkey, or the dictatorship in Portugal, or the dictatorship in Russia. When all the petty tyrannies of Europe start lining up with Britain, and all the free democracies of Europe—the Swiss, the Dutch, the Belgians, and the Scandinavians avoid British "protection" as if it were the plague, we Americans better all move to Missouri and stay there. and stay there.

and stay there.

Or the war for "democracy" will be fought to maintain British domination over Gibraltar, Malta, Cyprus, Palestine, Egypt, Tanganika, or Hong Kong—or to maintain French domination in Morocco, Tunis, Syria, Jibouti, or Annam. This sort of thing has been going on for 300 years. We fought a war for independence once to get free and clear from such world-wide, arrogant entanglements. It would be, perhaps, appropriate to reread the remarks of Thomas Jefferson and George Washington on just this point. this point.

What I've tried to indicate thus far is that there is no real reason for Americans to concern themselves about the present European muddle. Indeed, that not only prudence but common honesty and decency require that we keep clear of Europe as it stands at present.

But there is one more point in the argument, the strongest point of all, namely, the fact of modern war. That fact lies under

and around every phase of this discussion.

Suppose that we did have real grounds for mixing into Europe (which I deny entirely). How could we act effectively without a war? And if it came to war, what would that mean?

What is going on at present is a gigantic game of bluff. sides in Europe are using the threat of war as means of national policy. Neither side intends war, neither side wants war. Everybody prays before God that there will be no war. But they pile up the armaments in the hope of scaring the other side into sur-render. Four men have hold of a great keg of dynamite. The man who holds a fuse the closest to that keg without actually touching it can dictate to the others for the moment. Yet it is desperately clear that if that man does touch off that dynamite, he and all the others will be blown to kingdom come, and nobody at all will win the argument. That is the picture now in Europe. Our Chief Executive wants to sit in as a fifth man around an

even bigger keg. With or without Mr. Roosevelt the game may work. One side or the other may really have the strongest nerves and scare the other side into submission. But a game of bluff for such high stakes is very, very risky. If the bluff gets called, every-body will get exploded. There will then be no triumph of any principle, no victory at all for anyone.

principle, no victory at all for anyone.

Only an absolutely vital issue stated very definitely and accepted very deliberately by the whole people could ever justify America in going in for that sort of neck-or-nothing tactics. At the present time there is no vital issue, there is no issue at all that has been definitely stated, and there has been no endorsement or acceptance of such big bluffing on the part of the Congress or the people of America. So Mr. Roosevelt cannot really join the game. When he tries to, every foreign office in Europe understands that he has no mandate from his own people and simply smiles discreetly.

The other measure short of war is economic aid to Britain against Germany after the Europeans start to fight. We have had experience with that, too. That policy is also possible, conceivably, we might send aid enough to really count and might not have to kill our boys. But the probabilities are otherwise. The steps from economic aid to military aid are fairly straight and short.

Rill our boys. But the probabilities are otherwise. The steps from economic aid to military aid are fairly straight and short.

In 1915–16 we did send aid to the Allies—several billion dollars' worth. That aid made us a supply base for the allied armies. Naturally the Germans tried to cut the line of those supplies. They used submarines. The submarines sank ships and drowned people, and we got mad as hornets and went to war. If we had not sent supplies, there would have been no point in using sub-marines on the Atlantic trade route, and we probably would not have been dragged into war. Of course, if you kept American citi-zens off supply ships, that might mollify our anger when those ships were sunk. But remember that the Lusitania, the Arabic, and the Sussex were British boats—and that we might have been almost as wrathy if there had been no Americans aboard.

The other thing we learned in 1916 was a sense of moral shame. We were selling munitions for a war, getting rich out of that sale, and yet we weren't willing to go into that war. The Canadians told us, and the whole world told us, that we were "yellow." They called us "Uncle Shylock." We had a sneaky feeling they were right. Either that war was good enough for us to fight it or else.

it wasn't good enough for us to collect profits from it. Americans can't stand the charge of being profiteers in blood for very long. We are likely to go into the war to wipe off that stain.

So we face the fact of war itself toward which all roads lead. There is just this to say about that, and it must be said. Wars are ont what they used to be. There has been a military revolution. War in the nineteenth century was somewhat of an adventure for heroes. War in the twentieth century is a prolonged torture for victims. Gettysburg was—I speak carefully—a picture as compared with the Battle of the Argonne.

I am no pacifist. But I do know from careful study and from personal experience that war has got out of hand. You may still have one-sided wars as in Ethiopia or China without entirely destructive consequences. But an up-to-date general European war is literally more than a soldier boy can stand. One million men were killed at the Battle of Verdun. Our own First and Second Divisions had 25,000 casualties each—90 percent killed and wounded. That is too much.

We need to realize that the World War produced the first crop We need to realize that the World War produced the first crop of mental casualties—boys with sound bodies but destroyed minds. If there were a phonograph to reproduce the sounds of war you would know why. Or if we could reproduce the smells of war. Or express somehow the prolonged agony, lasting weeks, of a high-explosive shell. One-half the present inmates of our veterans' hospitals are mental cases. We all know that returned veterans (not training-camp veterans) won't talk. They can't stand it to rehearse their memories. We all know of ex-soldiers who couldn't hold a job, couldn't live with their families, lost self-control at some slight irritation finally went out and shot themselves.

some slight irritation, finally went out and shot themselves.

No country can absorb that kind of war result. The physically dead are buried and we go on. But the mentally dead live and their insanity is contagious. Another war and if we really got in it, would corrode this country, give us a whole generation of jittery, dull, ugly men—men without courage, without judgment,

without skill, without endurance-men who despise law, sneer at

morality, and hate their Government.

In all humility I offer very solemn warning to any statesman who votes for war, or for any measure that leads toward war. After that war you will have to face a vast crowd of young men suddenly grown old with horror in their eyes who will want

suddenly grown old with horror in their eyes who will want nothing better than to wipe out you and yours and all you stand for. They will want to "get the guys who sent us into that."

So I hope that this committee will stand for American independence which means peace for us at least in our time.

I know, too, the heat of a Washington summer. But I prayerfully petition that the Congress remain in session throughout this summer, continuously alert, because this people can no longer trust this present Chief Executive in this essential matter.

Prosperity and the Price Level

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

ARTICLE BY FRED A. BLETHEN

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks, I am including a paper on Prosperity and the Price Level, which has been written by Mr. Fred A. Blethen, one of my constituents and a man for whom I have the highest regard. Since, however, Mr. Blethen is of the opinion that we should seek a declining price level rather than a stable one, and since I disagree with him about this so far as the general price level is concerned, I wish I might say a word or two in introduction of his material.

Just in case Mr. Blethen or anyone else is laboring under the impression that my monetary control bill, H. R. 4931, requires a return to the 1926 price level, I should like to point out that the provisions of the bill are simply that the monetary authority shall not continue with an expansion policy beyond the point where practically full employment has been brought about and in no case beyond the point where the 1926 level of the buying power of the dollar has been restored. My whole interest is in a restoration of our people to work. And that is the standard set in the bill. The 1926 level is not a goal. It is a ceiling or limit set for expansion under the terms of the bill.

On the other hand, I certainly do believe that a rising price level is better than a falling one for the country as a whole and that a stable price level would probably be better than either. This is why the long-range policy provided for in H. R. 4931 calls for maintenance of stability in the buying power of the dollar once a decent level of employment has been restored.

Some observations on Mr. Blethen's paper which I should like to make are the following:

First. An increase or decrease in the volume of money in active circulation will affect sensitive prices more quickly and to a greater extent than it will affect controlled prices. Controlled prices are fixed at the point of maximum return already. A rising price level, therefore, is most likely to raise the prices that are too low and a falling price level is least likely to bring down the specific prices that are actually too high.

Second. As a matter of historical fact, farm prices, which are the ones that need raising the most, have responded more quickly and in wider range to expansion in the amount of money in circulation than any other prices. This is because farm prices, unlike many other prices, respond quickly to general economic influences.

Third. Mr. Blethen is in error in assuming that people who desire a somewhat higher general price level intend to try to directly influence specific prices of specific commodities. Everyone recognizes that the problem of excessive prices for certain commodities cannot be solved merely by monetary means, but involves the whole complex problem of monopoly and its influences.

Fourth. While obviously it would be ideal to have all our people employed and to have their wages rise while prices fall, nevertheless it is essential to remember that in an economy where credit is as important a factor as it is in ours, it is probably an idle dream to expect to escape depression under conditions where debts contracted on one price level must constantly be repaid in dollars of greater value than those which were originally borrowed. A declining price level-if it continued long enough-would have the tendency to increase the control over, and ownership of, real wealth in the hands of the lenders of money. This is, I think, basic. Certainly it is most important for the farmers of America. And certainly the increasing private debt burden was one of the major causes of the collapse of 1929.

Fifth. It seems to me idle to assume that by means of a declining price level the particular prices for certain industrial goods which are undoubtedly too high could be brought down. So far as I know these are the last prices to fall, for the very good reason that monopoly has always preferred to curtail production and maintain price rather than the opposite. A declining price level would bring down fastest and farthest the very prices which ought not to come down. We must look to other measures to bring down "sticky" prices in monopoly industries.

Mr. Blethen's paper follows:

PROSPERITY AND THE PRICE LEVEL (By Fred A. Blethen)

IF THE GENERAL PRICE LEVEL CAN BE BOOSTED TO THE 1926 LEVEL, WILL PROSPERITY BE RETURNED TO ALL THE PEOPLE?

Certain conclusions can be drawn from the record which have a definite bearing on the possibility of controlling the price level. First. Since manufacturing profits and individual savings in 1936 and 1937 reached pre-depression levels (when Brookings Institution says they were too high) with a price level standing at from 80 to 87 percent of the 1926 base, it is self-evident that costs of production must have declined to about 80 percent of preof production must have declined to about 80 percent of predepression cost levels.

Second. Since profits have reached pre-depression levels, it is evident that governmental policies requiring high taxes and encouraging high wage rates have not destroyed business.

Third. Technological advance has apparently more than offset increased tax and wage costs, since 1936 manufacturing profits equaled 1927 profits approximately, although the price level was only 78.6 in 1936 compared to 95 in 1927.

Fourth. Further increases in the volume of production will tend to reduce costs. If the price level does not fall with increased volume, profits will increase, causing further concentration of wealth and economic unbalance, since present "savings" are not entirely invested in new productive goods.

invested in new productive goods.

Fifth. It seems improbable that the price level can ever be forced up to the 1926 base without a very decided and harmful

forced up to the 1926 base without a very decided and harmful inflation taking place.

The last conclusion follows naturally after the first four and raises the very serious question whether continued efforts to raise the price level to 1926 levels will not result in severe economic unbalance and precipitate further business depression.

In testimony before the House Committee on Banking and Currency during the hearings on the Federal Reserve bill of 1938, Prof. Chester A. Phillips, dean, State University of Iowa, made the very comprehensive statement that "If costs of production in terms of human effort fall and prices are not allowed to fall, a vicious element of inflation enters." In other words, dangerous inflation can be caused by a falling cost level if the price level does not follow it down closely, in the same manner that rising prices with a fixed cost level can cause inflation.

This fact is often overlooked and has led to the belief that the stable price level of 1922 to 1928 was a healthy condition, when in truth the conditions of unbalance existing during that period were building up stresses that finally broke in the economic storm of 1929 and the following. The twenties were years of great industrial advancement. Technological advance was improving production that period were building up developed and having down costs with great randitive.

of 1929 and the following. The twenties were years of great industrial advancement. Technological advance was improving production methods and bringing down costs with great rapidity. When prices failed to follow lowered costs, net profits increased and huge sums in the form of dividends went into the hands of a comparatively small portion of the population. About one-third of the savings during this period went into additional capital goods (Brookings—Formation of Capital), and the balance served no purpose except to inflate the price of securities and real estate.

If, in complete disregard of the historical record, there are those who insist on continuing the attempt to raise the price level back to the 1926 base, they should be willing:

First. To explain the exact method by which they hope to ac-

First. To explain the exact method by which they hope to accomplish this purpose.

Second. To show some historical, statistical, or scientific evidence that their plan is feasible.

Third. To indicate just which of the 813 commodities compris-

ing the price index are going to be raised and how much.

It isn't possible by the mere wave of a wand to raise the entire price level uniformly, so that all classes will share equally. It isn't possible to raise some items of the index at all unless drastic measures are taken on these individual items. For example, "rubber" is now at about 30 percent of the 1926 level. This commodity is produced entirely outside the United States. We have no control over production costs, and these costs at the plantation have declined from about 12 cents a pound to less than 5 cents a pound. It is evidently absurd to attempt to raise this individual price. It might be done, however, by levying a tariff of several times the value of the rubber. This would raise the cost and price levels of all rubber goods and help boost the price index. Rubber carries about one-half percent of the weight of the entire \$13 items on the index; it therefore is important to consider what could be done with it could be done with it.

Then there are such items as bituminous coal, carrying over 4 percent of the weight of the index and now at 99 percent of the 1926 level; and electricity, with a weight of 21/3 percent at a present index of 105; all metal products, carrying a weight of 15½ percent, now at 95.7 percent.

These items, and many others, do not offer much leeway toward a price raise; in fact, if Congressman RANKIN's carefully prepared statistics are to be credited, electric rates are now about double what they should be. As for metal products, some of the greatest technological advances have been made in this field.

Some items of the index must be very low to counterbalance these high items, since the total index stands at about 80.

Let us consider some of these low-index items. Petroleum prod-Let us consider some of these low-index items. Petroleum products, for example, stood at 60.5 in 1937 and 55.9 in 1938. Profits for the leaders of the industry were 10.2 percent of net worth in 1937 and 4.7 percent of net worth in 1938. Not a starving industry yet, and one which has found ways and means to hold prices at practically the same level year in and year out. (For profits of major industries in 1937 and 1938, see National City Bank Bulletin for March 1939.) How much should this item be raised? It is a weighty one, carrying 6.33 percent of the index.

Of course, we know that farm products are low, and there is a hig clamer to do something about them. However, poultry, and

big clamor to do something about them. However, poultry and livestock were above the average of the index even in 1938. Grains were only 60.8 as a group, carrying about 3 percent of the weight, while at least one of the grains, barley, was above the general index and stood at 81.1.

Wheat stood at from 50 to 59 on the index, according to grades, Wheat stood at from 50 to 59 on the index, according to grades, and sold for from 77 to 92 cents per bushel. Perhaps wheat should sell for \$1.50 a bushel or more, but it doesn't square with cost figures that show that wheat can be and has been produced on efficient farms in Texas for as little as 40 cents a bushel. It would seem that we might look ahead with hope to the day when efficient wheat production will bring the "staff of life" within reach of the poorest family, but instead of that we sit up nights evolving a plan to fix the price of wheat for all time at \$1.25 a bushel (new A. A. A. plan), or we attack the problem from another angle and strive to boost the price level to the 1926 base, which would give us \$1.50 wheat.

Cotton is one of the farm crop problem items. It corries a

Cotton is one of the farm crop problem items. It carries a weight of less than 2 percent of the index and sold for slightly less than 9 cents a pound in 1938, at 50 percent of the 1926 index level. If we double the price of cotton, to 18 cents a pound, it will raise the index about 1¾ percent. Then what will happen to profits when the Rust cotton picker is placed into operation. operation

Silk and rayon are low industries on the index. Combined, they stand at only 29.3 percent of the 1926 level. While we have no control over silk costs and rumor has it that Japan reaps a rich harvest from her silk trade with the United States, we have been doing considerable with rayon costs. This new industry lends itself admirably to mechanization, and it is hardly safe to say that even present low costs will not be lowered. The low prices returned to the industry profits of 9.3 and 4.1 percent in 1937 and 1938 respectively. 1938, respectively.

Table 1 lists the principal groups of the index, shows the estimated volume in exchange in 1937, the 1938 average index level,

and the weight that each group carries in the index

An analysis of the complete list of items on the index, together with other known data concerning costs and profits in certain industries, gives convincing evidence that a moderate rise of prices in low profit industries may be wholly desirable but that such justified increases will not be sufficient to raise the total index to the 1926 level. If we insist upon raising the index to the base level we will be setting the stage for a perpetual state of economic unbalance.

TABLE 1.-Wholesale price level

Commodity	1937 estimated value in ex- change	1938 index	Weight in index sub-G group
All commodities	\$47, 219, 746, 000	78. 6	Percent 100.00
Farm products	8, 476, 640, 000	68. 5	17. 95
GrainsLivestock and poultryOther farm products	1, 396, 607, 000 3, 001, 160, 000 4, 078, 873, 000	60. 8 79. 0 63. 9	2, 96 6, 35 8, 64

TABLE 1 .- Wholesale price level-Continued

Commodity	1937 estimated value in ex- change	1938 index	Weight in index sub-G group
Foods	\$11, 316, 021, 000	73. 6	Percent 19. 21
Dairy products	1, 963, 314, 000 1, 760, 954, 000 1, 332, 041, 000 3, 587, 340, 000 2, 672, 372, 000	72. 8 78. 4 58. 2 83. 3 67. 5	2. 14 3. 73 1. 09 7. 59 4. 66
Hides and leather products	1, 603, 060, 000	92.8	3. 39
Shoes. Hides and skins. Leather Other leather products.	766, 863, 000 299, 593, 000 352, 479, 000 184, 125, 000	102. 2 73. 6 83. 7 98. 5	1. 62 . 63 . 75 . 39
Textile products	3, 758, 586, 000	66.7	7.96
Clothing Cotton goods Hosiery and underwear Silk and rayon Woolen and worsted Other textile products	1, 076, 787, 000 1, 063, 229, 000 379, 116, 000 268, 492, 000 721, 270, 000 249, 692, 000	82. 9 65. 4 60. 3 29. 3 77. 4 65. 5	2. 28 2. 25 . 80 . 57 1. 53 . 53
Fuel and lighting	7, 459, 529, 000	76.5	15. 80
Anthracite Bituminous coal Coke Electricity Gas Petroleum products	561, 969, 000 1, 904, 832, 900 461, 515, 000 1, 111, 796, 000 432, 492, 000 2, 986, 925, 000	78.0 99.0 104.8 84.6 86.2 55.9	1. 19 4. 03 . 98 2. 35 . 92 6. 33
Metal and metal products	7, 299, 961, 000	95. 7	15. 46
Agricultural implements Iron and steel Motor vehicles Nonferrous metals Plumbing and heating	206, 697, 000 3, 427, 157, 000 2, 535, 174, 000 1, 008, 298, 000 122, 635, 000	95. 5 98. 6 95. 4 72. 8 78. 5	. 44 7. 26 5. 37 2. 13 . 26
Building materials	3, 469, 617, 000	90.3	5. 67
Brick and tile. Cement. Lumber. Paint and paint materials. Plumbing and heating. Structural steel. Other building materials.	220, 855, 000 246, 735, 000 930, 117, 000 590, 324, 000 122, 635, 000 165, 630, 000 1, 193, 321, 000	91. 0 95. 5 90. 4 81. 3 78. 5 111. 0 92. 7	. 47 . 52 1. 97 1. 25
Chemicals and drugs	912, 601, 000	77. 6	1.76
Chemicals. Drugs and pharmaceuticals. Fertilizer materials. Fertilizers, mixed.	621, 347, 000 117, 736, 000 63, 483, 000 110, 035, 000	81. 6 73. 9 69. 2 72. 2	1. 15 . 25 . 13 . 23
Housefurnishing goods	1, 272, 597, 000	86.8	2.70
Furnishings	696, 301, 000 576, 296, 000	90. 8 82. 8	1. 48 1. 22
Miscellaneous	4, 767, 202. 000	73. 3	10. 10
Auto tires and tubes. Cattle feed Paper and pulp. Rubber, crude Other miscellaneous.	1, 002, 852, 000 295, 719, 000 1, 001, 697, 000 240, 731, 000 2, 226, 203, 000	57. 7 76. 9 85. 0 30. 5 81. 5	2. 12 .63 2. 12 .51 4. 72
Raw materials. Semimanufactured Finished products All commodities other than farm All commodities other than farm and foods.	13, 706, 887, 000 3, 896, 707, 000 29, 616, 152, 000 38, 743, 106, 000 29, 670, 761, 000	72. 0 75. 4 82. 2 80. 6 81. 7	29. 03 8. 25 62. 72 82. 05 62. 84

Prepared from Bulletin 6236 issued by the U. S. Department of Labor, June 1938; and Bulletin Serial No. R. 882, Wholesale Prices, for December and year 1938.

The Naval Policy of the United States

EXTENSION OF REMARKS

HON. A. WILLIS ROBERTSON OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

ADDRESS BY HON. COLGATE W. DARDEN, OF VIRGINIA, MAY 5, 1939

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. Colgate W. Darden, Member of the United States House of Representatives, before the students of the University of Richmond on May 5, 1939:

Mr. President, young ladies, and gentlemen, it is a genuine pleasure to be with you here today. It affords me an opportunity to visit again a great institution of learning, one which has made a notable contribution to the country as a whole and in particular to those States which lie south of the Potomac. I call back pleasant memories of friendships formed here during visits made while I was a student at Charlottesville and it is most gratifying to realize that these friendships have continued. You will find in later years that no small part of the pleasure to be had from life will be derived from contacts and friendships formed while you are students here.

here.

I regret that it was not possible for my colleague, the Honorable Dave Satterfeld, to join me on this trip to Richmond and the congressional district which he so ably represents in the House of Representatives. However, I bring you his best wishes.

The subject chosen for this discussion, the Naval Policy of the United States, is at best an excursion into a technical and difficult field. I warn you that the sentiments here expressed are by no means those of an expert but rather the observations of a layman interested in the subject. interested in the subject.

In order to properly appraise our present naval policy it will be necessary to review in a cursory fashion certain events which have transpired since the turn of the century, because these events, far flung though they may have been, have unmistakably

charted our course in sea power.

Following the Spanish-American War there was a revival of intreest in the Navy on the part of our people, an interest awakened, no doubt, by the success of our fleet in operations against the Spaniards. This interest was nourished and greatly enlarged by those of our citizens who, strategically situated in high places, proclaimed that we had become a world power and successfully urged that we acquire certain Spanish colonies, notably the Philippines,

as the reward for victory.

It is fair, I think, to assert that this impetus to naval power was part and parcel of the policy of imperialism, which started to sweep the country at the close of the last century. We had come of age, and to protect our distant possessions we did, in

come of age, and to protect our distant possessions we did, in fact, need to materially increase our sea forces.

Although we are now, 40 years later, attempting to divest ourselves of the guardianship of the islands which lie at the doorstep of Asia—and, incidentally, it is my fond hope that in this we shall be successful—there can be no denying the fact that this acquisition contributed in a major way to the expansion of our naval forces in the early years of 1900.

Theodore Roosevelt, on account of his interest and his knowledge of the Norm gave added impacts to its development. Notwith-

Theodore Roosevelt, on account of his interest and his knowledge of the Navy, gave added impetus to its development. Notwithstanding this development, however, our strength at sea was not great enough in 1914 to protect our commerce and force the belligerent parties to respect our rights at sea. It is barely possible that, had our naval strength been great enough, it might have prevented the launching of the program of unrestricted submarine warfare by Germany, which in the end contributed so much to our entry into the World War.

On June 28, 1914, a young fanatic named Princep assassinated the Archduke Francis Ferdinand and his wife at Sarajevo, the capital of Bosnia. These pistol shots ignited a smoldering Europe and were in truth heard around the world. At 5 p. m. on July 28, 1 month later, the great British Fleet then concentrated at Portland, following a review held at Spithead but a short time before, was ordered to proceed to its war-base at Scapa Flow, and passed at night through the straits of Dover without lights.

Europe was mobilizing and August 1, 3, and 4 marked the decla-

Europe was mobilizing and August 1, 3, and 4 marked the declaration of war by various powers whose troops were already marching and whose navies were prepared for all eventualities.

The struggle which ensued engulfed most of the civilized world and wore on for 4 desperate and exhausting years.

Few of us believed as we read the newspaper accounts of these grim happenings that before the cataclysm had run its course the Stars and Stripes would be planted on the battlefields of Europe and the United States Navy would be patrolling the North Sea.

At the outset of the war in Europe President Wilson determined,

At the outset of the war in Europe President Wilson determined, to the best of his ability, to maintain a course of strict neutrality. Every effort was made on his part to prevent the United States from becoming involved in the struggle. During the years 1915 and 1916 we intervened in the affairs of Haiti and San Domingo to put down revolutions which broke out in these two countries. These expeditions carried out by the Navy and Marine Corps were in the interest of peace in the Caribbean and formed no part of the struggle going on in Europe, although it is probable that the difficulties in Europe had much to do with the unrest, culminating in revolution which swept both Haiti and San Domingo shortly after the outbreak of the World War. However, it must be observed that for more than 100 years the affairs of both of

shortly after the outbreak of the World War. However, it must be observed that for more than 100 years the affairs of both of these countries have been far from tranquil.

Wilson's task was by no means an easy one. His observance of strict neutrality was accompanied by a policy of limiting our sea forces, and land forces to the establishments already provided for. Too late he was to learn that this step served only to make us the victim of those who found it in their interest to trespass on our rights. Both sides subjected us to treatment which otherwise might have been avoided.

By 1916 it had become apparent to the country and to the

By 1916 it had become apparent to the country and to the President that such a course was not in our interest, and in a speech at St. Louis on February 3, 1916, he declared for "incomparably the most adequate navy in the world." He persuaded Congress to take this view, and in August 1916 there was authorized the largest naval-building program ever undertaken by this country up to this time. The program called for the construction in 3 years of 10 giant battleships, 6 great battle cruisers, 10 cruisers, 50 destroyers, 67 submarines, and 13 miscellaneous vessels. vessels.

It is interesting to bear in mind that this great program was for the purpose of preserving the neutrality of the United States—not for the purpose of war abroad. In fact, it was followed by a national election in which the greatest possible emphasis was placed upon the fact that the President had been able to keep us out of war.

I shall not touch on that period which is so well known to all of you—1917 and 1918—during which we participated in the war in Europe, drawn in finally by a combination of circumstances difficult at best to analyze, and certainly too involved to be discussed in this talk.

The end of the war came suddenly in the fall of 1918. her allies beaten and broken, caved in from within. Strange to say, revolution broke out not in the army that had stood for months say, revolution broke out not in the army that had stood for months the most frightful punishment from the Allies now invigorated and encouraged by the arrival and participation of the American armies, but in the fleet—where the men, grown restive from inaction and confinement, joined with the discontented and poorly fed civilian workmen and ran up the red flag of revolution.

There gathered at Versailles a group to formulate a lasting peace.

There gathered at Versailles a group to formulate a lasting peace. A world grown weary of war hoped to compose its differences and write a new chapter in human affairs. How miserably they falled is no part of this story. Nor do I mean to imply that there was lacking a spirit to succeed. Certainly most of those who gathered there wanted more than anything else to guarantee peace for the future. President Wilson believed that he had evolved a plan which was destined to substitute reason for force and the conference table for the battlefield. Unfortunately, such was not to happen. He has followed the other giants who labored there down the silent and endless corridors of time. But note this well: Woodrow Wilson marked an era in world affairs and he has thrown to succeeding generations a torch which may yet light the way to world peace. Probably not in my lifetime or yours, but some place in the years ahead force must give way to reason.

The United States neither asked nor received anything in return for her gigantic efforts in the World War. She set her face resolutely toward a return to the ways of peace. The great naval program of 1916 was well under way. Its completion would leave us with the greatest navy in the world. The task of demobilizing our great Army and Navy was started. No decision was made as to the fleet itself for the time being; the task was too great to be accomplished at once.

By 1921 the general demobilization was over and the United.

plished at once.

By 1921 the general demobilization was over, and the United States turned its attention to the necessity of limiting still further military expenditures. The war depression had set in, and every effort was being made to meet the falling off of revenue by a cut in expenses. Then, too, the disarmament of Germany and the destruction of her once powerful fleet made it seem advisable to attempt to reach an accord as to the reduction of the world's naval

In May 1921 the Congress agreed to a resolution to this end, introduced by Mr. Borah, and on the 12th of November 1921 the Five Power Naval Conference met at Washington. There were represented Great Britain, France, Italy, Japan, and the United States. The comparative position of the three greatest naval powers at the time of the conference was roughly this:

	Built	Building
Great Britain United States Japan	1, 015, 825 728, 390 459, 528	172, 000 618, 000 289, 130

With our program completed, it can easily be seen that we would have occupied a predominant position insofar as naval strength was concerned. Not only was this true but the financial resources this country made it possible for us to maintain or augment this great force if necessary.

The role of the United States in the conference was decisive.

Mr. Hughes, who made the opening speech of the conference fol-lowing President Harding's address of welcome, declared forthwith for an absolute stabilization of the capital ships of the fire powers

for an absolute stabilization of the capital ships of the fire powers represented for a period of years. His program called for immediate and positive action toward naval disarmament.

Translated into figures, the proposal meant that the United States should scrap 15 capital ships actually under construction—618,000 tons—along with 15 older vessels, amounting to 227,740 tons. Great Britain should scrap 4 new ships which were being laid down—172,000 tons—along with 19 older ships—411,375 tons. Japan was to give up her building program and should scrap 7 ships under construction—289,130 tons—along with 10 older ships—159,828 tons. Certainly this was disarmament on a gigantic scale—and at a cost in naval tonnage greater to us than any other power involved. I shall not take the time to discuss the situation as it affected Italy and France, since both of these navies were far below the

Italy and France, since both of these navies were far below the big three and for the further reason that there were involved, so far as they were concerned, certain problems bearing on the Mediterranean which need not detain us here.

Upon the adoption of this plan the capital-ship strength of the big three would be as follows:

The state of the s	Ships	Tons
Great Britain United States Japan	22 18 10	604, 450 500, 650 299, 700

This would establish roughly the ratio desired of 5:5:3. The excess in tonnage of the British being offset by the fact that her ships were older than ours.

Certain adjustments were agreed to; Great Britain being allowed

to replace four of her older ships by two larger new ones—the Rodney and the Nelson. Japan was allowed to substitute in scrapping the Settsu for the Mutsu. The Mutsu, one of the most powerful ships affoat, had just been completed and had joined the Japanese fleet. The school children of Japan had contributed toward the construction of this giant and their Government was not willing to agree to scrap her

ward the construction of this giant and their Government was not willing to agree to scrap her.

France and Italy came into line on the capital-ship agreement and were allotted 175,000 tons each.

The agreement finally reached provided for the equality of Great Britain and the United States at 525,000 tons each of capital ships—315,000 tons for Japan and 175,000 tons each for Italy and France, and a stabilization at this point for 10 years from 1922.

The size of capital ships was placed at not more than 35,000 tons with guns not greater than 16-inch caliber. One exception was made—the Hood of the British Navy, which was already commissioned, was retained notwithstanding the fact that she was a little above 41,000 tons. The life of the capital ship was set at 20 years and a system of replacements was agreed upon to start in 1931.

Agreement was also reached as to aircraft carriers—guns being limited to 8 inches in caliber and tonnage as follows: United States and Great Britain 135,000 tons each; Japan 81,000 tons; France and Italy 54,000 tons each, with a maximum displacement of 27,000 tons. To the 27,000 tonnage limitation there was provided an exception permitting two ships of 33,000 tons each. This permitted us to convert two of our battle cruisers then building into a starters. permitted us to convert two of our battle cruisers then building into aircraft carriers—and they are today our two largest—the Saratoga and the Lexington.

The above agreements, along with the limitation of cruisers to 10,000 tons each with no limitation as to numbers, represent the conclusions of the conference insofar as fleet strength was concerned.

The Japanese demanded and received a guarantee that the status quo would be maintained insofar as insular naval bases in the western Pacific were concerned.

The agreement covering other incidental matters and containing certain escape provisions provided for further consultation and was signed in the city of Washington on February 6, 1922.

The sacrifice made by the United States in this effort to further the cause of peace was by far greater than that made by any of the other parties participating. Our willingness to go this far can be accounted for, I believe, by reason of two vaguely related views then entertained by our people.

First of all we believed that the World War had in fact gone far

First of all we believed that the World War had in fact gone far toward destroying militarism and making the world safe for democracy. We felt that great navies and great armies would no longer be necessary—Germany under the terms of Versailles had been forced to disarm and the Allies who signed the treaty had bound themselves to disarm as rapidly as possible. While we never ratified the treaty, our people were in accord with this view. We were not only tired of war but we were tired of armament.

Second, we were returning rapidly to our old position of isolation. Our dreams of empire were gone. We were appraising more realisticly our problems. The Philippines, instead of being the gateway to the richest market in the world, had become an expensive ward. Not only were financial sacrifices necessary to maintain a high standard of living in the islands, but labor and agricultural products of the Philippines were in competition with continental labor and products.

We were anxious to lighten our commitments abroad and restrict

We were anxious to lighten our commitments abroad and restrict our efforts to home markets and home industry.

As an evidence of this determination we refused to ratify the Versailles Treaty and led the way in naval disarmament. Our Naval Establishment was to be used for defense only. Our foreign trade was to be left to take care of itself. Our foreign policy had again dictated our naval policy. This time it brought about a great reduction in naval power, just as following the War with Spain it had laid the foundation for expansion.

This, however, was not true insofar as the other participants were concerned. The limitations agreed upon by them grew out of no real change so far as national policy was concerned. Economy was the controlling factor, together with the knowledge that the necessity, certainly so far as the present was concerned of great naval power no longer existed. Germany's Navy was no longer a challenge to Great Britain. France and Italy were primarily concerned with a balance of power in the Mediterranean, and Japan, with a guarantee of the status quo in the western Pacific, had accomplished in fact a material net increase in naval power by agreeing to the limitations. Her interests in Asia were of the greatest importance. The British and United States limitations, coupled with our agreement not to fortify our Pacific islands, left her with preponderant power in the East.

The Washington Naval Conference had opened the door of Asia to Japan. Whether Great Britain and the United States with great navles would have prevented the invasion of China is a question which cannot be definitely answered. That they were unable in 1930 to accomplish this had they desired is, I think, beyond dispute. The Washington Conference which set limitations, as we have

seen, to capital ships and aircraft carriers, was followed in 1926 and 1927 by conversations between the powers held under the auspices of the League of Nations. These conversations terminated without any agreement being reached. However, at the same time Mr. Coolidge in a message to Congress on February 10, 1927, and by memorandum the same day proposed to the Washington Conference powers that their delegates to the League meeting should be empowered to negotiate an agreement further limiting naval armament by covering the classes not covered in the agreement of 1922, viz, cruisers, destroyers, submarines.

Great Britain and Japan accepted, France and Italy refused, and the conference met in Geneva on Line 20. However, both France

the conference met in Geneva on June 20. However, both France and Italy were represented unofficially. The negotiations were fruit-less, and the conference adjourned with the suggestion that the conference fixed for 1931 by the Washington treaty should be held earlier. At a later date both Great Britain and the United States were able to compose many of the differences which divided them in 1927, and as a result of conversations held during 1929, the two states laid the groundwork for an agreement in the London Conference of 1930.

Unfortunately, we suffered badly in the years following the Washington Conference as a result of our failure to continue our naval building in these categories left free by the agreement. The other parties added greatly in this interval to their cruisers, destroyers, and submarines. The London Conference of 1930 found us far from

and submarines. The London Conference of 1930 found us far from the enviable position occupied in 1921 at Washington.

The powers that signed the Washington treaty met again in London on June 21, 1930, in an effort to extend the provisions applied at Washington to battleships and aircraft carriers to cruisers, destroyers, and submarines. The difficulties which arose between France and Italy in other than capital ships proved to be too great for adjustment and were left to negotiation between the two parties concerned. Great Britain, Japan, and the United States came to an agreement. It was agreed that no capital ships would be laid down before 1936. Italy and France were permitted to proceed with the capital ships which they were entitled to great down.

be laid down before 1936. Italy and France were permitted to proceed with the capital ships which they were entitled to lay down in 1927 and 1929 under the Washington Conference.

The cruiser question between Great Britain and the United States, the real question before the conference, was settled, 180,000 tons—eighteen 8-inch cruisers—going to the United States, and 15, viz, 150,000 tons, to Great Britain. Of 6-inch gun cruisers, Great Britain was limited to 192,200 tons and the United States to 142,500 while larger had a limit of 102,400 tons for 8 inch cruisers. Great Britain was limited to 192,200 tons and the United States to 143,500, while Japan had a limit of 108,400 tons for 8-inch cruisers and 100,450 tons for 6-inch cruisers. An agreement as to destroyers and submarines was also reached by the three major powers.

It seemed for a brief time that world naval disarmament was at last on the way. However, 1930 in fact marked the end of the ebbing tide of sea power.

One year after the London Conference went into effect Japan renewed her attack on China and in 1934 she gave notice of her intention to terminate the Washington agreement at the end of the

renewed her attack on China and in 1934 she gave notice of her intention to terminate the Washington agreement at the end of the 2-year period required. Thus the Washington and the London agreements expired together at the close of 1936.

The year 1930 saw increasing signs that the world was returning to power politics. The terrible American depression began to grip Europe and the attack of China by Japan in 1931 was but a fore-runner of violence in other parts of the world. The 1932 disarmament conference failed and in 1934 the Nazi putsch occurred. In Vienna this same group engineered the murder of Dollfuss. In 1935 Italy said strike down Abyssinia and in 1936 one of the most savage

Ment contende tailed and in 1934 the Nazi putson occurred. In Vienna this same group engineered the murder of Dollfuss. In 1935 Italy said strike down Abyssinia and in 1936 one of the most savage civil wars in history flared up in Spain. In 1937 Japan again launched a terriffic drive further into China and last year and this have seen Austria and Czechoslovakia overrun by Germany and Albania wiped out by Italy.

We are today in the midst of the greatest naval building program ever undertaken by this Government. It is actuated not by any desire to intervene abroad, not by any desire to acquire territory at the expense of any other State. The driving force behind our present naval program is a determination on the part of the Nation that we must be able to protect our people and our country. We have turned again to the course charted in 1916. The great Navy now built and building will be relied upon to effectively guarantee the safety and the territorial integrity of our people.

Today we live, grim though it be, in a period of international anarchy. Only those will survive who are able to defend themselves. Murder, tyranny, and oppression stalk across the world. Violence has become a national philosophy and those who would by peaceful means settle the perplexing problems of the day are branded as cowards and the governments which they represent are pictured as weak and decadent.

weak and decadent.

What the future holds no person can predict. The probabilities are too numerous and too uncertain to be touched upon here—even if time permitted, which it does not. However, one guess I will hazard, and it is that democratic institutions will outlast tyranny and oppression which seek to strike them down, and the desire for human freedom will eventually break asunder and destroy the bonds now being forged by the dictators of the world. National Keep America Out of Foreign Wars Week

EXTENSION OF REMARKS

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1939

ANNOUNCEMENT OF ESTABLISHMENT OF NATIONAL KEEP AMERICA OUT OF FOREIGN WARS WEEK, JUNE 11 to JUNE 18, 1939, INCLUSIVE

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following announcement, released to the newspapers of the country on May 8 and thereafter:

To the American people, irrespective of race, color, creed, or politics: The National Committee To Keep America Out of Foreign Wars, composed of 50 Members and former Members of Congress, invite the American people to join with them in voluntarily setting aside the week beginning Sunday, June 11, to Sunday, June 18, inclusive, for the purpose of conducting a Nation-wide campaign to keep America out of foreign wars.

The clergy of all creeds and denominations are urged to make special appeals from the pulpit to stop the war propaganda and hysteria that has been spreading like wildfire throughout our Nation, leading the American people into believing that if a war breaks out in Europe it is inevitable that our youth must again fight on foreign soil.

We appeal to all elements in our population to join with us in counteracting this vicious and false propaganda and in exposing the attempts to inflame the passions and hatreds of our people against foreign nations which have not the faintest intention or capacity of attacking us.

All religious, labor, farm, business, fraternal, civic, social, women's, veterans', educational, and other organizations are invited to hold meetings during the Keep America Out of Foreign Wars Week, to discuss and stress this vital issue. It is hoped that this program will be adopted as the theme for commencement exercises throughout the Nation.

The peace and safety of our country and our people are being threatened by foreign and Communist propaganda and by provoca-tive acts by those in places of great authority in our midst. We believe in adequate national defense, upholding the Monroe Doctrine, and the maintenance of our traditional foreign policies of neutrality, nonintervention, no entangling alliances, and peace.

on all those Americans who believe in these principles and established policies to participate in regular or special meetings in the Keep America Out of Foreign Wars Week, June 11–18, 1939, which includes Flag Day, June 14. All persons or organization desiring information and data should communicate with the National Committee To Keep America Out of Foreign Wars, House

tional Committee To Keep America Out of Foreign wars, House Office Building, Washington, D. C.

National Committee To Keep America Out of Foreign Wars, Hamilton Fish (New York), chairman; Harold Knutson (Minnesota), first vice chairman; John C. O'Connor (New York), second vice chairman; Samuel B. Pettengill (Indiana), third vice chairman; Royal C. Johnson (South Dankett), constant, Waltar L. Payrolds, treasurer, Executive ana), third vice chairman; Royal C. Johnson (South Dakota), secretary; Waiter L. Reynolds, treasurer. Executive committee: Representatives—Allen T. Treadway, Massachusetts; J. Will Taylor, Tennessee; Roy O. Woodruff, Michigan; John M. Robsion, Kentucky; Albert E. Carter, California; Pehr G. Holmes, Massachusetts; Martin L. Sweeney, Ohio; Jesse P. Wolcott, Michigan; Leo E. Allen, Illinois; J. William Ditter, Pennsylvania; Charles A. Plumley, Vermont; Dewey Short, Missouri; Ralph O. Brewster, Maine; Usher L. Burdick, North Dakota; Frank Carlson, Kansas; Francis H. Case, South Dakota; Edward H. Rees, Kansas; Paul P. Shafer, Michigan; John C. Schafer, Wisconsin; Homer D. Angell, Oregon; Robert B. Chiperfield, Illinois; Robert J. Corbett, Pennsylvania; Carl T. Curtis, consin; Homer D. Angell, Oregon; Robert B. Chiperfield, Illinois; Robert J. Corbett, Pennsylvania; Carl T. Curtis, Nebraska; Henry C. Dworshak, Idaho; Leland M. Ford, California; Robert A. Grant, Indiana; Forest A. Harness, Indiana; Frank O. Horton, Wyoming; Ben F. Jensen, Iowa; Robert W. Kean, New Jersey; Frank B. Keefe, Wisconsin; Earl R. Lewis, Ohio; William J. Miller, Connecticut; Harry Sandager, Rhode Island; Andrew C. Schiffler, West Virginia; James Seccombe, Ohio; Henry O. Talle, Iowa; Oscar Youngdahl, Minnesota. Former Representatives—Bertrand H. Snell, New York; Carl G. Bachmann, West Virginia; Fred S. Purnell, Indiana; John M. Baer, North Dakota; Edward Keating, Colorado; Ralph A. Horr, Washington; James Simpson, Jr., Illinois.

To Fortify or Not To Fortify

EXTENSION OF REMARKS

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1939

On an amendment offered to the naval appropriation bill whereby it was sought to include millions for improvements and developments at Midway, Johnston, and Palmyra Islands

Mr. PLUMLEY. Mr. Speaker, you should not, and I am sure will not, be misled by the generosity of the concessions shrewdly made. If you vote for this amendment now, in my opinion, you later will have to vote for the inclusion of Wake Island and the others when the bill comes back from conference, compromise agreement or not. It is a question of "whole hog" or none.

You should understand, as doubtless you do, that much more is involved in the proposition than appears on its face. If you are prepared to impliedly make a commitment with reference to the entire far eastern problems involving those bound to arise relative to the Philippines; if you have made up your mind as to just what you will do relative to the confused situation as certain to confront you as the sun is to rise, as to whether or not one will defend the Philippines at all hazards, why then, of course, you will vote for this "harmless little expenditure" of many millions for the alleged purpose of dredging harbors and making landing fields, which when accomplished will be the graveyards of millions of the dollars of the people of the United States spent in the fortification and defense of these projects and the protection of our property.

I am going to take the liberty to substantially quote from statements made by those recognized military and naval authorities: George Fielding Eliot and R. Ernest Dupuy, authors of The Ramparts We Watch and If War Comes, books with which every American citizen who desires to be well informed should be familiar.

Do not be misled. As has been said, American Samoa possesses, at Pago Pago, the best and most commodious harbor in the South Pacific. While it does not lie on any route from the United States to Japan, it does flank our communications with Australia and would be a valuable point of support for cruisers and convoys if that trade route were menaced. It would, moreover, be useful for stopping Japanese trade with South America if that became necessary. In enemy hands it would be a continual source of danger and trouble. Finally, it is a stopping place for our projected air route to New Zealand. Samoa has neither garrison nor fortifications at present. It should be noted that Samoa is the southern post of our mid-Pacific air-patrol line. Unalaska-Midway-Wake-Canton-Samoa, along which our large patrol planes can operate to cover the approaches to Hawaii from the Japanese-mandated area. This is an important part of our strategical arrangements in the Pacific.

You should think of this proposition in terms of Guam. Take a look at this picture. Strategists call attention to the fact that offensively Hawaii initiates a line of operations which, prolonged step by step through the Japanese mandates via Jaluit, Ponape, and Truk to Guam, would, when we had arrived at the last-named island, establish us in a position but 1,300 miles from Yokohama or 1,500 miles from Manila.

From this point our cruisers could begin to exercise the pressure of distant blockade upon Japan, operating in the South China Sea against her trade with Europe, Africa, and southern Asia, while that with Australasia and South America would already have been cut off as we moved forward from Hawaii. Such a distant blockade could not, in the nature

of sea warfare, be completely airtight; and it would demand of us a tremendous effort. Neverthelesss it could be done, and if long continued would certainly force the Japanese fleet to give battle in the hope of breaking our strangling grip upon the life line of the Japanese people, increasingly dependent as these are upon foreign markets and foreign sources of raw materials. Notably, in the military sense, the Japanese would have to fight before they were reduced to impotence by the cutting off of their supply of petroleum.

Thus Hawaii affords us the initial means of bringing about a decision favorable to ourselves in the unhappy event of a

war with Japan.

It must be emphasized that a war fought across the breadth of so vast an ocean as the Pacific is fraught with very great difficulties. For us to carry out a step-by-step advance through the mandated islands, as suggested, would involve the necessity of fighting for every stepping stone. We would have to employ considerable forces of troops for this purpose and, as we drew nearer to the source of Japanese power, the resistance would increase in degree and intensity. We would have to keep up a tremendous flow of supplies outward from our West coast ports to Hawaii, and from Hawaii to our advance bases. This would involve the use of large numbers of merchant ships, which would have to be convoyed by destroyers and escort vessels, imposing a severe burden on the fleet. After each advance, we would be compelled to "mop up" all the adjacent islands, a task whose magnitude may be suggested by the fact that the Eastern Carolines alone number 383 separate islands and atolls. Yet it is a task which would have to be accomplished before the next advance could be made, else the new line of communications would be open to constant attack by Japanese airplanes and flotilla craft.

As each main phase of the advance was completed, we would have to bring forward to the new advance base great quantities of fuel and supplies, and to establish there a temporary repair base by the use of floating equipment. A garrison sufficient to assure the place against raids and equipped with mobile heavy guns and antiaircraft artillery, would be required. A regular system of air patrol between the various islands would have to be established.

All this would take time. Presuming, as is indeed certain, that Guam would be taken over by the Japanese in the early days of the war, we might expect that, to reinstate ourselves there, to secure the base by clearing the Japanese out of adjacent Saipan, and to begin our distant blockade operations, would take anywhere from a year to 2 years from the time the first move was made from Pearl Harbor.

Our tenure of Guam would, moreover, be insecure and difficult, because it would be dependent on a line of communications from Pearl Harbor almost 5,000 miles in length, supported by positions having no resources of their own and little natural strength, but entirely dependent upon artificial means for defense and supply. We would be, on the other hand, but 1,300 miles from the largest Japanese naval base at Yokosuka—near Yokohama—and about 800 miles from their fortified advance base in the Bonin Islands.

Therefore our fleet would have to be in readiness to fight at the Japanese "selected moment" with its own average strength, which means that at Guam, or perhaps at Truk, as more sheltered from direct attack, would have to be set up and maintained a base adequate to all the needs of the fleet, which could not afford to be constantly sending ships back 5,000 miles to Pearl Harbor for repair and overhaul, as too great a percentage would be constantly absent. Great care would have to be taken of the heavy ships—battleships and large carriers—to protect them against torpedo, air, and mine attacks.

This would require incessant activity on the part of our destroyers, patrol vessels, mine sweepers, and aircraft. Convoy escorts for the line of communications would still be needed, as against long-range Japanese submarines; these could probably be largely furnished by gunboats or Coast Guard cutters, but would need a proportion of cruisers

against the chance of enemy cruiser raids. Our cruisers, meanwhile, would not only have to bear the burden of all the distant blockading operations, but also provide some cruisers for such fleet duties as reconnaissance and distant screening. Rapid and extensive new warship construction would therefore be imperative. The writer is unable to estimate the merchant tonnage which would be required to maintain the fleet in this distant position, to supply all the intermediate bases, to transport troops for their garrisons and the necessary reliefs and reinforcements. It would assuredly be

If, in your judgment, we must absolutely have these naval bases in order to protect and defend ourselves and the Philippines and Hawaii, then vote for them, as such, with your eyes wide open. Do not be lulled to sleep by the soft and persuasive "for civil purposes" lullaby, and wake up with the nightmare of reality staring you in the face.

Now, one word about the battleships. It is the well-considered judgment of those competent to know, both naval strategists and civilian experts, that of all combatant ships, the battleship is the only one designed to stay and "take it." Nothing else is tough enough because nothing else has sufficient size. That is the main and outstanding reason why battleships are necessary. Under all conditions of weather and sea, and for protracted periods of time, the battleship can steam and fight and remain afloat under punishment. Such ships must-at least under present conditionsremain, in Captain Ingram's words, the ships upon which will depend the final decision in sea warfare.

Duty Requires Congress to Remain in Session Until the Next Regular Session

EXTENSION OF REMARKS

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

Mr. LUDLOW. Mr. Speaker, I have introduced the following resolution fixing the date of adjournment of the present session of Congress:

Resolved by the House of Representatives (the Senate concurring). That the first session of the Seventy-sixth Congress shall adjourn on January 2, 1940.

When international relations are tense and there is a prospect that we may become involved in war the place of Members of Congress is in the city of Washington. There have been so many intemperate, ill-advised, truculent, and war-promoting speeches by Cabinet ministers, near Cabinet ministers, and others that the country has become genuinely alarmed and is looking to Congress to do its part in maintaining the international equilibrium and in keeping America out of threatened foreign entanglements. The country we represent abhors the crimes and cruelties of dictators but it assumes that we do not have any divine commission to correct these wrongs and it is convinced that the welfare of our own people should be our first consideration. One thing the country is determined upon, finally and for all, is that we are not going to send troops into any foreign war, and that, come what may, our military activities shall be confined to defending our homeland and to carrying out our obligations under the Monroe Doctrine. We Members of Congress are being swamped these days with letters and telegrams imploring us to keep America out of war. The adoption of the resolution which I have introduced would be reassuring to the entire country in this time of general alarm and deep concern, as it would show that Congress does realize its duties and responsibilities in respect to international relations and its obligations in the maintenance of peace. I would be glad to remain in Washington until snow flies to promote the cause of peace, and I am sure many other Members feel the same way about it.

My Country, 'Tis of Thee

EXTENSION OF REMARKS

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

EDITORIALS FROM THE OREGONIAN, PORTLAND, OREG.

Mr. ANGELL. Mr. Speaker, Mr. Ronald Glenn Callvert, associate editor of the Oregonian, published at Portland, Oreg., was awarded the Pulitzer prize for his editorial work on the Oregonian during the year 1938, and particularly for his editorial entitled "My Country, 'Tis of Thee," published last October. As announced, the Pulitzer award was made for "distinguished editorial writing" during the year 1938, limited to the editorial page, the test of excellence being clearness of style, moral purpose, sound reasoning, and power to influence public opinion, due account being taken of the writer's editorial work during the whole year. The editorial follows:

> [From the Oregonian, Portland, Oreg.] MY COUNTRY, 'TIS OF THEE

In this land of ours, this America, the man we choose as leader dons at no time uniform or insignia to denote his constitutional position as Commander in Chief of armed forces. No member of his Cabinet, no civil subordinate, ever attires himself in garments

his Cabinet, no civil subordinate, ever attires himself in garments significant of military power.

In this land of ours, this America, the average citizen sees so little of the Army that he has not learned to distinguish between a major and a lieutenant from his shoulder straps. When the Chief Executive addresses his fellow countrymen they gather about him within handclasp distance. Goose-stepping regiments are not paraded before him. When he speaks to the civilian population it is not over rank upon rank of helmeted heads.

In this land of ours, this America, there is no tramp of military boots to entertain the visiting statesman. There is no effort to affright him with display of mobile cannon or of facility for mass

affright him with display of mobile cannon or of facility for mass production of aerial bombers.

In this land of ours, this America, there is no fortification along

the several thousand miles of the northern border. In the great fresh-water seas that partly separates it from another dominion no naval craft plies the waters. Along its southern border there are no forts, no show of martial strength.

In this land of ours, this America, no youth is conscripted to

labor on devices of defense; military training he may take or leave at option. There is no armed force consistent with a policy of aggression. The Navy is built against no menace from the western

aggression. The Navy is built against no menace from the western hemisphere, but wholly for defense against that which may threaten from Europe or Asia.

In this land of ours, this America, one-third of the population is foreign-born, or native-born of foreign or mixed parentage. Our more numerous "minorities" come from 14 nations. The native-born, whatever his descent, has all political and other rights possessed by him who traces his ancestry to the founding fathers. The foreign-born of races that are assimilable are admitted to all these privileges if they want them. We have "minorities" but no minority problem.

minority problem.

In this land of ours, this America, the common citizen may criticize without restraint the policies of his Government or the aims of the Chief Executive. He may vote as his judgment or his conscience advises and not as a ruler dictates.

In this land of ours, this America, our songs are dedicated to love and romance, the blue of the night, sails in the sunset, and not to might or to a martyrdom to political cause. Our national anthem has martial words—difficult air. But if you want to hear the organ roll give the people its companion—"America * * * of thee I sing." In lighter patriotism we are nationally cosmopolitan. United we sing of Dixie or of "Ioway, where the tall corn grows," of springtime in the Rockies, or of "California, here I come."

In this land of ours, this America, there is not a bomb-proof shelter, and a gas mask is a curiosity. It is not needed that we teach our children where to run when death-hawks darken the sky. In this land of ours, this America, our troubles present or prospective, come from within—come from our own mistakes, and injure us alone. Our pledges of peace toward our neighbors are In this land of ours, this America, our songs are dedicated to love

pective, come from within—come from our own mistakes, and injure us alone. Our pledges of peace toward our neighbors are stronger than ruler's promise or written treaty. We guarantee them by devoting our resources, greater than the resources of any other nations, to upbuilding the industries of peace. We strut no armed might that could be ours. We cause no nation in our half of the world to fear us. None does fear us, nor arm against us. In this land of ours, this America, we have illuminated the true road to permanent peace. But that is not the sole moral sought herein to be drawn. Rather it is that the blessings of liberty and equality and peace that have been herein recounted are possessed

nowhere in the same measure in Europe or Asia and wane or disappear as one nears or enters a land of dictatorship of whatever brand. This liberty, this equality, this peace, are imbedded in the American form of government. We shall ever retain them if foreign isms that would dig them out and destroy them are barred from our shores. If you cherish this liberty, this equality, this peace that is peace material and peace spiritual—then defend with all your might the American ideal of government.

It is interesting to note the circumstances under which this editorial was written by Mr. Callvert, as set forth in the Oregonian's editorial of May 2, 1939, which is:

It was on October 1 that Hitler began the military occupation of Czechoslovakia while all the world wondered. Here in Portland, in the editorial room of the Oregonian, confronted by the day's work, Ronald Glenn Callvert, associate editor, read the dis-

day's work, Ronald Glenn Calivert, associate editor, read the dispatches. Comment on the European situation was clearly indicated, and he needed a topic. He brushed his correspondence and clippings aside, took the case off his typewriter, and began writing. The editorial he wrote had for its theme the caption which rang through his mind—the words of a song he sang when he was a schoolboy. He intended to call it, as he did, "My Country, "Tis of Thee." It grew as he wrote it, naturally and without conscious effort; for the truths he was minded to declare had been with him since earliest memory. It was an editorial of contrast, gratitude effort; for the truths he was minded to declare had been with him since earliest memory. It was an editorial of contrast, gratitude to Providence for what we have and are, for our institutions of democracy and our deeply abiding love of liberty. It spoke the thought of millions of Americans in those times when an armed might made mockery of the rights of the weak.

My Country, 'Tis of Thee proved a phenomenally successful venture in editorial expression. It was widely reprinted in the national press. Thousands upon thousands of requests poured in upon this newspaper for copies. Requests still are coming. Friends of its author sent it away in national annual competition—and a

of its author sent it away in national annual competition—and a very noncommittal silence ensued.

Your pardon for printing the editorial again in this paper today, where it has twice before appeared.

The occasion is an exceptional one.

It isn't every day that a newspaper may boast of winning a

Pulitzer prize.

We are so boasting today.

It was, the judges found, the most distinguished editorial of the year.

Mr. Speaker, the Oregonian, a pioneer publication in the Pacific Northwest, has been an outstanding force through the years for the development of the whole Oregon country. Mr. Callvert, as associate editor, has distinguished himself in his work on this publication through a long service, and his many friends are grateful for this well-deserved recognition of his editorial work.

Money Supply, Farm Prices, and Prosperity

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 10, 1939

Mr. VOORHIS of California. Mr. Speaker, on May 4, the gentleman from Michigan [Mr. Crawford] delivered what was in many respects a most excellent speech on our general economic problem and the great and central importance of monetary control as a means of solving that problem.

It happens that Mr. CRAWFORD pointed out in that speech certain things that I myself have for some time very much wanted to say. He analyzed the movement of farm prices in relation to money supply of the Nation and, using a chart from the Bureau of Agricultural Economics, showed that ever since 1910 farm prices have risen when money supply was rising and fallen when the amount of money in circulation was being reduced. Indeed farm prices have risen more and fallen more than the correlative variations in money supply. Yet as Mr. CRAWFORD points out this is quite the opposite of the claim of the Federal Reserve Board that prices are not primarily affected by the quantity of money in circulation.

I think Mr. CRAWFORD's statement is to be criticized only on two counts. In the first place, it seems to me he could have made considerably more than he did of the fact that, whereas the Board may be right that the controlled prices of monopoly products are not sensitive to variations in money supply, nevertheless the very prices-namely, farm-commodity prices-which it is most important to raise are extremely sensitive to variations in the supply of money. And further, that an increase in money supply is likely to raise farm prices-again the ones which more than any others should be raised-much faster than the general price level, whereas, a deflation in money supply will cause farm prices to drop clear out of sight while monopoly prices remain suspended in midair as if by some magical power.

In the second place, while I agree with Mr. CRAWFORD'S general analysis, and with his criticism of what he calls the "bank subsidy policy effected by bond sales," I do not believe he is altogether correct in assuming that the whole cause of the failure in recent years of per capita income to rise as fast as money supply has increased has been due to the low interest rate and Government sales of bonds for bank credit with subsequent expenditure of that credit.

I believe there are other and more important reasons why national income has not risen as fast as the money supply has been increased in the period since 1932. A more accurate statement would, I think, be to follow out to its logical conclusion one of Mr. Crawford's own statements:

That the way in which the supply of money is created and floated can and does have a vital effect on the way it comes to be used in trade, and therefore on the level of prices.

The real truth, I believe, is that our trouble lies in the fact that we depend for our supply of money upon the borrowing of bank credit, created for the purpose of making loans. To cure the trouble I believe we must have a system of bringing our national money originally into circulation without anyone's paying interest or contracting debt in order to accomplish it. Of course it would be of vital importance to limit such an increase in money supply to an amount which can be absorbed readily by expanding production and consumption. So that on the one hand I believe that until we make this necessary change in our monetary system it is perfectly obvious that whenever business does not or cannot borrow Government must do so in order for the Nation to have anything like an adequate money supply.

But, on the other hand, I eagerly admit that to rely on such Government borrowing and increase in national debt amounts not only to a subsidization of the banks-by virtually giving them Government bonds in return for costless credit—but is inadequate to solve the problem.

The reason it is inadequate is twofold. First, Government deliberately refrains from spending its money in the most productive ways. True it builds some power dams, reclaims land, and does some other things which add directly to national income. But, in part, it is true that Government is more likely to spend into circulation the money it borrows for services to the people or for national improvements which will only indirectly or over a long period of time raise the national income. Second, income from these Government bonds has been tax exempt and should not be. Since we are now definitely in a period when we have too many pieces of paper calling themselves "capital" in the Nation and too little consumer demand for goods, it necessarily follows that, until we find a way to directly sustain a larger consumer demand, this paper capital will seek safe, secure, and, whenever possible, tax-exempt places in which to hide. I do not think we should issue any more tax-exempt securities, and I believe if we did not, the hoarding-which, I take it, is what lies at the bottom of Mr. Crawford's objection to lowinterest rates-would in part at least be discouraged. In the third place, I am of the opinion that the rate of interest on bonds, mortgage loans, and other pure evidences of debt is not too low, but probably too high. For I believe the lower the rate of interest goes the more likely it is that people will prefer to invest in productive enterprise, instead of merely purchasing evidences of debt.

To raise the interest rate may make bankers more anxious to loan money, but it certainly will not make anyone better able to borrow it or more willing to do so. A higher rate of pure interest, as opposed to income from investment, would clearly cause more, not less, tendency to buy bonds, mortgages, and the like, and less, not more, tendency to invest |

in productive enterprise.

I am convinced that the key to the door that will lead out of our difficulty is to be found in a ledger book of national credit which so far has never been opened. It is necessary, first, that money be brought into circulation by the payment of old-age pensions or in some very similar way; second, that it come into circulation interest free; and third, that it be fed into the stream of business as the national economy requires it. If this were done, I do not think there would be the disparity between the curve of money supply and that of per capita income of which Mr. Crawford complains. And I should like to point out that one of the main reasons hoarding takes place is because people are hoping that money will rise in value in terms of goods-that is, that the price level will fall. If we had a stable dollar and maintained it, would not one of the greatest causes of hoarding be removed? I believe so. Indeed, I am inclined to think that in any economy where credit plays as important a part as it does in ours, the burden of private debt is certain to periodically break the back of prosperity unless either, first, the monetary reform I have suggested is instituted, or, second, a constantly rising price level is maintained in order to lessen the real burden of debt in terms of commodities.

In closing, let me say that I believe we must take it for granted that the tendency of people to put their money into the safest forms of investment they can find, such as Government bonds or Government-guaranteed loans or debentures, is going to continue. Therefore, I believe we need to devise at once a mechanism whereby funds so invested can be channeled through some agency into productive enterprise. Particularly is this important from the standpoint of little business. A system of industrial finance banks under Government auspices, selling consolidated debentures and stock to the public, but making credit and even equity capi-

tal available to producers may be the answer.

And I also think we must see clearly that even if not one dollar of current income were hoarded, even if all of it were either spent for consumer goods or invested, still it would be essential to prosperity for Government to increase from time to time the supply of money in consumers hands. This is true because investment means not only a certain amount of current expenditure but also a storing up in additional productive machinery of a portion of current income. And that additional productive capacity has got to be matched by brand new, interest-free consuming power if our economy is to be kept in balance.

Moral Rearmament

EXTENSION OF REMARKS

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

ADDRESSES BY DR. FRANK N. D. BUCHMAN AND H. W. (BUNNY) AUSTIN

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following addresses by Dr. Frank N. D. Buchman, founder and leader of the Oxford Group, and H. W. (Bunny) Austin, British Davis Cup tennis player, before the National Press Club, Washington, D. C .:

Address by Dr. Frank N. D. Buchman, Founder and Leader of the OXFORD GROUP

A world force adequate to make peace permanent. A world force adequate to banish war. A world force adequate for any crisis. Three great tasks confront this generation. To keep the peace and make it permanent. To make the wealth and work of the world available to all and for the exploitation of none. And with

peace and prosperity as our servants and not our masters, to build a new world, create a new culture and change the age of gold into the Golden Age.

Often men have believed they could achieve the Golden Age by their own efforts. But man's wisdom has proved wanting. Today we are at our wits' end. The new civilization of our dreams will not come by our own wisdom but by obedient cooperation with God in the task of Moral Re-Armament. M. R. A. points the way. It is

the task of Moral Re-Armament. M. R. A. points the way. It is God's answer to this generation.

What this age needs is a new pattern of democracy designed by God and worked by everyone. As a number of members of the British Parliament recently stated, democracy without high character disintegrates. Nor is it enough to be the self-appointed judge of other systems. In an age when lowered moral standards have become the breeding ground for destructive forces is it not time for democracy to seek again the sources of her strength and to demonstrate to the world the power of moral principles? The great issue that divides the world underlies the more obvious conflicts of party, class, nation, or ideology. The battle for peace must be fought in the heart of the individual and thus throughout the community if it is to be won in the world. it is to be won in the world.

Lord Athlone, brother of Queen Mary; Lord FitzAlan; Admiral of the Fleet Sir Osmond Brock; Author Ian Hay; and former Ambassador to Washington, Lord Howard of Penrith, published these words: "Victory in this battle is the one thing needful for the world in which we live. It implies first of all a change of heart. Experience which we have a world that such a change can take place and that it comes to

which we live. It implies first or all a change of heart. Experience has proved that such a change can take place, and that it comes to those who turn from judging others and their systems to a sense of their own faults and a determination to live under the guidance of God. The choice is moral re-armament or national decay."

The first sovereign to lead in moral re-armament was the Queen of the Netherlands in a personal word to her people which was broadcast to the 60,000,000 in the Dutch East Indies as well as to the 8,000,000 at home. She not only gave the outline of moral re-armament but also expressed her determination to carry it into vertice in the retired life.

the it into practice in the national life.

The history-making letter which stirred Europe and which is the voice of the fighting forces included among its signatories a Marshal of the Royal Air Force, an Admiral of the Fleet, and two Field Marshals, as well as senior statesmen like Lord Salisbury and Lord Baldwin:

"Were we, together with our fellow men everywhere, to put the energy and resourcefulness into moral and spiritual rearmament that we now find ourselves obliged to expend on national defense, the peace of the world would be assured. This same spirit can transcend conflicting political systems, can reconcile order and freedom, can rekindle true patriotism, can unite all citizens in the service of the nation, and all nations in the service of mankind."

We need to find a new national unity, a new creative program for the unemployed, and a youth which will be the framers of the peace of tomorrow. Sisley Huddleston in his book In My Time

"Only a change of heart in individual men in all countries can bring us peace. Neither leagues, nor foreign secretaries, nor armies, nor navies, nor airplanes, nor alliances, nor communism, nor fascism, nor anything else will serve except a growing force of men and women who know and live peace. They will be at peace with themselves and at peace with their fellows. It was while I was at Geneva that I first made the acquaintance of members of the Oxford Group who seemed to me to have precisely the

right idea about peace and to be doing infinitely more for it than the foreign secretaries and the League ladies and gentlemen."

Longing for peace is a universal bond between all peoples, but it must be a right idea of peace.

Statesmen acknowledge the force of Moral Re-Armament. At a recent luncheon given in Geneva, attended by diplomats and delegates from 53 nations the President of the Norwegian Parlia. delegates from 53 nations, the President of the Norwegian Parlia-

ment spoke as follows:

ment spoke as follows:

"Some of us delegates to the League Assembly have asked you to come here today to meet and to hear Dr. Buchman and some of his fellow workers in the Oxford Group. We have done so because we have felt that in this hour of grave apprehension and fear it is of vital importance to meet hope and faith and strength. We have the impression that these people have succeeded in fundamental things where we have failed. They have created a fellowship of men and women irrespective of nationality and political doctrine. They have created that constructive peace which we have been men and women irrespective of nationality and political doctrine. They have created that constructive peace which we have been seeking in vain for years. So we have asked them to come to give us the right mind for preparing that Moral Re-Armament which they have already prepared amongst so many nations. Where we have failed in changing politics, they have succeeded in changing lives, and giving men and women a new way of living."

No movement for world peace can succeed which does not have the support of labor. Fortunately the movement for Moral Re-Armament has this support. The chairmen of the Trades Union Congress for the past four years, including the present chairman, representing 5,000,000 workers, are wholeheartedly back of it. This is the new thinking and the new philosophy that everybody wants.

is the new thinking and the new philosophy that everybody wants. The whole Moral Re-Armament movement was cradled in East London, the birthplace of the labor movement, and from the very earliest days labor has made a great contribution. Here's what Tod Sloan, a watchmaker by trade, and an agitator by nature,

"Here in East London the people are really hungry for a new leadership. They want this new thinking, and since the Moral Re-Armament came to West Ham it has reached out in all direc-

tions, and today there are many homes where whole families are living this quality of life."

He concludes: "This to me is the only revolution that matters—the change

in human nature—and it does happen. From yours ever, Tod."

Let me recall to you, as this country takes up the challenge of Moral Re-Armament, those words of Emerson, words which may prove to be prophetic: "America may be God's last chance to make a world."

Address by H. W. (Bunny) Austin, British Davis Cup Tennis Player

Sportsmen morally rearmed can unite the world.

Sportsmen morally rearmed can unite the world.

That is the belief of an increasing number of sportsmen of all nations who are today forming themselves into a world front to oppose the encroaching forces of chaos.

M. R. A. is the spiritual power that enables sportsmen to live out the ideals inherent in the games they love.

These ideals can be made dominant in the life of individuals and communities. They must be made dominant if the divisive forces at work in the world today are to be conquered and civilization saved from disaster.

tion saved from disaster.

Sport, we know, provides a natural meeting ground where men can gather on an equal footing irrespective of nationality, of party, class, and creed. Sport rises naturally above all barriers. It is a perfect instrument for the promotion of international friendship and internal strength and unity in nations. But it has

It is a perfect instrument for the promotion of international friendship and internal strength and unity in nations. But it has been mishandled. Sportsmen have used it selfishly, and sport, in consequence, has failed to achieve constructive ends. Sportsmen, morally rearmed, can create through sport a mighty instrument capable of transforming the thinking and living of the world.

To do this is every sportsman's responsibility and everybody can be a sportsman. The world as it is cannot be patched up. It must be remade. Sport and sportsmen must become the warp and woof of a newly woven world.

The achievement of these ends is the program of the 37 leading sportsmen of Great Britain who issued a manifesto last fall on Moral Re-Armament Through Sport, which was printed widely in the press of 19 countries and of which 40,000 reprints were absorbed by sports clubs in Great Britain.

The call of these sportsmen was reechoed throughout Scandinavia, was taken up in Holland, was responded to enthusiastically in France. Today the top American athletes are themselves calling for this new spirit of sportsmanship which they say can get the conflicting forces of their country to play ball. Thirty-three of their number are preparing a striking manifesto which, I understand, will be released in the near future. It is as follows: stand, will be released in the near future. It is as follows:

"MORAL RE-ARMAMENT THROUGH SPORT

"Every sportsman knows what it means to give all he has for his sport—the discipline, sacrifice, and daring. Can we American sportsmen bring these qualities to our country?

"To rearm America morally is the greatest sporting challenge of our time. It is a game on a national field with Olympic scope.

"Moral Re-Armament is a battle for peace where sportsmen must take the lead—and everybody can be a sportsman. There is no room for grandstand quarterbacks. Every one must get into the

"A well-known prize fighter, who, with 36 other leading athletes, called for this new spirit in Britain last fall, puts it this way: "The idea in Moral Re-Armament is the same as in boxing—to give more

than you get.'
"Moral Re-Armament means sportsmanship everywhere. It means teamwork, fair play, and clean living—personally and nationally.

nationally.

"A program of Moral Re-Armament accepted personally by sportsmen can create a new moral fibre in the Nation, what the President calls 'the underlying strength of citizenship.'

"Sport unites the Nation on sandlot, court, and stadium. A new sporting spirit can unite the Nation in office, workshop, and home. We can get all the conflicting forces of America to play ball.

"We Americans have prided ourselves on being go-getters. As go-givers our batting average can be even better. The new patriotism can set world records in national self giving.

"We can train a world team of sporting nations to win the race against chaos.

against chaos.
"Sportsmen morally rearmed can unite the world."

SIGNATORIES-MORAL RE-ARMAMENT THROUGH SPORT

Grantland Rice, commentator "The Sportlight." George Herman (Babe) Ruth, world's record holder baseball

Wilmer L. Allison, United States tennis champion, 1935. J. Donald Budge, Australian, British, French, and United States tennis champion, 1938.

Joe Burk, Canadian and United States sculling champion, holder

diamond sculls.

Glenn Cunningham, world's record holder indoors 1-mile run.

Joe DiMaggio, center fielder, New York Yankees baseball club.

Daniel J. Ferris, national secretary, Amateur Athletic Union.

Ford C. Frick, president, National Baseball League.

Maj. John L. Griffith, commissioner, Big Ten Intercollegiate Conference

Richard Harlow, football coach, Harvard University. Carl Hubbell, pitcher, New York Giants Baseball Club.

James Hull, captain, Ohio State University Big Ten championship basketball team, 1938–39. Robert T. (Bobby) Jones, British amateur and open, United States amateur and open golf champion, 1930. Donald Lash, national cross-country champion since 1934, world's record holder 2-mile run, holder Sullivan trophy for sportsmanship, 1938.

Joe McCarthy, manager, New York Yankees Baseball Club.
Connie Mack, manager, Philadelphia Athletics Baseball Club.
Devereux Milburn, American International Polo Team, 1909–1927.
Glenn Morris, Olympic decathlon champion.

David O'Brien, quarterback, Texas Christian University football team, holder Heisman and Maxwell trophies as outstanding football

player, 1938.

Mel Ott, captain, New York Giants Baseball Club.
Francis Ouimet, United States national open golf champion,
1913; national amateur, 1914, 1931.

Jesse Owens, world's record holder, 100-yard dash (coholder),
220-yard dash, 220-yard low hurdles, running broad jump.

Al Patnik, United States diving champion.

A. M. Reid, president, United States Golf Association.
Capt. E. V. (Eddie) Rickenbacker, aviator; president Indiana
Motor Speedways Corporation; chairman, advisory sports committee, New York World's Fair.

Branch Bickey, vice president, St. Louis Cardinals Baseball Club.

Branch Rickey, vice president, St. Louis Cardinals Baseball Club. William Sefton, coholder world's record pole vault.
W. H. (Bill) Terry, manager, New York Giants Baseball Club. Gene Tunney, world's heavyweight boxing champion, 1926–28.
H. Ellsworth Vines, Jr., United States tennis champion, 1931, 1932. Charles Yates, American Walker Cup Team 1938 and British mateur golf champion.

amateur golf champion.

Our Domestic and Foreign Policy

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

Mr. SPRINGER. Mr. Speaker, every American has heard the old adage, "Don't stick your head out unless you want to get your ears knocked down." That statement has become literally true within the past few days, and our own Government has witnessed the effect of too much careless talk on the part of those who are the helm of our Government. Warmad Europe, under the domination of dictators, carries a chip on her shoulder, and those nations who are under the direct rule of the dictator become irritated at the slightest provocation on the part of the nations in the Western Hemisphere, regardless of the motives which actuate their utterances; therefore, unguarded remarks should be entirely eliminated by those in authority.

We have not forgotten the remarks made by President Roosevelt, at Chicago, on one of his many trips across the country, which occurred a very short time after the appointment of Justice Black to the Supreme Court of the United States, which disturbed some of the European powers to the point that war was predicted. Those careless remarks might have involved our country in war. The people of our Nation do not want war. They want a permanent peace, Quite recently, following the transmission of the note by

President Roosevelt to the Italian Government, there appeared in the Il Papolo D'Italia, one of the great newspapers in Italy, this headline:

Unworthy Maneuver of Roosevelt Will Get the Response It

In that same great publication the following statement appeared in the same connection:

We deny the President any right to intervene in European questions because his country is not directly interested, as well as because he, personally, has not the slightest claim to assuming the role of friendly and impartial mediator.

However, in that same article, and in that same great publication, it was stated that President Roosevelt "sought to divert American opinion from the unemployment which grows day by day." The truthfulness of the article makes it very interesting, indeed. The rapidly growing list of the unemployed and the needy people in our country make our

relief rolls mount higher, yet there is no apparent effort on the part of the national administration to cut the cost and expenses of the administration, the number of employees, the "white collared" bosses, and the various and numerous supervisors and inspectors who are on that pay roll, yet not entitled to any relief whatsoever. If the administrative cost of the W. P. A. were reduced, as it should be, then there would be ample funds for the unemployed and the needy, and without discharging the needy people from the relief rolls. However, at this very hour, the W. P. A. administrators are engaged in discharging the poor and the needy people from the relief rolls, and at the same time it maintains its vast army of employees and office force without any perceptible reduction, and it continues to pursue its policy of reckless spending of the money which, in right, should be available for the unemployed, the poor and the needy people of this country. This unbusinesslike policy in this relief agency is abhorrent to the thinking people of this country and it is contrary to every policy the workers on the W. P. A. have ever known; this policy has been such that it has attracted the attention of the people in Europe, as evidenced by the comment in the Italian press.

May I suggest, Mr. Speaker, that with our vast army of unemployed people, numbering approximately 13,000,000 in all, many of whom are wholly destitute, and in this vast number are many children who are half-clad and half-fed, and which lengthened list of idle people has grown in the face of the plan adopted by the administration now in power, and with a staggering indebtedness of more than \$40,000,-000,000, which established a mortgage upon the future of every boy and girl in this country, we have a big job at home which must be accomplished by Americans in an

American way.

We hear the people of our Nation clamoring for neutrality; our people do not want any foreign alliances or entanglements, and they do not want to become involved in any European war. We, therefore, should endorse a strict neutrality policy which will, in itself, insure us against any entangling alliances or engagements with any foreign powers, and in the end this is a safeguard against our involvement in their wars.

When we speak of neutrality, I am constrained to say that this enlightened policy should not be limited to the sale, barter, or exchange of arms, supplies, equipment, and munitions of war, but it should be extended to the method of speech of our own citizens, and especially should this theory of neutrality be extended to our President, and to those in authority, in this country, who speak for our people. Their speech should be guarded with diplomatic care and extreme caution. They must recognize today that our people do not want war. They want a permanent peace. Our people seek to build in this Nation, they do not want bloodshed and the awful carnage of war. They want the boys and girls of our country to know and to fully understand peace-not the awfulness of war.

Therefore, may I urge that we extend the theme of neutrality, as our people desire it, to the speech of our people, and to those who speak for us, and let us mind our own

business and solve our problems at home.

Business Taxes

EXTENSION OF REMARKS

HON. JOHN W. BOEHNE, JR.

OF INDIANA IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

ADDRESS BY LOUIS RUTHENBURG, MAY 3, 1939

Mr. BOEHNE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Louis Ruthenburg, president of Servel, Inc., delivered before

the congressional delegation from Indiana with a representative group of Indiana businessmen at Washington, D. C., May 3, 1939:

Having been asked to discuss business taxes briefly, I think I should assure you at the outset that I shall not indulge in a discussion of fine-drawn theories about taxation. I say this for two very good reasons. The polite and conventional reason is, of course, that I do not want to impose upon your patience. The mere compelling and personal reason is that I am completely ignorant about such theories.

My business friends with whom I have discussed the subject of

My business friends, with whom I have discussed the subject of business taxes, clearly recognize the great difficulties under which our legislators labor when they deal with the tax question. These men think realistically and therefore believe that considerable time will elapse before tangible progress will be made toward great economies in the Budget. From this premise they naturally reason that taxes must be imposed which will produce the required revenues, and that the total tax requirement will be greater before it

It seems to them that the necessity for continued and for probably increased tax revenue is a most compelling reason for carefully reviewing the present tax situation with the aim of relieving business of restrictive, punitive, destructive tax burdens. The Nation's only hope for future financial solvency seems to rest upon an early and substantial increase in the Nation's total annual income. This necessary expansion must come from business activity, and it will come from business activity when our legislators relieve business of the many burdensome laws which now tend to dry up the one source from whch increased tax revenues can be

had.

When business management asks for relief from restrictive legislation it speaks as the trustee who must fairly serve the interests of millions of employees, millions of customers, millions of stockholders. It speaks in the ultimate interest of the same public whose interests our legislators strive to serve. This plain fact frequently is confused by critical and emotional attitudes which generate far too much heat and all too little light.

In the final analysis American business simply pleads for the privilege of continuing to function effectively as the public servant which has played an important part in bringing to the American workingman and the American public generally, including the American officeholder, the highest material standards

cluding the American officeholder, the highest material standards of living ever achieved in the history of the world.

The best services of American business are now needed as never before by every American social group and by every American citizen. Lashed and starved and strangled by punitive legislation, American business simply cannot function as it should—nay, as it must—if our pressing economic and social problems are to be solved.

We are told that the slave owners of the old South were seldom so short-sighted as to whip and starve their servants.

Business unrestrained by present restrictive, punitive, and de-

seldom so short-sighted as to whip and starve their servants.

Business unrestrained by present restrictive, punitive, and destructive legislation, not only in the field of taxes but in other areas of business activity, can go forward rapidly to create a greater national income than we have had at any time in the past—an income that will surpass the most optimistic hopes of the present. However, if business continues to be restricted by these repressive measures, every group in our complicated social structure will be hopelessly oppressed by the operation of a law whose penalties can be incurred but which cannot be repealed nor amended by human legislation. I refer to the fundamental law of diminishing human legislation. I refer to the fundamental law of diminishing return.

There is reason to believe that our legislators and businessmen even now are in agreement upon the broad premises which I have just outlined. The people of the United States are naturally gratified by recent constructive and cooperative expressions on the part of the Treasury Department and on the part of the House Ways and Means Committee, and it is my purpose not so much to discuss theories of taxation or to suggest specific remedies as to urge effective and immediate legislative action to effectuate remedies already represedy by the Treasury Department and by members of the

tive and immediate legislative action to effectuate remedies already proposed by the Treasury Department and by members of the Ways and Means Committee.

The Ways and Means Committee has earned the gratitude and congratulations of all straight-thinking citizens by their proposals to defer an increase in old-age annuity taxes and to fix a top limit of \$3,000 a year on wages subject to unemployment taxes.

The first proposal implies recognition of the impracticability of the fabulous "reserve" which has brought forth so much just criticism of the present act. Implicit also in this proposal is a sincere desire to remedy a system of income taxation actually used for cur-

cism of the present act. Implicit also in this proposal is a sincere desire to remedy a system of income taxation actually used for current Budget purposes while it parades, thinly and shabbily disguised, as a beneficent measure for social welfare. This same proposal would also indicate recognition of the straight forward common-sense principle that we shall "pay as we go."

The second proposal to eliminate the unemployment tax on that part of incomes in excess of \$3,000 appeals to all right-thinking people as a measure of common sense and equity.

But, gentlemen, "time's awastin'." Please give us action!

Moreover, it is urgently requested that prompt legislative action be taken upon the Treasury Department's proposals. To quote a famous Democratic President, the country at large, including all American business, is confronted by "a condition, not a theory."

American business, is confronted by "a condition, not a theory," and, to paraphrase the title of a recent important book, "it is later than we think."

It seems likely that constructive statesmanship will now recognize the fact that the time has passed when we can afford to confuse and obstruct the taxing power by hazardous experimentation. Sufficient data are now available to demonstrate conclusively that these confused experiments have produced negative results. Is it not vitally important that we now recognize the lessons for which the Nation has paid so dearly, place behind us for all time further futile experiment in the field of taxation and press forward toward constructive measures which will produce maximum revenues without further strangulation of the only

goose that can lay our golden eggs?

There is no longer time to experiment with taxes which aim to reform and control, garnished by so-called rewards which actually result in the application of penalties and the restriction of business

activity.

The people with whom I have talked believe that the following specific suggestions are wholly consistent with the principles that have been set forth, with your own current thinking and with that of the Treasury Department:

(1) Remove for all time the last vestige of the tax upon undistributed profits. By so doing you will eliminate a wholly vicious practice which is just as absurd and just as destructive as would be the assessment of a confiscatory tax upon the seed corn of the farmers.

(2) As a corollary proposition, it is believed that no need exists for an increase in the income-tax rate on corporations by reason of the final elimination of the undistributed-profits tax. Business

set at liberty can produce sufficient tax revenue at the current rate.
(3) Business would be greatly encouraged by suitable provision for allowing the deduction of corporate losses in years subsequent

to that in which the loss was incurred.

(4) The reduction of surtaxes upon individual incomes should result in greater tax revenue by causing increased investment in

private enterprise.
(5) Provision of equitable and realistic treatment of capital gains and losses for individuals and corporations would tend to increase the velocity and earnings of business.

So much for urgently needed, immediate measures of relief.

A final suggestion for long-range planning is made which may be too idealistic for realization. Would it not be a measure of constructive statesmanship to place tax planning and specific recommendations in tax matters to the Congress within the control recommendations in tax matters to the Congress within the control of a well qualified, permanent, nonpartisan board, which would approach our present confused, inefficient, self-defeating aggregation of tax measures with an objective, long range, constructive viewpoint, calculated gradually to bring order out of chaos and to develop a carefully correlated tax program, scientifically planned to produce maximum revenue and to avoid undue restriction of those activities which are essential to develop increasing national income?

income?

Our terribly serious tax problem can be partially solved by immediately relieving business of restrictive tax burdens.

Attainment of ultimate optimum results, however, will require consistent, scientific study by properly qualified experts, whose work must be continued indefinitely.

Has American statesmanship ever faced a more compelling challenge? How else can we arrest the alarming decline in the standard of living which has been apparent for 10 years and which now shows no sign of improvement? In the absence of such constructive measures, there is every reason to believe that the operation of the inexorable law of diminishing return will force the American standard of living to ever lower levels until a return to those living standards which existed in 1929 will no longer be possible.

Please give us prompt, effective legislative relief. "It is later than we think."

Jute, a Foreign-Produced Commodity, Is Being Used in America Instead of Cotton

EXTENSION OF REMARKS

HON. WRIGHT PATMAN OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

Mr. PATMAN. Mr. Speaker, the members of the Texas delegation in Congress have received the following resolution from the Legislature of Texas:

Whereas all cotton produced in the United States is sold on the basis of the gross weight of the bale, which includes the weight of the bagging and tie, and there being no uniformity in the weight of said bagging and ties, this making it impracticable for buyers to arrive at the actual net weight of the cotton when setting a

price for same, this resulting in the producer receiving a price at variance with the posted price for like grades of cotton; and Whereas cotton produced in all other countries is sold on the net weight thereof without regard to the weight or character of bagging

Whereas there is now prevailing in the Congress of the United States a bill requiring that all American-produced cotton should be

sold on the net-weight basis, thus making it possible for the use of a lighter weight bagging in the wrapping of the American cotton, and further resulting in the use of low-grade cotton in the manufacture of bagging, also helping to reduce the stocks of low-grade cotton in the United States, and removing from the market much of the low-grade cotton, which is held in competition with the higher grades; and

Whereas the bagging used now almost exclusively throughout the United States is manufactured from materials imported, and much of the finished bagging being imported, thus requiring the American cotton growers to use foreign manufactured bagging in competition with a bagging that might be manufactured from their own product, this establishing an unethical and badly unbalanced economic condition; and

Whereas the Texas Cotton Ginners Association and the Texas Cooperative Ginners Association, representing a very large majority of the cotton ginners of Texas, at their annual convention held in Dallas on April 11, 1939, both, by unanimous vote, resolved to wrap their gin bales in cotton as soon as a net-weight law was enacted, and further voted to give full cooperation to extend the use of cotton in every way possible by their example and precept: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States be, and is hereby, memorialized to enact a law as soon as possible requiring that all American-produced cotton be sold on the basis of the net weight of the bale;

and be it further

Resolved, That copies of this resolution be sent to the Congressmen and United States Senators from Texas, and to United States Senator Ellison D. Smith, chairman of the Senate Agricultural

Several Members of the Texas delegation have interested themselves in this proposal for a number of years.

Certainly Congress should do everything within its power to save the American market for the American farmer. Jute is produced in India with very cheap labor, yet we import it into this country and displace over 2,000,000 bales of cotton. The following table with reference to this displacement is selfexplanatory:

Estimates of the quantities of cotton that would be consumed if jute and hard fibers were replaced entirely by cotton

IMPORTED JUTE	
	Bales of
Bags:	178 lbs. net
Mill feed	
Fertilizer	
Sugar	
Potatoes (white)	. 56,000
Wheat (bran and shorts)	50,000
Flour (all kinds)	19,000
Other (for other products and sundry purposes)	111,000
Total	620,000
Bagging for wrapping bales of cotton (12,000,000 bales)	135,000
Textile wrapping (bales covering manufacturing goods) _	
Wool carpets and rugs	95, 000
Twine and cordage (including tying United States mails)	75,000
Road building	100,000
Rags for U. S. Navy, low-grade cotton	8,000
Other	85,000
Total	
Grand total	
IMPORTED HARD FIBERS	
Binder twine and rope	550,000
Other (mostly twine and cordage)	
Grand total, hard fibers	1, 150, 000
Grand total, jute and hard fibers	2, 358, 000

Congress recently made a very short step in the direction of substituting cotton for jute when it provided that at least 25 percent of the money appropriated to the Post Office Department to buy twine should be used to purchase cotton

The Fulmer net-weight bill, which will carry out the wishes of the Texas Legislature, as expressed in the aforesaid resolution, has been favorably reported by the House Committee on Agriculture. In order for this bill to be considered, a rule must be obtained from the Rules Committee. An application for such a rule is now pending and I am hopeful that it will be granted in the near future and the bill passed by Congress.

APPENDIX TO THE CONGRESSIONAL RECORD

The General Welfare Act

EXTENSION OF REMARKS

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1939

Mr. HILL. Mr. Speaker, nearly every day I receive from one to a dozen or more letters from the people of my district, urging my support of H. R. 2, the Townsend plan, or H. R. 11 and H. R. 5620, the General Welfare Act.

By united effort, those of us in Congress who believe in enacting an adequate old-age pension to replace the present inadequate Social Security "dole," succeeded in persuading the Ways and Means Committee to hold hearings on this subject. H. R. 2 was represented by Dr. Townsend, and H. R. 11 by Arthur Johnson. Both made convincing presentations of their bills, and we had hoped that the committee would recognize the merit of the proposals and report them to the floor of the House. Weeks have passed, and the bills are still in the committee's "pigeonhole," where those of us who are not members of this committee cannot reach them.

The other night the radio broadcaster gave out the news that the committee had decided to report out amendments to the Social Security Act. Does this mean that they will also permit H. R. 2 and H. R. 11 to be offered as amendments so as to permit us to discuss these measures on the floor of the House and put our votes in the RECORD in black and

white? I sincerely hope so.

Mr. Speaker, I am not here now to argue with my good friends in the House who are for one bill and against another. The fate of both bills is decided negatively unless we are able to bring them out on the floor for discussion and vote. Therefore, I call upon the friends of them both to join me in again urging the Ways and Means Committee to bring this legislation to the floor of the House, where those of us who are not committee members may have the opportunity to help provide an adequate pension for the aged of the United States.

In the greatest democracy of all governments, surely we here should insist, as representatives of the people of our districts, upon the right to register our votes on a measure of this importance. Will not all of the friends of both bills, whether they are privately for H. R. 2 or H. R. 11 join me in urging the members of this committee to give us this right by reporting the bills to the floor of the House.

Last year over 125 members of the House signed the discharge petition (and I am proud to have been one of them) in an effort to obtain the right to vote on H. R. 4199. Must we again resort to a discharge petition to show the members of the Ways and Means Committee that we are not only interested, but demand the right to vote on this subject?

I, for one, am confident that if the Members of this House have an opportunity to enact a liberal old-age pension, they will heed the prayers and petitions of our old folks and register an almost unanimous vote in favor of providing decency and comfort for them in the twilight years of their sojourn here on earth. This is not only a solemn duty but a splendid privilege that we, as Members of Congress, should welcome.

Relief to Counties

EXTENSION OF REMARKS

HON. LEX GREEN OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

MEMORIALS BY THE LEGISLATURE OF THE STATE OF FLORIDA

Mr. GREEN. Mr. Speaker and my colleagues, I enclose herewith House Memorials Nos. 3, 4, and 6, recently passed

by the Florida Legislature. I strongly commend to my colleagues the substance of each of these memorials and urge your cooperation for the purposes expressed.

House Memorial No. 3

Memorial to Congress requesting that the Congress of the United States by some appropriate method give relief to the several counties of the State of Florida for the loss of taxes sustained by counties of Florida in which Federal agencies have acquired lands, thereby striking same from the tax rolls of said respective counties. counties

Whereas during the last several years, and particularly the last 5 years, various agencies of the United States Government, and particularly the Department of Agriculture, have, by purchase, condemnation, or exchange, acquired sizable tracts of land in numerous counties in the State of Florida; and Whereas by virtue of such acquisition said lands have been by operations of Federal law stricken from the tax rolls of the counties in which said lands are located; and Whereas said counties have therein and thereby been deprived of substantial sums of money which would have been paid in to them as taxes had such acquisition not been made, thereby resulting in great financial loss to said counties; and Whereas such a loss of revenue has resulted in said counties now

Whereas such a loss of revenue has resulted in said counties now being confronted with chaos and embarrassment; and

Whereas the projects are for the benefit of the State and Nation rather than the counties: Now, therefore, be it

Resolved, That the Congress of the United States in its wisdom

pass and appropriate relief legislation for the use and benefit of the several counties of the State of Florida in which said acquisi-tion of real estate has reduced the tax income of said counties, and

tion of real estate has reduced the tax income of said counties, and that such relief legislation provide to such counties an appropriation equal to the amount of taxes which would accrue to said county if the lands were owned by individuals; be it further Resolved, That a copy of this memorial, under the great seal of the State of Florida, be immediately forwarded by the secretary of state to the President of the United States of America, to the President of the United States Congress, to the Secretary of Agriculture of the United States, and copies to be forwarded to the delegation representing the State of Florida in both the House the delegation representing the State of Florida in both the House and Senate of the United States Congress; be it further Resolved, That a copy of this resolution be spread upon the journal in both the house of representatives and the State senate, and that sufficient copies be furnished to the press.

House Memorial No. 4

Requesting that the Congress of the United States of America, without further delay, pass H. R. 3747, entitled "An act to provide for improved agricultural land utilization by authorizing the rehabilitation of drainage works," introduced by Wall Doxey, of Mississippi

Whereas this bill provides for improved agricultural land utiliza-tion by authorizing the rehabilitation of drainage works in the several States; and Whereas it would provide an exceptional opportunity to perfect

plans for the solution of acute problems confronting our drainage districts through Federal cooperation, which has heretofore only been available to the arid and semiarid Western States; and

been available to the arid and semiarid Western States; and
Whereas such Federal assistance will result in the improvement
and utilization of the agricultural land drained; and
Whereas the bill in question provides for an annual appropriation of \$10,000,000 for each of the fiscal years ending June 30, 1939,
June 30, 1940, June 30, 1941, and June 30, 1942: Now, therefore, be it
Resolved, That it is the sense of the memorialists, the members
of the Florida Legislature, that the Congress of the United States of
America should enact the bill without further delay; be it further
Resolved, That a copy of this memorial, duly authenticated, be
sent by the secretary of state to the President of the Senate, to the
Speaker of the House of Representatives of the United States to

Speaker of the House of Representatives of the United States, to each Senator and Representative in Congress from this State, to the President of the United States, and to Congressman Wall

Doxey, of Mississippi.

House Memorial No. 6

Memorial to Congress requesting that the Congress of the United States, by appropriate legislation, authorize and empower the Surplus Commodities Corporation to purchase, handle, and dispose of sea foods and the products thereof

Whereas it is recognized by all that the sea food industry of Florida represents to this great State one of its basic industries, providing employment for many thousands of people who contribute much toward the economic well-being of the State; and Whereas the industry is now beset by many perils, chief among which is an unstable market, due largely to the accumulation of surpluses of all varieties of sea foods in the freezers and cold-storage plants throughout the Nation, and because of the activities of the Federal Government in making the American public "agriculture conscious": and culture conscious"; and

Whereas it has been determined to be the consensus of those identified with the industry in the State that something must be done immediately to preserve the continuation of this industry, founded upon the ingenuity, resourcefulness, and determination of the men engaged: Now, therefore, be it

Resolved by the Legislature of the State of Florida now in session at Tallahassee, Fla., That the Congress of the United States be, and

is hereby, memorialized to bring about the immediate enactment of such legislation as will authorize the Federal Surplus Commodities Corporation to buy sea-food products on a parity basis with that authority the agency now has to buy other agricultural products and, further, that the legislation so enacted provide the necessary

and, further, that the legislation so enacted provide the necessary funds therefor; be it further

*Resolved**, That the Congress of the United States be, and is hereby, memorialized to enact legislation of such type as will provide funds for the use of the Bureau of Fisheries for an extended advertising program and educational campaign which shall be designed to increase the consumption of sea-food products; be it further

*Resolved by the Legislature of the State of Florida now in session, That copies of this resolution be dispatched immediately to the Honorable President of the United States Senate, the Honorable Speaker of the House of Representatives, the Honorable Senators and Representatives from the State of Florida with the request that this resolution be read and inserted into the Congressional Record.

Compensation to Counties for Land Taken for Federal Use

EXTENSION OF REMARKS

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1939

LANGLADE COUNTY BOARD OF RESOLUTION OF THE SUPERVISORS

Mr. MURRAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to call your attention and the attention of the Members of this House to the importance of paying counties for lands for Federal uses. These counties are in need of funds, and every effort should be made to see that these funds are provided in fairness, equity, and justice to the peoples of these counties.

To the Langlade County Board of Supervisors:
Whereas there is a bill before the House of Representatives of the United States to provide for payment to counties and to reimburse them for loss of cash receipts on account of the use of certain land by the United States; and

Whereas it is set out in said bill that the Secretary of the Treasury is authorized and directed to pay annually to each county in which said lands are situated, and which title is in the United States, and which lands are included in a national park, national forest, national monument, or national wildlife refuge, amount equal to 10 cents for each acre or fraction thereof of such land located within the country said represents to be made at the and of each

to 10 cents for each acre or fraction thereof of such land located within the county, said payments to be made at the end of each fiscal year, ending June 30, 1938: Now, therefore, be it Resolved, That this county board of supervisors go on record as in favor of such bill, with the provisions that the county receive its share proportionately at the end of each fiscal year, and including the lands owned by the Government for the year 1938, and that a copy of same be sent to our Representatives in Senate and House of Representatives in Washington, D. C.

Dated this 3d day of May 1939.

R. E. LABELLE, WM. ALFT. STEPHEN STENGEL. JOHN MAUER. GEO. HANDEYSIDE. WALTER KAMPS.

Navy's Wartime Flyers Must Be Saved

EXTENSION OF REMARKS

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

EDITORIALS FROM THE LOS ANGELES EXAMINER AND THE RALEIGH (N. C.) NEWS AND OBSERVER

Mr. COOLEY. Mr. Speaker, the press generally throughout the country agrees that H. R. 4929 should pass the Senate and become law. As evidence of the support of this measure by the newspapers of the country I desire to call attention to the following editorial appearing in the Los Angeles Examiner in its issue of May 6:

> [From the Los Angeles Examiner of May 6, 1939] INCONSISTENT-WHY DROP SKILLED NAVAL MEN NOW?

President Roosevelt's recent appeal for retention of middle-aged workers in industry came surprisingly at a time when the United States Navy is dispensing with the services of many skilled officers

in that age class.

The President, in his proclamation of employment week, made a particular point of the fact that "among those over 40 and still actively in the labor market are practically the entire group of World War veterans (whose average age is 46), a group that is surely entitled to look to our society for security and economic independence."

independence."

In view of this sentiment, with which the country is in entire agreement, there is an amazing inconsistency in the fact that during the present month the Navy proposed to forcibly retire a large number of competent officers by reason of middle age, including a considerable group under 46 years of age who had World War

This is happening, of course, under the hightly controversial selection system by which the Navy periodically advances a limited number of officers to higher rank and arbitrarily retires those not so advanced.

The purpose is to make room for younger men in the higher commands, in itself a commendable aim.

However, two considerations argue for extreme caution in carry-

one is the admitted fact that the Navy is seriously undermanned at the moment, particularly in the ranks of commanders and lieutenant commanders, which are most affected by the forced retirements.

It is said that there is now a shortage of 2,000 officers in the

It is said that there is now a shortege.

The other consideration is the present state of world alarm.

With war threats coming constantly out of Europe and Asia, the maintenance of our naval forces at maximum strength is an urgent necessity.

And thus it seems an especially unfortunate time to be dispersing with the services of a large group of skilled and experienced naval officers who, in addition to having been trained at great public expense, have proved their worth in long years of service, including actual war service.

At the very least, the necessities of the naval service and the tension of the times argue for a suspension of wholesale retire-

tension of the times argue for a suspension of wholesale retirements under the naval selection system.

Congress met exactly the same situation a year ago by suspending retirements, and by that means averted serious impairment of the efforts of the Navy to carry out its program of construction and expansion.

and expansion.

Nothing has happened in the meantime to change the situation, and, in fact, new authorizations for ships and bases have greatly augmented the Navy's need for competent and experienced officers in the higher ranks.

Entirely aside from the humanitarian factor, which President Roosevelt has cited in appealing for a place for the middle-aged in industrial life, the Navy should not dispense with men it cannot replace.

WARTIME SECRETARY OF THE NAVY JOSEPHUS DANIELS' PAPER THINKS WARTIME NAVAL FLYERS SHOULD BE RETAINED IN SERVICE

I also desire to call attention to an editorial from the News and Observer of Raleigh, N. C., which is of great significance in view of the fact that the News and Observer is owned and operated by Hon. Josephus Daniels, wartime Secretary of the Navy. I quote the editorial from the News and Observer:

> [From the Raleigh (N. C.) News and Observer] FLYERS

This seems to be a poor time for the Army and Navy to dis-pense with the services of crack pilots, and yet it appears that the Navy Department is prepared to do just that, unless Congress intervenes

Navy Department is prepared to do just that, thiess Congress intervenes.

Nine World War flyers, who entered their country's service in time of need and are now in the prime of life, are about to be retired for one reason and one reason only. The policy of the Navy is not to promote any line officer beyond the present rank of these men, that of lieutenant commander, unless they can command a ship at sea. In other words, the avenues of promotion are closed to any person not a graduate of the Naval Academy.

Of course, if ships were the only fighting craft possessed by the Navy, the rule would be quite understandable. But it is difficult to see why knowledge of ships is essential to an officer in the Flying Corps. Each of the nine officers in question has a distinguished record as a flyer and each has many more years of usefulness by any ordinary standards.

It so happens that one of the nine officers affected is Lt. Comdr. Andrew Crinkley, of Raleigh. But the incident involves a question of policy more important than the fate of this individual officer or the fates of all nine of them.

Naval officials are strongly opposed to the suggestion made from time to time that the national defense be consolidated and that

there be one flying corps, independent of both the Army and Navy. Incidents like this one will do much to create sentiment both within and without Congress for that kind of a policy of con-

Fortunately, there appears a strong chance that Congress will intervene in this case, due to the present acute international

I earnestly hope that the Senate will pass H. R. 4929 in substantially the same form in which it was passed by the House to the end that justice and fair treatment may be accorded wartime naval aviators who are about to be retired and will actually be retired unless this bill is enacted into law. The loss of these men, their experience, skill, and training will be at least an immediate irreparable injury to the efficiency of naval aviation. Many fine officers are about to be sacrificed and it is the duty of Members of Congress to save these men for naval aviation and to save the admirals from their own folly.

My interest in the welfare of naval aviation and primarily in the welfare of the men who are about to be sacrificed is no doubt intensified by my associations with naval aviation during the World War. At the time the armistice was signed I was a student naval aviator and shipmate of some of the men who are about to be retired and happened to know the very definite assurances and promises made to them upon a cessation of hostilities which followed the signing of the armistice. Unless Members of both Houses of Congress wake up to the "crime" which is about to be perpetrated upon naval aviation the most valuable men in the Naval Flying Corps will be placed on inactive duty.

P. W. A. Should Be Continued

EXTENSION OF REMARKS OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

EDITORIALS FROM THE BRAWLEY (CALIF.) NEWS AND EL CENTRO (CALIF.) POST-PRESS

Mr. IZAC. Mr. Speaker, under leave to extend my remarks I include editorials appearing recently in two California newspapers concerning the proposed continuation of the Public Works Administration. These refer to the Starnes-Mead bill now pending in Congress calling for extension of the P. W. A. and an appropriation for pending approved projects.

> [From the Brawley (Calif.) News of April 17, 1939] CONTINUANCE OF P. W. A., AT LEAST TEMPORARILY, DESIRED

Continuance of the Public Works Administration until April 1940 is provided in a bill now pending in Congress, and locally there appears to be widely expressed opinion that the measure should pass

appears to be widely expressed opinion that the measure should pass during this session.

In Washington the belief is growing that it is one of the Federal units that is likely to be retained, at least temporarily, if it does not become a permanent governmental institution. So far P. W. A. has been comparatively free from congressional attack, for along with the C. C. C. it has escaped the criticism heaped upon nearly every other "initialed" agency set up at the National Capital during the past 7 years.

It must not be confused as it often in the past of the confused as it often in the past of the confused as it often in the past of the confused as it of the confused as it

It must not be confused, as it often is, with the W. P. A.

a purely relief proposition—around which has amassed so much incompetency and graft that our National Legislature feels like throwing the whole mess into the scrap heap.

Imperial Valley has been abundantly favored by the P. W. A. and undoubtedly we have seen some outstanding examples of

and undoubtedly we have seen some outstanding examples of permanent public works which we would not have had today had it not been for the help of the Department over which Harold L. Ickes, Administrator, presides.

Notably among them, of course, is the all-American canal and the electric-power projects now being rounded out into the final stages. The canal is practically completed, a \$36,000,000 project which will begin functioning within another year. The power project is already in operation with electricity generated from the Diesel plant in Brawley built at a cost of more than a million dollars, and bids already invited for an additional unit. From this source power is being sumplied to every community in the this source power is being supplied to every community in the

valley, through the intercity and rural electric lines—there are 700,000 miles of rural transmission and distributing lines—erected

700,000 miles of rural transmission and distributing lines—erected during the past year and giving the farming areas service which they had heretofore been unable to obtain. Meanwhile, contracts have been let to equip two water-power plants which will go into operation simultaneously with opening of the canal to supplement the Brawley plant in the growing demand for more power. We have seen many municipal and school projects completed under P. W. A. In Brawley, for instance, it has been possible to rebuild and extend the water and sewer systems, including construction of a filtration plant for the water department; the Brawley High School Board has erected as P. W. A. projects the science building for the junior college and a six-classroom unit for the proposed new high-school building.

With possibility of the bill now before Congress, the prospect is

posed new high-school building.

With possibility of the bill now before Congress, the prospect is brightened for other municipal and school projects being revived.

These are just some of the reasons why a continuation of P. W. A. is desired not only in Imperial Valley but elsewhere abroad the land, for we are getting something permanent in return that will benefit posterity while supplying employment for present-day workers. workers

The W. P. A. as it has been conducted has tended to promote idleness, while the P. W. A. has encouraged thrift.

[From the El Centro (Calif.) Post-Press of April 16, 1939] P. W. A. A BOON TO UNITED STATES; SHOULD BE CONTINUED

If there is any other New Deal agency besides the Civilian Con-If there is any other New Deal agency besides the Civilian Conservation Corps that deserves perpetuation in one form or another, it is the Public Works Administration. Yet, with the strange reverse order of politics, officials in Washington have given serious thought to discontinuing P. W. A., even while they went blithely ahead on the assumption that the Works Progress Administration—a far less worth-while agency—will be continued as a matter of

The greatest drawback facing the Public Works Administration is that the initials by which it is commonly known are so unfortunately similar to those used to designate the Works Progress Administration. Even the most careful of us now and then say W. P. A. when we mean P. W. A., or the other way about. The truth is, there is not the slightest similarity between the two agencies.

agencies.

W. P. A. is a relief agency, outright. P. W. A. is an organization set up to encourage private industry and offer additional employment through worth-while public works which might otherwise not be accomplished. The difference between the two is, you might say, the difference between a job and the dole. They are of altogether different economic schools.

say, the difference between a job and the dole. They are of altogether different economic schools.

P. W. A. has helped build needed public structures, dig needed canals, and make other needed improvements in practically every part of the United States. Imperial Valley has been only slightly more fortunate than most communities in its dealings with this agency—but consider what P. W. A. has meant to the valley. The All-American Canal, for one thing. The canal power system, for another. And, besides these, there are school buildings, city halls, gymnasiums—a hundred other things which were badly needed, but which would never have been built had it not been for P. W. A.

but which would never have been built had it not been for P. W. A.

The New Deal undoubtedly will go down in history as marking a definite change in the social and economic life of America. It is safe to predict that historians will write of the Public Works Administration as one of the soundest of New Deal innovations. Considering this, it seems hardly wise to allow P. W. A. to lapse while other less worth agencies continue in existence.

Congress, we believe, should give serious consideration to continuing P. W. A. and possibly to making it a permanent part of the United States Government's framework.

of the United States Government's framework.

The P. W. A. in Nassau County, N. Y.

EXTENSION OF REMARKS

HON. CAROLINE O'DAY

OF NEW YORK IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1939

EDITORIAL FROM THE NASSAU DAILY REVIEW

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the Record, I include an editorial from the Nassau Daily Review of April 27, 1939, containing information concerning the public-works program in Nassau County, which I believe is of vast interest at this time.

> [From the Nassau Daily Review of April 27, 1939] THE P. W. A. IN NASSAU COUNTY

Secretary Harold L. Ickes, P. W. A. Administrator, has announced that when all available P. W. A. funds were allocated there re-

mained applications for 25 Nassau County projects to cost \$4,850,000. Grants of \$1,200,000 for the projects had to be denied due to lack of funds. The list included 11 schools, 3 water tanks, 3 fire stations, 3 street-paving projects, 2 water-front improvements, 1 electric-system replacement, an administration building, and a library.

Col. M. E. Gilmore, regional director of the P. W. A., announced this week that 3,011 men are employed on projects in Nassau and Suffolk Counties. He estimated that by June 19 the peak of employment on the projects will be reached with 4,650 men. The P. W. A. has thus been a factor in maintaining employment while it enabled local communities to obtain needed improvements under favorable financing conditions. The greatest drawback to the availability of this money is the probability that it has encouraged costly and unnecessary improvements in some communities which could ill

favorable financing conditions. The greatest drawback to the availability of this money is the probability that it has encouraged costly and unnecessary improvements in some communities which could ill afford them. For communities needing the improvements they have obtained it has been a godsend.

Since the founding of the P. W. A. agency 6 years ago, Nassau County has built or is now building under P. W. A. auspices, public improvements costing approximately seventeen and one-quarter millions of dollars on 43 projects. Of this amount, P. W. A. has granted six and a quarter millions of dollars, the balance being supplied by the community interested. These projects comprise hospitals, incinerators, sewer systems, sewage-treatment plants, water systems, fire stations, highways, public buildings and schools. An outstanding example of the joint efforts of Federal and local authorities, is the beautiful county courthouse now under construction at Mineola, which will cost \$2,600,000.

Nassau communities in most instances, have financed their share of the funds through the local sale of bonds although the Federal Government in some cases, has on request, purchased the community's bonds when local sale could not be accomplished. This was done in the case of the Long Beach School. The Government took its bonds at 4 percent interest.

The Public Works Administration operates, insofar as control is concerned, somewhat on the basis of a mortgage company. To establish the right of control, to encourage the community to proceed with its needed project: to provide needed work at the site

is concerned, somewhat on the basis of a mortgage company. To establish the right of control, to encourage the community to proceed with its needed project; to provide needed work at the site and at the mills; to guide the community along the lines of good construction, economy, and benefit to the greatest number, the gift offer of a grant is made. When the grant offer is accepted, the community, not the Government, builds the project. Through public competitive bidding, private contracts are awarded and the successful contractor then proceeds with the work in accordance with good standard practice. The contractor has the right to hire and discharge his own employees, providing discrimination is not attempted. Payments to the contractor for work performed and his payment therefrom for labor employed and material purchased is guaranteed.

is guaranteed.

Coordination is provided by P. W. A. through a staff of executives in engineering, legal, and financial fields, who join hands with the owner's staff and provide means of maintaining a smooth running, systematic, and harmonious operation. Such cooperation has produced very happy results in the past and continues to

Heed Senator Johnson's Plea for Peace

EXTENSION OF REMARKS OF

HON. THOMAS M. EATON OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1939

M THE LONG BEACH (CALIF.) PRESS-TELEGRAM OF MAY 3, 1939 EDITORIAL FROM

Mr. EATON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial entitled "Heed Johnson's Plea," which appeared in the Press-Telegram of Long Beach, Calif., under date of May 3, 1939:

[From the Long Beach (Calif.) Press-Telegram of May 3, 1939]

Although some may question the feasibility of Senator Hiram Johnson's plea that Congress remain in session as long as there is a chance of war, the vast majority of Americans are heartily in

accord with his sincere desire for peace.

The Senator's remarks in the Senate yesterday, at least as quoted The Senator's remarks in the Senate yesterday, at least as quoted in the news dispatches, reveal the importance of careful analysis of world affairs, and particularly the study of the actual meaning of terms used more or less indiscriminately. For example, what is war? There has been warfare somewhere on the face of the earth almost constantly since the signing of the armistice which ended the World War. And in many cases the United States has given economic aid to the combatants; sometimes to the attacked, as in the case of Ethiopia and sometimes to the aggressor as in the case the case of Ethiopia, and sometimes to the aggressor, as in the case

But, obviously, these sporadic wars with all their casualties and bloodshed are not considered when the average person asks, "Will there be war?" The popular concept of war probably is one in

which Britain and France would be alined on one side and Germany and Italy on the other. But, then, what is meant when well-intentioned citizens say, "The United States must keep out of war"? This country's participation in such a war might mean anything from sending another A. E. F. to Europe to the supplying of munitions and foodstuffs to the favored powers and placing an embargo on the other powers. As a matter of fact, the United States already has partially effected an embargo on Germany and has aided Britain to the extent that the British Asiatic fleet is available for use in the Mediterranean.

To understand Senator JOHNSON'S position and to grasp its

To understand Senator Johnson's position, and to grasp its importance, it, therefore, is necessary to define some of these ambiguous terms and to decide this country's proper interests with

relation to foreign affairs.

Certainly Europe's upheaval and the struggle in the Far East cannot warrant another American Expeditionary Force, and to what extent economic aid may be given depends more upon conditions at home than abroad. It is inevitable that the Americas, North and South, must maintain an economic Monroe Doctrine, but the foundation of this is a sound economic basis within the United States

States.

Senator Johnson undoubtedly had in mind the enormous amount of domestic work to be done by Congress, as well as foreign problems, when he opposed speedy adjournment by that body. This Nation's security is no less dependent upon business conditions, recovery, and the solution of the vexing unemployment situation than upon warships and aircraft to fight foreign powers. Members of Congress who recognize this vital truth are, indeed, loyal patriots. Senator Johnson's recent announcement that he would seek reelection in the 1940 campaign came as welcome news to thousands of Californians. It would seem a foregone conclusion that anyone venturing to oppose him in the campaign would find exceedingly thin endorsement.

The True Story of Independent Unions

EXTENSION OF REMARKS

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

RADIO ADDRESS BY FRANK T. BOW, MAY 5, 1939

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Frank T. Bow, general counsel for the National Council of Independent Unions, May 5, 1939:

The National Council of Independent Unions desires to express its appreciation to the Mutual Broadcasting System for this oppor-tunity to present to the Nation the true story of independent

unions.

Have you ever wondered why all the international labor unions, the high-salaried officers of the American Federation of Labor and the C. I. O., the Communist Party, and several powerful bureaus of the United States Government, especially the National Labor Relations Board, have ganged up on the independent labor unions; that is, the local or unaffiliated labor unions, in a bitter attempt to destroy them? And have you ever wondered how the independent labor organizations have managed to live, even to thrive, under this persecution by our own Government, by labor politicians, and by outright labor racketeers? The fact that they have lived and have had the strength to rise from the ashes of the repeated attempts have had the strength to rise from the ashes of the repeated attempts to destroy them is the strongest testimony to the inherent vitality of democracy and freedom in the hearts of the working men and women of our country, and their courage in adversity. Independent unions have not needed the helping hand of Government and statutory crutches to aid their progress. They have progressed in

spite of hostile legislation and a corrupt administration of the law.

The answer is easy. Independent unions are the natural and normal way for men to associate themselves together for the purnormal way for men to associate themselves together for the purposes of collective bargaining and self-protection. It is the course that men take of their own free will. It is the truly democratic way, where men can participate in the management of their own affairs, to the end that their own interests be served and not the interests of their absentee self-styled leaders.

With many of the ancient sprawling international labor unions democracy" has become merely a word to use as a screen for actions "democracy" has become merely a word to use as a screen for actions and policies as cynically autocratic as those of any czar or commissar. The leaders of those unions shrink from the practice of democracy as from a plague. They know that democracy would destroy them.

Without compulsion they could not live.

Independent labor unions, on the contrary, thrive on democracy. All they need is freedom. They have a fine scorn for the closed shop and the check-off and compulsory membership and violence and gangster methods. And they have a finer scorn for the labor

politicians who pander to those who use such methods. Let me say that some day soon—sooner than many want to admit—the wrath of the great mass of the peaceful, independent working men and women and their families is going to catch up with the politicians who have peddled the workers' birthright to corrupt union officials. There are more than 40,000,000 independent workers. That is a figure to be pondered.

The reason, of course, that independent unions are distasteful to

The reason, of course, that independent unions are distasteful to the international organizations is that workers too often choose them when they make a truly free choice. The great, wealthy, politically powerful organizations cannot live and compete with the free independent unions. Therefore they and their political friends set out to smear and to destroy the latter. Under the national labor relations law they have developed a standard technique. The C. I. O. and the American Federation of Labor enlist the Labor

C. I. O. and the American Federation of Labor efficient the Labor Board to help them discourage membership by workers in unions of their own choosing and to force them into the international unions. They complain to the Labor Board that the independent union is "dominated" by the employer. Now that may mean almost anything. It may mean nothing more than an attitude of friendship and understanding and cooperation between the union and the and understanding and cooperation between the union and the employer; that condition of industrial peace that the Labor Board and the international unions talk so much about and do so little about. The Labor Board shows every favor to the complaining union and every evidence of disapproval of the independent group. And the Board finally orders the employer not to deal with the independent. Thus, through no fault of their own and for nothing that they have done or are charged with having done, but purely because of a charge, often fictitious, against the employer, the independent employees are deprived of their rights, are deprived of the union of their own choosing, and it is made clear to them that they cannot have a union with the approval of the Labor Board unless it is affiliated with the C. I. O. or American Federation of Labor. Thus does the Government serve the international union leaders. national union leaders.

national union leaders.

It serves them in other and more subtle ways. It is almost impossible for an independent to get an election from the Labor Board. The Board holds elections at the convenience of the opposing union, or frequently not at all. The Board certifies independents grudgingly or belatedly and sometimes not at all.

Despite all this, so tough and tenacious is the spirit of freedom and independence that the greatest pressure today upon Congress for amendments to the mistaken National Labor Relations Act and the shelltone of the mistaken Relation Relations are the mistaken Relation of the property of t

the abolition of the misguided Board which administers it comes from the independent labor unions and independent workers generally, who insist upon their right to be heard and their right to choose their own organizations without compulsion from any source,

choose their own organizations without compulsion from any source, including a Federal bureau.

I want to say a word more about the matter of coercion from any source. The Labor Board inanely says that State and local laws take care of physical violence and such forms of compulsion at workers to compel them to join certain international unions. Suppose it does. Can anyone tell me why the United States Government should encourage such violence against workers by confirming to unions advantages which they have sought or have got by illegal methods? Let me say this—if Congress will not pass laws which tend to discourage such practices and which tend to protect

by illegal methods? Let me say this—if Congress will not pass laws which tend to discourage such practices and which tend to protect workers, then the free workers, union and nonunion, will elect a Congress which will pass such laws.

Let this be understood. The National Council of Independent Unions is not a third national labor union, nor is it a political party, but it is what its name infers, a council of independent unions, and the national council is subservient to the will of its affiliates and not the affiliates subservient to the will of the council.

It has been the opinion of the independent unions that in the

and not the affiliates subservient to the will of the council.

It has been the opinion of the independent unions that in the American Federation of Labor and the C. I. O. there has been dictatorship in labor and that the return of democracy in labor will greatly improve labor conditions for the workingman and his cost of organization and the securing of collective bargaining will be upon a fair and equitable basis. The independent unions are opposed to the payment of tribute to individuals for the right to

The real and final sufferers from labor disputes in industry are The real and final sufferers from labor disputes in industry are the workers and their families. The autocratic exercise of power by some leaders of national labor unions tends to create labor disputes without reason. The privileges, immunities, and monopolies enjoyed by leaders of national labor unions tend to destroy the freedom of labor and as I have said, the workers in industry are frequently the victims of the ambitions of unbridled labor leaders. The present tendency in labor leadership and in legislation affecting labor relations is away from democracy in the management of the affairs of labor and in labor relations. In the administration of the law affecting labor relations there is a tendency agement of the affairs of labor and in labor relations. In the administration of the law affecting labor relations there is a tendency toward compulsory unionization in national unions. The administration of the law is taking from workers the right to choose their own organizations and is binding them against their will to unwelcome organizations. The vast majority of unorganized workers and workers organized in independent unions are disfranchised as workers and have for some time in the past lacked representation because of their lack of a common front. For this reason, and for the purpose of presenting a united effort, the National Council of Independent Unions was formed somewhat over a year ago.

So that it might be understood that in speaking of the independent workingman and the independent unions we are not speaking on behalf of a small minority but for the large majority of workingmen. Let it be understood that the combined claimed

membership of the American Federation of Labor and the C. I. O. is approximately 8,000,000. There are 40,000,000 independent workingmen, many of whom are organized in independent unions. I venture to say without fear of contradiction that there are many more workingmen in organized independent unions throughout the Nation than in the two national labor organizations to which I have referred, and it would also be interesting to know how many of the 8,000,000 claimed by the national unions would be members if they were given the freedom of choice and were not coerced into

of the 8,000,000 claimed by the national unions would be members if they were given the freedom of choice and were not coerced into these groups.

The National Labor Relations Board, the C. I. O., and the Communist Party have all come out stubbornly against any amendments to the N. L. R. A. It must be admitted that the declared policy of the Wagner Act is to be commended, but the manner in which the National Labor Relations Board has attempted to carry out that policy must be condemned. Since the event of the establishment of the National Labor Relations Board we have seen in America the creation of a tribunal exercising broad, almost unlimited, jurisdiction throughout the States and our possessions. Not only has the legal profession been shocked by the conduct and methods of the Board in its judicial aspect but the public looks on with awe at a branch of our Federal Government which might well be the agency of any of the totalitarian powers of Europe. Never before in the history of this great democracy has there been established a board or court exercising such widespread powers that has found itself in the position that members of the board or court have had to defend their own acts and personnel as have the National Labor Relations Board. We find that under the terms of the Wagner Act that the Labor Board acts as policeman to find the culprit, prosecutor to prosecute, and judge to try the accused. There must be a separation of these powers, for they are not compatible. A fair trial under such circumstances is impossible. This is not the American way nor did the framers of the Constitution ever dream of such a practice when they guaranteed due process of law.

Much could be said relative to the act and its administration to

Much could be said relative to the act and its administration to point out the defects, but it is assumed that most of these things are known to the independent workingmen of America. It is suggested, however, that they secure the proposed amendments to the act and study them and then urge upon their representatives in Congress the amendments which they feel shall serve them best. In conclusion, may I say that it is the intent and purpose of independent unions—

To protect free workmen.

To give a medium for the expression of the views of independent workers and their organizations.

To curb lawless, violent, and destructive forces which seek to prey upon free workers.

To prevent the destruction by law or administrative bureaus of independent workers and their organizations.

To work for legislation to protect free workers in the exercise of their rights as workers and as citizens.

To work for legislation to curb irresponsible and predatory labor

leadership. To preserve and to extend full freedom of association among employees for their mutual protection and advancement.

To promote democracy, freedom, and honesty in the management of labor organizations and in labor relations.

To advise employees of their rights under the law and to protect employees in those rights.

To study and to encourage mutual understanding and better relations between employers and employees; to restore and secure peace, prosperity, reemployment, and better working conditions for the workers in industry.

All of these are the fruits of true democracy.

The Washington Merry-Go-Round

EXTENSION OF REMARKS

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

ARTICLE BY DREW PEARSON AND ROBERT S. ALLEN

Mr. SCHAFER of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Drew Pearson and Robert S. Allen:

> [From the Milwaukee Sentinel of May 6, 1939] THE WASHINGTON MERRY-GO-ROUND

(By Drew Pearson and Robert S. Allen)

President Roosevelt may be the deadliest enemy of dictators, but this week he is opening the doors of the White House to one of the most powerful dictators in the Western Hemisphere.

He is Gen. Anastasio Somoza, President of Nicaragua, and one of the first Latin-American dictators to upset the free and fair election theories of Secretary of State Stimson and the United

States in general.

Nicaragua, long under the rule of United States marines, been carefully nurtured on the principle of democracy. Frank B. Kellogg sent in the marines when Nicaragua failed to live up to its law of not recognizing revolutionary presidents. Later Henry L. Stimson set up Marine Corps supervised elections, and the Nicaraguan vote was the freest and fairest in the Pan-Americas.

But General Somoza, the man who is now spending the night in the White House, kicked all that out.

Somoza's uncle, Juan B. Sacasa, was elected President of Nicaragua during one of the Marine Corps elections. After holding the election, the marines withdrew. After they withdrew General Somoza kicked out his uncle and became President of Nicaragua himself.

Somoza kicked out his uncle and became President of Micaragua himself.

General Somoza has unique qualities as a dictator, and it may be that he learned them via the United States. He once sold automobiles in Philadelphia and New York, later returned to Nicaragua, where he trained with the United States Marines and was promoted by them to be head of the Nicaraguan National Guard.

As head of the guard it was a simple matter to kick out his Uncle Juan and send him to California in exile.

General Somoza is going to be a dictator for some time, because, just before his term was about to expire last month he "persuaded" the constitutional assembly to dispense with popular elections and extended his Presidential term 8 years more.

Note.—How closely Somoza desires to follow the European pattern is not known, but it is known that he recently taxed his treasury to purchase \$300,000 worth of Italian rifles, tanks, and ammunition left over from the Ethiopian campaign. It is largely to woo Somoza away from Mussolinii that Roosevelt is spreading himself to entertain the Nicaraguan dictator.

British Textile Competition

EXTENSION OF REMARKS

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

EXTRACT FROM THE WORTH STREET FORECAST

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and print therein an extract from the Worth Street Forecast of New York City, which is the bulletin of the textile industry.

Worth Street, New York, is the famous center for what we used to call dry goods. It still continues to be the pulse of the market for textile materials. I wish to call the attention of the House to one item wherein it is stated that an infant's gertrude made of American cotton by labor paid in American wages costs \$1.50, while the same imported article is sold in the new foreign-owned stores in Boston for 19 cents. The article from the Worth Street Forecast follows:

[From the Worth Street Forecast] PRIMARY MARKET

As soon as the war scare shall subside Worth Street will experience a slight "boomlet." It will be temporary and will only reflect orders held back. It will be a prelude to a better-than-usual summer and a fair-to-good fall. Other United States business will not be so good.

ness will not be so good.

Now, carefully note that we have said "so soon as" in talking about war alarms. Without doubt Mr. Roosevelt has frightened Hitler and Mussolini into caution. He has probably also frightened them into more thorough preparation. Neither of the authoritarian powers are in a position to take the risk of trouble with the United States unless they can count on Japan, and the latter nation is much too busy in China to wish to get involved at this time. Moreover, the axis is in a less favorable position to strike swiftly in Europe and win than it was 6 or 8 months ago. Credit Roosevelt, therefore, with a high-handed maneuver that is going to be effective in stalling off European war for a while. It may be for quite a while indeed if the old theory of "balance of power" can finally be restored so the two big groups are mutually afraid of fighting each other. A wise President would certainly stop at what he has done. Will Mr. Roosevelt? He has sown the seeds of our involvement and the situation we consider dangerous in his hands because he is politically on a spot. His do-

dangerous in his hands because he is politically on a spot. His do-

mestic program has shown itself to be a failure in many ways and the American people have little patience with failures.

He may have to seek concealment by war headlines. At this time you should carefully examine your own business. While the safest course is continued caution we also feet that a reasonable bullish gamble on the next 6 months is all right for those who can afford to take the chance and lose. The difference of opinion among business operators' fields is wide. One of the coolest and shrewdest and most consistently successful operators in the stock market has recently turned everything into cash for the moment. An advertising crowd we know of which is currently in a very strong financial position takes the view they should not push their clients into commitments for the next 4 to 5 months. Both of these as you will see are on the cautious side.

We of the Forecast, however, much as we despise the ineptness of the administration, are not yet ready to sell United States initiative short. Our dictum is and always has been, when the seller wants badly to or must sell, the 6 to 9 months' value of cash against goods favors the latter, in our opinion. It may be that you want to see "more of the whites of their eyes" before jumping in, but there is nobody that can give the exact moment and we think that "now" has its advantages.

MILLS

We reprint herewith a letter to the editor of the Boston Transcript by one Beatrice Abbott, whoever she may be. We think it summarizes what the New Deal has done for the South, what it has done for the textile industry, what it is actually doing for workers, better than anything that we have seen recently.

workers, better than anything that we have seen recently.

"In June 1932 cotton sold at a little over 5 cents a pound. In May 1933 the A. A. A. offered to pay the farmer from \$3 to \$11 an acre for cotton not planted. In 1934 the R. F. C. (ignoring the fact that Russia owed us over \$700,000,000) loaned Russia \$4,000,000 to buy American cotton. In 1935 our cotton exports dropped two-thirds of a million pounds. Our cotton imports increased 28,800,000 pounds. In May 1936 cotton sold at 12 cents a pound. In December 1936 it was published in Liverpool that the American Secretary of Agriculture had promised to restrict American cotton for 1937. In January 1939 the import of British cotton-bleached goods jumped from 2,401,364 (January 1933) to 6,325,295 square yards. Cotton-yarn imports for the same months doubled. "The working people of the United States have paid millions to have cotton plowed under, millions to buy and hold cotton not plowed under, millions to pay the difference between what our Government promised the wheat farmer and what the British would pay, and millions for relief for workers who might be raising cotton and making cotton goods.

raising cotton and making cotton goods.

"Any profit which workers might have gained, in increased jobs, from the Wagner Act, has been wiped out by the finished goods which are arriving from Great Britain and other nations most favored. Now the President would resell to the farmer the held cotton, at less than 1932 prices, in consideration of his giving up the idea of raising cotton altogether. If one wishes to know what Mr. Hull has done to the industry—an infant's contracted mode of American posters by the provided modes. know what Mr. Hull has done to the industry—an infant's gertrude, made of American cotton by labor paid American wages, costs \$1.50. The same imported article is sold in the new foreignowned stores in Boston for 19 cents."

GOVERNMENT

All businessmen should study government much more care-All businessmen should study government much more carefully than they do, principally because it is becoming ubiquitous and all-embracing. In order to earn a profit for one's stockholders you have got to understand what is taking place in government. Here are some thoughts that are well worth your inwardly digesting: (1) For a period of about 20 years prior to 1932 the Supreme Court was in fact the sovereign power. It protected the individual against the encroachments of the Government. (2) Bad times coming after the panic of 1929 caused the great mass of people to want a change and they promptly delegated their power to the executive department. Even the Congress itself virtually turned over the Government to the Executive. (3) After about 7 years the swing seems to be away from the executive After about 7 years the swing seems to be away from the executive and toward the legislative branch. What does this mean to you? It means just this: That the Supreme Court is going to validate nearly everything that Congress proposes to do. It means that the next President is going to be far more subordinate than the present one, even if he should be the same individual.

The tendency at the moment goes so far as to suggest a uni-cameral system not differing greatly from the English form of government where Commons is the Government without let or hindrance. Considering the character of the American people, we would probably be better off with what is known as a re-sponsible government and one that should resign when it cannot muster support. Of course the danger of that system in this country would be that of blocs and pressure groups. For the present, therefore, whatever hope you have of better conditions from the viewpoint as an employer (and as a matter of fact as from the viewpoint as an employer (and as a matter of fact as a job holder) rests with Congress. You had better keep an eye on your representatives, locally as well as nationally. Most especially you better watch representatives elected all over the country, because interstate commerce, in our opinion, is going to be all kinds of commerce, whether interstate or intrastate.

Keep This Nation Out of War

EXTENSION OF REMARKS

HON, FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

RADIO ADDRESS BY HON. FRANK B. KEEFE, OF WISCONSIN, ON MAY 5, 1939

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the Congressional Record an address made by me over the red network of the National Broadcasting Co., on Friday, May 5, 1939, entitled "Keep This Nation Out of War," as follows:

Men and women of America, on April 30, 1789, after concluding a long but triumphal stagecoach journey from Mount Vernon to the city of New York, George Washington was inaugurated as the first President of the United States. Last Sunday, 150 years later, amidst splendor and pageantry undreamed of by him, the New York World's Fair was formally opened to the people of the world as a fitting commemoration of this historic event. The people of the United States Joined with the representatives of nations throughout the world in paying homage and tribute to the Father of his Country.

States joined with the representatives of nations throughout the world in paying homage and tribute to the Father of his Country. It seems passing strange to me, therefore, that while we thus honor and revere the memory of Washington we should, in this day of great international stress, so completely forget the admonitions given by him to the people of America in his Farewell Address.

With prophetic vision and unexcelled clarity of thought, he gave to the people of this Nation advice which is as true today as it was when uttered, and I challenge the attention of the people of America to his admonitions, which to me should represent the very

when uttered, and I challenge the attention of the people of America to his admonitions, which to me should represent the very ground work and foundation of our international policies.

He advised against the very things that are happening today in our foreign relations. He told us to act with justice toward all nations and to avoid inveterate antipathies against particular nations. He knew the abilities of Old World diplomats and cautioned us against developing particular attachments for other nations, and cautioned us against the insidious wiles of foreign influence. He knew, as we should know today, that in international relations the friends of today may become the enemies of tomorrow, and clearly pointed out the ingratitude of nations. Certainly after our experience in 1917, when we loaned our money and sacrificed our blood and treasure upon the altar of international war we learned, if we will ever learn, the truth of his advice when we recall the if we will ever learn, the truth of his advice when we recall the ingratitude of those nations who, after their appetites had been satisfied at the council table, accused us of being Shylock when we had the temerity to suggest the repayment of money honestly learned to them. loaned to them.

Washington knew from experience the utter lack of our common interest with the affairs of European nations, and clearly directed attention to their primary interests, which to us, as a people, have attention to their primary interests, which to us, as a people, have none, or, at best, a very remote relation. He knew that our geographic location was, and always would be, such as to enable us to remain aloof from the intrigues of foreign diplomacy, and asked the question then, which should be asked by every citizen of America today: "Why forego the advantages of so peculiar a situation; why quit our own to stand on foreign ground; why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?"

There are those in America today who say that the march of

There are those in America today who say that the march of progress throughout the world has been such that we can no longer accept the advice of the Father of his Country, but that we must again involve ourselves in foreign affairs, in order to save democracy. The same forces of hate and greed that so successfully engineered our entrance into the late World War are busily engaged again in a campaign of propaganda, designed and intended to force our active campaign of propaganda, designed and intended to force our active participation in the next European war. How familiar are the utterances of the present warmongers. In 1917 they whipped up the passions of the people under the plea that we must make the world safe for democracy, and today they are attempting to stir up and arouse the passions of the people of America under the plea that we must choose sides in the European situation, in order to save democracy. Save democracy.

Men occupying high public places in our Government have com-

pletely forgotten or are purposely ignoring the advice of Washington, and instead of treating all nations with justice, and instead of cultivating the good will of the peoples of the world, are indulging in a campaign designed to arouse the passions of hate

toward certain nations and to bind us with secret commitments and passionate attachments for other nations that will inevitably com-pel us to defend those commitments and those attachments in the event of another European war.

pel us to defend those commitments and those attachments in the event of another European war.

I believe that the people of America still adhere to the advice of the Father of his Country, and that they demand in no uncertain terms that we begin to attend to our own business and stop meddling in the domestic affairs of other nations.

I am sure that the great heart and soul of America goes out in sympathy to oppressed people wherever they may be found, but I am likewise convinced that the oppressed, the downtrodden, the weary, the hungry, and the underprivileged millions of America should claim our attention first. The cry that it is necessary to take sides in European affairs in order to "save democracy" finds little response in the hearts and souls of the people of America when we witness the efforts that are being made to aline us shoulder to shoulder with the hosts and legions of bloody Communist Russia. Who is there in America that believes that Stalin and his crowd, who for 20 years have murdered, plundered, and pillaged, and who have attempted to destroy democracy throughout the world, have any present intention now of abandoning their 20-year fight to communize the world and aid in the saving and protection of democracy? No, men and women of America, this is not the issue in the battle that is being waged by the diplomats of the Old World today. We must, once and for all, recognize facts that are true, and those facts demonstrate beyond the possibility of successful contradiction that the real fight is the attempt on the part of the British and French Empires to maintain their territorial integrity and to hang on, even at the risk of involving the world in another war, to the territories which they acquired as a result of the Treaty of Versailles, concluded at the end of the last World War.

We received nothing from that adventure except wee and misery. World War.

We received nothing from that adventure except woe and misery, and ask nothing today except to be let alone and be permitted to work out our own destiny.

Shall we, as a people, again make another supreme sacrifice by involving ourselves in matters that are not our direct concern? I know that the propaganda agencies are busy throughout America proclaiming that the fate of our democracy hangs in the balance, and that our future welfare demands that we must join in aiding European nations to maintain their territorial status quo, but I and that our future welfare demands that we must join in aiding European nations to maintain their territorial status quo, but I am certain that the people of America are too alive and too intelligent to be deceived any longer by this vicious type of propaganda. Why. I ask, when millions of people were being murdered in Russia and the temples of God Almighty were being destroyed, did not these same forces that are at work today, rise in protest and demand intervention then? No, they were strangely silent. No talk then of the necessity for saving democracy. On the other hand we gave aid and encouragement to that government by official recognition. Despite the fact that another nation is ravaging and pillaging in the most inhumane manner innocent men and women and children in China, barely a word of protest comes from these same sources that are so outraged over the actions of Hitler. Why, I ask you, is it that we are confronted with all of this "Stop Hitler" propaganda today? You, as sensible, intelligent citizens of America, know in your hearts the answer to this question. You know that it is not based upon the necessity of "saving democracy," but is based upon the demand that we aid the British and French Empires in maintaining and keeping their present possessions and that Hitler must be punished because of his racial intolerance. I say to you that as much as I regret the racial intolerance of Hitler, as a Member of Congress, I will never vote a declaration of war, based upon either of these premises.

The time to fight against war is when we are at peace with the world. Once the warmongers whip and stir up the passions of the people, and incite them to the frenzy of war, calm and dispassionate judgment disappears, and our actions are guided by prejudice and hate rather than logic and tolerance.

The greatest contribution that America can make to the cause of world democracy does not lie in our involvement in foreign war but

The greatest contribution that America can make to the cause of world democracy does not lie in our involvement in foreign war but world democracy does not lie in our involvement in foreign war but in our ability to demonstrate to the world that a free people with unbounded resources and unparalleled wealth are able to solve the problems of the unemployed, the underprivileged, and the aged here at home. It lies in our ability to demonstrate to the world that we can solve the problems of a paralyzed industry and agriculture, and that we as a free people can provide opportunity for youth and can so handle the bounty and abundance that God Almighty has given us that we can banish forever from our Nation the specter of want and misery. In the solution of these pressing problems at home lies the future of our democracy.

Enlightened public opinion everywhere concedes that another

Enlightened public opinion everywhere concedes that another world war will destroy democracy and perhaps even civilization

war. Rise up in the exercise of your privilege under the Constitu-tion and tell those in authority in this Government, "We want no war." Add your voice to the ever-growing about the constitu-Men and women of America, stand firm in your convictions against war." Add your voice to the ever-growing chorus that is swelling throughout America, demanding peace and good will among men and among nations of the world.

Jefferson Day Speech

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

ADDRESS BY HON, EDWIN C. JOHNSON OF COLORADO

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able address delivered by the junior Senator from Colorado [Mr. Johnson] on May 7 last, Jefferson Day, at Milwaukee, Wis.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I would rather come to Wisconsin than go to any other State in the I would rather come to Wisconsin than go to any other state in the Union, with the single exception, of course, of my own beloved Colorado, to deliver a Democratic speech, because I am anxious to do my bit in the renaissance of the liberal movement in Wisconsin. Democratic leaders from the highest to the lowest ought to come Democratic leaders from the highest to the lowest ought to come here to give aid and comfort to their Democratic brethren struggling with their backs to the wall in their heroic efforts against great odds to keep this State a potent factor in the national Democratic political picture, and to let you courageous leaders know that the whole party is in this fight with you to the finish to restore liberalism in Wisconsin and continue it in the Nation. In the old parable the Good Shepherd left the ninety and nine and searched for the one lost sheep. The Democratic Party of the United States of America needs Wisconsin ever so badly, and Wisconsin, as I see the picture needs that party. the picture, needs that party.

NOT SUNSHINE PATRIOTS

It is not easy to be a party leader in a minority party facing defeat after defeat. I know because I have served my party under both easy victory and crushing defeat, and I understand the kind of courage and stamina required to fight the battles of a lost cause. The only ally one has in such a time is the joy and satisfaction of fighting for the sake of principle. It takes real men and women to carry forward under such circumstances, but from such an experience of the sake of principle. perience patriots emerge. A victorious party gathers momentum and numbers as it glides along to easy victory. Folks are naturally anxious to hop on the band wagon of certain success, and they are anxious to hop on the band wagon of certain success, and they are even willing to contribute generously of their time and effort to a cause assured of victory. There are too many persons in the field of politics—as there are in other fields—who just cannot take defeat. They are great players, but fade out when the going gets rough. But, thank God, there are courageous souls in the political arena so imbued with a religious fervor for the righteousness of their cause that they fight hardest when all is dark despair.

It is never safe to count that kind of a contestant defeated; you may gray by the carth and trample him in the dust hut he will

may crush him to earth and trample him in the dust, but he will rise again and fight on to victory. Let no man think that the Democratic Party and the liberal cause are hopeless in Wisconsin. A hard struggle ahead, yes, but whipped, never.

The world has always admired such fighters, and the poets have sung their praise. The words of Tom Paine, uttered in the stress of the American Revolution, apply appropriately to the situation in Wisconsin at this very hour:

In Wisconsin at this very hour:

"These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country, but he that stands it now deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict the more glorious the triumph. What we obtain too cheaply we esteem too lightly; it is dearness only that gives everything its value. Heaven knows how to put a proper price upon its goods, and it would be strange indeed if so celestial an article as freedom should not be highly rated."

POLITICAL INSURRECTION IN WISCONSIN

POLITICAL INSURRECTION IN WISCONSIN

The political history of Wisconsin for 50 years has been unique and unlike that of any other State. It was solidly Republican in the old days because of sectional strife, just as Mississippi was solidly Democratic. Following the Civil War big business secured a strangle hold in Wisconsin and formed a close partnership with the Republican politicians who were in control. Liberals and conservatives alike were stanch Republicans. Such an unholy alliance could not and did not last. The liberal element, thoroughly disgusted with the rule of monopoly control, brazen plutocracy, ironclad machine politics, and boss rule—perhaps the most arrogant and pernicious in any State—finally rebelled against the powerful and corrupt Republican Party leadership. The old preju-

dices of Civil War days, traditionally antagonistic toward the Democratic Party even though that party under the enthusiastic leadership of the great commoner William Jennings Bryan was extremely liberal, that deep-seated prejudice restrained the Wisconsin Republican liberals from joining the Democrats. Instead they organized a faction within the Republican Party and attempted the hopeless task of reforming conservatism.

So the Democratic Party in Wisconsin for two generations has been squeezed and ground between the upper and nether millistones of the old reactionary, conservative Republican Party on the one hand, with all of its brazen stupidity, wicked shortcomings, and outmoded philosophy, and the very much localized, impractical, so-called Progressive Party on the other hand, loaded down with good intentions and miserable performance. When we contemplate the terrific death struggle which has occurred here for the past 50 years between these two powerful, determined, political antagonists, we should not be surprised that the Democratic Party in Wisconsin is a minority party; we should be amazed that there is a Democratic Party here at all.

LIBERALS DIVIDED

LIBERALS DIVIDED

There is room for a conservative party in America, room for a liberal party, and room for a radical party too, provided the radicals do not advocate the overthrow of our Government. Opposing political philosophies, whatever those philosophies may be, should be expressed openly and honestly. In America, under our present form of representative government, such expression can only be made through the media of political parties. Voters have a perfect right to freely choose the party vehicle in which to register their political preferment as to both candidates and issues. In fact, we want every voter to have a party, for to hold membership in a political party in this country is an indication of constructive citizenship, and to be an active worker in a political party here is practicable patriotism. Ours from the first has been a government by political party.

In 46 States the Democratic Party has been recognized as the liberal party. In two of the States—one of which, of course, is Wisconsin—a local party without important affiliations in any of the other 46 States has succeeded in dividing the liberal movement, making it possible in the election of 1938 for the reactionary, discredited Republican Party to again take over complete political control and give the Farm Laborites, the Progressives, and the Democrata a sound trouncing. Liberals in these States have very foolishly divided their forces. The question for Wisconsin liberals to decide is, shall they remain in a purely local party without standing outside of their own State or shall they join the majority party of the Nation with 150 years of liberal history behind it and have a voice in determining the policies of that national political party? It does not seem to me that the decision should be difficult. National issues and national economies know no State lines. In these days of quick transportation and instantaneous communication between the States no State can without injury isolate itself politically days of quick transportation and instantaneous communication be-

days of quick transportation and instantaneous communication between the States no State can without injury isolate itself politically or otherwise. In this modern day of free interstate intercourse there should be an end to local political parties, for they belong to the "horse and buggy" days.

A real crisis faces American liberalism in 1940. Conservatism is again thoroughly united. It stands ready for the fight of its life on the old policies to which it clings with a tenacity worthy of a better cause. It has learned nothing except the strength of unity. Liberalism, on the other hand, is torn by a thousand dissensions. If it would win, it must be through with inconsequential differences. It must fight unity with unity. This is no time for the tail to try to wag the dog. It is poor judgment for liberals in any State to jeopardize the whole American liberal movement by trying to run a one-horse local show of their own when duty plainly beckons them to unite in the Nation-wide program of their liberal brethren.

DEMOCRATIC PARTY IS LIBERAL

It seems to me that the opportune time has come for the Demo-cratic Party to assume once and for all the liberal leadership of Wis-consin. The liberal element of the old disintegrated local party must consin. The liberal element of the old disintegrated local party must look for a new vehicle and a new banner, but these Wisconsin liberals are not going to be satisfied with a lot of empty political gestures and idle and hypocritical lip service. They are too sincere and too discerning for that. They are still liberals even though their party organization is gone. They still have a great and genuine concern for the plight of the common man, and they want to keep Government at the services of the masses. I am talking about real liberals not radicals. I need not waste time in trying to tell Wisconsin people or in attempting to describe to them what a radical is—they know. They have seen radicals' impractical, vicious, and destructive efforts at close hand. The radical element which has taken over the old Progressive movement is not an asset to any party and will likely go its own way with less and less public confidence, or it may affiliate with the Communist Party where it probably belongs and where it will doubtless find kindred spirits. Radicals for the most part are not interested in liberalism, which is entirely too slow a process for their impatient revolutionary tendencies.

revolutionary tendencies.

Ralph Waldo Emerson might well have been talking about the radicals and conservatives of Wisconsin of this day when he issued this statement in 1844:

"The spirit of our American radicalism is destructive and aimless; it is not loving, it has no ulterior and divine ends; but it is destructive only out of hatred and selfishness. On the other side, the conservative party, composed of the most moderate, able, and cultivated part of the population, is timid and merely defensive of property. It vindicates no right, it aspires to no real good, it brands no crime, it proposes no generous policy, it does not build nor write, nor cherish the arts, nor foster religion, nor establish schools, nor encourage science, nor befriend the poor, or the Indian, or the immigrant."

As a matter of fact, there are two forms of communism in America equally bad which should be avoided by forward-looking America equally bad which should be avoided by forward-looking people. One is radicalism, the other conservatism. One would regiment industry and mankind under a Stalin, the other would foster an industrial control under the collectivism of capital and wealth. Either is equally bad. Grover Cleveland referred to such a situation in this significant and descriptive language:

"Communism is a hateful thing and a menace to peace and organized government, but the communism of combined wealth needs."

organized government, but the communism of combined weath and capital, the outgrowth of overweening cupidity and selfishness, which insidiously undermines the justice and integrity of free institutions, is not less dangerous than the communism of oppressed poverty and toil, which, exasperated by injustice and discontent, attacks with wild disorder the citadel of rule."

BUSINESS RAN THE COUNTRY

We tried the communism of conservatism under President Hoover and found out to our sorrow what it would do to us. In those evil days we let business run the country in the way it wanted the country to be run. Business had no reason to be afraid then. There were no causes for jitters emanating from the White House in those glorious days of business supremacy. There was no undistributed-profits tax to vex and no restraining regulation of wild speculation of the stock exchange curbing the spirit of adventure. In that day speculators were given the encouragement to swindle the unsuspecting public and trusting widow and helpless orphan. Fear of pecting public and trusting widow and helpless orphan. Fear of Government investigation did not dangle over them like the sword of Damocles. Business did not have to wait for the "magician at Washington" to pull rabbits out of the hat and tell them which way the economic wind was blowing. Wall Street was not being run from Washington. Quite the contrary. Appeasement of business was not necessary, for the bars of government restraint were completely down. There were no pay-roll, old-age, and unemployment taxes. Money out of the Federal Treasury was not being poured down a rat hole to buy the favors of the blind, the crippled child, the unemployed, the homeless, the farmer, and the little-business man. Banks were accountable to nobody for what they did with the deposits of the people. The Federal Government was not deliberately keeping down interest rates. No rubber-stamp Congresses and no rubber-stamp Supreme Courts. Business was not in a strait jacket. Free enterprise was not stifled and speculation was not abridged. Why, then, in that hour did we not realize the glorious day of American prosperity—the golden era of two chickens in ous day of American prosperity—the golden era of two chickens in every pot and two autos in every garage? Why were the banks not bursting with funds with which every legitimate business and industrial enterprise might be financed, and why did businessmen not throw away all of their red ink? There seems to be no answer to these "whys."

Strange to say, the pages of history for that period record neither prosperity nor progress. We should like to blot the whole hideous memory of the evil days of Hoover from our minds for-ever. We must have no more of that sort of unbridled license if we would save our institutions. In 1940 we shall learn whether or

not the burned child fears the fire. THE THIRD PILLAR IS ECONOMIC FREEDOM

We have long had political freedom in America. in Wisconsin entitled to a vote has the opportunity to cast that vote secretly with only his conscience and his God to witness. Wisconsin citizens are assured by the bill of rights, and by the State Wisconsin citizens are assured by the bill of rights, and by the State and Federal constitutions of freedom of religion, speech, press, and assemblage; the right of petition; the right to bear arms; freedom from unwarranted search and seizure and from quartering soldiers in private homes; the guarantee of due process and recompense for private property taken for public use; the right to trial by jury; protection against excessive bail, and excessive fines and freedom from cruel and unjust punishment. These civil liberates and political rights are extremely with law there is no conand freedom from cruel and unjust punishment. These civil lib-erties and political rights are extremely vital, but there is no con-troversy in this day concerning them. They have been won by a long, hard struggle of sacrifice, blood and effort, and have been handed down to us as our most valuable heritage. The burden of sustaining them is our only duty respecting them. If radicals who would destroy the Constitution be smoked out and their pernicious purposes of undermining it fully understood, there need be little concern about either the loss, the abrogation, or the abuse of these vital provisions which insure an American his political and religious freedom.

and religious freedom.

Religious freedom and political freedom are all important, but there is a third pillar required to make the trinity of the pursuit of happiness possible. Men cannot eat the bill of rights nor will they find physical shelter in the Constitution. They must have economic freedom also. Political freedom is a way to life, religious freedom is a way of life, but economic freedom sustains life. Political freedom is but a means to an end; the end is religious and economic freedom. A practical application of political freedom enables religious and economic freedom to be realized. Political freedom is mostly important for the power inherent in it.

Jefferson knew well enough that if men had political freedom, they could have religious and economic freedom if they really wanted them. As our country becomes more cultured and advanced, it becomes more complex and involved and the exercise of political rights more technical and intricate and the accomplishment of economic objectives likewise more difficult to attain.

economic objectives likewise more difficult to attain.

Jefferson never advocated equally dividing the wealth, because he knew that a new division would need to be made over and over almost day by day until finally there would be no wealth to divide. Nor did he propose community operation and direction of industrial activities. Jefferson, to the contrary, advocated free enterprise and the equalization of individual opportunity, which is quite a different thing. Encouraging and fostering thrift and private enterprise does not mean, however, that unregulated and uncontrolled accumulations of wealth and economic power shall be permitted to deny opportunity according to his capacity to the most humble. We regulate industry not only to share its production in taxes and wages but to give every man in and out of industry the fullest opportunity to life, liberty, and the pursuit of happiness. Only government with the aid and assistance of organized labor and an educated citizenry is powerful enough to cope with and compel industry to give all men affected by it an equal opportunity for economic liberty.

COLLECTIVISM OF CAPITAL AND WEALTH

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COLLECTIVISM OF CAPITAL AND WEALTH

Senator O'MAHONEY recently pointed out that there are 30 giant corporations in this country, 12 of them banks and 18 of them industrials or public utilities, each one of which has assets of more than a billion dollars; and that at the same time there are 22 sovereign States of the Union wherein the total value of all the real estate within their borders is less than a billion dollars each. The Senator, therefore, concludes that many modern corporations have become vast economic states, greater in some instances than the States of the Federal Union, and these great economic states have been made possible by the collective resources of millions of people who are their stockholders but who cannot exercise and do not exercise any power whatsoever over the government of these corporations; and, further, that they employ millions of workers who likewise do not exercise control or direction over them. The only check upon them is the will of the people, expressed through the Government of the United States of America. American liberalism, with the power of free political action, must accept the challenge they offer in their basic organization to the sovereignty of popular government. These industrial giants need not be destroyed in whole or in part, since it is admitted that they render a great and good public service. If they be compelled to subordinate themselves to the will of the whole people or the tendent of the states. stroyed in whole or in part, since it is admitted that they render a great and good public service. If they be compelled to subordinate themselves to the will of the whole people so that political freedom will not be abridged, followed by the denial of economic freedom to the least among us, we will be amply protected.

EQUAL OPPORTUNITIES FOR ALL

A political party that believes in democracy and the majority rule has no other function, no other purpose than to give expression to the collective will of the people, and it has been the will of the people expressed through the Democratic Party to champion and defend the cause of individual citizens and to courageously advocate and demand equal opportunities for all, including the most miserable and humble. President Roosevelt had the vision and the good sense to apply the idealistic philosophy of Jefferson to practical usages in such a cause and to buckle on the armor of the militant Jackson in waging his winning war against the forces of greed and special privilege to such buckle on the armor of the militant Jackson in waging his winning war against the forces of greed and special privilege to such an end. These things can all be accomplished under the capitalistic system of limited free enterprise without upsetting the democratic processes. There is a happy medium between the Republican ideals of rugged individualism of industry and unlimited free enterprise on the one hand and the radical ideal of communistic regimentation on the other. The virtue of private enterprise can be preserved without letting it run riot. Adherence to the principles of unlimited free enterprise and rugged individualism, capitalistically speaking, too often forms a polite excuse for not assuming social responsibilities and too often provides an excellent basis for an argument against taxation and regulation.

provides an excellent basis for an argument against taxation and regulation.

There are powerful natural impulses tempting us toward unregulated capitalism, but they must be denied to protect our liberties. The unrestrained privilege of the aristocracy directing industry that once upon a time enjoyed all the liberties of the pioneer adventurer must now exist only in the memory of the men of yesterday. Wisconsin could not, if it would, return to the irresponsible days of the pioneer, trapper and soldier of fortune; and Wisconsin would not, if it could, return to the irresponsible days when industry was run for profit alone. The wanton, sible days when industry was run for profit alone. The wanton, wicked waste and corruption that occurred in the devastation of Wisconsin forests is something to remember in a discussion of this point. The majority of American voters who have the right to decide such things will not let America return to the old deal of uncontrolled and unrequised controlled. uncontrolled and unregulated capitalism. They have adopted a policy of shared undertakings, shared responsibilities, shared interests, and shared natural advantages without State and community ownership. Too much of everybody for himself with no regard for others has departed forever in America because the Democratic Party ideal has been generally accepted as the proper policy to pursue.

THE NEW DEAL

The New Deal sponsored by the Democratic Party pictures an industrial and agricultural society with particular stress on eco-

nomic security and public health in factory and home, both urban and rural, decent prices for farm products, fair wages, reasonable hours, no cutthroat and chiseling business methods, no stock juggling and riotous speculating, decent interest rates and honest banking, regulated public utilities and unmonopolized natural resources; taxes high—yes—but a satisfactory compensation in educational, recreational, and other desirable public services provided out of the taxes collected. In short, the New Deal champions a cational, recreational, and other desirable public services provided out of the taxes collected. In short, the New Deal champions a happy and ideal combination of the profit motive with the service motive, which is entirely in keeping with Democratic Party traditions. The common interests of all the people under the New Deal nullify the special privileges of a part of the people under the Old Deal. Tolerance imbued with sympathy for the lowly and with a broad understanding of perplexing social problems affecting all men replaces prejudice and hate, and the coordination of conflicting interests supersedes devastating competition. The value of this new social order, if by such a name it may be designated, is measured by the extent to which its advantages are shared by all the people, and it is well to remember that it is being developed through the regular orthodox democratic processes provided for in the Constitution of the United States of America.

Political party performance in America today must be judged by the degree to which it provides for social betterment in the way of youngster care, mother compensation, oldster assistance, unemployment and health insurance, housing programs and slum clearance, rural electrification, and in many, many other similar services to the underprivileged. Promoting and securing higher standards of living, both rural and urban, and greater benefits from the machines for which the worker must furnish direction and to which he in turn is tied is the true test of twentieth-century statesmanship.

FRANKLIN D. ROOSEVELT

FRANKLIN D. ROOSEVELT

It might be well to state here and now in this connection that it is my firm conviction that when all current political propaganda, is my firm conviction that when all current political propaganda, political jealousies, and ulterior motives of every nature have been deleted and when every historical fact is placed in its proper perspective and an unbiased and truthful history is written some years hence covering this period, it will unqualifiedly and emphatically hold that the first 4-year term of President Roosevelt was the most brilliant, the most constructive, and the most progressive Presidential term in all the glorious history of America. And I believe that when his second term finds its place upon the pages of history and the tremendous gains in wholesome legislation inaugurated by him have been consolidated and perfected, it will be truthfully said that this earnest man held to the course of a true liberal and guided the Nation safely through the dangerous shoals not only of murderous international strife, but that he corrected grave internal social difficulties by sensible formulas founded shoals not only of murderous international strife, but that he corrected grave internal social difficulties by sensible formulas founded upon equity and justice under the capitalistic system and the American Constitution and thereby proved himself the outstanding champion of his century of true liberalism both at home and abroad. It is a history that should be honored by every man who loves his country and the humanity to which he belongs. The doctrines of

the New Deal are sound and will prevail.

If I may digress a moment, I would like to say in connection with my reference to foreign affairs that the sentiment in the United States Senate is overwhelmingly against this country getting into an European war, and it is overwhelmingly against the becoming into an European war, and it is overwhelmingly against its becoming into an European war, and it is overwhelmingly against its becoming involved in any European diplomatic entanglements. The majority of the Senate, too, believe wholeheartedly in honest neutrality, and that we can and must keep out of the real-estate quarrels and "dog-eat-dog" bickerings of Europe. Let us treat all nations of the world with the utmost friendship, without favoritism or prejudice. We will be glad to do what we can in the interest of peace and understanding, but we notify the whole world now that if any nation goes to war it goes without us, and that America will have

President Roosevelt will go down in history as the great conserver of human and natural resources for these things are the key to the future, and future generations in whose behalf they are now planned will in appreciation exalt him as a wise father. We had been a nation of profligate exploiters of the richest land under the blue canopy of heaven, but he has taught us to conserve these priceless natural and human resources as the foundation of our progress. The titanic struggle going on in Europe today is pri-marily caused and made necessary by the extreme shortage of nat-ural resources insufficient to support modern life in many thickly populated areas. The President is laying the groundwork to avoid that situation forever in America. Powerful influences have opposed his program with all the cunning and resourcefulness which special privilege forever employs; nevertheless, power development, flood control, reforestation, reclamation of arid lands, and soil, water, oil, control, reforestation, reclamation of arid lands, and soil, water, oil, mineral, and timber conservation have been effected and will be appreciated by the man of tomorrow and enjoyed by his children's children until the end of time. We are leaving future generations too many debts to pay, but in all fairness it must be said that they will have something substantial that their money could not buy, out of which to pay these debts if the Nation's natural resources be developed and preserved and not exploited and destroyed.

The President, however, is more than a cold-blooded, hard-headed, scientific conservationist. He is also a warm-hearted humanitarian. Christian people cannot consistently abandon the halt, the aged, the orphan, and the blind to the ravages of unrestrained nature. Yet strangely enough his administration is the

first in American history to courageously assume the heavy duty of Federal philanthropy to these unfortunate people, not because he wanted to usurp the responsibility of their care from local government but for the good reason that local government failed for one cause or another to accept the challenge of their support in whole or in part.

UNEMPLOYMENT IS WASTEFUL

Nothing is so costly, wasteful, or extravagant as is unemploy-ment. The loss to the Nation of ten or twelve million idle men ment. The loss to the Nation of ten or twelve million idle men amounts to a stupendous and terrifying liability that can never be made up. There are so many things that need to be done, so much natural wealth to pay for doing them, and so many persons needing the products of workshop and farm that unemployment is nothing less than a devastating indictment against modern man. Our party is determined to correct such an intolerable condition. Unless unemployment be solved, we can be certain that our economic system is not sound and therefore not permanent. It is the greatest challenge that we face and it cannot be sidestepped or ignored. It must be solved. The Public Works Administration, the Works Progress Administration, the Civilian Conservation Corps, the National Youth Administration, and the Unemployment Compensation Service, are each coping with slightly different phases of the major problem of unemployment and all of them are making definite progress in paying the way for a real and permanent solution. The conservation of the human element and the conservation of the Nation's physical values must go on without abatement. go on without abatement.

MIDDLE OF THE ROAD

MIDDLE OF THE ROAD

The party made immortal by Jefferson, Jackson, Cleveland, Wilson, and Roosevelt is neither conservative nor radical, but steers a happy and straight course between these two extremes. Human beings are its first concern. The average man and woman, whether in the factory, on the farm, or behind the business counter, knows in his heart that the Democratic Party is not operated in the interest of property and privilege, but to give mankind greater security and opportunity. The Democratic Party had its birth simultaneously with the signing of the Constitution and will live and serve until that document passes into oblivion. It is not only the oldest political party in the world but it has accomplished more for the common man and his welfare and happiness than any other party of history. It has lived long, and it will live longer. It has lived well, and it will live better. It has seen the rise and fall of the Federals, Whigs, Know-Nothings, Populists, Progressives, Farm-Laborites, and Republicans, and will likely serve after the obsequies of many more mushroomed political movements which come and go with the pressure of the times. When the people tire of such innovations the good, old reliable Democratic Party that is the handiwork of millions of learned, patriotic, and discerning Americans stands ready to serve and give expression to the will of men.

REAL LIBERALS INVITED

And so I say to liberals who have not been identified with the Democratic Party in Wisconsin that now, today, is the accepted time to join in a great Nation-wide liberal movement; the door of welcome is open; the cause is great; and the need is imperative. In 1940 the whole liberal cause in America is threatened with disaster if the liberals in all States do not unite. This is no time to place pride above cause. We may not like this or we may not like that, but adjustments can be made and mistakes can be corrected. Misunderstandings and details can always be worked out if there be a strong objective ahead and a spirit of give and take within. Each cannot have his own way, regardless of how sweet that may be to him.

In 1940 a half dozen States will decide the election. Wisconding

Each cannot have his own way, regardless of how sweet that may be to him.

In 1940 a half dozen States will decide the election; Wisconsin will be one of those States. She is already classed as a pivotal State. A majority of Wisconsin voters are liberal, but the question is, Will they vote the liberal ticket? No one is expecting a landslide in 1940; everyone believes that it will be the hardest fought campaign since 1916, with the whole thing in doubt hours after the polls are closed on election day. The victory will go to one or the other of the two major parties—either a conservative or a liberal will be elected President. No radical or "red" will receive more than a handful of votes. The successful candidate will either be a Republican or a Democrat. The Republican will be a conservative of the old school or the Democrat a liberal with strong New Deal tendencies, because no one else can win the respective nominations of the two parties.

The Democratic Party, with the mantle of devotion to the people's cause of Jefferson draped about its shoulders, the militancy of Jackson in its heart, the indomitable will of Cleveland in its character, the idealism of Wilson in its soul, and the combination of all of these virtues as personified by Roosevelt in every fiber of its being, will attract honest liberals and patriots wherever they may be to its standards of progress and righteousness.

The Democratic Party has made its share of mistakes; it is neither infallible nor is it omnipotent, having strength only as the people give it strength; but it has pursued a straight course ahead, neither enamored with the luxurious life of conservative inertia on the one side, or the temptation of impatient radical imprudence on the other. It will keep its eye and its mind upon its great objectives of human well-being; it will never lose its enthusiasm for that magnificent cause or accept failure or dishonor as its destiny.

Civil Liberties

EXTENSION OF REMARKS

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. MEAD. Mr. President, on May 8 the junior Senator from Washington [Mr. Schwellenbach] made an interesting and able address over the radio regarding the work of the Senate Civil Liberties Committee. I ask that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Every Member of Congress who reads his mail meets two appeals every morning. The first is that we should keep the United States out of war. The second is that we should maintain the democratic institution of government here. Offnand these two appeals may seem to be separate. Anyone who thinks them through must realize that they cannot be separated. The chief reason our people want to stay out of war is that they know that if we go into war, we probably will not be a democracy when it is over. These same people know that the best chance we have to stay out of war is to protect and preserve and rely upon the democratic nature of our Government. We have many arguments among ourselves as to what we should do to maintain our democratic institution of government. No one can or does argue about the conclusion that the first thing we must do to maintain our democratic institutions is to keep in our own hands the tools of democracy which we now possess. Any workman called upon to do a job, whether he is digging a ditch or building a skyscraper, knows that he must have his tools and have them in good shape. The tools of democracy are contained in the first 10 amendments to the Constitution. Every Member of Congress who reads his mail meets two ap-

knows that he must have his tools and have them in good shape. The tools of democracy are contained in the first 10 amendments to the Constitution. They are known as the Bill of Rights or as Civil Liberties. The most important of them are freedom of speech, freedom of press, freedom of religion, freedom of assembly, freedom of thought, and freedom in the home.

Your first reaction may be that nobody ever questions these rights in this country. There may run through your mind the question of why anybody should take the time to discuss them. I say to you that today, more than ever before, we face the danger of impairment of these fundamental rights. When a Senator of the United States frankly confesses upon the floor of the United States Senate that he believes that concentration camps should be set up in this country for persons of whose ideas he disapproves. States Senate that he believes that concentration camps should be set up in this country for persons of whose ideas he disapproves, when a dignified Member of the Congress actually introduces a bill providing for concentration camps, the time has come when we should worry about the future of democracy in this country. If the tools of American civil liberty are to be dulled by actions of this kind, each one of us should worry about our personal liberty, which we have thought was guaranteed us under the Constitution. It is so easy for each one of us to plead that those with whom we disagree should be suppressed. You and I look upon ourselves as patriotic American citizens interested only in the future welfare of our Nation and our Government. We are inclined ofttimes to look upon those, of whose theories we disapinclined ofttimes to look upon those, of whose theories we disapprove, as being enemies of our Government and its future welfare. What is hard for you and me to understand is that if we prevent them from stating their point of view, we, at the same time, de-prive ourselves of the protection of the tools of democracy upon which we rely for the furtherance of the doctrines we espouse.

prive ourselves of the protection of the tools of democracy upon which we rely for the furtherance of the doctrines we espouse.

On June 6, 1936, the Senate of the United States recognized the necessity for the protection of the principles of civil liberties by directing the appointment of a committee to investigate and make public acts violating those civil liberties by various groups and individuals throughout the country. That committee consisted of the Senator from Wisconsin, Mr. Robert M. La Follette, Jr.; the Senator from Utah, Mr. Elbert Thomas; and the beloved Senator from Iowa, Mr. Louis Murphy, who later was killed in an automobile accident. From that date up until the present session of Congress the Civil Liberties Committee has been functioning. Through lack of funds and of authority the work of the committee has now practically ceased. During this session of Congress Senator Downey, of California, and I introduced a resolution under the terms of which the committee would again resume its work. My purpose tonight is to explain the work of the committee. My hope is that by explaining its purpose I may enlist your support for the resumption of its activities.

Naturally the first question we ask in judging an investigation concerns the industry and fairness of the committee doing the investigating. Time does not permit on this program to detail the generally accepted view of the committee's work. Let me just shoot across the country with some newspaper quotations.

The Buffalo (N. Y.) Times said this. I quote: "The Civil Liberties Committee is entitled to the thanks of the Nation for its courageous and painstaking survey."

The St. Louis Post Dispatch, I quote: "The committee's industry and its careful methods have inspired public confidence in the

disclosures.'

On November 9, last year, the San Francisco Chronicle quoted a statement by Frank Patridge, secretary of the Southern Californians, Inc., which organization was about to be investigated by the committee, as follows:

"We are glad that Southern Californians, Inc., is now to have the opportunity to outline the straightforward objectives and candid

the opportunity to outline the straightforward objectives and candid principles upon which they are predicated to such a responsible fact-finding body as the Senate Civil Liberties Committee."

These quotations are typical of the attitude of those who have had experience with the careful, painstaking, judicious, and fair-minded way in which this committee has functioned.

The record of the committee is one of the most extensive and expensive of each conference investigations. In the 90 days in

exhaustive of all congressional investigations. In the 99 days in which it has sat the committee has heard testimony and entered documents in its record totaling approximately 18,000,000 words. These 18,000,000 words are contained in 50 volumes, 35 of them already published and the remainder to be released within a few weeks. In addition the committee has published nine reports summerizing its findings. marizing its findings.

The committee has heard nearly 600 witnesses and examined

more than 20,000 documents.

The material of the investigation being controversial, the committee has been faced with the demand of hundreds of partisans to be heard. The committee has endeavored to allow the fullest possible opportunity to these persons. The committee has never refused to hear a witness who asked for time and who could offer testimony relevant to the matter at hand.

You, I know, are asking why such a careful and important study

as this should be discontinued by the Senate. The fact is that the revelations of the committee have been so important that the committee itself has met with the violent opposition of many forces

in this country of great influence.

in this country of great influence.

Once again time will not permit me to do more than sketchily outline what some of these revelations are. The most important is the uncovering of a private spy system in the United States. We shudder when we read of Stalin's Ogpu, Mussolini's Ovra, and Hitler's Gestapo. Bad as these systems are, they at least have the sanction of their governments. The committee has proved that we have a private spy system in this country almost as efficient as any operated by a European dictator. Some 40,000 men are employed in it. They operate through the medium of a handful of organizations and sell their services to whomever wants to pay. The committee estimates that \$80,000,000 a year is expended in the employment of these spies. Their operations extend from one end employment of these spies. Their operations extend from one end of the country to the other.

The committee revealed that there are powerful organizations in the country manufacturing, supplying, and distributing muni-tions to those who believe they have the right to take the law into their own hands and stiffe the right of people to speak or assemble or petition or even to think of their own betterment. The committee revealed that in certain sections of the country for years there has been no such thing as freedom of assembly or of speech. The outstanding example of this was Harlan, Ky.

After the corruption of the duly elected public officials of Harlan Country Ky, by the coel interests and in response to appropriate the second of the sec

County, Ky., by the coal interests, and in response to numerous pleas from the mothers and wives and union officials the commit-tee undertook an investigation of civil liberties in that area. It

tee undertook an investigation of civil liberties in that area. It was found that the only civil liberties in the county were those of the coal barons and their 377 deputies. I don't believe that I have ever read as harrowing a tale as I have found in the committee's report on "bloody Harlan."

A minister of the Gospel who, from his pulpit deplored the callous indifference to human rights and suffering, was threatened and then withdrawn from the county, by his superiors, to save his life. In another church which was used for union meetings—"speakings" as they are called in the mountains—dynamite was "speakings," as they are called in the mountains—dynamite was planted. The lives of the preacher and his family were saved by their dog, who found the charge under the building and withdrew it. The county attorney who announced his intention of cleaning up the county was shortly thereafter blown to bits by a dynamite charge attached to the starter on his automobile.

The campaigns of terror that accompanied every effort of the Harlan miners to organize for their economic betterment resulted in numerous killings, almost all of which, testimony and official records show, were from bombings, and shootings from ambush and in the back. The oldest organizer in the county, a man over 70, Lawrence "Peggy" Dwyer, said he was ambushed 17 times and

dynamited twice.

However, of all the many murders of which I read in the hearings relating to Harlan, none strikes me as more cowardly than that of relating to Harlan, none strikes me as more cowardly than that of Bennett Musick, son of a preacher-organizer. One night while the family was gathered around the fire awaiting the return of the elder Musick, a fusillade of shots was fired into the house by thugs who drove past in four autos. After the firing ceased, in the words of the anguished mother, "We hushed for 2 or 3 seconds * * * and I said 'Are any of you shot?' And the baby boy said, 'I am shot in the arm,' and Pauline said, 'I am not shot.' * * The 14-year-old boy got behind the door. * * * I took Bennett by the shoulder * * * shook * * * he was dead. We did not have a light in the room, and Pauline and I just drug him to the door, where the light shined in * * and seen he was dead." After burying his son, Preacher Musick took his family out of the State for safety before continuing his work. They returned to their home in Harlan after the investigation of the committee

made it safe to do so.

The committee revealed numerous instances in which fictitious organizations were created. On the surface they appeared to be organizations of workers and farmers intended to benefit those whom they might interest in a cause. The fact is, however, they were conceived by, financed by and directed by those in violent opposition to the principles for which the organizations reputedly stood.

If we are to continue as a free America, these and similar practices used to thwart people's human desire for betterment of economic conditions must be stamped out. They can't be stamped

economic conditions must be stamped out. They can't be stamped out by any short campaign.

I believe the Civil Liberties Committee of the United States Senate should be a permanent institution. Can anyone deny that it is worth while investing \$100,000 a year in an effort to protect the rights guaranteed to us under the Constitution? We don't hesitate to spend many times that amount to build a battle-ship to defend us against a foreign foe. I consider that the maintenance of this committee is just good insurance to protect against the foes from within.

maintenance of this committee is just good insurance to protect against the foes from within.

There is another more specific reason why the committee should be continued this year. Last fall the committee made a preliminary investigation of a comparatively new organization known as the Associated Farmers. The Associated Farmers claim to be a bona fide organization of and by farmers for their own protection. I don't want to prejudge the case for or against the Associated Farmers. The investigation has not been completed. To make sure that I will not be unfair to the Associated Farmers. I am going to Farmers. The investigation has not been completed. To make sure that I will not be unfair to the Associated Farmers, I am going to limit my statement concerning them to what the organization itself claimed it was charged with in a telegram inserted in the Congressional Record by Senator Hiram Johnson, of California, on April 4 of this year. I quote: "First, it is charged that the Associated Farmers is a front organization for railroad and public utilities and big business interests and dominated by them. Second, it is charged that we operate to break up labor organizations and prevent labor organizations from taking hold among the agricultural workers of the west coast. Third, it is charged that we cooperate with sheriffs' offices, county prosecutors, and State officials. Fourth, the charge is made that huge private arsenals are maintained, including a sizable warehouse of submachine guns and sawed-off shotguns, for use in case of labor trouble."

In the wire to Senator Johnson, the Associated Farmers specifi-

In the wire to Senator Johnson, the Associated Farmers specifi-cally denied these charges and said this:
"Decency and fair dealing dictate that the Associated Farmers should have an opportunity to prove or disprove the charges mentioned."

A very insistent demand has been made upon the Senate that A very insistent demand has been made upon the Senate that this particular investigation at least be concluded. The National Grange, one of the oldest farm organizations, has requested it. Both the national labor organizations have requested it. And now the Associated Farmers themselves have requested it. There should be no doubt in the people's minds that these requests should be

granted.

May I conclude with thanking the National Broadcasting Co. for this opportunity to present, thus briefly, the work of the Civil Liberties Committee of the Senate. I think the work of that committee must be continued. We live in days which are troublesome. The whole world is confronted with seemingly insurmountable problems. There are many people who think that we ought to go out into the world and get ourselves involved in those problems. It seems to me best that we should first make sure that the institution of democracy shall be preserved here. It can't be preserved in the event that the tools which the Constitution gives us for its preservation become dulled or discarded. I like to think of our civil in the event that the tools which the Constitution gives us for its preservation become dulled or discarded. I like to think of our civil liberties as being summed up with the words "freedom of will." The American people must have the right to choose after having been given full opportunity to know the facts. There is no place in America for private armies, private spy systems, private arsenals. If eternal vigilance is the price of liberty, now is surely the time when we should know at what points and from what sources our liberties are being attacked. In the Senate Civil Liberties Committee we already have effective and efficient machinery to do this mittee we already have effective and efficient machinery to do this job. Surely no one can seriously urge that we should abandon that machinery during this troublesome time in our national life.

Exports and Imports Under Trade Agreements

EXTENSION OF REMARKS

HON. SHERMAN MINTON OF INDIANA

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

NEWS RELEASE OF MAY 8, 1939

Mr. MINTON. Mr. President, there was recently inserted in the RECORD some misleading information respecting the trade agreements entered into between the United States and other countries. I now ask unanimous consent to have inserted in the Appendix of the RECORD the answer to this propaganda in the form of data respecting United States exports and imports of grain, cattle, and other farm products under the trade agreements.

There being no objection, the data was ordered to be printed in the RECORD, as follows:

UNITED STATES EXFORTS OF GRAIN SHARPLY ADVANCE IN 1938; IMPORTS AT RECORD LOW LEVELS

Sharply increased exports, accompanied by drastic decreases in imports, characterized the foreign trade of the United States in grains and grain products during 1938, according to C. Roy Mundee, Chief, Foodstuffs Division, Department of Commerce.

A comprehensive survey of this trade, prepared by Ruch Spicer, grain specialist, Foodstuffs Division, will be available for distribution this week he said.

A comprehensive survey of this trade, prepared by Ruch Spicer, grain specialist, Foodstuffs Division, will be available for distribution this week, he said.

The survey shows that aggregate exports from the United States of grain and grain products reached a value of \$233,554,000 in the calendar year 1938 compared with \$91,095,000 in 1937. The grain and grain products export trade amounted to only \$29,-556,000 in 1936 and \$28,922,000 in 1935. The 1938 valuation, it is pointed out, was the highest recorded for any year since 1929.

The largest single item in the grain export trade was corn, of which foreign shipments in 1938 amounted to 147,505,104 bushels valued at \$94,496,089 or more than the combined value of all grains exported in any one of the 3 preceding years. Approximately half of the corn shipments were destined to the United Kingdom and Canada, the survey shows.

Wheat ranked as the second most important item in the 1938 grain export trade, shipments abroad totaling 86,980,843 bushels valued at \$78,141,208. This total was more than twice as large as that of 1937 and many times in excess of the 1936 and 1935 figures. The United Kingdom was the leading export outlet, followed by the Netherlands and Belgium.

Exports of milled rice in 1938 amounted to 297,724,882 pounds,

Exports of milled rice in 1938 amounted to 297,724,882 pounds, valued at \$7,830,359, an increase of 101,723,000 pounds and \$1,697,000, as compared with 1937. Smaller gains were registered in shipments of other grains, the only exception being rye, which

showed a slight decline.

Exports of wheat flour milled wholly from United States grain increased from 2,270,097 barrels valued at \$11,927,112 in 1937 to 3,701,193 barrels valued at \$15,927,112 in 1938. On the other hand, exports of flour milled from wheat imported in bond for milling and export decreased from 2,182,611 barrels valued at \$13,339,314 in 1937 to 1,511,597 barrels valued at \$7,419,277 in 1938

Exports of biscuits and crackers were higher in 1938 than in any of the 3 preceding years, as were shipments of macaroni, spaghetti, and noodles. All items of prepared cereals registered increases in the 1938 export trade over the preceding year with the exception of corn cereal foods ready-to-eat.

corn cereal foods ready-to-eat.

Imports of grains and grain preparations in 1938 were valued at \$7,976,000, which was only 7.8 percent of the value of \$102,392,000 reached by these imports in 1937 and compared with \$84,468,000 in 1936 and \$73,314,000 in 1935. Last year, it is pointed out, was the first year since 1934 in which the value of imports of these products was less than that of exports.

Practically all items in the United States grain import trade showed decreases in 1938 compared with 1937 and the years immediately preceding. The greatest decrease was in imports of corn which amounted to only 403,371 bushels valued at \$257,702 against imports of 86,337,248 bushels valued at \$56,184,246 in 1937.

The increased imports of cattle in the first 2 months of 1939 were due primarily to the rushing of shipments out of Mexico in antici-

The increased imports of cattle in the first 2 months of 1939 were due primarily to the rushing of shipments out of Mexico in anticipation of the possibility of an embargo by the Mexican Government. The amount of cattle permitted entry into the United States under the quota is only about 1½ percent of the average annual slaughter of cattle, including calves, in the United States. Of the January-February 1939 imports of 184,000 head, 108,000 head either were in excess of the quota or not subject to reduced trade-agreement rates, and, therefore, paid the full duty.

Hog imports in January-February 1939 were negligible. The United States is on an export basis in pork products, and exports are increasing owing to our expanded hog production.

Of the 2 months 1939 imports of 19,219,000 pounds of meat prod-

Of the 2 months 1939 imports of 19,219,000 pounds of meat products, 18,426,000 pounds were of items not subject to reduced duties under the trade-agreements program.

No reduction in duty on entry into the United States has been

No reduction in duty on entry into the United States has been made for flaxseed in the trade-agreements program.

Of the 31,485,000 pounds of edible vegetable oils imported in January-February 1939, only 773,000 pounds of palm-kernel oil were subject to any reduced duty under the trade-agreement program.

The tabulation in the Congressional Record fails to state that the two classifications of "cottonseed oil" and "olive, corn, and other oils" are included under the vegetable-oils total shown, and, therefore, represent a 100-percent duplication. Cottonseed oils and other edible vegetable oils, except palm-kernel oil, have not been the subject of any trade agreements.

Oil cakes and oil-cake meal have not been given reduced duties in the trade-agreements program. The United States is on an export basis with respect to these products, shipments, and exports in January-February 1939 totaling 109,730,000 pounds, as compared with imports during the same period of 33,868,000 pounds.

No concessions on butter have been granted under the trade-

agreements program.

Imports of grains during January-February 1939 were at negligible levels. The United States is on an export basis in grains. As contrasted with the import figures shown, exports during the first 2 months of 1939 were: Oats, 366,000 bushels; corn, 9,693,000 bushels; wheat, 18,999,000 bushels; and barley, 1,080,000 bushels.

Of the January-February 1939 wheat imports, only 11,000 bushels consisted of wheat for human consumption actually entering the United States. Of the total imports for those 2 months of 1,874,-000 bushels, 1,807,000 bushels entered bonded warehouses for grinding in bond and export and 57,000 bushels were of wheat unfit for

human consumption.

However, several concessions have been granted by the United States on grains. Among these were a reduction from 20 cents to 10 cents per bushel in the duty on corn from Cuba (effective September 3, 1934) alone (this concession was not extended to other countries); a reduction from 16 cents to 8 cents per bushel in the duty on hulled oats unfit for human consumption in the first trade agreement with Canada and the extension of the reduced rate to the classification "oats, hulled or unhulled," in the second Canathe classification "oats, hulled or unhulled," in the second Canadian trade agreement; and the reduction in the duty on wheat when unfit for human consumption from 10 percent to 5 percent ad valorem in the second Canadian trade agreement, effective January 1, 1939. Pearl barley was reduced in duty from 2 cents to 1 cent per pound in the trade agreement with the Netherlands effective February 1, 1936. Barley, hulled or unhulled, was reduced in duty from 20 cents to 15 cents per bushel in the second Canadian trade agreement. There were other duty reductions in grains, but these are the important ones pertinent to the commodities included in the tabulation. the tabulation.

More than one-third of the January-February 1939 imports of vegetables and preparations were of items on which no concessions have been granted in trade agreements. These included various starches on the free list in the amount of \$895,000 and canned tomatoes and tomato paste not the subject of any trade agreements in the amount of \$518,000.

Unmanufactured cotton is on the free list and therefore has not been the subject of any duty concessions in the trade-agreements

program.

Inedible molasses has not been the subject of any duty concessions in the trade-agreements program.

The large increase in January-February 1939 imports of maple sugar and sirup was due nearly entirely to the destruction of sugar maple trees in Vermont during the hurricane of last fall.

The duty on maple sugar on entry into the United States was reduced from 8 cents to 6 cents per pound by Presidential proclamation March 7, 1931, based on investigation by the Tariff Commission under section 336, 1930 Tariff Act, was further reduced to 4 cents per pound in the first Canadian trade agreement effective January 1, 1936, and further reduced to 3 cents per pound in the second Canadian trade agreement effective January 1, 1939. The United States import duty on maple sirup was reduced from 5½ United States import duty on maple sirup was reduced from 5½ cents to 4 cents per pound under section 336 effective March 7, 1931, and was further reduced to 2 cents per pound in the second Canadian trade agreement effective January 1, 1939.

Imports of certain farm products into the United States [Figures in round numbers]

Products	January and Feb- ruary 1926	January and Feb- ruary 1931	January and Feb- ruary 1938	January and Feb- ruary 1939	
Cattlehead	24, 000	9,000	46,000	184,000	
Hogspounds	114,000	1,000	16,000	15,000	
Meat productsdo	9, 452, 000	5, 702, 000	16, 433, 000	19, 219, 000	
Butterpounds	3, 228, 000	207,000	513,000	165, 000	
Cheesedo	7, 920, 000	8, 184, 000	6, 855, 000	8, 339, 000	
Oatsbushels	40,000	286, 000	4,000	88,000	
Corndo	63, 000	198,000	80,000	50,000	
Wheatdo	1, 972, 000	2, 491, 000	79,000	1,874,000	
Barleydo	(1)	(1)	(2)	1,000	
Barley maltpounds	(1)	(1)	22, 625, 000	12, 483, 060	
Flaxaced bushels bushels	3, 081, 000	1, 304, 000	3, 256, 000	4, 360, 000	
Wool and mohairpounds	80, 449, 000	25, 434, 000	8, 260, 000	39, 213, 000	
Molasses (inedibe)gallons	36, 336, 000	32, 860, 000	27, 647, 000	31, 618, 000	
Eggs in shelldozen	51, 000	56, 000	39, 000	74,000	
Vegetable and preparations			Annual Control	STANK SANAGARAN	
value	\$8, 085, 000	\$6, 325, 000	\$3, 975, 000	\$3, 371, 000	
Hides and skinspounds	62, 683, 000	33, 628, 000	23, 164, 000	61, 015, 000	
Tobacco, unmanufactured_do	-10, 082, 000	19, 842, 000	9, 057, 000	11, 312, 000	
Cotton, unmanufactureddo	50, 208, 000	11, 232, 000	14, 023, 000	16, 030, 000	
Total vegetable oils, edible_do	(3)	21, 752, 000	17, 401, 000	31, 485, 000	
Cottonseed oildo	(3)	(3)	2, 163, 000	12, 949, 000	
Olive, corn, and other oils		addutter and		- Company of the	
pounds	(3)	21, 752, 000	15, 238, 000	18, 536, 000	
Maple sugar and sirupdo	475, 000	(2)	108,000	1, 306, 000	
Oil cake and ou-cake meal:	Same		2930010000		
Soybeando	411, 427, 000	5, 904, 000	3, 224, 000	4, 420, 000	
Cottonseeddo	(5)	188, 000	888, 000	4, 284, 000	
Linseeddo	(5)	3, 070, 000	1, 286, 000	2, 607, 000	
Coconut or coprado	11, 259, 000	4, 675, 000	12, 477, 000	19, 723, 000	
Otherdo	5, 313, 000	989, 000	3, 781, 000	2, 834, 000	

Includes other bean cake, Included in "Other."

Pleas for Peace

EXTENSION OF REMARKS

HON. DENNIS CHAVEZ

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

ADDRESSES BY THE POPE AND THE DUKE OF WINDSOR

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the text of the appeal for peace by Pope Pius XII and also the text of the appeal for peace made yesterday by the Duke of Windsor. What impels me to do this is that some few days ago the President of the United States made such an appeal to the world and in several instances was criticized. I merely wish to show that there are others who have the same feeling.

There being no objection, the statements were ordered to

be printed in the RECORD, as follows:

TEXT OF POPE'S ADDRESS

VATICAN CITY, May 7 .- Following is a translation of the radio ad-

VATICAN CITY, May 7.—Following is a translation of the radio address delivered today by Pope Pius XII in French to the National Eucharistic Congress at Algiers, Algeria:

"For the twelfth time, very dear sons of the noble French nation, you are gathered by thousands around Christ, present in the Eucharist, to offer Him solemn homage of adoration.

"In the course of recent years Africa has already seen more than one ceremony of this kind. Carthage, mindful of having been the glorious metropolis of the North Africa churches and of having sheltered within its walls more than 30 church councils, started them with its International Eucharistic Congress.

"Then the movement was extended to regional and national congresses as far as southern Africa, the Congo, Madagascar, Tripoli.

congresses as far as southern Africa, the Congo, Madagascar, Tripoli, and elsewhere.

"Today the triumph of the Host is celebrated on these coasts, which for a long time were called Barbary. And our heart exults with joy as we participate in it doubly. We are present in two manners: visibly in the person of him whom we have chosen as our legate to preside in our name over these eucharistic days, our very dear son, the Cardinal Archbishop of Paris; invisibly but veritably present through our prayers joined with those of your spiritually enthusiastic crowds.

"IMPASSIONED PLEA FOR PEACE

"Neither the churning waves of the sea nor the crashing noise of armaments which is shaking these shores can check your mystic faith, the 'bonne mere' of the Garde who led you toward Our Lady of Africa [the Pope here referred to Notre Dame de la Garde shrine, erected to the Virgin at Marseille in behalf of those at seal, and in this host bleaming from both hills faith shows you the depth and very author of peace, that peace so ardently desired by uneasy

and very author of peace, that peace so ardently desired by uneasy humanity.

"That is what attracted you and encouraged you. That is what unites us intimately with you in this month of May, when we would like all the world consecrated to universal prayer—especially the prayers of infants, beloved of the Saviour—to make the peace promised to men of good will, peace in souls troubled by the appeals and seductions of false doctrines, and peace among nations trembling with incessant anxiety descend from heaven to earth through the hand of the Immaculate Virgin.

"If you have come here to hold your eucharistic session, it is especially to celebrate the centenary of an event ever memorable for the church and for France.

"A century ago the first Bishop of Algiers was installed in his cathedral. Thus was reborn after 800 years of apparent death this ecclesiastical province of Africa which had counted 500 bishops and which in the lists of its martyrs, of its popes, and its virgins included the incomparable Doctor of Hippo, Augustine, one of the most brilliant geniuses that God has ever given to the church and to the world.

to the world.

"But in 1839 the white city of Algiers flaunted its terraces upon the sea as a defiance to Christian peoples; Algiers, the city of tears and blood where thousands of captives had wept, prayed, suffered, and given their lives for Christ, counted but four priests.

"SEES ADMIRABLE RENAISSANCE

"Now with the Cross of Christ rising from one of its minarets, Algiers becomes the luminous gateway through which the light of revelation penetrates with growing rapidity to the heart of the Black Continent.

"Admirable renaissance, a new life, overflow of supernatural vigor. Today numerous bishops and apostolic vicars, hundreds of priests from various Christian nations or of native families, and several

Not separately shown.
 Less than 500 pounds.
 Similar classifications not available.

million faithful attest throughout Africa the eternal youth of the church, the inexhaustible fecundity of divine grace served by human

"That is why our benediction goes out affectionately toward you sons of that France whose great religious destinies we were per-

mitted to recall 2 years ago under the roof of Notre Dame in Paris.

"But this benediction goes still further—to you neophytes and catechists scattered through the missions of Africa and finally to all you men whose souls, like ours, have been redeemed by the blood

of God become man.

"All nations have been given Jesus Christ as a heritage, and Providence has constituted us the guardians of this heritage; God has made us the pastor and the father of this humanity.

"May divine benediction, the fruit of blood shed for us by the Saviour, hidden but present in the Eucharist, descend upon all of you—the benediction of Almighty God, Father, Son, and Holy Ghost.

TEXT OF DUKE OF WINDSOR'S PEACE TALK

Text of Duke of Windsor's Peace Talk

I am speaking tonight from Verdun, where I have been spending a few days visiting one of the greatest battlefields of the last war. Upon this and other battlefields throughout the world millions of men suffered and died, and as I talk to you from this historic place I am deeply conscious of the presence of the great company of the dead. And I am convinced that, could they make their voices heard, they would be with me in what I am about to say.

For two and a half years I have deliberately kept outside of public affairs, and I still propose to do so. I speak for no one but myself, without the previous knowledge of any government.

I speak simply as a soldier of the last war, whose most earnest prayer it is that such cruel and destructive madness shall never again overtake mankind. I break my self-imposed silence now only

again overtake mankind. I break my self-imposed silence now only because of the manifest danger that we may all be drawing nearer to a repetition of the grim events that happened a quarter of a

The grave anxieties of the time in which we live compel me to raise my voice in expression of the universal longing to be delivered from the fears that beset us and to return to normal conditions.

NO PEOPLE SEEKING CONFLICT

You and I know that peace is a matter far too vital for our happiness to be treated as a political question. We also know that in modern warfare victory will lie only with the powers of evil. Anarchy and chaos are the inevitable results, with consequent misery for us all.

I cannot claim for myself the expert knowledge of a statesman, but I have at least had the good fortune to travel the world and therefore to study human nature. This valuable experience has left me with the profound conviction that there is no land whose people want war. This I believe to be as true of the German nation as of the British nation, to which I belong, as it is of you in America and of the French nation, on whose friendly soil I now reside.

International understanding does not always spring up simultaneously of itself. There are times when it has to be deliberately sought and negotiated, and political tension is apt to weaken that spirit of mutual concession in which conflicting claims can best be adjusted. The problems that concern us at this moment are only the reproductions on a larger scale of the jealousies and suspicions of everyday life. In our personal contacts we all strive to live in harmony with our fellow men. Otherwise modern civilization could never have come into existence.

DEPLORES PROPAGANDA SLOGANS

Are we now going to destroy that civilization by failing to do internationally what we have learned to do individually? In their public utterances the heads of all governments are as one in declaring that war would be disastrous to the well-being of their people. Whatever political disagreements may have arisen in the past, the supreme importance of averting war will, I feel confident, impel all those in power to renew their endeavors to bring about a peaceful settlement.

Among measures that I feel might well be adopted to this end is the discouragement of all that harmful propaganda which, from whatever source, tends to poison the minds of the peoples of the world. I personally deplore, for example, the use of such terms as "encirclement" and "aggression." They can only arouse just those dangerous political passions that it should be the aim of us all to

No; it is in a larger spirit than that of personal or purely national interest that peace should be pursued. The statesmen who set themselves to restore international security and confidence must act as good citizens of the world and not only as good Frenchmen, Italians, Germans, Americans, or Britons. The benefit of their own nation must be sought through the benefit of the wider community of which we are all members. of which we are all members

APPEALS IN NAME OF WAR DEAD

In the name of those who fell in the last war I urge all political leaders to be resolute in the discharge of this mission. I appeal to them in the name of the living, whose existence and happiness are in their hands. And I appeal to them especially in the name of the youth of the present day, with all its incalculable potentialities of future service to the human race.

The world has not yet recovered from the effects of the last carnage, which in each and every country decimated my genera-

tion. The greatest success that any government could achieve for its own national policy would be nothing in comparison with the triumph of having contributed to save humanity from the

terrible fate that threatens it today.

Somehow, I feel that my words tonight will find a sincere echo forward concrete proposals. That must be left to those who have the power to guide their nations toward closer understanding.

God grant that they may accomplish that great task before it is too late.

Loans Under the Mead Bill

EXTENSION OF REMARKS

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

ARTICLE BY ERNEST K. LINDLEY

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record an article by Mr. Ernest K. Lindley entitled "'Little Man' Gets Help," which deals with loans under the bill introduced by Senator James M. MEAD, of New York.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"LITTLE MAN" GETS HELP (By Ernest K. Lindley) THE MEAD BILL

It begins to look as if this Congress, with the backing of the administration, would concect at least one stimulant to business This is the provision of more adequate credit facilities

enterprise. This is the provision of more adequate of for small- and medium-sized business concerns.

For years small-business men have been complaining that they for working capital and expansion. Their comcannot get credit for working capital and expansion. Their com-plaints have not gone unheeded. Access to credit has been pro-vided through the R. F. C., the Federal Reserve banks, and liberali-zation of the banking laws. But the resultant loans have been small in total volume, and the complaints from businessmen have

continued.

Possibly the bankers and the R. F. C. have been too timid or too exacting. Possibly many businessmen have felt that they could not go to the R. F. C. without labeling themselves as second- or third-rate risks. Possibly most of the small-business men who complain of inability to obtain loans are not good risks. Possibly what they really need is more customers, or, at most, "risk capital," not credit, which a soundly managed lending agency can be expected to provide.

AN UNMET NEED FOR SMALL LOANS

However, where there are so many complaints there must be an unmet need. Although less was heard about it in the balmy twenties, our credit system makes scanty provision for the small-and medium-sized business enterprise which wants to borrow up to \$1,000,000 for a period running up to 10 years. Wall Street and the other big financial markets pay little attention to the small enterprise. Ordinarily the small-business man has relied on his own resources and those of a few friends in his own community. Ordinarily he cannot market his own securities publicly except at exercitions. exorbitant cost.

excribtant cost.

More than a year ago William O. Douglas, then chairman of the Securities and Exchange Commission, proposed that a series of intermediate-credit banks be established to meet the need of businessmen who want to borrow, say, up to \$1,000,000 for a period running up to 10 years. This particular plan was frowned upon in the Federal Reserve Board, which saw no reason for setting up a series of special banks to do what it thought the existing healing system output, to do

various other schemes have been proposed. But lately opinion within the administration has been moving toward the plan presented in a bill introduced by Senator Mead, of New York.

"LITTLE MAN" BORROWS WITH UNITED STATES INSURANCE

"LITLE MAN" BORROWS WITH UNITED STATES INSURANCE
The Mead bill applies the insurance principle, which seems to be
working well in the financing of home building under the Federal
Housing Administration, to intermediate credits to small and
medium-sized business enterprises.
Under the plan now proposed, a businessman wanting credit in
an amount up to \$1,000,000 for a period up to 10 years would go to
his bank or trust company. The bank or trust company would
assume 10 percent of the risk—enough to insure that the loan
would not be made improvidently. The Reconstruction Finance
Corporation would insure the remaining 90 percent of the loan, at
a charge of not more than 1 percent annually on the original

amount of the loan. The insured loan would be eligible for discount or rediscount by a Federal Reserve bank. The Federal Reserve banks would also be authorized to sell these insured notes to private investors.

Loans made in this way would bear a maximum interest rate of 4 percent, plus a service charge of not more than 1 percent, plus the insurance premium of not more than 1 percent. They would be secured by mortgages having a value of at least 125 percent of the principal of the loan.

BANKER ASSURED OF HIGH LIQUIDITY

This scheme is intended to promote lending for business purposes at reasonable rates by limiting the banker's risk of loss, and, at the same time, to assure to the banker a high degree of liquidity to meet his deposit obligations.

It can be argued that nobody knows what the losses would be under such a system, so that the insurance premiums running up to 1 percent annually might prove to be inadequate. The answer is that the Government can afford to take some degree of risk in order to stimulate business enterprise.

It can be argued that this system will not provide "risk" capital—equity capital—which may be the real need of small- and medium-sized business. That is true. It is difficult to see how the banking system, with proper regard for its depositors, can be expected to put capital into highly risky ventures.

What this plan offers to small- and medium-sized enterprises is the kind of capital which larger corporations obtain by issuing bonds or preferred stock. Maybe there isn't a large unmet need for that kind of capital. At least, it would be worth while to find out whether or not there is. If there is, this plan should go a long way toward meeting it, thus stimulating business activity and increasing employment.

Admission of German Refugee Children

EXTENSION OF REMARKS

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

EDITORIAL COMMENT

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD certain editorials concerning the admission of German refugee children, as follows: The Brunswick (Ga.) News of April 19, 1939; Post-Gazette, Pittsburgh, Pa., of April 22, 1939; Nashville (Tenn.) Tennesseean of April 23, 1939; The State, Columbia, S. C., of April 25, 1939; New York Evening Post of April 25, 1939; Washington (D. C.) Post of April 25, 1939; Atlanta (Ga.) Constitution of April 26, 1939; Minneapolis (Minn.) Star of April 24, 1939.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

> [From the Brunswick (Ga.) News of April 19, 1939] A HUMANITARIAN MEASURE

In the maze of measures which have been introduced in Congress this session it was inevitable that some meritorious bills would be largely lost from public view. In this category lies a measure introduced by Senator ROBERT WAGNER, Democrat, from New York, which would provide for the admission annually to this country from Germany 10,000 children above the established immigration quota.

The bill, although temporarily sidetracked because of the pressure being exerted for war and economic legislation, is, nevertheless, one which should have the most earnest consideration of Congress. In fact, it may be safely said that it is one of the most important measures upon which Congress should act in that it deals with human life and liberty, man's two most cherished pos-

Under the bill as drafted by Senator Wagner the increased immigration would be in effect during the years 1939 and 1940 and would limit eligibles to ages between 1 and 14 years. The measure further provides that before admission is granted satisfactory assurances must be given that such children will be supported and properly cared for through the voluntary action of responsible citizens or responsible private organizations of the United States and consequently will not become public charges. It is further provided in the bill that children residing in areas which Chancelor Hitler has absorbed shall also be eligible.

The plight of those in Germany who, because of political or racial differences with the present regime, are being so mercilessly persecuted is so heart-rending as to almost defy description. But the most pitiful and helpless sufferers are the children of tender years. Senator Wagner's bill, designed to aid these helpless youngsters, should appeal to every liberty-loving American, and its passage should be vigorously demanded. To insure its passage it would be well for voters to write to their congressional delegations asking support for it.

The measure is being supported by a nonsectarian committee composed of such outstanding Americans as Cardinal Mundelein; William Allen White, noted Kansas editor; Gov. Herbert Lehmann,

of New York; President Graham, of the University of North Carolina; Canon Stokes; Bishop Shiel; and Miss Helen Taft Manning.

Although Jews, of course, are the greatest sufferers in Germany, the bill provides that only 50 percent of these children shall be of the Hebrew race. The remaining 50 percent is equally divided between Protestant and Catholic children.

[From the Pittsburgh (Pa.) Post-Gazette of April 22, 1939] BRAVO, MISS HAYES!

In Washington Thursday, a woman who has stirred the souls of thousands with her acting in stage drama played a "bit" part in a passing scene of the world theater that is all too frightfully

Bereft of grease paint and the costume of make-believe, Helen Hayes sat in a chair facing solemn men and as "an American mother" she pleaded for the succor of children cast saide by a civilization in debacle. She was a shy, timid little figure there in the big chair, but her stature also as an American citizen mounted

with her every word.

If for nothing more than "repudiation of race prejudice and brutality," the actress implored a congressional committee to ap-

brutality," the actress implored a congressional committee to approve legislation adjusting immigration laws to provide a limited number of German refugee children (10,000 this year and an equal number in 1940) haven in the United States.

Surely she must have struck a responsive chord with her single assertion that "the real feeling of every American family is that there is always room for one more." There was that room in her own home, for Miss Hayes is at once the artist and mother to her own child and to an adopted one—and there is space in her heart for another from across the sea.

for another from across the sea.

To shun these children, she said in a manner that touches the heart, "just isn't like us."

[From the Nashville Tennesseean of April 23, 1939] CHILD REFUGEES

Senator Wagner's bill to permit 20,000 German refugee children under 14 to be received into the United States outside of quota restrictions within the next 2 years has a broad humanitarian appeal.

There are estimated to be about 50,000 children of the stipulated age whose parents are in concentration camps or who, for other reasons, are dependent upon the compassion of the world. They represent many races, religions, and creeds. Under present conditions their plight is hopeless. Great Britain has already agreed to take 5,000 of these young people, and Holland has provided for

take 5,000 of these young people, and Holland has provided for 1,700 and is accepting more.

The Wagner bill, endorsed by both Catholic and Protestant churchmen and many other leading Americans, brings the problem home to the United States. Admission of the refugees would be predicated on satisfactory and voluntary undertakings by responsible citizens of private organizations that adequate provisions would be made for their maintenance and care, in homes of their own faiths.

It is a worthy cause and there is no question where American

It is a worthy cause and there is no question where American sympathies lie.

[From the State, Columbia, S. C., April 25, 1939] HUMAN CHILDREN

The State knows that undiluted Christianity will not be adopted as national policy by any nation. Always there have been economic, social, racial, and other qualifications in man's use of the Christian religion, and perhaps always there will be. But the State does wish we might see the plight of certain European children through eyes perhaps a little blurred to economic, social, and racial policies and prejudices—blurred by compassion.

That bill before the Congress to admit 20,000 children from Germany and Germany controlled lands over a stretch of 2 years does

many and German-controlled lands over a stretch of 2 years does not appear to be dangerous. It provides that beggar and begging children will not come. It requires financial sponsorship for the children. In the main it asks merely that we share our safety

They are not American children. That is true. They may be, and some of them are, non-Aryans. But they are human beings, and they are children, and they are in distress. Just a little of what seems to some as Christian recklessness, practiced in the interest of a small group of small children, might not do us much

[From the New York Evening Post of April 25, 1939] TWENTY THOUSAND HOMELESS CHILDREN AT THE DOOR

It is difficult to view the European situation today without wanting to do something about it. For many this natural desire seems to take the form of wanting to go to war to end fascism. But many others—the majority, we feel—believe that such a course would come dangerously close to compounding the evil.

Both those who believe that we should intervene in Europe and those who are against intervention can join in support of the

Wagner-Rogers bill which would permit 20,000 refugee children from Germany to enter this country.

Here is an opportunity to express, in a practical way that harms no one, the humanitarian instincts called forth by Nazi persecution.

no one, the humanitarian instincts called forth by Nazi persecution.

The Wagner-Rogers bill is neither a partisan nor a sectarian measure. Its chief sponsor is the Friends Service Committee, which will have charge of selecting the children to enter and which will find the homes in which to place them. Already 5,000 offers to adopt the refugees have been received.

The supporters of the bill range from Herbert Hoover and Dorothy Thompson to the American Federation of Labor and the Congress of Industrial Organizations.

The refugees themselves are of all faiths and their families have feed from Germany for a variety of reasons. Catholics and Protes-

The refugees themselves are of all faiths and their families have fled from Germany for a variety of reasons. Catholics and Protestants have been persecuted in Germany as well as Jews. Many families have been forced to leave their fatherland for professing the political principles on which the United States rests.

That is why our Government took the lead in sponsoring the Evian conference for the evacuation of refugees. No country can absorb them all—but we can do our share.

Holland, Britain, the Scandinavian countries—all far more crowded than the United States—are cooperating in the plan. Twenty thousand children will make no appreciable difference in our population, nor will they create any special problem here.

The bill limits eligibility to children below 14 years old. That means they will receive an American education and will be influenced in their formative years by American home training.

enced in their formative years by American home training.

If they bear with them throughout their lives a memory of what oppression has meant to their parents and themselves, so much

oppression has meant to their parents and themselves, so much the better for their value as future citizens of this democracy.

Waves of reaction have swept Europe before during the last 300 years. After every one of them the United States has been enriched by a wave of refugees, who have contributed more than their share to the building up of this country.

The Wagner-Rogers bill is one measure upon which conservative, liberal and radical, isolationist and interventionist, rich and poor can unite.

[From the Washington Post of April 25, 1939] IN GOOD HANDS

In his foreword to the latest annual report of the American Friends Service Committee, Rufus M. Jones, the chairman, speaks feelingly of the work this splendid organization has done. During the past year, he says, this work "has been heavier than during any year since the peak period of child-feeding in Germany, and there has been no year in its history when it has been called upon to face a greater variety of momentous tasks."

It was inevitable that this should be the case. Each change of frontier in Europe, each turn of the screw by the totalitarian dictators against those who for religious, racial, and political reasons have incurred their animosity, has increased the already staggering sum of human misery crying out for succor. Driven on by their deep concern to render what aid they can to the victims of man's inhumanity to man, the Quakers have also found their tasks multiplied because of the wholly justified confidence which has multiplied because of the wholly justified confidence which has been placed in them. Thus it is that the American Friends Service Committee report

for 1938 reveals a steady broadening in the activities of this organization. At home, the committee has sponsored very constructive community projects in regions devastated by chronic unemployment, work camps, health clinics, and institutes of international

Abroad, the committee has performed other extremely notable services. In Spain, the committee was entrusted with the task of feeding child war victims and its representatives did the job so well as to win the heartfelt gratitude of Nationalists and Loyal's salike. In Berlin and Vienna, the committee's centers rendered in-

which as to will the learning statute of Nationaliss and Boyaniss alike. In Berlin and Vienna, the committee's centers rendered invaluable advice and assistance to the victims of the Nazi terror and helped instill new faith and hope among those compelled to live "in a 'suicide world,'" as the report has it.

A new prospective task, assigned to the American Friends Service Committee, is to supervise the selection and emigration of 20,000 children, refugees from Germany, should Congress permit them to enter the United States outside the quota, as provided in the Wagner-Rogers bill. Undoubtedly one reason for the widespread support received by this humanitarian plan is the willingness of the Quaker body to administer it. That alone is an endorsement which stamps the plan as worthy of real support.

For in the hands of these splendid men and women the American people can be assured that this project will be carried out in a manner "consistent to the ideals of Christian love and impartial good will," to cite the description employed by the report in discussing the committee's extremely difficult but splendidly executed labors in Spain.

[From The Atlanta (Ga.) Constitution of April 26, 1939] REFUGEE CHILDREN

It is difficult to understand the reasoning of opponents to the plan to open the immigration doors of the United States wide enough to permit the entry, above the quota laws, of 20,000 refugee

children from central Europe.

These children are of an age when their characters are still subject to the moulding influence of environment and training. It is LXXXIV-App-119

certain that they will find homes, as adopted children, with worthy and responsible American families. This is assured by the fact that they will be placed for adoption, by organizations whose trained workers have had remarkable success in the placing of orphaned children.

The demand for children for adoption is always greater than the apply. There is not the slightest doubt that the 20,000 would be sorbed into the average substantial life of America without dis-

ruption.

absorbed into the average substantial life of America without disruption.

The number involved, when considered in ratio to the population of 130,000,000, is so small as to be negligible.

Not all these children are from Jewish families. The intolerance and persecution of the European dictators does not stop at the bounds of Jewry. A large proportion are children of non-Jewish parentage whose families for one fantastic reason or another, have been subjected to the heavy hand of Nazi oppression.

America is founded upon the theory that all men are born equal and that there shall be no discrimination because of race or religion. To oppose the admission of these 20,000 children on such grounds, is to brand ourselves as unfit for the privileges of American citizenship. Intolerance has no place in the heart or mind of any worthy citizen of this land of freedom.

Likewise, refusal to admit these little ones means that, forever after, the sneering charge of hypocrisy will be leveled by critics and enemies whenever American sympathy for the innocent victims of persecution is voiced. It is meaningless to voice horror at Nazi outrages when we ourselves are so intent upon remaining aloof that we turn deaf ears to the pleas of such youngsters.

There was a story, told long ago, about the victim of thieves and

There was a story, told long ago, about the victim of thieves and brutal attackers. In his case two men were given opportunity to save him. One was a Pharisee and one was a Samaritan. America is today faced with the same opportunity, the same choice between mercy and cruel indifference.

[From the Minneapolis Star of April 24, 1939] WE SHOULD LET THEM IN

Helen Hayes, speaking as "an American mother," pleads for passage of the Wagner-Rogers bill which would admit 20,000 German refugee children into the United States for the next 2 years.

In Europe, she said, children are being shunted back and forth over alien borders with only fear to look forward to, and no place to call home.

Certainly it is difficult to see how the admission of 20,000 homeless children could wreak much harm on our economic system or do anything to intensify the unemployment problem.

The plight of these children is heart-breaking, and they deserve the elementary protection most children enjoy—that of shelter and care and upbringing.

The national committee campaigning for this bill is to be highly commended for its unselfish and zealous efforts.

The Political Outlook

EXTENSION OF REMARKS

HON. WILLIAM B. BARRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, May 8, 1939

RADIO ADDRESS BY JAMES A. ROE, DEMOCRATIC LEADER OF QUEENS COUNTY, N. Y.

Mr. BARRY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by James A. Roe, Democratic leader of Queens County, N. Y., population 1,300,000, delivered over station WWRL, Woodside, N. Y., Tuesday evening, May 2, 1939:

There have been expressions in this country, and elsewhere, to the effect that the Democratic Party is destined to be defeated in the national election next year. It has been said that regardless of who the candidate might be, a majority of the people have determined to change political control in Washington, and hence our position is virtually hopeless. Though unfortunate, it is nevertheless definite that this condition is creating an unnatural atmosphere of defeatism. In a few places political vision is obscured, and party morale depressed. This attack must be met with forthrightness. with forthrightness.

We can find nowhere any basis in fact for such a belief. No Democrat, hearing of defeat, should forget that the Literary Digest in 1936 predicted complete failure of our cause, and when the vote was tallied, our Republican friends had carried exactly two

It is to be expected that in 1940 we will lose some of the almost unanimous support received 3 years ago. We frankly admit this as a normal return toward a more satisfactory distribution of

strength between the two major political organizations. This is not only inevitable—it is even desirable.

But what are the forces behind this attempt to create the conviction of defeat? Whence the origin? How much is based upon fact and how much is inspired by professional and partisan propagators.

It has been pointed out that we cannot avoid losing some of the Republicans who voted Democratic in 1936. Obviously no form of government can please all people for all time. Where we must deal in the campaign with an honest opinion different from our own it in the campaign with an honest opinion different from our own it becomes our duty to assert the cause of the party with all possible force. Having performed that duty, if our effort is seemingly ineffective, then we must retreat with orderly respect for the sacred right of the other fellow to hold to his judgment. But it does not follow if we find those who will oppose our candidate in 1940 that a majority of this country or of the Nation is thinking the same way. Occasional repulses are never a certain indication of defeat. The history of the world is replete with the records of men and parties frequently set back before they achieved ultimate victories. Perhaps it would be well here to show that in order for the Democratic Party to be successful next, vear it is by no means essential

Pernaps it would be well here to show that in order for the Democratic Party to be successful next year it is by no means essential to win by the same overwhelming margin as in 1936. Why should we be concerned with trying again to win 46 out of the 48 States? Our only obligation as Democrats is to dedicate ourselves to victory, and not to the margin of victory.

Most of the partisan claims emanating from our opponents are based upon the hope, and I think a very forlorn hope, of winning the State of New York. This Republican hope, in turn, is predicated upon the closeness of the vote between Governor

winning the State of New York. This Republican hope, in turn, is predicated upon the closeness of the vote between Governor Lehman and Mr. Dewey. That is sheer nonsense. There is nothing in the vote of the two major candidates for Governor which might be considered indicative of how the people of this State feel toward the national administration.

The vote for Governor was comparatively close, it is true. It is likewise true, and to be regretted, that factors other than political and statesmanship entered into that contest, and had a very direct bearing on the final result. We all know. Democrate and Republicans alike, that from one end of the State to the other the campaign was not confined to honest issues, but was largely based on blind, cruel, and dishonorable prejudices, and of which the opposition profited to the utmost.

United States Senator Wagner and Representative Mean, also

which the opposition profited to the utmost.

United States Senator Wagner and Representative Mead, also a candidate for the Senate, were also running in the same election. Both men were, and had been for a long time, militant supporters of the President. Each was elected by a plurality of more than 400,000. So it must be very clear that if the people of this State intended to rebuke the National Government, they would have expressed that will against the national candidates. This State conclusively demonstrated last year its preponderant Democratic sympathy, and no impartial observer can find any material change in sentiment now. terial change in sentiment now.

It is to be remembered that even the Republican high command

realizes, and privately admits, that if they lose New York they lose all. Considering that, let us do our best toward improving the contribution Queens will make to the party, and we need not worry over the possibility that the opposition may win five States instead

Returning to political propaganda, this is the most important factor with which we must deal as the national campaign comes closer. Propaganda is dangerous, no matter how well fortified we might be against all other forms of attack. For one thing, we are might be against all other forms of attack. For one thing, we are living in a troubled world. The minds of most of us are disturbed from various causes. Men and women are deeply concerned and perturbed over their economic future. There are "wars and rumors of wars." It is virtually impossible to hold a sustained mental equilibrium. Standards of government are changing. Governments must assume new and uncharted responsibilities. Modes of living fluctuate with amazing rapidity. Most of us, whether we care to admit it or not, are partly bewildered either by strange and sudden turns in our personal affairs or by the new but ugly panorama of world affairs. rama of world affairs.

rama of world affairs.

All this has a tendency to lessen confidence in ourselves; and when that occurs, it follows that we have less faith in our established institutions. The foundation of our power to reason and think is shaken and we become unsettled.

Whenever uncertainties assail the mind one's normal defense against fear decreases. Fear is a stealthy intruder. Once this mental parasite gets into the emotional stream it lives like a small but invisible cannibal. It demands more fear on which to live. Fear, too, is a zealous protector of its own abode. More frequently than not it can destroy the combined forces of hope, truth, and reason.

This thing is the most formidable weapon in the armament of

This thing is the most formidable weapon in the armament of mercenary propagandists. In our case they are spreading the fear that if the Democratic Party is continued in control of the Gov-

that if the Democratic Party is continued in control of the Government for another 4 years, indescribable disasters will be visited upon the Nation. They are disseminating the false prophecy that "no Democrat can win next year." We can make ourselves impervious to those attacks by countering with truth.

What, precisely and briefly, are the salient factors to be found in the 6 years of Democratic control at Washington. Almost all the rest of the world has changed for the worse. Elsewhere, in many places, liberty and happiness have disappeared overnight. Whole nations, almost by some diabolical magic, have been converted between one sunrise and a following sunset from a peaceful society of free individuals into mass bondage and serfdom. These people will live, they still move about, but actually they

have no life. For life should mean something more than the enforced obligation of merely to exist as a body capable of motion. These millions of unfortunates are forbidden by decree, backed up by threats of death, to seek their own happiness and salvation. Here in the United States under a Democratic administration,

though the country has been subjected to the same economic onthough the country has been subjected to the same economic on-slaughts which have careened other nations, we still have complete liberty and the inalienable right to the pursuit of happiness. Here we still think of changes in government in terms of votes instead of bullets and bayonets. We still have the right to criticize the President. We may even call him harsh names—brutal names. We can even call down curses on the Government. Yet no secret police come to tear us from our homes and families for a torture chamber or concentration camp.

Our Democratic government has not been a perfect government.

Perfection in government, as in law or dressmaking, will never be achieved this side of the millennium. But faults to the contrary notwithstanding, we are the same intact Nation, weathering the storm on the same ship, and progress and security appear on the horizon. Democracy—our democracy—embattled against unprecedented world-wide upheavals has preserved our constitutional form of government with all its blessings and safeguards. We still

are, and this is most important, a free people.

Democracy has instituted and perfected changes in some of the old theories of government. There have been sparse periods of unrest, but there has been no cause for the people to rise in revolt and wade through the streets in blood because their government refuse to understand that men will kill before they suffer their

children to starve.

President Roosevelt has been subjected to incessant attacks. Some of his proposals, in my opinion, were properly criticized. Others have been woefully and willfully misunderstood and misrepresented. Should we expect an infallible President? God save us from the Pharisees who offer us one! Usually the most carping critics of the President resort to the cheapest and most vulgar of all forms of attack. His errors and mistakes are segregated, then all forms of attack. His errors and mistakes are segregated, then magnified, distorted, and misrepresented, while his accomplishments are ignored. In the tempestuous sea and strong winds of the economic storm of the last 6 years President Roosevelt could no more keep the ship of state on a straight course than the most skilled mariner could pilot an unvarying line for his vessel through a natural fog. At the least the ship has not been wrecked. We have not been forced to take to the fragile lifeboats of a totalitarian regime as a last hope of surviving regime as a last hope of surviving.

Imagine, if you dare think of horror, what would have happened to the United States if Hoover had been presiding over our

destinies the last several years.

Do our people forget the despair permeating the country prior to Democratic control? Can we ever cease to remember that the Army was summoned with cocked rifles and machine guns to drive the starved veterans out of Washington? Should we return to a political party of which the humanitarian equation was always one to be diverted to private benevolence and stark charity? Are we to go back to soup kitchens, apple stands, and bread lines in place of the W. P. A.? Wouldn't it be just as sensible to revert to surgery without antiseptics and without ether?

As leaders in this country we must destroy any fear of success next year. Eliminate fear, destroy the last vestige of sinister propaganda, and we cannot fail. The truth is still mighty, and the truth will continue to prevail. That means victory in 1940.

Potatoes and Trade Agreements

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

Mr. COCHRAN. Mr. Speaker, it has been stated by various opponents of the trade-agreements program that "Maine has been 'sold down the river' so that the rest of the United States might prosper"; that Hull's trade agreements have ruined the potato farmers of Maine. The representatives of potato growers have maintained that the reduction in duty which was given to Canada in the 1936 agreement and the reduction in duty in the Cuban agreement in 1934 have flooded the domestic market with foreign-grown potatoes and consequently reduced the price of Maine-grown potatoes.

From an examination of the following table it will be seen that our imports of potatoes have not increased since the agreements—in fact, in 1938 they were not even one-fifth of our imports in 1929. However, our exports of potatoes have risen until in 1938 they were over 75 percent of our 1929

exports.

Foreign trade in white potatoes, 1929 to 1938

Year	Exports	Imports	
1929	Bushels 2,735,000 1,899,000 1,090,000 912,000 719,000 1,171,000 1,808,000 1,294,000 1,822,000 2,083,000	Bushels 4, 276, 000 5, 030, 000 4, 567, 000 727, 000 1, 180, 000 1, 538, 000 410, 000 1, 266, 000 764, 000	

In the 1936 agreement with Canada we reduced the rate of duty on certified seed potatoes from 75 to 45 cents per 100 pounds (except during December-February, when the rate was reduced to 60 cents) but the reduction was limited to an annual tariff quota of 750,000 bushels. Any potatoes imported into the United States over the 750,000 bushels were subject to the regular tariff of 75 cents per 100 pounds. The agreement with Canada went into effect on January 1, 1936. In spite of this fact the imports of potatoes from Canada in 1936 were less than one-half of 1 percent of the United States production and less than 3 percent of the Maine production. In 1937 and 1938 imports of potatoes from Canada were less than one-fourth of 1 percent of United States production and less than 2 percent of Maine production.

For a number of years the Canadian duty on potatoes has been the same as the United States duty—75 cents per 100 pounds. In the new agreement Canada has agreed to permit free entry of potatoes except during the 6-week period, June 15-July 31, at which time the duty will be 37½ cents per 100 pounds. During the greater part of the year this new arrangement gives American potatoes a much better position in the Canadian market than they enjoyed even before 1930 when, under a duty of 35 cents per 100 pounds, this country supplied in some years up to a million bushels of high-priced new potatoes to the Canadian market.

In the new agreement with Canada we increased the quota on seed potatoes to 1,500,000 bushels per year. The rate of duty is reduced from 45 to 37½ cents per 100 pounds during the period from March 1 to November 30. It remains at 60 cents per 100 pounds from December 1 in any year to the last day of the following February, inclusive. The rate on table potatoes is reduced from 75 to 37½ cents per 100 pounds, except during December-February, when, by reason of the Cuban agreement, the rate is to be 60 cents. The duty reduction applies to a quantity not exceeding 1,000,000 bushels.

The maximum of two and one-half million bushels of seed and table potatoes combined, which in normal years may enter at reduced duties, are equal to about seven-tenths of 1 percent of the domestic production of potatoes and to about 5 or 6 percent of the production in Maine.

From the following table it will be seen that our imports of potatoes from Canada have never in the last 7 years been more than one-third of the 1929, 1930, and 1931 imports, and in most cases they have been much lower than that. In 1937 and 1938 they have decreased, whereas our exports, though less to Canada, have gained steadily in those years.

Exports to and imports from Canada, 1929 to 1938

Year	Exports to Canada	Imports from Canada
1929	Bushels 1, 208, 000 761, 000 305, 000 198, 000 167, 000 199, 000 168, 000 194, 000 255, 000 285, 000	Bushels 4, 052, 000 4, 780, 000 4, 440, 000 657, 000 1, 104, 000 1, 468, 000 349, 000 1, 199, 000 728, 000

It should be borne in mind that whereas American potatoes are allowed free entry into Canada except for 6 weeks out of the year, at no time is the duty on Canadian potatoes lower than $37\frac{1}{2}$ cents per 100 pounds.

In the Cuban agreement we reduced our duty on Cuban potatoes by 30 cents per 100 pounds for the period of December 1 to the last day of February—during the rest of the year the previous duty is still in effect. However, in that agreement we also received a reduction in the duty on American potatoes of 91 cents per 100 pounds for the period of July 1 to October 31 and succeeded in binding the previous rate of duty against increase during the rest of the year.

From the following table it will be seen that our exports of potatoes to Cuba rose from 208 bushels in 1933, the year before the agreement, to 1,227 bushels in 1935, the year after the agreement, which was a gain of 57 percent over the peak year of 1929. It will also be seen that, while our imports from Cuba have decreased as a whole since 1929 and have never reached the 1929 level, our exports to that country have increased since the agreement went into effect.

Exports to and imports from Cuba, 1929-38

Year	Exports to Cuba	Imports from Cuba	
1929	Bushels 781, 000 608, 000 249, 000 377, 000 208, 000 568, 000 1, 227, 000 686, 000 739, 000 966, 000	Bushels 67, 000 77, 000 66, 000 34, 000 3, 000 39, 000 47, 000 24, 000 30, 000	

In 1929, when the price of potatoes in the United States was very high, we imported from Canada 4,052,483 bushels of potatoes, valued at \$3,793,900; and from Cuba 67,300 bushels, valued at \$106,674. In 1935, when the price of potatoes was low, imports from Canada fell to 348,583 bushels, valued at \$231,520; and imports from Cuba amounted to only 38,667 bushels, valued at \$45,635. Again, in 1936, when the price of potatoes went up, imports from Canada rose to 1,199,167 bushels, valued at \$1,181,625; and imports from Cuba rose to 46,733 bushels, valued at \$52,344.

It would seem, then, that the price of potatoes was affected by the business slump in industrial activity in the United States rather than by imports of potatoes. Potato prices tend to rise when business activity and the national income are high and to decline in times of depression. The tradeagreements program, by reopening American foreign trade, stimulates domestic business activity in general, increases purchasing power, and promotes higher standards of living. When we increase our exports of farm and factory products the workers in those factories buy more potatoes. Thus it is apparent that by expanding foreign trade and helping to increase the industrial activity of the United States as a whole the trade-agreements program is in reality aiding rather than harming the farmers in Maine.

Why I Voted Against H. R. 5643

EXTENSION OF REMARKS

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

Mr. CANNON of Florida. Mr. Speaker, having just heard one of the most able debates of my short career in Congress, dealing with a most delicate subject, I feel moved to express my opinion in connection therewith. Legislation of this kind appears to me to be most dangerous, particularly at this time, when all of our neighboring countries are in a state of embroilment and have repeatedly resorted to principles involving citizens and government wholly at variance with what we know as American principles. I am vigorously of the opinion that the bill under consideration is wholly un-American and unconstitutional for the reasons which I shall attempt to set out. It will be borne in mind that this is a bill providing for the indefinite and indeterminable incarceration of aliens in this country falling in four classes: (1) Criminals, (2) violators of narcotic laws, (3) anarchists and kindred classes, and (4) immoral classes.

The effect of this bill is to immediately incarcerate those aliens falling in the above-mentioned classes for indefinite periods under the guise of arrangements for deportation which may never be made. Irrespective of the fact that each of said subjects before the law can be invoked must have been convicted for the crimes set out, and under our procedure and American practice it would naturally follow therefore that their debts to society will have been paid as a result of those convictions. I believe in every case the criminals so classified will have done terms in our American jails in payment for their crimes. In the event that such is not the case, we of this Congress are surely not called upon to interfere with the judicial branch of this Government, and I, for one, am quite satisfied with the conduct and good judgment of our Federal courts generally. I see no reason now to delegate judicial powers to the Department of Labor, as this bill seeks to do, merging those powers with the discretionary power of the Department of Labor.

At the outset I would like it clearly understood that I have no sympathy for criminals, nor do I in anywise subscribe to their conduct. More particularly am I not sympathetic with alien criminals, but it is my firm conviction that the Constitution of the United States blankets itself as a protection around all persons in this country and upholds American standards not in keeping with the vicious bill which I discuss.

I know of but two ways where a criminal may be brought to justice and ultimately incarcerated. One is by presentment; the other is by indictment. But irrespective of that fact, the bill under discussion would permit the Department of Labor to summarily incarcerate the above-mentioned classes pending their deportations, which may be and in many instances are prohibitive.

I believe the able gentleman who prepared this bill and who steered it through, was sincere and thorough in his study, but I believe his anxiety and stand against alien criminals was stronger than his good judgment. Surely his expression is shared by many Americans and obviously by the majority of this House, since only 61 of its Members voted against the bill, one of whom I happen to be. The bill and its passage reflect intolerance in America, which, in my opinion, is most dangerous.

The bill, in operation, lends no encouragement to a former alien convict who may be interested in becoming a valuable citizen if he be permitted.

The bill speaks of "detention" of the criminals in question in a jail or jails to be created in the United States under the operation of said bill, but the effect of this law has no uniformity because of the fact that two criminals may have been previously convicted of the same crime, whereas one of said subjects may be a citizen of Great Britain in the one case and a citizen of Czechoslovakia in the other.

In the one case the English subject may be incarcerated and ultimately may be released because his traveling papers may be procured from England, and in that case even though his incarceration, in my opinion, was still unconstitutional, the English prisoner will have enjoyed his freedom by release, but in the case of the subject of Czecho-

slovakia, he would never enjoy his freedom from that unconstitutional incarceration because there is no Czechoslovakia, in that that little country is now controlled by a dictator, and unless Dictator Hitler saw fit to receive that subject, it is obvious that the unfortunate soul would be kept in jail the rest of his natural life at the expense of the taxpayers of this country, to say nothing of the infringement and encroachment of his rights. And again the detention prison to which I have referred is but a concentration camp in this country, which I hope never to see. It not only is un-American, brutal, and beastly, but the very thought of it emulates the dictatorial thought and thereby condones it, and surely Mr. Hitler and other dictators would like to see that condition come about in this country because it is in keeping with their principles, and God forbid its visitation here.

I cannot see what right this Congress has, surely without some substantial reason, to strip the Federal courts of their authority and delegate that authority and power to the Department of Labor.

It appears to me that this bill should have been the creature and the brain child of the Immigration Committee

rather than the Judiciary Committee.

The right to deport does not carry with it the right to imprison, pending deportation, as has often been held by the courts. And further it would appear that if Congress provides for imprisonment for deportable persons, it would seem to follow that the deportee would be entitled to counsel, a jury trial, compulsory process, and other rights secured to persons accused of crime under the fifth and sixth amendments to the Constitution, since the courts have held that these amendments apply to prosecution of aliens as well as citizens Wong Wing v. United States, (163 U. S. 238). And again the bill provides by amendment that the subject so incarcerated or confined shall not be subjected to hard labor. That, in my opinion, is an admission and a suggestion of unconstitutionality and a weak effort to come within the Constitution. It is difficult to see how the Constitution can be discounted by referring to indefinite imprisonment as "detention" or "confinement without hard labor": nor does the provision for release upon the order of the Secretary of Labor cure the unconstitutional defects in the bill, since there is no definition whatsoever for the phrase "good cause." Obviously what might seem "good cause" to one Secretary of Labor might not seem good cause to another and might not seem good cause to any person other than the Department of Labor. Under this reasoning, it is my sincere opinion that he who heads the Department of Labor would therefore be a dictator. The provision for judicial review of the Secretary's order in these detention cases is meaningless and without effect, since the courts would have no legislative standard with which to review the validity of the Secretary's action. Indeed, therefore, such a phraseology would indicate that the bill not only conflicts with the specific language of the fifth and sixth amendments, but is unconstitutional on the ground of unlawful delegation of

There are many cases of statelessness which are brought about by the operation of foreign laws and many cases of statelessness in foreign countries which are brought about by operation of the United States laws. This bill does not attempt in any wise to touch or cure those cases, and makes no mention of the thousands of American citizens living in foreign countries. This bill, in my opinion, extends an invitation to the foreign powers to throw American citizens into camps or detention prisons.

In my opinion the operation of this act constitutes double jeopardy, the existence of which, as agreed by all legal students, is a direct and effective, as well as an intolerable, infraction of the spirit and letter of all State constitutions and of the United States Constitution.

Federal Expenditures

EXTENSION OF REMARKS

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

ARTICLE BY HON. EUGENE TALMADGE, FORMER GOVERNOR OF GEORGIA

Mr. TAYLOR of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. Eugene Talmadge, former Governor of the State of Georgia:

TALMADGE DISCUSSES RACKETEERING AT THE EXPENSE OF HUMANITY—
RESTATES HIS PROGRAM THAT WOULD PUT END TO PROFESSIONAL CHARITY BROKERS

The following is a quotation from the editorial of Collier's Weekly of April 8, 1939:

"In fiscal 1938 the Government spent \$7,766,000,000 and some cents. These expenditures came under 10 main heads, which were: Recovery and relief, \$2,260,000,000; national defense, \$975,000,000; debt service, \$926,000,000; veterans' pensions, \$581,000,000; A. A. A. farm program, \$361,000,000; C. C. C., \$326,000,000; social security, \$291,000,000; revolving funds, \$169,000,000; transfers to trust accounts, etc., \$606,000,000.

"If that isn't a thought for today, how about this one? It's a remark attributed to an ex-brain truster': The United States Government has spent more money seeking recovery and has less recovery to show for that money than any other nation on earth. The National Government has spent \$25,000,000,000 of borrowed money and 10 years of borrowed time without finding the answer to a single major economic problem. That record cannot be matched in the world today.'"

What are we going to do about it? How has all of this \$25,000,-

matched in the world today."

What are we going to do about it? How has all of this \$25,000,-000,000 been spent? For relief?

I will tell you something that happened in Monroe County, Ga. Just 2 weeks ago an old Negro man, either a bachelor or widower, living over in Proctor's district, was being furnished a house for nothing, a well for nothing, plenty of wood for nothing.

This Negro was enjoying good health, and, on top of all of the above being furnished to him free by the landowner, he owned and possessed one cow.

But he was on relief. He received his notice to meet the truck on a certain day and bring a sack for his groceries from the relief office. What was one of the articles that the relief office gave to this Negro who was living in a house furnished to him free, having water and wood furnished free, and owning a cow?

In addition to the grapefruit, prunes, and evaporated milk, they gave this one Negro 12 pounds of butter.

That old Negro man told his neighbors about it when he got back home, and said that he was going to put all of the butter in a

home, and said that he was going to put all of the butter in a bucket and let it down in the well to keep fresh.

Do you think that the Government should hire people to feed a cow, milk a cow, churn the milk, and then haul butter and give it to a healthy Negro who already owned a cow?

I have heard of instances similar to the above down in Telfair County and all over the State.

County and all over the State.
What do they mean in Washington anyway?

If this \$25,000,000,000 had been spent to homestead people on the land, every grown man and woman in America today would have a piece of land and the pride of a home.

Labor conditions would not be so bad in the cities. There would be no labor troubles, no strikes, no relief necessary.

What we need in America is to stop the racketeers who are profiteering in the name of "humanitarianism and charity."

These charity brokers always wanting an epidemic of smallpox, or storms, floods, are the greatest enemies to humanity on the face of the earth. the earth.

America is composed of strong men and women—brave, courageous

men and women!
Washington might as well listen. The American people in the end will control this Government, and we are going to stop this plunderbund.

Another thing for you:

Do the American people think that they are against Germany and Hitler? The propaganda from Washington, and especially the President, would lead you to think so.
What about this?

Two weeks ago the German ship Donau sailed out of the port at Portland, Oreg., loaded down with American wheat for Germans

that was bought here in the United States for $38\frac{1}{2}$ cents per bushel f. o. b. Portland.

bushel f. o. b. Portland.

That same day the American people were paying 70 cents per bushel for the same wheat f. o. b. Chicago, III.

This wheat was not even ground into flour. America gave to the German people the difference between 70 and 38½ cents per bushel on this wheat. This means that the people of this country gave the Germans 31½ cents per bushel.

Besides giving them 31½ cents on the wheat per bushel, our country also gave the German people the jobs of grinding this wheat into flour, shorts, bran, and sacking same.

Who paid this 31½ cents difference in the wheat? The American people paid it!

people paid it!

Who is the American Government? The people who work and

sweat and pay taxes!

This is your subsidy that you have heard so much about.

Listen at this one: The F. S. C. C. (Federal Surplus Commodities Corporation) has sold several cargoes of wheat recently to Shanghai

Listen at this one: The F. S. C. C. (Federal Surplus Commodities Corporation) has sold several cargoes of wheat recently to Shanghai (now controlled by Japan) at prices from 39 to 40 cents f. o. b. Portland, and the F. S. C. C. purchased this wheat f. o. b. the steamer at Portland at 72½ cents.

This is a subsidy of 33½ cents per bushel on wheat to a foreign buyer paid by the United States Government by taxes.

They had quite a row about whether they could do cotton that way, but finally we noticed in yesterday's paper that they are going to give the foreigner \$10 per bale to buy American cotton cheaper than the people here in American can buy it. They are giving foreigners the jobs to manufacture this cotton into cloth, dresses, tablecloths, etc., and ship it back here to sell to the American people who are at work at prices twice the amount that the foreigner is buying the raw product.

What are they going to do with some of the rest of the cotton that they are paying those foreigners to buy? They are going to bring it back here and make the American taxpayer pay for the cloth to be given to people who sit down and do nothing except to vote the way that Washington wants them to vote and go under the dignified name of the "great humanitarian."

Who was it said, "Know the truth, and it will make you free"? Eugene Talmadge.

EUGENE TALMADGE

APRIL 24, 1939.

The Businessman's Duty

EXTENSION OF REMARKS

HON. DONALD L. O'TOOLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

ADDRESS OF HON. EUGENE J. KEOGH, OF NEW YORK, MAY 3, 1939

Mr. O'TOOLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. EUGENE J. KEOGH, of New York, delivered Wednesday,

I deeply appreciate this opportunity of meeting with the members of the chambers of commerce of the State of New York that are affiliated with the United States Chamber of Commerce.

are affiliated with the United States Chamber of Commerce.

I have come to look forward to the annual dinners given to the New York congressional delegation by the chamber of the State of New York, especially since the adoption of the policy of having several speakers address the Representatives on subjects that are familiar as for example: the last dinner when Mr. Hardy discussed, rather technically, the silver question and the special assistant attorney general of the State of New York presented the State's attitude with respect to the pending legislation affecting the railroad rates. railroad rates.

We receive many expressions of opinion on public quesions from we receive many expressions of opinion on public questons from all classes of citizens and all types of organizations and we are always anxious to receive the expressions of opinion from your organizations representing, as they do, businessmen and women who have faced and solved intricate problems of manufacture, marketing, transportation, and finance, and whose views are based upon the personal experience of the members.

Mactings such as the chamber is presently holding in the Can

Meetings such as the chamber is presently holding in the Capital City accomplish much good.

It has always impressed me that the work of all organizations of

businessmen should be augmented with the personal activities of the individual businessman.

As government necessarily expands it is increasingly important that businessmen, as individuals, wield increasing influence in the body politic. No longer should we, as individuals, conducting busi-

ness, or practicing our professions closely allied with business, plead "we are too busy." We cannot be too busy actively, to be interested in the form of government under which we continue our

personal pursuits.

I have frequently sought to bring businessmen into local political parties, anxious to have them counsel on the formation policies of the parties, locally; anxious to have them exercise their proper influence in the selection and election of candidates—with little or no succes

The "independent voter" has no place in American communities, for by his divided allegiance he neither serves himself nor his

locality and displays either his naivete or knavery.

Every American businessman, especially, owes it to himself and his community to give the same degree of efficient, intelligent, and successful application to the management of public affairs as he

successful application to the management of public affairs as he does to his private duties.

I should be happy, indeed, to discuss with any of your members or friends the methods by which this might be done, as, I am certain, would all of my New York colleagues.

John Taylor Arms, the great American artist, has described the Woolworth Building in New York City as "an American cathedral." It is that—a cathedral of business. Just as today that building looks out upon a new and broader vists, so, with the increased public activity of individual American business men and women, will there be opened a new and broader horizon for American government and politics. government and politics.

Survey of the Everglades Drainage District,

EXTENSION OF REMARKS

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF THE STATE OF FLORIDA

Mr. CANNON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following memorial recently adopted by the Legislature of the State of

House Joint Memorial 7

To the Honorable Franklin D. Roosevelt, President of the United States, and the Honorable Senate and House of Representatives of

States, and the honorable senate and house of Representatives of the United States, in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Florida, in legislative session assembled, do most respectfully memorialize and petition your honorable bodies as

Whereas there is situated within the Everglades drainage district in the State of Florida, a large body of fertile lands; and Whereas a good portion of these lands are of peat and muck formation, which, when the same become dry, are more or less inflammable, and when fires once start in such area it is practically impossible to artically the same print of the same provider than the same impossible to extinguish the same with the equipment and methods now in use for such purpose; and Whereas the Legislature of the State of Florida has created an

Whereas the Legislature of the State of Florida has created an Everglades fire-control district, but the officers of such district are operating under a great handicap by reason of the lack of information with reference to the best method to pursue in adopting a permanent plan of fire protection in the enormous territory embraced in said Everglades drainage district, by reason of the lack of information as to the best methods to pursue in extinguishing fires when started in said district; and Whereas these immensely rich muck lands and the preservation thereof are of national interest and the destruction thereof by fire is and will be a Nation-wide loss; and Whereas there are thousands of acres of these fertile lands that are being destroyed yearly by fires; and Whereas there is imminent danger of all the uncultivated portions of this tremendous area of muck lands being destroyed in the future by fire; and

the future by fire; and

Whereas it is the belief of the Legislature of the State of Florida Whereas it is the belief of the Legislature of the State of Florida that if a survey was made by the United States Government of the entire Everglades drainage district for the purpose of determining and suggesting a permanent plan for the prevention of fires in said district, and further for the purpose of determining the best method of fighting such fires when the same once start, that such a survey would be of untold benefit in the preservation of such land and therefore would be helpful to the entire Nation: Now,

therefore, be it

Resolved, That your memorialists, the Senate and House of Representatives of the State of Florida, do respectfully memorialize and petition the Congress of the United States of America to cause

a survey to be made of the Everglades drainage district for the purpose of supplying information as to the best method or plans to be adopted for the permanent protection of the lands within said district, from destruction by fire, and for the further purpose of obtaining information for formulating plans as to the best method to fight fires in such district when the same are once started, and that such survey be made by such governmental agency and in such manner as the Congress may direct, and that

the Congress appropriate such sum of money as may be necessary to carry into effect such survey; and be it further

Resolved. That copies of this memorial be immediately transmitted to the President of the United States and the Senate and House of Representatives of the United States and to each Senator

and Representative in Congress from the State of Florida.

Exemption of Small Telephone Exchanges From the Fair Labor Standards Act

EXTENSION OF REMARKS

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

Mr. CHIPERFIELD. Mr. Speaker, in the course of the past few weeks I have received numerous protests from farmers and residents of Farmington, Osco, Canton, Atkinson, Ipava, Fowler, Clayton, Bishop Hill, Victoria, Cambridge, Payson, Kewanee, Maquon, Galva, Fairview, Alpha, Mendon, Liberty, Birmingham, La Prairie, Woodhull, Oneida, Williamsfield, Rio, Galesburg, Orion, and Wataga, all in my district, urging me to oppose that part of the Fair Labor Standards Act of 1938, which makes it obligatory for small independent telephone companies to comply with the wage and hour law. I am advised that most Congressmen from the argicultural areas have been similarly besieged.

At the outset I want to state that I believe the theory of setting up fair labor standards is good and that some legislation along such lines is exceedingly desirable. However, it is my recollection that the present act was rushed through Congress under emergency conditions and no doubt many of its reverse results could not be anticipated by its framers. Let me say that I am not numbered among those who would repeal the act in its entirety, nor do I want to emasculate it to the point where it will lose all of its effectiveness.

However, as the act relates to independent and small telephone companies it is obviously unfair. As most of my colleagues from rural districts know, a large percentage of such companies are mutuals. They are operated solely for the convenience of their member stockholders and are financed by them alone. It is a rare case where nonuser capital is sought. In other words, the profit motive is definitely subordinate. Therefore such concerns obviously are in a much different classification than purely commercial institutions.

The Wage and Hour Administrator argues that a telephone company having connections permitting it to make out-of-State calls is in interstate commerce. Technically he is right. But actually it is drawing a pretty long bow to use that as an argument for bringing these companies under jurisdiction of the act. Not one in my district could survive on long-distance toll revenue alone. I believe the same condition exists all through the agricultural States.

Most of us want to keep the wage and hour law on the statute books, but I can assure you the quickest way to get rid of it, if that is what you want to do, is to take an unbending attitude in cases like this.

Personally, I would like to vote for an amendment that would set the elimination break-off point at a much higher level than the one suggested by the Wage and Hour Administrator-at 350 stations per exchange. I think the 500 limit is much too small and would prefer to see the limit placed at 1,000. The latter figure would take care of most of the residents of small towns and farmers in my district. reliably informed it would do the same in most other districts in the Middle West.

However, the committee has recommended 500, which will aid the large majority of exchanges and I will support that

figure if we cannot secure a better one.

I would like to point out several developments that can be expected to take place when higher operating costs occasioned by observance of the Wage and Hour Act will go into effect. Take a typical example of how the wage and hour law affects these small telephone exchanges. An exchange of 450 subscribers before the law went into effect was paying, according to information received from its officers, \$1,620 a year to operate its switchboard. Under the present law it is paying \$2,190 for the same service, and this will be increased in October 1939 to \$2,628 and in 1940 to \$3,504, or more than double the cost before the enactment of the wage and hour law. This would be a total increase of \$1,884. They maintain this additional cost to operate would more than double the existing rates.

Those companies that will have to observe the provisions of the wage-and-hour law have just two alternatives. One is to augment their revenue by increasing switching-fee charges so as to pay the higher wage scales and the shorter hours of work of employees; the other is to go out of business. No

other course is open.

It is unthinkable to plan for the breaking up of many hundreds of small telephone exchanges and the subsequent loss of jobs by those who are now getting along and staying off relief rolls. I can assure you that such action on our part

would have many and varied repercussions.

The common party-line telephone used by farmers has come to be almost a necessity. It is as much a part of the farm equipment as the plow. It is a form of insurance. It saves thousands of lives annually by making emergency medical aid quickly available. And it is all done cheaply and within the means of most rural residents.

The small-town merchant finds the farmer-owned telephone line a constant outlet for his goods. The farmer frequently steps to the telephone and orders goods from the village store over the phone. And Uncle Sam gets some revenue out of that, for in a vast number of cases the goods so ordered are sent out by parcel post.

In a single transaction like that at least three profits have been made. The farmer saved a trip to town. The merchant sold some of his goods, and the Government sold some stamps

in payment for delivery of the goods.

There is a further thought I would like to call to your attention, and that is in my opinion this is a mighty poor time for Congress to do anything that will reduce the farmers' income by boosting their operating costs. The farmers of this country are having hard enough time making both ends meet as it is without this body hanging another millstone around their necks.

Lynch Law for Aliens

EXTENSION OF REMARKS

HON. FRANCK R. HAVENNER OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 5, 1939

Mr. HAVENNER. Mr. Speaker, in an outburst of indignation against the conduct of certain types of aliens-types which are abhorred by every decent human being-the House of Representatives has allowed itself to be swept into writing lynch law for the statute books of the United States. I am confident that saner judgment will eventually prevail and that the so-called Hobbs resolution will never actually become a statute of our free government, but the fact remains that when the House passed that resolution it did in effect approve a species of lynch law for deportable aliens who cannot be deported. To be sure the resolution does not provide for the death penalty-indeed its sponsors have ascended the heights of absurdity in their contentions that it does not provide any punishment at all-but it permits a penalty which every humane prison warden will testify is worse than death, and that is imprisonment for life. And this most terrible of all penalties can be imposed by an administrative official without due process of law! This is clearly legalized lynching.

To those of us who hold the due-process provisions of the Bill of Rights in the Constitution of the United States among our most precious institutions of liberty, it is incomprehensible that a majority of the Members of Congress should be willing to suspend those provisions in order to punish a small group of undesirables. These undesirables can be punished, whenever they commit offenses, under existing law without violating our Bill of Rights.

Eternal vigilance is the price of liberty. Let us be vigilant to prosecute alien lawbreakers relentlessly, but, above all, let us be eternally vigilant to protect the American Bill of Rights against all assaults, whether of alien or domestic

origin.

New Deal Steps Up Pressure on Hostile Papers

EXTENSION OF REMARKS

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

ARTICLE BY ARTHUR SEARS HENNING

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Arthur Sears Henning:

New Deal Steps Up Pressure on Hostile Papers—Hands Out Favors to Friendly Press (By Arthur Sears Henning)

Washington, D. C., April 22.—Recent developments illuminate the steady enlargement by the Roosevelt administration of the Federal Government's power to control the press. Never before has it been possible for the political party in control of the Central Government to subject newspapers to so many insidious influences to still criticism and procure editorial support.

There are now 11 Government agencies possessing the power to aid, punish, or otherwise regulate the press. Theoretically there is no censorship of the press and cannot be under the first article of the Bill of Rights, but practically a potent influence upon newspaper utterances is exerted by the power of the Government to grant or withhold favors, to mete out or withhold prepalities

penalties.

NEWSPAPERS HIT BY DEPRESSION

Newspapers most amenable to such influences are those in financial straits, of which there is a large and steadily increasing number as a result of the ravages of the depression. The news-

number as a result of the ravages of the depression. The newspaper owner who seeks a loan from the Government learns, like other businessmen, that he has a better chance of getting it if he stands well politically in Washington. The general rule under the current Democratic regime with regard to the dispensation of Government favors is that "antinew dealers need not apply." Hence, those seeking loans or other favors are careful to present a record devoid of offense to the New Deal.

The loans made to newspapers are elaborately concealed in the mazes of red tape, for publicity would destroy the influence of the press in favor of the administration in the case of newspapers whose independence had been destroyed by the exigencies of Government financial aid. Thus, the Reconstruction Finance Corporation is able to say that no loans have been made to newspapers, but that loans to 68 borrowers in the paper-manufacturing and wood-pulp industry aggregating \$23,236,850 have been authorized. Of this total, \$2,687,134 was canceled and \$9,857,537 has been disbursed up to date.

has been disbursed up to date.

NEED CONGRESSIONAL INQUIRY

So skillfully is the trail covered up that nothing short of a congressional investigation could disclose how many newspapers are in hock to the New Deal. An illustration of the manner in which loans to newspapers are concealed is afforded by the case of David Stern, an ardent new dealer, who owns the New York Post and the Philadelphia Record.

It was known for months that Stern had obtained a large loan, reported to be a million dollars, from some Government agency.

It was known that the President himself had used his influence

It was known that the President himself had used his influence to get the huge loan for his friend and supporter. The Reconstruction Finance Corporation insisted, however, that no loan had been made to Stern or even applied for. Likewise the Federal Reserve Board professed ignorance of any Stern loan.

It required literally weeks of digging by a Tribune reporter to unearth that loan to Stern. It was finally discovered in the Federal Reserve Bank of Philadelphia, despite the efforts of that institution to keep the facts from the public. The Philadelphia Reserve Bank furnished directly \$400,000 of the million-dollar loan and the remaining \$600,000 was derived from the rediscount at the Reserve bank of Stern notes by the Camden Trust Co., of Camden, N. J., and the Philadelphia National Bank.

STERN LOAN IS UNSECURED

Stern's million-dollar loan was unsecured. Part of it was procured under that provision of the law that "in exceptional circumstances, when it appears to the satisfaction of a Federal Reserve bank that an established industrial or commercial business located in its district is unable to obtain requisite financial assistance on a reasonable basis from the usual sources," the Reserve bank may

make direct loans.

In 1935 the R. F. C. was under fire as the result of the action it had taken to keep two Tennessee newspapers from passing into anti New Deal control. The R. F. C. had come into possession of \$250,000 bonds of the Tennessee Publishing Co., publisher of the Nashville Tennesseean and the Evening Tennesseean. The bonds had been put up with the R. F. C. as collateral for a Government loan to the Canal Bank & Trust Co., of New Orleans. The Canal Bank suspended and the R. F. C. became the technical owner of

The receiver of the Canal Bank proposed to sell the bonds for \$200,000 to James Hammond, publisher of the Memphis Commercial Appeal, who had been critical of the New Deal. The R. F. C. promptly intervened by asking Paul Davis, president of the American National Bank, whether he thought a better price might be obtained. Davis is a brother of Norman Davis, who is now chairman of the Red Cross, but at that time was Mr. Roosevelt's roving ambassador. The Davis bank already held \$210,000 of the Tennessee bonds.

OUTBID ANTINEW DEALERS

Pro-New Dealer Davis offered \$250,000 for the R. F. C. collateral-\$50,000 more than Anti-New Dealer Hammond had offered. R. F. C. accepted the Davis offer without inquiring of Hammond if he would top it. Thus the two papers were kept from falling into the hands of a critic of the administration.

Many newspapers are in hock to manufacturers of newsprint for Many newspapers are in hock to manufacturers of newsprint for their supply of paper, and some of the newsprint manufacturers are in hock to the New Deal. The newsprint concerns in numerous instances control the policies of their newspaper debtors. Being under obligations to the New Deal for loans, such newsprint borrowers exercise a virtual censorship in favor of the administration over the newspapers they control. The R. F. C. declined to disclose the names of the 68 borrowers in the paper and pulp industry.

In numerous other ways is the press subjected to influence by the administration. Even the news of the activities of the Government.

administration. Even the news of the activities of the Government is treated by the administration as a private commodity.

Job Benefits Through P. W. A.

EXTENSION OF REMARKS

HON. EDWARD W. CURLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

Mr. CURLEY. Mr. Speaker, the job benefits of P. W. A. extend to many industries, and aside from the thousands of jobs provided at the construction site many thousands more are made available through this program in the production of the various industrial items used in construction work.

Building-trades workers who are given employment at the site of construction are paid directly by the contractors, which means that this is entirely private employment. The same applies to the indirect employment provided through orders for materials and in supplying consumer goods and services. All workers are employed in private industry at their own rates of pay and under normal employment conditions.

It is believed that this is the most desirable way of helping industry. In this manner we can provide ways and means to enable private employers to add to their pay rolls and put men to work in their own trades.

P. W. A. reports that approximately \$20,000,000 a week is being released for construction of projects through their pro-

gram, with millions of dollars worth of orders being filled by industry, transported, and distributed. This means that pay checks are made available by private employers for architects, draftsmen, clerks, engineers, office employees, laborers, carpenters, marble cutters, bricklayers, painters, plasterers, and other skilled labor.

I think the benefits derived from public works as a stimulant to recovery are, therefore, obvious. I think it is well to point out, too, that the ramifications of the construction industry are so numerous that they affect many other industries and trades. The value of P. W. A. cannot be gaged entirely, therefore, by the employment furnished in the con-

struction industry alone.

To illustrate this, we find that the raw materials used in construction must be processed and transported before they are actually available for use in a building project. The handling and processing of these materials furnishes employment before they are ready for actual use in construction.

In following through on the raw materials used on P. W. A. projects we might start at the mines with the iron ore to be converted into structural and reinforcing steel. Or at the quarries where limestone and gypsum is obtained to be made into cement and plaster. Or at the cotton fields where this important product is grown, ginned, and later woven into fabric for belts, tires, and containers used in construction: We might also take a look at the railroads, which transport these products and related consumer goods to the manufacturer and later to the site of construction.

In any construction project the indirect labor provided affects industries relating to transportation, plant and equipment, iron and steel products, coal and coke, petroleum products, metallic-ore mining, forestry, rubber, brick, piping, and various other industries too numerous to mention here.

The Bureau of Labor Statistics of the Department of Labor reports that in the 51/2 years in which P. W. A. has been operating orders for over \$300,000,000 in miscellaneous industrial products have been filled. This represents industrial products only. The Bureau further reports that P. W. A. had originated orders for \$2,121,892,444 worth of materials, equipment, and supplies. This includes materials going into the construction of schools, hospitals, and other municipal improvements, as well as supplies and equipment for the finished buildings.

I am told that at present there are 5.016 non-Federal P. W. A. projects under construction in the 1938 program, in addition to approximately 1,700 Federal projects. It is estimated that this program embraces approximately \$1,500,-000,000 worth of construction work. This is a very worthy program and should help materially in bringing economic recovery in the construction and "heavy goods" industries. I firmly believe that by fall the full effects of the program will be evident. The thousands of workers who are now engaged in work on these projects and in consumer goods directly benefited will be enabled to support themselves and families and add materially to the purchasing power of the Nation as a whole.

I hope the Congress will support proposals to create a public-works agency of permanent nature to permit long-range planning of public works for use in periods of depression.

An Appeal for Peace by the Duke of Windsor

EXTENSION OF REMARKS OF

HON. JOHN E. RANKIN OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

Mr. RANKIN. Mr. Speaker, on yesterday one of the greatest appeals for peace, since the Sermon on the Mount, was broadcast from the battlefield of Verdun by his Royal Highness, the Duke of Windsor, one of the outstanding private citizens of the world.

He neither holds nor aspires to any public office; he seeks no pecuniary aggrandizement. He resigned the highest official position to which any citizen of his nation could aspire; and, if he were desirous of pecuniary gains, he could sell his services for a major fortune.

He is perhaps the best loved of all Englishmen. He is today the uncrowned prince of an invisible empire of loyal and loving hearts. His speech of yesterday will endear him to the civilized peoples of all lands. And even beyond the confines of civilization, out yonder where the bushman bends his bow or the savage wields the sling, his praises will be sung wherever his words are repeated, even among the remotest nomads of the desert.

He is simply striving to serve the human race.

He asks no greater boon, he craves no grander privilege, he desires no loftier honor than that of being permitted, as a private citizen, to promote the peace and happiness of mankind.

Under permission granted to me to extend my remarks in the RECORD, I insert below his famous address delivered on yesterday above the graves of the heroic dead at Verdun.

The matter referred to follows:

TEXT OF DUKE OF WINDSOR'S PEACE TALK

Text of Duke of Windson's Peace Talk

I am speaking tonight from Verdun, where I have been spending a few days visiting one of the greatest battlefields of the last war. Upon this and other battlefields throughout the world millions of men suffered and died, and as I talk to you from this historic place I am deeply conscious of the presence of the great company of the dead. And I am convinced that could they make their voices heard they would be with me in what I am about to say.

For two and a half years I have deliberately kept outside of public affairs and I still propose to do so. I speak for no one but myself.

For two and a half years I have deliberately kept outside of public affairs and I still propose to do so. I speak for no one but myself, without the previous knowledge of any government.

I speak simply as a soldier of the last war, whose most earnest prayer it is that such cruel and destructive madness shall never again overtake mankind. I break my self-imposed silence now only because of the manifest danger that we may all be drawing nearer to a repetition of the grim events that happened a quarter of a century and

The grave anxieties of the time in which we live compel me to raise my voice in expression of the universal longing to be delivered from the fears that beset us and to return to normal con-

ditions.

NO PEOPLE SEEKING CONFLICT

You and I know that peace is a matter far too vital for our happiness to be treated as a political question. We also know that in modern warfare victory will lie only with the powers of evil. Anarchy and chaos are the inevitable results, with consequent misery for us all.

misery for us all.

I cannot claim for myself the expert knowledge of a statesman, but I have at least had the good fortune to travel the world and therefore to study human nature. This valuable experience has left me with the profound conviction that there is no land whose people want war. This I believe to be as true of the German nation as of the British nation to which I belong, as it is of you in America and of the French nation, on whose friendly soil I now reside.

International understanding does not always spring up simul-International understanding does not always spring up simultaneously of itself. There are times when it has to be deliberately sought and negotiated, and political tension is apt to weaken that spirit of mutual concession in which conflicting claims can best be adjusted. The problems that concern us at this moment are only the reproductions on a larger scale of the jealousies and suspicions of everyday life. In our personal contacts we all strive to live in harmony with our fellow men. Otherwise modern civilization could never have come into existence.

DEPLORES PROPAGANDA SLOGANS

Are we now going to destroy that civilization by failing to do internationally what we have learned to do individually? In their public utterances the heads of all governments are as one in declaring that war would be disastrous to the well-being of their people. Whatever political disagreements may have arisen in the past, the supreme importance of averting war will, I feel confident, impel all those in power to renew their endeavors to bring about a peaceful settlement.

Among measures that I feel might well be adopted to this end is the discouragement of all that harmful propaganda which, from whatever source, tends to poison the minds of the peoples of the world. I personally deplore, for example, the use of such terms as "encirclement" and "aggression." They can only arouse just those dangerous political passions that it should be the aim of us all to

No; it is in a larger spirit than that of personal or purely national terest that peace should be pursued. The statesmen who set interest that peace should be pursued. The statesmen who set themselves to restore international security and confidence must act as good citizens of the world and not only as good Frenchmen, Italians, Germans, Americans, or Britons. The benefit of their own nation must be sought through the benefit of the wider community of which we are all members.

APPEALS IN NAME OF WAR DEAD

In the name of those who fell in the last war I urge all political leaders to be resolute in the discharge of this mission. I appeal to them in the name of the living, whose existence and happiness are in their hands. And I appeal to them especially in the name of the youth of the present day, with all its incalculable potentialities of future service to the human race.

potentialities of future service to the human race.

The world has not yet recovered from the effects of the last carnage, which in each and every country decimated my generation. The greatest success that any government could achieve for its own national policy would be nothing in comparison with the triumph of having contributed to save humanity from the terrible fate that threatens it today.

Somehow, I feel that my words tonight will find a sincere echo in the hearts of all who hear them. It is not for me to put forward concrete proposals. That must be left to those who have the power to guide their nations toward closer understanding.

God grant that they may accomplish that great task before it is too late.

it is too late.

A. A. A. for Dairying

EXTENSION OF REMARKS OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

EDITORIAL BY A. J. GLOVER, OF WISCONSIN

Mr. BOLLES. Mr. Speaker, I ask unanimous consent that I be allowed to extend my remarks by including therein an editorial by one of the leading agricultural writers of this country, Mr. A. J. Glover, of Wisconsin, in Hoard's Dairyman. It is a clear discussion of the present dairy situation, looking at it also from a new viewpoint. The editorial follows:

A. A. A. FOR DAIRYING

Since the enactment of the Federal law creating the Farm Board, agriculture has been in politics. Attempt has been made in numerous ways to place agriculture on a proper relationship with other industries by the enactment of Federal and State laws. The results of all efforts to help agriculture through crop control and price fixing have been disappointing. Let us briefly enumerate some of the steps to increase prices of farm products and to control production.

some of the steps to increase prices of farm products and to control production.

When the Farm Board started to buy wheat, it was selling for \$1.18 a bushel. Wheat continued to decline in price until it reached 35 cents a bushel. The Farm Board spent several hundred millions of dollars, and it is generally admitted that it contributed little or nothing toward increasing the farmer's returns.

This was followed by the A. A. A., which was voluntary the first year, but the second year it was necessary to make the law compulsory for the control of cotton production. When cotton land was released from growing cotton, it was planted to peanuts. Soon the peanut growers asked for control, and the land was planted to some other crop. The upshot of this attempted control of cotton production and other crops has created a situation for cotton ton production and other crops has created a situation for cotton and corn which is even worse than when the Federal Government started to control the production of these crops.

started to control the production of these crops.

The Federal Government now owns 11,000,000 bales of cotton and the world is devoting 12,000,000 more acres to growing cotton, which has cut our cotton exports. Undoubtedly the increased production of cotton in other countries was stimulated by the fear that cotton prices would become too high if cotton control was successful in this country. It was therefore reasoned that it was only wise for them to increase their cotton acreage. There is at the present time under consideration in Congress a plan to sell the the present time under consideration in Congress a plan to sell the 11,000,000 bales of cotton to the cotton growers at 5 cents a pound or to barter it with some other nation for other products. The price of cotton, when we take into consideration the change in value of the dollar, is even less than it was when the crop-control program began.

What happened to make crops of corn and cotton larger on fewer What happened to make crops of corn and cotton larger on lewer acres? Surveys that have been made in counties where attempt was made to reduce the acreage of corn show that the poorer land was taken out of cultivation, fertilizer was used, and hybrid corn purchased. The result was more corn was raised in these counties than before any attempt was made to reduce its production. Essentially the same thing took place with cotton.

In other words, the Federal Government, with the assistance of the States, has been unable to solve the farm problem by its

attempt to control production and raise prices of farm products. It is generally agreed that raising the price of farm products, thereby increasing the purchasing power of the farmer, would do more to solve the ills of the Nation than anything that could be done. Still, with all this control and with the expenditure of billions, the purchasing power of the farmer has not been materially improved, especially with certain crops.

There is a group of dairy representatives attempting to get the Federal Government to do something definite for improving the prices of dairy products. They are too low in price. Increased taxation and all other operating expenses of the farm make it necessary to sell dairy products at higher prices than they are at present if a majority of the farmers are to succeed. But what can the Government do to help improve the prices of dairy products when, for example, they have not been able to improve the prices of cotton and corn, much simpler and easier products to handle than the dairy industry with its many products and wider distribution? Is it to be hoped by bringing the Federal Government to the assistance of the dairy industry that it can be wiser in handling this industry than it was in handling a simpler one?

Even with the low prices of dairy products the purchasing power of butter, not to say anything of fluid milk, is much higher than cotton. The cotton index is about 53, while the butter index is 70 or a little better.

We wish it were possible through Federal assistance to bring

cotton. The cotton 70 or a little better.

We wish it were possible through Federal assistance to bring about adjustments that would place all industry and labor on a fair basis of relationship, but we cannot grow enthusiastic over asking the Federal Government to assist in the control and the fixing of prices of dairy products. We can't expect the Federal Government to stop with our industry, for if it is to fix the prices of dairy products and control their production, it means the ultimate control of all farm products. mate control of all farm products. There are already 16 farm products now under control of the A A. A. and Soil Conservation Act, and the results lend no encouragement for bringing more agricultural products under control.

Pegging the price of butter for six or more months and fixing the

prices of milk, in many cases relatively higher than butter and cheese, helped to stimulate production, for the dairy farmer could cheese, helped to stimulate production, for the dairy farmer could sell his feed to the dairy cow and receive more for it than he could at the elevator. Prices of butter and milk established in this way helped to decrease consumption. We mention this to indicate that when we attempt to regulate prices there is danger of stimulating production and curtailing consumption. This in the end leads to burdensome surplus and ridiculously low prices.

If we could start a movement to sell 1,000,000 cows that are not paying for feed consumed, there would be no troublesome surplus. Granting that these cows produce an average of but 150 pounds of

paying for feed consumed, there would be no troublesome surplus. Granting that these cows produce an average of but 150 pounds of fat a year, their disposal would reduce production 150,000,000 pounds butterfat, or better than 175,000,000 pounds butter. If the price reached a level which made dairying more profitable the dairy farmer would soon feed the cows he had left enough to increase the production to equal that of the 1,000,000 cows. This out clearly that price is perhaps the best regulator of production.

We wish there were a better way of regulating production; but after reviewing what the Federal Government, in cooperation with the various States, have accomplished in controlling production and the various states, have accomplished in controlling production and prices of other crops, we cannot hold out much encouragement to the dairy industry to seek Federal assistance. The longer we keep the farm problem in politics the more we will prolong our depression. Why not direct ourselves to reducing the number of unprofitable cows now being milked rather than attempt to control production by allotment and price fixing?

Peace in Ireland

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, ladies, and gentlemen, once again Eamon de Valera is to be congratulated. That man of destiny, in his calm, cool, and collected manner, has once more defeated that little coterie of diehards to be found in the north of Ireland.

The Province of Ulster once contained nine counties. There are presently but six counties in the Province. They comprise the northeast corner of Ireland and constitute Northern Ireland. The land occupied is somewhat larger than the State of Connecticut. A separate parliamentary and executive government for Northern Ireland was established in 1920 and contracted out of the newly established Irish Free State in December 1932.

Southern Ireland, or Eire, is about equal in size to the States of New Hampshire, Vermont, and Massachusetts. When the Government of Great Britain voted conscription, a situation was presented which Mr. de Valera summed up very succinctly in the following words:

We claim the whole of Ireland as national territory, and conscription of Irishmen in that portion of the country (Northern Ireland) we will regard as an act of aggression.

After centuries of oppression by the English, the Irish of the 26 counties which we now know as Eire, have won what amounts to complete freedom. The English Government has indicated that the draft will not be enforced in any portion of Ireland. Ulster newspapers, published in Belfast and Londonderry admit defeat at the hands of the scholarly statesman who was born in our own State. Any fair-thinking person must admit that Mr. de Valera's position is a correct one. Any Irishman who sees fit to enlist in the English service can do so by enlisting in the regular Army or in the Territorials, the Territorials being the counterpart of our National Guard. There is no necessity for the draft in Ireland. An Irishman always knows when to fight and how to fight. Ireland has sent her sons as soldiers to the defense of almost every nation in the world, France, Spain, Austria, Canada, and our own United States. The rallying force of the Irish has been felt in every war. And more, Washington himself in our own Continental Army felt the rallying force of Irish manpower, for fully one-half of the Continental Army was Irish.

"Army without banners" is the description sometimes given to the group of Irishmen who won the age-old fight. An army without banners indeed it was. An army without adequate arms and equipment, an army poor in everything, material with which wars are won. But an army rich in courage, rich in the justice of its cause, rich in the spirit of its patriots, wrested from a proud empire the liberty which was theirs by right. In a country such as that conscription by an alien people is unthinkable.

Our hats are off to you, Mr. de Valera, for your valiant fight, well won. You may be content in your Black Rock home in Dublin, knowing that your plea for peace in Ireland has been heard throughout the world with the greatest respect.

Three Percent Interest on Federal Land Bank and Commissioner Loans

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

Mr. PATMAN. Mr. Speaker, I have today introduced a bill, H. R. 6240, which provides for a 3 percent interest rate on certain land-bank and commissioner loans until June 30, 1941, and after that date the rate of interest shall not exceed one-half of 1 percent above the lowest rate of interest payable on direct obligations of the United States outstanding on the date the loan is made.

The commissioner's loans should be rewritten wherever possible and have the same maturity dates as the Federal land-bank loans. Under the act of 1937 this can be done, and it is my information that such loans are reamortized on a case basis; in other words, in those specific cases where the officials of the Farm Credit Administration believe it is justified according to the facts in those particular cases.

The Government is now borrowing money for 21/2-percent interest on long-term obligations. Under this proposal, if enacted, after June 30, 1941, these borrowers will pay 3-percent interest if the Government's borrowing rate is 21/2

percent. It will be 21/2 percent if the Government's borrowing rate is 2 percent, and will be raised or lowered according to the Government's borrowing rate. The text of the bill is

A bill (H. R. 6240) to provide for a 3-percent interest rate on certain land-bank and commissioner loans and a rate of one-half of 1 percent above the Government borrowing rate on certain other

such loans

Be it enacted, etc., That (a) effective July 1, 1939, the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended (relating to reduction in interest rates on certain land-bank loans), is amended by striking out "shall not exceed 3½ percent per annum for all interest payable on installment dates occurring within a period of 5 years, commencing July 1, 1935," and inserting in lieu thereof "shall not exceed 3½ percent per annum for all interest payable on installment dates occurring before July 1, 1939, and shall not exceed 3 percent for all interest payable on installment dates occurring after June 30, 1939, and, in the case of loans made after June 30, 1941, shall not exceed by more than one-half of 1 percent. the lowest rate of interest payable on direct obligations of the United States outstanding on the date the loan is made." is made.'

(b) Such paragraph "Twelfth" is amended by striking out the following: "No payments shall be made to a bank with respect to any period after June 30, 1940."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act, as amended (relating to reduction in the interest rate on loans made by the land bank commissioner) is amended

rate on loans made by the task to read as follows:

"Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed—

"(1) In the case of loans made before July 1, 1939, 4 percent for all interest payable on installment dates occurring before

July 1, 1939;

"(2) In the case of loans made before July 1, 1941, 3 percent for all interest payable on installment dates occurring after June

30, 1939; and
"(3) In the case of loans made after June 30, 1941, not more than one-half of 1 percent in excess of the lowest rate of interest payable on direct obligations of the United States outstanding on the date the loan is made."

The Money Question

EXTENSION OF REMARKS

HON, USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

LETTER FROM M. L. PRUITT

Mr. BURDICK. Mr. Speaker, it is said that no one but experts can understand the money question. Some Members of this Congress have gone so far as to intimate that no one but experts should be consulted on the money question. I have always regarded that as a complete fallacy. Instead of being complicated, I believe the essentials of the money question are as simple as any subject that can be discussed in Congress. It ought not to take a Benjamin Franklin to discover that if we permit private interests to use our own credit for nothing and with that credit, which costs nothing, buy up our Government bonds and collect the interest for generations to come, that such a program is wrong.

Mr. Speaker, in order to convince this Congress and the country at large that the money question is not complicated. I desire to submit herewith a letter received from just a plain, ordinary citizen of North Dakota, and his letter, you will perceive, strikes at the root of the evils of the monetary system that we are now employing:

PETTIBONE, N. DAK., May 5, 1939.

Mr. USHER L. BURDICK,

Congressman, Washington, D. C.
DEAR FRIEND USHER: It has been some time since I got those books, and I have never acknowledged them. Thanks ever so

much, Usher.

I am going to write you as if you were here by me and I was talking to you. Of course, I am getting the Record, and I tell

you it is really amusing to see how many Congressmen and Senators are shedding crocodile tears for the poor farmer. But they are willing to do most anything so he can get a decent price for his commodities. It is real interesting to hear them talk. They would give him \$1.50 for wheat, 15 to 20 cents per pound for cotton, and at the same time gloat over what a good dollar we have.

Don't they know that to give prices like that would cheapen the dollar? There is no man that is against a cheap dollar if he is for the producer. The most of the men there seem to gloat over the value of the dollar. Usher, you know the crisis in '73 that knocked silver as one of our bases of currency. That was all done under a Republican administration. The dollar kept getting more valuable and we still kept under the gold standard until 1933. Then the Democrats concluded that the money was not worth enough. So they stuck the dollar up to \$1.35. Every nation that had any gold could come here and buy any of our products and get one-third more products than any citizen of the United States could do. In other words, it cost us \$1.35 to get what we used to get for \$1. get for \$1.

Gold and silver are metals and when not used for money are Gold and silver are metals and when not used for money are good for nothing except when used in the arts. When we use them for money it puts on a mystical value which there are mighty few men who understand, and more especially the common man. And as I read the Record, I begin to think that there are but few men in Congress that understand it.

We read and bemoan about what Hitler has done to the Jews. What I cannot understand is that he only takes 20 percent of what the Jew has. Usher, that is nothing to what the producer

what the Jew has. Usher, that is nothing to what the producer has lost in the revaluation of the gold.

My first vote was for Jim Weaver on the old Populist ticket, a combination of the greenbacks and the free coinage of silver. But the Democrats stole our platform and I have been a Democrat ever since. There has never been such a good chance as now for them to make good, but they will never do it.

When I study past history, the condition and fall of all nations has been caused by money. In your Bible, turn to I Kings, chapter 12, verses 10 and 11. Taxation will kill any country and dear money fixes things so it is sure to come. One dollar and fifty-cent wheat and 15- to 20-cent cotton is cheap money. If this country is going to prosper it must have cheap money.

wheat and 15- to 20-cent cotton is cheap money. If this country is going to prosper it must have cheap money.

Now, Usher, in speaking of the mystic value of money, I will have to tell you a little story about a young salesman who got a job with a large mercantile company, at a good salesman. In the fall of the year as the weather got cooler he made up his mind that he would have to have a new overcoat. So he got it and put it down as expenses. Of course, the company did not like this, so about Christmas time they called their men to headquarters to have a talk with them have a talk with them.

have a talk with them.

When this man's time came to give an account of his doings, they took him to task about putting an overcoat in as expenses. They gave him to understand that they would not stand for this kind of work, but that they would give him another chance to make good. The other salesmen gave him thunder about the green way he had put in his expenses. It went along till the next Christmas and the men were called in again. They were all complimented on their work, and when this young man's time came they were nighly pleased. They said, "We don't see any overcoat on the expense account this year." "No," he said, "but it's there just the same."

So, you see as we study money, and I

So, you see, as we study money—and I see so many Congressmen referring to the depreciation of currency citing Germany and Russia; say, Usher, did you ever see a country that was not overthrows but what their money was good? Is it not the case that any country that gets into war, and there is any chance of losing, but the try that gets into war, and there is any chance of losing, but the gold and silver leaves the country and their paper money is no good? The money of every organized country is good, if this country will quit selling bends and issue their own money. Make it payable for all debts, public and private, and duties on imports. We started in the rebellion with about \$300,000,000, and we have this today.

Usher, Nature has given us gold and silver. We use it as money but in limited amount. And if we as His children do not know how to handle it we are bound to retrograde. There is not enough of it to keep up with the progress of present times, so we must substitute other material. It takes five times as much money in circulation to meet the times of progress in this age.

Usher, I do not believe there is a man in Congress who can dispute the contents of this letter.

I do not believe in putting out money and then tying it up in

I do not believe in putting out money and then tying it up in banks that do not circulate it. When the financier gets ready to put out more money he will not call it depreciation of the currency, but will call it expansion of the currency. But they will be a long time getting ready, as they have everything mortgaged. Of course, when the expansion of money does come they will be sitting pretty

when the expansion of money does come they will be sitting pretty as prices are bound to go up.

So, Usher, I will close as I think this is enough at this time. The only thing that will relieve us at the present time is the Townsend recovery plan. With this in operation the capitalist would have quite a time bringing on another depreciation. About 90 years ago the capitalists told Congress they could make all the laws they wanted to if they could tend to the money. This is all. Ever remembering that we are traveling upon the highway of time to the undiscovered country from which no traveler returns.

M. L. PRUTT.

APPENDIX TO THE CONGRESSIONAL RECORD

William Randolph Hearst

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein a statement and editorial of Mr. William Griffin, editor and publisher of the New York Enquirer conveying felicitations to Mr. William Randolph Hearst, upon the occasion of his seventy-sixth birthday. Mr. Griffin states:

I dined on several occasions with Mr. Hearst on my visit to I dined on several occasions with Mr. Hearst on my visit to Baltimore, and in the many years I have had the privilege of knowing him I have never seen him in better health. In my opinion, he will go down in history as the greatest American of the twentieth century. Washington, in the eighteenth century, made the United States possible by his leadership during and after the Revolution. In the nineteenth century Andrew Jackson saved America from again falling under the domination of England by his victory at the Battle of New Orleans, and Lincoln saved the Union from destruction during the Civil War. In the twentieth century William Randolph Hearst saved America from being ensnared in the League of Nations and the World Court, membership in which would have involved us in every war over real estate and boundary lines in Europe, and would have led to the loss of freedom we won under Washington. the loss of freedom we won under Washington.

Mr. Griffin's editorial follows:

WILLIAM RANDOLPH HEARST HAS RENDERED TRANSCENDENT SERVICE TO AMERICA

[By William Griffin, editor and publisher, New York Enquirer]

The spirit of '76 ought to be very much in evidence in this fate-ful year of 1939. Not alone are we celebrating the sesquicentennial of the inauguration of the Federal Government (itself one of the greatest fruits of the spirit of '76) by holding a gigantic world's fair and in other ways, but we also find our country in world's fair and in other ways, but we also find our country in imminent danger of being involved in war by agencies antagonistic to all that the spirit of "76 signifies. This Republic had the unique good fortune, when the Constitution came into operation in 1789, to have at the head of the new experiment in popular rule no less a personage than President George Washington. Washington was the living embodiment of the spirit of "76, and it was, thanks to his statesmanship, patriotism, and prestige, that the new system of government set in motion in the city of New York exactly 150 years are became an unprecedented success. Washington is 150 years ago became an unprecedented success. Washington is no longer with us in the flesh. America, however, has today a man who because of his devotion to the Father of his Country man who because of his devotion to the Father of his Country and his services to this Republic by his never-ceasing and potent efforts in behalf of the ideals and principles of the Father of his Country, merits an especial honor as one who, in our time, is the living embodiment of the spirit of "76. That citizen is William Randolph Hearst, the greatest of all American publishers.

I have had the privilege of knowing Mr. Hearst intimately for many years. During the past week I enjoyed a memorable visit with him at Baltimore, on the eve of his seventy-sixth birthday, which occurred on April 29. I found him in excellent health and spirits, and still animated by the unyielding faith in America which has so strongly characterized him since he entered the publishing field more than 50 years ago.

lishing field more than 50 years ago.

This Republic can never hope to requite the many vital services rendered it in its domestic life and foreign relationships by William Randolph Hearst during his long career as publisher of American newspapers and magazines. Even his enemies—and he has enemies—admit that his influence upon American public

has enemies—admit that his influence upon American public opinion has been and still is enormous. It is he, more than anyone else, who has kept alive the spirit of "76, the spirit of Washington and the Americans of his generation who gave us our precious freedom from the chains that bound us to the throne of a European despotism, and our precious Constitution to preserve that hard-won liberty for all future generations of Americans.

The friends and admirers of William Randolph Hearst through this broad land are numbered by the million. But, as I have said, he has his enemies. Although they are few, they are both bitter and vociferous. The reasons for their enmity are not hard to determine. If Mr. Hearst turned his back on George Washington and espoused the cause of communism, the hard-working "red" scribblers and demagogs who never tire of denouncing him, would be found lauding him as the greatest asset possessed by our country.

If Mr. Hearst turned his back on George Washington and espoused the cause of nazi-ism and fascism, he would be extolled as an American without peer by those who are so brazenly propagandizing in behalf of these progeny of communism. Another reason for the hostility of the foes of Mr. Hearst lies in the acute jealousy which his marvelous success has aroused in some of his competitors in the

his marvelous success has aroused in some of his competitors in the publishing field. But let his opponents do and say what they will, their enmity does not in the least worry William Randolph Hearst. Like his great exemplar, George Washington, who had his militant and unscrupulous enemies, Mr. Hearst treats them with the all-powerful antidote of ignoring them completely.

In the alarming war crisis now besetting our country, a crisis that could have readily been avoided were it not for the disloyalty to the tenets of the Father of his Country so painfully manifest on the banks of the Potomac, we Americans should render heartfelt thanks to Almighty God that William Randolph Hearst is with us, to expose with all the wonted fullness of his gifted and powerful intellect the treacherous forces, native and alien, that are trying to lure us into a war in which we have no concern whatever.

And the people of this land are thrice happy in the assurance that everything points to the fact that this vigorous American will be with them for a long time to come, to watch over the destiny of the United States of America.

the United States of America.

Democracy in Cuba

EXTENSION OF REMARKS

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER OF MAY 8, 1939

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in the New York Enquirer on the subject "Democracy in Cuba," in the issue of May 8, 1939:

[From the New York Enquirer of May 8, 1939] DEMOCRACY IN CUBA

Some months ago Col. Fulgencio Batista, of Cuba, visited the Some months ago Col. Fulgencio Batista, of Cuba, visited the United States and was accorded a thunderous welcome by the administration at Washington, at whose desire he made his visit. Batista is the head of the Cuban Army and dictator of the Cuban Republic. In spite of this, our Government went to great extremes in lavishing honor and hospitality upon him, for the purpose of impressing upon European strong men the solidarity of the United States, Cuba, and the other lands of Latin America against fascism and nazi-ism and their unity of purpose in pursuit of the good-neighbor policy. So eager was the administration to court the good will of Batista that it agreed, while he was in America, to grant Cuba valuable trade concessions at the expense of this Republic. pense of this Republic.

Shortly after his return to his homeland, and as if to complete the farce begun by his triumphal trip to this country, Batista paid an official visit to Mexico, where he was given a conqueror's

reception.

Both Hitler and Mussolini must have laughed themselves to exhaustion on witnessing this performance on the part of the Government of the United States, the Cuban dictator, and the Cardenas regime in Mexico. It certainly was a funny way of giving a demonstration of New World democratic unity against Old World dictatorial solidarity. Two weeks ago three Cuban political parties publicly expressed their disagreement with Dictator Batista's desire to before a bourt or alteration in the Cuban placetorial and which would bring about an alteration in the Cuban electoral code which would postpone the general elections due to take place on February 15, 1940. As the man behind the throne, Batista has had President Frederico Laredo Bru address a message to the Cuban Congress requesting this change.

The condition of affairs in the island republic which owes its independence to Uncle Sam and for the upholding of whose dictator our Government is so solicitous is anything but a credit to

democracy.

Of course, every well-informed person is aware that democracy is unknown in Latin America, and that when the spokesmen of our Government express themselves in lofty terms regarding the happy state of human existence in Latin America, thanks to the devo-tion of the Latin-American republics to liberty, they are simply speechifying about a condition of things that does not exist. It is too much to expect that the administration will do anything

to stoo much to expect that the administration will do anything toward changing its policy with regard to the Batista dictatorship in Cuba, in view of the manner in which it has supported that dictatorship and the dictatorship of Lazaro Cardenas in Mexico, and in view of the benediction given by it the other day to the dictatorship of President German Busch, of Bolivia. Like Mexico, Bolivia to physical particular American Expensive. Bolivia is plundering American property.

The administration's whole Latin American policy has, however,

but a comparatively short lease of life, as a fact for which all who

cherish American self-respect and uphold the cause of liberty and of international honesty have only too much reason to be thankful. In January 1941 a new administration will take over the reins in our National Capital. The American people will insure beforehand that that administration will be one which will uphold the rights and dignity of this Republic in its dealings with Cuba, Mexico, and every other nation under the sun, thus putting an end to a foreign policy that has humiliated the United States in the eyes of the world and inflicted upon us incalculable material losses.

Tributes to American Automobile Association School Safety Patrols

EXTENSION OF REMARKS OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Tuesday, May 9 (legislative day of Monday, May 8), 1939

EXCERPTS FROM COMMENDATION BY GOVERNORS AND SENATORS ON THE SCHOOL-PATROL MOVEMENT SPONSORED BY THE AMERICAN AUTOMOBILE ASSOCIATION, ITS AFFIL-IATED MOTOR CLUBS, SCHOOLS, AND POLICE

Mr. REYNOLDS. Mr. President, Washington has been host to many national gatherings. Our National Capital has become, and properly so, a center for focusing attention on many worth-while activities. But few if any of these are more patriotic in character or deserve greater attention than the great spectacle of youth to be staged here Saturday, May 13.

On this occasion, more than 13,000 boys and girls-members of school safety patrols-will come from 20 States for their annual parade. They will represent some 275,000 youngsters who serve in school patrols in more than 3,000 communities. These boys and girls are not only engaged in an effort to safeguard their schoolmates from the hazards of traffic but are also receiving fine training in civic responsibility and a background of training for citizenship.

We hear much of the "world of tomorrow." We need have no fear when our youth is being properly trained in such great work as the school safety patrols. And it is most significant that while youngsters abroad live in dread of war and are receiving training in wearing gas masks, our children are following the peacetime pursuit of real service. It is the American way and we should be proud of it. I have long contended that our first obligation as a people is to our citizens of tomorrow. We should think of them before we undertake to solve world problems. This national gathering of school safety patrols here next week-this great demonstration of youth serving youth-offers a splendid opportunity for all of us to pause and consider where we are going, what we are doing for our own citizens of tomorrow.

It has been pleasant to know that 35 Governors and more than half the Members of the United States Senate have taken time to commend the work of the school safety patrols and what they have done to safeguard our future citizens against the present hazards of traffic.

The school safety patrols are sponsored by the American Automobile Association, its affiliated motor clubs, schools, and police. As a tribute to the sponsors of this great work, as a tribute to the vast army of 275,000 boy and girl patrol members, as a tribute to the Governors and Senators who have commended this organized safety effort, and as a fresh reminder of the obligation we owe to the youth of America. I ask unanimous consent that the tributes paid to the school patrol movement be inserted in the Congressional Record.

It is a merited tribute to youth everywhere.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Gov. Frank M. Dixon, of Alabama:
"I am happy to acknowledge the contributions that the schools of our State have made to traffic safety.

* * * These patrols are not only a safeguard for school children but a valuable training

in leadership and responsibility for the boys and girls who participate in them."

Gov. R. T. Jones, of Arizona:

"It is impossible for us to estimate the number of lives that have been saved since the inception of the school safety patrols. The educational value of the programs of these patrols and their actual life-saving value could never be purchased with all the coin of the realm."

of the realm."

Gov. Carl E. Bailey, of Arkansas:

"I feel that it is impossible to place too much emphasis on the part that school safety patrols play in endeavoring to make it possible for our children to be conducted safely to and from school. In addition to the service rendered by the members of these patrols, I consider it fine training, as it imbues them with the spirit of self-sacrifice and protection for their fellow men."

Gov. Culbert L. Olson, of California:

"School safety patrols save lives, lives of school children, our most precious national asset. Further, this activity arouses a consciousness of the value of safety in the minds of the automobile drivers of the present and of the future. But more than that, such direct participation in an important community activity creates that spirit of self-discipline which gives life to our democracy." democracy.

democracy."

Gov. Ralph L. Carr, of Colorado:

"The work which has been done by the American Automobile Association in furthering the safety on the highways is something which should be recognized by all of the people of the country and given their undivided support.

* * * Colorado joins with you and these boys and girls in saying that we must and will cut down the number of accidents on the highways when the entire Nation teaches safety as the American Automobile Association is trying to do."

Gov. Raymond E. Baldwin, of Connecticut:

Gov. Raymond E. Baldwin, of Connecticut:
"I regard the school safety patrol movement, sponsored by the American Automobile Association and its affiliated motor clubs, as one of the most constructive undertakings in America today.

* * No man ever will know the number of lives saved, nor

* * No man ever will know the number of lives saved, nor the number of serious accidents prevented, through the work of school safety patrols."

Gov. Richard C. McMullen, of Delaware:

"I am thoroughly in sympathy with the youth-service movement along these lines, as it is only by training our young people to the ideas of safety that we will, in part, eliminate automobile fatalities. It is not only an important step in this direction, but teaches them civic responsibility as well."

Gov. Fred P. Cone, of Florida:

"I am in full accord with the training of our youth in civic responsibility and the effective work the safety patrols have accomplished."

plished.'

Gov. E. D. Rivers, of Georgia:

"Safety of our citizenry today and, most especially, of our youth is the mark at which these young patrolmen aim, but it is far from being the only thing accomplished through their program. It is inspiring our younger boys to a new ideal in citizenship, a new pride in themselves as part and parcel of the New America"

Gov. C. A. Bottolfsen, of Idaho:

"I believe that the work certainly impresses these patrol members with a fine sense of what traffic safety really means and I feel that the highest commendation is due your association for supporting the school-patrol movement."

porting the school-patrol movement."

Gov. Henry Horner, of Illinois:
Governor Horner through Milburn P. Akers, superintendent of the department of finance, asks the American Automobile Association to accept his congratulations for the excellent work being done by the patrols under their sponsorship and expresses his best wishes for the continuing success of the movement.

Gov. M. Clifford Townsend, of Indiana:

"Thousands of boys and girls in Indiana are receiving fine training in this field under the sponsorship of the American Automobile Association and its many branches. As an educator and a public official, I can combine the sentiment of both groups in bestowing the highest praise upon the school safety patrol movement." ment."

ment."

Gov. George A. Wilson, of Iowa:

"This is a program worthy of praise in view of the fact that it has proved very effective in saving our children from accidental death and injury. It should also be remembered by our schoolboy patrolmen and schoolgirl patrol members that they are not only serving their fellow students, but they are obtaining valuable experience which will be useful to them in any walk of life when they become adults."

Gov. Payne Rather of Kansas:

they become adults."

Gov. Payne Ratner, of Kansas:

"I want to congratulate you on the splendid safety-patrol work in which you are interested. I do not believe we can put too much stress on the safety of our youth. I heartily commend this movement and feel it has done a tremendous lot of good."

Gov. Albert Benjamin Chandler, of Kentucky:

"The American Automobile Association deserves the commendation of every patriotic citizen for its efforts to promote traffic safety through the school safety patrols. The youngsters actively engaged in the patrol are obtaining worth-while training and are rendering a valuable service to the several million school children they serve."

Gov. R. W. Leche, of Louisiana:

"The future of our Government, the preservation of American ideals, and the continuance of democratic principles rest today

with the young men and women of our Nation. For this reason, movements like the school safety patrols, which is sponsored by the American Automobile Association, deserve the unselfish support of every American citizen worthy of the name."

Gov. Lewis O. Barrows, of Maine:

"The State of Maine thoroughly believes that the formation of school-boy patrols has been of inestimable value in promoting highways settly and in establishing a morre continus attitude among

way safety and in establishing a more cautious attitude among the school children. We have supported this project wholeheartedly and are deeply grateful to the American Automobile Association for their untiring efforts. I trust that the same cooperative relations may continue to exist for a long time."

relations may continue to exist for a long time."

Gov. Herbert R. O'Conor, of Maryland:

"It is indeed commendable that the American Automobile Association and its affiliated motor clubs, in cooperation with schools and the police, have conceived this splendid idea which unquestionably has a tendency to engender alertness on the part of the participants, mainly boys and girls, as well as to develop the due regard for safety so far as it affects the citizens of Maryland. For their civic response and constructive work in this connection the various organizations are to be congratulated, and you have my various organizations are to be congratulated, and you have my sincere wishes for continued success." Gov. Leverett Saltonstall, of Massachusetts:

Gov. Leverett Saltonstall, of Massachusetts:

"The annual parade of school safety patrols is a striking reminder of the splendid work in protecting lives upon the streets and highways. Adults can learn much from children who have led the way in reducing deaths caused by automobiles. The American Automobile Association has performed a great civic service in sponsoring the movement for school safety patrols."

Gov. Luren D. Dickenson, of Michigan:

"The approaching eighth annual parade of school safety patrols makes it timely for us to appreciate the great value of the work done by the school children of this country in making our high-

done by the school children of this country in making our high-ways safer. I want you to know that we in Michigan are anxious to do everything we can to cooperate to the fullest extent in this worth-while program."

Gov. Hugh White, of Mississippi:

Gov. Hugh White, of Mississippi:

"I believe that the greatness of this student-service movement depends not only upon its value from the standpoint of safety, but also from the training it gives the students in citizenship. It causes the child to realize that he must think not only of safety for himself, but also for others, and helps him to understand that his individual conduct and action will affect the welfare of his community. I wish for the American Automobile Association, its affiliated members, and all the school safety patrols of the Nation the greatest success in the years to come." of the Nation the greatest success in the years to come."

Gov. Lloyd Stark, of Missouri:
"I have long been aware of the valuable services performed by "I have long been aware of the valuable services performed by your organization in the establishment of school safety patrols. I think it is a splendid thing that you should hold a national demonstration of this work such as is scheduled in Washington on Saturday, May 13. It seems to me the individual benefits received by the boys who participate in the patrol work should not be overlooked. Many youngsters who in former years would have diverted their natural instincts for leadership into such objectionable channels as becoming playground bullies now exercise that same instinct in this constructive service. Again permit objectionable channels as becoming playground bullies now exercise that same instinct in this constructive service. Again permit me to congratulate you upon the fine job the American Automobile Association has done in bringing the benefits of the school safety patrols to every section of the country."

Gov. Roy E. Ayers, of Montana:

"Many times in my travels throughout the State I have noticed the groups of how and girls serving as school patrols for the safety.

the groups of boys and girls serving as school patrols for the safety of their fellow schoolmates, and I believe that it is one of the most effective means that we have of avoiding accidents in our cities."

Gov. R. L Cochran, of Nebraska:
"I have had occasion to observe the work of the school safety patrols, and it is my conviction that the boys and girls serving on these patrols are performing a splendid public service in protecting the lives of their schoolmates. This observation is substantiated by the observations of others and accident statistics which demonstrate forcefully the effective work of the patrols."

Gov. Francis P. Murphy, of New Hampshire:

"The fine record of safety accomplishment to the credit of the school safety patrols demonstrates the possibilities that lie in systematic and interested organization for the protection of human lives. I seriously doubt that most people throughout the country fully realize what the 275,000 boys and girls now serving in school patrols have done toward protecting their schoolmates. The record is impressive. If adults would do anywhere near as well, there would be no safety problem in this country."

is impressive. If adults would do anywhere near as well, there would be no safety problem in this country."

Gov. A. H. Moore, of New Jersey:

"If I could, I would certainly like to see the patrol army of 12,000 children marching up Constitution Avenue. While children are being marshaled for future soldiers in many lands, we are marshaling them for the protection of their fellows. The lessons boys and girls learn in traffic work will stand them in good stead in years to come. * * We are attacking the problem through the right channels when we begin with the education of youth, to avoid in the future the mistakes of the past."

Gov. John E. Miles, of New Mexico:

"I cannot praise too highly the idea of the school patrol. I believe that the patrols have been effective agencies not only in results obtained through traffic safety, but in instilling a greater regard for care and caution among all school children * * *."

Gov. Herbert H. Lehman, of New York:

Governor Lehman extends best wishes for the success of the patrols and expresses keen interest in all efforts to promote traffic

Gov. Clyde R. Hoey, of North Carolina:

"I wish to congratulate your association (the A. A. A.) for the splendid work it has been doing in the teaching of safety in the schools throughout the land. I think this has been of inestimable benefit in inculcating the thought and teachings of safety in the minds of the young people who will be driving automobiles tomorrow, and this should result in a decided decrease in fatalities and accidents on our highways."

Gov. John W. Bricker, of Ohio:

"The reduction of traffic accidents by any means is highly commendable, but the work of the safety patrols is especially valuable since the boys and girls of the Nation are themselves thinking and striving toward the goal of accident prevention, and in the process of handling their own problems are preparing themselves to be better citizens, capable of dealing with serious responsibilities. The American Automobile Association and the police of the various communities are also deserving of congratulations for the

ties. The American Automobile Association and the police of the various communities are also deserving of congratulations for the leadership they are giving to the promotion and functioning of the school safety patrols."

Gov. Charles O. Sprague, of Oregon:

"I believe that the school patrols have done very effective work in safety. They have not only offered protection in the vicinity of schools, but they have made motorists conscious of the need for protection of children and so have helped promote safety all along the highways." the highways.

Gov. William H. Vanderbilt, of Rhode Island:

Gov. William H. Vanderbilt, of Rhode Island:

"Governor Vanderbilt, through George R. Beane, registrar of motor vehicles, congratulates the school patrols and declares their work is certainly bearing fruit and cannot be commended too highly."

Gov. Harlan J. Bushfield, of South Dakota:
Governor Bushfield commends the school patrols for their worth-while service and expresses the belief that theirs is one of the most valuable services we can promote in the interest of safety.

Gov. Henry H. Blood, of Utah:

"I have watched with keen interest the development in Utah of the school safety patrol idea. The thought is highly commendable, and the efforts of all who have joined in carrying out this plan are most praiseworthy."

Gov. George D. Aiken, of Vermont:

"I am glad to add my name to the long list of Americans who

Gov. George D. Alken, of Vermont:

"I am glad to add my name to the long list of Americans who heartily approve of the work of the school safety patrols. I firmly believe that making our youth safety conscious is a vital factor in reducing our accident rates."

Gov. George D. Alken, of Vermont:

"It is interesting to note the valuable work which has been done by a large number of boys and girls in the school patrols in widely scattered communities throughout the United States. They deserve great credit for the results achieved, and the organization serve great credit for the results achieved, and the organization which has promoted this work is entitled to the commendation of all good citizens."

SENATORS COMMENDING THE SCHOOL PATROL MOVEMENT

Senator Charles O. Andrews, of Florida:

Senator CHARLES O. ANDREWS, of Florida:

"On many occasions I have expressed my deep appreciation and admiration for those who have this work in charge, and more particularly the young American school boys and girls who take part in it. The parade last year was an inspiration and would be to any man who must know that this new generation must take up where we of today ultimately must leave off."

Senator Warren R. Austin, of Vermont:

"I have observed with appreciation the service of school safety patrols in my own State of Vermont and here in Washington.

patrols in my own State of Vermont and here in Washington. Good work! Keep it up!"

Senator Josiah William Bailey, of North Carolina:

"The school safety patrols represent a fine undertaking, both from the standpoint of child protection and the training of American youth. I cannot commend too highly this valuable program for moulding citizens for the future. The sponsors of this movement are to be congratulated."

Senator W. WARREN BARBOUR, of New Jersey:

"May I take this opportunity to express my appreciation for the effective work which the school safety patrols are doing, not only in the District of Columbia, but throughout the entire United States. I have observed the young people on many occasions per-forming their duties with confidence and in an effective manner, and I am sure that their contribution to safety is very material. My best wishes for the continued success of this youth service movement."

Senator Homer T. Bone, of Washington:

"The American Automobile Association is doing fine work in cooperation with school and police through the school safety patrols. The low accident record established by the youngsters makes the school safety patrols of much value to the communities in which they operate."

Constant H. Styling Bungers of New Hampshire:

Senator H. STYLES BRIDGES, of New Hampshire:

"There can be no doubt that the school safety patrol movement is one of the most far-reaching and effective methods yet conceived to lessen the number of fatalities and injuries suffered yearly by the school children of America. It is therefore with the greatest pleasure that I unreservedly commend and thank the

thousands of school children throughout the United States whose

thousands of school children throughout the United States whose efforts have obtained such happy results."

Senator Harry Floop Byrn, of Virginia:

"On the occasion of the eighth annual parade of school safety patrols, I should like to extend to the thousands of youngsters who participate, and to the American Automobile Association for its guidance, my sincere congratulations upon the admirable service its guidance, my sincere congratulations upon the admirable service which is being rendered. The safety patrols command my personal respect as a driver and as a citizen. They are making an immeasurable contribution to the safety of our children, and to the realization of the responsibilities which are citizenship. Promotion of the safety patrol program is an undertaking of merit which is being meritoriously fulfilled both by the sponsors and the youngsters who are competently doing the job."

Senator Arthur Capper, of Kansas:
"It is largely due to the discipline and devotion of these youngsters that the accident record among children of school age in the United States is almost a model for traffic safety. The American Automobile Association, the safety councils, the school authorities, and the police authorities over the Nation are to be congratulated upon the great work of these boys and girls. Hats off to the safety patrols."

Senator D. Worth Clark, of Idaho:

Senator D. Worth Clark, of Idaho:

"In my opinion, the program of the school safety patrols is one of the most sensible and valuable projects that I know. Rich dividends in the form of saved human lives are being paid the United States each year through the operation of the program, and the American Automobile Association is to be commended for its sponsorship of the movement."

American Automobile Association is to be commended for its sponsorship of the movement."

Senator Tom Connally, of Texas:

"On the occasion of the eighth annual parade of school safety patrols to be held in Washington on May 13, may I give expression to my appreciation and admiration for the splendid work which the patrols have accomplished looking to the safety of the public from traffic accidents. The value of this youth-service movement can hardly be overestimated. It not only is a very useful and valuable service in the direct matter of promoting safety but in its instilling into the young a desire to serve others and to dedicate one's ability to civic and public improvement it is making a very fine contribution to the cultural and spiritual development of our youth."

Senator John A. Danaher, of Connecticut:

"Who has not noticed the youngster, himself possessed of qualities of leadership, guiding the safe passage of his little charges across our streets? Who has failed to accord him his due measure of appreciation? It is especially fitting that you give tangible recognition to the splendid work being done by the school safety patrols. It is a pleasure to record my approval of and encouragement to this splendid objective."

Senator James J. Davis, of Pennsylvania:

ment to this splendid objective."

Senator James J. Davis, of Pennsylvania:

"The safety movement in America has its greatest hope of success through the concerted activities of our boys and girls. I am very glad to learn that approximately 275,000 boys and girls now serve in the school patrols in 3,000 American communities. I wish to congratulate the schools on the cooperation they are giving in the safety movement and to pledge my own continued support for this effective work."

Senator Sheridan Downey, of California:

"I wish to congratulate you (the A. A. A.) upon the splendid

"I wish to congratulate you (the A. A. A.) upon the splendid work being accomplished by the school safety patrols which you have sponsored. At the same time I wish to commend most highly the patrols and the work which they are doing. As a result of this work the whole Nation is being benefited."

Senator Allen J. ELIENDER, of Louisiana:

Senator Allen J. Ellender, of Louisiana.

"It is with pleasure that I add my endorsement of the fine work that is being done by the school safety patrols in protecting the lives of our youngsters. I desire to state that in my humble opinion, this is a truly great movement, and I sincerely hope that it will soon reach out and embrace all 48 of our States."

Senator Walter F. George, of Georgia:

Senator Walter F. George, of Georgia:

"I wish to take this opportunity to commend the excellent work being done by the school patrol movement sponsored by your organization. This program, with its stabilizing influence, is not only character building but is a protection to our school children."

Senator Peter G. Gerry, of Rhode Island:

"With the figures for motor vehicular accidents so high, the success of the patrols is to be applauded. School children, whom we would regard as most vulnerable to such accidents, are setting an example which their elders might well follow. It is good to have children trained to meet the problems of the world in which they live, and the work of the safety patrols, bearing the results that it does, deserves commendation."

Senator Ernest W. Gieson, of Vermont:

"I consider the work of the school patrols to be one of the most

"I consider the work of the school patrols to be one of the most valuable aids for the protection of the lives of the school boys and girls in America. These children are deeply interested in their work, and without question as a result of their activities thousands

work, and without question as a result of their activities thousands of lives have been saved. I am indeed glad to lend my aid to their organization at any time."

Senator Guy M. Gillette, of Iowa:

"I have often observed the work of the school patrols here in Washington. These youngsters are doing fine work and unquestionably are preventing many automobile accidents and injuries. I am hopeful that this splendid effort will continue and even enlarge its present activity. These youngsters are certainly con-

tributing to their community welfare and the safety of our

Senator Theodore F. Green, of Rhode Island:
"The American Automobile Association is to be congratulated on its sponsorship of this worth-while movement in public safety and the members of the youth patrol at large deserve all our appreciation for their outstanding contribution to the community

well-being."
Senator Joseph F. Guffer, of Pennsylvania:
"It is with much pleasure that I on the occasion of the eighth annual parade of school safety patrols in Washington, commend the American Automobile Association, its affiliated motor clubs, public schools, and the police for sponsoring and building up the school patrols. The creation of these patrols was and is a splendid work. The children who are members of the patrol are benefited in that they are given at an early age real responsibility and self-reliance."

Senator Pat Harrison, of Mississippi:
"I commend the American Automobile Association on the fine movement it has undertaken in connection with the school safety patrols.

Senator Rufus C. Holman, of Oregon:

"I have noted with much gratification the very effective work which has been done by the school patrols in reducing accidents among children. The members of the school patrols and those who have sponsored this movement are entitled to the highest commendation and the full support of our citizens. I wish to take this occasion to particularly commend and congratulate the American Automobile Association for their constructive work in this field."

American Automobile Association for their constructive work in this field "
Senator Rush D. Holt, of West Virginia:
"The boys' patrol work is an excellent project. It should have the support of all the citizens."
Senator Edwin C. Johnson, of Colorado:
"It will be a grand sight to see 12,000 youngsters from 18 States in the school safety patrols parade in Washington on May 13. Traffic safety is and will continue to be a very serious problem in America; and it is reassuring, to say the least, to have young America manifesting a constructive interest in it."
Senator William H. King, of Utah:
"That their work has been of great importance in protecting the lives not only of school children but of pedestrians generally I think is universally recognized. The school children who are a part of this patrol system gain valuable lessons in regard to civic duties and civic responsibilities and thus are better prepared for the responsibilities of life. I shall be glad if this fine organization increases in numbers and in opportunities for public service."

Senator Robert M. La Follette, Jr., of Wisconsin:
"On the occasion of the annual parade of school safety patrols, I extend my warmest greetings to the 275,000 boys and girls who are rendering a mature service to their country in preventing accidents. Countless children have been saved from death and crippled lives by the splendid achievement of these reliable traffic policemen. Young in years, they have demonstrated their ability to assume an adult responsibility. These youthful citizens deserve hearty congratulations from every father and mother whose children are protected by the school safety patrols."

Senator Henry Cabor Lodge, Jr., of Massachusetts:

"I have often noted the work of the schoolboy patrols. I believe they are rendering a splendid service and ought in every way to be encouraged."

Senator M. M. Logan, of Kentucky:

"The school patrol movement sponsored by the American Auto-

Senator M. M. Logan, of Kentucky:

"The school patrol movement sponsored by the American Automobile Association is a most valuable public service. Not only do they protect life, but they receive training in a civic responsibility. Your sponsorship of this organization is much to your credit."
Senator Scorr W. Lucas, of Illinois:
"No movement in recent years, in my opinion, is so utterly worthy

No movement in recent years, in my opinion, is so utterly worthy of commendation as the creation of school safety patrols and the development of this idea throughout the United States under the sponsorship of the American Automobile Association. Not only is the effect of these patrols evidenced in the reduction of fatalities among school children at institutions where the patrols are located but the training given the young people who participate in the program should serve to awaken their civic consciousness at an early age.

an early age * * *."

Senator Francis T. Maloney, of Connecticut:

"I am grateful to you for giving me the opportunity to comment upon the splendid work of the school safety patrols. It is difficult to estimate the number of accidents prevented by the

difficult to estimate the number of accidents prevented by the school children who undertake this work. I am among the many people who are appreciative of your accomplishment."

Senator Kenneth McKellar, of Tennessee:

"I heartily endorse the splendid work the school safety patrols are doing to protect school children. I am sure many lives have been saved by these little soldiers of safety."

Senator James M. Mead, of New York:

"The success of the school safety patrols has been outstanding. In addition to the moral, educational, and civic training that the program affords, it has been really effective in preventing accidents and impressing motorists and pedestrians alike of their responsibility for the protection of our children. You inform me that 275,000 children now participate in these patrols. That is a splendid representation, and its benefits are incalculable. Place me on record as endorsing this activity 100 percent. It is wholesome, helpful, and instructive in every respect."

Senator Sherman Minton, of Indiana:

"The fine work done by these safety patrols in reducing the traffic toll, especially among their schoolmates, is worthy of commendation by all. In common with millions of our citizens, I have observed many mornings their faithful and tireless work in rain and snow, heat and cold. In addition to safeguarding lives, the patrols are very instrumental in inculcating in their schoolmates standards of observance for law and safety that will stand them in good stead for the future."

Senator James E. Murray, of Montana:

"I have on several occasions observed the work of these school patrols, and I cannot too highly praise them for their efficiency in preventing accidents and in the safe conduct of school children to and from the schools of the District. The A. A. A. is to be congratulated on sponsoring this fine organization which has contributed so much to the safety of our school children."

Senator Gerald P. Nye, of North Dakota:

"I have seen many splendid accomplishments resulting from the

"I have seen many splendid accomplishments resulting from the great effort put into the school patrol work, and upon the occasion of this annual parade I want to give this word of appreciation and encouragement to the American Automobile Association which has so well sponsored the fine work."

Senator John H. Overton, of Louisiana:

"I am proud of the good work the boys and girls who are members of the patrols have done and are doing. " * The acceptance of the patrols have done and are doing.

The acceptance of this responsibility to save lives and prevent accidents inculcates into the members of the safety patrols a high regard for civic obligation and genuine American citizenship. At this time I want to express my appreciation for the good work accomplished in so many communities throughout the United States by the boys and girls who serve as members of these patrols."

Senator Chauge Pepper of Florida:

Senator CLAUDE PEPPER, of Florida:

"It will be a happy privilege for me to make proper comment upon the fine work that these young people are doing when the opportunity presents."

Senator KEY PITTMAN, of Nevada:

"I am of the opinion that the school patrols are probably the best organizations for safety in the matter of traffic dangers. In addition to the services rendered by the patrols, the service in itself teaches children caution."

Senator George L. Radcliffe, of Maryland:
"The cooperative movement among the children in matters of
this kind can be and has been of incalculable benefit. I am completely in accord with the movement and I heartily congratulate those in charge for the stimulating and instructive work which has been done.

Senator Robert R. Reynolds, of North Carolina:
"Every effort should be made to promote good Americanism. The
very basis of such a program is to instill a sense of responsibility for American ideals and institutions into the citizens of tomorrow. This is being done through the school safety patrols, a movement in which boys and girls are learning to shoulder responsibility and learning respect for authority. It is one of the finest movements in existence today. It is a source of pride to me that I am the vice president of the organization which has sponsored the patrols, the American Automobile Association."

Senator Richard B. Russell, of Georgia:

Senator RICHARD B. RUSSELL, of Georgia:

"I have observed the members of these patrols on duty here in Washington, as well as in other cities of the Nation. I consider this work not only a great help in protecting the lives of thousands of youngsters who are exposed to constant danger on our streets but also splendid training in the responsibilities of citizenship. Every American citizen, I am sure, commends this movement and the splendid work which has been accomplished."

Senator Morris Shiepparp, of Texas:

"In my judgment, the work being done by the school patrols is of outstanding importance, both from the standpoint of safeguard-ing the lives of children attending school and the standpoint of teaching responsibility to those who serve on such patrols. I congratulate the American Automobile Association on the splendid congratulate the American automobile Association on the splendid progress being made in this field of their activity and wish them and the members of the patrols continued success."

Senator Tom Stewart, of Tennessee:

"You are beginning at the right place with the youngsters. This is a great work, and I heartily endorse it."

Senator Elegar Thomas, of Utah:

"* * I am pleased to add a word of commendation for
the effective work which the youth-service movement is doing. * * *" ing.

Senator HARRY S. TRUMAN, of Missouri:

"I think the school safety patrols are to be complimented highly on the good work they do toward saving the lives of chil-dren. It is one of the best organizations in the whole country for safety. I am very much interested in safety as it affects automobiles and drivers. Pedestrians, of course, must do their part. School safety patrols are teaching children to do their part

Senator Millard E. Typings, of Maryland:
"I know of the school patrol movement sponsored by the Amer"I know of the school patrol movement sponsored by the members on ican Automobile Association and have observed the members on duty on several occasions. This is a splendid work and I believe serves every encouragement."
Senator Burron K. Wheeler, of Montana:
"I think that this youth-service movement is a splendid thing.

It is fine training for the youngsters, and in addition to that, from a practical standpoint, it is of great benefit to the public." Senator Alexander Wiley, of Wisconsin:

'I cannot too strongly commend this youth-training movement. These youngsters are performing a civic job in cutting down traffic accidents and protecting the lives of their younger brothers and sisters. They are performing an even greater civic job in banding together in the American way—not to train for war and destruction—but to train for peace and the prevention of destruction.'

Is the Government That Rotten?

EXTENSION OF REMARKS

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 9, 1939

ARTICLE FROM DYNAMIC AMERICA FOR DECEMBER 1938

Mr. GEYER of California. Mr. Speaker, so much has been said on the floor of this House about the blessings of big business and the inefficiency of Government that I believe it is high time something is said on the other side of the question. Under leave to extend my remarks I desire to produce an article from Dynamic America, written by T. Swann Harding, in answer to an article by James Truslow Adams, in Barron's for October 3, 1938. The article follows:

> [From Dynamic America for December 1938] IS THE GOVERNMENT THAT ROTTEN? (By T. Swann Harding)

(By T. Swann Harding)

Authors never tire of preparing and editors never cease accepting articles designed to show that whatever our Government does is wrong and whatever so-called "private industry" does is right. This does not mean that authors and editors are venal or corrupt. It quite probably means that editors properly assay public opinion.

Such articles appear constantly because the public in majority believes that anything done by Government is done wrong, just because the Government does it, and that anything done by business or private industry is right because the Government did not do it. Typical of such articles is Our Debt to Big Business, by James Truslow Adams. in Barron's for October 3, 1938.

do it. Typical of such articles is Our Debt to Big Business, by James Truslow Adams, in Barron's for October 3, 1938.

The journal is an outstanding financial publication. The author is a historian of considerable financial and business experience, who writes widely and interestingly. He feels that we underestimate what big business has done for us. We incline to give Government entirely too much credit, to smear business, and to ignore the "social asset" value of large corporations.

He cites for us as public benefactors United States Steel, Du Pont, the Bell System, General Motors, Standard Oil. He says: "It is appalling to think what would happen if Government undertook to handle all this vast complexity instead of leaving it, with proper regulation. to the initiative, ambition, and technical skill of individual corporations."

vidual corporations.' He declares that the very existence of these corporations provides many social assets. They render profitable investment possible. They have multitudes of stockholders. They, not the W. P. A., create jobs by promoting research. The rise of the motor industry is cited as an extraordinary story of spectacular private initiative. We are told that private industry alone, not Government, creates goods, wealth, and jobs.

Mr. Adams writes: "One of the earliest efforts by Government to help and control was made in the establishment of the Depart.

help and control was made in the establishment of the Department of Agriculture as far back as 1881, yet Government itself complains that agriculture is one of our sickest industries today."

Private corporations also pay huge sums in taxes. In 1937 General Motors alone offered up \$105,000,000 in this form. This is wonderful. We should study and understand the social balance sheets of our great corporations and give them credit. Government bureaucracy is only to be deplored.

A person of small learning in such esoteric matters scarcely knows where to start in analyzing such an article. The writer of the article just abstracted is a distinguished expert, presumably well-learned in his subject. The journal is one of our outstanding business and financial publications. Yet so much has been recollected or transactions.

ing business and financial publications. Yet so much has been overlooked or ignored.

One's mind naturally reverts to an article that appeared in Barron's for February 27, 1933. This article reported upon the testimony given before a Senate committee by Chairman Charles E. Mitchell, of National City Bank. Mr. Mitchell told how his bank had dealt in its own stock to the extent of nearly 2,000,000 shares. He explained how he had lost millions in Anaconda Copper, saying: "On the back look it appears to me unfortunate—and I wouldn't do it again."

Mr. Mitchell explained how his bank's stock had a peak bull value of \$3,200,000,000 against a paltry book value of \$385,000,000. He told how the bank lost heavily in insecure sugar loans but how he had drawn \$1,200,000 as compensation in 1928 and 1929 each. He told of loans made by his bank to its officers (100 of them) in the amount of \$2,366,000 to cover their stock losses and of which not more than 5 percent (non-interest-bearing, mind you)

which not more than 5 percent (non-interest-bearing, mind you)

which not more than 5 percent (non-interest-bearing, mind you) was ever repaid.

People borrow from Government, also, but 80 percent or more of the poorer risks repay. Yet that is bad. But a bank protects its own officials with unsecured non-interest-bearing loans and the while sells out outsiders—and that is good. Just then Senator Couzens asked Mr. Mitchell his advice about Government finance. Mr. Mitchell looked serious and told the Government what it must do to redeem itself, how to balance its Budget, and how to operate successfully from a financial standpoint.

operate successfully from a financial standpoint.

Is there unconscious humor here or not? Has Mr. Adams heard about these things? Has he, perchance, read the Folklore of Capitalism, wherein Thurman Arnold demonstrates that which the writer of these present lines demonstrated earlier in his These Wattoned Towards it is that there is no beste distinction between

writer of these present lines demonstrated earlier in his These National Taxeaters, i. e., that there is no basic distinction between governmental and private bureaucracy?

Private corporations, especially insofar as they are monopolles, also collect what are essentially taxes for goods or services with which we cannot dispense. They are also organized bureaucratically; they also propagandize the public. But they are not alone in handling the "vast complexities" of which Mr. Adams speaks so feelingly

feelingly.

The Post Office Department, the Department of Justice, the Department of Commerce, the Department of Agriculture, not to mention such Federal commissions as Interstate Commerce, Trade, mention such Federal commissions as Interstate Commerce, Trade, mention such Federal commissions and so on also handle vast complexities.

mention such Federal commissions as Interstate Commerce, Trade, Tariff, Communications, and so on also handle vast complexities. They also display technical skill.

True, Mr. Adams feels that only Government is capable properly of regulating the huge private corporations. He himself therefore admits that the Government has superior efficiency and perhaps better ethics. But Government organizations also perform business on a huge scale. Government-financed research and its varied activities also create wealth and jobs. One huge corporation is very like another whether it be the telephone company or an executive department of the Federal Government.

SEDUCTIVE INVESTMENTS

Again, is not Mr. Adams informed regarding such facts as John T. Flynn brought out in his article The Wall Street Debt Machine, in Harpers Magazine for July 1933? Herein he would find much about the seductive profitable investments offered by private corporations. Let him read of the rise of the United States & Foreign Securities Co. and of how the public paid \$80,000,000 for securities of a concern into which only \$30,000,000 of cash ever went at any

He will also find that millions of dollars paid by the public for securities of United States Steel never reached that corporation at securities of United States Steel never reached that corporation at all. In 30 years the public contributed the huge sum of \$3,680,729,700 to this corporation which amounted to 14 percent per annum on the original cash capital stock investment. The corporation succeeded by its own efforts as an industrial enterprise and nothing was produced for it by the stockholders. At no time was there ever a flow from the stockholders to the corporation.

The industry contributed capital to the stockholders in the

The industry contributed capital to the stockholders in the amount of nearly \$2,000,000,000. Flynn writes: "This huge toll has been abstracted from the national income as a tax levied on a single

been abstracted from the national income as a tax levied on a single enterprise by this vicious system of issuing and distributing stocks. It is perfectly obvious that if it were not exacted as the cut of the common-stock holder it would be available for wages of labor or for division between labor and the public which bought the steel."

We turn now to the "social assets" of the telephone company examined by the writer of these lines in Presenting a "Good" Corporation in Common Sense for October 1938. The Federal Trade Commission announced as long ago as December 1936 that the total revenues collected on handset (so-called French) telephones between 1927 and 1936 was \$53,240,933. Yet the actual cost of the sets installed was only \$23,600,381, while the installed was only \$23,600,381, while the installed cost of the sets installed was only \$23,600,381, while the installed cost of the sets. sets installed was only \$23,600,381, while the installation of the sets

so improved the quality of service, increased business, and decreased expenses as to save the company \$85,391,000.

April 1, 1938, the Federal Communications Commission released

information with regard to a proposed report to Congress on the telephone investigation. Herein it was shown that the Bell System was essentially a monopoly that collected taxes and which had deliberately eliminated competition by buying up patents and utilizing research not to improve service but to aid in obtaining control of related industries.

The system made costly mistakes in judgment and operated at a deliberately low level of efficiency. Its subsidiary, Western Electric Co., did not know the cost of any item it manufactured but sold these items to the system at exorbitant prices. The system set aside huge reserves against so-called depreciation and used this need of somitonest heaving control to fine new construction. this pool of non-interest-bearing capital to finance new construc-

The Bell System monopolized certain related industries but did not credit royalties from such activities to subscribers or rate-payers; it regarded them as its own windfall profit. Its extensive public-relations policy enabled it to indoctrinate professors, employees, and the press and to put pressure on legislators and regulatory commissions. It evaded strict regulation with skill, and its rates were at least 25 percent in excess of those which would have given it a reasonable profit had it been efficiently managed.

Years ago the Bell System credited its contributions to charity to its operating expresses and thus made its stockholders and rate.

to its operating expenses and thus made its stockholders and rate-payers finance its "gifts." It still lacks a long-range nationally planned policy. It still operates so as to attain unnecessarily low efficiency with a high cost of operation. So much for the "social assets" of this big business.

The fundamental dependence of Du Pont upon war preparations is well known. We have here merely a so-called private corporation which would, in a rationally planned system, be purely non-

profit and governmental.2

The citing of the oil and motor industries as examples of what private industry can accomplish unaided is signally inept when we stop to consider the millions upon millions poured by Government into research on and construction of our highways through the Bureau of Public Roads.

GOVERNMENT AID TO BUSINESS

Where would these industries be without our magnificent tax built and supported highways? Our governmental investment (State and Federal) in highways is about \$25,000,000,000. Where would they be without the tremendous expenditures cities, counties, States, and the Federal Government have to make upon traffic officers, regulations, and research in traffic control? When you add to this the fact that private corporations by the use of wage cuts and lay-offs periodically throw their employees upon private or Government charity, thus making the public pay a large part of their operating expenses, the success of these industries is seen attributable very largely to government.

Government aid and assistance and public money alone make

seen attributable very largely to government.

Government aid and assistance and public money alone make so-called private industries successful. Relief enables corporations to operate with a large labor pool which in turn becomes society's economic liability. In the New Republic for December 31, 1930, you will find the distinguished economist, Sumner H. Slichter, explaining all this under the title "Doles for Employers." Those days much was being said about "the American way of independence and self-reliance." Yet employers were even then constantly docking those still employed to compel them to aid the jobless. Baltimore & Ohio employees were working 5 days a week in lieu of 6 to spread jobs, which meant a forced contribution of one-sixth of their salaries to industrial operating expenses—i. e., as doles to the unemployed labor pool. How many big-salaried men did as much at that time?

Insull had had his employees and officers contribute a day's

big-salaried men did as much at that time?

Insull had had his employees and officers contribute a day's pay for 6 months to the unemployment fund. This was the "spirit of voluntary service"—though more realistically it was public aid to private industry. For "the real recipients are the great industries of America," as Slichter wrote. "They are extracting a percentage of the meager pay of tens of thousands of their employees, obtaining myriads of contributions from churches, charitable organizations, the Salvation Army, city employees, commission merchants, hotels, coal dealers, and thousands of business and professional men in order to pay their labor overhead." labor overhead."

If anybody was being pauperized by the dole, it was so-called private industry. Industry paid dividends on idle capital. But in order to do so, the corporations reduced wage payments 39 percent below those of 1920. Yet they found it necessary to reduce common-stock dividends only 12 percent. Why did not industry itself build reserves to tide labor over, if it is so self-sufficient,

¹Gustavus Myers in his History of the Great American Fortunes beginning on p. 595 also gives the facts about the Steel Trust and how it rooked investors. He notes, too, that in 1894 the Carnegies Steel Co. was making armor plate at a cost of less than \$200 a ton, selling it to the Russian Government at \$249 a ton, but patriotically charging the United States Government from \$520 to \$700 a ton for the same product identically. for the same product identically.

²Gustavus Myers notes (p. 709 op. cit.) that a special investigating committee of the United States Senate found that E. I. gating committee of the United States Senate found that E. I. du Pont de Nemours & Co. took in a gross of \$1,245,000,000 for supplying material to the warring governments between 1915 and 1918 and during that period paid dividends of 458 percent on a par value of its stocks. These profits were in large part utilized to expand the company in other fields after the great war. All that Du Pont is today it owes to war profits. The clear profit of the company on war sales was huge. Dividends and extra dividends followed one another prolifically in the war years and the heads of the company emerged multimillionaires.

instead of depending on private charity and ultimately on Government aid?

ernment aid?

In his report on monopoly A. A. Berle, Jr., merely brought this aspect of private enterprise up to date in the summer of 1938. He showed that a plant might be highly efficient technically, yet perform little social service, and throw its employees on relief periodically. The most successful plant may merely be the one that "has succeeded in unloading the maximum possible amount of obligation on the community, to be handled socially. Perhaps it has passed on some of the advantages of this escape from obligation to the consumer in the form of price, leaving the State to collect the rest in the form of taxes."

tion to the consumer in the form of price, leaving the State to collect the rest in the form of taxes."

Thus, said Berle, General Motors pays an average wage of only \$1,100, which will barely keep the worker at a subsistence level. When plants are shut down and lay-offs occur said worker seeks relief. "If this were classified as a cost of General Motors, there might be a different picture of the extent to which General Motors depended on the Government for its profits." Add to this direct loans made to industry through the Reconstruction Finance Corporation, patents, licenses, monopoly grants, special subsidies, Government orders, tariffs, public roads—and what have you left of private industry here?

The motor and oil, like other industries, push off many of their legitimate costs of operation upon government and the general

legitimate costs of operation upon government and the general public. Just where their social assets lie when all factors are considered perhaps Mr. Adams can tell us. His assumptions that governmental research does not pay while privately financed research does pay is of the same logical order as his theory that private

enterprise succeeds through its own exclusive efforts.

In February 1935 Chemical Industries reported that one large chemical company had more than 130 new products ready to place on the market. But the results of its research could not be given to the public because, at the moment, there was no profit in it. However, the results of governmental research are given freely to the public at all times, regardless of profit, and research of the Department of Agriculture pays 500 percent dividends on the money

The Oregon Farmer for March 21, 1935, reported that the State's small investment of \$88,000 in agricultural research—to be compared with the \$120,000,000 average cash income of Oregon farmers—paid the handsome dividend of \$10,000,000, or 10,000 percent. Only 26 percent of this money invested in research came from State funds; most of the rest was Federal Government contribution. That looks like good return on investment.

Great corporations also spend on research. Science Service, in April 1938, declared that industry spent 1.7 percent of its gross annual income, some \$250,000,000, on research; agriculture spent only thirty-seven one-hundredths of 1 percent of its gross annual income on research, or about \$35,600,000. In terms of population, the total for research expended in these two fields is about \$2 per percent per year. Industry plays back a cent per color grossed. person per year. Industry plows back a cent per dollar grossed.

RETARDING SCIENTIFIC PROGRESS

But whereas private industry uses research very largely to suppress the results, to obtain control over rivals, or to perfect some quasi-fraudulent product or device with which to mulct the public, governmental research is on the level, and its results are available to the general public at all times. Read Bernhard J. Stern's contribution to the National Resources Committee report issued in June 1937

You will find that great corporations regularly suppress inventive and research genius rather than encouraging it for the public welfare. The Bell System alone suppressed 3,400 patents unused in order to forestall competition, making public convenience secondary. Only 12 out of 75 most important inventions between 1889 and 1929 resulted from corporation research. Louis D. Brandeis showed in 1912 that huge corporations are essentially nonprogressive. Kettering, of General Motors, said in 1927 that bankers regarded research

Monopoly stays the hand of scientific and technical progress despite all its lovely research laboratories. Government research can afford to be free from such restraint. This brings us naturally to the greatest research institution ever financed by any Government, the United States Department of Agriculture. Yet, instead of taking

the United states Department of Agriculture. Yet, instead of taking patriotic pride in it, perhaps a majority of our citizens, like Mr. Adams, prefer to malign and ridicule it.

Very slight understanding of our agricultural problem indicates that Mr. Adams has no conception whatever of the relation of this Department to the industry it serves. He completely misunderstands and distorts its function.

Agriculture was long a region of rampant private initiative and agretation of a legisla of call and an interest and pure private enterprise. Land was cleared, the soil was mined, the forests were destroyed, and the individual farmer moved on. He conserved neither the riches of the earth nor the water supply. Seeking increased profits he disregarded the conservation of national resources altogether; he cleared and cultivated acreage that should have been reserved for forests and grass.

Naturally flood and rain followed; wind and water erosion followed. The Great War led to speculation in agricultural land values and to clearing and cultivating of yet new acreage for the foreign market. Loans helped extend this foreign market for a while after the war. Then came the collapse. The export market disappeared but overproduction of agricultural products continued. Land values were deflated. Farmers—many of whom were speculators and many of whom were depending upon land which could

under no normal circumstances provide them a living-were ruined, of course

But what this long rein of private industry had done, the ruin that accomplished, must now slowly but surely be remedied by a nationally planned agency which moved along well-thought-out scientific lines. It could not always do what was best. It had often to do what farmers or their Congressmen demanded against its own better judgment. It had to perform research, educate the people, and try to apply scientific knowledge all at one and the same time.

people, and try to apply scientific knowledge all at one and the same time.

Already Washington and Jefferson were complaining of erosion in their day. Even then rampant individualistic farmers were mining the soil and passing on, leaving a ruined countryside. Agricultural individualism produced this catastrophe after many generations. The ruin cannot quickly be remedied by the planned, erations. The ruin cannot quickly be remedied by the planned, scientific stratagems devised—often with much political interference—by a Government department organized for long-time

operation.

BUSINESS EXPLOITS PUBLIC

We come finally to the ultimate boon Mr. ADAMS depicts that We come finally to the ultimate boon Mr. Adams depicts that private corporations shower upon us. They provide safe investment and corporations pay taxes. Has he read such books as John T. Flynn's Graft in Business or Louis D. Brandeis' Other People's Money? If he has, how can he ignore the fact that private People's Money? If he has, how can he ignore the fact that private corporations steal from the public far more than they can ever repay in taxes? How can he disregard the fact that such corporations themselves operate on a very wide tax base and do not hesitate to despoil educational and religious institutions as well as widows and orphans in their exploitations? For they will sell "securities" of no value to anyone who can buy.

Brandeis proved that while bankers levy what are essentially huge taxes on the general public they do little or nothing in return. They do not provide funds for industry till industry finds itself a gold mine; then they step in, combine and reorganize, take enormous fees, and walk out—often owning all. No one escaped taxes on loans and bonds. Bankers are never initiators according

taxes on loans and bonds. Bankers are never initiators according

Brandeis tells how in 14 years ending June 30, 1912, the Union Pacific issued "securities" amounting to nearly \$400,000,000, yet none of this money was needed and all construction work and improvement could easily have been financed out of current income. Nearly the entire sum was used simply to buy the bonds and stocks of other railroads. This sort of manipulation was generally followed in private enterprise.

Flynn shows that what Government would regard as gross malescent in office on the part of the provider of the provider of the results.

resance in office on the part of an official is simply the regular, ordinary, everyday, supposedly decent conduct of men in private enterprise. There trusted officials are expected to control enterprises they do not own in such manner as to pour into their own pockets money that rightfully belongs to stockholders or to the

public.

They will form dummy companies with dummy directors and offi-cers. They will add enormous sums to their salaries in the form of surreptitious bonuses about which stockholders go uninformed. They will make deals with banks whereby large profits are made inside by buying and selling of the stock of parent companies. As directors of corporations they will throw business from one to another in a way no government would tolerate in its higher officials.

cificials.

Employees of companies shamelessly pare off their graft. Factory engineers are bribed to defeat successful tests of a competitor's machines. Deals are made in the buying of raw materials that pay certain company officials well but always defraud the public. The whole of private business takes place in an environment where perfectly respectable, upright, Christian gentlemen can with impunity and even dignity carry on deals that enrich themselves at the expense of their companies and the stockholders. Government the expense of their companies and the stockholders. Government

the expense of their companies and the stockholders. Government graft is trivial by comparison.

Are the professional detractors of our Government and all its works actually ignorant of these things? Surely Mr. Adams cannot be. Obviously no government is perfect. None ever can be so long as fallible human beings operate it. But it is generally less costly and more efficient than private enterprise. It serves more needs well. It provides far greater "social assets," to use Mr. Adams' phrase. More than that, it is only ourselves, for we can change and mold our government as we will.

Moreover all business and industry whether called public or

our government as we will.

Moreover, all business and industry, whether called public or private, is supported in last analysis by the people as a whole. Just so surely as some of us pay taxes, all cf us pay a sales tax on goods consumed to finance research, processing, packaging, advertising, labor costs, and profits for private enterprise. We contribute just as surely and just as involuntarily to the gas, electric, and telephone companies as to the Department of Labor. The Government is not more but far less likely to waste our money utterly than some private enterprise.

Large-scale enterprise always tends to outrun the moral and mental stature of the men who direct it. This tendency is as apparent in government as in private enterprise, only the government is always under more rigid scrutiny and supervision than private enterprise. The public both expects and demands it to live up to standards it does not expect from private enterprise. Its operations are so much more liable to be made public quickly then these of privately managed corporations.

than those of privately managed corporations.

The only question to be answered is this: Is the organization, public or private, efficient in meeting needs and quick to sense and

meet new needs as they arise? Every great organization should meet the actual needs of the people, not so much the needs certain thinkers believe the people ought to have. Does this organization, whatever it is, efficiently fill that function?

Business asks to be let alone. It deplores Government interference. That is all ironic when we remember it is business and industry who always initially demand governmental interference or this would not occur. Government continuously subsidizes business and private industry, sometimes directly as in the case of loans, sometimes indirectly as in the case of building highways for automobile manufacturers' wares.

We have long directly subsidized air lines and the merchant ma-

We have long directly subsidized air lines and the merchant marine. We subsidize publishers by giving them a low second-class mail rate. Government subsidizes by granting licenses, patents, trade-marks, and certificates of public convenience and necessity, the last really establishing monopolies. Tariffs and price-protective measures operate as subsidies. The Government housing program subsidized the building industry. Governmentally financed relief subsidizes all industry.

The "income security" and "lev-off henceld" riverses the product of the process of the product o

The "income security" and "lay-off benefit" plans announced by General Motors in the press November 15, 1938, offer a first faint-hearted step on the road to the assumption of its social obligations by a great private bureaucracy. But note that the first-mentioned plan guarantees the worker only 60 percent of his standard weekly earnings the year around, while the second provides but 40 percent, and that only to the equivalent of 72 hours' work at the employee's last hourly wage.

Both advances are to be repaid later in work. During this time, as well as when the "benefit" is in effect, the employee's income is obviously reduced. In that that average income barely if at all enables him to sustain a reasonable standard of livelihood when paid in full, any reduction in it still amounts to a call upon the community for doles to the corporation which might as well be called taxes

called taxes

All is not good in government, but all is not bad, either. All is not bad in private enterprise, but much is. Both institutions often serve us poorly, but the latter much more frequently than often serve us poorly, but the latter much more frequency than the former. The sooner Americans learn to understand and appreciate their Government and the multitude of services it renders them, the better for them, and the more quickly government will improve. It is well enough to appreciate our "debt to big will improve. It is well enough to appreciate our "debt to big business," but to do so intelligently and in the full knowledge that private enterprise has already defrauded us of enough to pay the ederal debt and leave a big margin besides.

The Vanishing Farmer

EXTENSION OF REMARKS

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1939

LETTER FROM THEO. SAMPSON, OF MCVILLE, N. DAK.

Mr. BURDICK. Mr. Speaker, in order that the Congress and the country may have first-hand information about conditions on farms in North Dakota, I desire to present herewith a statement recently sent me by Mr. Theo. Sampson, of McVille, N. Dak.:

McVille, N. Dak., April 5, 1939.

To Hon. U. L. Burdick and to Other Friends of the Farmer,

Washington, D. C.

Messas: We, the farmers, are fast becoming a vanishing race. We are being apparently eliminated. Grain prices are impossible. We are just only hanging on, as it were, as we, in North Dakota anyway, are absolutely busted and broke. Unless something is done in the line of scaling down land debts to something like the worth of the land now and giving us a low interest and also a long time to pay, we will surely have to let the land go and quit farming in favor of the relief millions.

I will state, as an example, my own case. I have 180 acres of land. There was due the Federal Lank Bank \$1,951 last fall on a combined commissioner loan and land bank loan. I managed to pay \$100 covering interest; also paid taxes, as we had no crop last year. Find by comparison with the prices the Bank of North Dakota received for their land sales last year (a trifle over \$11 per acre) that I might as well let the Federal Land Bank have the land, as it is not worth more than I owe them. Also find that on account of a series of dry years without any income that buildings have become run down more than I owe them. Also find that on account of a series of dry years without any income that buildings have become run down and badly in need of paint, etc., so that the average farm will need at least an average of \$1,000 to put buildings back in shape, let alone replacement of all our now worn-out machinery. Suggest pressure be applied to the Federal loan systems that debts be cut in half and long-term loans and low interest also be allowed us so as to start the ball rolling on State and private land debts. If nothing is done, surely we farmers will become as the Indians, a vanishing

Another thing I wish to bring forward is seed loans. This is another dark, sinister shadow hanging over us. Why not let the seed loans be worked out on making feeder roads and other roads in each township and graveling roads in fall-winter period—some each year until paid? Twenty-five percent would likely have to be allowed out of earnings for feed and expenses in cash. This could be, say, half taken over by townships or county or State—the expense money, I mean. The farmer, I am certain, would be pleased to pay them this way.

Respectfully submitted.

THEO. SAMPSON.

Neutrality

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 10 (legislative day of Monday, May 8), 1939

STATEMENT OF HON. BAINBRIDGE COLBY BEFORE THE COM-MITTEE ON FOREIGN RELATIONS

Mr. REYNOLDS. Mr. President, I respectfully ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a most able, informative, and interesting statement made by the Honorable Bainbridge Colby before the Committee on Foreign Relations, of which I am a member. I was fortunate in being provided the opportunity of hearing Mr. Colby at the meeting of the committee on May 4 and so greatly was I impressed by his statement that I desire its publication in the RECORD. Mr. President, as you will recall, the Honorable Bainbridge Colby was a member of the Cabinet of Woodrow Wilson, where he served as Secretary

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

printed in the Record, as follows:

Mr. Chairman and Senators, let me say at the cutset of my remarks on the grave questions which the committee is considering, that I bring you no rounded thesis of my own as to how these questions should be answered. I am quite aware that I have not the certain or complete answers. I have some thoughts, however, which in your patient canvass of all points of view, I am perhaps justified in submitting to your consideration. I would do so, however, with the utmost respect for differing opinions.

I have had the opportunity of reading considerable portions of the testimony taken by your committee. One cannot fail to be impressed with your sincerity and open-mindedness.

In the statements submitted to you the new attitude of concern to the point of intervention in any conflict, however remote, which some well-meaning persons would like to see this country adopt, finds its reflection, despite the complete departure it would involve from our history and traditions. This viewpoint, when revealed, has been stated with caution and qualification, but it exists, and there are signs that among certain elements in our population it has made a dangerous degree of headway. It is in the fashion which became prevalent with us after the Great War to encourage grandiose schemes for the creation and preservation of peace. Modest proposals for relieving tensions in narrower fields have lost their attraction. Various formulas have been advanced and earnestly argued. The hasty reliance placed in them has served to weaken respect and support for the gradual and unobtrusive improvement of international relations in practical ways. The present state of the world is the best exemplification of the folly of this easy type of approach.

The American people, having falsely been told that our effort to

cation of the folly of this easy type of approach.

The American people, having falsely been told that our effort to preserve our neutrality got us into the war, have been driven in their perplexity to measures which are designed to insulate the United States from all contact with belligerent powers, but which

are likely to have quite different effects.

without precisely knowing the identity of the combatants or the issues of the war we are informed that the United States has no choice but to participate. European nations are seeking to enlist us in the name of the higher morality in their perpetual feuds. It is even argued that as neutrality failed to keep us out of war in 1917, unneutrality must perforce become the national policy.

We seem to have forgotten that the only alternative to belligerency is neutrality—neutrality as understood in international law. If there is no such thing left as neutrality, it will be difficult, indeed,

to find a tenable footing for any policy of noninvolvement in a general war, and noninvolvement in such a war is the fixed resolve and

purpose of our people.

This is the avowed object of each of the resolutions and bills referred to your committee and the unquestioned purpose of their respective sponsors. We intend to keep out of war. How shall it be done? With the proposals before you, which will you recommend as best calculated to achieve this objective?

As your chairman, Senator Pittman, put it, "The question before this committee is whether we are going to legislate at all, and if so, which one of the alternatives we are going to accept." Senator Pittman then proceeded to state these alternatives with

admirable clarity, namely:
(1) To add all materials directly used in war to our Embargo

that and maintain our Embargo Act.

(2) To place all such materials on the cash-and-carry plan.

(3) To give greater discretion to the President with regard to

these questions.

(4) To repeal the Neutrality Act and rely on international law.

It would be needless repetition with the ground so well covered in your previous hearings, to examine further the text of the bills and resolutions before you.

One would prohibit the exportation of all arms, munitions, and

implements of war in peacetimes as well as during hostilities. Another would give Congress, as well as the President, the right to decide whether a state of war exists. Another would enforce rigorous restrictions upon American citizens and shipping. Another would give the President the power to discriminate between belligerents in the placing of embargoes on war materials other than implements of war, and then there is the very important measure proposed by Senator PITTMAN, which seeks to eliminate the possibility of incidents occurring or situations arising that would bring us into conflict with belligerent powers, and to this end suspending rights of navigation and commerce which hitherto we have regarded with jealousy and supported to the point of war

The difficulty I see in these proposals is that it is impossible to forecast or determine their effect upon, or the construction they will receive from, other nations who are at war. It is a well-known principle of international law that the measure of a neutral's obligations is to be found in the rules of international law and nowhere

As a result of centuries of wars this group of principles was evolved by which belligerents and neutrals achieved some reasonably definite guides to the conduct of their reciprocal relations on land and sea. The adoption of these rules has been regarded throughout the civilized world as a victory for civilization over brute force, for law over anarchy. Belligerents had an incentive to observe them in order to hold down claims and to avoid the risk of adding to the list of their enemies; neutrals, in order not to expose themselves to legitimate criticism, damages, and attack, and not to risk plunging their people into wer.

and not to risk plunging their people into war.

The duties of neutrality by the law of nations cannot be either expanded or contracted by national legislation, and a nation seeking to avoid involvement as a belligerent cannot shelter itself under the plea that its own legislation either permits or enforces acts or omissions not recognized by international law as pertaining to the proper conduct of a neutral.

One of my misgivings as to the measures, with a single exception, before your committee is that they are strongly suggestive of a formed purpose to discriminate between belligerents. Their operaformed purpose to discriminate between belligerents. Their operation and effect will be favorable to one set of belligerents and unfavorable to the other. It will be difficult for us to shrug our shoulders and say that we are not answerable for such a result. Too much has been said by persons in official station and others defending the proposed legislation because of such result to make denial possible or explanation easy.

In this connection I venture to quote from an Executive order issued on March 10, 1904, when John Hay was Secretary of State:

"All officials, civil, military, and naval, are hereby directed not only to observe the President's proclamation of neutrality in the pending war between Russia and Japan, but also to abstain from either action or speech which can legitimately cause irritation to

either action or speech which can legitimately cause irritation to either of the combatants.

"A war inevitably increases and inflames the susceptibilities of the combatants to anything in the nature of an injury or slight by

outsiders.

"It is always unfortunate to bring Old World antipathies or jealousies into our life, or by speech or conduct to excite anger and resentment toward our Nation in friendly foreign lands; but in a government employee, whose official position makes him in some sense the representative of the people, the mischief of such actions is greatly increased."

The true concept of neutrality was expressed by one of our Federal courts in a famous case, often quoted: "The idea of a neutral nation implies two nations at war, and a third in friendship with both."

with both."

Or, as John Quincy Adams expressed it, when Secretary of State, in a set of formal instructions to United States ministers: "By the usual principles of international law, the state of neutrality recognizes the cause of both parties to the contest as just—that is, it avoids all consideration of the merits of the contest."

This may be abhorrent doctrine to the pure moralist or the agitated sentimentalist, but anything short of it points toward

intervention, a course of conduct which is tantamount to belligerency, and almost certain involvement in war.

It is said that many believe that we can keep out of war if we

It is said that many believe that we can keep out of war if we have the will to keep out of war. But we cannot keep out of war if we are intent upon intervention, albeit indirect or covert, and find ourselves unable to compress our actions within the impartiality of conduct and practice enjoined by international law.

This necessary impartiality is not, however, incompatible with sympathy with one and antipathy toward the other belligerent, so long as such sympathy and antipathy are not converted into action violative of impartial application of the rules of neutrality. Thus, public opinion and the press of a neutral state may show their

public opinion and the press of a neutral state may show their sympathy to one party or another without violating neutrality, but authorities differ as to such display by a government—the leading German authorities taking the position that a government is held

In connection

to a stricter rule.

with this all-important duty of maintaining In connection with this all-important duty of maintaining a sincere impartiality, I cannot but feel that the advocates of the cash-and-carry plan are placing entirely too much reliance upon the fact that the privilege of obtaining in our ports munitions or other goods useful in war does not constitute unneutral service because nominally at least the privilege is available to both belligerents or groups of belligerents, and that we are not responsible for the fact that one group of belligerents controls the sea and could profit under this plan, while the other group, lacking the means of transport or purchase, would be unable to benefit by our impartiality. For one thing, we have said too much in advocacy of this plan as being beneficial to one belligerent group to mainof this plan as being beneficial to one belligerent group to maintain with good face or conscience the neutral character of this course on our part.

Furthermore, in this connection I must call your attention to the principle stated by Dr. John Bassett Moore, whom I regard as the foremost contemporary authority on international law. The statement, contained in his Classic Digest (vol. VII, p. 860), is as

"The view that a neutral may permit unneutral acts to be committed within its territory, provided it extends permission to both belligerents, is now obsolete. It is obvious that, although such permission was impartially offered, it might be of immense use to one belligerent and of none to the other."

This principle should be viewed in connection with another to

the effect that a state, if it commits acts assistful to the military operations of one of the enemies as against the other, will be con-strued as intending the reasonable results of its acts and may be

treated as a belligerent.

It is my fear that the cash-and-carry plan will not prove prac-It presents difficulties of enforcement, and there is a widely shared feeling that it would grievously damage American trade. Besides, in the selection of commodities for the special list, an unneutral President might conceivably aid or injure one side, which could hardly fail to expose the United States to the charges and consequences of unneutrality.

I hear it said that there is no longer any international law, and

that if we are to avoid involvement in war we must have recourse to improvised and as yet untested formulas, which it is hoped will practically remove every exposed surface of our commercial life from the reach of belligerent resentment. But we may find that we have consigned our shipping to disuse, transferred the trade of our citizens to foreign competitors, and undermined our domestic economy, discovering too late that our new and ingenious formulas have not worked as expected.

The principles of international law, despite the opinion in some quarters that it is a thing of the past, may nevertheless be tellingly invoked to show the unneutrality of our new procedure. We may be reminded that the principles conceding neutral rights are based upon the neutral's strict abstention from the conflict and observance of genuine impartiality between beligerents. We may further he reminded that under international law each helligerent. further be reminded that under international law each belligerent is privileged to regard any departure from this duty of impartiality as unfriendly and exposing the offending neutral to legitimate attack.

If we reply that these new laws of ours were adopted prior to If we reply that these new laws of ours were adopted prior to the outbreak of hostilities and have suffered no change subsequently, it may be brought to our attention that the status of neutrality does not arise until the outbreak of war, and is unaffected by anything done prior to such outbreak.

If we assume the nonexistence of international law because of its unpunished violations during the last war, we may find ourselves confronted by it in all its rigor when our conduct is challenged under its ancient and established rules.

Dr. John Bassett Moore strongly controverts the idea that inter-

Dr. John Bassett Moore strongly controverts the idea that inter-

national law has ceased to exist merely because of some flagrant violations which it suffered in the late war.

"It has never heretofore been supposed that, when belligerents violate international law, they believe they are destroying it or depriving it of its obligatory force. It is a maxim of the common law that in the midst of arms the laws are silent; but this does not mean that the laws cease to exist. On the contrary, the maxim merely recognizes the fact that, in an armed struggle, the exertion of force is likely to be carried beyond ordinary legal bounds."

No authority on international law, he continues, has ever suggested that violations of international law will destroy it. Then

he adds, drawing from his 6 years' experience as a judge of the Permanent Court of International Justice, that he never once

heard the suggestion from any quarter that international law as it existed before the late war, had ceased to be in force, or that existing law was to be looked for in the violations of that law during

the war, whether the violations were committeed by the victors or by the vanquished.

"If our Government has at any time acted upon the contrary supposition, it has done a most unadvised and most unjustified thing, for which no support can be found in anything outside of

propagandist publications by persons who either do not know international law or who are incapable of stating it correctly."

In speaking of the law of neutrality he speaks of the post-war conference at The Hague in the winter of 1923, to make rules for the regulation of the activities of aircraft and radio in time of the regulation of the activities of aircraft and radio in time of war. Dr. Moore presided over this conference which was attended by representatives of the United States, France, Great Britain, Italy, Japan, and the Netherlands, whose delegates were acting under the instructions of their respective governments. The report of the conference shows that it was largely devoted to the definition of the rights and duties of belligerents and of neutrals in time of war, and that it treated as still exising the Land War Neutrality Convention, the Convention for the Adaptation of the Geneva Convention to Maritime Warfare, and the Convention Concerning Neutral Rights and Duties in Maritime Warfare, all made at The Hague in 1907, and important chapters in international law. The idea that the law of neutrality had become obsolete never The idea that the law of neutrality had become obsolete never was broached or suspected.

Indeed, international law is judicially administered in the courts

Indeed, international law is judicially administered in the courts of the United States throughout the country almost every day. Questions of allegiance and territorial jurisdiction, of the existence of war between foreign states or de facto governments, and the consequences thereof, such as blockade with its incidents, call for decision because they affect the right of suitors in municipal courts. The Courts of Admiralty in a true sense are courts of the law of nations, and of the law of nations only. The famous English Judge, Lord Stowell, in the Court of Admiralty, said in a well-known judgment:

"The seat of judicial authority is locally here according to the known law and practice of nations, but the law itself has no locality."

locality."

And an even more famous judge, Lord Mansfield, said:
"It never was imagined that the property of foreign subjects, taken as prize on the high seas, could be affected by laws peculiar to this country.

As for the opinion that nations are bound by the law of treaty only and that there is no other law of nations, Lord Stowell rejected it as fit only for Barbary pirates. I may add that American opinion, whether expressed in judicial decisions, in Presidential messages and other domestic acts of state, or in diplomatic intercourse, has been invariable in the same sense ever since we became a Nation.

It seems to me that this great body of custom and precedent, of treaties and conventions, of weighty opinions and authoritative court decisions, of arbitral awards and instructions issued by civilized nations for the guidance of their diplomatic and other organs, of historic state papers, and the texts of historians and jurists constitute the safest guide and surest foundation for national policy and legislation in so unsettled a time as the present. I have indicated only a few of the embarrassments which laws enacted in what I may call a temper of improvisation may encounter. Despite the shortcomings of international law, there is no other code of international conduct and procedure—none so embedded in the consciousness and practices of mankind, and which it is impossible to replace with anything better.

The states of the civilized world invariably endeavor to answer any reproach of a departure from good conduct by explanations showing that the act complained of is justified by the recognized rules of international law. Innumerable public acts, affirmations, declarations, and conventions prove this. On the other hand, never in any public official act of the present age, verbal or written, has a state dared to declare that it did not consider itself bound by the law of nations and its principles.

It remains to say a word about the third of the alternative pro-

It remains to say a word about the third of the alternative pro-

cedures as stated by Senator Pittman—"to give greater discretion to the President with regard to these questions."

It is my humble opinion that the discretion already vested in the President under the Neutrality Act is excessive and dangerous, and with this opinion I could hardly regard with approval any enlargement of discretion such as is sought in some of the pending measures. I say this with no implication that this discretion would be abused by the President, but it is too great a burden to put upon him and too great a trust to be reposed in any individual.

I am aware that the power of the President as the sole organ of the Government in the field of international relations has been described by the Supreme Court as pleasy and exclusive as power.

described by the Supreme Court as plenary and exclusive—a power which does not require as a basis for its exercise an act of Congress; but the Supreme Court, in declaring the breadth of this power, saw fit to add the following words: "But which, of course, like every other governmental power, must be exercised in subordination to the applicable provisions of the Constitution."

It seems to me that here is warrant at least for the investigation by Congress of the extent to which it can act in safeguarding and preserving the expressed grant to itself of the power to declare war. When the framers of the Constitution declared that Congress should have the exclusive power to declare war, I think it was their intention to confide the decision of this momentous issue to

the representatives of the people and to no individual. I doubt if any member of the Constitutional Convention envisioned the growth of the Presidential discretion or had the slightest realization that the determination of the question of peace or war for the Nation might grow out of Executive acts before Congress had an opportunity to debate the question or even to sense the danger of impending war. Many years after the adoption of the Constitution during the administration of President Polk, we had a paintion during the administration of President Polk, we had a painful illustration of the consequences of Executive improvidence in the preliminaries which led to the Mexican War. The President had directed our armed forces into regions neither claimed nor occupied by the State of Texas and clearly within the boundaries and jurisdiction of Mexico. The facts of the situation even at this point were not fully confided to Congress, but the cry went up that our soldiers were in a perilous situation and that there was no escape from war, indeed, that we were, to all intents and purposes, at war. It was in connection with this incident that John C. Calboun made his memorable stand for constitutional procedure. houn made his memorable stand for constitutional procedure, asserting that even if we were determined to wage war against Mexico, it was not necessary for us at the same time to make war against the Constitution.

It seems to me that the control of Congress over the question of war or peace was never intended to be qualified, and that there can be no discretion enjoyed by anyone or lodged anywhere, with power to impair this exclusive right and duty which resides in Congress.

Instead of enlarging the discretion of the President I think it.

Congress.

Instead of enlarging the discretion of the President, I think it would be a wise step toward preserving the constitutional distribution of power to reaffirm congressional control of this great issue of war and to devise legislation to safeguard it.

War today springs from provocations, illegal interventions, irregular and unsanctioned hostilities, punitive or irritating threats, by legislation, or otherwise. The unchecked discretion of a single man is not a sufficient guaranty of the Nation's peace amid a field strewn with the pitfalls of discretionary tariffs, embargoes, restric-tions, options, and permissions such as are contained in some of the measures proposed.

Before I conclude I would dwell for a moment upon our histori-

cal policy of abstention from European or other foreign wars.

In hours of confused counsel we should lift up our eyes to the great figures of our history, to their admonitions as to national conduct. Their words of warning have received unvarying confirmation from the course of world events and from our national

I suppose nations, as well as men, are prone to error. But if we must make mistakes we should try to make new ones and not

repeat old ones.

The interplay of motives, the ages old and unquenchable passing the habel of tongues, the tangle of tongues are the habel of tongues. sions, the conflict of interests, the babel of tongues, the tangle of origins, the flux of power, the waverings of boundaries in Europe constitute problems beyond our understanding. We cannot intervene in them with benefit to Europe or without inevitable disaster to ourselves.

I was reviewing the major wars which have been waged in Europe during the period since the foundation of our country. They number 24. This amounts to an average of one every 6 years.

number 24. This amounts to an average of one every 6 years. Allies in one war become enemies in the next. England in the Crimean War was the ally of France against Russia in the successful attempt to prolong Turkish oppression over the Balkans, its victims then being the very nations which England now is attempting to forge an alliance to protect.

The United States is, I think, the last nation in the world to act upon the promptings of altruism in international policy. Altruism ceased to be a motive in European policy, or even a pretense, with the conclusion of the Thirty Years' War. Every war since has been a struggle for power or territory, dictated exclusively by considerations of immediate national self-interest.

In placing embargees on implements of war and permitting the

In placing embargoes on implements of war and permitting the export of materials necessary in their manufacture we are certainly doing an illogical thing, and it may have the effect of strengthening the forces of aggression, as well as weakening the resistance of non-aggressor states with whom our sympathies may run, and who could derive legitimate help from us through the operation of an authentic

derive legitimate help from us through the operation of an authentic neutrality based upon the general acceptance of civilized states.

The provisions of international law may not prove in themselves, either through a dispute as to their application or through a defiance of them on the part of belligerent states, a source of complete protection. But we shall know what our rights are and we can determine in each instance what degree of self-restraint or forbearance we can afford to practice.

Keeping out of war is not a matter of sharpshooting legislation aimed at this or that specific danger point. It depends upon our will to keep out of war. And that in turn depends upon our willingness to pay the price in tolerance and patience, quickened by the realization that nothing is so costly, so engulfingly disastrous, so immeasurable a calamity as war; that nothing is so unpredictable as to its consequences, and that perhaps no conastrous, so immeasurable a calamity as war; that nothing is so unpredictable as to its consequences, and that perhaps no contribution we can make to the steadying of this unhappy world and to the recovery of sanity in the mutual dealings of peoples, is to be compared in importance with the preservation of our free institutions and the foundations of our domestic economy. Here, at least, a disillusioned and chastened world may find a new starting point for economic reconstruction and the rational ordering of its life, when the madness of the destroyers shall have passed. have passed.

Addresses on Occasion of Presentation of Gavel to Vice President

EXTENSION OF REMARKS

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES Wednesday, May 10 (legislative day of Monday, May 8), 1939

ADDRESSES BY HON. GEORGE W. NORRIS, OF NEBRASKA, AND HON. JOHN N. GARNER

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the senior Senator from Nebraska [Mr. Norris] on the occasion of the presentation to the Vice President of a gavel made from the timber of the house erected on the first homestead taken under the Homestead Act of 1863, and the address of the Vice-President in receiving the gavel.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. GEORGE W. NORRIS, OF NEBRASKA

My dear Mr. Vice President, I am charged by my people with a

My dear Mr. Vice President, I am charged by my people with a very pleasant and agreeable task. There lies within the limits of Nebraska the first homestead that was ever taken under the national homestead law, a law signed by Abraham Lincoln.

In 1936 Congress passed a law by which this quarter section of land, homesteaded by Daniel Freeman, of Nebraska, was set aside as the Homestead National Monument of America. The object of this law was that this tract of land now owned by the United States should be set aside as an appropriate monument to preserve for posterity a proper memorial emblematical of the hardships of the pioneer life through which the early settlers passed in the settlement, cultivation, and development of the great West. Under this law most of the great Mississippi Valley was settled. It is intended that this homestead shall become a museum in which the literature, the implements of agriculture, the means of transportation, and anything of historical value peculiar to the pioneer

intended that this nomestead shall become a museum in which the literature, the implements of agriculture, the means of transportation, and anything of historical value peculiar to the pioneer period, through which western settlers had to pass in winning the great West, shall be preserved for future generations.

Daniel Freeman, the man who made this original entry, was a soldier in the Union Army. He was in Nebraska on official business connected with his service. The homestead law went into effect on the 1st day of January 1863. Mr. Freeman was ordered back to his command in St. Louis. The land office at Brownville, Nebr., would not open until about 10 o'clock on the morning of the 1st. If Freeman waited until the land office opened, he feared it would be impossible for him to reach his command at the designated time. The night before the land office was to open there was a dance at Brownville attended by a great many people who had come from all parts of the district to file on homesteads as soon as the land office opened. The man who had charge of the land office attended this dance. Daniel Freeman was there. He knew that when the office opened in the morning there would be a long file of applicants, and it would probably be impossible for him to make his filing until late in the day. He told his companions at the dance of his difficulty. They had a little meeting among themselves and took the matter up with the official who had charge of the land office. They asked him to open the office at 12 midnight, so that Daniel Freeman might file on his homestead and start on his journey to St. Louis. This was agreed to. The land office was opened for a few man might file on his homestead and start on his journey to St. Louis. This was agreed to. The land office was opened for a few minutes at 12 midnight, and within a very few minutes Daniel Freeman had made his filing and was on his way to St. Louis. He served until the close of the Civil War. Then he came back to his

homestead in Nebraska.

There, he built a log house made from trees growing upon the premises. With his bride, he lived on this land for nearly 50 years. In due time, he made final proof, raised a family there, and lived to a ripe old age.

It is interesting to know, Mr. Vice President, that Representative Court of Pennsylvania author of the National Homestead.

Act, when he retired from Congress was given a reception by his people at his Pennsylvania home. Daniel Freeman, the first homesteader in America, was present at that reception and delivered an address.

I hold in my hand, Mr. Vice President, a beautiful walnut gavel made from timber growing upon the Daniel Freeman homestead. My people have directed me to present this gavel to you as an emblem of the honor and respect in which they hold you, and as the presiding officer of the Senate when the act known as the Homestead National Monument of America was passed. They are mindful too Mr. Vice President that in your own great State are mindful, too, Mr. Vice President, that in your own great State of Texas, a homestead law was provided by your constitution for the people of Texas long before the National Homestead Act became a law. And so it is with great pleasure that I carry out the most pleasant duty, in behalf of my people, in presenting this eblem of authority to you. REPLY BY VICE PRESIDENT JOHN N. GARNER

Senator Norris, allow me to express to you and to the State of Nebraska not alone my own personal thanks but also the thanks of the United States Senate and the Government of the United States for the presentation of this handsome walnut gavel made from timber grown upon the Daniel Freeman homestead—Freeman, the owner, being the first settler to obtain the benefits of the homestead law enacted on the 1st day of January 1863 and signed

by President Abraham Lincoln.

Your action has a significance far beyond the intrinsic or utilitarian value of the gavel. It is a reminder of the farseeing and establishing a homestead policy in order to enable the citizens of

policy adopted by the United States Government ordaining and establishing a homestead policy in order to enable the citizens of the United States to become owners of the land which they should till and of the roofs which sheltered them from the elements. This beneficent legislation had a great part in settling the West and in making that land a region of home owners and stimulating an independent citizenship.

You have made mention that the State of Texas provided a homestead law in its constitution long before the National Homestead Act was adopted. It is a matter of great pride to the citizens of Texas that as early as 1836, in the first constitution adopted by the Republic of Texas, it was provided: "All citizens now living in Texas, who have not received their portion of land in like manner as colonists, shall be entitled to their land in the following proportion and manner: Every head of a family shall be entitled to 1 league and labor of land; and every single man of the age of 17 and upward shall be entitled to the third part of 1 league of land." The people of Texas had just come through an armed revolution to establish their independence and to create a republic. They realized that the stability and strength of a state largely rested upon a home-owning citizenry, a citizenry attached to the soil, a citizenry willing to defend their homes and firesides.

Again in the Texas Constitution of December 3, 1869, it was provided, "To every head of a family who has not a homestead there shall be donated 160 acres of land out of the public domain, upon the condition that he will select, locate, and occupy the same for 3 years and pay the office fees on the same. To all single men 21 years of age there shall be donated 80 acres of land out of the public domain upon the same terms and conditions as are imposed upon the head of the family."

In the Constitution of the State of Texas adopted in 1876 and under which, with amendments, the government of the State of

In the Constitution of the State of Texas adopted in 1876 and under which, with amendments, the government of the State of Texas is now operating, it was further provided that "the homestead of a family shall be, and is hereby, protected from forced sale, for the payment of all debts except for the purchase money thereof or a part of such purchase money, the taxes due thereon, or for work and material used in constructing improvements thereon, and in this last case only when the work and material are contracted for in writing, with the consent of the wife given in the same manner as is required in making a sale and conveyance of the homestead; nor shall the owner, if a married man, sell the homestead without the consent of the wife, given in such manner as may be prescribed by law. No mortgage, trust deed, or other lien on the homestead shall ever be valid except for the purchase money therefor, or improvements made thereon, as hereinbefore provided, whether such mortgage, or trust deed, or other lien shall have been created by the husband alone or tegether with his wife; and all pretended sales of the homestead involving any condition of defeasance shall be void."

That is today the law of Texas. Our Commonwealth not alone granted to its settlers homesteads from the public domain but also provided that the homestead of a family, however acquired, may not In the Constitution of the State of Texas adopted in 1876 and

provided that the homestead of a family, however acquired, may not be sold for debt except for the limited provisos set forth in the

constitution.

These measures evinced a vision and wisdom in the early pioneers of Texas which were eloquent of their patrictism and fortitude in carving from the wilderness a commonwealth and dedicating to it a free government and constitutional liberty.

Your presentation of this gavel vividly brings to mind that this great conception found approval in the policies of the Federal Government—policies which have proven of great national benefit and which have made outstanding contributions to the general welfare. Allow me to again express my appreciation for the gavel and its great significance as related to national policy and national welfare.

The Monroe Doctrine

EXTENSION OF REMARKS

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES Wednesday, May 10 (legislative day of Monday, May 8), 1939

ADDRESS BY STEPHEN F. CHADWICK

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Congressional Record a portion of an address delivered by the able and distinguished national

commander of the American Legion, Stephen F. Chadwick, before the executive committee of the Department of New York, the American Legion, on April 20, 1939, on the subject of the Monroe Doctrine.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We cannot too often recur to the fundamental principles, an observance of which has made this Nation great. Among the fundamental doctrines of this country is that doctrine known as the Monroe Doctrine, observance of which prevents us from being embroiled in the 1,000-year-old boundary disputes of Europe and relieves us from being the underwriter of the status quo of Europe

The Monroe Doctrine prevents us from being the victim of current phrases which may eleverly conceal the truth. It is a political shield adapted to America's economic and physical position in the world, and its strict observance can only bring us the respect and ultimate friendship of all nations.

The Monroe Doctrine is a bilateral doctrine. We asked Europe to keep its nose out of our business, and we told Europe that we would keep our nose out its business. It is a bilateral doctrine, and we should realize our responsibilities in both its implications. Let us examine the exact statement of President James Monroe's

policy, written after consultation with James Madison and Thomas Jefferson, two of the giant intellects of that day. President Monroe's statement follows

"It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our defense. With the movements in this hemisphere we are of necessity more immediately movements in this hemisphere we are of necessity more immediately connected and by causes which must be obvious to all enlightened and impartial observers. The political system of the allied powers is essentially different in this respect from that of America. This difference proceeds from that which exists in their respective governments. And to the defense of our own, which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of their most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole Nation is devoted.

"We owe it therefore to candor and to the amicable relations

"We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered and shall not interfere.

"But with the governments which have declared their independence."

European power we have not interfered and shall not interfere.

"But with the governments which have declared their independence and have maintained it, and whose independence we have on great consideration and on just principles acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by a European power in any other light than as the manifestation of an unfriendly disposition toward the United States.

"It is still the true policy of the United States to leave the parties to themselves in the hope that other powers will pursue the same course.

course

"Our policy in regard to Europe * * * which is not to interfere in the internal concerns of any of its powers; to consider the government de facto as the legitimate government for us; to cultivate friendly relations with it; and to preserve those relations by a frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to

"In the wars of the European powers in matters relating to themselves we have never taken any part, nor does it comport with our policy so to do. It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our

menaced that we resent injuries or make preparation for our defense."

The above passages apply today with just as much force and correctness as they applied 116 years ago. This doctrine so consistent with Washington's Farewell Address constitutes the sound guiding principles of our democracy. We should not be involved in the boundary and ideological quarrels of Europe. Our forefathers left the old countries to dedicate themselves to a new way of life, free and independent, and to get away from the futility of hundreds of years of quarreling and fighting in Europe.

Our people have never felt interested enough nor wise enough to pass judgment upon the disputes and crises of Europe.

Just 20 years ago, when we saw the detailed commitment that we were asked to give to boundary lines in Europe, our people emphatically rejected any such undertaking by either our lives or Treasury. We of this generation have no clairvoyance to predict what the map of Europe will look like a hundred years from now or even 20 years from now. Nor is it our business under the Monroe Doctrine. We sincerely hope that there will be peace in Europe, but we emphatically say that it is Europe's problem to find a way of quarreling peacefully in adjusting their disputes. The disillusionment experienced in this country after the conclusion of the first war when our men risked their lives to fight

The disillusionment experienced in this country after the conclusion of the first war when our men risked their lives to fight a war to make the "world safe for democracy" and a "war to end all wars," stands as a warning today to those who would have us participate in world quarrels. We should not do it again. Not only were we unable to impose upon Europe our preferred system of government but, in addition, we have seen the great growth of "isms," which are today receiving adherence from within our own country and threatening our own institutions. Finally, we have witnessed the execution of armament programs to the point that many countries in Europe today possess more instruments of

death than they did in 1914. These armament programs have been in full swing during the period when all Europe with one exception pleaded that they could not and would not pay their lawful debts to us.

debts to us.

Make no mistake, this is not an argument for the policy of the pacifist. What Monroe said and what we are repeating here is sound American doctrine, our guidance in the troubled times of Europe. Our experiences within this generation should prove to us that we cannot dictate political systems or peace to the old countries by our entry into their quarrels.

But as to the affairs that concern us, and that is the Western Hemisphere, President Monroe properly said that when our rights are invaded or seriously menaced we will resent such entries, making preparations for our defense. Our rights and our democracy are less apt to be threatened or interfered with if our defensive mechanisms are in first-class shape and kept strong. An adherence to the doctrine of Monroe, implemented by the strongest defense of which we are capable, will speak with firmness throughout the rest of the world as to America's desire to live in peace and have its peace respected. peace respected.

In connection with our defense against any threat and against any aggression, I want to come to what I regard as of equal importance in the strengthening of democracy. We must make our democratic system work in both a political and economic sense. our democratic system work in both a political and economic sense. We must address ourselves to the problem of embracing such sound economic policies that our unemployed will be able to find gainful and useful employment. Our wealth-producing industrial machine must be permitted to function. Our vast gold reserves, more than 50 percent of the world's stock, should be put to work. A country that is industriously at work and on the way to prosperity will have very little time and very little inclination to debate or listen to the debates on the meaningless distinctions between communism, nazi-ism, and fascism. In this democracy we do not want any part of them. And, I say to you that the we do not want any part of them. And, I say to you that the best way to attack these alien doctrines is to eliminate their breeding place, the swamp of continued depression.

I am utterly convinced that the greatest encouragement, the greatest contribution, the greatest force for the establishment of democratic principles abroad would be the demonstration by this democratic principles abroad would be the demonstration by this country that democracy works at home, by the demonstration here of a functioning democracy. No one in any other part of the world will be able to claim superior benefits for their various systems. Not only that, but I am utterly convinced that this country which so overwhelmingly desires peace can make its greatest contribution to the cause of world peace by a strict refusal to meddle in the affairs of other continents and countries and by our demonstration to the rest of the world of a strong, prosperous, and united country in every sense. and united country in every sense.

Labor Legislation

EXTENSION OF REMARKS

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES Wednesday, May 10 (legislative day of Monday, May 8), 1939

EDITORIAL BY DANIEL J. TOBIN

Mr. MINTON. Mr. President, one of the clearest minds and strongest arms now working in the field of the cause of labor is Daniel J. Tobin, president of the International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers of America.

I ask unanimous consent to have inserted in the Appendix of the Record part of a timely editorial by Mr. Tobin, which appeared in the official magazine of the teamsters for May 1939.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From Official Magazine, I. B. T., C., S. and H. of A. for May 1939] EDITORIAL

(By Daniel J. Tobin)

Down in Washington there seems to be a rebellion against the Down in Washington there seems to be a rebellion against the President even by members of his own party. The Democrats that were carried in the last general election in 1936 and in the previous one in 1932, those same boys, many of them that would never have been heard of, but were carried into office by Roosevelt, are now fighting the President pretty strongly. Certainly I personally have no reason to go into ecstasies over any consideration that I have received, but that is not the question. I still repeat, there never was an administration that had more sincerity in behalf of the working people of our country than the present Roosevelt administration. It is true that there have been some persons connected

with the administration that have not been all that we would desire them to be. It is true also that there were some individuals elected to the Congress and to the Senate on their pledges to serve labor, them to be. It is true also that there were some individuals elected to the Congress and to the Senate on their pledges to serve labor, and they have betrayed those pledges. But it is also true that more favorable legislation was enacted for labor as a whole in the last 6 years than had been enacted in the previous 50 years. Certainly men have the right to protest and rebel, but not the men of labor, who are supposed to speak for their people. Surely there have been decisions made against us, but the heads of the Government have not always been responsible for those decisions, but the men referred to above, by betraying their trust. Of course, many have been disappointed who were looking for jobs and positions or who had friends they were interested in, but a labor man is not supposed to be looking for personal jobs for himself or for his friends. The duty of a labor official is too look for legislation and benefits for the masses of those he represents. Some men in labor bring their political prejudices into the picture. Because we lived in a certain environment we perhaps cannot help being prejudiced, but no man should represent the masses of labor as an international official and allow his political prejudices to blind him to such an extent that he would vote directly for the enemies of labor because they belonged to his party. It is a pity that we cannot let our minds go back to a few years ago when there was no progressive legislation such as the Wagner Act, the social security law, or the many other laws that have been enacted within the last 6 years. Take the banking law, where the depositors are guaranteed their deposits up to \$5,000 by over 95 percent of the banks of the country. What a blessing that would have been if it had been in operation in 1932. I have known individual workers who had deposits in three different banks, their life savings, and all three banks were wiped out. Men quickly forget, and the more that some receive the more they

I have known individual workers who had deposits in three different banks, their life savings, and all three banks were wiped out. Men quickly forget, and the more that some receive the more they demand. "Man's ingratitude to man" still obtains.

If we want to be reminded of what may happen to labor from a national standpoint, just let our minds go back a few years to the days of Senator Penrose, of Pennsylvania, and Congressman Joe Cannon, who was Speaker of the House; or even to the days of Cleveland, 1892 to 1896, when anyone who raised his head in favor of labor in Congress was considered an outcast and a rebel. Colonel Lindbergh's father was a Congressman, and because of his progress-Lindbergh's father was a Congressman, and because of his progressive Scandinavian ideas in favor of the workers he was isolated as if he had the smallpox while he was in Washington as a Congressman. It is just the same with some of our union members. They do not appreciate the struggles that were made for them by the men who have gone before, who suffered and starved and fought and bled in order to make conditions better for those engaged now at our employment.

Today it is an honor to be a union man and to wear the emblem of trade-unionism, because the Federal Government, from the President of the United States down, has presented a wreath of approval and a stamp of graciousness and well-being on the organized-labor movement of our country. But there are some that remember the time when, like a rebel, you had to hide your unionism and you did not dare mention the labor union in the place where you were employed, and your neighbors looked with suspicion on the members of your family because you were heard to express yourself in favor of unions. of unions.

of unions.

I have repeatedly said that what has transpired in Europe, where unions have been destroyed, may happen to the labor movement in our country because of the blindness of our own leadership and their refusal to set aside their personal feelings. In the State of Oregon, labor is practically handcuffed as a result of the present labor-hating political leaders who have control of that State. Almost the same thing is liable to happen, before you read this journal, in the State of Wisconsin. Be assured that your union must be protected by clear thinking and conservative action, or else if you abuse your privileges you will find the State or the National Government telling you that it is the law that you must disband your union and accept the wages and working conditions that the Government doles out to you in State and Nation. It has happened elsewhere. It can happen here. happen here.

Foreign Affairs

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA IN THE SENATE OF THE UNITED STATES

Wednesday, May 10 (legislative day of Monday, May 8), 1939

ARTICLE BY ROBERT W. WINSTON

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an article from the pen of Judge Robert W. Winston, of Chapel Hill, N. C., the seat of the State university. This article was clipped from the columns of the News and Observer, published at Raleigh, N. C., by the Honorable Josephus Daniels (owner), who is our Ambassador to Mexico.

There being no objection, the article was ordered to be printed in the RECORD, as follows.

> [From the Raleigh (N. C.) News and Observer] HELL AIN'T GOT BUT FOUR (By Robert W. Winston)

(By Robert W. Winston)

About the middle of the last century Hungary was overrun by cruel foes, and dispatched General Kossuth to America to enlist our assistance. Great multitudes gathered to hear the General's appeal, and at one of the speakings this incident occurred. "Why should America fear to aid oppressed Hungary?" the General asked. "Are you afraid of war? Why, what is war? A little word, a very little word, spell it. W-a-r, 'war.' Only three letters." At this point a hard-headed fellow, in the crowd, shouted back, "Well, General, hell ain't got but four!"

Shall America get mixed up in another world war? Let us examine and arrive at a sane conclusion. First of all, whom, pray,

Shall America get mixed up in another world war? Let us examine and arrive at a sane conclusion. First of all, whom, pray, would we fight? Would it be Germany and Italy, would it be in Europe? Undoubtedly not. America would fight Japan, and Japan alone. You see, the three powerful dictator nations, Germany, Italy, and Japan have joined forces, so that Japan is to stay out of the fight unless America enters—in which event America and Japan will fight it out until one or the other shall be destroyed. At a conference on international relations, recently held at Chapel Hill, the conclusion above set out was the opinion of one of the greatest experts.

of one of the greatest experts.

At this conference the following question was asked: "How long would it take America to whip Japan?" "Four years" was the answer. "And it would cost the lives of hundreds of thousands of American boys and billions of dollars of property."

Then this question was put to the expert, "Must not America join with England and France to save despert, "Must not America join."

with England and France to save democracy, and thereby head off nazi-ism?

Then this question was put to the expert, "Must not America join with England and France to save democracy, and thereby head off nazi-ism?"

"Just the opposite," was the answer. "For just as soon as America goes into war she will become a dictator nation. Modern warfare cannot be fought without a dictator. All power would be centered in our President; civil government would be suspended; there would be no, jury trials. Drum-head court-marials would execute the despotic will of our war lords. It is a great mistake to suppose that dictators are made by means of propaganda. Stalin, Mussolini, and Hitler are the creatures of distress and poverty. These men cannot create a dictatorship in America. As soon as prosperity is restored in America all talk of a dictator will subs'de."

This question was then asked, "Is the New Deal boosting this war craze?" "Yes; to a certain extent. Extreme new dealers are so confident they are right that they are willing to throw America into the caldron in order, as they imagine, to save democracy. Do they not forget that we heard the same cry once before, and that we went to war to save democracy and to end war?"

Are we Americans going to be guilty of the same folly the second time? I once heard Will Rogers tell an enthusiastic audience what America got out of the World War. "Oh, yes," Will snickered, "England got her slice all right, and France got hers, and Japan got hers, and what did America get? The gold pen that signed the treaty!" Why should we fight the battles of England and France; is there any mutuality in so doing? Did they ever fight our battles? Why, in 1776 we had to fight England 7 long years to gain our independence; in 1812 we had to fight her again because she treated us as a servile race; in 1861 she did her level best to break up the American Union; and ever since the World War she has taken sides against America and in favor of Japan, actually refusing to join America to save Manchuria from Japanese rapacity. In truth, England never pralses America except when s

a bold despot. And so they are. But, under these circumstances, is

a bold despot. And so they are. But, under these circumstances, is the President qualified to act as a mediator in this war game?

Americans, awake! Silently but surely you are being dragged into war. Do you wish your sons to be swallowed up in the insatiable maw of hell and war? If not, speak out and speak quickly.

Tell your Senators and your Congressmen to keep us out of war. Tell them to play no favorites in this war game. Tell them to sell munitions to all nations alike or to no nations whatsoever; to take sides in this matter is to invite war and to paralyze America for years to come.

ROBERT W. WINSTON.

CHAPEL HILL

Gold Is Where They Lost It

EXTENSION OF REMARKS

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES Wednesday, May 10 (legislative day of Monday, May 8), 1939

ARTICLE BY JAMES CALHOUN

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article appearing in the May 19, 1938, issue of the magazine called Ken. The article is entitled "Gold Is Where They Lost It," and is by James Calhoun.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLD IS WHERE THEY LOST IT-GOLD STANDARDS TOPPLE, WORLD COM-DID IS WHERE THEY LOST IT—GOLD STANDARDS TOPPLE, WORLD COMMERCE STAGGERS, BECAUSE TWO-THIRDS OF THE GOLD UPON WHICH
WORLD MONEY STANDARDS ARE BASED IS MISSING—FORTY BILLION
DOLLARS' WORTH OF GOLD HAS BEEN PRODUCED—IF THIS WERE ALL
AVAILABLE TODAY, IT WOULD JUST ABOUT MAKE A SOUND GOLD BASIS
FOR THE \$400,000,000,000 WORTH OF WORLD TRADE DONE EVERY
YEAR—THE MISSING TWENTY-SEVEN BILLIONS HAS BEEN LOST AT SEX. BURIED BY KINGS, RUEBED AWAY IN COIN USE, AND SCATTERED THROUGH WARS

(By James Calhoun)

In 1933 the Director of the Mint reported that 23.5 billion dollars of gold had been dug from the earth during the preceding 440 years, but that only 12.6 billion were to be found in the world's money stocks. Nearly half of all the gold produced since 1493 was missing.
(All calculations in this article are based on gold at \$20.67 per ounce.)

During the following 2 years 57.3 million ounces were added to production, yet monetary stocks were enlarged by only 8.4 million ounces. In those 2 years seven of every eight ounces of new gold absconded.

absconded.

Gold had been produced for nearly 5,000 years before 1493. In the researches of the Egyptologist Petrie is found a means for measuring the missing production. From archeological explorations Petrie determined that in 2,000 B. C. the Egyptians were producing 5 tons of copper annually, and that they maintained that production for 300 years. We know that gold workings were about equal to copper during that period, so Petrie's figures, after allowing for a 40-percent idleness, give us \$7,400,000,000 worth of gold produced by ancient Egypt before the year A. D. 1. If Egypt produced half of the gold of the ancient world, gross world production would have been \$14,800,000,000. This hypothetical figure has many substantiations in fact, both in the writings of ancient historians and in the production estimates of such mines as Rio Tinto and Almaden whose history goes back 2,000 years.

Now, add gold production from A. D. 1 to 1493—only a trickle,

and Almaden whose history goes back 2,000 years.

Now, add gold production from A. D. 1 to 1493—only a trickle, yet approximately \$642,000,000. This sets the total world production of gold, up to 1936, at \$40,100,000,000.

Now the trade of the world aggregates about \$400,000,000,000 a year, necessitating, under the most liberal, sound reckoning, a gold base of forty billion. If, then, we could gather together all of the gold produced during the 4,900 years of history, and dump it into the money systems, it would be just enough to assure a constant, even flow of trade and, supposedly, a full measure of constant, even flow of trade and, supposedly, a full measure of human happiness.

But \$27,000,000,000 of the gold is missing. Nations topple from the gold standard, repudiate their debts, and debase their moneys. Where is that twenty-seven billion, and can any portion of it be recovered and restored to trade?

The first hiding place which suggests itself is industry and the arts. According to Kitchin, five billion of gold was diverted to these uses from 1835 to 1930. This constituted 27 percent of production. Let us assume the same ratio for all time. If a little over a fourth of man's gold always went into show pieces, then eleven billion more of the gross world production of forty billion is

accounted for.

Not all of this gold is lost to the money stocks. As in Italy recently, gold plate and wedding rings may be commandeered, melted, and returned to the public treasury. But that is but a mere drop in the historical gold bucket. In long-range figuring, the display gold is counted as a permanent loss. The dome of the ancient capitol at Rome was plated with \$27,000,000 of gold, furee images in the temple at Nineveh contained \$55,000,000 of gold, and the gold vessels and decorations of the Temple of the Sun in Peru had a value of \$185,000,000. Today, these immense masses of gold have disappeared as completely as if never taken from the earth. from the earth.

Each year we divert gold from money into trinkets to an amount which equals the greatest of these ancient follies. In the United States \$35,000,000 of gold yearly goes into articles of jewelry. Half of that goes into articles which contain such a negligible quantity of that goes into articles which contain such a negligible quantity of the metal that it is completely worn away in a few years, while the millions used for jewelry of the better grades is often so reduced by wear as to render recovery of the residue impracticable. Thirty million dollars more go into questionable industrial uses, such as plating father's safety razor, decorating mother's china, anti gliding baby's toys. Then business has a weakness for gold signs—just a few leaves of gold, so thin that 250,000 piled one on another would be only 1 inch thick. But signs, printing, and the decoration of books consume 100,000 ounces of gold per year and filch \$20,000,000 of money from the trade systems.

The world, however, does not expose all of its follies on its expansive bosom. Underground it hides immense masses of gold for safe-keeping. The custom originated in the ancient world when treasure could be saved from raiders only by burying. There much of it remains, for in countless instances the sword slew those who held the secret. Nor has the custom been wholly abandoned. The earth is the bank of India today.

is the bank of India today.

During the Sepoy mutiny, the British seized the castle of the Rajah of Scindia, and held it for 30 years, searching for the

Rajah of Scindia, and held it for 30 years, searching for the rajah's treasures.

Three hundred million dollars of gold, silver, and jewels lay buried beneath the castle, but the vault was so cunningly contrived that the British finally gave up the treasure-hunt and turned the castle back to the aged rajah, who otherwise would have died without revealing the hiding place.

Since 1493, one-sixth of the world's gold, or \$4,000,000,000, has been conveyed to India, there to be buried, perhaps, beside other millions accumulated through the centuries.

Every country has its legends of buried gold, some of which are based on fact. Near the ruins of ancient Ecbatana is buried a part of the gold accumulated by Persian monarchs through 200 years of unrestrained conquest and extortion. The last Darius carried all the transportable gold of the empire—possibly \$200,000,000—to Ecbatana when he fied from Alexander the Great.

He remained a year at Ecbatana, awaiting the approach of Alexander and employing the period of grace to bury his treasure. When Alexander arrived Darius and all who had assisted in the burial rite were dead, but the treasure existed—somewhere in the

When Alexander arrived Darius and all who had assisted in the burial rite were dead, but the treasure existed—somewhere in the hills near the town. Neither Alexander nor the Parthians, nor any of half a dozen Roman emperors who sent expeditions to Ecbatana, or any other man has as yet solved the Darius puzzle. If you would calculate the gold buried in the earth, begin with this hoard of Darius, add that of the lost tomb of Alaric, the grotto to which Genseric moved five shiploads of plunder, the Hungarian cave in which Attila hid his treasures, and the French cemetery employed by Clovis for a like purpose, the lost capital of Genghis Khan with its tons of gold, and the \$160,000,000 gold ransom of the Inca of Peru. None of these treasures have ever been found. been found.

been found.

Then, save a page for reckoning the gold ancient peoples sealed in the tombs of kings and buried with the bodies of the dead. In 1894, Gordon took \$354,000 of gold from the tomb of an unknown Egyptian princess, and 30 years later Carter, on opening the tomb of King Tut, discovered a treasure greater than the ransom of the Inca. Nearly 1,000,000 articles, many of pure gold, including the coffin, were found in the burial chambers of this boy king, who ruled only 6 years.

The value of the gold buried with the great kings of Egypt can be reckoned only from that found in the tomb of the unimportant Tut. Altogether, 50 monarchs were buried at Luxor but the tombs of only a few have been found, and of these only that of King Tut was intact. All of the others were pillaged and their gold scattered ages ago.

and their gold scattered ages ago.

and their gold scattered ages ago.

But wait! We are not yet ready to calculate graveyard gold. What of the gold we moderns bury with the dead? Right here in America, in the year 1937, upward of \$2,000,000 of gold was placed in graves. The gold is found in the handles and plates of caskets, in the teeth of the dead, and in the ring on the finger or ornament on the breast. Trifling amounts, it may seem, but, in fact, this drain on our monetary stocks already reaches into the millions.

In tracing the missing twenty-seven billions, don't overlook the gold filched by the thief Davy Jones in his 4,000 years of forays on the seas. Because the greater part of the gold produced enters water-borne commerce at some time, the old man of the sea has a first lien on production.

first lien on production.

first lien on production.

The greatest loss probably occurred when the Spaniards were transporting the gold of the New World to the homeland. The Dons had been in the Americas only 7 years when the first million dollars of gold was put on board ship for Spain. The ship was never heard of again. To hundred years later Davy Jones seized the greatest treasure in his thousands of years of looting—\$150,000,000 of gold and silver lost in the wrecks of 16 Spanish vessels sunk by an English-Dutch coalition at Vigo Bay.

Sandwiched between are other thefts of magnitude—the loss by hurricane of three plate fleets with \$130,000,000 of gold and silver, the destruction by the Dutch of a fourth fleet with twenty millions, the scuttling of the galleon Florenzia with seventy-five millions, and the destruction of a Turkish fleet with fifty millions seized in a raid on Greece. Scattered up and down the ocean's

seized in a raid on Greece. Scattered up and down the ocean's floor are the wrecks of 21 vessels carrying \$71,000,000 of gold from

the mines to the money makers, and the wrecks of 10 vessels carrying \$82,000,000 for the settlement of international balances.

Marine engineers figure that the number of vessels lost at sea in a 25-year period will equal the number plying the sea in any corresponding year. As practically every ship wrecked at sea carries some gold to the bottom, no one can estimate with any degree of accuracy the amount of gold in Davy Jones' locker. It may be \$2,000,000,000, as often estimated, or millions more. The depredations of Davy Jones have been exceeded only by the operations of two other thieves.

Recently, when our Government moved \$9,000,000,000 of gold

tions of Davy Jones have been exceeded only by the operations of two other thieves.

Recently, when our Government moved \$9,000,000,000,000 of gold to inland points for safekeeping, \$90,000 of the metal was stolen from the closely guarded treasure trains. The thief was wear.

The loss is calculated from a Treasury statement that each time a \$5,000 bag of gold is moved on and off a truck \$5 of the metal is lost. Between 1876 and 1936, \$20,000,000,000 of gold was moved into and out of the United States. Assuming a like movement within the States, we charge the thief wear with the abstraction of \$400,000 of our monetary gold.

But this is only pin money. Each year a dust so fine that it cannot be seen is worn from gold coins in circulation, to be lost forever to trade. Eighty years ago Jevon calculated the loss from abrasion at 1½ percent, the increase being due to the increase in the rapidity with which gold circulated.

From these and other data we can determine the portion of the missing twenty-seven billion due to the peculations of the thief abrasion. We charge the thief abrasion with the abstraction and utter waste of \$2,400,000,000 of our total world production of gold.

The withdrawal of gold from circulation and the substitution therefor of paper money is the only step taken in 2,000 years for the conservation of the precious metal. But, even though we look our gold in underground vaults of steel and stone, the thief wear still makes away with appreciable quantities of the metal. Periodically someone must look at the gold and weigh or court it to be

still makes away with appreciable quantities of the metal. Periodically, someone must look at the gold and weigh or count it to be sure it is all there, and each counting of the money stocks wears away \$128,000 of the metal. Then three billions still move in trade each year, and every billion moved results in a loss of \$10,000. No system which can be devised for the use of gold as money can wholk eliminate losses. wholly eliminate losses

But none of the drains upon gold thus far considered, nor all of them together, perhaps, can equal the losses occasioned by the depredations of the great thief—war. Through 4,000 years of history raiders have continuously swept the earth for gold, seizing it when found and scattering it with reckless abandon over land

and sea

The mother gold stocks of Egypt and Palestine were seized by the Assyrians, taken from the Assyrians by the Persians, from the Persians by the Greeks, and from the Greeks by the Romans. After 600 years of this loose handling, the gold stocks of Rome—the rem-600 years of this loose handling, the gold stocks of Rome—the remnant of the mother hoards supplemented by all the gold of the known world—approximated only \$1,500,000,000. At the end of another 500 years, when Attila and Alaric burst upon the Roman Empires of the east and west, this stock had been so depleted that the one obtained a ransom of only \$1,600,000,000 of gold and the other \$1,200,000,000. Both ransoms were raised by the confiscation of private wealth, the public treasuries being as bare as Mother Hubbard's cupboard.

Where had the gold gone?

Where had the gold gone?
Dropped by armies in flight, buried in the ruins of burned cities, scattered with the freedom which quick riches breed, buried by

scattered with the freedom which quick riches breed, buried by citizens to save it from marauders.

Xerxes invading Greece was accompanied by 1,200 camels bearing the gold and riches of the Persian Empire. Defeated at Salamis and in retreat, the gold of Persia was strewn through Asia Minor, but the only recorded recovery is the \$12,000,000 picked up by the Spartans. Alexander, defeating Darius, seized all the gold his 50,000 troops could carry—92,000,000—but left other millions in the ruins of temples and palaces. Four hundred years afterward Anticohum riths.

could carry—92,000,000—but left other millions in the ruins of temples and palaces. Four hundred years afterward Antiochus sifted \$13,000,000 from the ashes left by Alexander.

In 1195 the Moslems loaded 4,000 camels with gold and plunder from Delhi, advanced a 4 days' journey into the jungles, and buried it so successfully that none was ever recovered.

Genghis Kahn, in 1 day, divided 500 wagonloads of gold and silver among his followers, and on another occasion, his ammunition spent, caused a ton of gold to be cast into shot for his guns. Tamerlane carried off the entire metallic wealth of India, but today scarcely a piece of gold is to be found in the territory he ruled. Cortez, forced to flee the Aztec capital, lost \$1,100,000 of gold in the waters of the lake outside the gates. waters of the lake outside the gates.

waters of the lake outside the gates.

India, in the course of 1,900 years, was sacked successively by the Persians, Greeks, and Huns; the Moslems, Afghans, Mongols, and Tartans; the Portuguese, Spaniards, Persians, French, and British. Millions and millions of gold were carried away by the raiders, but the only trace of the plunder today is whatever portion of the \$1,000,000,000 of gold in the British monetary system one wishes to attribute to the conquest of India. Between 1500 and 1800 Spain and Portugal seized \$3,500,000,000 of gold by conquest and extortion. The combined stocks of the two countries today is less than one-seventh of their seizures.

Twenty-seven billions of gold missing. The increment of 54

Twenty-seven billions of gold missing. The increment of 54 centuries of toil, the product of millions of slaves, the yield of mine and labor has been frittered away on vanities, buried in the earth, sealed in the tomb, sunk in the sea, worn away by abrasion, and wasted by war. Can any part of it be recovered and restored to trade?

to trade?

Of the \$40,100,000,000 of gold which we estimate to have been extracted from the earth, our conclusion is that \$5,700,000,000 have been wasted in wars; \$2,500,000,000 have been worn away by abrasion; \$2,000,000,000 have been lost at sea; \$4,500,000,000 lie buried in the earth; \$12,500,000,000 have been diverted to industry and the arts, including the gold ornaments of India; \$12,900,000,000 are in the monetary systems.

Obviously, no part of the 2.5 billions worn away by abrasion can be recovered.

can be recovered.

Likewise, the two billions in Davy Jones' locker have been removed from the uses of trade. In the history of salvage only one instance is recorded of the recovery of an appreciable amount of gold from the sea. In January 1917 the S. S. Laurentic with \$25,000,000 of gold on board was sunk by a German submarine off the coast of Ireland; \$22,000,000 were subsequently recovered. In 1690 William Phips salvaged \$1,500,000 of gold and silver from the \$70,0000,000 lost by the destruction of a Spanish plate fleet in the Caribbean. The sea has yielded other small amounts of gold from time to time. But in general, gold lost at sea is subtracted from the money stocks as effectively as if worn away by abrasion.

tracted from the money stocks as effectively as if worn away by abrasion.

What of the gold buried in the earth?

Since 1930 India has restored to trade \$710,000,000 of the \$4,000,-000,000 of gold which it has absorbed since 1493—the only appreciable, sustained movement of gold out of India in 3,000 years. Whether the gold can be considered as a permanent addition to stocks is not yet apparent but hopes are entertained that India's sterile gold will eventually find its way into the streams of commerce. commerce.

commerce.

The only other possibility for retrieving any appreciable amount of the missing twenty-seven billions is found in the twelve and five-tenths billions which have been diverted to industry and arts. But here possibly four and five-tenths billions have been consumed in such ways as to render recovery impracticable. That leaves eight billions representing jewelry of the better grades.

If recovery should average 50 percent, the commandeering of plate and jewelry would add four billions to stocks.

No portion of the five and seven-tenths billions consumed by

No portion of the five and seven-tenths billions consumed by war is believed to be recoverable. It has disappeared from earth

Assuming that the maximum amounts estimated as recoverable could be recovered under some form of arbitrary action, a total of not more than \$7,500,000,000 would be added to the uses of trade, raising the whole to \$20,400,000,000—just a little more than one-half of the amount necessary to maintain a free, even, and full flow of commerce

Twenty-seven billions of gold missing; twenty billions never to e seen again. What a price to pay to vanity, fear, and war. be seen again.

The Real Farm Problem

EXTENSION OF REMARKS

HON, HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES Wednesday, May 10 (legislative day of Monday, May 8), 1939

ARTICLE BY ERNEST D. MACDOUGALL

Mr. BONE. Mr. President, the able master of the Washington State Grange, Mr. Irvin King, has manifested great interest in an article by Ernest D. MacDougall, appearing in the Washington Grange News of May 6. Because of the interest of the leader of the Grange of my State, I ask unanimous consent to print the article in the Appendix.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Grange News of May 6, 1939]

THE REAL UNITED STATES FARM PROBLEM—NO AGRICULTURAL PROGRAM CAN WORK WHILE PERPETUATING CROP SPECULATION

(By Ernest D. MacDougall)

All farm plans fall into two classes. Some are calculated to hold prices of farm products, both at home and abroad, in line with world prices. Other farm plans are calculated to lift prices in the domestic market off of the world-price level. Plans of the former sort require the payment of a subsidy to the producers to compensate them for price deficiency due to lower production costs of competing products imported from foreign countries.

The United States Department of Agriculture, under its present Secretary, has consistently adhered to the theory of holding our agricultural prices in line with world prices and supplementing the low income of our farmers by relief (benefit) payments.

PROMISE UNKEPT

Secretary of Agriculture Wallace, when first appointed to the Cabinet, said much about parity prices. He soon changed the term to parity income. Secretary Wallace has been continually promising the farmers parity income—that is, low world prices plus benefit payments sufficient to bring up their income to a parity with domestic prices of American industrial goods in pur-

This promise has never been kept. The benefit payments have fallen far short of bringing the income of farmers to parity. These substitutes for parity prices have been tragically inadequate considering the fact that farmers must buy, under the Wallace type of farm plan, in a high, protected domestic market and sell in

a low, unprotected world market

Obviously, in order to rectify this gross injustice to agriculture, one of two things must be done. Either the protection our Government affords to industrial prices and wages must be withdrawn and industrial prices and wages forced down to the level of world prices and wages, or agricultural prices must be lifted up to and protected at the level of American industrial prices and wages.

ROOM FOR WONDERMENT

The Wallace program definitely repudiates the latter objective and falls far short of attaining the former. The policy of reciprocal-trade agreements is a sly but feeble effort to withdraw governmental protection from American prices and wages and to reduce our American standard of living to world-cost levels. It is unlikely, however, that American industry or labor will permit that sort of thing to go very far.

This situation causes wonder as to why Secretary Wallace refuses to permit our Government to afford to agriculture the same protection it affords to industry and to labor. There is but one possible answer, namely, the fixed determination to hold our agricultural prices in line with world prices.

But that does not explain the real purpose of that fixed determination. The real purpose is to protect and percentage the margination.

mination. The real purpose is to protect and perpetuate the mar-ket operations of the futures traders. Futures trading cannot be done on an American price level. There is no futures trading on American industrial prices. But there are no agricultural prices in the American market except world prices, as reflected on the futures market ticker tape. There is no such thing as American agricultural prices of crops of which we produce an exportable surplus.

THE REAL EXPLANATION

Futures trading is possible only in world trade with world prices.

Futures trading is possible only in world trade with world prices. Futures trading can be done only on a constantly fluctuating world-price basis. Futures trading cannot be done on a stabilized price level, either high or low. Futures trading requires (1) fluctuation of prices (2) on world-price levels. This is the explanation of the Wallace farm program.

Turning to the other type of farm plan, it should be noted that the protection offered by the Government to industry is protection of price. Industry fixes an American price for its products sold in the domestic market and the Government protects that price by means of tariffs or import duties. Unless and until an American price, as distinguished from a world price, is fixed for agricultural products there is no price for an American tariff to protect. Lack products there is no price for an American tariff to protect. Lack of protection for agriculture does not arise from lack of agricultural tariffs. It arises from lack of an American price for the

tural tariffs. It arises from lack of an American price for the tariff to protect. In agriculture, the only price we know is world price, and "futures quotations set the pace for cash prices."

Several plans have been suggested, but never seriously considered by Secretary Wallace, to lift our agricultural prices in the domestic market off of and away from world-price levels. One is the cost-of-production plan. Another is the parity-price plan. Another is the commodity-index plan. Another is the loan-value-above-world-price plan. None of these is acceptable to Secretary Wallace because they would destroy commodity speculation in the Wallace because they would destroy commodity speculation in the

futures markets.

rutures markets.

It may be assumed that it is not within the power of mortal man to devise any farm plan, or other plan, that will operate 100-percent perfectly. The choice is not between a perfect plan and an imperfect plan. The choice is between a plan that will, in a general way, hold our prices in the domestic market in line with world prices and a plan that will, in a general way, lift our prices off of and away from world-price levels.

It is, without a doubt, possible for the Congress to draft and enact legislation that will, in a general way, give to agriculture much the same protection that the Congress has afforded to industry. It has always been a difficult thing to adjust and regulate prices, freight rates, utility rates, minimum wages, protective tariffs, and the like. The difficulty of the task has never deterred the Congress from making the effort where industrial prosperity has been at stake. It is only in the field of agriculture that the task has been considered to be too difficult to be undertaken.

The secret of this whole dark, deep, difficult problem of agricul-

has been considered to be too difficult to be undertaken.

The secret of this whole dark, deep, difficult problem of agriculture is that the most powerful lobby in the land cleverly, effectively, but quietly, is determined that our prices of farm products, which are gambled in on boards of trade, shall be held in line with fluctuating world prices, so that the gambling game, for the great gain of the gamblers, may go merrily on. It is fairly obvious that no effective farm legislation ever can be enacted into law until and unless the deep, dark, mysterious game of the commodity gamblers is exposed to the light of day.

This situation clearly indicates the great need for an honest investigation of the fine art of commodity gambling and futures trading, and obviously explains why no such investigation has ever been made.

been made.

Rivers and Harbors and Flood-Control Projects-Amendments to Increase Appropriations—Merits of Projects-Large Employment of Labor

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

STATEMENT OF HON. MARTIN F. SMITH OF WASHINGTON, BEFORE THE COMMITTEE ON APPROPRIATIONS, APRIL 26,

Mr. SMITH of Washington. Mr. Speaker, I voted for the amendments to increase by \$25,000,000 the appropriation for rivers and harbors projects, and also to increase by \$25,000,-000 the sum appropriated for flood control, instead of having those sums deducted from funds to be appropriated for work relief for the unemployed. I much prefer to have the money provided out of the regular appropriations contained in the present War Department civil functions appropriation bill for 1940, which we have now done. My views in regard to this entire subject matter are fully set forth in the statement which I made before the Committee on Appropriations during the hearings on this bill held on April 25, 1939, in which I urged and advocated a substantial increase over and above the reduced Budget estimates.

My statement made before the Committee on Appropriations was as follows:

STATEMENT OF HON. MARTIN F. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. SNYDER. We have with us this afternoon our colleague, Mr.

SMITH of Washington, and we will be glad to have from him at this time such statement as he may desire to make. Mr. SMITH. Mr. Chairman and gentlemen of the committee, I am deeply grateful to the committee for this privilege of appearing at this time to make a brief statement to you.

at this time to make a brief statement to you.

I am particularly interested in the appropriations to be made at this session of Congress for river and harbor improvements.

During the entire period of my service as a Member of the House I have served on the Committee on Rivers and Harbors, as you know, this being my seventh year of service and membership on that committee. There is no type of Federal projects which is more important to my district in southwest Washington than navigation projects for the improvement of rivers and harbors.

I have in my district Grays Harbor, Willapa Harbor, Clympia Harbor, Longview, Kelso, Kalama, Bakers Bay, Ilwaco, Vancouver, and Camas-Washougal.

There are also smaller projects at Cathlamet and Knappton.

There are also smaller projects at Cathlamet and Knappton. I have at least six very important waterways in my district—harbors of major importance.

I express the views of the people of my district, and particularly the industries and labor organizations, when I say we view with considerable apprehension and even alarm the proposed cut in the

considerable apprehension and even aiarm the proposed cut in the appropriation for rivers and harbors work.

I think there is undoubtedly a feeling in the country that we should curtail expenditures by the Federal Government, but I venture to say that if the people of the country could be consulted, especially in those parts of the country where they have observed the benefits derived from rivers and harbors improvements, they would take the position that that type of Federal project should be the very last to suffer in any curtailment of appropriations. appropriations.

There is no type of project for which money is appropriated by the Federal Government which results in as big returns on the

the Federal Government which results in as big returns on the amount of money invested.

I understand that General Schley, the Chief of Engineers of the Army and the Corps of Army Engineers, submitted an estimate to the Budget for new work amounting to approximately \$102,-975,800, and that was cut to \$39,000,000; that the estimate they submitted for maintenance was \$51,738,210, and that was reduced to \$41,135,000, or a cut of \$10,603,000. There was a cut of 62 persent the estimate for new presents. cent in the estimate for new projects.

That certainly will be a very drastic cut and, in my opinion, would seriously curtail the program of the Corps of Army Engineers. In fact, if they were to complete the projects which have already been authorized by Congress they would need about

\$225,000,000.

I have in my own district the project for reconstruction of the Grays Harbor Jetty which is under a continuing contract, and as I understand it, if this cut is made as drastically as has been proposed, which I certainly hope will not be done, the Corps of Army Engineers would be compelled to go ahead and spend most of the money on those continuing contracts, where they would have to proceed with the work in order to complete the project.

This project on the south jetty of Grays Harbor, which is under a continuing contract, had an estimate for this year of \$1,250,000, and the Corps of Army Engineers, also recommend in their estimate to start construction of the north jetty of Grays Harbor \$500,000, which they should be given.

If there is no increase made by the committee, they will probably

not be able to do that.

There are other items of \$180,000 for dredging Gray's Harbor;

There are other items of \$180,000 for dredging Gray's Harbor; \$58,000 for dredging the inner channel, which are also provided for in the estimates, as well as \$80,000 for dredging Willapa Harbor.

I also have a number of flood-control projects in my district, Skamokawa Creek, Wahkiakum County, \$135,000; Deep River, \$59,000, and Diking District No. 1, in Pacific County, \$28,000; and several other projects. It is my understanding that the estimate for flood control was cut very drastically from \$195,500,000 estimated by the Army engineers down to \$110,000,000. So our flood-control work is going to suffer as well as our river and harbor work.

I took occasion 2 years ago to ask Major General Markham, then the Chief of Engineers of the Army, to prepare a statement show-ing the percentage of direct and indirect labor costs on river and

ing the percentage of direct and indirect labor costs on river and harbor projects.

Mr. Snyder. We had that information this morning.

Mr. Snyder. We had that the labor costs ranged from 76.9 to 87.9 percent, demonstrating the soundness and desirability of river and harbor projects as labor-employment projects.

I would like to have the privilege of inserting as a part of my statement a résumé of the process through which a river and harbor project passes from its very inception down to the time the project is actually completed.

I will make the statement that there is no form of expenditure which the Federal Government makes which is subjected to as thorough-going scrutiny, investigation, and consideration as the money spent on river and harbor projects. I think that is borne out by the statement I will file with the committee. I hope that you will increase substantially the appropriations for both river and harbor and flood-control projects.

and harbor and flood-control projects.

Mr. Snyder. You have the privilege of extending your remarks.

Mr. Smith. Thank you, Mr. Chairman. I submit the following

"There is probably no type of Federal project, I care not what in ature may be, which receives the thorough, painstaking study and consideration to which a river and harbor project is subjected before it is authorized by Congress and the money is actually ap-

before it is authorized by Congress and the money is actually appropriated by Congress.

"The local community initiates the project for the dredging or improving of the river or harbor in question to serve the local community by providing low-cost water transportation, and to aid commerce and navigation at that point. The project is discussed in the community, the citizens themselves see the possibilities and advantages which would accrue, and therefore they agitate and advocate the project and local industries join with them in favoring it; then their Representative in Congress is called upon and introduces a bill for a survey which is essential in the case favoring it; then their Representative in Congress is called upon and introduces a bill for a survey which is essential in the case of every new project. He presents the matter to the Committee on Rivers and Harbors, which submits it to the United States Army engineers having jurisdiction of rivers and harbors, who determine whether a survey is necessary and desirable and recommend accordingly. This results in the bill either being passed separately or included in the omnibus river and harbor bill, such as the pending measure, which includes numerous surveys. If the project is one for the modification or change of an existing project, then a resolution for review of prior reports is sufficient and project, then a resolution for review of prior reports is sufficient and the Representative sponsors such a resolution, which is submitted to the Army engineers and later to the committee, which passes it and

the Army engineers and later to the committee, which passes it and refers it back to the Army engineers for the desired report.

"The project is then referred to the district engineer, of whom there are 42 in the United States, embracing every section of the country. He calls a hearing in the local community and all those who might be interested are notified and afforded an opportunity to be heard and present testimony and arguments showing the need for the improvement and evidence in support of the merits of the project. It is a public hearing, the public is invited and welcomed, and all those who indicate a desire to be heard either for or against the project are heard. It is in the nature of a quasijudicial hearing. The district engineer, after considering all the testimony, makes recommendations and refers the project to the division engineer, of whom there are 10, in all sections of the Nation, the last division engineer's office to be established being at Portland, Oreg., now in charge of Col. John C. H. Lee, largely on account of the large Bonneville Dam project on the Columbia River in Oregon and western Washington.

"The division engineer reviews the recommendations and report

"The division engineer reviews the recommendations and report of the district engineer. He then makes his report and recom-mendations and sends the project on to Washington, D. C., where mendations and sends the project on to Washington, D. C., where it is again reviewed and considered by the Board of United States Army Engineers, at which time the Representative in Congress is again heard in behalf of the project. The Board consists of seven members. They have served as district and division engineers in various parts of the Nation, and like them were honor students at West Point and took the special course at the engineering school at Fort Belvoir, Va., prior to serving as district and division engineers before being promoted to membership on the Board. The members of the Board have no local interest to serve whatsoever; they consider each project from a national viewpoint, how it will affect the navigation and commerce of the United States. They are far removed geographically from each project. These skilled engineers are absolutely divorced from politics. They

are nonpolitical and nonpartisan and consider and decide the project solely upon its merits and demerits.

"The final decision rests with the Chief of the United States

"The final decision rests with the Chief of the United States Army Engineers, who reviews the report and recommendations of the Board. After the project has run the gantlet of the district engineer, division engineer, Board of Engineers, and Chief of Engineers, these reports are submitted to the Committee on Rivers and Harbors, which hears the project de novo and listens to the presentation made by the local Congressman and representatives of the office of the United States Army Engineers and either approves or rejects the project, preparatory to its inclusion in an omnibus river and harbor bill. I repeat the assertion made at the outset that the scrutiny and searching investigation which I have described is probably not equaled or even approached by any other class of projects or expenditures of the Federal Government. "Mr. Chairman, not only are river and harbor projects based upon merit, but they also result in a greater proportionate expenditure for labor, direct and indirect, than almost any other class of public-works projects. To substantiate and prove this fact I call attention to the following statement prepared under the direction of Maj. Gen. E. M. Markham, Chief of Engineers, United States Army, furnished to me under date of June 25, 1937. The total percentage, direct and indirect, of labor costs ranges from 78.5 to 87.9 percent, demonstrating conclusively the soundness and desirability of rivers and harbors projects as labor-complexyment projects.

ness and desirability of rivers and harbors projects as laboremployment projects.

The statement of General Markham referred to is as follows:

Percentages of labor costs, direct and indirect, to total cost for work completed with Government plant and hired labor by the Corps of Engineers, U. S. Army, between September 1933 and June 30,

	Dredging, regular funds	Dredging, N. I. R. A. and P. W. A. funds	Operating and care of canals, regular funds	Dike construction, N. I. R. A. and P. W. A. funds	Revetment construction, N. I. R. A. and P. W. A. funds	Lock and dam construc- tion, regular funds	Levee construction, regular funds
Direct labor: Labor used in construc-						Decilie 1	
tion including plant operation	29.7	33.5	57.2	31. 9	34.6	30.0	34.0
Labor used in plant re- pairs Labor used in surveys.	12.7	11.3	3.8	4.4	3.8	4.0	10.0
superintendence, and overhead	9.0	6.0	7. 2	5. 4	6.8	7.2	9. 0 3. 5
Total, direct labor	51.4	50.8	68.2	41.7	45. 2	41.2	56.5
2. Indirect labor: Material and supplies used in construction. Material and supplies used in plant repairs,	18.0	19.3	17.5	35. 8	33. 7	32.9	14.0
etc	9.4	9.0	2. 2	2, 3	2.1	2.8	5.6 2.4
Total, indirect labor.	27.4	28.3	19.7	38. 1	35. 8	35. 7	22.0
3. Total direct and indirect labor	78. 8	79. 1	87.9	79. 8	81.0	76. 9	78. 5
4. Other costs: Basic materials Depreciation	13. 5 7. 7	13. 3 7. 6	9. 2 2. 9	17. 2 3. 0	15. 7 3. 3	16. 1 7. 0	10. 5 11. 0
Total, other costs	21. 2	20, 9	12.1	20. 2	19.0	23.1	21.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Reclamation States Honor Edward T. Taylor

EXTENSION OF REMARKS

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

STATEMENT OF O. S. WARDEN, PRESIDENT OF NATIONAL TATEMENT OF O. S. WARDEN, PRESIDENT OF NATIONAL RECLAMATION ASSOCIATION, AT AN INFORMAL CEREMONY AT WHICH A GAVEL AND BASE WERE PRESENTED TO THE HONORABLE EDWARD T. TAYLOR BY THE 15 RECLAMATION STATES OF THE ARID WEST

Mr. LEAVY. Mr. Speaker, it was my privilege to be present this morning in the office of Chairman EDWARD T. TAYLOR, of the Appropriations Committee of this House, in a little informal proceeding when there was presented to Chairman TAYLOR a beautiful wooden gavel as a token of esteem and appreciation for the years of useful and constructive service rendered by that truly great westerner, ED TAYLOR, of Colorado.

Present at this gathering were leaders of reclamation, including Hon. John C. Page, the able head of this great Federal agency; also the tireless and efficient clerks "Mark" Sheild and "Billy" Duval. There were also present members of the Interior Subcommittee on Appropriations, as well as President O. S. Warden and Floyd Hagie, secretary-manager of the National Reclamation Association.

Mr. Warden, in a beautiful and fitting manner, presented to our beloved colleague and true son of the great West the gavel I have mentioned, in the following words:

I am well along in my fourth year as president of the National I am well along in my fourth year as president of the National Reclamation Association. In these 4 years, and those just back of them, there has been notable accomplishment until reclamation has become a permanent national policy. We are making thousands of new western homes. This has come about largely by a continually growing legislative support. The Interior Department measure that has just come from the Congress merits the grateful appreciation of each Western State.

measure that has just come from the Congress merits the grateful appreciation of each Western State.

We have come this morning to a familiar office room for the most delightful privilege in all of my reclamation work. I wish that I could find the words that would fully measure and express the heart-to-heart gratitude and the personal admiration that the people of 15 great States of the West would like to have me use as I imperfectly convey to Congressman Edward T. Taylor thanks for great and consistent service. Through a long and earnest life he has been an unfaltering supporter of the cause of reclamation. He has been a foremost leader whom we have been delighted to follow—from the time when the Congress passed the Reclamation Act in the administration of Theodore Roosevelt—down to this year and day. Year after year—session after session—his counsel has always been wise, his effort has been tireless, his courage has never failed. After all of these years of faithful work any symbol that can be fashioned does but poorly reveal the accomplishment of half a century. The story begins with the simple diversion of water upon the land. At the end is the great Boulder Dam and other multiple-purpose enterprises.

The choicest gift of all that we can bring to you, Mr. Taylor, is the thanks that come from thousands of new homes your efforts

is the thanks that come from thousands of new homes your efforts

have helped to build.

Still those who have worked with you wish to give you something you can keep. This testimonial of friendship and esteem is made from wood that came from each of the 15 western reclamation States, gathered by the directors of this association. The handlwork of the maker of this gavel is interesting. Reading from the dark side of the handle, the different kinds of wood appear in the order here indicated. The history of many of the pieces is interesting.

interesting.
Idaho: Juniper. interesting.

Idaho: Juniper. This piece of wood came from the Fifield Basin juniper which is over 1,600 years old. This tree started to grow in the year 306 A. D. in the lava fields on the Snake River plains about 15 miles southwest from Idaho Falls and was still living when cut in 1928 by a dry farmer for fuel. As far as known, this is by far the oldest tree ever to have been found in Idaho. The thickness of its rings have been measured and used as an indicator of precipitation changes during the bygone centuries.

Wyoming: Red cedar. This wood comes from the Snowy Range area west of Laramie, Wyo.

Washington: Apple wood. This apple wood is a part of a limb of an apple tree of which the original stock was planted in 1879 on the old John F. McClure homestead, located about 5 miles west of Yakima, and now owned by Congdon Orchards, Inc. At the time Mr. McClure set out a few trees for a family orchard, the whole section in which it was planted was in sagebrush and principally inhabited by jackrabbits and rattlesnakes. This was prior to the advent of Mr. Chester A. Congdon who visualized the potential development of what he termed the second Garden of Eden. Mr. Congdon purchased the land and financed the Congdon Ditch Co. which is now known as the Yakima Valley Canal Co. It was one of the early private irrigation projects in the Yakima Valley and embraced the irrigation of 4,300 acres.

Texas: Mesquite from Harlingen, Tex.

Valley and embraced the irrigation of 4,300 acres.

Texas: Mesquite from Harlingen, Tex.

Arizona: Orangewood. The tree which this orangewood came from was planted on the Yuma Mesa, part of the old Blaisdell ranch, by Hiram W. Blaisdell, during the year 1892, and was a part of the first orange orchard of any size that was planted in Arizona. The land now is part of a subdivision of the city of Yuma and is owned by Mr. M. A. Holmes.

Colorado: Oak. This piece of wood came out of the original seal pieces which close the roller gates on the Grand River Diversion Dam.

South Dakota: Cedar. This piece of wood was obtained from the Black Hills of South Dakota, which is the watershed of the Belle Fourche reclamation project, and several small irrigated areas in western South Dakota and eastern Wyoming. This wood was obtained in the vicinity of Deadwood, S. Dak., and in the vicinity of the monument erected to President Theodore Roosevelt, the father of Bederal reclamation. of Federal reclamation.

Montana: Larch. This wood came from the banks of the Missouri River at Great Falls, Mont.

North Dakota: Cedar. This wood comes from the Little Missouri River Valley where Teddy Roosevelt came as a young man seeking to regain his health. His original log cabin was built from this very type of wood which he had floated upstream in the Little Missouri. The species of wood later propagated north in the valley until today it surrounds his old ranch site. It is unique that nowhere else in North Dakota does red cedar flourish.

Utah: Red pine. A piece of native red pine taken from one of the old floor joists of the "Lion House" home of Brigham Young in Salt Lake City. This edifice was located within the area which Brigham Young and his followers first irrigated, a small area of

Brigham Young and his followers first irrigated, a small area of land near the present temple and the center of Salt Lake City is located by turning the water through furrows made by use of oxen and crude plows from City Creek.

Nebraska: Cedar. This cedar came from the North Platte reclamation project in Nebraska.

Nebraska: Cedar. This cedar came from the North Platte reclamation project in Nebraska.

Nevada: Redwood. This piece of redwood was taken from a diversion structure built in the year 1868, long before the Reclamation Act, at which time there were several direct diversions from the Carson River. After the Reclamation Service, then under the Geological Survey, began investigations for the establishment of the Newlands project, then Truckee-Carson project, the water rights of these old irrigators were acquired by the United States and an irrigation system was constructed and these old diversion headworks were abandoned. This piece of redwood has been standing solid and firm since the day it was first erected.

California: Orange wood. Wood of an orange tree in the Central Valley which died from lack of water due to the receding water table, a condition which the completion of the Central Valley project will correct for all time.

New Mexico: Cedar. Old original cedar of Lebanon wood from the Arch Hurley conservancy district near Tucumcari, N. Mex.

Oregon: Juniper. The tree from which this wood came grew on the right-of-way now being cleared for the North Unit Canal. If you examine the ends of these pieces under the microscope, you will observe how tight the annular rings are, indicating the small annual precipitation in the area where the tree grew. It is because of this low precipitation that irrigation is needed in this country to produce farm crops. Given water, however, these lands produce abundantly.

The core in the head of the gavel is Texas mesquite. The handle is New Mexico cedar, and the block is New Mexico cedar.

Upon the block is this inscription:

"In appreciation of long and valuable service to the 15 reclamation States, this gavel and base made from significant woods of

"In appreciation of long and valuable service to the 15 reclama-tion States, this gavel and base made from significant woods of each State is presented to Hon. Edward T. Taylor by the National Reclamation Association."

To you, then, our friend, statesman, and patriot, in a great national service, we present this gavel with the wish that there may yet remain for you many, many years in that health and happiness you so richly deserve. Whenever you sound the gavel we will be ready to follow your leadership.

Mr. Speaker, I wish that every citizen of this great Nation could have seen this presentation and heard the response of our beloved colleague, ED TAYLOR, a man whose life has been one of outstanding public service. The substance of his unassuming response was simply that to him it is an indescribable pleasure to know that his efforts have aided to make happy homes for the great number of fine Americans who live on western reclamation projects and to feel that he had made some contribution for the permanent enrichment and betterment of his Nation.

The whole affair, brief and informal though it was, perfectly typified the fine character built into the lives of those whose good fortune it is to live in the West and ED TAYLOR exemplified that ideal that we all strive to attain. Truly he is a greate westerner-truly he is a great American.

Party Loyalty-Public Morals

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

BY HON. JOHN J. BENNETT, JR., ATTORNEY GENERAL OF THE STATE OF NEW YORK ADDRESS BY HON.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks, I wish to include therein an address delivered by the distinguished Attorney General of the State of New York, the Honorable John J. Bennett, Jr., at the National Democratic Club dinner on April 22, 1939. This address clarifies many of the issues confronting the Democratic Party today, particularly in the State of New York, and I am glad therefore to incorporate it in the RECORD. The address follows:

It is a privilege to address tonight such a representative gathering of our city, State, and national democracy at this Jeffersonian dinner of the National Democratic Club. I am grateful for

This event, with so many leaders of the Democratic Party pres-ent, is an ideal occasion to discuss some matters of interest to our

ent, is an ideal occasion to discuss some matters of interest to our party in this State and city.

Down through the years the Democratic Party in New York and in the Nation has been responsible for more progressive and humane legislation than any other political group. Everyone here remembers how the factory laws, hospital-bond issues, State parkway system, and other acts of beneficent legislation were literally beaten through Republican legislatures by Governor Smith. Governor Lehman later had to do the same thing to carry through his program of labor legislation. Jefferson, whom we honor tonight, formed our party in the mold of liberal progressive democracy; equality of all men under God, the Author and Donor of our inalienable rights of life, liberty, and the pursuit of happiness. inalienable rights of life, liberty, and the pursuit of happiness. Despite great temptation to follow strange and alien ideologies, we

Despite great temptation to follow strange and alien ideologies, we have managed to keep fairly close to Jefferson's plan.

The Democratic Party has given to the Nation some of the greatest men in its history. We have given to the service of our own city and State Democrats revered for devoted service to the welfare of the people. We have given to the public life of this country countless thousands of competent, honorable men and women who have labored in comparative obscurity—for honesty and industry are rarely spectacular.

women who have labored in comparative obscurity—for honesty and industry are rarely spectacular.

Despite this splendid record, and sad to relate, our party here bows under the disgrace brought upon it by some greedy, unscrupulous, and dishonest members. Certain public officials, wearing the label of the Democratic Party, have brought it into disrepute by sacrificing their integrity and selling their souls for gold. Others have covered themselves with the slime of corruption by associating and conspiring with criminal characters. Fortunately, the penetrating light of prosecution has been turned on these individuals and will bring them the justice they so richly deserve. Corruption knows no party label. The rogue will take advantage of any medium, political or otherwise, for the achievement of his ends. There are crooked Republicans as well as crooked Democrats.

In my own home borough, Brooklyn—a community of nearly

In my own home borough, Brooklyn—a community of nearly 3,000,000 upright, decent men and women—we feel keenly the shame brought on our party and our borough. We who live there are proud of the reputation of Brooklyn. We detest, with all the are proud of the reputation of Brooklyn. We detest, with all the forthrightness of our civic pride, the abominable creatures responsible for the shame which they have temporarily placed on

our borough's good name.

It is unfortunate that our great party should be stigmatized by the acts of a few dishonest men. Men whose sole object in life is to line their pockets, no matter how, should not be permitted to remain members of our party. Let's get rid of them. In the ranks of our party we have thousands of men and women of education, culture, civic background, and training. They women of education, cutture, civit background, and raming. They will provide a continuous supply for public service of officials who, for ability, integrity, and honesty, cannot be challenged. With them, we can supply the best type of leadership—the best type of public officials—the best administration of government—if our leaders and their advisers will exercise the necessary discrimination. And if there are some leaders and their advisers who won't do this, let's throw them out and get new leaders and advisers who will.

The unclean and the criminal elements in our party must be

who will.

The unclean and the criminal elements in our party must be made to realize that we won't permit them to remain in our ranks. All must be made to understand that no sinister influence will be permitted to exercise any authority, direct or indirect, in the administration of Democratic Party affairs. We can have no half-way measures in this house-cleaning campaign. We must demonstrate to the citizens of this city and State, who have shown their faith and confidence in our party and in the men and women it has sponsored for public office, that we are worthy of their faith and confidence. For, after all, a party is directly responsible to the voters, a fact which some seem to have forgotten.

With a burning hate, the American people resent dishonesty in public office. But their sense of fair play is such that they are patient and long suffering in the face of mere rumor, however oft repeated, of official corruption. But when rumor gives way to proof, their patience turns to passionate demand for justice and punishment. If we don't remedy these conditions, the voters will. It is timely that these things be said on the night we honor Jefferson, because his name is synonymous with decency and progress in government. Many people are today losing faith in democratic government because some in high position have violated their oath of office and proven themselves false to the trust reposed in them. If we had not pussyfooted so long, this matter would not have to be discussed here tonight.

It is true, of course, that the vast majority of men and women in public life are honest and

It is true, of course, that the vast majority of men and women in public life are honest and upright. Nevertheless, we must realize that the acts of a few dishonest public officials invite a cynical, distrustful attitude toward our form of government. We must know that corruption in public office can crumble the very

foundations of democracy. No government can continue to exist if its citizens have good reason to hold it in contempt. Surely our citizens have a right to ask: What are your Democrats doing to remedy these conditions? The answer is this: In our party there is a militant honesty which will not be denied. The Democratic

a militant honesty which will not be denied. The Democratic Party is cleaning its own house.

In Kings and Albany Counties, cooperating with Governor Lehman, my office is proceeding with the task of bringing the guilty to justice regardless of party connection. In Kings County I have placed Assistant Attorney General John Harlan Amen, a Democrat, in charge and he is doing a splendid job. In Albany, I have placed Assistant Attorney General James McGough, a Democrat, in charge; he also is doing a splendid job. Right here let me say that, as these investigations uncover corrupt officeholders and the crooks they have been associated with, and protecting, they are being brought to the bar of justice irrespective of the position they hold in public or private life. Incidentally, in Orange County, my office, under Assistant Attorney General Raymond Whearty, a Democrat, is also conducting an investigation, though it must be remembered that Orange County is not a Democratic county.

With these thoughts fresh in your minds, I would like to bring to your attention the attitude of a few who call themselves Democrats who resent these investigations. They would stifle Democrats who resent these investigations. They would stifle them if they could. They regard the honesty of purpose of Democratic prosecutors and their devotion to duty as party treason. Eight years ago I first took my oath as attorney general to uphold the constitution and the laws of the State of New York. I repeated that oath in 1933, 1935, 1937, and again in 1939. Tonight I am glad to say to the Democrats assembled here that I have kept that oath. That may be treason to some. Well, if that be treason to the Democratic Party and to the people of the State, then I plead guilty to the charge. I am sure every man and woman present here tonight shares this thought with me: When the day comes that an elected public official must violate his oath of office in any way, especially by refraining from doing his job, as payment for support of his candidacy, our democratic form of government will cease to exist.

Unfortunately, no party long in power has been free from corruption either in local, State, or National Government. Teapot Dome is not so far removed, the most shameful of our national scandals in several decades. We have been afflicted with major scandals ourselves. But we were able to clean house and restore order. With the help of the vast majority of decent, honest men and women in our ranks, we shall again clean house and restore order.

I am proud to be a member of the party of Thomas Jefferson.

I am proud to be a member of the party of Thomas Jefferson. As a Democrat I am proud of the honorable leadership given in this State over the years by Governor Lehman, Governor Roosevelt, and Governor Smith. As Democrats, in the future we shall continue to give to our State and city this type of leadership—leadership in which the people can place their trust. In the front rank

ship in which the people can place their trust. In the front rank we shall carry on our fight for social justice for our people. And we shall make clean government the watchword of the fight.

Today we need no reminders that democracy is at the crossroads. On all sides, at home and abroad, we observe cynicism, distrust, and open contempt for the democratic ideal. Corruption or improper conduct, by public officials or party leaders, whether Democrats or Republicans, must not be condoned. To do so is to destroy the very foundations of our democratic institutions. These corruptionists, regardless of party labels, must be driven from publicans. corruptionists, regardless of party labels, must be driven from public life. As Democrats, let us drive from our ranks all who falsely wear our insignia. In the interest of democracy, of representative government, of the ideals of America as envisaged by Thomas Jefferson, the philosopher, patriot, and founder of our party, let us bend to the task without fear or hesitation. Jefferson wrote the ferson, the philosopher, patriot, and founder of our party, let us bend to the task without fear or hesitation. Jefferson wrote the great document which declared our independence of corrupt for-eign rule. It is appropriate that, in honoring him tonight, we declare our independence of corrupt members of our party, whether they be humble or great. Let us give to the people a leadership based on lofty ideals, a leadership above reproach and free from scandal. Therein lies the path of duty of the Democratic Party. Therein lies the hope of American democracy.

World War Veterans' Act Liberalized

EXTENSION OF REMARKS

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

EXPLANATION OF EXTENSION OF PROVISIONS TO INCLUDE ADDITIONAL WIDOWS AND CHILDREN, DEPENDENT FATHERS AND MOTHERS, AND TO INCREASE CERTAIN EXISTING PENSION RATES AND PROVIDE OTHER BENEFITS

Mr. LARRABEE. Mr. Speaker, under permission granted me to extend my remarks in the Record, I am inserting my

analysis and explanation of the Rankin bill, which passed the House on Monday, May 1, with practically no opposition.

The statement referred to follows:

The House has passed and sent to the Senate the bill, H. R. 5452, to amend the World War Veterans' Act, which bill, to a very material extent, increases the number of widows and children to receive aid, and liberalizes the amount of pensions payable to widows and dependents of deceased World War veterans, and, which, if the bill enacted by the House becomes law, will also provide benefits for dependent fathers and mothers, in certain needy classes, not now covered by any law.

Under provisions of this bill widows and children of all veterans who die or have died of non-service-connected disabilities, if the

who die or have died of non-service-connected disabilities, if the veteran had at the time of his death, any disability that actually resulted from war service, even though the disability may have been rated at less than 10 percent disabling at the time of the

veteran's death, will be pensioned.

veteran's death, will be pensioned.

In proving entitlement to pension under the terms of this bill, it will be required only that there be adequate showing that the veteran actually had some disability actually incurred in service. The extent of the disability is not a qualifying factor and need not be proven.

Widows and/or children qualifying for benefits under provisions of this feature of this bill, and those who qualified under provisions of the World War Veterans' Act as amended last year (greating pensions in those cases where it was shown that the

of this feature of this bill, and those who qualified under provisions of the World War Veterans' Act as amended last year (granting pensions in those cases where it was shown that the veteran had a service-connected disability of 10 percent or more at the time of his death), will be paid in the following amounts: Widow with no child, \$30 monthly; widow with one child, \$38 monthly; with present rates of \$4 for each additional child remaining unchanged.

The House bill establishes for dependent mother or father a pension of \$45 monthly (if the deceased son had any service-connected disability) or if both are living, the sum of \$25 per month for each.

This bill also changes the present total sum of benefits payable This bill also changes the present total sum of benefits payable by reason of the death of any individual veteran from \$56 to \$66 monthly, such limitation applying to widows with children, but exempting the parents from these limits.

The bill defines the term "mother" or "father" to mean natural mother or father or, mother or father of a veteran through legal

adoption.

Provisions of this bill extend to liberalizing benefits paid to the dependents of deceased veterans who died of service-connected disabilities, so that a widow, under 50 years of age, would be increased from \$30 to \$37.50 per month; the widow, 50 years or over, from \$37.50 to \$45 per month, and extends the total for widows with children to \$82.50 per month. The maximum now is \$75.

Provision is made that for the anatomical loss of one hand or one foot or one eye the rate (including the \$25 increased award under existing law) shall not be less than \$100 per month. These benefits are limited to veterans and do not apply to any survivor of a deceased veteran.

Veterans, to a large extent, will benefit by the provisions of the Veterans, to a large extent, will benefit by the provisions of the clause of the bill extending payment of compensation on a basis of permanent partial 10 percent for wounds incurred in active service during the World War, even though the disability resulting from such wound may be rated, medically, to an extent of less than 10 percent under existing rating schedules.

Reduction of interest charges on any loan on Government insurance from 6 to 5 percent, effective the date of enactment of the proposed law, is also provided.

Veterans' Administration statisticians estimate that about 150 000

Veterans' Administration statisticians estimate that about 150,000 veterans and their dependents will be benefited to the extent of \$19,000,000 if the bill is passed by the Senate and approved by the

It has been my pleasure to support and vote for this bill, as I have all other reasonable legislation for the benefit of veterans and their dependents.

Millions of Taxpayers' Dollars Distributed Freely to Foreigners

EXTENSION OF REMARKS

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF MAY 5, 1939

Mr. MURRAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to call your attention and the attention of the Members of this House to the fact that ample sums of the taxpayers' money apparently are floating to foreign countries through various avenues. It seems to me that the present farm prices justify my asking why we cannot begin to think of our people at home. These farm prices are in many cases less than one-half of the cost of production and the result is that thousands and thousands of farmers are being driven from their farms through foreclosure.

It appears that as soon as the farmers ask for any help, an immediate cry is heard. There also is evidently a lack of funds to adequately take care of the elderly people.

There is no one in this House who has tried to vote more consistently in reducing the expenses of this Government than I have in the short time I have been here.

I would like to see some of this money that is being voted out to the rest of the world, be used at home for our people who are so keenly deserving of it.

I am including an editorial from the May 5 issue of the Washington Star, by Herbert Maximilian Bratter, which gives some indication as to how this money is going to foreigners without "rhyme or reason."

The editorial is as follows:

[From the Washington Evening Star of May 5, 1939]

MILLIONS OF TAXPAYERS' DOLLARS DISTRIBUTED FREELY TO FOREIGNERS—BENEFITS ARE BESTOWED BY TRADE AND OTHER POLICIES WITH NOT EVEN A REQUEST FROM AMERICAN SOURCES FOR RECIPROCATION

(By Herbert Maximilian Bratter)

The United States is the world's rich uncle. And Uncle Sam is generous to his "nephews" and "nieces." When there is a disastrous earthquake in Japan or Chile, when there are starving thousands in war-racked Europe, America is there to lend a helping

But this country's charity to the outside world is not confined to times of disaster. Much of it is dispensed incidentally or carelessly, for supposedly domestic motives. Each year we give away millions without realizing it. By our trade and other policies, we bestow on others benefits which they do not reciprocate. We do not even ask them to do so.

not even ask them to do so.

Foreign countries are not so careless. When they want to adopt a policy, an incidental result of which will be to benefit others, they are inclined first to seek some concession from those foreigners who will benefit. Not so America. When Congress wants to help the agricultural or the silver bloc, the fact that the bulk of the benefit will go to foreigners is no deterrent. Merely to call something "an increase in foreign purchasing power" is often explanation enough.

During the present fiscal year for example millions of bushels.

During the present fiscal year, for example, millions of bushels of American wheat have been exported with the aid of a subsidy taken from the customs revenues. The idea was to help our wheat But the incidental effect has been to make a present to the United Kingdom, France, Belgium, the Netherlands, Mexico, Italy, and various other countries. On a small scale, similar subsidies have been given to foreign buyers of our prunes, pecans, walnuts, tobacco, pears, and long-staple cotton.

GIFT TO THE GERMANS

In view of the unpleasant state of German-American relations In view of the unpleasant state of German-American relations it is interesting to learn that in the guise of aid for our farmers, taxpayers' money is used by the American Government to make a gift to the Germans. The Federal Surplus Commodities Corporation recently sold for German use, at 38½ cents, wheat worth about 70 cents a bushel. To date, between 400,000 and 500,000 bushels of American wheat have been sold through American grants of the Germans. agents of the Germans.

The United States will shortly embark upon another cotton export subsidy. The plan is to help move some of the surplus abroad. The effect will be another gift to foreigners. They will be able to buy American cotton at less than the American price, the difference being paid not by the cotton growers, but by American taypagers. American taxpayers.

American taxpayers.

As a result, foreign textile manufacturers competing with American cotton textiles will be receiving the assistance of the American people—and this, of course, without any quid pro quo. This cotton scheme constitutes the same kind of export dumping as that for which we have officially berated Germany time and again. Its serious consideration by Congress at this time is ironical.

WOULD BENEFIT AMERICANS

If there were not this subsidy, the farmers would receive less If there were not this subsidy, the farmers would receive less for their products, and the buyers of the products would pay less for them. But the reduction in prices would benefit American rather than foreign buyers. As it is, the subsidy holds prices up for domestic consumers and depresses them for foreign consumers. It amounts to a gift by the American public to foreigners. Mexico, it will be recalled, raised its import duties on American merchandise in 1937 and again in 1938. We "retaliated" by buying from Mexico in a lump and at about 25 percent above its Mexican book value, all the silver which the Government of Mexico

had accumulated during 4 years as its undertaking under the London silver agreement. Meanwhile, our Treasury just keeps on buying Mexican silver refined in this country. Thereby it finances Mexico in its purchase of subsidized export wheat and flour, or of any other commodities it desires to buy here. We make Mexico a double gift.

Consider the purchases made by tourists. This country allows each of its returning tourists to bring in duty-free \$100 worth of foreign merchandise. Not a single European country does this for its citizens who visit the United States. Canada is about the culy large country doing so, although this practice dates only from our trade agreement with Ottawa in 1936.

With a few minor exceptions, no other countries offer an exemption corresponding to ours. Thus, Mexicans who have visited here may take home to Mexico not a dollar's worth of American goods duty-free. Even if Mexico extended reciprocity on this matter, it

duty-free. Even if Mexico extended reciprocity on this matter, it would still have a great advantage, because many more Americans visit Mexico than Mexican tourists visit us,

Americans are permitted by their Government to travel freely abroad (outside of war zones) and to take with them all the funds they may possess, if they choose. Not so, foreigners. Where there is exchange control abroad, as in Japan, Europe, or Latin America, travel money is restricted. German tourists, for example, are permitted to bring here only enough funds for a 12-day stay. And they must come and go on German vessels.

Other foreign nationals have pressure put on them to use vessels flying their own flag. Similarly, foreign governments foster campaigns and slogans like "Buy British," the effect of which amounts to a partial boycott of our vessels and merchandise. Recently an American exporter of automobile parts was cautioned to use only a certain British steamship line for his shipments. This sort of thing is very frequently encountered by American

exporters.

We are very generous to foreigners doing business here. We do not discriminate against them. But how about American businessmen trading abroad? Ask some of them.

In some countries American concerns actually must pay for the privilege of doing business by subsidizing their foreign competi-tors. An example is the motion picture business. In some coun-tries American movie companies must pay a huge license fee, the proceeds of which are turned over to the local motion picture industries. This system, which originated in Germany, is found

today in Poland, the Baltic states, Italy, and so forth.

The requirement that exhibitors display a certain proportion of locally produced pictures is quite common abroad. Here foreign films may be shown without legal limitation.

TRADE CONTROLS COMMON

American merchandise trade comes and goes on vessels of all nationalities. This is not so everywhere. Nations with a merchant marine of their own often prescribe that their imports be carried in their own national vessels. This is not always a matter of law, but it is a practice sometimes enforced where trade and exchange are controlled officially.

Here foreign trade is entirely free of quotas, compensation agreements, licensing, etc. Few foreign countries are in this category, trade controls being very common abroad. American textile exporters, for example, could do perhaps 10 times as much business as they do, but for quotas and similar restrictions.

In France foreign nitrate companies, as well as oil companies, must keep large stocks on hand to aid French national defense. No such burdensome system prevails in the United States

In this country when a person dies he knows his will will be carried out. But the bequeathing of money internationally is no longer unimpeded abroad. Our Government does not interfere with the outflow of funds. Foreign governments, however, are on the lookout for any such easy money.

On a grand scale is our silver subsidy. Four-fifths of the 2,000,000,000 ounces of silver acquired under the 1933–34 programs to date has come from abroad. Hundreds of millions of dollars have been poured, "no questions asked," in the pockets of foreign sellers of silver, and because we pay dearly for that useless silver with our merchandise exports and the like, some Americans fool-

ishly think that we've managed a great bargain.

Our gold program is even vaster in its wastefulness. Since the revaluation of the dollar and of our gold stock in 1934, this country's stock of gold has more than doubled. We have bought, at \$35 per ounce, over \$7,000,000,000 of the yellow metal. We have paid for it in goods and services, or in American securities. Meanwhile in South Africa several hundred thousand persons are, in effect, on our gold dole, feverishly digging up some more of the metal we have too much of have too much of.

have too much of.

It might be well for Congress to set up a watchdog "committee on benefits to foreigners," and to have all prospective special-interest legislation examined with a view to determining whether or not an incidental gift to foreigners is involved; and if so, whether such gift to foreigners is in the national interest.

National Defense

EXTENSION OF REMARKS

HON. EMMET O'NEAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

ARTICLE BY COL. HENRY J. STITES

Mr. O'NEAL. Mr. Speaker, under permission to extend my remarks, I am placing in the Congressional Record an article on peace insurance, by Col. Henry J. Stites, of Louisville, Ky. Colonel Stites is an outstanding attorney at the Louisville bar, a 20-year Legionnaire, a colonel in the National Guard, and an active student of and worker for national defense for 32 years. His opinions, as follows, are worthy of serious consideration:

Personally I travel with the American Legion and advocate universal and compulsory military training of each American boy as he reaches the age of 18 years. I also advocate other unattainable schemes and plans, which I compromise by accepting the best result possible, everything considered. Perhaps legislation will ultimately be passed requiring compulsory military training, but right now it must be realized that the most that can be expected is a sufficient volunteer army to reasonably insure national defense at a minimum cost. The formula for this result is a part-time army supplemented by a small professional laboratory (Regular Army) with adequate full-time instructors.

One hundred thousand Reserve officers, each receiving 15 days'

One hundred thousand Reserve officers, each receiving 15 days' annual field training with pay; a small Regular Army, well balanced and well trained; approximately 10,000 civilian aviators; plus a strictly federalized National Guard of about 600,000 officers and men, will give our Nation a reasonable policy coverage of peace insurance at a cost which the people can pay and still stay

The military history of the United States is interesting. Our wars have been fought by civilian armies. Due to our standard of living and a national unwillingness to require compulsory work of living and a national unwillingness to require compulsory work or service without fair compensation, our cost of preparedness is greatly in excess of the armament cost of other nations. To maintain a Regular Army capable of defense would entail a cost in excess of practical conditions, but without regard for cost we must have a Navy strong enough to protect our coast cities, Though still designated sailors, members of the Navy are actually highly trained technical experts and mechanics, who cannot be trained quickly. On the other hand, the components of the Army, viz, the Regular Army, the National Guard, and the Organized Reserve can be maintained at a cost comparable to the armies of other nations, considering the difference in standards of living.

After our Civil War the energies of this Nation were devoted to internal expansion. Except for a comparatively small Regular Army necessary for conquering Indian tribes (if I may use that term), and a small Navy, we were without any organized armed forces. The several States maintained militia units, which were neither equipped nor trained. We went into the Spanish War with an Army of volunteers. Our greatest losses were due to epidemics of typhoid fever and other preventable diseases. Due epidemics of typhoid fever and other preventable diseases. Due to the Philippines, and other over-seas interests, our Navy was improved, the Regular Army was increased and a makeshift National Guard under the Dick bill was maintained. After the World War had continued for nearly 2 years the Wilson administration mobilized the major part of our armed forces, including the National Guard on the Mexican border in June 1916. Our National Defense Act was passed promptly, providing for the National Guard to be paid on a part-time basis and given adequate training. Before that law had an opportunity to demonstrate its usefulness we went into the World War on April 6, 1917, and in 1920 it was amended to provide for an Army of the United States, viz, the Regular Army, the National Guard, and the Organized Reserve.

We know that untrained National Guard men were mobilized on the border during the summer of 1916 and that after some 6 months of intensive training they were qualified as infantymen. American artillery and aviation were not on a parity with enemy artillery and aviation because of inadequate equipment and training until the Argonne fight, which was nearly a year and one-half after we had entered the war.

after we had entered the war.

War is not a game for amateurs, but, given expert advice, the people of our country, who are amateurs, will reach a proper decision. I would like to see a regular army in excess of 600,000 men in

sion. I would like to see a regular army in excess of 600,000 men in war-strength units and ready to fight, but that would be too expensive and we are a representative democracy and prefer citizen soldiers to professional soldiers in principle. A substantial group wants compulsory military service, but that may smack of militarism. What Mr. Average American seems to want is a sufficient national defense at a minimum cost or, in other words, the most results for the least money, which is an American characteristic. As previously indicated, our Navy is an entirely separate problem, but practically every Legionnaire is an expert on the army to a more or less degree, depending on whether or not he has maintained contact with national-defense problems. Of course, times and conditions have changed since November 11, 1918. Auxiliary equipment is different, though the private with the bayonet is pretty much the same, except for a rolling lapel instead of a stiff collar. Artillery is motorized. Tanks have become mechanized cavalry, which, with horse cavalry, are used for reconnaissance and mobility. Antiaircraft and antitank arms developed rapidly. Because of which, with horse cavalry, are used for reconnaissance and mobility. Antiaircraft and antitank arms developed rapidly. Because of civilian training, many hundred Americans are competent aviators and practically every American boy can drive a truck. Thousands of American civilians are familiar with radios so as to send and receive messages. Infantry, horse cavalry, and auxiliary troops can be loaded into trucks and moved on modern roads at a pace in excess of 30 miles per hour, so long as an enemy does not destroy modern highways. Motorized artillery and mechanized cavalry can also maintain the 30 miles per hour schedule of movement. Manufacturing plants have been classified for utility in the making of war necessities.

facturing plants have been classified for utility in the making of war necessities.

Generally speaking, we have an extremely efficient Regular Army of about 150,000 officers and men. We have an Organized Reserve consisting of approximately 100,000 officers of various grades, all of whom have received field training and many of whom have recently handled C. C. C. units. During the World War the major portion of our Regular Army officers were used for staff work and, with temporary officers from the officers training schools, were used for commanding units in the draft army. Many sergeants in the Regular Army reached the temporary commissioned grade of captain or major during the World War. Most of the 1916 class at West Point became temporary majors, though they were hardly "dry behind the ears." Under existing conditions I would guess that at least nine-tenths of the Reserve officers have sufficient training and ability to function in their present grades would guess that at least nine-tenths of the Reserve officers have sufficient training and ability to function in their present grades and supplemented by available Regular officers and some 15,000 or 20,000 Regular Army enlisted men as officers and using the remainder of the Regular Army qualified enlisted men as non-commissioned officers, we would be able to organize and train a draft army within a year that would have a total strength of around two and one-half million men. However, none of this draft army would be useful in much less than a year.

Between the date that war was declared or if the Italian-

army would be useful in much less than a year.

Between the date that war was declared, or if the ItalianEthiopian or Japanese-Chinese method of undeclared war was followed, when an enemy attacked, we would have to rely upon our
Navy to prevent the debarkation of any enemy and our National
Guard to defeat any enemy that landed on our shores. The
National Guard consists of approximately 200,000 officers and men.

National Guard consists of approximately 200,000 officers and men, all of whom reside in their home communities and follow civilian pursuits, except that they receive military training once each week and spend 15 days in field training each summer. Most of the field officers, and some of the captains, are veterans of the World War. Many of the officers and men are graduates of service schools. It would take longer to train artillery, aviation, and some auxiliary units and about the same time to train infantry. However, close to a year is estimated as the time necessary for training units of the draft army, since the officers would have to take refresher courses and the men would have to be conditioned, including vaccination and inoculation. Neither a "white collar" clerk nor even a laborer can be thrown into a military command without hardening and conditioning.

Two hundred thousand National Guard men would be available immediately upon the commencement of hostilities. Unfortu-

immediately upon the commencement of hostilities. Unfortunately 200,000 men are not enough. It would take between 600,000 and 750,000 men who could mobilize immediately with the necessary equipment. Reference to the cost per capita of the National Guard illustrates the fact that comparatively speaking its cost is small. Six hundred thousand national guardsmen can be maintained in a satisfactory state of efficiency and training at be maintained in a satisfactory state of efficiency and training at the annual maximum cost of \$100,000,000. Roughly, 450,000 should be infantrymen, the balance being mechanized cavalry, artillery,

horse cavalry, and auxiliary arms.

Instead of 63 men and 3 officers, each National Guard unit should contain a minimum of 125 men and 4 officers. It has been my observation that units of that size could be easily maintained and in that event the National Guard would be increased from 200,000 to 400,000 men. The additional 200,000 could be relief raised by installing additional units. Louisville and most other comparable cities could maintain as many more units as are at present assigned and many of our best Kentucky towns, including Paducah, Owensboro, and Middlesboro have not been able to secure National Guard units since the World War, since other towns were prior applicants. To maintain 600,000 National Guard troops would take close supervision and in some instances internal troops would take close supervision and in some instances intensive organization. Probably 5,000 additional Regular Army officers

would be needed for training, instruction, and inspection, but if the above plan is made effective, the Nation's peace-insurance coverage would be reasonably comprehensive.

If and when the United States pulls out of the Philippines, Regular Army garrisons will be needed only in Hawaii. The remainder of the Regular Army troops should be used for military laboratory work. There should be a complete infantry division, a complete horse cavalry division, and complete coast and field artillery personnel, which should be stationed at the respective schools, viz, Fort Benning, Fort Riley, Fort Knox, etc. An increased regular commissioned and noncommissioned personnel would be needed to coordinate and assist in National Guard training.

training.

There should be not less than 10,000 civilian military aviators. There should be not less than 10,000 civilian military aviators. Our Army has adopted a policy that all pilots should be commissioned officers. As a matter of fact, any high-school graduate with the proper physical qualifications can make a pilot after flying the requisite hours. With small pay and proper organization over 150 men in Louisville could be maintained on a flying status as civilians. There are 200 cities that could easily maintain civilian aviation groups that would range between 25 and 250 each. It would probably take about 1,500 planes to keep these men trained with necessary mechanical personnel as an added men trained, with necessary mechanical personnel as an added expense. These groups would be a training ground for aviators and would greatly increase the use of private planes. There is no

expense. These groups would be a training ground for aviators and would greatly increase the use of private planes. There is no necessity for pilots, as such, to be given pay or status higher than noncommissioned officers. Doubtless they should be relieved of strictly military duties, which should be left to ground troops. The largest portion of these fiyers would be Reserve and the ground troops could be on a part-time maintenance basis.

An extremely high disciplinary standard has been built up in the Regular Army. Young men probably averaging around 20 years of age are given appointments to West Point. They spend 4 years in most rigorous training, both academic and military. It is my opinion from observing and talking to Regular Army officers that most of them regard the rigorous West Point discipline as unnecessary. Many youths get a false value of discipline because of their West Point experiences. Instead of each Congressman and Senator making West Point appointments, possibly 10 men should be appointed by each Congressman and Senator for a year's academic and field training at some location like Hattiesburg, Miss. (Camp Shelby), where the weather permits continuous outdoor work. From this group should be selected the men who would attend West Point and become Regular Army officers. This field training under competent officers and noncommissioned officers, with refresher academic work, would give the future Regular Army officers a proper and practical background and perspective.

The present national defense law, as applicable to the National Guard, is an outgrowth of the States' rights theory. The National Guard in each State is under the command of the respective Governor until and unless called into the Federal service, but continuous Federal inspection and instruction is provided for. It seems to me that the several States are little interested in national

tinuous Federal inspection and instruction is provided for. It seems to me that the several States are little interested in national seems to me that the several states are little interested in national defense as such. That is a function for the Federal Government. Strikes and other disorders should be handled by and through State, county, and city police, unless disorder or emergencies should require troops. In several States, National Guard troops have been used for political purposes and in many instances Governors have appointed adjutant generals with little, if any, military quilifections.

the public is now national defense minded. We realize that moral legislation has not outlawed war. Instead of listening to partisan and blind advice Congress should call in a cross section of experts and after analyzing testimony install a plan of peace insurance which will meet present and future needs.

Manganese Industry Needs Development

EXTENSION OF REMARKS

HON. FRANCIS H. CASE

OF SOUTH DAKOTA IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

ARTICLE FROM THE MUNCIE (IND.) PRESS OF MAY 4, 1939

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Muncie, Ind., Press of May 4, 1939:

[From the Muncie (Ind.) Press of May 4, 1939]

MANGANESE INDUSTRY NEEDS DEVELOPMENT—FAILURE TO PRODUCE MINERAL, ALTHOUGH PLENTY IS AVAILABLE, MIGHT BE BIG HANDI-CAP FOR UNITED STATES

Washington, May 4.—As Cordell Hull lectures aggressor nations sharply, Congress learns, to its dismay, that the United States lacks

many essential raw materials, and that our deficiency in at least one vital need is the deliberate result of Government policies favorable to the American steel industry by the Departments of Messrs. Hull and Ickes.

Senate bill 572, already passed by the House, calls bravely for \$25,000,000 annually for 4 years for Government purchase, wherever available, of imperative reserves of our basic needs. But, in informed circles, this well-meant gesture is considered lamentably belated and highly inadequate. Supporting this criticism, it is pointed out that an emergency cutting off present foreign sources of supply may occur tomorrow instead of 1943, and that there are at least 30 costly items requiring unlimited instead of limited reserves. For a single one—manganese—it is estimated that a mere 2 years' supply would cost over \$50,000,000.

As to manganese, better known today as United States strategic mineral No. 1, impressive testimony before House and Senate committees flays the Departments of State and the Interior, together with the American steel industry, for having willfully caused our confessed unpreparedness. Adding great force to the record is the recent statement by Tom Girdler, of Republic Steel, and the American Iron and Steel Institute, that we might some day gladly give all of our gold for a pile of this sorely needed mineral without which steel, for peace or war, cannot be made.

EXPLOITATION URGED

EXPLOITATION URGED

The specific charge against the Government and the steel makers is that they have prevented the development of a basic national industry capable of supplying the country's requirements in manganese. And it stresses that in 1919, based on bitter World War experience, the War Industries Board chairman urged strongly upon President Wilson that domestic exploitation of known resources for this metal be supported by all available means.

sources for this metal be supported by all available means.

In 1922, as a national defense measure, a tariff rate of 1 cent a pound was adopted. The State Department made this ineffective by negotiating in 1935 a reciprocal-trade pact with Brazil, where United States Steel is said to have large holdings, cutting this rate 50 percent. This reduction, automatically extended to many other countries, was also applied by special agreement to Russia which years earlier had greatly injured American production by dumping manganese here at less than cost.

Another harmful factor contributing heavily to the present national predicament is alleged to be the hostile attitude assumed by the powerful National Resources Committee of the United States, of which Secretary of the Interior Ickes is Chairman. Through its

the powerful National Resources Committee of the United States, of which Secretary of the Interior Ickes is Chairman. Through its mineral policy planning unit the Committee advocates that international mineral producers regulate world production and consumption. Moreover, it asserts that to combat "exaggerated economic nationalism," such international action should be encouraged rather than hindered by Government. And, despite expert contrary evidence, it maintains that the United States has only enough manganese ore to meet national needs for 5 years.

The interpretionalism practiced by the State Department in its

ganese ore to meet national needs for 5 years.

The internationalism practiced by the State Department in its reciprocal-trade pacts is patently that preached by the National Resources Committee. That it is likewise the goal of the American steel industry and its foreign connections is intimated by one significant bit of testimony. This shows that in 1929 Mr. C. K. Leith, head of the mineral policy-planning unit of the National Resources Committee since 1934, was employed by, and then advocated, the policies of the American Iron and Steel Institute.

CONDEMN DOMESTIC DEPOSITS

The record contains striking evidence of the steel makers' bitter opposition to domestic manganese production. For 20 years, while opposition to domestic manganese production. For 20 years, while bringing in from abroad low-priced ore produced by cheap Russian, African, and Brazilian labor, they have inaccurately condemned domestic deposits as inadequate in quantity and quality, have fought tariff protection of the vitally needed American manganese industry, and, on occasion, have refused to buy American ore of acceptable grade at any price whatever.

In reality the basic claim by Government departments and concurring private interests that our internal resources of strategic mineral No. 1 are meager seems dictated by questionable policies rather than by fact. Actually there are manganese deposits in 34 States and it has been testified that these, adequate for the next hundred years, are sufficient to convert all of the country's known

States and it has been testified that these, adequate for the next hundred years, are sufficient to convert all of the country's known iron-ore reserves into steel.

In Minnesota, Arizona, and South Dakota alone there are reported to be almost 300,000,000 tons of low-grade ore which can be concentrated to requisite standards. In Montana ore of so high a grade is found in quantity that embarrassed steel makers, seemingly anxious to buy inferior ore abroad and willing to pay premiums for quality, are said to have rejected the Montana products on the fantastic ground that it is too good. And, contradicting the policies and conclusions of the National Resources Committee, the United States Bureau of Mines, although also headed by Mr. Ickes, states definitely that the Nation has a large supply of low-grade one which can be

Bureau of Mines, although also headed by Mr. Ickes, states definitely that the Nation has a large supply of low-grade ore which can be concentrated to desired high grade.

That the past actions of the State Department, the National Resources Committee headed by Mr. Ickes, and the American steel industry are repudiated by Senate bill 572 as directly opposed to furtherance of national defense is unmistakable. It does this by demanding further development of domestic manganese and other natural resources and appropriating funds for this purpose.

Unfortunately, in restating in a moment of crisis a doctrine of economic self-dependence, the bill entrusts future development unreservedly to an executive department quite openly committed to the completely contrary policy of the National Resources Com-

mittee. And there is no indication that any future development of mineral resources that may result will be protected by Congress against foreign invasion sanctioned by the State Department under

against foreign invasion sanctioned by the State Department under reciprocal trade pacts, or in other guises.

Senate bill 572 seems likely to be passed. If so, the United States may yet be adequately equipped as to essential needs for the next emergency, providing that crisis is obligingly remote. Even then, however, the record appears to indicate that, so far as "United States strategic mineral No. 1" is concerned, it depends entirely upon whether Hr. Hull, Mr. Ickes, and the steel industry are open to a complete and permament change of heart.

Exportation of Scrap Iron and Other War Materials

EXTENSION OF REMARKS

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

MEMORIAL OF THE LEGISLATURE OF THE STATE OF FLORIDA

Mr. GREEN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following memorial of the Legislature of the State of Florida:

House Memorial 5

Requesting the Congress to enact appropriate legislation to prohibit the exportation of scrap iron and other materials designed for armaments to aggressor nations who are dominated by dictators and militaristic leaders

Whereas in Europe and Asia certain nations are dominated by dictators and militaristic factions, who are heavily arming and preparing for war and aggression against peace-loving and democratic nations; and

Whereas this Nation is permitting large shipments of scrap iron and other war materials to be exported to such aggressor nations;

whereas the present profits realized from such exports fall to take into account the misery and human suffering that is resulting and will result from such exportations: Be it

Resolved by the house of representatives (the senate concurring),
SECTION 1. That your memorialists, the members of the Florida
Legislature, petition and memorialize the Congress to enact legislation to prohibit the shipping of scrap iron and other material designed for armaments to aggressor petitions dominated by distances. designed for armaments to aggressor nations dominated by dictators

and militaristic factions.

SEC. 2. That a copy of this memorial, bearing the great seal of this State, be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of Congress, and each member of the Florida delegation in Congress.

Investigation of Michigan State College

EXTENSION OF REMARKS

HON, FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

LETTERS RELATIVE TO INVESTIGATION OF MICHIGAN STATE COLLEGE

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

> MICHIGAN STATE COLLEGE OF AGRICULTURE AND APPLIED SCIENCE, East Lansing, April 5, 1939.

Mr. Joseph F. Cox,

Box 68, Forest Glen, Md.

DEAR MR. Cox: Your letter of March 20 is acknowledged. reread the news item to which you object and find nothing libelous in it. The reported remarks of mine were in reply to various questions asked over the telephone by a reporter for one of the Detroit papers. I had no previous knowledge of Representative Hook's speech, and truthfully stated that the charges made were for the most part repetitions of those that had been made and investigated by both the grand jury investigation by Judge Carr in 1932 and by the State senate committee in 1933.

the State senate committee in 1933.

As you know, I became secretary of the State board of agriculture on January 1, 1935. I have intimate personal knowledge of the business affairs of Michigan State College since that date, and assure you that there is nothing in its operation that will not bear the closest scrutiny. All accounts and records are audited annually by recognized reputable, disinterested, auditing firms. The auditors of the United States Department of Agriculture make regular examinations. All proper safeguards surround the handling of funds and the handlers of funds for the protection of the public and the institution. and the institution.

I have read Mr. Hook's speech of March 9 and the Congressional RECORD of March 22, containing a reprint of your letter to me of

Last spring a letter from Mr. Hook to Governor Murphy, containing most of the same charges as contained in his speech of the 9th and your letter of the 20th, was referred to me for a reply. I made a search for the facts in reference to each charge and covered all of the facts insofar as I could ascertain them in a letter to Mr. Hook dated May 11, 1938. A copy of this letter is attached.

1. In your letter of March 20 you state that the State board of agriculture paid to the War Department \$8,600 reimbursing the War Department for certain defaications. The true facts are covered in my letter to Mr. Hook of May 11. The War Department was not in any way involved in these transactions. They lost no money and were never reimbursed by the State board of agriculture, as you allege

Please refer to item 2 on pages 2 and 3 of my letter to Mr. Hook. 2. You indicate in your letter that the State board of agriculture in 1932 authorized an expenditure of \$25,000 for a farm to isolate experimental work in undulant fever. I have diligently searched the records of the State board of agriculture for 1932 and several previous years and can find no record of such action.

The recent epidemic of undulant fever among our students was all of the melitensis or goat type of the disease and could not be traced to any infection in cattle on the college farm or elsewhere. The State department of health has traced the trouble to faulty plumbing in the bacteriology building. In this building are kept a world-famous collection of the various types of covering angles unsulged the forer used by Dr. Huddlest plan. of organisms causing undulant fever used by Dr. Huddleson in his research work. It is unfortunate that the bacteriology building is pathetically inadequate to properly accommodate the greatly increased enrollment in courses in bacteriology and the research projects also carried on in it without some risk to the students. We have repeatedly requested the State legislature for an appropriation to work possible the construction of a pay building to priation to make possible the construction of a new building to provide adequate facilities for animal disease research and for teaching the various courses in this important field. We are hopeful that the present legislature will make available funds for this purpose.

The research barns previously used for the work on Bangs dis-case were razed last August to make way for the new auditorium. The future work will be conducted on the farm near the corner

of Mount Hope and Hagadorn Roads, about a mile from the

campus proper.
3. Your letter makes certain allegations relative to the business of the State farm bureau. This charge is completely covered in item 4 of my letter to Mr. Hook, to which I refer you.

4. In Mr. Hook's speech of March 9 certain charges are made relative to a so-called hush fund. Since January 1, 1935, I know that no such fund has existed or any other fund that is not fully that no such fund has existed or any other fund that is not fully and completely accounted for in the annual audits that are reported to the Governor of the State and available to the public. I can find no record of any such funds prior to 1935, and so do not believe that such a fund ever existed. Mr. Hook cites a specific case of an alleged payment of \$3,200 from this fund to the United States Department of Agriculture covering salary payment to Dr. Robert Snyder from Federal experiment station funds. The records do not show that any such payment was ever made or requested. A further charge is made relative to payments made to Fred Woodworth and certain unnamed politicians. No payments have been made to any persons for political purposes since 1935, and I have found no record of such payments prior to 1935.

5. Since January 1, 1935, the college has not rented or purchased any lands from any employee or former employee with the exception of 46 acres on Harrison Road owned by John MacAllan, the college blacksmith. This land is leased with a purchase option and the lease is still in effect.

the lease is still in effect.

The purpose of Michigan State College is to teach the truth. The function of the experiment station is to find the true facts, and of the extension division to disseminate the known facts to

the farmers and the general public.

The State board of agriculture will not condone nor tolerate any practices not for the best interests of Michigan State College and the people it serves. The great growth in enrollment and the high esteem in which the college is held by the people of the State gives fair indication that it is serving the public in a manner generally satisfactory to them.

If at any time you are in Michigan I hope you will feel free to

call upon me.

Sincerely yours,

JOHN A. HANNAH, Secretary.

APRIL 12, 1939.

Mr. JOHN A. HANNAH,
Secretary, Michigan State College,
East Lansing, Mich. DEAR MR. HANNAH: In the interest of integrity in the administra-tion of educational institutions receiving public support, and par-ticularly because of my interest in the Michigan State College, I am answering in detail your letter of April 5.

In paragraph 1 you say among other things, that the War Depart-

ment was not involved in certain defalcations from military supply funds, that they lost no money, and were never reimbursed by the

State board of agriculture.

The Michigan State senate committee investigating the Michigan State College, in its official report of June 14, 1933, stated the

following in this regard:

following in this regard:

"1. The committee determined that there was a cash shortage of \$8,087.65 in the uniform deposit and advance military account as carried on the books of the treasurer of the college at June 30, 1932; that this shortage had accumulated over a period of years; that officials of the college and members of the State board of agriculture knew that this shortage existed at the time a grand jury investigated the affairs of the college in 1932; that the report of the grand jury indicates that the evidence given before it was incorrect and misleading, inasmuch as the grand jury's report states that the shortage was \$400; that the State board of agriculture appropriated \$8,087.65 to make good the shortage without determining the person or persons responsible for same."

Are not certain board members and officials charged with presenting "incorrect" and "misleading" evidence before the grand jury still directing the policies of Michigan State College?

2. You state you have diligently searched the records of the State

still directing the policies of Michigan State College?

2. You state you have diligently searched the records of the State board of agriculture for 1932 and several previous years and can find no record of the authorized expenditure of \$25,000 for a farm on which to isolate experimental work in undulant fever. You can very readily get the details in regard to this authorization from President R. S. Shaw, who at the time notified me that my request as dean of agriculture for funds with which to buy an experimental farm to isolate undulant-fever experiments had been granted. He will remember that I called to his attention that the dean of veterinary was then renting his own farm to the Michigan State College for animal disease research purposes at 25 cents per head per day for all cattle pastured there, and drove diseased cattle back and forth across the farm lane, thus exposing the college herds and flocks. Director Gardner will undoubtedly remember a meeting held in his office when he and Dean Giltner recommended the purchase of the Nickerson farm, just previously taken over by certain faculty

office when he and Dean Giltner recommended the purchase of the Nickerson farm, just previously taken over by certain faculty members, for the purpose of isolating undulant fever.

The senate committee report of June 14, 1933, states the following in regard to rental and ownership of the Nickerson farm which was illegally offered for sale to the college:

"College cattle were pastured for payment on a farm known as the Nickerson farm, in which the following persons connected with the college had a proprietary interest: Jacob Schepers, treasurer of the college. Ward Giltner, dean of division of veterinary science; I. F. Huddleston, research associate in bacteriology; W. L. Mallman, associate professor and research assistant in bacteriology; L. C. Emmons, professor of mathematics.

"The cattle were under the jurisdiction of the veterinary division

The cattle were under the jurisdiction of the veterinary division

at the time they were pastured on the farm."

at the time they were pastured on the farm."

I am glad to note that you have made progress in isolating the experimental work with animals during the past year and trust that the same can be accomplished in isolating all laboratory experimental work with this dangerous disease. In addition to the 45 student cases of undulant fever resulting recently in the death of one student from what you state is the "goat" type of the disease, you undoubtedly are aware that there have been almost as many cases during the past 6 years among the students and faculty, and in the town, resulting from the "cow" type.

Whether the high frequency of cases of this disease is due to faulty laboratory technique or to failure to isolate animal experiments in the field, proper isolation to protect students and others is imperative. This was attempted in 1932, but was frustrated by the avarice of certain members of the faculty still on the pay rolls, protected by apparent misrepresentation before Judge Leland Carr's

protected by apparent misrepresentation before Judge Leland Carr's grand jury, and by the erroneous report of Joseph Baldwin, special assistant attorney general of Michigan.

As typical of Mr. Baldwin's misrepresentations, the report of the Michigan State Senate committee states the following:

"The college has carried an average balance in its creamery operating fund ranging from \$5,000 to \$46,000 on deposit in the East Lansing State Bank, East Lansing, Mich., from 1925 to 1932.
"No interest has ever been received on this deposit.
"The report of the special assistant attorney general who held an investigation at the college in 1932 stated that the interest on this deposit, had been adjusted. The effectment was incorrect."

deposit had been adjusted. The statement was incorrect."

deposit had been adjusted. The statement was incorrect."

The report of Mr. Baldwin and of the grand jury investigation indicated no irregularities in the handling of college funds in the faculty-controlled bank based on the testimony of State board members and college officials. However, the Lansing State Journal, under date of August 22, 1936, under heading "'Ag' Board Sues on Scheper's Bond," states the following: The declaration sets forth that "Schepers, during his term of office, was said to have collected \$77,505.82. The board charges that Schepers did not faithfully perform the duties of his office and failed to pay over and account

for all funds coming into his hands as treasurer. On the contrary, the plaintiff's declaration sets forth, he was said to have refused to furnish a full accounting and continues in his refusal," and further, that "Schepers is now employed at Michigan State College as cashier."

In paragraph 4 you state that in Congressman Hook's speech of March 9 certain charges are made relative to a so-called hush fund, and that since January 1, 1935, no such fund has existed, or any other fund, that is not fully and completely accounted for in the annual audits that are reported to the Governor of the State and

available to the public.

No answer has been made to the direct question as to how much was paid from such funds to certain politicians for lobbying in the Michigan State Legislature to protect guilty officials; also, how much was paid attorneys to protect board members and officials who failed

was paid attorneys to protect board members and olicials who failed in their public duty. No answer has been made as to the funds used in paying for the military-account thefts.

As to the work with proprietary feeds, including Manamar, and the suppression of results of these experiments that would have saved Michigan farmers many thousands of dollars during the past 10 years, I was informed by an official of the Office of Experiment Stations, United States Department of Agriculture, that no reports have been published by the Michigan experiment station concerning these experiments and that they were not conducted on Federal ing these experiments, and that they were not conducted on Federal funds. Hence these experiments were paid for from funds from other sources.

State board member Clark L. Brody, who has long had the State agency for this type of feed, may well remember my unsuccessful efforts of 1932 to give the facts to Michigan farmers that the poultry experiments at Michigan State College showed that these feeds were ineffective and misrepresented, and that the chickens were "going down" through weakness in the legs, resulting from feeding these rations. Though experimental work has continued, no publications have as yet been issued.

In January 1933 President R. S. Shaw, under authority of the State board of agriculture, published a report on investigations of the Michigan State College sent to experiment stations, agricultural colleges, farmers, alumni, and others. The official investigation of the Michigan State Senate showed that incorrect and misleading information had been presented by college officials to Judge Leland W. Carr, and that the report of the special assistant attorney general, Joseph Baldwin, was largely false and incorrect. President Shaw and the State board of agriculture, though requested to do so, have not issued a statement presenting the facts brought out by the senate investigation, and subsequent action of the State board of agriculture pertaining to thefts and malfeasances previously denied before the grand jury to all those receiving the misleading and false report on investigations of the Michigan State College.

The political chicanery that perverted justice in Michigan during the regime of Governor Brucker, leading to the protection of male-factors, was fully disclosed before Congress by Congressman Frank E. Hook on April 24, 1936, and again in connection with the hush fund on March 9, 1939. These official documents pertain to the Michigan State College and are available to you in the Congressional Record and in the official records of the Michigan State

The growth of the Michigan State College and the service of the institution has been uppermost in my mind for the past 27 years, during 20 of which I served on the staff of that institution. years, during 20 of which I served on the staff of that institution. It is because of this interest, and as a citizen of Michigan, that I will continue to publicly object to official untruth and the political or financial exploitation of the experimental, extension, and educational work of the Michigan State College under the influence of and protection of political and financial exploiters who previously failed in public trust and continue in positions of influence at the Michigan State College.

Very sincerely,

JOSEPH F. Cox.

Box 68, Forest Glen, Md.

JOSEPH F. COX.

Conditions of Labor in Puerto Rico

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1939

Mr. IGLESIAS. Mr. Speaker, in view of the statements that have been made on the floor about conditions of labor in Puerto Rico, regarding the Wage and Hour Act, I considered it my duty to request the insertion in the RECORD of my remarks, including therein the information given by the honorable Governor of Puerto Rico, Blanton Winship, and some others, in connection with the same subject matter.

As soon as the island of Puerto Rico became a part of the United States, in 1898, and particularly since the Puerto Rican people became citizens of the United States, unprecedented progress has been made along almost every conceivable line. To realize and believe that statement one must have lived on the island in the old days. Humble as their circumstances may seem today, the working classes now are immeasurably better off in every way.

Puerto Rico has a population of about 1,800,000 according to last increases of population, and has over 500 inhabitants to the square mile, as compared with an average of 40 per

square mile on the mainland.

With the great part of the working population dependent directly or indirectly on agriculture for livelihood, the problem of steady employment is a complicated one. When the major crops-sugar, tobacco, coffee, and fruits-are being harvested, a large percentage of the working population finds employment. But when the crop seasons end employment in most of the rural districts ends also, and there are very few other industries to which the workers can look for employment.

Certainly one of our pressing and perplexing problems in Puerto Rico is unemployment. The increase of our population was more than twice in the last 38 years. The margin of subsistence is already dangerously narrow for the vast majority of the people. We want to intensify and diversify agriculture, promoting means of work and providing more practical education. We are, in the words of a distinguished American educator, "instilling the craving for better things and better days" in the people there.

That is why startling reports printed in the New York Times as coming from San Juan, P. R., are informing us that Puerto Rico plans crops to feed the idle are absolutely needed,

adding that-

With more than 750,000 laborers and dependents now workless and without means of subsistence, Gov. Blanton Winship has received promises of more than 25,000 acres of land for quick food crops from large landowners. Much of this land has gone out of sugar cultivation to comply with the law.

Commissioner of Agriculture Lopez Dominguez, heading a committee to facilitate food plantings, said today that more land would be available and work would commence at once so as to have the first food crops ready, if possible, after the close of the sugar season at the end of May.

Because of the sugar surplus and crop limitation, 125,000 sugar workers this year will have 3 months' work instead of 6, and the unemployment situation is expected to be worse by summer, from all reports obtained by the Government.

Governor Winship said today that Puerto Rico's case for mod-

ification of the sugar quota and wage-hour law to meet Puerto Rican conditions has been thoroughly presented to Washington, and the island goal remained the payment of the highest possible

and the island goal remained the payment of the highest possible wages without destroying industries.

Four years ago labor trouble was averted, Governor Winship said, by the passage of a law for minimum wages and an 8-hour day, applicable to agriculture as well as industry, and the Governor said he had assured William Green, president of the American Federation of Labor, that Puerto Rico had done more for labor in the way of enlightened legislation than any of the States.

"We cannot look 750,000 hungry people in the face without making every effort to appease their hunger," he said. "We will require further relief, but we will not ask for more except as a last resort and after our own resources are exhausted."

The explanation of this situation was also quite simple when the introduction of modern machinery in the large centrals or sugar mills in manufacturing enterprises and wherever hand labor was used, such introduction of machinery, I should say, has thrown and maintains quite a number of working people out of employment in Puerto Rico. Also, many of the articles that should be manufactured in the island are imported by millions from the mainland.

A statement of the Governor of Puerto Rico at the public hearing before the Wage and Hour Division, Department of Labor, on January 4, 1939, with respect to hand-work home

industry had this to say:

At its peak in 1936 Puerto Rico's needlework industry had become the second greatest industry in the island in point of shipments to the United States mainland. Its shipments in that year amounted to around \$21,000,000. It has declined sharply since that time, due chiefly to the competition of China and Japan, which has been growing up under the protection of the application of the "most-favored-nation clause" to the trade agreement of 1935 with Switzerland, whereby the tariff on certain types of hand-ornamented handkerchiefs and other needlework products was sharply reduced.

Women of the Orient are said to receive in many cases as little as 5 or 6 cents a day for their work. We cannot compete with them without adequate tariff protection. Very grave injury has resulted to our hand-needlework industry in Puerto Rico. It has already been substantially cut in half in the 2 years since 1936.

With their families these 90,000 women may represent as many as 400,000 to 500,000 mouths to feed. Taking that together with our present unemployment situation, caused largely by the undue restrictions imposed on our sugar quota, and other trade-agreement restrictions on our industries, there may easily be as many as 750,000

or 800,000 people in the island left without means of support

Now, to be frank and sincere to the great masses of producers of the island, especially to the organized labor, I have to remind you that in the year 1934 the difficulties exposed by the industrialists against the code of fair competition for the needlework industry in Puerto Rico were almost of the same character.

At that time the wages at home were from \$2 to \$2.10 and \$3 per week, showing an increase of 46.3 percent; the machine workers in the factories received \$3.32 as an average a week of 48 hours, and they have been increased to a minimum of \$5 per 40 hours a week. The Administrator, Hugh S. Johnson, in authorizing the code of fair competition for the needlework industry in Puerto Rico, stated:

Much of the home work is done under conditions closely parallel to those of subsistence homestead.

Hand home work in Puerto Rico represents a much greater portion of the total volume of production than it does in the United States.

The code does not propose the elimination of home work but rather its control and regulation, with a view to bringing the hours and wages and working conditions of home workers up to a standard which will provide both fair competition with factory production and enable the home workers to enjoy a better standard of living. It is anticipated that a certain percentage of the work now done in homes may, within a reasonable time, be transferred to community workrooms. The approval of this code will make possible a beginning of work toward this end.

I think it is my duty at this time, in view of the situation that is being described as existing in Puerto Rico, to discover what was in the mind of a very intelligent and influential lady who was working for the social welfare of the people of Puerto Rico.

Labor in Puerto Rico is willing to get by education and organization the best standards of living conditions that are possible under the law.

Many of the reports that came from interested persons from the island are not fair to the workers. They have the intention of keeping the laborers down.

This lady wrote a confidential memorandum on needlework in Puerto Rico, and it was sent to Washington at the time when the workers were engaged in an effort to obtain better conditions. This memorandum reads as follows:

We mainlanders residing in Puerto Rico-

The lady says-

are constantly appealed to for information about the needlework there; hence this memorandum.

The labor leaders say, "Increase efficiency; stimulate the workers." The labor leaders say, 'Increase efficiency; stimulate the workers.' The needlewomen, consisting of more or less 70,000 home workers and between four and seven thousand factory workers, have been receiving wages approximating \$12,000,000 a year. The individual earnings were always low (about 2 cents per hour at home, and 5 or 8 cents per hour in the factories, except the foremen). When times were good on the mainland, wages were better in Puerto Rico; but when our country tobogganed downward during the last depression, the wages of the island needleworker went down the same way. same way.

The Puerto Rican home workers may be very badly off, according to the opinions of the casual mainland labor leaders, who visit the

to the opinions of the casual mainland labor leaders, who visit the island for short stays of 10 days or 2 weeks; but to those of us who have lived here and realize the tremendous improvement in conditions of the home worker during the last 10 years, it is difficult to adopt the critical attitude which some of the labor leaders do.

We do not feel competent to decide whether the Puerto Rican who does hand sewing, hand embroidery, and drawn work is to be judged on a commercial basis of the work produced or on a humanitarian basis. If the former, then all or most of this work might properly go to countries where the workers have greater skill—China, Madeira, the Philippines, Belgium, Ireland, and other countries—the countries where this type of fancy work originated, where the worker has had more experience but where incidentally this type of product has always been compensated at what seems to us type of product has always been compensated at what seems to us from a mainland viewpoint as ridiculously low wages.

The local contractor who has grown up in the business complains that no work comes from the United States during the last 90 days.

The home workers—hundreds upon hundreds of them—trudge from their mountain homes into the towns, begging work at any price.

STATEMENT OF THE GOVERNOR OF PUERTO RICO AT THE PUBLIC HEARING BEFORE THE WAGE AND HOUR DIVISION, DEPARTMENT OF LABOR, JANUARY 4, 1939, WITH RESPECT TO HANDWORK HOME INDUSTRY

The notice of this hearing on proposed amendments to part 516 of regulations with respect to the keeping of special or additional records by employers of industrial home workers, says, in its closing paragraph:

"Interested persons will also be heard on all aspects of the application of the Fair Labor Standards Act to employers of industrial home workers and to the employees employed by them."

Hence it seems fitting at this time to make a brief statement of the general situation in Puerto Rico with relation to home industry and particularly the hand-made needlework in the homes.

and particularly the hand-made needlework in the homes.

At its peak in 1936 Puerto Rico's needlework industry had become the second greatest industry in the island in point of shipments to the United States mainland. Its shipments in that year amounted to around \$21,000,000. It has declined sharply since that time, due chiefly to the competition of China and Japan, which has been growing up under the protection of the application of the most-favored-nation clause to the trade agreement of 1935 with Switzerland, whereby the tariff on certain types of hand-ornamented handkerchiefs and other needlework products was sharply reduced. The trade agreement is understood to have been intended to reduce the tariff only on machine-ornamented work for the ento reduce the tariff only on machine-ornamented work, for the encouragement of general trade with Switzerland. Switzerland is not much interested in the hand ornamentation, but the phraseology of the trade agreement was made broad enough to cover, as I have said, a number of great types of hand-ornamented work, and thus to let in under the most-favored-nation clause the incredibly cheap labor of China and Japan and other shockingly low-wage countries. Women of the Orient are said to receive, in many cases, as little as 5 or 6 cents a day for their work. We cannot compete with them without adequate tariff protection. Very craye in turn has resulted to our hand-needlework industry in grave injury has resulted to our hand-needlework industry in Puerto Rico. It has already been substantially cut in half in the

Puerto Rico. It has already been substantially cut in half in the 2 years since 1936.

It can survive only in two forms: One the making of very high-priced luxury work, and the other for lower-priced goods through the hand industry maintained by the women in their homes, chiefly up in the hills away from the larger towns. For this work the materials and the patterns are distributed to women by contractors. A woman undertakes to do a certain piece of work for a certain amount of money. She takes the work home, or where she pleases. She is not bound to get it finished within any certain time nor to work upon it any certain number of hours or at any fixed times, nor to do it all herself. She may have her daughter or other members of her family, or neighbors, help her with it. She may pick it up between meals or between times while she is doing her housework; or she may, of course, on the other hand, devote most of her time to it. She is wholly free from control as to how and when she works at it. She may even have work on hand at the same time from a number of different manufacturers, and the same time from a number of different manufacturers, and may work on them exactly as she pleases in whatever order she sees fit. When she gets a piece of work done she can take it back to the contractor and receive the stipulated amount of money for it. Or she may return it and not do the work.

Or she may return it and not do the work.

Our local district court of San Juan, P. R.—an insular court—has held, in a case that arose under our insular minimum-wage law for women, passed back in 1919, that this hand-work industry carried on in this manner is not working for "wages." That was the case of Rafael Julio Irizarry against the Commissioner of Labor of Puerto Rico. The decision, a year ago this last summer, August 18, 1937, was by three district judges sitting en banc, one of whom has recently become a justice of the Supreme Court of Puerto Rico, appointed by the President with the confirmation of the United States Senate. It has none of the earmarks of "wages" in any ordinary sense. There is no "employer" buying the time of an "employee" for any stipulated hours or period of time or for attendance at any particular place of work or for any control of the way ance at any particular place of work or for any control of the way in which the industry shall be carried on. There is nothing indicative of the sweatshop in any way; nothing of the transforming of a home into a factory; nothing of the insanitary conditions; no control by anyone of the women's time or method of working.

I see no practical way in which this free home industry can be regimented into fixed hours of labor for fixed wages. If it could be, then under the wage and hour law it would perish instantly. It could not, under any conditions, compete with the 5- or 6-cents-aday cheap labor of China or Japan, or even with the low wages of the independent countries of the West Indies, close neighbors to Puerte Bio.

Puerto Rico.

For this home industry to perish would be a disaster of the first magnitude for Puerto Rico. As I have said, the needlework industry magnitude for Puerto Rico. Ås I have said, the needlework industry at its peak in 1936 shipped some \$21,000,000 worth of goods from the island to the mainland of the United States, but the simple statement of that large figure does not begin to tell the story of the real value of this industry to the island. It gave the means of earning a cash income to some 90,000 women scattered throughout the island, chiefly in their little homes up in the hills, and very largely during the period of the seasonal unemployment of the men of their families in the months when the work in the sugarcane fields and centrals, and in the tobacco and coffee plantations, is almost at a standstill every year. The tobacco crop, especially, gives substantial employment for only about 4 months of the year. The needlework industry thus supplies, in many cases, the only cash income of the family during that agricultural off-season. If this home industry is finally to be completely destroyed by the operation of the wage and hour law, then the gravest results will follow in the island. With their families these 90,000 women may represent as many as 400,000 to 500,000 mouths to feed. Taking that together with our present grave unemployment situation, caused largely by the undue restrictions imposed on our sugar quota, and other tradeagreement restrictions on our industries, there may easily be as many as 750,000 or 800,000 people in the island left without

means of support.

You will say that this is a matter for the consideration of the Congress; that the Administrator can only administer the law as it is. But this is a matter of the interpretation of the law and of it is. But this is a matter of the interpretation of the law and of the intent of the Congress in enacting it. It is the duty of the Administrator to endeavor to interpret the law fairly and in the light of the great purposes of the Congress, even before proceeding to administer it. This may be in the nature of a judicial, or a quasi judicial, duty, but I submit to you in all seriousness that it is none the less a duty which is cast upon the Administrator to discharge, just as carefully and seriously as though he were sitting as a court. Indeed, it may fairly be said that where the welfare, the very means of livelihood, even the lives of so large a section of the population are dependent upon his decision and upon the method population are dependent upon his decision and upon the method in which he determines to administer the law, and where his determination to interpret it in a particular way might involve a determination to face driving this great industry from this community and creating such a desperate relief problem of such tremendous proportions among this large body of American citizens, there the Administrator ought not, and let me say that I feel sure that he will not, attempt to cast this burden of decision from him, or to shift the decision to the slow processes of the courts which could very probably not act decisively until too late to save this industry. I am advised that, because of the requirements of the trade, the

contractors are compelled to make their market commitments and their contracts some 6 months or more in advance; that these commitments are customarily made in the early winter season, January or early February; that if they once start making their contracts more largely with foreign countries—China, Japan, the Madeira Islands, or elsewhere—the trade will be lost to Puerto Rico, and that it would be the work of long years ever to bring it back. And, furthermore, that along with that would go the loss of at least an equal amount of industrial and farm work here in the mainland. The needlework in Puerto Rico is largely done upon cotton goods shipped from the mainland, spun and woven from cotton grown here in the continental United States. If the contracts for the needlework should be awarded to foreign countries—as for example, to the Madeira Islands—then the cotton (or, percontractors are compelled to make their market commitments and as for example, to the Madeira Islands—then the cotton (or, perhaps, linen substituted for it) would likewise come, correspondingly, from foreign countries where it could usually be purchased for supply at those points more cheaply than it could be purchased in the United States and sent there. And that thus both branches of the industry would be wholly lost to the United States, both of the industry would be wholly lost to the United States, both the growing of the cotton and the making of the cloth made from it here in the mainland, and the needlework done upon it in Puerto Rico. Nothing would be left to us except the merchandising by the contractors in New York City.

As I have already indicated, I am fully convinced that the Congress never intended that the "wages," with which the Fair Labor Standards Act of 1938 deals, should ever be construed as covering, or attempting to regiment, a free hand-craft industry such as this, and never intended that the act should be used as the means to

and never intended that the act should be used as the means to destroy such a great industry, nor to deprive such a large section of a community of American citizens of their means of livelihood. The Congress expressly declares the policy of the act to be to aid labor and industry "without substantially curtailing employment or earning power."

and the same rule should be applied here by the Administrator, in the interpretation of this act, that would be applied by a court in interpreting it. That rule is that where, on the bare face of the language of the act, there may appear to be two possible interpretations, one of which appears to be in accord with the probable actual intention of the lawmakers, and the other will do violence to that actual intention, then, in any such case, the interpretation is to be preferred which appears to be in accord with the actual intention of the legislators, and which will best carry that actual intention of the legislators, and which will best carry that actual intention into effect. That rule should be applied here.

When I have appeared on several occasions hitherto before the Administrator and before different committees of your Wage and Hour Division and have attempted to present to you the position of Puerto Rico with reference to this wage and hour law, I believe I have made it evident to you always that I am strongly

lieve I have made it evident to you always that I am strongly disposed to the payment to labor of all that can be paid in every case and still preserve an industry. It is my desire, as it always has been, to help labor in every way possible and to increase wages as fast as practicable. I have not only had this theory but I have as last as practicable. I have not only had this theory but I have actively practiced it, as is shown by my record during the nearly 5 years past as Governor of Puerto Rico. During that time there have been four general increases in the rates of wages in the island by agreement between employers and employees. A general 8-hour day has been introduced, and is effective for agricultural workers, both men and women, as well as others. Child labor has been prohibited, as well as any unhealthful home work; and an efficient workmen's compensation law has been effectively put into contra workmen's compensation law has been effectively put into opera-tion, likewise covering agricultural workers as well as others.

But an attempt now to regiment this free-hand industry by trying to bind it by this hard-and-fast statutory rule, as though

it were a case of working for wages, would be disastrous. I do not want even to appear to indulge in overstatement, but I do want to say to you that I have lain awake nights thinking of the plight in which these poor people up there in the mountains might find themselves; and if the Administrator should determine that ti is his duty to interpret this act as requiring him to undertake to destroy this free-hand craft, then I must ask him or the Works Progress Administrator, or someone else, to find some way to provide food for these 400,000 or 500,000 mouths that will have to be fed during the agricultural off season, in addition to the requirements of our present unemployment situation down there in the stand. It is a problem that must be faced. island. It is a problem that must be faced.

I have even heard it suggested in high quarters that relief on

a grand scale may be the true solution to this problem. But I am sure you will not agree with that. We do not desire to reduce Puerto Rico to a permanent poorhouse. We do not want to deprive its people of their opportunity to work and their normal means of support in order that we may feed them afterward on the dole. That was never the intention of the Congress. Puerto Rico's position in this respect is not essentially different from that of many areas of the mainland. Its hand-craft needlework is but very little in competition with anything in the mainland. Its competitors, as I have indicated, are the same as those of the

competitors, as I have indicated, are the same as those of the continental areas generally—China and Japan, the Madeira Islands, and other low-wage foreign countries.

In the consideration of Puerto Rico's problems it is, in the last analysis, not so much what one department of this Government or another department does, but it is a broad question of the general content of the c or another department does, but It is a broad question of the general policy of the administration—what course will all the departments take for solving the difficult problems of Puerto Rico, with its dense population of around 1,800,000 people, compelled to seek their sustenance on only about 1,500,000 acres of cultivable land. The total area of Puerto Rico amounts to only about 2,200,000 acres in all, including mountaintops and forests and rivers and marshes and other propultivable areas. marshes and other noncultivable areas. That leaves considerably less than an acre of cultivable land for each one of the 1,800,000 American citizens in the island—one of the very dense populations of the world, with all of the problems of government and society accentuated, as is always necessarily the case with such a dense population. If Texas had Puerto Rico's density of population, then Texas would have some 115,000,000 people within her borders. I appeared yesterday before the Committee on Reciprocity Information, in corporation, with hearings upon the State Dengartment's

I appeared yesterday before the Committee on Reciprocity Information in connection with hearings upon the State Department's negotiations for a supplemental-trade agreement with Cuba, and I there estimated the situation as to what would be the assets and liabilities to be considered, so far as the United States is concerned, with reference to the Cuban question there under consideration. No proper estimate of that situation, as I told that committee, could be made unless the State Department took into consideration not only the tariff questions there immediately under discussion, but also what was being done for labor. And, likewise, no labor problems can be properly solved unless there be taken into consideration what the State Department is doing by way of trade agreements with other countries for the purpose of creating trade and building up our commerce. These things are interrelated and cannot properly be studied or determined without giving consideration to that interrelation. ation to that interrelation.

ation to that interrelation.

We cannot properly determine what should be paid for labor in Puerto Rico until we know whether or not the rate of pay under consideration will destroy the industry. We know that, unless the situation is properly protected on the tariff side of the case, the industry cannot survive and pay 25 cents an hour or more—which I should always like to see paid, if possible—if it must come into competition with the products of cheaper labor in other countries that pay only a few cents a day.

I want to call your attention to the statement that I made to the Committee for Reciprocity Information vesterday speaking of the

Committee for Reciprocity Information yesterday, speaking of the interrelation of these two subjects. It turns out that in the State Department's dealings with Cuba, for the purpose of fixing tariff rates in the trade agreements, the very things that are the very blood and life of Puerto Rico have been selected as the articles to be sacrificed in the endeavor to build up these trade relations with that foreign country. This is, of course, because Puerto Rico's chief products lie within a somewhat limited range and happen to be the products most available for trading purposes. Consideration should be given to that, however, just as considera-tion should be given to the proposition of what is paid for labor in other countries. And in placing proper emphasis on Puerto Rico's needs, and what Puerto Rico has received from the Federal Government as compared to other parts of our country, I want also especially to invite your attention to what I said at that hearing yesterday on the Cuban tariff before that committee. I said, and

want to repeat now:

"The tendency is to sacrifice Puerto Rico to foreign interests, particularly Cuba, thinking that to be for the best commercial interests of the country at large; whereas, as a matter of fact, the records show that this reasoning is wholly mistaken. This mistaken tendence show that this reasoning is wholly mistaken. This mistaken tendency has been shown markedly in a number of ways: In the sugar quotas, actually cutting Puerto Rico's quota far below her normal prior production (and to only about half her present potential production with improved methods), throwing thousands of her citizens out of work, principally in favor of Cuba; in failing to give tariff protection to her native products and in admitting them free of duty or unduly lowering the tariffs on them, to the destruction or great damage to her industry; her coffee left wholly unprotected; her coconuts left largely unprotected by the recent lowering of the duties in the trade agreement just concluded with Great Britain; her pineapple industry sacrificed to Cuba by the trade agreement of 1934 with that country, cutting the tariff in two [and the sole intended benefit of which, of the right of purchasing pineapple 'slips,' for propagation, freely from Cuba, has not been enforced]; her \$21,000,000 needlework industry sacrificed to China and Japan by the trade agreement with Switzerland without even benefiting Switzerland at all—and subject to still greater sacrifice to other low-wage countries coming in under this trade agreement, by virtue of the 'most favored nation' provision; the output of her manganese (although a vital wartime need of the United States) sacrificed; her budding canning industry, and the entire output of her farms, her vegetables and fruits generally, checked and well-nigh strangled by this lack of tariff protection emphasized further by the application of the coastwise shipping laws and the ensuing unduly high steamship freight rates protected from foreign-flag competition (although of the coastwise shipping laws and the ensuing unduly high steamship freight rates protected from foreign-flag competition (although it should be said that we are even willing, in order to help American coastwise shipping, to endure our portion of the sacrifices entailed by the coastwise shipping laws, but we ought not to be asked to bear more than our fair share of the burden); and finally, by the unduly small allotments to Puerto Rico during all the depression years from

small allotments to Puerto Rico during all the depression years from all of the Federal agencies of relief and rehabilitation.

"My letter of June 26, 1938, to the President, with its enclosures, showed that over the nearly 5-year period from March 4, 1933, to December 31, 1937, Puerto Rico received in the aggregate, out of all Federal funds expended from new and emergency appropriations, only \$57.41 per capita, whereas the States on the mainland received during the same period an average of \$222.99 per capita, and all the other Territories received far in excess of Puerto Rico—Hawaii, \$141.50 per capita; Alaska, \$211.40 per capita; and the Virgin Islands, \$282.28 per capita. This is believed to have been largely due to a wholly mistaken impression that Puerto Rico had, because of the allotment of a lump sum to the Puerto Rico Reconstants. because of the allotment of a lump sum to the Puerto Rico Reconstruction Administration, and because of the allowances given her of the customs duties collected in her ports, the internal-revenue excise taxes on Puerto Rican products, and her own income taxes which she is permitted to retain, already received benefits in excess of her fair share, so as even to be said to be a 'drain on the Traceury'.

Treasury.'

"But the foregoing figures include everything given to the Puerto Rico Reconstruction Administration, which in the end proved to be not anything like as much as had been originally contemplated; and the statistics further show that all of the aforementioned and the statistics further show that all of the aforementioned taxes allowed to Puerto Rico taken together amounted only to around \$5,000,000 per annum for that 5-year period, or to a total of only about \$14 per capita in the aggregate. If you will add that \$14 to Puerto Rico's total aggregate per capita receipts of \$57.41, above stated, from all Federal appropriations during that 5-year period, including, as above noted, all of those actually given to the Puerto Rico Reconstruction Administration, from all Federal appropriations of every kind, you will then have a total of only something less than \$72 per capita for that period for Puerto Rico, as against the average per capita for the mainland States of \$222.99, as above stated. as above stated.

"In other words, counting in everything possible, including the Puerto Rico Reconstruction Administration, Puerto Rico received

less than one-third of her fair share per capita.

"It must further be taken into consideration that, notwithstanding this difference in the allotments, Puerto Rico will be compelled for this difference in the allotments, Puerto Rico will be compelled for many years to come to bear, chiefly by the increased prices of goods that it will have to pay in common with the rest of the country because of the necessary taxation until the indebtedness is repaid, its full proportionate share of the Federal indebtedness created for the purpose of furnishing the relief and rehabilitation funds during this period."

And for clarification of the situation as we go along with what we ought to do, I will restate some of these things at this time. It is my very strong and earnest opinion that the Wage and Hour Administrator, or the representative of the Administrator, should appear at the State Department's hearing before the Committee on Reciprocity Information, to make a presentation of the situation in Puerto Rico from the labor standpoint. As I have already said, it has been evergested by an outstanding representative of leber that has been suggested by an outstanding representative of labor that the handcraft needlework in the homes there should be abandoned, and that the ninety-thousand-odd people who procure their living from that, together with the perhaps 400,000 or 500,000 members of their families dependent on them at least during the agricultural their families dependent on them at least during the agricultural off season, should be placed on relief at the expense of the United States Government. Of course, this is entirely out of the question. It does indicate, however, a general agreement of opinion that Puerto Rico cannot get along without this character of handcraft industry in the homes, unless it be replaced by relief.

There are many different questions involved in this hearing, to which expects consideration must be given and about which I have

which earnest consideration must be given, and about which I have conferred with you and with the Administrator in our previous conferences; but the outstanding question, to which very deep consideration must be given, is this one, as to whether or not this handcraft in the homes in the island can possibly survive if the wage and hour law be interpreted as requiring the Administrator wages and not law be interpreted as requiring the varieties at the strength of the strength of

strive in this country.

America's Insurance Against World Anarchy

EXTENSION OF REMARKS

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES Thursday, May 11 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. CLYDE L. HERRING, OF IOWA, ON MAY 2, 1939

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting and able address on the subject America's Insurance Against World Anarchy, delivered by the junior Senator from Iowa [Mr. HERRING] at the annual dinner, Association of Casualty and Surety Executives, Hotel Plaza, New York, Tuesday evening, May 2, 1939.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

Were I to consult my pleasure, as well as yours, I would merely visit with you about a number of interesting and amusing experiences at the Nation's Capital, but appreciating the unusual audience which compliments me with an invitation to appear before it, and realizing, as do you, that we are living in a troubled world, I feel I should place before you some impressions which I hold as to conditions at home and abroad.

This great country of ours has in the 150 years of its existence withstood many vicious assaults. The splendid manner in which it has triumphed over all gives us confidence with which to meet the threats of today, threats that are as challenging as any of the past.

From the political angle, we see abroad those fundamental principles which we hold sacred, being ridiculed and discarded. From an economic standpoint, we find ourselves here at home still struggling to overcome conditions which have lasted years too long. From the social standpoint alone, we find that satisfactory progress is being made in this country, and in this country only,

with few rare exceptions.

with few rare exceptions.

In spite of heroic efforts by our Government, millions are still unemployed. In spite of equally heroic efforts on the part of industry, prosperous conditions have not been generally achieved. In spite of vast millions appropriated to benefit agriculture, we find agriculture still unrecovered. I applaud and approve most of the efforts which have been made by the Government and by individuals during the past 9 depression years, and one hesitates to attempt to envisage what conditions today might have been had we not, through trial and error, made an effort to bring back prosperous times.

prosperous times.

We are attempting to feed more of the hungry by raising less foodstuffs. In Industry we are trying to increase production, the greatest source of all national wealth, by working fewer hours. Such methods, properly applied, may be the answer. They, at least, give some indication of the strenuous efforts being made to find a way out. However, one cannot but pause and reflect to find a way out. However, one cannot but pause and reflect upon the fact that for the first time we are almost praying for

to find a way out. However, one cannot but pause and renect upon the fact that for the first time we are almost praying for drought instead of rainfall.

The United States of America has been required to take cognizance of the changing world conditions of the past few years. She has been made to realize that in the family of nations, being the most enlightened, the most powerful, and the most fortunately situated, a triple obligation devolves upon her to maintain her free social, economic, and political institutions, not only for the safety and well-being of her citizens, but as a source of inspiration and direction to the other peoples of the earth. In many parts of the world anarchy, violence, and brutality have superseded constitutional government, orderly process, and the maintenance of human safety and freedom. Great nations have been made to bow down before these antisocial forces in the vague hope that by so doing they may be held in check. Recent experiences reveal with certainty the fallacy of such a belief.

America's guarantee against world anarchy lies in the maintenance of our free institutions of Government, a solidarity among our people, and the restoration and continuance of prosperous industry and agriculture. There is no point at which political, economic, or social freedom can be imperiled or denied with safety to those institutions.

those institutions.

those institutions.

The spiritual values underlying the American system of government, become increasingly important, as efforts are made in other nations, to destroy that faith in the hearts and minds of men which makes them aware of their kinship with God, and their obligation to maintain the principles upon which that faith is founded.

Even those American statesmen in Revolutionary times, who professed no allegiance to a porticular denomination pevertheless possessed.

fessed no allegiance to a particular denomination, nevertheless possessed within their hearts, and revealed in their public utterances and acts their profound belief in the spiritual values which are an essential part of Democracy and Christian teaching. The Founding Fathers were inspired by a profound faith in spiritual achical standards, which charged their consciences with a sense of grave responsibility to establish upon these shores a system of governments. ernment consonant with those high ideals. That such a govern-ment was founded and has been maintained consistently down to the present hour, attests both the wisdom of the Founding Fathers and the fidelity of those Americans who have followed after them.

The environment of liberty, which has been created through the functioning of American Democracy under the Constitution, has been so much taken for granted, by many of those who are its beneficiaries, that it is somewhat difficult for us to realize that freedom of conscience, liberty of movement, and personal discrimination as to what one will and will not do, are no longer to be found in many other nations of the world.

found in many other nations of the world.

Possibly there are a few among us who are willing to sacrifice the liberty which is ours to the experiment of dictatorship, but fortunately for America, that number is and will remain few so long as we are able to maintain the safety, independence, and liberty of our people. Those advocating un-American doctrines cannot at this moment be regarded as a real threat to our free institutions. However, we cannot afford to disregard the fact that small and troublesome minorities in other countries have been able to keep alive an agitation for unsocial changes which has able to keep alive an agitation for unsocial changes which has resulted in the growth of great majorities. Men have thus been elevated to high position whose arbitrary power exceeds that of any other ruler living or dead, and who place their reliance upon force and violence as their means of continuing to dominate the

The American Bill of Rights is as much concerned with the citizen's sovereign right to own property and to be safe in his person, house and personal effects "against unwarranted searches and seizures," as it is emphatic in protecting him in his right of

free speech, free press, and peaceable assembly.

The history of anarchy down to the present day is the chronicle in blood of the disregard and violation of these fundamental rights. If we would safeguard our country against the ravages of anarchy we will support, with renewed vigor and patriotism, the American Bill of Rights and the Constitution of which it is a part, and repulse any and all efforts to break down that bulwark of our common liberty.

Tolerance is an outstanding quality of the American character, but we must, nevertheless, consider the consequences of fostering within this country representatives of various political doctrines which are the antitheses of the principles underlying our Ameriwhich are the antitheses of the principles underlying our American system of government. No one has ever put this thought better than the Honorable William B. Bankhean, Speaker of the House of Representatives, before a joint session commemorating the one hundred and fittleth anniversary of the First Congress of the United States under the Constitution. Speaker Bankhean said: "There are evidences of certain sinister influences and minorities now seeking to sap and mine the pillars of this temple of freedom. We may have been too generous in our hospitality to them. We may have been too tolerant of some of their recent of freedom. We may have been too generous in our hospitality to them. We may have been too tolerant of some of their recent manifestations of subversive treachery. We have sought with rather grim patience to respect the guaranty of freedom of speech; but it may be only fair to admonish all such groups that they take counsel of their prudence, lest by going one step too far, it will be too late to escape the wrath and indignation of all real Americans."

Communism is as old as the Story of Mankind. Fascism and nazi-ism are but new names, symbols indicating a distinction without a difference. In primitive times the communal plan of existence was not uncommon in the lives of tribes and nations. The amwas not interement in the rives of these and nations. The ambitious did the work. The drones lived upon the industry of those willing to do the work. Observation complemented ambition and the workers banded together and originated the theory of private ownership, and established private property. The rights of men in the ownership of things have since been recognized as fundamental.

The entire system of Anglo-Saxon jurisprudence, after which ours is patterned, is built upon the recognition of the sovereign right the individual to own private property and to be safeguarded in

its possession.

The Constitution of the United States was framed and ultimately adopted, expressly to protect the future generations of Americans from the capricious deeds and wilful acts of those who might subsequently be elected or appointed to represent them.

The Framers of the Constitution were wise and deliberate men who understood very well the fundamental characteristics of all mankind, and who recognized the frailty of human nature.

They did not strain to create a "perfect state" composed of "flawless individuals," but rather, they sought to establish a Charter of Human Rights and Liberties which would protect all citizens of this Republic, regardless of individual virtue and aptitude, and this Republic, regardless of individual virtue and apittude, and whose provisions would be administered by men of ordinary as well as extraordinary ability, recognizing that the former were much more numerous and, by the law of averages, were, therefore, likely to be chosen more frequently than men of rare ability and

Under the American system of government the citizen is sovereign.

Under the communistic ideology the individual counts for nothing. The state is supreme. He who voices any opposition is subjected to surveillance, seizure of his person and goods, and confinement in a concentration camp, or worse.

Just as territory is seized in the name of a nation, private prop-

erty under anarchy is seized in the name of the people within a sovereign state. Always such arbitrary and inhumane action is buttressed by the argument that it is done in the interest of all concerned, including the subjugated and despoiled, and always, its avowed purpose is to end oppression, administer justice and relieve the distraced. the distressed.

the distressed.

Practically, the result has been to destroy orderly society, to deny justice, to subvert the functions of the police and the military, to destroy the hope of all citizens, who aspire to liberty and financial independence, and to seize power, goods and services in the name of the common man whilst actually taking possession on behalf of him, who believes himself to be a superman.

Let us beware of those self-appointed Messiahs, who recognize their superiority over their fellows, and whose imaginations are filled with delusions of grandeur and distorted visions as to their earthly missions.

earthly missions.

earthly missions.

What has Proletarian Dictatorship to offer as a future? Hopeless of fulfillment, it promises a highly industrialized and mechanized society ultimately, wherein the needs and wants of all of the people will one day be gratified.

Its advocates do not say to the people that the things which they are promising as possible of achievement, some time in the future, are already commonplaces in the lives of the people of the United States of America. All of these things have been accomplished in this great country without proletarian revolt, in the absence of anarchistic bloodshed, and without the subjugation and regimentation of our citizenry under a program of state or national socialism. Private property has not been confiscated nor the rights of citizens disregarded, but through the orderly functioning of the American system of government, these conditions are a reality.

conditions are a reality.

The advocates of change do not state these facts. Nor is it enough that we assert them. Our obligation is to demonstrate that the future of America is as safe and certain as her past his-

tory is worthy and illustrious.

In the comparatively brief period of her existence, this Nation has achieved economic independence for a majority of our citi-

rans achieved economic independence for a majority of our citizens based on equality of opportunity.

Panics or depressions, lasting from 5 to 7 years, have punctuated intervals of approximately 20 years of prosperity. In the experience of nations, these periods appear to be almost inespending

capable.

The late depression and the recent recession have occupied nearly 9 years, breaking the usual cycle, and prolonging both far beyond what the American people can be expected to accept without efforts at self-protection.

Agriculture and Industry have suffered enormous material losses, while the morale of our people at certain times has been at very low ebb. We are face to face with grave problems that command our best thought and require sober consideration and courageous treatment, but they are not without rational and reasonably speedy solution. These problems are local, national, and international. They are concerned with economic and social phases of existence, not only in our country but throughout other parts Agriculture and Industry have suffered enormous material losses, of the world.

of the world.

The same problems occur and recur in the lives and experiences of people and nations. It cannot be successfully contended that any problem once met and overcome is settled for all time and that the American people will then be freed from the necessity of coping with it in the future. It is well that that is true because it is an inexorable law of nature and of life that we survive through struggle. We learn our strength and ability through having them constantly tested. The heavier the obligation, the more determined the effort will be to fulfill its terms. Real thought, clear discernment, sound judgment, and wise action are bestowed under the sharp heel of necessity.

We are a Nation of early risers because of necessity. We are highly developed industrially and agriculturally because a growing population and an expanding Nation placed upon us the obligation to improve our methods of doing all things.

If success and financial independence can be achieved on a

If success and financial independence can be achieved on a 6-hour day and a 4-day week, biography is lax in having failed to reveal the methods and triumphs in the lives of those so accomplished.

Ease and comfort are environments which the able-bodied and alert earn through industry and self-sacrifice. Surpluses are built

alert earn through industry and seir-sacrince. Surpluses are built up through thrift, not profligacy. Improvements and additions are possible only after industry and thrift have created the substance with which to pay for them.

Interest on loans, earnings on investment, and insurance on life and property can be maintained only so long as current expenditures can be met out of current receipts. If the source of penditures can be met out of current receipts. If the source of individual income is permitted to dry up, or is choked off, through whatever cause, the national income suffers. Taxes are increased in the face of national emergency. Deficits of both industry and Government mount in the face of such an exigency. If there is no interruption in the process of dissolution, bankruptcy is an inextigable consequence. inevitable consequence.

Such is the history of ancient and medieval civilizations.

Such is the appalling chronicle in the lives of contemporary nations, whose economic and political institutions have collapsed under the strain, thereby giving rise to new experiments in com-

If we would protect ourselves from like misfortune and insure a continuance of our national progress, we must necessarily pre-serve and develop a vital and expanding national economy.

American industry has been prosperous and successful because it has been founded upon freedom of enterprise and voluntary

service. Numerous and varied fortunes have been made in di-verse lines of production, manufacture, and commerce because of verse lines of production, manufacture, and commerce because of unrestricted social and economic opportunity, and while, unquestionably, there have been examples of injustice inflicted upon labor by industry during the process, these are the exception rather than the rule as was disclosed in recent profit-sharing in industry hearings in Washington. American business is a vital and living force capable of enormous natural growth and expansion.

We have patiently endured curtailed national income, decreased purchasing power, demoralization of commodity prices, and the enforced idleness of millions of workers, who have been required to turn to local, State or Federal agencies for work or relief.

consequent lowering of domestic consumption and loss of foreign trade due to disturbed conditions throughout the world have served to destroy the source of income of many of our people.

America's program of safety is the restoration of normal income and the reabsorption into private employment of these idle workers.

Unemployment and all of the misery it entails can be cured only

Unemployment and all of the misery it entails can be cured only through the revival of private business.

The labor difficulties encountered during recent years are primarily due to misunderstandings between employers and employees based upon the misconception that each has primary interests which oppose the other. Business is suspected of making inordinate profits through the exploitation of workers. It is therefore believed that arbitrary regulation of hours of labor and hourly wages will serve to create more employment and insure a higher living standard. living standard.

Careful examination of industrial experience and charts reveals that arbitrary regulation does not produce the favorable results sought. Only increased volume provides increased revenue to be divided and determines the reward both to capital and to labor.

High hourly wages in the coal, railroad, and automotive industries have not resulted in greater, but lesser, employment and annual income per worker frequently has been lowered. More than 19,000 strikes have occurred in industry during the past 12 years, (15,000 of which have been since 1933) involving nearly 9,000,000 workers (considerably more than one-fifth of all gainfully employed) and losing to those workers 168,000,000 man-days. The ployed) and losing to those workers 168,000,000 man-days. The average daily wage in the United States being \$3.30, an average loss of \$555,000,000 in wages due to strikes, and approximately \$3,000,000,000 of product value, if all strikes had been in the manufacturing industry alone, is indicated for the period.

Statistics disclose that employment increases or decreases in exact proportion to the number of going concerns and new enterprises. Actual wages, as distinguished from wage rates, rise or fall in exact ratio to the volume of goods produced per worker.

What appears to be but a coincidence may prove to be the result of a hidden law of economics, for over a long period of years the total annual income of our farmers has been substantially the same as the total annual in a mount paid in wages to workers in industry.

total annual income of our farmers has been substantially the same as the total amount paid in wages to workers in industry.

Practically, the interests of agriculture and industry are identical, for sound recovery and renewed prosperity nationally will be possible only if farmers and city dwellers alike receive a just and proportionate share of the national income.

A balanced economy may be dependent upon a natural law as fundamental as the laws of gravitation and inertia, a law which may explain the parity already existing between farm income and workers' wages, attributed now to mere chance.

Owing to uncertainties in world affairs and our failure to overcome all of the problems of depression and recovery, industry has been greatly handicapped by lack of adequate capital for new and expanding enterprise. Whereas for the 7-year period prior to 1929, over \$5,000,000,000 annually were available as capital investment, we have had an average of but \$750,000,000 a year throughout the depression.

depression.

Viewed in the light of that fact, business has made remarkable headway under grave handicap. While it has persevered, billions of dollars remain idle in the savings banks and insurance companies, fearful of being lost should they venture forth in investment channels.

All in our power should be done to bring these nervous dollars out from hiding to be put back to work so that the millions of idle men and women may in turn be returned to productive private enterprise, that both may earn and profit thereby.

Every worker should be made to understand the close relationship between capital investment and his successful reemployment

on a permanent basis.

In our eagerness to consider the public welfare we have under-In our eagerness to consider the public welfare we have undertaken a number of well-intentioned steps to discipline industry and to protect those striving to earn a livelihood. No one can quarrel with the motives behind this legislation. It is to be regretted, however, that more careful consideration has not been given to ascertaining pertinent facts, and predetermining, insofar as might be possible, the effect of such legislation on the lives of the very persons whom it was designed to help, as well as its influence on business and agricultural recovery. I shall not attempt an analysis of such well-meaning measures as the Social Security Act, the Fair Labor Standards Act, the National Labor Relations Act, and other measures relating to taxation, and the regulation of business.

A careful examination of the record in many of the leading industries of the country (particularly those companies employing a profit-sharing plan and other social-benefit programs), has indicate a necessity for amending some of these measures because brought to my personal attention important facts which strongly of the consequences visited upon employer and employee which are adverse to the interests of both, and from which they are entitled to relief.

are adverse to the interests of both, and from which they are entitled to relief.

If industry and worker would have freedom from governmental regulation, however, they must be willing to assume a judicial attitude, and so conduct their affairs that public, producer, and consumer are fairly treated and their rights respected.

Some employers and workers believe that there is a definite antagonism between capital and labor. There is, in fact, a mutuality of interest, the disregard of which, produces negative results injurious to both parties, and costly to the Nation.

The increasing number of strikes and labor difficulties over the past 12 years reveals the unwisdom of strife between management and worker and the growing need for a better comprehension on the part of both of the needs and rights of each, and the mutual benefits to be derived from peaceful cooperation.

Seeking to be helpful, the United States Senate at the last session of Congress, authorized a survey of all profit-sharing and extracompensation plans in industry. A report of the results of that study will be made available to all employers and employees who are interested in improving employer-employee relations.

The fortunate experience of those companies, which have pioneered in the profit-sharing field indicates that the principle of profit-sharing has considerable merit, and might be applied to a much larger number of companies and industries with definite advantage to both management and worker. Even in these difficult times, those having profit-sharing plans appear to be singularly free from labor difficulties, even in sections where social unrest, and strikes have been conspicuously in evidence.

It may be that a wide application of the profit-sharing principle might result in industry so regulating itself, that certain measures set up by Government to protect the interests of capital and labor might be repealed.

In other words, cooperation between employer and employee is

might be repealed.

In other words, cooperation between employer and employee is likely to produce far more desirable results than coercion, whether

applied by Government, management, or labor.

The "soak the rich" taxation theory seeks to control the distribution of wealth by taking it away from those, who have made it, or who have come into its possession legally, thus supporting National and State governmental agencies and services for all of the people at the expense of a fraction of the population.

The profit-sharing theory provides a rational method for dividing the fruits of industry at the source where wealth is created. The division is voluntary, and mutually acceptable. The participants are rewarded in proportion to their contribution. By such device numerous persons are invested with economic independence, which numerous persons are invested with economic independence, which not only encourages them in their work, but enables them in turn to become employers, thus creating new community values and providing multiples of opportunity for others, particularly the young, to apply themselves and duplicate in turn the performance of their elders.

The progress which the individual makes from day to day is made clear to him in the certain terms of his profit-sharing dividends. He has an added incentive to do his best, certain that he will receive a just reward. "Hoeing one's own row" is the certain way to insure a good crop, whether that be in the factory, on the farm, or in the salesroom.

Despite sincere efforts to secure adequate wages through the raising of the hourly wage rate, experience reveals that annual income is often lessened and the number employed are fewer because of the inability of employers to meet increased wage demands

Not without merit is the system now in effect in some companies, which guarantees every worker a job and an annual wage sufficient to support himself and family, regardless of seasonal variations and changing market conditions.

Some employers have adopted with mutual advantage to them-selves and their employees a plan which guarantees to the workers a definite percentage of the volume dollar, paid in 52 weekly install-ments throughout the year, and carrying the certainty of permanent employment.

These various methods of establishing and maintaining satis factory relations between employers and employees deserve especial emphasis and should be explored by those who desire freedom from governmental regulation or interference from outside agencies.

We have every factor necessary for the building of a greater economic future than our Nation's illustrious past.

I cannot believe that the present generation of Americans are unable to meet the present-day challenge. Blessed with the richest expanse of territory upon the globe, peopled by the most enlightened and ingenious peoples of any time, isolated by great occans from the troubled centers of the earth, we can and will solve this problem of turning the immense products of nature and labor into a return to the contentment and plenty which is the heritage the Founding Fathers bequeathed to us.

APPENDIX TO THE CONGRESSIONAL RECORD

Labor and Taxes

EXTENSION OF REMARKS

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES Wednesday, May 10 (legislative day of Monday, May 8), 1939

ADDRESS BY MATHEW WOLL AT CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON, D. C., MAY 2, 1939

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a speech made by Matthew Woll, vice president of the American Federation of Labor and president of the Union Labor Life Insurance Co., at the Chamber of Commerce of the United States, Washington, D. C., on May 2, 1939.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Taxes have played an important part in the history of America. The United States was born in a revolt on taxes. The stamp and other taxes that were imposed by the mother country upon the The United States was born in a revolt on taxes. The stamp and other taxes that were imposed by the mother country upon the American Colonies issued forth in a series of manifestoes and finally in the Declaration of Independence. Into the Constitution was written important provisions with reference to the taxing power; how it was to be laid and how they were to be collected. Again and again in our history taxes have been the occasion for citizens' protest. City officials have been recalled, and governments and Presidents voted out of office because of excessive or unreasonable taxes. He who deals little with the tax matter in America knows little about our history.

The economic as well as the political history of America has been marked by questions of taxes. Indeed, the decision of the Supreme Court in one of the earliest cases before that august tribunal laid down the proposition that the "power to tax is the power to destroy." That proposition still is sound. Taxes may become confiscatory; they may deprive a man of his property virtually without due process of law. If they do not actually do that, they may have the effect of drying up the source of initiative by punitive taxes.

It is for that reason that every American today is more concerned than ever before about taxes and the tax structure in America. It is an old saying that we cannot avoid either death or taxes. But it is also true to say that taxes are many and varied, but death comes but once. Taxes are today both higher and more numerous than ever before.

numerous than ever before.

TAXATION TAKES ONE-FIFTH OUR ANNUAL INCOME

Whatever may be the purposes of government, whether from the standpoint of the interests of labor or capital, its operations must be paid for, and they must be paid for out of the product of industry. The more the Government exacts in taxes, the less there is left to be spent by private persons at their discretion. In this country, more than one-fifth of the annual income is now

taken by the various governments.

Over considerable periods the Government is able to determine expenditures and then appropriate enough income to meet them. However, in the long run, no government can persist in incurring expenses that unduly drain the resources of the economic sys-

expenses that unduly drain the resources of the economic system. Its exactions are, therefore, of special significance to the various elements in the business and industrial world.

In a sovereign state there can be no legal limit to the taxing power. Even our conservative courts will hold, in general, that provided the money to be raised is intended for public purposes and provided the levy is made without discrimination between persons in the same class, the législative body is unlimited in its taxing powers. This attitude is based on the theory that there is no such thing as an absolute right to private property, but that the final title to everything is, in the last analysis, the perquisite of the State.

of the State.

This doctrine is sometimes thought of as broadly communal, and is held to imply that the claims of society take precedence over the claims of the individual. The real meaning, however, is that the state, as representing the general interests of property may prevail over the special interests of a particular property holder. The theory is at most tinctured with state capitalism, but cannot be regarded as a communistic relic or a socialistic premonition. It is, however, true that excessive taxation leads inevitably to some form of state capitalism. There are those who believe that is the economic and political order to which we are surely but unconsciously headed in our present temper of finding ever more and more untapped sources of taxation and of declining to give heed to the fact that there is a limit to the resources of our present to the fact that there is a limit to the resources of our present economic order.

LABOR'S INTEREST IN TAX QUESTION

What then is the present situation, and to where are we heading?

The Government of and by itself does not create wealth. It depends for funds necessary to operate the many services in which it engages on taxes levied upon American industry and the American people. Due to increasing activities of government, the cost of government has increased enormously during the past 10 years. After the war years Federal Government costs declined somewhat until 1927, although State and local governments were rapidly increasing. Since 1927 Federal Government activities have expanded so that total Government expenditures 10 years later were

more than 11 times those of 1900.

But why should labor be interested or be concerned regarding these trends and tendencies? The theory is that those who have and those who earn and are most able to pay should be taxed. Reformers and social workers can take comfort in this situation and formers and social workers can take comfort in this situation and conservative Socialists may hall it as socialization. So long, however, as we have a capitalist state, it must be assumed that the only legitimate exercises of the taxing power and the power of public expenditure are those that serve the purpose of maintaining the general interests of capitalism as against special interests of particular accuracy.

Excessive taxes hit every individual in the country, whether wage earner, salaried worker, professional man, or housewife. They are all affected in a lessening of the opportunities for profitable ployment, acting as a barrier to increased wages or salaries, shorter hours, and improved conditions of employment. The result is an increased cost of living and a reduction in the purchasing power. By lessening profits of industry they prevent the accumulation of a reserve necessary and essential to a progressive industrial order. And finally, excessive taxes jeopardize the security of the whole of our economic structure.

There are those who argue to the effect that taxation is to the worker a matter of no consequence inasmuch as wages become adjusted in any case to the expenses of living. It is said that if a tax adds to the cost of living it will have to be met by an increased wage from the employer. This, of course, allows that "labor pays all taxes," in the sense that they come out of the product of labor. The more practical question is whether they come out of that part of the product of labor which would otherwise go to labor or out of the part that would otherwise go to property income. To say that it makes no difference to labor what the tax system is, or to the extent or purpose to which it is being used, is to say that it does not matter whether the capitalist system is efficiently administered or not; for some forms are very burdensome and others may be seriously questioned regarding the ultimate objective intended. Unquestionably if net productivity is reduced, the inescapable effect will be to reduce and to keep labor down to a very low wage level.

TAXES AVERAGE 43 CENTS OF PAY-ROLL DOLLAR There are those who argue to the effect that taxation is to the

TAXES AVERAGE 43 CENTS OF PAY-ROLL DOLLAR

The individual or company employer who has to pay taxes has to get the money somewhere to pay taxes. Taxes must be paid. If the money comes from the consumer, that is, if prices are If the money comes from the consumer, that is, if prices are raised, every worker, every person employed, must pay more for the day-to-day essentials of life and will buy less of them. If he buys less, production will fall off and salaries and wages become lower and jobs fewer. If, however, competition and the threat of reduced production prevent business concerns from passing the taxes on to consumers then the employees shoulder the burden by a reduction in wages or by loss of jobs and the investors shoulder the burden by a reduced realization of income from their investment. For every dollar spent on pay rolls another 43 cents is spent on taxes. Taxes average about \$486 a year per employee. It is, therefore, not difficult to understand why industry hesitates to employ additional workmen and enlarge upon present pay rolls. With a tax average of nearly \$500 per year per employee imposed, industry quite naturally hesitates to assume this additional cost or pass on this additional cost to the consumer. consumer.

ELIMINATE WASTE AND INEFFICIENCY

That excessive taxes promote insecurity is evidenced by the

That excessive taxes promote insecurity is evidenced by the fact that the percentage of national income which goes to pay taxes has doubled in 10 years. The result of all this is evidenced in foreclosures of mortgages, increased tax liens, tax sales, losses of homes, and business bankruptcies. These conditions also increased unemployment, prevented reemployment, and made imperative the need for relief and unemployment expenditures.

All in all, the vicious cycle of taxes leaves us wondering what is the solution. The answer to that is the elimination of waste and inefficiency. No one wants to lighten the tax load at the expense of necessary duties of government, provided those duties are essential and justified and are efficiently performed. But, to face realities, that portion of public expenditures which represents duplication, inefficiency, undue competition, or interference with private enterprise must be amputated at the roots. Government spending is what makes taxes. Cut needless, unfruitful, wasteful, and destructive expenditures and we reduce taxes.

In general it might be said that labor favors direct taxes, such as

tive expenditures and we reduce taxes.

In general it might be said that labor favors direct taxes, such as land, property, income, and inheritance taxes, rather than indirect taxes. Moreover, labor favors progressively higher rates of taxation on the larger incomes, not with any thought that Utopia may be won by the taxation route but because those of means are better able to pay and for the further reason that the greater gains realized by any individual most often are traceable to opportunities and values made possible by organized society. It can be validly argued that society is a partner in producing incomes; that government furnishes the institutional framework which makes great incomes and enormous accumulations of wealth possible. It follows that and enormous accumulations of wealth possible. It follows that

society, being a very real partner in the creation of income and wealth, should also share in that income and wealth by the process of taxation

HIDDEN TAXES REPRESENT 70 PERCENT OF GOVERNMENT INCOME

Emergency needs following the World War called for more revenue than could be supplied through the ordinary and direct channels. It became necessary to reach the low-income groups. This was accomplished through the indirect tax. Where formerly the direct taxes supplied all the revenue, the income from the indirect tax has risen to such a portion of importance that in 1934 the indirect tax supplied 59 percent of all revenue to the Government. This had risen to 65 percent by 1937, and approached 70 percent by 1938. The revenue was expended on relief, Government buildings and projects, expenditures which could not be covered through ordinary tax colexpenditures which could not be covered through ordinary tax collections. Nevertheless, upon examination, what is known as the high cost of living is often unmasked as the high cost of indirect taxes, which today accounts for 70 percent of all tax revenue. The tax collector exacts pennies, nickels, and dimes from the consumer at the rate of \$24,723 a minute night and day.

On an income of \$2,500 per annum \$600 goes for taxes; \$400 of the \$600 is for indirect or "hidden" taxes. This is in excess of \$1 per day.

per day.

In today's economy it may well be that properly placed indirect In today's economy it may well be that properly placed indirect taxation will be found to be at least a semipermanent institution. Evidently we have reached a period where, in addition to direct taxes on homes, pay-roll taxes, license taxes on automobiles, and the like, wage earners and other employees in common with other consumers will be required to contribute to the maintenance and operation of governmental functions through large amounts of indirect or "hidden" taxes. In many instances, particularly persons in lower income groups, the burden of indirect or "hidden"

taxes is now substantially in excess of direct taxes paid.

It is essential, therefore, to guard against the evils of indirect or "hidden" taxes growing from the ease with which they may be levied by politicians more concerned with political expediency than with the ability of the ultimate taxpayer to absorb more

Another evil is the unfortunate, but practical ease of diversion of indirect tax revenues to purposes other than those for which they were originally intended. Still another weakness in this form of governmental revenue is that the annual yield is uncertain. The yearly cash return to the taxing unit is directly and swiftly affected by changes in the spending ability and buying disposition of the majority of the Nation's population.

Among the most fruitful forms of indirect taxes may be listed sales taxes. Those may take two ways: according to the basis of

Among the most rather thoms of indirect taxes may be listed sales taxes. Those may take two ways; according to the basis of the tax, that is whether the tax is imposed directly on sales or is measured by sales, and according to the items to be taxed. The general sales tax lifts the tax levies into pyramids of duplicated charges. These are not always confined to retail sales. Sometimes both wholesale and retail merchants must pay taxes on their groces sales for the right to energy in the business of on their gross sales for the right to engage in the business of selling personal property. Then, too, prominent among sales taxes, but with certain peculiarities of their own, should be listed selective sales taxes, luxury taxes, cosmetic taxes, tobacco taxes, admission taxes, and the like.

LABOR OPPOSES SALES TAXES

Another comparatively new form of indirect or "hidden" tax-ation that adds still further to the size and weight of pyramid taxes is the "use" or "compensation" tax, designed to supplement the sales tax. Lately some taxing units even smaller than States have found themselves in a maze of the new tax problems. Their efforts to impose special localized sales taxes have developed surprising results by inspiring the purchase of taxed items outside the

area bearing the local tax.

More and more are we heading toward State and community barriers. Necessarily our national life is ever more dependent upon a free and unrestricted interstate basis of industry and commerce. Short-sighted regulatory or barrier taxation in one area can frequently cause serious disruption of the most efficient functioning of large production industries which depend essentially upon mass distribution for their very existence.

opon mass distribution for their very existence.

On the other hand, we are faced with the dangerous drift toward an all-powerful National Government offering cash benefits to smaller communities, to be granted only if certain legislation is passed. Then, too, reform programs concerned primarily with the interests of one group or another frequently create results entirely unexpected although not entirely unpredictable.

Labor has long been fully aware of the inherent flaws in salestax financing and in the dangers underlying so many of our "hidden" taxes. The trend toward indirect taxation has reached the point where the buying power of wages is seriously affected. The effort to raise living standards for working people by insisting upon higher wages is nullified by the pyramiding burden of so-called painless taxes imposed upon the lower-income groups, including the unemployed as well as the employed, those on relief as well as those dependent upon private sources.

LABOR STUDYING TAX QUESTION

Opposition to the sales tax has always been one of the strongest principles of organized labor. It has been fought wherever the proposal has arisen. Labor's opposition to the sales tax is based on the firm belief and reasoned conviction that it places a burden on the worker all out of proportion to his ability to pay. It takes a disproportionate share out of the income of the wage earner and

requires him to pay many times his share of the cost of government. The wage earner needs practically all of his income for ment. The wage earner needs practically all of his income for food, rent, clothing, and medicine. No one can dispute that a tax on these items strikes deeply, far too deeply, into the wage earner's pocketbook. Nevertheless, by slow degrees, our legislatures have extended the tax bases and tapped an ever-increasing number of tax sources to such an extent that today these indirect or "hidden" taxes, pyramided to almost fantastic proportions, constitute a menace to the wage earner even greater than that of the sales tax.

There are many evidences that labor is awakening to the dangers.

There are many evidences that labor is awakening to the dangers There are many evidences that labor is awakening to the dangers of the tax situation. During 1938 the conventions of the 31 State federations of labor passed resolutions calling attention to the growing seriousness of the whole tax structure. Twelve of the State bodies have approved resolutions condemning punitive taxes that inequitably burden the workingman and his family. Executive committees were urged to be on the alert against such taxrevision plans as might seriously impair living standards and endanger social legislation already secured. Likewise, the appointment of tax-study committees were advanced. Already the officers ment of tax-study committees were advanced. Already the officers of 17 of these State federations have formed a volunteer council for the exchange of information. In addition, the American Federation of Labor itself, at its last convention, authorized the appointment of a national committee to make a most thorough and exhaustive inquiry into our entire tax structure, and from every point of view, and for the purpose of future guidance to labor on this all-important phase of our national life.

REPEAL CAPITAL-GAINS TAX

To many it may seem rather strange that in these days when attacks on business and industry find such a ready response leaders of nearly 4,000,000 wage earners should call upon the Government to of nearly 4,000,000 wage earners should call upon the Government to repeal or modify a tax on capital gains and on undivided profits. Yet that is exactly the position of organized labor as represented by the American Federation of Labor. If a corporation has earned what are apparently excessive profits—profits which it does not have to pass on to its stockholders to keep them satisfied—why should organized labor object if the Federal Government takes a large portion of them away in the form of taxes to be used for, say, relief?

To find the answer to this question two guiding principles which have always been at the foundation of the American labor movement must be thoroughly understood. The first is a firm belief in our present system, the system of individual initiative and private enterprise, with its profit motive, always, however, with the understanding that labor must receive its fair share of the profits of production and distribution and that the consumer shall benefit likewise in the form of reduced prices.

LABOR SEEKS WORK, NOT RELIEF OR CHARITY

The second is that the American worker does not want to be supor the second is that the American worker does not want to be supported by governmental relief payments any more than he desires to be supported by his neighbors, organized charity, or by standing in the bread line. What he wants is an honest job in private industry with wages, hours, and working conditions which will give him and his family the standard of living to which he is entitled. To obtain these he knows that industry must be encouraged by Government and not penalized simply because it happens to be successful. He knows that it must continue to grow and expand if he is to be secure in his job and grow with it.

While it is unsound for business to retain earnings not needed, in an economic sense, the difficulty of providing for all the varied conditions that arise suggests the elimination or modification of the tax on undistributed earnings. Certainly some reasonable per-centage should be definitely allowed to provide for future needs, without penalty. While the burden on smaller units of business may at the moment be more generally recognized, the burden on the larger units will be recognized in a far more spectacular and dis-

astrous degree as industry passes into the next period of adversity.

Labor agrees fully with Senator PAT HARRISON, chairman of the
Senate Finance Committee, when speaking on this subject, he said:
"For each corporation which has been justly penalized by this tax
there are probably a hundred which have been unjustly penalized,
because for legal or moral reasons they could not distribute their because for legal or moral reasons they could not distribute their earnings in dividends. The result has added confusion to the economic life of the country and to many fine American citizens. It is a harsh and unwise policy for the Government to compel a corporation that may be giving employment to hundreds of thousands of men to declare its earnings in this form of dividends to its stockholders when it needs such earnings to perpetuate the employment of those people."

RESERVES MADE JOBS POSSIBLE

Then, again, many business concerns today in effect are being operated largely for the benefit of its employees and the Government; that is, after current costs, including pay rolls and taxes, are met, frequently little, if anything, remains in the way of earnings to go to the owners of the business who have risked their money upon the success of the enterprise. Recent studies indicate money upon the success of the enterprise. Recent studies indicate that industries that had saved or set up reserves for the period of 1919 to 1929, totaling some \$34,000,000,000, during the years of 1930 to 1935 had paid out thirty-four and one-half billions of dollars more than they had received. It must be apparent that a situation which discourages or does not permit the setting up of reserves is neither helpful to the wage earners nor of benefit to the public generally. In the long run the continuation and extension of such a situation spells disaster to all, including the Government. Then, too, where the Government imposes a tax that tends to freeze the natural flow of capital from one place to another, resulting in too high values in some cases and too low values in others,

ing in too high values in some cases and too low values in others, paralyzing to an important degree what ought to be a free and unrestricted flow of capital, both into and within the security markets, we will have set at work influences adversely affecting industry's ability to perform and certainly render it unable to expand. There is abroad the general belief and conviction that the tax policy of the Government, coupled with its apparent attitude toward industry, is preventing the normal expansion of American industry. It is the common belief that undue and unjust taxes are keeping millions of dollars of idle capital lying in the banks of the country and in Government tax-exempt securities because capital is afraid to take excursions into new enterprises or to assist in the expansion to take excursions into new enterprises or to assist in the expansion of old ones.

EXPANSION NEEDED IN CONSTRUCTION INDUSTRIES

There is a general consensus of opinion that the bulk of unemployment today is to be found in the construction industry and the heavy manufacturing industries which furnish materials for construction and factory equipment, such as machine tools and the like. The durable industries normally employ approximately one-third of all persons engaged in producing commodities. The depression unemployment in the durable-goods industries was nearly six times as severe as in the consumer-goods industries. To stimustries are rederation of pression unemployment in the durable-goods industries was nearly six times as severe as in the consumer-goods industries. To stimulate revival in the construction field, the American Federation of Labor has urged again and again that the Government building programs alone cannot revive employment and that a way must be found to encourage private capital to invest in home building and renovating work. Indeed, in order to stimulate employment in the construction and heavy-industry group a revival of the flow of investment capital to business is necessary.

It is said that there is need, indeed, for new capital today in virtually all lines of business and industry, due to the shortages in capital investment accumulated during the depression. These shortages, it is said, result from inadequate outlays for maintenance, lack of replacement of capital facilities due to obsolescence of existing equipment, and fallure to develop new industries and install new equipment in the same proportion as during the decade immediately prior to the depression.

Our studies indicate that the percentage of employment over a

immediately prior to the depression.

Our studies indicate that the percentage of employment over a period of years runs fairly comparable with new capital investment in industry. During the years 1925 to 1929, inclusive, we find the factory index around 100, with new investments in America's industries approximating \$3,750,000,000 yearly. Figures for 1930 to 1935, inclusive, evidence that with the factory employment index rising from a low of 60 to 80, new investments in America's industries approximated \$700,000,000 annually. The country cannot long continue indefinitely to satisfy its needs for consumers' goods unless operations are undertaken to expand production and maintenance and the national standard of living.

Taken as a whole, industry is only partially dependent upon the issuance of new securities to finance new plants and equipment. To some extent the capital requirements may be filled from current earnings, but in a number of industries new borrowings are absolutely essential. Plentiful investment funds are now available at comparatively low interest rates but, unfortunately, there is not a sufficient confidence in the prospects for profit. Still more unfortunate, our entire governmental policy, including our present tax structure, do not hold forth the encouragement and incentive essential to establish that essential and required confidence.

Recently there has come to our attention statistics showing the emount of money which must be invested to furnish employment.

Recently there has come to our attention statistics showing the amount of money which must be invested to furnish employment to one worker. The estimate of Lammont du Pont that on the average the manufacturing industry throughout the country requires an investment of \$8,000 per employee, that in the steel industry about \$11,000 in capital is required for each employee, and in the electric-utility industry an investment of approximately \$45,000 is required per employee, is of more than passing concern. His statement that an expenditure of \$25,000,000,000 upon new plant and equipment would put an additional 3,000,000 to work in the manufacturing industry and would furnish employment in service industries of some 7,500,000 ought not to be disregarded but should receive serious attention. Certainly it is by far better that capital investments be encouraged to bring about reemployment than that

we should center foremost attention on providing relief and in finding new, excessive, and burdensome forms of taxation.

Labor is concerned with all of these problems just as you are. A recent study of employee attitude toward business indicated that information on taxes affecting business was wanted by 52.9 percent of the workers polled. When such a majority of employee about taxes affecting business, this fact has a great and almost

startling significance.

LABOR-INDUSTRY COOPERATION HIGHLY NECESSARY

We all recognize the right of Government to exact payments from its citizens who enjoy its protection and its many benefits. Labor has always believed good citizenship requires willing and prompt payment of all just taxes, not only by its members but by every other group or normal source of tax payment. It is when we approach the problem of Federal, State, and local taxation that we need a "steady hand," and this also is the time when business and labor can well put into action their stated recognition of a common problem.

We are facing a critical time in the Nation's history. Upon the fairness of taxing plans worked out will rest the success of today's recovery spending program. If that fails, what shall follow—debt repudiation, inflation, or political and financial collapse?

There should be a complete revision of our tax laws. There should be a complete revision of our tax laws. Taxes provide the greatest single contribution to the cost of living today. It makes no difference whether these taxes are paid in the first instance by big business, industry, the public utilities, the railroads, the banks, or the insurance companies, it is the ultimate consumer who pays them in the end. Whether taxes can be reduced immediately or not, they can and should be distributed more equitably and so as not to stifle business or to tax incentive which is the source of new industry and new employment.

and so as not to stifle business or to tax incentive which is the source of new industry and new employment.

Is this not the time when representatives of labor and of capital, of employers and employees might well meet in conference to discuss this entire subject, and if possible formulate plans for the definition of problems involved, to undertake such further research as may be required and finally determine a program of education and action that will result in concrete steps toward a Nation-wide analysis and correction of governmental costs and a corresponding lessening of excessive and burdensome taxes. The responsibilities of such a joint national guiding committee unquestionably would lead to the development of a public understanding of some universally approved program which would embrace not only a restoration of public confidence in private industry, a readjustment of cost and operation of government, but at the same time would create that much-needed and essential spirit of cooperation and understanding between those who own and manage industry, labor, and the Government. the Government.

Changing social, political, and economic conditions call for teamwork in our industrial life. This new day demands broad and sympathetic understanding and cooperation. Either our system of free enterprise and of democratic rule shall survive or perish. The

answer rests largely with ourselves. What shall be our answer?

Our National Farm Problem

EXTENSION OF REMARKS

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES Thursday, May 11 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. GUY M. GILLETTE, OF IOWA, ON MAY 9, 1939

Mr. NORRIS. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a radio address delivered by the Senator from Iowa [Mr. GILLETTE] on May 9, on the subject Our National Farm Problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am quite aware of the difficulty of discussing in a limited radio period the constantly continuing problem of our agricultural industry, and the constantly recurring acute economic situation pertaining to many of those engaged in that industry. This evening, as I discuss this matter, there is pending before the Congress an appropriation bill for the Agriculture Department of our Government and for the administration of existing legislation amounting to a sum of around one and one-quarter billions of dollars. Because I believe the solution of our present national situation of widespread industrial and economic depression is inextricably bound up with the sane solution of our agricultural difficulties, I hope to discuss the question this evening with particular thought that a large percentage of my hearers are engaged in other lines of work and occupation.

Recently I received a letter from a constituent of my home State of Iowa, from which I now quote:

"I received 12 cents a dozen for eggs today. What do you pay in Washington?"

That night inquiry of my good wife brought the information that she had paid for a dozen fresh eggs that day 42 cents. Now, the price the Senator's wife in Washington, the iron worker's wife in Pittsburgh, the miner's wife in West Virginia, the factory worker's wife in New Jersey, the taxi driver's wife in New York pay for eggs, milk, pork chops, beefsteak, bread, fruit, or vegetables has a very definite effect on the farmers of my State of Iowa, as well as the farmers of every State in the Union. At the same time, having in mind that some 22 percent of the average worker's wages must go for exactly food emphasizes must go for essential food emphasizes most strongly the importance of the problem to the industrial citizens of our Nation, the problem of the farmer in the West and the South, the North and the East is their direct concern. It represents their bread and butter and determines their standard of living costs for the content of the content of the costs of the costs. direct concern. It represents their bread and butter and determines their standard of living each day of the year. Every ear of corn raised in Iowa, bushel of wheat in Kansas, pound of beef or butter in Wisconsin, New York, or Minnesota is sold to the wage earners of America. The entire economic life of the farmer and his family depends on the sale of his harvest. Whether or not the farm family buys any clothes, shoes, machinery, radio, automobile, insurance or professional services depends on the amount of income E SANS TANDERS IN LA SANS TANDERS

they receive from the sale of their harvest. Speaking directly to you people in the cities, I may say that whether your husband is employed to help make the market for the products of the millions of farm families or is forced on relief rolls depends, in large degree, on the purchasing power of some 30,000,000 people directly engaged in agriculture. Now, it is difficult for many people to understand or believe that our farmers have been growing, harvesting, and marketing their crops for a number of years and losing money each year on their work and transactions.

on their work and transactions.

each year on their work and transactions.

To understand more clearly our present condition, I am going to trespass on your patience to make a brief historical review of farming and farm legislation. First, we must have in mind the tremendous change that has taken place in our farm production and consumption during the period of our national existence. In the early days of the Nation's history, it has been estimated that some 80 percent of the people were directly engaged in agriculture. Because of the simplicity of life in this period and the limitation of needs under standards of living then existing, most of these farmers raised their products for home consumption on the farm. The wheat and corn were raised for flour and meal; the calves and hogs for butchering and meat storage. There were two or The wheat and corn were raised for flour and meal; the calves and hogs for butchering and meat storage. There were two or three cows from which came milk, cream and butter and cheese for the family. The poultry went largely to the family table. The cotton, flax, wool, and leather for textiles and wearing material for family use all were in great measure produced for consumption at home. Small were the needs, outside of these things, and small, indeed, was the surplus produced for sale to the other 20 percent of the Nation. When, however, American inventive genius rapidly developed new methods of processing raw materials, there followed more rapidly the development of new standards of living, hundreds of new uses and hundreds of new needs. The astoundhundreds of new uses and hundreds of new needs. The astounding development of means of transportation and contact with distant regions opened many markets at home and abroad. More and more our people became engaged in the processing and distribution fields, as distinguished from the raw material production fields. Methods of production to meet these new needs for raw fields. Methods of production to meet these new needs for raw products of the farms stepped up our agricultural production to a point where two-thirds of our people and the needs of these two-thirds were to be served by the production of the other third. To meet this situation and to enable our farmers to live with the same standard of living as their fellow citizens, it became necessary for a large percentage of our raw material production on the farm to be sold in the general market, rather than to be consumed at home. Because of this wide field of home and foreign marketing, and because of the dependence of the farmer on so many conditions of production over which he had no control, such as climatic conditions and destruction of crops by the elements and insect enemies, an attractive field was opened for the speculator to operate in anticipation of crop production. From this came a situation which made our farmers absolutely dependent on both domestic and foreign markets, in large measure speculaon both domestic and foreign markets, in large measure specula-tive, for what they had to sell and in determining the price they

tive, for what they had to sell and in determining the price they were to receive.

It has been well and often stated that our farmers do not sell a nickel's worth of their products. We, as farmers, pay what we are asked to pay, if we can, for the industrial things we need, and we take what the purchasers are pleased to offer us for the products we sell. The farmer cannot be expected to meet all the hazards of his arduous work and then be compelled to look for his market under conditions and contingencies over which he has no control whatever. To meet a depressed market he tries to raise increased amounts and further depresses his own market. Thousands give up in despair and leave the farm-production field. Until, then, we have definitely solved this particular problem, our agricultural difficulties will and must be of a perennial nature. We cannot expect any part or portion of our people to continue in the work of producing the raw materials of food and fiber absolutely essential to our industry and life itself unless they can be assured of doing so at a reasonable profit that will enable them to live as American citizens are entitled to live, and with the same standards as pertain to their neighbors engaged in other lines of enterprise.

Now, may I briefly refer to some comparatively recent history relative to attempts to solve these difficulties. The agricultural problem has been a major political national issue since 1920. It is this disparity that has existed since 1920 between the price which he had to pay for the products he sold and the price which he had to pay for the products he bought that has continually forced the matter to the attention of our lawmaking bodies, and particularly the Congress of the United States. This disparity has been greatly increased and the difficulty much enhanced by three definite elements:

1. The expansion of agricultural acres during and immediately following the World War because of the war needs. This

1. The expansion of agricultural acres during and immediately following the World War because of the war needs. This expansion brought into cultivation more than 45,000,000 agricultural acres.

2. Since the World War approximately one-half of our export trade in agricultural products has been lost and, many believe,

rretrievably lost.

3. While substitutes for agricultural products have been and are constantly being developed, little progress has been made in developing and finding new markets and uses for agricultural raw materials.

One of the first attempts to raise the price of farm products and thus remedy the disparity was the enactment of the emergency tariff law of 1921, followed by similar attempts in 1922 and 1930. Each of these tariffs raised the duty on imports of farm products with the hope that the home price of such products would be

correspondingly increased. Raising the tariff, however, did not solve the problem, for the very definite reason that many of our leading agricultural commodities, such as cotton, wheat, and hog leading agricultural commodities, such as cotton, wheat, and hog products, were on an export basis. It is almost self-evident that a tariff cannot raise the price of a product which is on an export basis, since the tariff change only becomes effective when the products to which it applied are imported. The net result of these attempts was largely to increase the price of the products the farmers had to buy, thus increasing the disparity between what the farmer paid for what he bought and what he received for what he sold. But the most deplorable effect of these tariff raises was in the fact that foreign pations to meet the changes raised their in the fact that foreign nations, to meet the changes, raised their own tariffs and instituted embargoes and quota provisions, further restricting our agricultural exports to them, and at the same time attempted by every means to increase their own production to meet their necessities.

their necessities.

From 1922 to 1928 we heard a great deal about the McNary-Haugen plan. Those advocating this plan reasoned that agriculture was put at a disadvantage because of these tariff rates, and proposed a plan which they hoped would make the tariff effective for agriculture. This plan contemplated the subsidizing of the export of agricultural products. They argued that if we could export our surplus wheat, cotton, and other products, the price of the products on the home market would then be on an import basis and the tariff become effective. The export-debenture plan was based on this reasoning also, with the difference that the bounty on exports was to be paid from the Federal Treasury rather than by the imposition of an equalization fee to be collected in than by the imposition of an equalization fee to be collected in trade channels. The McNary-Haugen bill passed Congress twice, and each time was vetoed by the President for the stated reason

that increased prices would increase production, and the dumping of surpluses abroad would create international resentment and further restrictions of markets against us.

In the Presidential campaign of 1928 the agricultural problem was a leading issue. The Federal Farm Board was set up very soon after the inauguration of President Hoover. It again stated the fact that a farmer sold on an unorganized market and bought on a controlled and organized market. The Federal Farm Board proposed to organize the farmers into Nation-wide cooperative groups for commodity marketing, and thus insure the flow of these prod-ucts into their respective markets in accordance with the market needs. Many things contributed to the failure of the plan. First,

needs. Many things contributed to the failure of the plan. First, it began its attempts in a period of falling prices. Trying to hold up these prices, it began to purchase and store certain farm staple products as they came onto the market. Prices continued to fall, however, and the Farm Board found that the \$500,000,000 given to it was tied up in loans to the marketing organizations and in the stored products which it had purchased to take them off the market. As an example of the result, when the Farm Board began operations wheat was selling at a dollar per bushel; by 1932 it was selling at considerably less than half that figure.

Again, in the campaign of 1932, with agricultural prices at almost an all-time ruinous level, with farmers in many sections picketing the roads in a desperate attempt to prevent any of their products reaching a market and thus to starve the Nation into realization of their desperate plight, the question again became an outstanding issue at the polls. Soon after the convening of the Congress in a special session in 1933, it passed the Agricultural Adjustment Act of 1933. This plan called for control of agricultural production by adjustments. The thought was to profit by the failure of the Farm Board and control marketing of raw materials by controlling the amount produced, and, again, by this the failure of the Farm Board and control marketing of raw materials by controlling the amount produced, and, again, by this method, to make the tariffs effective as to these farm products. It is difficult fully to realize the significance of this policy as adopted for farming. From the beginning of organized society, the raising of large volumes of food supplies and the holding of the price for these products at low level was a major effort of all governments. In almost every State of the Union there were, and still are, on the statute books criminal statutes punishing attempts to raise artificially the price of food and other necessities for human life. In addition, our farmers had always bitterly fought monopoly practices and control of the price of the things, they bought. The force of farm opinion has been potent in securing the passage of much Federal legislation along these lines, such as the Clayton Antitrust Act, the Sherman Antitrust Act, curing the passage of much Federal legislation along these lines, such as the Clayton Antitrust Act, the Sherman Antitrust Act, the creation of the Federal Trade Commission, and the Interstate Commerce Commission. But, with this special session, the farmer embarked on a course of controlling his own prices—fighting fire with fire—meeting control with control. The plan caused, and is still causing, violent debate and argument. Opponents call it the doctrine of scarcity, and hold that we cannot consume to the limits of our needs unless we produce, and they further point to the apparent contradiction of legislative effort to decrease acreage and, at the same time, to appropriate large sums for irrigation and acreage expansion. The proponents point out that the policy contemplates enabling the producer of raw materials to do what industry has been doing for generations—adjusting production to maintain price. They particularly called attention to the fact that the output of our leading industries in 1932 was reduced to maintain price, and again, in the winter of 1937–33, industry reduced its output by 30 percent in another desperate attempt to check falling prices. check falling prices.

Check failing prices.

Whatever one may think of the production control method (and I am one who has opposed it), we must admit, in fairness, that industry and agriculture must be on the same policy basis, whatever it may be, and as long as agriculture follows a policy of

producing to the limit and accepting low prices, while industry can curtail production and raise its prices, the disparity from which the farmer suffers must increase, rather than diminish.

The Supreme Court, in 1936, declared the original Agricultural Adjustment Act unconstitutional and held that the Congress had no right to levy a processing tax for the definite purpose of controling production. To meet this new situation, a plan of production control through a soil-conservation policy was enacted into law. It was universally recognized that in many sections our soil-fertility resources were being rapidly exhausted through erosion and also through heavy cropping. The new plan contemplated the taking out of production of large acreage by encouraging the use of these acres in raising certain erosion-preventing or soil-building crops rather than the soil-depleting crops which were produced in large surplus amounts. In this way the Nation would take needed steps to save its soil resources, the farmer could receive certain benefit payments to reimburse him in part, and thus the production of the particular crops would be automatically reduced.

The Agricultural Adjustment Act of 1937 retained the principal features of the Soil Conservation Act of 1937, but introduced a number of new features. I cannot discuss them here for lack of time, but will briefly refer to the marketing-quota provision. While

time, but will briefly refer to the marketing-quota provision. While the act contemplates the allotting of acreage to the individual farmer to produce the amounts for normal needs, if production is

the act contemplates the allotting of acreage to the individual farmer to produce the amounts for normal needs, if production is particularly abundant, two-thirds of the cooperating farmers may impose marketing quotas. These quotas provide for storage on the farm of certain percentages for years of unusual shortage, and this is popularly known as the ever-normal granary.

It will be noted that in the discussion I have here given of the attempts made during the past few years to help the farmer, all plans were aimed at raising the price level for the farmer's production. Another approach to the solution of the problem often discussed is to attempt to lower for the farmer the price he has to pay for his needs. As I have stated, it has been the practice of industry, in time of limited demand for its production, to curtail production, maintain prices, and turn off labor. This, of course, results in decreased output, decreased national income, and decreased purchasing power for the consumers of farm products, as well as accentuating the farmers' difficulty. One keen student of the question has suggested that three things might be done from the standpoint of industry.

1. Industry could accept a lower rate of profit and keep their plants operating at full time.

2. Labor could accept a lower rate of wage but have nearer a full year's work.

3. The processed goods could be sold at a price that the farmer and other consumers would pay, within their income.

With the farmer deprived of a large portion of his purchasing power through ridiculous prices, other industry finds itself with the loss of more than one-third of the markets for its processed goods. Careful studies have shown that during the years between 1929 and 1936 the annual income of the nonagricultural portion of our population has varied from seventy-one billions in 1929 to forty-two billions in 1933. Twenty-two percent of this income was and is spent for food. Only 40 percent of this, however, or 8.8 percent of the nonagricultural income, reached the farme

I have suggested three things that might well be considered as remedies from the standpoint of the nonagricultural sections. We have done and are continuing to do many things of a helpful,

remedies from the standpoint of the nonagricultural sections. We have done and are continuing to do many things of a helpful, although, of necessity, palliative, nature, from the standpoint of the farmers. We have aided greatly in the refinancing of farm indebtedness at lowered rates of interest. We have spent large sums in aiding the farmers to fight insect and plant pests. We have spent huge sums in enabling the farmers to conserve fertility. We have urged and helped with money from the National Treasury the building up of soil resources. We have spent large sums in rehabilitating farmers who have reached the end of their resources and enabled others to establish homes. We have made credit available to carry surpluses and to provide working necessities. We have made a start on crop insurance. We have tried by negotiation to recapture some of our lost foreign markets. These and many other legislative proposals have been of real assistance to our farming population.

But representatives of the farmers have differed greatly as to the long-range solution of the basic problem. One group strongly advocates production control along the lines of the statutes to which I have referred, with the attendant compensation of the farmer for reduction of acreage by benefit payments from the Federal Treasury. Another large group believes that the matter can be solved best by securing for the farmer full use of the domestic market at a cost of production plus profit price, and through a system of surplus control and removal enable him to sell the balance in this domestic market at a price which will secure for him a fair return. A third school of thought proposes, by increased credit and low interest rates, by efforts to recapture foreign markets and develop new domestic uses, to build up additional markets and develop new domestic uses, to build up additional markets and develop new domestic uses, to build up additional markets and develop new domestic uses, to build up additional markets and at the same time, cut down to prop

I am personally convinced that the solution of this basic prob-lem as a permanent rather than a temporary matter is more a problem of distribution than one of production. When distribu-tion charges, largely due to monopolistic control, take, on the

average, three-fifths of the consumer's dollar in our Nation, I am convinced that the field is an essential one for legislative exam convinced that the field is an essential one for legislative exploration and correction. The Secretary of Agriculture, Mr. Wallace, has, in my opinion, a much clearer understanding of the whole problem than most of our people in public life. While I have not always agreed with his conclusions, yet I am convinced that he and those working with him have the fullest comprehension of the entire agricultural situation, and I am convinced that within another year we shall have taken long strides toward the goal of economic security for our producers of raw material, keeping at all times in mind the American standards of living, not only for this agricultural portion of our people, but with the maintenance of these standards for our laborers and workers in other fields.

the maintenance of these standards for our laborers and workers in other fields.

To admit that we cannot solve the problem is to admit failure of democratic processes of government, and, also, to admit our inability to maintain, in a country of unparalleled resources, the standard of living which we believe essential to prosperous and happy American life, and permit all sections and lines of activity to have full opportunity to participate.

School Safety Patrols

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Thursday, May 11 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, ON MAY 7, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that a radio address delivered by me on Sunday, May 7, through the courtesy of the National Broadcasting Co., be inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Washington is annually host to many national meetings. Our National Capital has become the center for focusing attention on many worth-while activities. But few, if any, of these are more

patrictic in character or deserve greater attention than the annual spectacle of youth staged by the School Safety Patrols.

On Saturday next, May 13, more than 13,000 members of these patrols from 20 States and the National Capital will participate in a great parade. They will represent some 275,000 youngsters who serve in school patrols in more than 3,000 communities. These boys and girls are engaged in an effort to safeguard their school-mates from the hazards of traffic. They are also receiving fine training in civic responsibility and a background of training for

citizenship. We hear much of the "world of tomorrow." We need have no fear when our youth is being trained in such a great work as the school patrols. And it is most significant that while youngsters abroad live in dread of war and are learning to wear gas masks our children are following the peacetime pursuits of real service. It is the American way. We should be proud of it. I have long contended that our first obligation as a people is to our citizens of tomorrow. We should think of them before we undertake to solve world problems. This great national gathering of School

of tomorrow. We should think of them before we undertake to solve world problems. This great national gathering of School Safety Patrols here next week—this demonstration of how youth serves youth—offers a splendid opportunity for all of us to pause and consider what we are doing for our citizens of tomorrow.

Each year when I see these young patrol members come to Washington, I inhale a new breath of faith in the future of our country. Certainly we should have no qualms nor fears for the future when our boys and girls are voluntarily assuming responsibilities that fit them for citizenship.

It has been antly said that "The youth of a nation are the

bilities that fit them for citizenship.

It has been aptly said that "The youth of a nation are the trustees of posterity." The school safety patrols sponsored by the American Automobile Association, its affiliated motor clubs, schools, and police, are truly fulfilling all obligations of this trusteeship, and I am very happy to be able to say that I am national vice president of the American Automobile Association. I am told that the traffic death rate for children in the 5-to-14 age group has decreased 13 percent during the past 15 years, while the rate for all other age groups has been soaring upward. Thus it seems most fitting that this interesting radio program—the Sunday Drivers—should be dedicated to the school safety patrols everywhere as a means of encouraging public cooperation.

Radio has become one of the greatest influences in modern life.

Radio has become one of the greatest influences in modern life. It is to the credit of those who control this channel of communication by air that they are alert to their public responsibilities. The sponsorship by the National Broadcasting Co. of this program entitled the "Sunday Drivers" is only one evidence of what radio is doing to further the traffic-safety movement. This very effective

The transfer of the second of

and interesting program comes on the air each Sunday as millions and interesting program comes on the air each sunday as millions of our people are preparing to turn to the outdoors for motor trips, and when millions of children are nearing the close of a week end and getting ready to trudge back to their classrooms. Obviously it is an ideal time to urge care and caution on the part of a great unseen audience and impress it with the vital need for individual responsibility in traffic

responsibility in traffic.

I want to commend the National Broadcasting Co. and the Sunday Drivers program for the very fine and constructive entertainment and service they are rendering through this week-to-week

ment and service they are rendering through this week-to-week broadcast.

The school patrols were started about 18 years ago when child fatalities presented one of the most serious aspects of the traffic safety problem. At that time the traffic death rate for youngsters in the 5-to-14 age group was one of the highest, with the exception only of the age group of 65 years and over. Since 1922 the number of motor vehicles in operation has increased almost threefold. The gain in car use has been far greater. In fact, the problem of a more safe movement of motor vehicles has become one of the most challenging of our time. Yet in the face of these conditions the traffic death rate for youngsters in the 5-to-14 age group is now one of the lowest. No other facts are needed in support of the great humanitarian work of the school safety patrols and the results of safety education in the schools.

tarian work of the school safety patrols and the results of safety education in the schools.

Many mothers and fathers of America are grateful for the protection offered by the school safety patrols. It is to the credit of motor clubs that they had the vision 18 years ago to work with schools and police in the inauguration of the patrol movement.

I want to take this opportunity to commend the American Automobile Association and its affiliated motor clubs for inaugurating and sponsoring the school safety patrols in cooperation with schools and police. The movement has now become national in scope. It is one of the proud chapters in the history of youth training and wouth service.

The school patrol program has already left, and will more and more leave, a direct and beneficial influence on our citizens in the

W. P. A. Bosses Favored

EXTENSION OF REMARKS

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES Thursday, May 11 (legislative day of Monday, May 8), 1939

LETTER FROM HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a letter I recently addressed to the people of Lincoln County, W. Va. My reason for asking its insertion in the RECORD is to point to a situation I believe to be a general practice, not only in this one county but throughout the entire Nation. I am sure this practice does exist elsewhere.

If one were to multiply the \$73,080 shown in this one county by the total counties in the United States, it would show the wholesale waste of money to provide jobs for po-

litical favorites.

The disgusting thing is to hear some of these who profit from such types of W. P. A. expenditure talk about their great love and interest in the W. P. A. workers who are being fired. They were fired because money that should go to them has gone to the political worker.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Dear Friend: Where does the W. P. A. money go?

If one were to believe the statistics of the W. P. A. staff (who are paid out of the Public Treasury to sell the W. P. A. to the people), you would think that only a few cents out of a dollar went to the bosses. The facts disprove their statement. One of the ways they get around this high administrative cost is to charge to the projects much of the expense. They claim there are only a few more than 500 administrative employees in West Virginia, but they do not include the hundreds and hundreds of high-paid employees do not include the hundreds and hundreds of high-paid employees whose salaries and expenses are charged to the projects. At that they admit the annual State administrative cost is \$966,217.

I shall give you the story of Lincoln County as portrayed by the pay-roll survey.

In Lincoln County I found 47 individuals on the W. P. A. who draw more than \$1,000 a year whose salaries are charged to the projects, not to administration. I may find even more after a thorough check-up is made. These 47 draw \$68,580 a year. Forty-seven W. P. A. workers in Lincoln County would draw only \$19,740

a year; that is, if they would work every week of the year without a single lay-off for any cause. The difference between the bosses and the workers amounts to \$48,840 a year, or more than a thousand dollars' average difference for each boss. It pays to be a boss. Then, besides the 47, I find others whose salaries amount to \$4,500 a year. The total cost of the higher paid amounts to \$73,080

The difference between the amount paid the same number of workers and the amount paid the bosses would be enough to employ approximately 275 persons for 5 months. Why fire the workers

ploy approximately 275 persons for 5 months. Why fire the workers and keep the high-salaried overhead?

One individual in Lincoln County is paid approximately \$1.65 per hour for every hour he is employed. He is a W. P. A. official. Yet I know hundreds and hundreds of men who are trying to get that much a day to keep their families.

Using the Government statistics as to the number of families in Lincoln County, the W. P. A. overhead mentioned above would mean approximately \$18 for every family in Lincoln County. Think of that—\$1.50 a month per family to pay the salaries of the bosses in Lincoln County. Now, that is just the salaries of those charged to projects. projects.

They are giving the needy workers 403's. They claim it is necessary to reduce expenses. Why do they start the reduction with the needy rather than with the favorite bosses?

I want to make it clear that the above figures do not include the

I want to make it clear that the above figures do not include the salaries of those in the district or State offices. Add this to the above and you will see where the W.P.A. money goes.

I have been saying more money should go to the workers and less to the high-paid bosses. The politicians don't like that.

It is to the advantage of the W.P.A. worker to cooperate in helping to clean up W.P.A.

Some time ago I showed where more than 200 office employees of the W.P.A. in West Virginia had their salaries raised by more than \$78,000 a year. If you want a copy of that record, just send me a postal card or letter to Washington and I shall be glad to send it to you. I want the people to know the facts.

I am sending this letter to those who do and do not work for the

I am sending this letter to those who do and do not work for the W. P. A., because everyone is interested in finding out the story.

Sincerely,

RUSH D. HOLT.

A Fair Break for Labor

EXTENSION OF REMARKS

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES Thursday, May 11 (legislative day of Monday, May 8), 1939

ADDRESS BY EDWARD CORNEABY

Mr. JOHNSON of Colorado. Mr. President, several interested listeners to an able address recently made by Edward Corneaby before a civil-service group here in Washington on the subject of A Fair Break for Labor have asked that it be printed in the Appendix of the RECORD for the benefit of Congress and the country. I therefore ask unanimous consent that that be done.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

There is no more poignant saga in the pageant of American history than the struggle of working men and women to secure for themselves the inalienable economic rights of free citizens to a

themselves the inalienable economic rights of free citizens to a better and more abundant life.

Contrary to popular belief, this effort of the laboring classes is not a new movement; it is as old and democratic as our most fundamental institutions; it is a truly great American heritage. Long before the adoption of the Constitution the voice of the farmer and the industrial laborer was raised against the economic exploitation which had been carried to these shores on the afterswell of the eighteenth century Old World industrial revolution.

For a time American was express were content to believe that

For a time American wage earners were content to believe that the rights of free men, as written into the Declaration of Independence and later as guaranteed by the Constitution, would be ample to garner for them the right to earn a decent living, to improve their lot, and to rise to a more comfortable rank in the economic strata, to be on a par with all men.

They were taught, however, by the lessons of bitter experience that the goal of economic "life, liberty, and the pursuit of happiness" was not to be reached by such passive philosophy. As a consequence, workers began to band together to bargain for economic improvements by collective group action where the individual was powerless to fight singly for a place in the sun against the rapidly expanding, and many times ruthless, American industrial system.

system.

Today the organized labor movement, after more than a century of continuous struggle, stands recognized as a cornerstone of the American democratic society. Through it the otherwise unheard voices of literally millions of citizens have been raised in effective protest against unfairnesses in the national economic machine. Through it these injustices have been steadily whittled away, bringing better wages, better working conditions, better labor standards, better and healthing lives and more abundant beautiful. better and healthier lives, and more abundant happiness to those who have actually produced the tangible evidences of this country's

greatness.

For nearly a quarter of a century as an actively functioning part of the organized labor movement, and of its ardent champion, the Farmer-Labor Party, I have watched the benefits brought home to those who toil through the organization of labor. Twenty-four years ago the Brotherhood of Railroad Trainmen included my name on its roll of membership. I know the advantages to both rail labor and the carriers themselves which the organization of rail employees has brought. The railway brotherhoods represent the American labor union at its best, with a continued history of better labor standards for its members and at the same time a genuinely cooperative interest in the well-being of its employers, the Nation's railroads.

Study the record of the growth of the railway brotherhoods from their early birth in mutual-insurance programs before the Civil War to their present position as one of the most efficient labor organizations in the world and you will read the history of the rail transportation industry.

Examine the record of industrial relations between the railroad unions and the carriers under the Railway Labor Act and you will find a model picture of employer-employee relationships which is the goal of all organized labor.

What the brotherhoods have done for the railroad industry the remainder of the organized labor movement will do for the rest.

What the brotherhoods have done for the railroad industry the remainder of the organized-labor movement will do for the rest of American industry. I stand four-square on the extension of the rights of self-organization and collective bargaining as enunciated in the National Labor Relations Act to the workers in all American industry. At the same time I oppose with all the vigor at my command the efforts of reactionary industrial interests, who have not yet learned the democratic process of dealing with employees, to repeal or emasculate the fundamental rights of labor guaranteed in the Wagner Act.

It is my belief, further, that the Federal Government has the duty of extending further guarantees of improved economic conditions to workers organized and unorganized both in industrial

ditions to workers organized and unorganized both in industrial pursuits through such enactments as the Fair Labor Standards pursuits through such enactments as the Fair Labor Standards Act. The days when a worker was forced to take scraps from the table of industrial profits without a reasonable share in the fruits of his own toil have passed and to which there can be no return. Long hours and low wages, with all their attendant results of health-broken workers with nothing ahead for their old age but the public dole are a part of our system which must be abolished and never again permitted to raise its ghoulish specter over free Americans. Employers who refuse to accept this democratic philosophy must be taught by the strength of organized labor backed by a friendly Federal Government.

The efforts of the Government to alleviate the racking effects of unemployment, to give assurance of an independent old age, to afford help from the ravages of occupational diseases, through such enactments as the Social Security Act are aims with which I am in complete accord. It is my sincere belief, however, that this

am in complete accord. It is my sincere belief, however, that this particular statute, as is the case with much new Federal social legislation, does not go far enough. I favor, therefore, the extension of the benefits of the Social Security Act in greater and greater measure so that ultimately all workers who earn by the

toil of their hands will gain the economic security and happiness

toil of their hands will gain the economic security and happiness which is the free-born right of every citizen.

A major proposal of the current Congress which must be enacted for the protection of labor groups against that small fringe of American industry which has not yet emerged from the Dark Ages of industrial relations is the Thomas-La Follette oppressive labor practices bill. This legislation, resulting from the long hearings of the Senate committee which investigated violations of civil liberties and the rights of labor, aims at the heart of the blackest and most reprehensible program of the antilabor forces operative in the country today. The employment of labor spies, the purchase of and the inhuman use of industrial munitions against workers in labor disputes, the employment of strike-breakers, and the inexcusable operations of private detective agen-

against workers in labor disputes, the employment of strike-breakers, and the inexcusable operations of private detective agencies which supply companies with strike-breakers, must be wiped clean from the rule book of American industrial practice. No police power of the Government should be spared to see that these practices are completely and finally eliminated.

As do all other sincere friends of labor, I deplore exceedingly the regrettable division which has come about in the ranks of organized labor, but I am not one of those who condemn or support the position of either of the dissident groups in entirety. What I do realize is that there are sincerely fundamental differences which do exist between the American Federation of Labor and the Congress for Industrial Organizations, but which I am convinced will be resolved in due time by the able leaders of both groups.

Even as the progress of industrial technique in this country has brought forth new and increasingly difficult problems of production, so has the growth of the labor movement given rise to new problems which are vital and which cannot be settled by a snap of the fingers or the unfair criticisms which have been leveled at labor leaders by antilabor forces seeking to make capital of the situation.

All reversements be they industrial political or of a labor nature. situation.

All movements, be they industrial, political, or of a labor nature, must be allowed to settle their internal differences without the interference of any self-constituted "authorities" or by any Government agency not fully cognizant of the problems at issue. I am not in favor of Government pressure to effect compromises which may be distasteful to labor. In keeping with the best democratic principles upon which this country was founded, the problem is one which can be settled permanently only by the labor movement itself

Farmers Cooperate in Illinois

EXTENSION OF REMARKS

HON. CLAUDE V. PARSONS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

Mr. PARSONS. Mr. Speaker, under leave to extend my remarks in the RECORD, I herewith list the counties of my congressional district with the number of farms showing the percentage of cooperation of the farmers of my district with the 1939 agriculture conservation program.

The increase in the number of farmers cooperating shows conclusively that the farmers of my district and my State are in favor of this program, whether they be Democrats or Republicans. From the whole State of Illinois, 179,607 farmers, operating 77 percent of the total cropland in Illinois, have signified their intention of participating in the 1939 farm program. The counties in my congressional district, showing the percentage of cooperation, follow:

County	Number of farms	Percent
Clay Wayne Edwards Hamilton White Saline Gallatin Johnson Pope Hardin Massac	1, 979 2, 894 1, 083 2, 500 1, 517 2, 280 955 1, 422 908 650 928	8 77 81 77 8 7 9 7 8 8 8 8 8

Tennessee-Tombigbee Inland Waterway

EXTENSION OF REMARKS

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 10, 1939

Mr. RANKIN. Mr. Speaker, the Rivers and Harbors Committee of the House has approved the Tennessee-Tombigbee Inland Waterway, as recommended by the Army engineers to connect the Tennessee River with the Gulf of Mexico, and thereby shorten the water distance between all points on the Tennessee River above Pickwick Dam to the Gulf of Mexico by anywhere from 600 to 1,000 miles, and to shorten the distance between all points on the Ohio River and the Gulf by more than 200 miles, and to shorten the distance between all points on the Mississippi River north of Cairo and the Gulf by 108 miles.

It will also furnish a slack-water route for ascending traffic. Traffic moving northward, instead of having to fight the swift current on the Mississippi to Cairo, a distance of about 975 miles, could move in slack water up the Tombigbee to the Tennessee and then downstream to the mouth of the Ohio.

It will be a far better route for ascending traffic. It will also be of great benefit to the people in the area along the Tombigbee River by affording them not only navigation but also protection from the disastrous floods from which they have suffered immeasurably in recent years.

It provides a channel 170 feet wide and a minimum depth for transportation of at least 9 feet. This will not only take care of the traffic but it will take care of the floodwaters of the Tombigbee and its tributaries for all time to come.

In that area lies the world's supply of hardwood timber; in that area there are millions of tons of Kentucky asphalt that cannot be moved under present conditions and that are needed for road and street construction throughout the entire

In that area are the greatest undeveloped deposits of iron ore in the world. In that area are millions and millions of tons of limestone, as well as millions of tons of coal, that cannot be moved except by the cheapest possible method of transportation.

In that area are millions of tons of ceramic clays, out of which pottery and china are made. These clays are now being imported from other countries. These deposits have been discovered in the last 5 years.

In that area are bauxite fields, the material from which aluminum is made. In that area is produced a large portion of the cotton and cottonseed of the South, which must move by cheap transportation, under present prices, in order to reach the markets of the world.

In that area are hundreds of thousands of tons of cottonseed, cottonseed hulls, cottonseed meal, and cottonseed oil that need this new outlet to the sea.

In that area are untold millions of acres of what they call slash pine, out of which paper pulp is manufactured, which must be moved by some cheap method of transportation to reach the markets of the world.

In that area lies the greatest dairy section of the South. whose products are in need of this new avenue of transportation.

In that area lies the cornucopia of the South, which was referred to during the Civil War as the granary of the Confederacy, whose grain and livestock are shipped to every section of the world.

This great inland waterway, which the Army engineers have shown to be economically sound and feasible, will not only furnish transportation for all these commodities but it will also provide a link in our great system of water transportation from Pittsburgh, Pa.; Youngstown, Ohio; Chicago, Ill.; St. Paul and Minneapolis, Minn., to the Gulf of Mexico; and, as I have said, it will furnish a highway for the ascending traffic to avoid the terrific onrushing currents of the Mississippi River.

From the standpoint of national defense, it is absolutely necessary. It will not only furnish us an additional outlet to the sea but it will also furnish an inside passage that may ultimately be opened into Lake Erie and from there extended through the St. Lawrence or Erie Canal to the Atlantic Ocean-a route that will be safe from attack from the sea, where planes might be released from airplane carriers by an enemy fleet in case of war.

It will also give us an additional route of ingress and egress to Muscle Shoals, the source of our nitrate supply in case

In addition to all that, the people of western Alabama and eastern Mississippi are entitled to this development to furnish them adequate transportation facilities and protect them from the disastrous floods along the Tombigbee and its tributaries.

If there ever was a river and harbor project justified by all the facts, certainly this is one of them.

I cannot see how any man who has the welfare of the Nation at heart, and who is willing to do justice to all the people of all sections of the country, can oppose this great project, which has been approved by the special board of Army engineers that spent 5 years investigating it, and which has been recommended by the general Board of Army Engineers, and whose recommendations have been approved by the President of the United States.

This project has also been overwhelmingly approved by the Committee on Rivers and Harbors of the House after a

thorough hearing.

About the only discordant note that has been heard is that of Governor Dixon, of Alabama, who has sent telegrams of protest to certain Members of the House, and certain railroad interests that fight all waterways. It is generally understood that Governor Dixon, who knows practically nothing about this proposition-and who never seemed to be interested until it was too late for him to do it either harm or good—is merely using this proposition as a sounding board to promote his future campaign for the United States Senate.

The only effect his agitation could possibly have would be to embarrass a few Members of the Alabama delegation in Congress, or to help defeat this project and thereby deprive the people of that great area extending from the Lakes to the Gulf of one of the greatest waterway developments ever proposed on this hemisphere.

In addition to the benefits which I have pointed out, it will immeasurably aid the people of that section by reducing transportation rates to the people of that entire section and in that way be worth untold millions of dollars to them in the years to come.

If Governor Dixon had succeeded in blocking this great project, he would have rendered his section of the country the greatest injury of which he was capable.

Birmingham, where Governor Dixon lives, is already served by a barge line, which connects with this great waterway and thereby gains a new outlet to the North.

It comes with poor grace from Governor Dixon or anyone else in Birmingham to thus play the dog in the manger and fight this great development merely because it does not come directly to his own door, or because it benefits the people of Alabama and Mississippi outside the city of Birmingham.

I repeat, Mr. Speaker, that this is not only one of the most feasible but one of the most necessary inland-waterway developments in the world. It is the only place to be found in America where the traffic of one major watershed can be transferred to another with so much ease and so little expense, and with such enormous savings in transportation mileage and in transportation costs.

As I said, this project has been recommended by the special board of Army engineers, who spent 5 years in the most searching survey and investigation of it that was ever made on any project proposed to the Congress of the United States.

In addition to that, it has been recommended by the Board of Army Engineers here in Washington that scrutinized that report from every angle, declared it to be sound, feasible, necessary, and economically justified from every

In addition to that, this report has been approved by the President of the United States after the most careful study and review.

This project was adopted by an overwhelming vote of the Committee on Rivers and Harbors of the House of Representatives, after a full and complete hearing, and the bill containing it was reported to the House by a unanimous vote.

Therefore I submit that if there is any justification for spending money on any river and harbor project, this one should be approved by unanimous vote of both House and the Senate.

United States National Forest Lands and Other Lands Acquired by the Government Should Stand Their Fair Share of the Expenses of Municipalities Where Such Lands Are Located

EXTENSION OF REMARKS

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

Mr. PITTENGER. Mr. Speaker, I again call the attention of the Members of the House to H. R. 4833, introduced by Representative Colmer. The companion bill in the Senate is S. 1717. The purpose of this legislation is to have the United States Government assume its share of the burdens of local municipal government where lands are acquired for use of the United States Forest Service and for other governmental purposes. Under our present law, Government-owned lands are exempt from taxation. So, for example, when the United States Forest Service acquires 160 acres of land for forest purposes, that land is withdrawn from the tax rolls of the counties and school districts of the territory where the land is located.

The purpose of the Colmer-Harrison bills is to have the Government contribute something to the municipalities to help them out in the expenses of their local government. The bills would require a contribution from the Federal Government to the municipalities of an annual payment equal to 3 percent of the purchase price of the land acquired. In this way some revenue annually would be coming from the Federal Government to the counties and governmental subdivisions, which now face decreasing revenue and high tax rates because of the fact that the United States Government has acquired lands but contributes nothing to the expenses of the local governments.

Almost every section of the United States is concerned in this legislation; 31 States and 100 congressional districts are interested, according to figures that have been compiled from reports of the National Forest Reservation Commission.

I submit herewith, Mr. Speaker, summary of lands acquired and approved for purchase up to June 30, 1938, under act of March 1, 1911, as amended by act of June 7, 1924. This is made up from figures taken from Senate Document No. 7, Seventy-sixth Congress, first session. This summary gives the gross acreage of the forest, the acres required or approved for purchase, the consideration therefor, the congressional districts, and the States affected.

The summary is as follows:

	Congressional districts	Gross acres	Land purchased	Total price
Alabama	7	2, 293, 813	458, 051	\$1, 674, 772, 52
Arkansas		3, 365, 367	1, 053, 034	2, 856, 301, 55
California	4	978, 529	115, 529	627, 200. 26
Florida		1, 282, 949	707, 576	2, 159, 560, 72
	3 2	1, 558, 000	561, 555	2, 747, 273, 28
Georgia		465, 673	12, 122	28, 000. 33
Idaho				
Illinois	3	786, 601	161, 631	949, 229, 41
Indiana		781, 462	34, 207	285, 278. 40
Iowa	3	829, 116	100	9, 688, 16
Kentucky		1, 393, 514	392, 770	1, 482, 230. 36
Louisiana	1	877, 066	491, 395	1, 355, 483. 64
Maine	2	878, 032	47, 846	312, 802. 41
Michigan		5, 138, 364	1, 731, 132	5, 039, 286, 40
Minnesota		5, 042, 396	1, 343, 115	3, 210, 774. 92
Mississippi		2, 788, 084	937, 001	3, 262, 040. 01
Missouri	3	3, 321, 480	1, 087, 585	2, 386, 386. 86
New Hampshire		806, 322	663, 116	5, 149, 265. 88
North Carolina	6	3, 588, 123	904, 068	4, 751, 090, 63
North Dakota	2	764, 441	480	4, 796. 30
Ohio	5	1, 466, 103	34, 234	211, 077, 30
Oklahoma	2	344, 249	150, 923	246, 041, 92
Oregon	2	35, 705	27, 660	616, 031, 43
Pennsylvania		726, 310	432, 121	2, 800, 961, 50
Puerto Rico		186, 155	11,079	140, 688, 88
South Carolina.	4	1, 422, 600	519, 745	3, 219, 812, 18
Tennessee		1, 204, 000	529, 197	2, 293, 449, 78
Texas.		1, 714, 364	638, 442	2, 945, 337, 05
Utah		111, 581	50, 692	\$150, 078, 83
Vermont		580, 520	160, 494	1, 684, 804, 77
Virginia		3, 923, 473	1, 290, 901	4, 180, 336. 51
West Virginia		1, 836, 427	891, 089	3, 007, 325, 69
			1, 302, 021	2, 658, 310, 43
Wisconsin	- 8	2, 016, 539	1, 302, 021	2, 000, 310. 43
Total	100	52, 507, 358	16, 740, 911	62, 445, 714. 31

National Unity-The American Way

EXTENSION OF REMARKS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

RADIO ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address delivered by me over the blue network of the National Broadcasting Co., originating from station WMAL, Washington, on night before last:

Today we are talking a great deal about national unity. As the world crisis deepens, we begin to inquire seriously whether we possess that unity needed to defend our democratic institutions against the attacks of proselyting foreign "isms." We inspect our ramparts and take measures to strengthen them. But let us remember that we are defending a way of life and not merely a national sovereignty. We cannot defend that way of life successfully by arms unless we are constantly defending it by living it.

ramparts and take measures to strengthen them. But let us remember that we are defending a way of life and not merely a national sovereignty. We cannot defend that way of life successfully by arms unless we are constantly defending it by living it.

As I see it, there are three crucial points in our defenses which require national attention. All three of these are concerned with national unity. The first is national illiteracy. The second is understanding and appreciation of our institutions by foreign-born people now living in the United States, all of whom should be naturalized citizens. The third is a more widespread understanding of the domestic as well as international issues we confront as a people. These matters cannot be left entirely to the initiative of the States and local communities any more than our military defenses. The Nation as a whole has a stake in good citizenship in all sections.

The bill introduced by Senator Lee, of Oklahoma, and myself, attempts to buttress these ramparts in our defenses by encouraging the States and local communities, first, to reduce and eradicate elliteracy; second, to prepare the foreign-born for naturalization; and, third, to promote more intelligent public opinion through public forums. Senator Lee and I believe that our measure, calling for the matching of State and local educational funds by Federal grants-in-aid, ought to be studied as a fundamental part of our national-defense program.

rational-defense program.

In a democracy unity of action in peace or war grows out of popular understanding of national objectives and ideals. Loyalty is the product of confidence in the workings of democratic processes and not the result of fear of reprisals and concentration camps. Therefore, the road to national unity is in a very real sense paved by education.

MUST BE ABLE TO READ

We cannot have good citizenship and reliable support for the democratic way of life unless our people can read and write. No, our rate of illiteracy is not alarming. It is 4.89 percent. And we have been making strides in removing this blemish on our national honor. Over a million people have been taught to read and write by unemployed teachers in the program of the Works Progress Administration during the past few years. But this work must be given more permanent support for a period of years. This is a time to commit ourselves to eradicating illiteracy once and for all.

While the estimated percentage of illiterates is not high in this country when compared with some others where the rate approaches 50 percent, it is nevertheless higher than some other countries where the rate is less than 1 percent. We cannot much longer lag behind Germany and even Japan in this matter of illiteracy. We who have always claimed that democracy calls for literate and educated people cannot afford to have a higher rate of illiteracy than a dictatorship which scoffs at popular self-government.

But these percentages are deceiving. Actually our degree of illiteracy is much higher than the statistics show. In addition to the 4,283,753 who were counted as illiterate in 1930, we have additional millions who are "functional" illiterates. These other millions can read sufficiently well to escape being counted as

illiterates but not well enough to understand the contents of the daily press or materials which ought to be understood by citizens generally. These people are not free citizens of a democracy. They are not prepared to make free choices because they cannot discover for themselves what the issues before them mean. These are the millions who are easily manipulated by machine politicians—the local dictators who have from time to time controlled

cians—the local dictators who have from time to time controlled our cities. They are easy prey to the most blatant type of propaganda by word of mouth, and appealed to most successfully by mass demonstrations and symbols.

As the leader of one of our great veteran organizations has written in support of my proposed measure, "The need for such legislation can readily be seen, if we pause to think of the several million persons in this country who can neither read nor write, and the hundreds of thousands of so-called 'functional illiterates' who can read but who do not understand what they read. These large groups of illiterates constitute a fertile field for subversive propagandists within our boundaries and for propaganda emanating from foreign sources destructive of our American ideals and principles." These millions who cannot even read the daily press and popular publications with understanding are citizens with all and popular publications with understanding are citizens with all the rights of citizenship. Their votes count just as heavily as an equal number of votes from reading people who carefully weigh the

ILLITERACY IS BAD

Moreover, there is a correlation between unemployment and illiteracy. We live in a technological era which demands literacy from the economic point of view. I dare say that thousands of people are today being supported by public funds who would be able to find jobs if they could read and write with a reasonable degree of proficiency. We are penny wise and dollar foolish to continue to support people in idleness when with the investment of a small fraction of the money required to do this, we could make them employable. I say that we cannot afford to carry this burden of illiteracy with all of its obvious evil consequences. We cannot afford to put up any longer with illiteracy, but we can and must afford to blot out illiteracy.

National unity—the American way requires a certain minimum degree of proficiency in reading and writing on the part of all the people. In our bill, Senator Lee and I have defined that minimum in terms of reading with understanding current newspapers and periodicals. The Nation as a whole has a responsibility for promoting this degree of literacy. It is a safeguard of democracy itself.

promoting this degree of literacy. It is a safeguard of democracy itself.

The next need for strengthening our national defenses to which I wish to draw attention is the naturalization of foreign-born people. We had in this country in 1930, 3,787,086 aliens who have not yet been naturalized. Of this number 1,267,803 come from the totalitarian States. Recently, we in Congress have required that unnaturalized aliens be dropped from W. P. A. rolls. But this does not solve the problem. The fact still remains that millions of people living in our national community are not part of it in the important sense of citizenship. Millions do not understand what American democracy means, what free Government entails, what our national objectives and ideals are. By depriving a few of these millions of the opportunities afforded to citizens, we do not get at the heart of the problem.

National unity requires common understanding of national objectives and ideals. Naturalization or Americanization is our way of introducing peoples of foreign birth into our national community. They must not be left outside of it. They must be brought to understand its purposes and processes, else we cannot depend upon them in our defense program for our way of life. Some of us hope to send undesirable aliens back to their former countries. Allens are here. Let us be practical and take effective steps to help the worthy ones become loyal Americans. My bill would enable the local educational agencies to provide classes in civics and American history for the rapid preparation of these people for citizenship. This is a practical way of fighting the growth of agitation in behalf of anti-American creeds of race hate and dictatorship. Help the aliens to understand American democracy, to become citizens in good standing, and you will re-

hate and dictatorship. Help the aliens to understand American democracy, to become citizens in good standing, and you will re-duce the power of the bund and similar organizations. Most of these organizations appeal to foreign-born people who have not yet found their place in the national community. They are a danger to us if they have the feeling of being on the outside looking in, and are finding their social contacts among organizations promoting national conflict and disunity.

PUBLIC DISCUSSION NEEDED

The third step toward greater national unity which can be taken within the provisions of my bill concerns civic literacy. During the past 3 years, 15,000 public forums have been conducted in over 500 American communities in 38 States by local agencies

of public education with the help of emergency funds from the Federal Government administered by the Office of Education. The

Federal Government administered by the Office of Education. The demonstrations of locally managed systems of public forums have pointed a way toward a more enlightened democracy. We have now but to follow the light and to encourage and aid the States in the planning of more thousands of programs based on these demonstrations. The people in the communities where these forums have operated have demonstrated an eagerness for the opportunity to study and discuss under impartial and nonpartisan auspices the important issues they face as citizens.

National unity—the American way calls for the understanding of common problems by the masses of people. The answer to crackpot and ill-conceived schemes which lure the citizens away from solid solutions is the increased study and discussion of our problems under educational auspices. We cannot prevent people from following attractive will-o'-the-wisp panaceas by forceful means without losing the very democracy we seek to protect. Yet we know that if enough people can be gained to subscribe to unsound programs the Republic will be swamped in a sea of chaos. We have no alternative but to promote public enlightenment on public affairs through the thoroughly American method of free discussion.

no alternative but to promote public enlightenment on public affairs through the thoroughly American method of free discussion. Any other methods (i. e., indoctrination, censorship, persecution of unpopular expression, etc.) of securing the acceptance of political common sense and sound values threaten democracy itself.

One hundred years ago this month the American Lyceum held a meeting of its delegates in New York City to plan a national education conference signalizing the success of that great discussion movement in helping America talk out the public-school issue. The work of the lyceum as a teacher-training institution and a forum for the discussion of practical plans for a public-school system had for the discussion of practical plans for a public-school system had been successful. Within a little more than a decade this organization had established over 3,000 town lyceums. As a result of this discussion movement public understanding of the needs of the common schools was developed, State departments of education took form, and teacher-training institutions were multiplied.

In this year of 1939 we may well reflect upon the role of this earlier American institution in promoting national unity—the American way. In this year, 100 years later, what greater tribute may we pay to those who organized public support for free schools through the lyceum than to buttress that public-school system with Federal aid? The roll call of the lecturers who spoke from the lyceum platforms both before 1839 and for decades thereafter includes the names of the great leaders of our national life—Henry Ward Beecher. Wendell Phillips. William Lloyd Garrison. Oliver ward Beecher, Wendell Phillips, William Lloyd Garrison, Oliver Wendell Holmes, Susan B. Anthony, Mark Twain, and a host of others. Some of us in the Congress today have stood on the lyceum platform and found a place for the free discussion of public questions in the twilight of this voluntary adult education movement. It is one of the happy experiences of my public career to have participated in this movement, having its roots back in our early history.

I am convinced that national unity today must be sought by the same basic means as it was in the lyceum. But now we have a great local public educational system which is organized to accomplish the task. That public-school system needs to be buttressed by the Nation as a whole, particularly in the promotion of those kinds of education which are required for the national unity and safety.

STATES TO PARTICIPATE

The bill I have introduced proposes that the Congress make available to the States \$19,000,000 each year for 3 years to reduce illiteracy, provide classes for Americanization, and to organize community-wide public-forum programs. The local and State agencies of education must match these funds with State or local funds. Each State makes its own plan, and the local agencies of public education manage their own programs. In some States where illiteracy is negligible and where few aliens reside the authorities may elect to use all or more of their funds for public-affairs forums. In States having a high degree of illiteracy, a larger portion of the funds would be devoted to reducing illiteracy and less to public forums. The same applies to States having a high proportion of foreign-born people. The public forum can be most successful as an agency of public enlightenment in those communities having a high degree of literacy and general understanding of American principles of citizenship. Thus, our bill enables each State to give support to that phase of adult education which most needs it.

Whatever other provisions are made now or in the future for The bill I have introduced proposes that the Congress make avail-

support to that phase of adult education which most needs it.

Whatever other provisions are made now or in the future for Federal aid to education, we feel that we cannot delay any longer in taking this modest step in these three important directions. The objectives to be gained are clearly of national concern, and the methods of local administration and impartial discussion are clearly in harmony with the American way. National unity calls for practical educational action. This is a program of national defense.

One Hundred and Fiftieth Anniversary of the Inauguration of George Washington

EXTENSION OF REMARKS

HON, SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1939

ADDRESSES DELIVERED AT THE ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE INAUGURATION OF GEORGE WASH-INGTON AS FIRST PRESIDENT OF THE UNITED STATES

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the Record. I include therein the following speeches made at the celebration of the one hundred and fiftieth anniversary of the inauguration of George Washington as first President of the United States under the Constitution, also the speech made at the dedication at the monument to George Washington, April 30, 1939, at the opening of the New York World's Fair 1939, together with a report of the ceremonies:

Address by the Honorable Franklin D. Roosevelt, President of the United States

From henceforth the 30th day of April will have a dual significance—the inauguration of the first President of the United States, thus beginning the executive branch of the Federal Government and the opening of the New York World's Fair of 1939.

Today the cycle of sesquicentennial commemorations is complete. Two years ago, in Philadelphia and in other communities, was celebrated the Constitutional Convention of 1787, which gave

was celebrated the Constitutional Convention of 1/87, which gave to us the form of government under which we have lived ever since. Last year was celebrated in many States the ratification of the Constitution by the original States. On March 4 of this year the first meeting of the First Congress was commemorated at a distinguished gathering in the House of Representatives in the National Capitol. On April 14 I went to Mount Vernon with the Cabinet in memory of that day, exactly 150 years before, when General Washington was formally notified of his election as first President.

President.

Two days later he left the home he loved so well and proceeded by easy stages to New York, greeted with triumphal arches and flower-strewn streets in the large communities through which he passed on his way to New York City. Fortunately, there have been preserved for us many accounts of his taking of the oath of office on April 30 on the balcony of the old Federal Hall. In a scene of republican simplicity and surrounded by the great men of the time, most of whom had served with him in the cause of independence throughout the Revolution, the oath was administered by the chancelor of the State of New York, Robert R. Livingston.

The permanent Government of the United States had become a fact. The period of revolution and the critical days that followed were over. The long future lay ahead.

LOOKED TO EXPANSION

In the framework of government which had been devised and in the early years of its administration, it is of enormous significance to us today that those early leaders successfully planned for such use of the Constitution as would fit it to a constantly expanding Nation. That the original framework was capable of expansion from its application to 13 States with less than 4,000,000 people to 48 States with more than 130,000,000 people is the best tribute to the vision of the fathers. In this it stands unique in the whole history of the world, for no other form of government has remained unchanged so long and seen, at the same time, any comparable expansion of population or of area.

It is significant that the astounding changes and advances in almost every phase of human life have made necessary so relatively few changes in the Constitution. All of the earlier amendments may be accepted as part of the original Constitution be-

ments may be accepted as part of the original Constitution because the Bill of Rights, which guaranteed and has maintained personal liberty through freedom of speech, freedom of the press, freedom of religion, and similar essentials of democracy, was already popularly accepted while the Constitution itself was in the

process of ratification.

There followed the amendments which put an end to the practice of human slavery and a number of later amendments which made our practice of government more direct, including the extension of the franchise to the women of the Nation. It is well to note, also, that the only restrictive amendment which deliberty the control of the Nation of the Nation.

only once has permanence of the Constitution been threat-end—it was threatened by an internal war brought about prin-cipally by the very fact of the expansion of American civilization

across the continent—a threat which resulted eventually and happily in a closer union than ever before.

And of these later years—these very recent years, indeed—the history books of the next generation will set it forth that sectionalism and regional jealousies diminished and that the people of every part of our land acquired a national solidarity of economic and social thought such as had never been seen before.

That this has been accomplished has been due, first, to our form of government itself and, secondly, to a spirit of wise tolerance which, with few exceptions, has been the rule. We in the United States and, indeed, in all the Americas remember that our population stems from many races and kindreds and tongues. Often, I think, we Americans offer up the silent prayer that on the continent of Europe, from which the American Hemisphere was principally colonized, the years to come will break down many barriers of intercourse between nations—barriers which may be historic, but which so greatly, through the centuries, have led to strife and hindered friendship and normal intercourse.

The United States stands today as a completely homogeneous nation, similar in its civilization from coast to coast and from north to south, united in a common purpose to work for the greatest good of the greatest number, united in the desire to move forward to better things in the use of its great resources of nature and its even greater resources of intelligent, educated manhood and womanhood, and united in its desire to encourage peace and good will among all the nations of the world.

FAIRS BORN OF UNITY

Born of that unity of purpose, that knowledge of strength, that Born of that unity of purpose, that knowledge or strength, that singleness of ideal, two great expositions, one at each end of the continent, mark this year in which we live. And it is fitting that they commemorate the one hundred and fiftieth anniversary of the birth of our permanent Government.

Opened 2 months ago, the exposition on the magic island in San Francisco Bay presents to visitors from all the world a view of the amazing development of our Far West and of the neighbors of the American continent and the nations of the isles of the Pacific.

Pacific.

Here at the New York World's Fair many nations are also represented—most of the nations of the world—and the theme is "The World of Tomorrow."

World of Tomorrow."

This general and, I might almost say, spontaneous participation by other countries, is a gesture of friendship and good will toward the United States for which I render grateful thanks. It is not through the physical exhibits alone that this gesture has manifested itself. The magic of modern communications makes possible a continuing participation by word of mouth itself. Already, on Sunday afternoon radio programs, no fewer than 17 foreign nations have shown their good will to this country since the 1st of January. of January.

BUILDING FOR PEACE

In many instances the chiefs of state in the countries taking part in the programs have spoken, and in every case the principal speaker has extended greetings to the President of the United States. In this place and at this time, as we open this New York World's Fair, I desire to thank all of them and to assure them that we, as a nation, heartily reciprocate all of their cordial sentiments.

All who come to this World's Fair in New York and to the expectation in San Preprince will receive the heartist of valences.

position in San Francisco will receive the heartiest of welcomes. They will find that the eyes of the United States are fixed on the future. Our wagon is hitched to a star.

But it is a star of good will, a star of progress for mankind, a star of greater happiness and less hardship, a star of international good will, and, above all, a star of peace.

May the months to come carry us forward in the rays of that

hope.

I hereby dedicate the New York World's Fair of 1939 and declare it open to all mankind.

Address by Hon. Herbert H. Lehman, the Governor of the State of New York

I am greatly honored in having the privilege of participating today in the dedication of this great fair.

Here we have living proof of the divine blessings, of material resources and spiritual strength which have been granted to our people. On these grounds there are exhibited the fruits of our industry, of our mines, and of our laboratories. But on every hand there is symbolized something far more precious, more typical of America than material progress—our faith in our destiny and our confidence in our future. Men elsewhere may doubt the days that lie ahead; here we accept adversity with hopeful and confident hearts. Our Nation was born in struggle and in sacrifice. It is not new for our people to surmount obstacles and bring order out of chaos. We shall do so again.

One hundred and fifty years ago on this very day the first President of the United States was inaugurated in this city. His illustrious successor—the thirty-second in the line of Presidents—is here with us today. It is a young nation that has had only 32 rulers. It is virile and imaginative; capable and resourceful. Free men everywhere look toward our land for leadership and guidance. Mr. President, we are proud that in these dangerous days they have not looked in vain.

looked in vain.

WORLD OF MUTUAL HELP SOUGHT

It is almost unbelievable, standing amidst this great pageant of material progress, that there are yet hidden from man two great

secrets of the social relationship in which man must live. One is the secret of how to distribute the fruits of the field, of the mill, of the laboratory, so that all may have a sufficiency of the goods of the world, goods for which they are willing to exchange the toil of their hands and the sweat of their brows. The other is the secret of living together in understanding and friendship, in tolerance and in good-will. I pray that some day—in the "world of tomorrow"—these secrets, too, will be revealed to us. It is not too hopeful to believe that the day will come when we will build a world in which men will seek to help their neighbors, not to harm them; a world of which the keystone will be justice, equality, and tolerance; a world in which right will ever be the master of might.

This fair will bring to our State a great army of visitors from every other State in the Union and from every other country on the face of the globe. We will learn from them, and I hope they may learn something from us. The exchange of ideas and views which come when people meet in cordial relationship will inevitably lead to a more sympathetic understanding of each other's philosophy and problems.

The fair, I am certain, will bring a clearer realization of our re-

The fair, I am certain, will bring a clearer realization of our resources and hopes and ideals as a nation. It will bring to our millions of visitors a better appreciation of the part that New York City and New York State play in the economic and social life of the

STATE'S HOSPITALITY OFFERED

The citizens of the State of New York are a hospitable people. They will seek during the months of the fair to show our visitors that New York wants nothing in her own self-interest which is against the interest of other peoples. We in this State believe that our larger interests lie with every other part of the Nation. This momentous undertaking has been conceived with broad vision and

momentous undertaking has been conceived with broad vision and has been executed with singular and signal success. It will be the means of demonstrating that all parts of our country are linked in a common interest—that what affects the happiness and prosperity of one part affects the happiness and prosperity of all.

We of New York want to share with the rest of the Nation whatever is good in our life and in our experience. We want to know what people in other parts of the country have done so that we, in turn, can profit by their experience and achievements. We will eagerly welcome to the State of New York all those who do us homor by coming to us from our own country and from abroad us honor by coming to us from our own country and from abroad. I can promise that they will be received by the people of the State of New York with heartfelt cordiality and that in whatever part of the State they may travel they will receive a warm and friendly

Address by Hon. F. H. LaGuardia, Mayor of the City of New York

Mr. President, distinguished guests, ladies, and gentlemen, on behalf of the people of the city of New York, I bid you welcome. As the host city, the people extend a cordial invitation to all our neighbors throughout the United States to honor us with a visit to this inspiring fair.

Among the many exhibits of science, industry, commerce, may I point to one exhibit which I hope all visitors will note, and that is the city of New York itself.

the city of New York itself.

Not what you will see in the city's exhibit, but our exhibit to the whole world is that in a city of seven and one-half million people, coming from every land and every country, and children of these people who have come from every country in the world, live here together in peace and harmony. And for that we claim we are most unselfish about it, and pray and hope that other countries may copy. All we do is to let every man and woman have a say in their

own government, and we have eliminated artificial stimulus of hatred. That is New York City's contribution to the world's fair.

And now, Mr. Whalen, please accept the thanks of the mayor and through him of the people of this city to you for the direction, and to you men out there who built this fair—go our thanks

and gratitude.

Mr. President, you are always welcome to New York City. In fact, you belong here. And I know that your greatest thrill must have been this morning as you were received by hundreds of thousands of people who waited your arrival and cheered you on the way to this fair.

We are indeed fortunate and should give thanks that we are living in a country that refuses to admit that out of all the marvelous things that you will find in this fair it is impossible for men and women to live properly. Yet the United States has another exhibit, not necessarily found in the various halls, and that is that in periods where other countries were suffering we built and constructed an ideal thoroughout the United States of the vision and the dignity of the leader of the Penyllic. the vision and the dignity of the leader of the Republic.

Finally, New York City will welcome our visitors with open arms not only today, the opening of the fair, but all through the fair and every day thereafter. The city of today greets the world of

tomorrow.

ADDRESS BY THE HONORABLE SIR LOUIS BEALE, K. C. M. G., C. B. E., COMMISSIONER GENERAL FOR HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM FOR THE NEW YORK WORLD'S FAIR 1939, ELECTED TO REPRESENT THE COMMISSIONERS GENERAL OF THE PARTICIPATING FOREIGN GOVERNMENTS

I have the great honor, on this memorable occasion, commemorating the inauguration—150 years ago—of the beloved first President of the United States, from whose great qualities of heart and mind all peoples have benefited, to speak on behalf of the foreign com-

missioners general to the New York World's Fair, and in their name to say, first, how much we have enjoyed working with the administrators of the fair and with their officials, and how much we have appreciated their cooperation and the spirit of harmony which has prevailed in all our relations.

Speaking with even greater emphasis, I must then express the pride and satisfaction of the nations represented at the fair at being associated with the people of the United States of America in this event of world-wide significance.

SINCERITY IN RESPONSES

The President of the United States invited the countries of the world to come to New York to play each their part in this historic parade of national achievement; they have responded with enthusiasm and sincerity to his gracious invitation.

There are here represented nearly 60 of the nations of the world. Every country, deeply sensible of the privilege of participation, is seeking to make fully and faithfully a contribution, national and patriotic, it is true, but a contribution worthy of this great ocasion, based on friendship and acceptable to the people of this great Nation—a contribution which shall play a real and important part in the magnificent international pageant which is now spread before us.

The word "friendship" denotes exactly and faithfully the spirit of foreign participation at the World's Fair, and I am persuaded that the spirit of friendship inspires all who are here responsible for any form of participation and will equally animate all who come as visitors from all quarters of the world.

AN "OUTSTANDING ACHIEVEMENT"

Those of you who have been able to make a tour through the fairgrounds at any time during the past few weeks will have been given a sure promise of a beauty which will gladden the eye and heart of every visitor. The majestic scale of the fair, the boil conception of its planning, and the masterly execution of the work, both in building and landscaping, have insured an outstanding achievement. achievement.

The fair was designed to show the advancement of human welfare

and the creation of a better and more abundant life, and its creators have never faltered in their steadfast purpose of pointing the way to a finer world of the future. In that purpose the foreign countries participating have joined wholeheartedly; so that, in very truth, the New York World's Fair cannot fail to be an instrument of the highest value in increasing the happiness and welfare of the propose of the world. peoples of the world.

With our highest esteem we, the commissioners general, salute the President and people of the United States of America and wish them every success in this great enterprise.

ADDRESS BY HON. GROVER A. WHALEN, PRESIDENT, NEW YORK WORLD'S FAIR 1939

FAIR 1939

That the world of tomorrow might not catch us unawares we have seen fit to create the New York World's Fair as an adventure along the frontiers of progress and world understanding.

On opening day, April 30, 1939, we have here, within the confines of a mere 1,216-acre tract, a fabulous display of works representing man's highest accomplishments. Small wonder, then, that the moment is one of deepest solemnity as we gather here for a moment of benediction upon what has been done and with a prayer in our hearts for what can be done.

These have been called "magic acres." We are here to regard them as modern acres, expressive not only of the scintillating minds of America, as projected into tomorrow, but as an expression from almost all of the world that the hopes and aspirations of America are in no way different from those of the rest of the world.

We have on these grounds the assurance that the equipment and

We have on these grounds the assurance that the equipment and knowledge of today, when alined by, and with, man's better nature, constitute the only alliance upon which Divine Providence will smile and lend spiritual aid.

Let our chief concern be, therefore, that the greatest possible number of persons see, and come to know, what has been wrought

humber of persons see, and come to know, what has been seen.

These works around about us shall speak for themselves. Their money cost has been great, but it is not their money cost that makes them great. Rather is it that they represent almost the sum total of all that man has produced since history began—that they sample the best of man's creative talent—that they spring from the surge within him toward betterment of existing conditions—and that they lend concrete evidence of faith in the future and of courage to go on in the face of many doctrines of futility. to go on in the face of many doctrines of futility.

REPRESENTATIVE OF MANY LANDS

Like these very ceremonies in the court of peace, by which we officially open the international exposition, the fair is the expression of many minds and the work of many hands of 60 nations. On behalf of the exposition, innumerable men and women of all nations, creeds, colors, and stations of life have given their best. Young people built this fair; people young in spirit and with the faith and courage of youth. They have dared to adventure along the frontiers of modern thought, modern production, and modern science, which take the place of geographic frontiers known to our forefathers.

forefathers.

Many a man is ready to admit that with the building of the fair he has grown in mental and spiritual stature.

Let any man who has directly or indirectly taken part in the creation of this exposition say to himself, "Of the fair I am proud, but I am more proud that I was not one of those who said it couldn't be done."

The New York World's Fair was conceived by the men and women of the city whose name it bears. It was caught up by the American people as providing expression for the past 150 years of their endeavor and of their ideals for the years to come. Because there is contagion in the vitality and ideals of the American people, the nations of the world in turn accepted the New York World's Fair as the means of fostering a philosophy of unselfishness, which alone can bring to us an era of prosperous happiness and harmony among men.

Thus it is that we meet here today as a congress of nations intent on the progress of the world.

Even on the opening day of the fair it is obvious that the exposition is a stimulant administered to world thought of conscientious and scientific development of all man's economic and socientific development of all man's economic and socientific development of the monthly still become resources. The fair demonstrates the world's willingness to develop higher standards of individual living and all the potentials of world peace. The fair represents the need man has for constructive work to occupy his mind and hands. And let it be remembered that when man does not build he destroys, if only time.

Never in the history of the world has there been a more hopeful

never in the history of the world has there been a more hopeful picture than the one presented here during the past year. These acres have seen no strife. They have seen exemplary cooperation among individuals, among industries, among States, and among nations. If the buildings, exhibits, and surroundings be considered as "lessons" or "words," they are words to take with all seriousness, for behind them are the ideals and prayers of 90 percent of the

globe's population.

The fair faces the rising sun. We have not been unaware of what has taken place in the world or what is taking place in the world. To us was entrusted the vision of an international exposi-

world. To us was entrusted the vision of an international exposition that might turn the course of humanity into easier high-roads. We looked deep into human history, less for precedent than for guidance along new ways. If we found it necessary to violate many precedents, we did so with the sure knowledge that in that very violation lay the way to true progress.

We looked back through 150 years of progress in business, industry, the arts, and social life, not merely to commemorate that period but that we might build more wisely toward the future. We have made tremendous strides since George Washington was inaugurated first President of the United States, but we should not rest content on our laurels of the moment. We shall go forward if we but maintain our faith and courage and hold to the high ideals that have guided us in the past.

have guided us in the past.

PROMISE HELD IN THEME

Three years ago, when the theme of the New York World's Fair was first promulgated, we announced that we would:

"* * gather together the genius and the imagination of the twentieth century to formulate replies to the living questions of our age which clamored for answers from living men and women."

The theme, as announced at that early day, continues:

"We are convinced that the potential assets, material, and spiritual of our country are such that if readily used they will make for a general public good such as has never before been known.

"In order to make its contribution toward this process the fair

In order to make its contribution toward this process the fair will show the most promising developments of production, service, and social factors of the present day in relation to their bearing

and social factors of the present day in relation to their bearing on the life of the great mass of the people. * * * "Thus, in presenting a new lay-out for a richer life, the fair will not only predict but may even dictate the shape of things to come." How well we have carried out our trust since these words were written in 1936 the world may judge during 1939.

The events of the past 3 years since that theme was written have neither tampered with the ideals of the fair nor dampened the ardor of its creators. Rather have they contrived to set the international exposition in perspective by setting it in contrast.

The exposition, as open today, demonstrates the will toward eventual cooperation among nations, using the tools of peace, namely, the ways and products of business and industry, of architecture

the ways and products of business and industry, of architecture and art, of education and science.

and art, of education and science.

The many buildings and exhibits, as presented in their splendid surroundings, represent a new display technique, it is true, but infinitely beyond that they represent the new attitude of industries and nations toward their world-wide social obligations.

There can be no doubt in the thinking mind about the future. We have in the world today startling examples of the destruction that may be worked by man's will. Fortunate is it indeed, then, that we have here at the New York World's Fair a joyful display of man's nature at work toward the goal of true utility and true beauty, be these of some such product as a lowly carpet sweeper or some such lofty concept as a social order typified by peace.

CHOICE OF PATHS OPEN

Let there be no mistake. There is a choice of paths obviously open to us. Who, other than those shackled by pure emotion, can hesitate over taking the high road for which the New York World's Fair is a blueprint, a blueprint drawn by 60 nations in the manner of science inspirited with humanity.

We must not pause long for words at the crossroads, for while words are good, examples are more effective. Let us continue with marketing and using the knowledge we already have. Use of that knowledge will speedily bring us greater knowledge for our avail in what George Washington called the "discernment and pursuit of the public good."

The fair commemorates the one hundred and fiftieth anniversary of Washington's inauguration as first President of the United States. While en route from Mount Vernon to New York City, scene of the inaugural, Mr. Washington was addressed by "the trustees and faculty of the University of Pennsylvania." In reply, the President elect wrote: the President-elect wrote:

"I can see hopes * * * that we are at the eve of a very enlightened era. The same unremitting exertions, which, under all the blasting storms of war, caused the arts and sciences to flourish in America, will doubtless bring them nearer to maturity when they shall have been sufficiently invigorated by the milder

when they shall have been sufficiently invigorated by the milder rays of peace."

We have here at the New York World's Fair exhibits on display of our progress toward the "maturity" mentioned by Washington. They clearly show that we have kept faith with our Constitution. The accomplishments of a century and a half have been sufficient to inspire creation of an international exposition that shall, in turn, renew faith, courage, and endeavor for all mankind.

We may not rest until the lessons of the New York World's Fair have become examples of benefits to civilization.

have become examples of benefits to civilization.

Address by Hon. Herbert H. Lehman, the Governor of the State of New York, Dedicating the Heroic Statue of George Washington by James Earle Fraser, Constitution Mall, New York World's Fair, 1939, New York City

World's Fair, 1939, New York City
On this very day and in this very city 150 years ago George
Washington was inaugurated as the first President of the United
States. He was a great soldier whose military genius was recognized throughout the world; he was a wealthy landowner who had
earned the respect and affection of his neighbors; he was a statesman whose leadership his fellows were glad to follow. He had
served his country as well in peace as he had in war.

I do not think, however, that Washington is dear to us only
because of his accomplishments, great as they were. It was because of his character that he has held the affection of the Nation,
beyond, I believe, any other American. He was more than a great
soldier, more than a wise statesman or rich landowner. He was a
loyal, humble, courageous, and sincere man.

loyal, humble, courageous, and sincere man.

There may or may not be historic truth in the popular cherrytree incident, but it is told and retold by a grateful people as a
symbol of Washington's sterling honesty. At Valley Forge he
divided his food with a drummer boy, and on the battlefield he urged no man to go where he would not dare to go himself. We like to recall the picture of Washington crossing the Delaware. There he stood erect, braving the winter elements, facing uncertainty and danger, amidst his troops. We finally like to think of him returning to Mount Vernon after laying down the burdens of the Presidency and thereafter eagerly serving his community in humble connective. humble capacity.
We do not recall Washington so much as a brilliant statesman

but as a man farsighted enough to plot a course that his country but as a man farsignted enough to plot a course that his country follows even to this day. Rejecting a crown, he secured for the new Nation a democracy in which all would have a voice in government. Never a politician, Washington still was able to direct the political thought of many divergent political groups into one common channel dedicated to the general good of his country. He gave us national pride, yet developed in us a distrust of conquest or imperialism. He gave us an undying determination to defend our Nation and our homes with unswerving loyalty, but to hate aggression and national selfishness.

defend our Nation and our homes with unswerving loyalty, but to hate aggression and national selfishness.

The things that made Washington great are the things that make for greatness today wherever they are found. Sometimes it is a greatness that is limited to a small sphere of life, since we cannot all be in high places. But always it makes for true Americanism and real citizenship. Washington was great because he was a real American; not a real American because he was great. Let us then, in dedicating this statue, dedicate ourselves also to the principles for which George Washington fought and by which

the principles for which George Washington fought and by which he lived. Those principles—loyalty, justice, tolerance, and lib-erty—are just as true a way of life today as they were 150 years

REPORT OF CEREMONIES AT REENACTMENT OF THE INAUGURATION OF GEORGE WASHINGTON AS FIRST PRESIDENT OF THE UNITED STATES UNDER THE CONSTITUTION

(Article from the New York Times, May 1, 1939)

Washington Inaugural Is Reenacted at the Fair—Inaugural Scene of 1789 Is Enacted—Statue of George Washington Is DEDICATED BY LEHMAN AS THOUSANDS LOOK ON-COACH TO BE ONE HUNDRED AND FIFTIETH ANNIVERSARY CEREMONY CONCLUDES PORTRAYAL OF THE TRIP FROM MOUNT VERNON

The great event in American history that the world's fair officially commemorates—the one hundred and fiftieth anniversary of George Washington's inauguration as first President of the United States—was reenacted on Constitution Mall yesterday in an impressive pageant that brought from thousands of applauding spectators new and hearty proof that Washington still lives in the hearts of his countrymen.

hearts of his countrymen.

In the presence of Governor Lehman, who dedicated the imposing 68-foot statue of Washington that dominates the Mall, a group of the country of t of costumed figures from the stately world of yesterday reproduced with historical fidelity the ceremony that took place in front of the present Subtreasury Building on Wall Street exactly 150 years

ago.

The ceremonies ended a pageant that began 2 weeks ago at the door of the historic manor at Mount Vernon, Va. On that day Denys Wortman, artist and cartoonist, stepped from the mansion, a reincarnated General Washington, and embarked on an 8-day ride by coach and horse to New York.

His 160-year-old colonial coach, drawn by four bay horses, clattered through the fair grounds yesterday afternoon in an incongruous contrast to the streamlined setting of the world of tomorrow. At the base of the huge statue the general and his costumed party stepped out of their coach and out of the past, and General Washington took the oath as President, reading again his inaugural address.

BAND SALUTES NEW PRESIDENT

A roll of drums and a flourish of trumpets from the smartly attired Seventh Regiment Band saluted the new President; a guard of honor presented arms; and some 8,000 onlookers who had crowded into the small plaza now known as Washington Square

crowded into the small plaza now known as washington square cheered wildly.

Governor Lehman and Grover Whalen, president of the Fair Corporation, hastened to congratulate President Washington, and the Governor then formally dedicated the statue, in which he said that Washington "gave us an undying determination to defend our Nation and our homes with unswerving loyalty, but to hate aggression and national selfishness."

"The things that made Washington great," the Governor said, "are the things that make for greatness today wherever they are

"The things that made washington great," the Governor said, are the things that make for greatness today wherever they are found. Sometimes it is a greatness that is limited to a small sphere of life, since we cannot all be in high places. But always it makes for true Americanism and real citizenship. Washington was great because he was a real American; not a real American because he was great."

Postitionaris in the greatness included several descendants of per-

Participants in the exercises included several descendants of persons who figured in the original inaugural ceremonies. Robert R. Livingston, who, as chancelor of the State of New York, administered the oath of office to Washington in 1789, was impersonated yesterday by a descendant of the same name.

AIDE IN ATTENDANCE

The general was attended by his aide-de-camp, Col. David Humphreys; by Charles Thomson, Secretary of the Continental Congress; and by his servant, "Billy," all of whom made the ride by coach from Mount Vernon. They were impersonated by Laurens M. Hamilton, a direct descendant of Alexander Hamilton, who represented Colonel Humphreys; Dr. William S. Horton, of Lynbrook, Long Island, as Mr. Thompson; and by Marshall Thomas, Negro waiter at the Century Club, who enacted the role of "Billy." They had arrived in New York by barge from Elizabeth, N. J., last Monday, on the anniversary of Washington's original arrival, and following the precedent he set 150 years ago, they devoted a week to a round of ceremonies in the city.

Yesterday they were guests of Messmore Kendall, president general of the National Society of the Sons of the American Revolution, at a luncheon at the Fairway Yacht Club, and they came to the fair grounds by speedboat from the club's pier on the Hudson River. Their coach was brought to the grounds by an Army motor van.

While the party prepared for the ceremonies in a hide-out on the fair grounds, detachments of National Guardsmen and members of the Regular Army permanently attached to Camp George Washington at the fair grounds formed a guard of honor beside the statue. The Seventh Regiment Band served as the representative of all New York National Guard bands.

WEARS SUIT OF BLACK VELVET

General Washington wore a magnificent suit of black velvet, a white lace jabot around his throat, and a black three-cornered hat. His suit was embellished with silver buttons and he wore silver buckles on his knee breeches and his shoes. His head was

silver buckles on his knee breeches and his shoes. His head was covered with a powdered white wig.

The other participants in the ceremony, all in authentic costume, included Francis Parsons Webb as Gen. Samuel B. Webb, commander of the famous Third Connecticut Regiment of the Continental Army; Cortlandt Otis as Samuel Otis, first Secretary of the United States Senate; L. I. Lincoln Adams as John Adams, first Vice President of the United States; Arthur Benson as Judge Egbert Benson, first Attorney General, Justice of the Supreme Court, and Members of both the Continental Congress and the Constitutional Convention; and George V. Henry as Richard Henry Lee, first United States Senator from Virginia.

All of these are descendants of the persons whom they portrayed

All of these are descendants of the persons whom they portrayed

yesterday.
Chancelor Livingston read the oath, and the general repeated it

Chancelor Livingston read the cath, and the general repeated it after him, his left hand on a huge crimson-bound Bible and his right hand upraised.

"Long live George Washington, President of the United States," loudly intoned the chancelor at the conclusion of the ceremony. The crowd roared, "Hurray for George." The trumpets rang out, and the drums rolled.

The 160-year-old coach, a treasured possession of the Franklin Institute of Philadelphia, will be on exhibition throughout the fair in Washington Hall.

The Townsend Plan

EXTENSION OF REMARKS

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

ARTICLE FROM THE NEW YORK TIMES OF DECEMBER 22, 1935

Mr. HOBBS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Times of Sunday, December 22, 1935:

[From the New York Times of December 22, 1935]

TOWNSEND THEORY COLLAPSED IN 1793—FRENCH FORERUNNER OF MODERN PLAN IS DISCOVERED HERE IN FORM OF PUBLIC DECREE—FULL PENSIONS AFTER 70—BUT NO ONE EVER RECEIVED ONE BECAUSE CURRENCY INFLATION LED TO COUP OF NAPOLEON

A historic forerunner of the Townsend plan was discovered here yesterday in a document 142 years old. It was a product of the French Revolution.

The document is an official copy of "Decree 1161 of the National Convention, June 28, 1793, the second year of the French Re-

public."
It begins: "The National Convention, having heard the report of its committee on public relief, decrees as follows:"
For destitute old age it provides:
"The indigent aged will be relieved when age no longer permits them to earn enough for their needs. Since the aid which the nation owes to the aged should be based on their need, it will increase as their strength diminishes.
"A citizen whose strength is prematurely exhausted and who is in need may claim relief by producing certificates from two health officers and the relief agency. Otherwise he will be presumed to be completely able to support himself until he is 60.

BASED ON A DAY'S PAY

"The aid will consist of a subsistence allowance, exempt from any drawback or attachment and not suspendable, at an annual rate which will be fixed by the higher relief administration every 2 years, based on the price of a day's work. The maximum aid may not in any division of the republic exceed 120 livres a year.

The French livre, which later collapsed under inflation and made way for the franc, had already begun to disintegrate when this relief decree was enacted; consequently its real purchasing power was uncertain. Research indicates, however, that 120 livres annually in 1793 would have a present purchasing power of about

"This pension," the decree continues, "will have three periods: When the aged arrives at his sixtleth year, the pension will commence at half-rate; at his sixty-fifth year, it will reach two-thirds; and after his seventieth birthday, he will receive the full current relief rate."

The pensioner had the option of receiving his subsistence allowance in his own home or the home of relatives or friends, or he could retire to a public institution. In the institution, he might not be put to any gainful work for the nation, "nevertheless there shall be made available for him, if he sees fit, the means of occupying himself in the manner most suitable to his interests and abilities; and the product of this voluntary activity will below. abilities; and the product of this voluntary activity will belong entirely to him."

PAYMENTS IN ADVANCE

Payments were decreed quarterly "and always in advance."

Pensioners under this act were required to wait 2 months after application, while their names were posted publicly in the locality, so that any citizen knowing their condition might have time to "make any remarks that seemed proper to them, if they were willing to set them down in writing." to set them down in writing."

After hearing the applicant, the general council of the arrondissement (township or borough) determined whether he was to be put on the relief list.

on the relief list.

This plan, which disappeared with the collapse of the French currency and the seizure of power by Napoleon, was considerably milder than the Townsend plan. The French revolutionaries did not retire their aged completely until the age of 70, whereas the Townsend plan proposes to do it at 60. The French provided an annual maximum equivalent to \$120, compared with the annual maximum of \$2,400 under the Townsend plan.

Both plans have in common the idea of a maximum and the admission that the real yield of the old-age pension is problematic. The French plan, recognizing what was happening to the currency, provided for a revision of the pension to keep it in accord with the price of a day's labor. The Townsend plan proposes to finance its pensions by taxes on sales, on incomes, gifts,

and inheritances, and while it names a \$2,400 maximum it provides that the sum actually paid out will be a pro rata share of whatever these taxes yield, divided among all the pensioners. The French made no mention of sources of the pension fund. The French set the word "maximum" in italic type in the plan of the revolution. In 1793 it was the favorite word of the legislators of the new National Convention. They spent most of that year decreeing the maximum prices at which the necessities of life could be sold, to keep the cost of living from rising out of the workman's reach as the inflated currency sank.

These laws, commonly termed "The Maximum" by historians, either paralyzed the supply of necessities or drove it underground, where "The Maximum" was disregarded in sales at the risk of the guillotine.

Within 2 years after the passage of this act the collapse of the currency and the disorders of the disillusioned public led Napoleon to give them his first "whiff of grape" in 1795 and to seize power definitely in 1799.

Some Thoughts on Mining Problems

EXTENSION OF REMARKS

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

EDITORIAL FROM THE PHOENIX (ARIZ.) GAZETTE AND LETTER FROM A SMALL-CLAIM OWNER

Mr. MURDOCK of Arizona. Mr. Speaker, I have asked consent to extend my remarks in the Record by inserting therein an editorial from the Phoenix Gazette and also a letter from a small-claim owner, each dealing with certain aspects of mining problems. I present the editorial first, as it proposes to facilitate mining development by changes in S. E. C. and R. F. C. regulations to make it easier for capital to be obtained. I am absolutely positive that the writer of this guest editorial has properly diagnosed the situation and that is the greatest need to help a sick industry throughout the Rocky Mountain area. Following is W. C. Broadgate's editorial:

> [From the Phoenix (Ariz.) Gazette] HELP THE SMALL-MINE OPERATORS! (By W. C. Broadgate, Prescott)

The rugged individualism of the typical small mining man is excellently illustrated by the fact that he has asked little from the Federal Government, gotten nothing, and is seldom heard to complain. It is high time he raised his voice and got something done for that sorely neglected citizen, the "forgotten miner."

The development of small mining properties has practically ceased, large mining operations are being stifled, and in consequence, taxes from this source are rapidly failing and the average citizen is feeling this in his own increased taxes without knowing the reason.

the reason.

Government regulations and the psychology of instability have choked off the small speculative money which developed the mines of the nineties and which was still available up to the war. This was the money which did the initial work on mining prospects, repaired caved tunnels and shafts, dewatered workings for sampling and in a thousand and one ways enabled the small miner to operate, and resulted eventually in large producers. Money must again be made available for these things if our mining industry is to survive. survive.

survive.

The Arizona Small Mine Operators Association has proposed a splendid plan, the appropriate legislation for which is now being introduced into Congress by Congressman Murrock and which, while it will not cost the general taxpayer one penny, will restore to the small miner his palmy days, put millions of dollars into immediate circulation throughout the West, and put to work every able-bodied man in the 11 Western States. This is known as the Mine Finance Commission, Small Metal Mine Loans, Class C, plan. Every citizen interested in the welfare of our State (and who is not?) should familiarize himself immediately with this plan and give the Arizona Small Mine Operators Association every conceiv-

give the Arizona Small Mine Operators Association every conceivable aid in having this measure enacted into law at this session of Put your shoulder to the wheel.

As I have so often remarked, there are many problems crying out for solution, and I fear that what we have thus far done is scarcely scratching the surface. During the last

2 years I have urged the House to extend a moratorium on mining-claim-assessment work. This session Congressman O'CONNOR of Montana has introduced such a bill, but in view of the adverse action of the other body and the known attitude of Members in this body I feel that the chances are against its enactment. However, I would like the membership to know how one Arizona claim owner feels about it, hence I am enclosing his letter. The letter follows:

CAVE CREEK, ARIZ., May 6, 1939.

Representative John R. MURDOCK,

House of Representatives, Washington, D. C.

MY DEAR MR. MURDOCK: The Cave Creek Council, Arizona Small
Mine Owners, goes on record as desiring the extension of moratorium on assessment work on mining claims for the following line of reasoning.

of reasoning.

In the vast majority of cases, assessment work is only a matter of form. No real work is done. It amounts to only a kind of inconvenience and penalty to the claim holder.

Due to depression, S. E. C. regulations, general conditions, etc., practically no opportunities have existed for selling mining claims or interesting capital in them during the past few years. Many of the present owners have considerable outlay of time, improvements, and head work tied up in their holdings but are unable to realize and hard work tied up in their holdings but are unable to realize anything at all for their past investment unless they can hold on

for awhile longer.

These claim owners have all been disillusioned about selling mining claims for fabulous prices and are now ready and willing to sell or lease their claims for whatever they can get.

On the other hand, the owner of a newly located mining claim is invariably optimistic and puts such a high price on his claim as to eliminate any chance of capital becoming interested in helping

to eliminate any chance of capital becoming interested in helping him to develop it.

There is not one unpatented mining claim in a thousand that has any cash value whatsoever. The very best of them require large expenditure with high risk of loss to prove them. None can be benefited by \$100 of assessment work even granting that it is systematically done over a period of years.

Another thing—in this day of automobile prospectors—there is practically no personal endeavor shown by a new mining claim locator. He drives out to the claim, looks straight up into the clouds for an hour or so, dreams of great riches descending upon him and exalted by his sweatless effort, turns around and returns satisfied to exalted by his sweatless effort, turns around and returns satisfied to his home. If he moves any rock at all, he does it with the seat of his pants when he accidentally slips and slides down the side of the

So why not let the poor devil that now holds the claims keep them for awhile longer?

Respectfully yours,

ALFRED STRONG LEWIS, Chairman, Cave Creek Council, A. S. M. O.

Words fail me to present adequately the tremendous importance of mining all through the West. Not only the precious metals-gold and silver-but even more useful metals, such as copper and the strategic minerals, are found in abundance when properly searched for. There has been little prospecting done during the last few years and new mines have not been opened up, so that the mining is done by a few great corporations. It may be that the prospector is often disappointed in his prospect, but unquestionably greater mines than have yet been developed lie untouched in the great West. I am not a mining man, but I know where there is a great copper mine 75 or 80 miles from the nearest railroad. Copper is indestructible, and the supply that is being added annually increases a total supply unless it is sold abroad as scrap copper. So indispensable is this red metal, not only in war but in peace, and especially in the building trades, that I feel it is unnecessary for us to pretend to have to conserve our copper. We must not listen to any siren voice attempting to persuade us to import copper on the basis of conservation. The same thing applies to tungsten and manganese, I feel sure.

I take off my hat to the great operations of the Phelps-Dodge Corporation, especially near Morenci, Ariz., and I want to see that sort of thing encouraged. At the same time, we are derelict in our duty if we do not encourage the old prospectors to comb the hills in search of other mines. I have lately introduced H. R. 6131 to bring about a revival of mining. When that is done the whole West will arise like magic. Stock raising and agriculture and every other line of industry will flourish. This is the far-reaching program for which the West longs and looks to the Seventy-sixth Congress for enactment.

James Aloysius and the Presidency

EXTENSION OF REMARKS

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

EDITORIAL FROM THE BINGHAMTON (N. Y.) PRESS OF MAY 4, 1939

Mr. MERRITT. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial which appeared in the Binghamton (N. Y.) Press, Thursday evening, May 4, 1939:

[From the Binghamton (N. Y.) Press of May 4, 1939] JAMES ALOYSIUS AND THE PRESIDENCY

Ever since 1931 (and it started just about this time of year, too)
Postmaster General James Aloysius Farley has had a lot to do with
the Presidency of the United States. He wasn't postmaster general then and John J. Raskob was Democratic national chairman eral then and John J. Raskob was Democratic national chairman with definite ideas as to nominees. But Jim Farley was a good traveler, a persuasive pleader, an undiluted and undeluded promoter of the Rooseveltian cause. He traveled, he talked privately, he had plans and specifications for the then Governor of New York as the great hope of Democratic success after the party's long years in the wilderness, post-Wilson.

And so, when July of 1932 heated up the streets of Chicago, and national convention enthusiasm, there was Franklin D. Roosevelt with delegation votes which all the champagne baskets and blondes of the "princes of privilege," and all the persuasions of the "stop Roosevelt" bloc could not abate or after by one jot or little

tittle.

Will Rogers, chewing gum in the press section during that long night of crisis and ballot which preceded the break-down of the "stop Roosevelt" forces, called the turn rather neatly when he observed, nodding at demonstrating delegates in the aisles beyond the rail, "They think they know what they're doing out there, but the only fellow around here who really knows the answer is Jim Farley." It turned out like that when Jesse Jones and Bill McAdoo came through with the Texas and California delegations early next evening on the Garner swap.

And after that, of course, Jim went on doing quite a lot with the Presidency. It was his organization that elected Franklin D. Roosevelt in 1932. It was he who served as the whipping boy for the administration for the first 2 years thereafter. He took it well and kept on smiling, until the Washington newspapermen began to discover that even their editors back home were becoming impressed that as compared with some other people in the administration

cover that even their editors back home were becoming impressed that as compared with some other people in the administration James Aloysius was a quite regular fellow.

But it wasn't until after he had proven himself an utterly reliable political prophet in the 1936 election, when his organization and management sent Mr. Roosevelt to the White House again with all but two States of the Union that Mr. Farley actually moved into the political role which he now occupies. The styles in political villains had changed, for one thing. And there were so many broken promises around the landscape that the well-known fidelity of Jim Farley's word began to loom as a tower of strength. He never went off the gold standard of good faith, realized predictions, and fulfilled promises.

never went off the gold standard of good faith, realized predictions, and fulfilled promises.

That was all in his favor. It still is. And that is one of the reasons why a great many Democratic leaders began to think seriously about Jim Farley for the 1940 Presidential nomination even before last year's disastrous Presidential attempt at party purge in the senatorial nomination campaigns. Nobody had any illusions about that one. Every Democratic leader in the country knew that in the first place the national chairman did not approve of Presidential interference with State nominations, and that as knew that in the first place the national chairman did not approve of Presidential interference with State nominations, and that as between a "yes" man and a "yes, but—" man, he preferred an able Democrat. That didn't hurt Jim Farley either. And even when he went into Maryland with direct orders from the President, his friends in the press section of that invasion made the picture entirely clear as Jim couldn't have done it himself.

So what with one thing and another there isn't any escaping the fact that if Franklin Delano Roosevelt finally turns a deaf ear to present supplications of strictly new dealers that he run again, against the American tradition, Mr. Farley is very much in the spotlight as a potentiality. He probably realizes that. Much more subtle political situations have been entirely clear to him.

Moreover, he would be less than the extremely able politico he is,

Moreover, he would be less than the extremely able politico he is, and less than the amazingly human and red-blooded American he is, if he were not intrigued by the possibilities.

Of course he can't say anything on the subject for publication, and not much otherwise, even to his closest friends, unless and until Mr. Roosevelt says something like Calvin Coolidge said back

yonder in the Black Hills. Jim Farley plays the game according to the rules.

And the chances are that Mr. Roosevelt isn't hearing what a great many persons outside the White House hear every day. The very people who are pressuring him to go again would see to it that

he didn't hear those things.

But there's such a thing in politics as gratitude. The very least

Mr. Roosevelt could do, considering everything again, would be to make his decision known at some reasonably early date if only to avoid public and party confusion. We have the suspicion that Jim wouldn't ask "the Boss" to do anything more than keep his hands

But the third-termites wouldn't want that. If they can't con-But the third-termites wouldn't want that. If they can't convince Mr. Roosevelt that he should run again, they'll certainly try to convince him that he should go lock, stock, and barrel for somebody else. And that somebody else, you can bet your bottom dollar (present valuation 69 cents) won't be Jim Farley! They know what he thinks of them, even if he doesn't say so.

Therein, however, lies his real strength as a Presidential possibility, just as the chances of Republican success in 1940 lie largely in the determination of the strictly new dealers that if worst comes to worst they still won't take the best man the Democratic Party has to offer.

has to offer.

The Education Bill

EXTENSION OF REMARKS

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

RADIO ADDRESS BY HON. JOSHUA L. JOHNS, OF WISCONSIN, MAY 9, 1939

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the Record, I include the following radio address made by Hon. Joshua L. Johns. Member of Congress from Wisconsin, over station WHA, Madison, Wis., May 9, 1939:

Wisconsin, over station WHA, Madison, Wis., May 9, 1939:

To the radio audience:
In this my second broadcast over station WHA I have chosen to discuss this evening what is known as Senate bill 1305 and House bill 1735, known as the education bill, introduced in both the House and Senate at this session of Congress.

This bill provides for the promotion of the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education. This legislation has been endorsed by practically all of the educational institutions of the United States. There has been some misapprehension as to what position the Government might take so long as it is furnishing a portion of the funds as to just how they should be distributed or used in the States. This, of course, is shared only by persons who are not familiar with the bill itself, because section 1 of the bill provides that the primary purpose of the act is to assist in equalizing educational opportunities, among and within the States, insofar as the grants-in-aid to the States are authorized will permit, without Federal control over the educational policies of States and localities.

The provisions of the act of course are to be so construed as to maintain local and State initiative and responsibility in the

The provisions of the act of course are to be so construed as to maintain local and State initiative and responsibility in the conduct of education and to reserve explicitly to the States and their local subdivisions the administration of schools, including institutions for the preparation of teachers, the control over the processes of education, the control and determination of curricula of the schools, the methods of instruction to be employed in them, the selection of personnel employed by the State and its agencies and local school jurisdictions, and insofar as consistent with the purposes for which funds are made available the determination of the best uses of the funds appropriated under the act.

It might be well to discuss briefly some of the reasons why this becomes necessary. I am satisfied that a large majority of the people, like myself, until I had given this matter careful study and thought, do not realize the conditions that exist in some parts of the United States and its Territories with reference to the inadequacy of means for the obtaining of an education.

quacy of means for the obtaining of an education.

The bill, first of all, is a good one, because the Federal Government, no less than the States, has a fundamental interest in the education of our citizens. Under a democracy, in the final analysis, there can be no national progress except through promoting the welfare of the men, women, and children of the Nation. The ideals and principles of American democracy call for equality of opportunity, the very foundation of which is equality of educational opportunity. After a thorough study and investigation, this bill was introduced on the basis of incontrovertible evidence that without

a reasonable amount of Federal assistance to the States for the support of education there would not be the faintest hope that any fair degree of equality of opportunity would or could exist in these United States. This conclusion was reached as a result of a wide and indefensible difference in educational opportunity both among and within the States. There is a great difference in the economic ability of the States to pay for educational services. There are great differences in the educational burdens to be borne by the several States. Almost invariably the States with the least per capita wealth and income have the largest number of children per capita wealth and income have the largest number of children in proportion to adult population. The Federal Government, as well as the States and local communities, has an interest in the maintenance of public education. We must not forget that we have a dual citizenship in this country, one as a citizen of the United States and the other as a citizen of our own respective

I am going to give you some of the figures which I am satisfied will convince you of the inequalities that now exist in educational opportunity among the several States and Territories. the average school term ranges from nearly $9\frac{1}{2}$ months in the highest State down to barely $6\frac{1}{2}$ months in the lowest States. The average length of term for all rural schools in the United States is a month less than in urban schools. The average rural pupil in the Nation attends schools less than 7 months per year, and in seven States, with large rural populations, the average number of days attended per year by rural pupils is less than 6 months. If high schools were universally available and attended, the high-school enrollment should constitute about 33½ percent of the total school enrollment. At the present time in the highest State the highschool enrollment is now 30.9 percent of the total enrollment, while in the lowest State it is only 10.6 percent. On the one hand, 7 States have over 27 percent of their total enrollment in high school, while on the other hand 8 States have less than 15

percent of their enrollment in high school.

It would be surprising, I know, to the radio audience that between 800,000 and a million children of elementary-school age are not enrolled in school at all, mainly because of lack of facilities in many scattered rural areas that are impoverished and isolated. For these children freedom and opportunity has proved to be chiefly For these children freedom and opportunity has proved to be chiefly freedom and opportunity to grow up in ignorance. In the United States there are still more illiterates than college graduates and about half as many illiterates as high-school graduates. There are in this country approximately 3,600,000 totally illiterate persons and about 15,000,000 other adults who cannot read a newspaper nor write a simple letter. In one State only 0.8 percent of the population over 10 years of age are illiterate, while in another State 14.9 percent are illiterate. The first State is about three times as able, financially, to support schools as the second, and spends about three times as much per capita for education.

PUBLIC LIBRARIES

The public library today is recognized as an important educational agency in our American democracy. Among the 3,100 counties in the United States only 400 have public libraries, and there are more than 1,000 without even a town or city library within their borders. About one-third of the people of the United States have access to good libraries. Another one-third have libraries, but very meager ones, chiefly in the smaller cities and larger towns. The remaining one-third have no public libraries of any kind. The remaining one-third have no public libraries of any kind. Most of these people live in rural areas and country towns in every section of the Nation. These people constitute 45,000,000 of America's citizens, of whom 39,500,000 live in rural areas. They do not have library services for much the same reason that they do not have adequate public-school or public-health services, namely, the poverty of local resources. The average annual exexpenditures per pupil for current operation of schools range from \$134.13 in the highest State down to \$24.55 in the lowest State. \$134.13 in the highest State down to \$24.55 in the lowest State. In this respect there are 10 States in which the average expenditure per pupil exceeds \$90, while there are 11 States that fall below \$45. The average annual salary per teacher in the highest State is \$2,414 and in the lowest State it is \$504. In these same two States the average salaries of rural teachers were \$1,337 and \$430, respectively. There are 11 States in which the average

\$430, respectively. There are 11 States in which the average annual salary exceeds \$1,500, while there are 9 States in which the average is less than \$750. There are 10 States that have in excess of \$300 per pupil invested in school property while 11 States have less than \$150, 6 States having less than \$90.

The differences in breadth of educational opportunity, resulting from the statistical data I have just given you are correspondingly great. Hundreds of rural schools can be found which are the merest shacks, in which children are huddled together in makeshift desks, using dirty and worn-out textbooks under the direction of teachers who themselves have hardly finished high school. One-fourth of the teachers in our one-room rural schools have never had a day of work in a school beyond the high school. In thousands of these schools it is virtually impossible to provide the health, welfare, guidance, and other services that children need in addition to instruction.

Of course, this is in contrast with other communities where there

of course, this is in contrast with other communities where there are public schools which would seem almost perfect, the buildings are the finest specimens of modern architecture, the teachers are well trained, well paid, and competently supervised, the children given individual attention, and where everything is done to foster their physical and mental development. Although equality of opportunity is a fundamental tenet of our democracy, inequality of opportunity is at present the dominant characteristic of our educational system when viewed from the national standpoint.

It is quite evident from the facts and figures which I have quoted to you that they indicate clearly that the schools of the United States, which have hitherto been regarded as the bulwark of democracy, may in fact become an instrument for creating those very inequalities they were designed to prevent. If, for a long period of years, each succeeding generation is drawn in disproportionately large numbers from those areas in which economic conditions are poorest, if the population reserves of the Nation continue tions are poorest, if the population reserves of the Nation continue to be recruited from economically underprivileged groups, and if the inability of the depressed economic areas and groups to provide proper education for their children is not corrected by aid from areas and groups more prosperous, the effect on American civilization and on representative political institutions may be disastrous. Of course, there is a large difference in the ability of the different States to support schools. In wealth per child enrolled in school the States range from \$21,582 in the highest State to \$2,819 in the lowest, there being 12 States that have in excess of \$12,500 in wealth back of each child, while 11 States have less than \$6,600 per child. With respect to income there are the same relative differences. The

With respect to income, there are the same relative differences. highest States has \$3,766 per child enrolled in school, as compared to \$495 in the lowest State. The 11 highest States have in excess of \$2,500 income per child, as compared to less than \$1,200 for the lowest 11 States. There is also a large difference in the relative number of children in the several States.

Almost invariably the smaller the per capita taxpaying ability in Almost invariably the smaller the per capita taxpaying ability in a State, the larger the number of children in ratio to the number of adults. For example, South Carolina, a poor State, has 739 persons 5 to 17 years old to each 1,000 adults 20 to 64 years old, the productive ages, while in California the ratio is only 319 to 1,000. Population experts have shown that it is from these poorer agricultural States whose high rates are tural States that the richer industrial States, whose birth rates are not sufficient to replace their population, receive a large part of their immigrations necessary to maintain a stable population and to staff their offices and industrial plants. It is well known that those sections of the Nation least able to support public schools are those sections of the Nation least able to support public schools are producing practically all of the Nation's future increase in population and a considerable percentage of the future population of our cities. These conditions occur because of the differences in birth rate in rural and urban areas. In seven largest cities the population of which consists chiefly of American stock, the birth rate is 40 percent short of the rate required to maintain a stable population. cent short of the rate required to maintain a stable population; in all cities having over 100,000 in population the deficiency in birth rate averages over 20 percent; and in the smaller cities the deficiency is about 8 percent. On the other hand, farm families are producing about 50 percent more children than required to replace the farm population, and the rural nonfarm families rear children at the rate of 30 percent greater than the number required to replace themselves.

A comparison of the proportionate number of children in the total population with the expenditure per pupil for education shows clearly that as a nation we are bestowing our best educational opportunities upon sections that have the fewest children, and upon children who in turn will produce the fewest children. Although this policy may not be intentional, it is a very successful

method of committing cultural and economic suicide.

There are two very good reasons why the richer States are better able to pay than the poorer States and should pay into the Public Treasury more funds for taking care of the children in those States not able to contribute so much toward the care and education of the children in such States. In the first place the superior taxpaying ability of many of the so-called rich States is due to the exploitation of the productivity of the poorer States. For example, the State of New York derives substantial revenue from stock-exchange transactions. These transactions result from orders arise the linear content of the country. ing in all parts of the country. This is only just one example. Others could be cited if time would permit. In the second place, much of the Federal taxes collected within certain States are neither paid nor borne by the inhabitants of those States. A good example of this fact are the tobacco taxes collected in Virginia, North Carolina, and Kentucky; the liquor taxes collected in Kentucky, Wisconsin, and Pennsylvania; the custom duties collected at the port of New York, constituting one-fifth of the Federal tax collections in that State; and corporation income taxes collected in New York, Delaware, Pennsylvania, and other States, frequently paid by corporations that merely have their business offices in those localities and whose stockholders that really pay the tax reside in every State in the Union.

Education has borne the brunt of retrenchment since the depression started in 1929. From 1930 to 1934 expenditures for all governmental purposes in the entire Nation increased 20 percent. Federnmental purposes in the entire Nation increased 20 percent. Federal expenditures increased nearly 110 percent; State expenditures decreased 5.8 percent, and local expenditures decreased 15.2 percent. During this same period expenditures for public education decreased 25.6 percent. In 1936, 2 years later, the last year for which official data are available, educational expenditures were still 18 percent below 1930. This decrease has occurred in spite of the fact that the public-school enrollment has increased nearly 700,000 since 1930, and all of this increase has been in the high school where the expense is heaviest. Since 1930 the high-school enrollment has increased over 1,575,000, or about 37 percent; but the total educational expenditures are now about \$350,000,000 less than in 1930. The curtailments in expenditures have been at the expense of pupils and teachers, the inevitable result being curtailed opportunities, overcrowded classes, and slashed salaries for teachers.

Just a word with reference to buildings that are needed for public

Just a word with reference to buildings that are needed for public schools. Since 1911, school enrollments have increased so much

faster than the construction of new school buildings that, according to engineers of Public Works Administration, the accumulated efficiency by 1934 was \$1,071,000,000. According to the same source, the total need for new schoolhouse construction is more than \$4,750,000,000.

Of course, we all realize that education reduces crime, raises the standard of culture, is associated with better health and increased longevity, and increases the wealth and income of the Nation.

Under the provisions of this bill, if enacted into law, there would

Under the provisions of this bill, if enacted into law, there would be appropriated money for the following purposes and in the following amounts:

(1) General Federal aid:		
1940	\$40,000,000	
1941	60, 000, 000	
1942	80,000,000	
1943	100, 000, 000	
1944	120,000,000	
1945	140,000,000	
285/2 200 2	- A Committee of the Co	\$540,000,000
(2) Improved teacher preparation:	1 2 500 000	
1940	2,000,000	
1941	4, 000, 000	
1942	6,000,000	
1943	6,000,000	
1944	6, 000, 000	
1945	6, 000, 000	
(0) Construction of school buildings.		30, 000, 000
(3) Construction of school buildings:	20,000,000	
1940	20,000,000	
1941	30, 000, 000	
1942	30, 000, 000	
1943	30,000,000	
1944	30, 000, 000	
1945	30, 000, 000	170 000 000
(4) Administration of State department		170,000,000
(4) Administration of State departments of education:		
	1,000,000	
1940	1, 500, 000	F 10 - 11
1941	2,000,000	
1942		
1943	2,000,000	
1944	2,000,000	
1945	2,000,000	10 500 000
Under title II, grants to States for adult		10, 500, 000
education:		
1940	5,000,000	
1941	10,000,000	
1942	15, 000, 000	
1943	15, 000, 000	
1944	15, 000, 000	
1945	15, 000, 000	
		75, 000, 000
Title III, grants to States for rural library		15/272/327
service:		
1940	2,000,000	
1941	4,000,000	
1942	6,000,000	
1943	6,000,000	
1944	6,000,000	
1945	6,000,000	
SOME AND BUILDING TO THE PARTY OF THE PARTY		30, 000, 000
Title IV, grants for cooperative educa-		
tional research and demonstration and		
for administration:		
1940	3, 000, 000	
1941	3, 375, 000	
1942	4, 260, 000	
1943	4, 860, 000	
1944	5, 460, 000	
1945	6,060,000	
mu v	STATE OF THE	26, 205, 000
Title V, education of children residing on		
Federal reservations and at foreign sta-		
tions (from 1940 to 1945, inclusive,		
\$3,000,000 per year):	0.460.000	
1940	2, 190, 000	
	3,000,000	
1941	3,000,000	
1942		
1942	3,000,000	
1942 1943 1944	3,000,000	
1942	3,000,000	18,000,000

On the basis figured out in the bill, with appropriations that will be made under it if the bill is passed, Wisconsin would receive from the first \$40,000,000 for general Federal aid under grants to States for the improvement of public elementary and secondary schools, \$649,596. This amount would come under title I of the act.

899, 705, 000

Grand total_

Under the apportionment of grants to States for 1939-40, titles I, II, and III, Wisconsin would receive under the total apportionment \$1,193,505; under title I, Elementary and Secondary Education, the sum of \$1,023,819; title II, Adult Education, the sum of \$119,462, and under title III, Library Service, the sum of \$50,224.

Of course, these figures are based upon the assumption that the bill will be passed in its present form. Whether the amounts will be reduced or increased will depend upon the action of the Congress.

There is a title V under the bill, which provides for the education of the children, and for which there is an appropriation of \$3,000,000 per year, beginning July 1, 1939, this appropriation to be spent under a declared policy to assure opportunity for education to Federal wards, other than those now provided for by law, and of Federal employees residing on Government reservations and at foreign stations, through cooperative agreement and utilization of the public educational facilities of the State. Of course, there are certain prescribed standards that will be required of the States in order to receive these appropriations, but they will not be harsh in any State that is interested in the education of its youth and will not have any trouble in securing their share of the funds in order to carry out their educational program.

I hope that the outline of this legislation has made it more clear

I hope that their education of this legislation has made it more clear to you, and, as a member of the Committee on Education in the House of Representatives, my hope is that it will pass both the House and Senate and will be signed by the President of the United States, because, in my opinion, it is going to be of great benefit to the Nation and its Territories as a whole.

French Club of the United States Naval Academy

EXTENSION OF REMARKS

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 10, 1939

ADDRESS BY ROBERT L. MOUTON, OF LOUISIANA, MAY 10, 1939

Mr. SHANLEY. Mr. Speaker, under leave granted to extend my remarks in the Record, I include the following address delivered by Hon. Robert L. Mouton, of Louisiana (in French), before the members of the French Club of the United States Naval Academy at Annapolis, Md., Wednesday, May 10. 1939:

My dear young friends: When my gracious fellow Louisianian, your schoolmate, Roland Bienvenu, extended the invitation to address this group informally, I felt that a signal honor had been accorded me. So far as I am able to ascertain—and I believe my information is correct—the privilege of delivering an address, in French, to the Naval Academy French Club, never before has been accorded a Member of the Congress. And so I am sincere when I express my profound gratitude not only for this unprecedented honor, but for the opportunity also to meet with a group of young men who some day, in the not too far distant future, will guide the destinies of one of the arms of national defense—our Navy. And in being here today, I feel almost as though I am one of the family, because I have the honor of being an officer of the Marine Corps Reserve, a branch of the service with which I served during the World War and which has much in common with the Navy; in fact it may be that some of you young men, upon your graduation will select that branch of the service, as have many of those who went before you. And, without attempting to proselyte for the Corps, I can inform you that those who do affiliate with the Corps will be making no mistake.

I believe it appropriate and fitting to say to you boys that the United States Naval Academy makes available to you one of the finest educations that can be had in the world. Backed by such gloricus traditions, equipped with such vast facilities, administered by such a capable staff of officials, this institution has no peer in preparing young men for careers on the seas. Although history tells us that our Government was somewhat slow to recognize and appreciate the possibilities of a shore school for the proper training of young naval officers in the elements of their profession, I am sure that it is fully realized today by all concerned that the United States Naval Academy is a vital and important cog in our naval machinery and is indespensable to our success on the waters.

That you young men should be so fortunate as to be afforded the concretants to the strength his great seedemy, is truly a privilege.

That you young men should be so fortunate as to be afforded the opportunity to attend this great academy is truly a privilege of which you should be justly proud. Your ambition and industriousness, and, unquestionably, in some cases, heartbreaking perseverance, at having risen to the heights of successfully negotiating the rigid entrance requirements and carrying through subsequent difficult work, is to be admired and publicly commended, but, at the same time, it must be remembered that there are thousands upon thousands in the ranks of American youth of today who are likewise ambitious, capable and deserving, but who lack the opportunity to receive a coveted appointment to the academy. It would be well to remember this fact, when, during the dark hours of despair immediately preceding a crucial recitation or examination, a little extra determination is needed to prod

you into carrying on with the monotony of "cramming" (or "bon-ing" as you boys may call it here) so as to insure that two point five. You should feel tremendously proud of your chance to graduate from this great hall of learning, for more reasons than A graduate of the academy is accepted by all coming within his sphere, both in social and business sense, as having, figuratively speaking, been given the acid test—and accepted. He is a man of station. He walks along the highest pathroads in our modern everyday life. To descend to the vernacular, he is conmodern everyday life. sidered "the tops."

sidered "the tops."

A graduate of the academy is also happily circumstanced in yet another sense; he is definitely on the road to a successful career. Proper application to his duties and responsibilities, as well as to his conduct in both personal and official matters, will, in time, win him many promotions. He is in a profession where seniority is given due regard, where opportunities are waiting just ahead, where advancement, though perhaps slow and methodical to the impetuous, is nevertheless definite progression.

It is significant that I appear before you at a time when the subject of a more adequate national defense is occupying not only the attention of the Congress but of the Nation as well. And

only the attention of the Congress but of the Nation as well. And it is also significant that in the gigantic and very necessary project for national defense now before the Congress the role that the Navy will play is a most important one. There was a time, the Navy will play is a most important one. There was a time, you know, when it seemed to be the favorite indoor sport of the Congress (during Republican administrations, of course) to cut military and naval appropriations to the bone. Always, it seemed, when a new incumbent took office and had promises of economies in national expense to observe, a whack would be taken at the Army and the Navy. There was a time when whole flotillas of destroyers were tied up in the Philadelphia yard and elsewhere, because of lack of money to operate them. But apparently the Nation has awakened—even the pacifists and the isolationists— Nation has awarened—even the pacinsts and the isolationists—and the awakening has been rather rude. At one time we went merrily and blissfully along on the basis that we wished no harm to any other nation, and consequently no other nation desired to harm us; and that everything in the world was as quiet and peaceful as the proverbial "Sunday school Bible class" or the "Wednesday evening sewing circle." That was, of course, until the Mesers Muselini and Hitler and their partners in the Orient the Messrs. Mussolini and Hitler and their partners in the Orient came over the horizon and began to parcel the world out among themselves, and until these international bandits began working in our own Western Hemisphere; until their emissaries started to take away our trade in South and Central America and to foment discord throughout Latin America generally. Then, as the poets discord throughout Latin America generally. Then, as the poets say, "came the dawning"; people over here began to see things as they really are; began to feel that our ramparts were not so secure and that fast-flying bombers, based in South America, could make a shambles of our Panama Canal and of our eastern seaboard cities. Next came the so-called peace of Munich, when two of the great world democracies were intimidated shamefully; when one of the true democracies of Europe, Czechoslovakia, was partitioned and since has passed out of existence. Then it was that even the most hysterical of our pacifists, even the most conservative of our isolationists, saw that in discussions with the dictators, in controversies with international bandits, the most persuasive arguments were guns, planes, battleships, and mighty suasive arguments were guns, planes, battleships, and mighty armaments; and that if we were to retain the security of the Western Hemisphere our fleets of the air and of the seas must be second to none and our vigilance eternal and unremitting.

The world issue today revolves about two conflicting ideologies of

The world issue today revolves about two conflicting ideologies of government—democratic and totalitarian. The one that we know—democratic—envisions freedom; the other, that we abominate, mass slavery. It has been urged that the national-defense program is aimed at the preservation of democracy in this hemisphere. That is true, but it goes even further, as I view it. The issue so far as the need for more adequate national defense is considered on visions not only democracy but security. If we in this issue so far as the need for more adequate national defense is concerned envisions not only democracy but security. If we in this part of the world are to be secure in our homes, in our religious beliefs, in our legislative bodies, and in the form of government we adhere to, we must be able to defend ourselves; we must be ready and prepared to resist any and all attempts to destroy the institutions of government we cherish. We must be prepared to defend our coast lines in both oceans, and to do that we must have not one fleet but two fleets—one for the Atlantic and one for the Pacific; and each of these fleets must match, ship for ship, or better, the fleets of the totalitarian powers that operate in those oceans. Otherwise we must prepare ourselves for the inevitable—a peace in the Western Hemisphere equivalent to that of Munich.

Otherwise we must prepare ourselves for the inevitable—a peace in the Western Hemisphere equivalent to that of Munich.

I believe in viewing the present world situation realistically and practically and not through the rose-colored glasses of the pacifist. You can't walk up to an armed thug and say, "Please get out of my house. I don't believe in fighting. It's ungentlemanly." I need not elaborate on what would happen in such a case. The Nazi philosophy, annunciated time and again, glorifies the virtues of "blood and honor," "fearlessness and death," "heroism in battle," and "brutality." They regard the Christian virtues of humility, decency, mercy, charity, and others as unmanly. Mussolini, in October 1932. mercy, charity, and others as unmanly. Mussolini, in October 1932, said, "Fascism does not believe either in the possibility or the utility of perpetual peace."

Dictators have their people in a state of constant hysteria. They must have a succession of continuous conquests, bloodless or otherwise, to hold their sway over the masses that do their will. Their people must not be given time to think too much or too long about one single issue. They have set out the program-supremacy—and it must be adhered to; otherwise, they fall. they will keep going, they will march along the road to conquest,

plunder, and pillage so long as nations permit themselves to become too weak to defend their lands and their institutions. This must never happen here. We must see to it that, never again, in the history of this Government, will our national defenses be weakened by neglect, by political expediency, or by maudlin pacifism.

The Naval Academy offers to you young men a splendid education but it offers, as well, a splendid opportunity to serve your country. It is an institution that has behind it years of glorious tradition; tradition of men and ships that have helped carve in this hemisphere, the most powerful democracy in the world. Young men, yours is a glorious opportunity, one that should make your lot the envy of others your age in the Nation. Your Government has hand-picked you for a big job and asks in return loyal and faithful service. Your industry and zeal here at the academy is part payment for the opportunity offered you; your intelligent, courageous service with the fleets later will be further payment. Our battle fleets of tomorrow will be your responsibility. And with those fleets will be reposed the security not only of your own country, but of all the splendid democracies of the Western Hemisphere. So prepare for that day. Hit the books hard. Obey all of the regulations scrupulously, because you may recollect that one of the great military men of the world once said, "Before you can command, you first must learn to obey." And don't be impatient with your lot; don't grumble about the tribulations that come to everybody, at one time or another, not only here, but in every walk of life. Take them as they come—as any Navy man does—in your stride.

Believe me, shipmates, it has been a pleasure—a genuine pleasure, to be here today—to meet with you all. And as one Navy man to another, I close with the Navy toast, "Here's glad to be aboard!" The Naval Academy offers to you young men a splendid educa-

Dr. William Thomas Lopp

EXTENSION OF REMARKS

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

Mr. DIMOND. Mr. Speaker, William Thomas Lopp, one of the great and good men of Alaska, died after a brief illness at his home in the city of Seattle, Wash., on April 10, 1939. The 1938-39 issue of Who's Who in America gives the following concise summary of his life and work:

following concise summary of his life and work:

Lopp, William Thomas, educator, explorer; born at Valley City, Ind., June 21, 1864; son of Jacob Conrad and Lucy (Trotter) L.; B. A. Hanover (Ind.) College, 1888; A. M., 1911; LL. D., 1925; married Ellen Louise Kittredge, of Westboro, Mass., August 22, 1892; children: Lucy Alaska (deceased), Dwight Thomas, Sara Louise, Katharine Kittredge, Weyana, Irene Frances, Mary, Alice Marguerite. Principal of public schools, Valley City, Ind., 1884-85, 1887-88; assistant principal of high school, Winchester, Ind., 1888-89; principal of public schools, New Amsterdam, Ind., 1889-90; missionary teacher, Cape Prince of Wales, Alaska, 1890-92; superintendent, United States Teller Reindeer Station, Port Clarence, Alaska, 1893-94; missionary teacher and reindeer superintendent, Cape Prince of Wales, 1894-95, 1896-1902; superintendent of Government schools (native) and reindeer, northern district of Alaska, 1904-5, 1906-9; Chief of Alaska Division, United States Bureau of Education, 1910-23, and superintendent of education of natives of Alaska, 1923-25; reindeer expert for Hudson Bay Co., 1925-27, covering Baffin Land and Norway; made survey of Eskimo reindeer industry in northwest Alaska for Indian Rights Association, summer of 1936. Was in charge of deer herd in Point Barrow relief expedition, under Captain Jarvis, 1897-98; with aid of 7 Eskimos, drove 400 reindeer from Cape Prince of Wales to Point Barrow, 750 miles, route law cores, traceberges, see of Ketchelye School, 1800-1800, drove 400 reindeer from Cape Prince of Wales to Point Barrow, 750 miles, route lay across treacherous ice of Kotzebue Sound (50 miles wide) and wind-swept Arctic coast; has traveled over entire coast region from Point Barrow to Pacific Ocean with reindeer, and greater part of interior of Alaska with does; author of "endless chain" plan for distribution of reindeer, resulting in the natives of Alaska becoming owners of more than 600,000 reindeer, valued at \$2,000,000. Congregationalist. Member of Delta Tau Delta. Author of White Sox, a story of the domestication of reindeer. Home: 4738 Ninth Avenue NE., Seattle, Wash.

But the real story of Dr. Lopp which lies in his character and achievements immeasurably transcends the cold and brief outline given in the foregoing biographical sketch. For it is not too much to say that this man served and saved, for his time at least, almost an entire people, the Eskimos of Alaska.

When Dr. Lopp first went to Cape Prince of Wales, Alaska, in 1890, as a teacher and Congregational missionary, he found the native Eskimos of Alaska in a desperate condition, barely able to eke out a miserable and precarious existence by fishing and hunting and trapping. The ample food supply of the earlier days of the Territory had been depleted and in places well-nigh exhausted by the inroads of the white men, and the caribou and the seals and the whales, which had furnished a plentiful supply of food and clothing for the natives, had in many places almost reached the vanishing point. Dr. Lopp knew of the use of reindeer by the inhabitants of Siberia and those of Northern Europe and he conceived the plan of having reindeer brought to Alaska for the use of the Eskimos. Almost simultaneously the same thought occurred to Capt. M. A. Healey, commander of the revenue cutter Bear which cruised frequently in Alaska waters and in the Arctic. Both Dr. Lopp and Captain Healey presented the plan to Dr. Sheldon Jackson, then General Agent of Education in Alaska with headquarters in Washington, D. C. Dr. Jackson, in turn, asked Congress for an appropriation with which to bring Siberian reindeer to Alaska for use by the Eskimos.

When the subject was first presented to Congress it met with the same kind of ridicule and derision and opposition which recently confronted the proposal to appropriate money for carrying out the Reindeer Act in the purchase of the reindeer and reindeer range equipment owned by others than natives of Alaska and devoting the property so purchased with all other reindeer in Alaska to the use of the natives. Congress at first refusing to support the project, Dr. Jackson obtained a small amount of money from private sources and thus a few reindeer were transported to Alaska. During the winter of 1892–93 Congress appropriated \$6,000 toward the reindeer enterprise and thereafter annual appropriations were made by Congress, at first for the transportation and purchase of reindeer for Alaska, and afterward for the care and assistance in the education of the natives

in the use of reindeer until the present time.

With the increase in the number of deer, problems arose as to ownership, grazing, and herding, and the resultant confusion was so great that it was found necessary to place in charge of all activities concerning reindeer someone who was intimately familiar with the subject and who had a sympathetic understanding of the needs of the Eskimos. The choice fell upon Dr. Lopp, and no better selection could possibly have been made. Dr. Lopp drafted the rules and regulations, which were adopted by the Government, for the ownership, care, and use of the reindeer by the natives. Those rules and regulations were so eminently fair and reasonable and just that the natives cooperated wholeheartedly. Thus the reindeer increased from year to year and were equitably distributed among the natives who could use them and who would care for them, and the specter of starvation which had haunted the natives for years was at last

From 1906 to 1925 Dr. Lopp had charge of the Reindeer Service in Alaska and in that capacity his accomplishments for the native people of Alaska were notable and outstanding. He consecrated himself to the service of the people in his charge. He was not a distant and aloof executive, who could be reached only through making an appointment with his secretary, but quite the contrary. He lived with his Eskimo friends and he loved them. He traveled the reindeer ranges winter and summer from one herd to another, always a friend, counselor, and guide in the interests of the natives. The natives loved him as a wise and beneficent father. He is still held in affectionate remembrance among them. In fact, their name for him was "Tom Gorrah" which in the Eskimo language means, "Tom, the Good." He often expressed his affection for the Eskimos referring to them as the pleasant, kindly, smiling people as, indeed, they are, for the Eskimos are surpassed in generosity and hospitality by no other people in the world.

Under Dr. Lopp's wise guidance the reindeer were domesticated and herded by the Eskimos. Indeed, we all realize now that Dr. Lopp's plan of careful and constant herding and domestication of the deer is the only one that can possibly succeed. Under the tutelage of Dr. Lopp the reindeer increased vastly in numbers and were well distributed over

the range so that no part of the range was overgrazed or depleted.

One incident in the life of Dr. Lopp well illustrates his capacity and courage. In the winter of 1897-98 the news reached Washington, D. C., that eight whaling vessels and 265 men had been frozen in the Arctic Ocean and that the men were living in dire distress at Point Barrow. The Secretary of the Treasury authorized a relief expedition and placed in charge the late Capt. T. H. Jarvis, of the Revenue Cutter Service, a most capable officer. Lieutenant Jarvis was directed to get in communication with Dr. Lopp, who was then at Cape Prince of Wales. It was in the depth of winter and the Arctic was hermetically sealed. The revenue cutter Bear found its passage barred even as far south as Nunivak Island so there was only one way to get aid to the men in distress at Point Barrow and that was overland. Lieutenant Jarvis left his vessel and proceeded to Cape Prince of Wales, where he met Dr. Lopp and his wife and then explained the situation. Dr. Lopp, encouraged by Mrs. Lopp, decided without hesitation to give every possible assistance to the expedition. Accordingly, the party was organized and on February 3, 1898, it left Cape Prince of Wales with 448 deer, 18 sleds, and 3 native herders on the perilous trip to Barrow over a tractless waste of 700 miles. The journey was completed in 55 days when the expedition with the deer reached Barrow. After a short rest Dr. Lopp made the return journey to his home at Cape Prince of Wales, reaching there on May 3. Considering the nature of the country, the hazards of the journey, and the difficulty of driving reindeer, the accomplishment of Dr. Lopp and Lieutenant Jarvis and the three native herders in making the journey to Barrow with 448 reindeer for the relief of starving seamen has seldom been surpassed.

Unfortunately, as the years passed white men acquired reindeer and those reindeer, too, multiplied and increased and occupied the ranges, and the governmental authorities in Washington, over the vigorous objections and protests of Dr. Lopp, determined that the practice of herding and caring for reindeer was unnecessary and that all of the reindeer should be turned out on the ranges to graze with no more attention than was involved in making roundups once a year for the marking of the young deer. Dr. Lopp knew that disaster was involved for the natives in that policy but his objections were overruled and finally in 1925 he

was separated from the Reindeer Service.

The evil results which have flowed from the failure to follow Dr. Lopp's advice as to the reindeer can scarcely be overestimated. Left to themselves without herding or any attempt at domestication, many of the reindeer have become little different from wild animals. In fact, many of them have "gone caribou," that is to say, they have mingled and wandered off with the caribou and are lost to the Eskimos or to anyone else except the casual hunters. With the cessation of herding, the reindeer have fallen an easy prey to the wolves and the coyotes, and those predatory animals, through the abundance of a good food supply, have increased enormously in number and are threatening the extinction of the reindeer herds. As long as the reindeer are herded they are protected from the wolves and coyotes, and those predatory animals, being left without a source of food, do not increase in any great numbers. A multiplication of the wolves and coyotes will have a disastrous effect upon the other wildlife of the country and has already seriously depleted the game of that part of Alaska which is used as range by the reindeer.

The error of the Government officials and others in rejecting the advice of Dr. Lopp with respect to the care and herding of reindeer would be unbelievable if it had not happened. The whole mode and manner of living of the Eskimos was altered for the worse, their morale was seriously shaken, and the entire industry, if it may be called that, built up through the use and care of reindeer, was forced close to destruction by the initiation and stubborn insistence upon a policy which never had and never has been successful with respect to reindeer anywhere in the world. And so Dr. Lopp was required to stand aside and see the results of his great and beneficent

work, the results of his years of labor and thought and care and unselfish devotion to the welfare of the natives, disregarded and cast aside and all but ruined. We may say with Napoleon:

It was more than a crime; it was a mistake.

Fortunately, he lived long enough to see the mistake admitted, even if it has not been corrected, for in the record of the House hearings for the Department of the Interior appropriation bill for the fiscal year 1940 is contained the statement of Mr. J. Sydney Rood, acting superintendent of the Alaska Reindeer Service, in which he says, emphatically and definitely, and without qualification, that herding of the reindeer must be reestablished if they are to be saved; and he points out the alarming depletion of many of the herds of reindeer through the depredation of the wolves and coyotes and from other causes.

Had Dr. Lopp been retained in charge of the Alaska Reindeer Service, or had his policies been adhered to, there would have been no need to pass the Reindeer Act of September 1, 1937. The present chaotic condition on the reindeer ranges is the direct result of the error of administrative officers of the Government made years ago. It is not yet too late to correct that error if the Reindeer Act is carried out.

Back of all of the public service of Dr. Lopp there wasthere must have been-a deep and abiding love of his fellow man. Nothing else would supply a motive for his life and his public service. The Eskimos of Alaska owe Dr. Lopp a great debt, for he served them and saved them. The people of Alaska and of the United States owe him an equal debt for his unselfish service to these mild, kindly, and generous citizens of Alaska, and to mankind.

Cotton Pulp Bill, H. R. 5991, and the Solution of the Surplus Cotton Problem

EXTENSION OF REMARKS

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

RADIO ADDRESS BY HON. HAMPTON P. FULMER, OF SOUTH CAROLINA, ON MAY 10, 1939

Mr. FULMER. Mr. Speaker, under leave to extend my remarks, I am inserting herein an address delivered by me over the National Broadcasting Network last evening:

It is generally conceded that a national emergency exists in the cotton industry, in that we have a surplus of over 13,000,000 bales of cotton, an extra year's crop, an emergency that is having an appalling effect not only upon the South, but other industries, employment, pay rolls, profits, and upon the social stability of the

New extended uses of cotton, on a large scale, have failed to develop over a 12-year period of extensive and expensive research. A great many people stress the importance of regaining our

foreign markets. If we will face the real facts, you can come to no other con-clusion than that our cotton market for export is definitely and

permanently reduced.

I do not mean by this that we will not continue to export some cotton; but we should face the facts and endeavor to work out some constructive program whereby the cotton industry of the South may be able to continue as one of the most important industries of the United States, an industry that affects the lives of millions of people, one that has a determining factor in many lines of business. lines of business.

WHY WE ARE LOSING OUR FOREIGN MARKETS

What are the real facts?

During the past 12 years foreign consumption of foreign-grown cotton has increased from 10,000,000 to 16,000,000 bales, while in the United States, during the same period, our consumption has remained steadily around 7,000,000 bales annually.

However, this is not the whole story, for during recent years production and consumption of synthetic fibers have increased by the equivalent of about 2,800,000 bales annually.

In 1938 alone the world output of synthetic fibers totaled the equivalent of about four and one-half million bales of cotton.

Some days ago, when Secretary Wallace appeared before the Agricultural Committee, I asked him a question as to the replacement of our own cotton by synthetic fibers during the past few years, and he stated: "About four and one-half million bales."

As stated, we have spent millions in research for the purpose of finding new uses for cotton, and in the improvement of qual-

As stated, we have spent millions in research for the purpose of finding new uses for cotton, and in the improvement of quality, staple, method of baling, marketing, etc., but, as stated some days ago on the floor of the House, we have not gotten results.

If you will make a thorough investigation, getting the real facts from those who are actually acquainted with just what they are doing in foreign cotton-growing countries, you will find that they have made wonderful strides along the line of increased production per acre, quality of cotton, every bale properly graded, in the method of baling and marketing, having installed high density gin compression, net weight selling of cotton, all of which we in the United States have failed to do, costing the cotton farmers and the cotton industry millions of dollars annually.

It is a well-known fact that this is one of the major reasons why we are losing our cotton markets.

why we are losing our cotton markets.

We all know that we have too much cotton at this time, and the only way the cotton problem can be solved is to get rid of the surplus cotton.

Not only that, but we must create an outlet for all future surpluses, so that the country may be spared the jitters every time God is good to the South by giving to us a bountiful cotton crop.

It is very sad, but nevertheless true, that up to this good hour no constructive solution has as yet been submitted which will solve the surplus cotton problem.

solve this surplus cotton problem.

I am not going to take the time to discuss the many bills that have been offered during this session, which had for their purpose

have been offered during this session, which had for their purpose the solving of this serious problem.

However, I do want to refer to Senator Byrnes' proposal known as the barter program.

This calls for bartering our cotton for war materials under a contract under which the foreign country dealing with us, under such a program, must agree that whatever cotton they accept in exchange for their products must be held for a period of 5 years. Suppose we are able to exchange, for instance, 2,000,000 bales of our cotton for tin, rubber, and other war materials.

This certainly will not settle the surplus-cotton problem, or in any way tend to constructively formulate a program which we certainly must have if the cotton industry of the South is to continue.

continue.

The second proposal is the export-subsidy plan.

Under this plan it may be possible, if the subsidy is large enough to be attractive, to dispose of some two or three million bales of cotton.

However, no one, even the Secretary of Agriculture, can contend that this will solve our surplus-cotton problem, or the maintaining of a satisfactory solution of the cotton-production and marketing problem.

When the Secretary of Agriculture came out with his wheat-subsidy plan, I immediately communicated with him about sub-sidizing cotton, realizing that our cotton problem was much

subsidy plan, I immediately communicated with him about subsidizing cotton, realizing that our cotton problem was much graver than the wheat problem.

The Secretary wrote me a very strong letter, giving various good reasons why a subsidy on cotton would not work, as in the case

of wheat

This caused me to give some serious thought to the cotton-subsidy plan, and I know of no way of more forcibly expressing my own views at this time, than to quote to you from the speech delivered by Secretary Wallace at Fort Worth, Tex., on September

delivered by Secretary Wallace at Fort Worth, Tex., on September 30, 1938. I quote only two paragraphs:
"Unlike wheat, however, an outright export subsidy does not appear to be called for in the case of cotton. The reason is that none of the cotton-exporting countries competing with us is using this method, whereas in the case of wheat the use of this method by other countries has forced us to do likewise. If used on a large scale and over a period of time, export subsidies employed by competing countries are mutually self-defeating. They amount to an international price war that is bound to be destructive in the end."

Further quoting the Secretary: "I believe it is far better for the competing countries to get together and work out trade arrangements on a sensible and equitable basis. This old world has got to give up its policies of dog-eat-dog and learn to live and let live * * "."

Still quoting the Secretary: "* * * If consumption of American cotton is to be subsidized, the subsidies ought to be applied to domestic consumption rather than exports. Back in the twenties, American loans to foreign countries, which were never paid, were, in effect, generous gifts of cotton and other farm products to those countries. But if any gifts of cotton are going to be made under the present administration, our own people ought to come first. Why not, for once, give our own consumers and our own workers a break? * * *"

a break? * * *"

I am wondering if there is a Member of Congress, in either House, or any other citizen of the United States, knowing that we have millions of people unemployed, millions of people, in the

words of the President, "Ill-clad, ill-fed, and ill-housed," who will disagree with this sound, constructive, and patriotic statement made by Secretary Wallace.

It is my firm belief that anyone interested in solving this serious problem, and who knows anything about the marketing of cotton, realizes that every bale of cotton that we subsidize for export will take the place of cotton that would otherwise be exported, and, after all is said and done, we will wake up facing the same serious, unsolved cotton problem.

If cotton under the cotton-subsidy program is taken from the surplus cotton, now in the hands of the Government, certainly, it would tend to depress the price of spot cotton this fall, and would be the means of driving at least 5,000,000 additional bales

of the 1939 cotton into the loan program.

If we are to subsidize for export cotton from this year's crop, everyone should realize that, while we would be giving to foreign countries our perfectly good American cotton, at a reduction of from ten to twenty dollars per bale, it would tend to advance the price of cotton in this country at the expense of the consum-

ing public.

This, however, would not be so bad if this export subsidy program would tend to definitely solve the cotton problem, which, as

we all know, it will not.

Under normal conditions we expect to produce 12,000,000 bales of cotton this year. Taking the usual 7,000,000 for home consumption, leaving 5,000,000 for export, suppose under the subsidy we would export 5,000,000, what is going to become of the 13,000,000 surplus that we will still have on our hands, 11,000,000 of which will still be in the hands of the Government, costing millions of dollars annually in carrying charges?

The question—what to do about it—what is the solution?

In that, as stated, an emergency exists, apparently, there is but one visible remedy for the dilemma, and that is a large substituted use of our cotton.

stituted use of our cotton.

We consume colossal quantities of wood pulp, of which we have only a limited domestic supply. Both cotton and wood pulp are

basically cellulose.

A joint consideration of these two economic problems should

develop the answer to the crisis.

COTTON-PULP BILL

My bill, H. R. 5991, provides for an internal-revenue tax on pulp products not containing a small proportion of cotton in percentages fixed under the act.

The percentages are as follows:

The percentages are as follows:

Five percent in newsprint and paperboard.

Ten percent in other paper.

Fifteen percent for rayon, cellophane, and plastic.

The bill authorizes the Secretary of Agriculture to acquire at market price through the Federal Surplus Commodities Corporation cotton from the carry-over in excess of 5,000,000 bales for the purposes of this ect. purposes of this act.

Cotton so acquired shall be designated "Pulping surplus cotton."
Such cotton shall be acquired in such quality, quantity, at such time, and in such manner as the Secretary of Agriculture may

LOW-GRADE COTTON

Lowest grade and shortest staple of cotton being just as valuable for pulping as the better grades, the utilizing of the short-staple, low-grade cotton for this purpose would tend to increase the price of the better grades.

This cotton shall be made available by the Secretary to domestic and foreign processors of cellulose pulp (subject to the tax imposed in this bill) at a price equal to 6 cents per pound.

EXCISE TAX

Quoting from section 5 (a):
"There shall be levied, collected, and paid upon the first domestic processing of cellulose pulp, whether domestic or imported, taxes at the following rates:

"(1) In the case of cellulose pulp, having a value of \$20 or less

per ton, 45 percent of such value;

"(2) In the case of cellulose pulp having a value of more than \$20 per ton, but not more than \$110 per ton, 45 percent of such value minus one-third of 1 percent for each dollar by which such value exceeds \$20 per ton, and fractions of a dollar in proportion;

"(3) In the case of cellulose pulp having a value of more than \$110 per ton, 15 percent of such value.
"(b) Such tax shall be paid by the processor."

Under section 6 of this bill, we provide a compensatory import tax upon any article processed or manufactured wholly or partly from cellulose pulp and imported into the United States from any foreign country

ADMINISTRATION SIMPLE AND INEXPENSIVE

If you will read this bill very carefully, you will note that the administration of same will be very simple and inexpensive in comparison with every other temporary proposal.

As to the effect on the pulp-products industries, this proposal would not unduly hinder sales for the reason in supplying surplus cotton at reduced prices to pulp converters who seek exemption from the excise tax the Government shares in the additional expense

incurred, and the surplus cotton at reduced prices would be consumed in this country.

CUT RELIEF ROLLS AND COMPETITION IN FARM SECTIONS

Solving this problem would tend to put the unemployed to work, increase purchasing power in the South, as well as in all other farming sections of the United States, by continuing to grow cotton, instead of forcing the South on a competitive basis with other farming sections of the country.

PAPER AND NEWSPRINT

It may be of interest to you to know that the net annual consumption in this country of paper and paper board alone is around 12,000,000 tons, not counting other pulp items, such as rayon and

The annual import of newsprint, practically all coming from Canada, duty-free, amounts to around 3,000,000 tons annually.

THIS IS A NATIONAL PROBLEM

May I state this is not the cotton farmer's problem or the prob-lem of the cotton industry as a whole. This, as previously stated, is a national problem that concerns, or should concern, every section of this great Republic and every citizen, regardless of whatever line of business engaged in.

It is a known fact that unless we can solve this problem it will be useless to continue to spend and, in a great many instances, waste millions of the taxpayers' money, most of this money coming from other sections of the country than that of the South.

MY PROPOSAL

Believing that it would serve the best interest of all concerned, that is, we should get rid of this tremendous surplus of cotton over the shortest period possible and, realizing that it would take 4 years under this act to consume our present surplus, I am going to suggest to you just what I would do if I had my way about it.

In the first place, I would pay farmers the full parity price to which they are clearly entitled, in line with the tariff policy on that portion consumed in the United States, which they have

on that portion consumed in the United states, which they have been denied all of these years.

Knowing that at this time it would be rather hard to appropriate sufficient money to do this without raising additional revenue under some taxing program, I would appropriate a sufficient amount to pay at least 75 percent of parity, which would be about 12 cents per pound, and withdraw the loan privileges, thereby having the cotton of this year's crop go on the market in an orderly way for home consumption and for export.

It would be definitely understood that none of the present.

It would be definitely understood that none of the present surplus would be placed on the market unless we could proceed immediately to distribute between now and the cotton-harvesting time next fall in an orderly manner about 500,000 bales of cotton.

TWO-YEAR PROGRAM

I would then proceed to consume the rest of the cotton, as follows, over a 2-year program:

		Bales
3,000,000	bales annually under this act	6,000,000
1,000,000	bales annually for relief	2,000,000
1,000,000	bales annually for crop insurance	2,000,000
2,000,000	bales for bartering war materials	2,000,000

12,000,000 Total__

Under this program the 6,000,000 bales sold to the pulp people would be the lowest-grade cotton at 6 cents per pound. The relief cotton would be at the expense of the Government, and certainly I had rather do this for our own people than to export our perfectly good cotton under a subsidy program in the interest of foreigners.

We would secure full value for the 2,000,000 bales under the

we would secure full value for the 2,000,000 bales under the barter program, and we would receive full market value for the 2,000,000 bales under the crop-insurance program.

This crop-insurance cotton would be given to farmers where they have cotton and cottonseed losses, as in the case of wheat insurance, instead of cash payment, which would not be at the expense of the Government, for the reason that the price of this cotton would be fully reimbursed with cotton insurance cash premiums premiums.

If this program were carried out, in 2 years' time we would be placed on an orderly production and marketing procedure, and, I believe, on a 15,000,000-bale production basis.

THREE TO THREE AND ONE-HALF MILLION ANNUALLY

Referring again to the bill, you can readily see that in using the small percentage of cotton, as provided for in the bill, we would be able to use from three to three and one-half million bales of cotton annually, and, as recovery advances, naturally, the amount of cotton for this purpose would increase as the years

In closing, it is my firm belief that this bill is in the best interest of the American people. I hope it will meet with the friendly consideration, not only of the Congress but the various groups of people who are, or who should be, deeply interested in the welfare of this country.

Treasury Regulation Relative to Sales of Sugar

EXTENSION OF REMARKS

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDDLE TENNESSEE INDEPENDENT MERCHANTS ASSOCIATION

Mr. BYRNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

Be it resolved by the board of directors of the Middle Tennessee Independent Merchants Association in called meeting, That—
Whereas said board is of the opinion and feels that the Honorable Guy T. Helvering, Commissioner of Internal Revenue, crable Guy T. Helvering, Commissioner of Internal Revenue, through his agents and subordinates, is discriminating and abusing his discretion in the application of Public Resolution No. 41, the same being Joint Resolution No. 373, and Treasury Regulation No. 17, in that he is requiring some of the wholesale sugar dealers in the middle district of Tennessee to render a correct return in such form and manner as the Commissioner shall require on sales of sugar and is not requiring other wholesale dealers to make reports and is requiring some of the retail merchants in the middle district of Tennessee to render a correct return on all sales middle district of Tennessee to render a correct return on all sales in excess of 50 pounds, others in excess of 200 pounds, while others are not required to report at all; and

Whereas said board is further of the opinion that the said Commissioner's discrimination is in restraint of trade and is injurious to the business of said wholesale dealers and retailers:

Now, therefore, be it

Now, therefore, be it

Resolved by the board of directors of the Middle Tennessee Independent Merchants Association, That we go on record as being opposed to Public Resolution No. 41 as it is now drawn and urge that said regulation be repealed or amended so as to take from the Commissioner the discretion now given; be it further

Resolved, That copy of this resolution be forwarded to both the United States Senators from Tennessee and to the Congressmen

from the middle district of Tennessee.

com the middle district of Tennessee.

Adopted March 7, 1939.

(Signed) A. Roy Greene, president; J. R. Harris, H. W. Hewitt, W. L. Scivally, M. E. Griggs, Frank Hagey, R. E. Boren, L. J. Rottero, Paul Washer, Howard Hooper, R. E. Berry, E. C. Hall, Russell England, J. R. Stephens, S. F. Waters, H. T. Hamilton, Grant Roy, Edward Rust, Russell Hampton, Farrar Chrisman, E. M. Patterson, Jr.

The Nation's Industries

EXTENSION OF REMARKS

HON. CHESTER H. GROSS

OF PENNSYLVANIA IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

ADDRESSES OF W. S. SHIPLEY, PRESIDENT OF THE YORK ICE MACHINERY CORPORATION OF YORK, PA., AND OTHERS

Mr. GROSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from a York. Pa., newspaper:

YORK PLAYS IMPORTANT ROLE IN UNITED STATES INDUSTRY-MANU-FACTURERS SPEAK AT ROTARY'S INDUSTRIAL DAY OBSERVANCE-TAXES A HEAVY BURDEN

York's importance in industry was emphasized at the industrial day observance of the York Rotary Club in the main ballroom of the Hotel Yorktowne at noon today. More than a score of manufacturers were guests of the organization at the meeting and heard four of their colleagues comment upon the part industry plays in the life of a nation and the use of the city's diversified products in all countries of the world. The speakers were W. S. Shipley, president of the York Ice Machinery Corporation; Beauchamp Smith vice president and general manager of the S. Morehamp Smith vice president and general manager of the S. champ Smith, vice president and general manager of the S. Morgan Smith Co.; Warren C. Bullette, president of the Brandt-Warner Co.; and William J. Fisher, vice president and general manager of the A. B. Farquhar Co., Ltd.

Shipley used as his subject the Nation's Industries. In part

he said:

"Industry is and always must be the economic foundation and lifeblood of the nation and community in which it functions. To be successful it must operate in harmony with the hopes, To be successful it must operate in narmony with the hopes, aspirations, and ideals of the people whom it serves. Industry is not something added or injected into the life of the people. It is that portion engaged in satisfying their physical wants. American industry has played a large part in the development of our country. It has aided materially in making the United States of America truly a government of the people, by the people, and for the people. the people.

we are to continue the great progress to a better living for all of our people there must be an united effort between commerce, farming, labor, and Government. American industry was created by the American people. In return, industry has created for the American people the highest standard of living in history. Industry is so large a part of the national life that all records depend on it.

people depend on it.

people depend on it.

"Industrial products mark the difference between a bare existence and the ever-higher standard of living that has been enjoyed by each succeeding generation of Americans. To many, industry has made available the better things of life that once could be enjoyed only by the few. These accomplishments of industry have been brought into being by no wave of the magic wand. Rather, they are the result of hard work, invention, research, and the necessity to serve."

YORK DIVERSIFIES PRODUCTS

In commenting upon the many uses of York products, Mr. Smith said: "Many York products find their way to foreign shores. There are branch sales offices of York industries in Canshores. There are branch sales offices of York industries in Canada, England, France, and Germany, and there are sales representatives in many European countries, in practically every Central and South American nation, and in South Africa, Australia, and the Orient. One plant located in York ships alone its products the Canada and Canada a

ucts to 33 foreign nations.
"A world traveler can find some York industrial products almost anywhere he may choose to go. The bank in Tokyo may have a York vault door. He may visit an office in Shanghai, a hotel in London, or a moving-picture theater in Rio de Janeiro and enjoy York air-conditioning. The milk he drinks before he retires in Moscow or his 'gin or tonic' on a hot afternoon in Singapore may have been cooled with York-made machinery. The screens of his hotel windows in Panama may have been made in York. The electricity for his hotel reading lamp in Manila or Sao Paulo, Brazil, may have been produced in a generator driven by a hydraulic turbine manufactured in York. The axle in his automobile in New Zealand or the farm machinery he passes in a field in Holland possibly were made in York. The water he drinks in

in Holland possibly were made in York. The water he drinks in Bogota may have been brought in from the mountains through an aqueduct controlled by York-built valves.

"Artificial teeth manufactured in York are shipped to nearly every important foreign country. York chains are widely used in South America. Goods packed in cartons using York paperboard are shipped to many foreign nations. York-made ore crushing mills operate north of the Arctic Circle in Siberia and near the Equator in Ecuador. There are York-made cooling machines at the bottom of a gold mine 1½ miles deep at Johannesburg, South Africa, and hydraulic turbines supplying power for a copper mine barely 3 miles above the sea in the Peruvian Andes. These are only a few examples to illustrate the wide distribution of York products.

"When a sales executive enters his office in York in the

"When a sales executive enters his office in York in the morning, he never knows what the day has in store for him. He may have to entertain a customer from New York, Shanghai, or Cape Town. to entertain a customer from New York, Shanghai, or Cape Town. His telephone rings and he does not know whether he is being called from York, Mexico City, or Sidney, Australia. He may find himself hurrying from that office in the afternoon to catch a train for New York to keep an appointment the following morning or to board an airplane at New Cumberland for an overnight flight to Los Angeles, where an important customer will be waiting for him at 9 a. m. He dictates letters to all parts of the world, possibly an air mail letter carrying important sales proposal to China with \$16 worth of stamps on the envelope, or a letter to Chile congratulating his agent there for the order he has just received for an ore-crushing mill. In short, York industry is in constant touch with the whole world market and York's labor, merchants, doctors, and lawyers depend directly or indirectly in part on our industrial sales throughout the world."

TAXES BLIGHT INDUSTRY

TAXES BLIGHT INDUSTRY

Referring to the blight of taxes on industry, Mr. Bulette said, in part: "It is sadly interesting to see how taxes have affected York's industry and that of the Nation. As an example I cite the instance of one York manufacturer who, in the year 1928, paid out in total taxes \$89,000; and in 1937, \$594,000; an increase of 650 percent. Yet the total business in 1937 was only 9 percent greater than in 1928. In 1928 dividends of the concern were paid to its stockholders, but since 1931 it has paid none."

Unwise taxation was cited by the speaker as having these blighting effects. It penalizes thrift and discourages the initiative of management; it robs the worker's pay envelope; taxes levied on pay rolls as social-security and unemployment compensation are a direct incentive to unemployment; confiscation of profits causes

direct incentive to unemployment; confiscation of profits causes taxes to force capital to seek other investments and industry is stagnated; excessive taxes which add from 5 to 20 percent to the cost of industry's products seriously retard sales and consumption of products, and lessened consumption means less production and in turn less employment, and this vicious circle continues."

INDUSTRIAL RELATIONS

Commenting on relations between employer and employee, Mr.

Commenting on relations between employer and employee, Mr. Fisher said, in part:

"In the many years that I have been intimately connected with industry and watched the growth of our industrial establishments, there has not only been improvement in design of products, production facilities, and methods but equal consideration was given to improvement in wages, working conditions, health and safety of employees, and the whole gamut of items which we now place in the category of industrial relations.

"As a matter of fact, the preservation of our great democracy under which we enjoy the freedom of religion, freedom of speech, and freedom of press, is dependent upon how well we can live together, and how well we conduct ourselves in our human relations.

"It is admitted that during this period of growth and even today, some employers do not practice good principles of human relations, but is it fair to condemn all because of the bad judgment in human relations of a few? The chiselers were with us in the past; they are with us now, and will be with us in the future. Human nature seems to be the same now, as it was centuries expected. turies ago.

"Many plants are now carrying their industrial-relations program into the social life of the employees, and this creates a good and friendly relationship among them, and toward the company, but we all recognize that the most important consideration in the relation of employer and employees is wages, hours, safe, sani-

the relation of employer and employees is wages, hours, safe, sanitary, and pleasant working conditions.

"In York, like in most other cities, these important phases have improved with the industrial growth of our city, which in turn has raised the standard of living. As proof of this you only have to look at some of the sections of our city now, as compared with a few years ago. Furthermore, go to any of our plants during working hours and see the number of automobiles, either in the parking lots or surrounding the plants, which is an indication that York has kept pace with the American way of life.

"It is the hope, I am sure, of all of us, that we will be permitted to carry on in our industrial relations in such a way that as employer and employees we will be able to go forward together, arm in arm, for the common good of this community."

A Plea for Public Medicine

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

ADDRESS OF DR. CLIFFORD HALVORSEN, STAFF PHYSICIAN, WESTERN STATE HOSPITAL, FORT STEILACOOM, WASH.

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a very interesting address delivered by Dr. Clifford Halvorsen, on the subject of Public Health and Medicine.

The Western State Hospital, with which Dr. Halvorsen is connected, is headed by Dr. W. N. Keller, M. D., a graduate of Princeton University and one of the leading mental hospital executives in the United States. Under his masterly direction this institution has attained a splendid reputation for humane treatment of the inmates and unusual competence in every field of institutional care. Under the encouragement of Dr. Keller many splendid young men of brillant attainments and remarkable precocity, have been encouraged to develop their talents. Dr. Halvorsen is one of these young men who has already made his mark in the medical field.

His address is as follows:

SCIENCE IS UNIVERSAL

Science Is Universal.

Like the other cultural contributions to our national development, modern science has brought to us certain offerings which are of high ethical value. The whole material setting of civilized life has been altered by the combined efforts of those who have advanced science and applied it. Science is the great instrument of social change, all the greater because its object is not change but knowledge. Its silent position in this dominant function is the most vital of all the revolutions which have marked the development of modern civilization. Science works in the open. The scientist as opposed to the quack is against secrecy and exclusiveness. The scientist invites all men to share his methods and

the results. Where the point at issue is a matter of fact which can the results. Where the point at issue is a matter of fact which can be settled by observation and experiment, people are less likely to lose their tempers than when they resort to philosophies and where conviction is largely a matter of personal opinion. It is no longer polite to regard people as wicked because their views differ from your own. A democracy needs the spirit which constantly puts questions without fear. Progress requires the will to doubt and to challenge sanctified assumptions bravely. Customs and institutions need no longer be regarded as handed down forever perfect and therefore beyond the reach of improvement. In a world thoroughly humanized, men survive in the process of helping others to survive. survive.

THE TREND TODAY IS TOWARD EXPANDED PUBLIC HEALTH

For years organized medicine has sanctioned Government-controlled health measures as provided by schools, cities, counties, States, and Federal agencies in the form of city health clinics and hospitals, county tuberculosis preventoriums, sanatoriums, isolation hospitals, State mental and general hospitals. The Federal Government's Public Health Service, leprosoriums, drug-addict colonies, Army and Navy medical departments have been developed by public demand and governmental necessity. Through governmental legislation and by the insistence of organized medicine the public has endeavored to protect itself with a huge array of laws, regulations, and standards against pseudo-scientific quackery practiced by cultists. Public interest in health has been aroused by organized medicine as representative of all licensed physicians, as well as by numerous public and charitable organizations.

Such organizations have approached health through preventive

well as by numerous public and charitable organizations.

Such organizations have approached health through preventive and curative avenues and have touched every stratum of our social scale, as it should. Disraeli has said, "Public health is the first duty of a statesman. It is the foundation on which reposes the happiness of the people and the power of the country." Theodore Roosevelt once remarked that "The conservation of vital resources is the first duty of the Government," and referring to the medical man who places profit before service as "the dollar doctor." Sir William Osler asks of the medical profession, "Are we members of a craft, trade, or union? The master word of medicine is work." Dr. Lyman Willium speaking as a physician of national prominence. Dr. Lyman Wilbur, speaking as a physician of national prominence, states, "National health is a national problem." Since the public faces an expenditure of approximately \$10,000,000,000 annually in loss of man-power and ill health, this fact alone makes disease, with its cause, prevention, and cure, of vital public interest.

PROTECTION OF NATIONAL VITALITY

The question is decidedly not who shall have medical care. not a question of who shall profit by disease. It is a question of the conservation and protection of the national vitality. In our democracy the poor and albeit ignorant require as much doctorpatient interrelationship and benefit of scientific knowledge as the sad-but-true wealthy minority. The fee system has spoiled many doctor-patient interrelationships. Once the money question is removed, the relationship becomes more natural and human. Many patients cannot afford expensive examinations and treatment and most general practitioners have neither the special knowledge or the equipment to render such service in their offices.

or not such service in their omees.

Dr. Richard C. Cabot, of Harvard Medical School, says: "We would never put a judge on the bench under conditions such that he might be influenced by pecuniary considerations. Suppose that if a judge were to get \$5,000 in case he handed down a certain decision and he got nothing if he decided the other way. We allow the private practitioner to face this kind of temptation. * * * * The greatest single curse in medicine is the curse of unprecessory. the private practitioner to face this kind of temptation. * * * The greatest single curse in medicine is the curse of unnecessary operations, and there would be fewer of them if the doctor got the same salary whether he operated or not. I am not accusing the medical profession of dishonesty, but I am saying that we should be defended from unfair temptation. I maintain that to have doctors working on salary would be better for doctors as well as for patients."

The struggle against public education is still going on in the minds of approximately 2½ percent of the Nation's adult population. Socialized education with salaried educators, public-financed buildings and equipment, has reduced costs to the individual. The student, moreover, does not choose his teacher. The teacher is on contract at a fixed salary. There is nothing to prevent teacher or student to perfect themselves in any chosen field to any chosen heights. Who is there to say education is more valuable than health? The public has decided that education shall be compulsory and that every American is entitled to it.

REDUCED COST OF MEDICAL CARE WOULD BE VERY BENEFICIAL

Whenever in this country better service has been supplied on more convenient terms of payment Americans have bought more of this service, to the mutual benefit of producer and consumer. Reduction of overhead by unit systems has reduced cost of medical care. Aggregation of specialists with special equipment has reduced care. Aggregation of specialists with special equipment has reduced health costs for the patient, but the restriction of such units to large cities has increased the price of health. The present disorganized methods of public education on medical subjects, raising of public funds, competitive fee-fixing methods is wasteful of energy and money for the physician and the public. The Ingham County Medical Society of Michigan recently fostered an antisyphilis drive. For 60 days the members took blood samples from all patients seeking treatment. At the end of that time 7,600 specimens were examined, compared to 1,770 for the previous 2 months. Thus the physicians found 2.4 percent positive cases. Out of 183 cases, 100 were unsuspected. The stimulus of concerted action

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under special provision for extra-laboratory costs thus brought to light a disease for which special forms of treatment are highly beneficial. The deficit of medical care is not in the amount of work to be done but in the agents sufficient to do the work.

DEMONSTRATED NEED FOR PREVENTIVE MEDICINE

Approximately 30 percent of men between 21 and 30 years of age called to the colors in the first draft for the World War were declared unfit for service. Of these 114,500, or 15 percent, were unsuited for civil activities of productive type. Of the total rejected 10 percent had severe veneral disease or tuberculosis. Another 12 percent had nervous and mental trouble, one-half of which were competed with through disorders. A national computer with the percent percent had nervous and mental trouble, one-half of which were competed with through disorders. other 12 percent had nervous and mental trouble, one-half of which were connected with thyroid disorders. A national committee investigating the national health estimated 20,000,000 people in the United States are in need of adequate medical care. The committee on physical welfare for the New York City schools found 66 percent of the children in need of general medical or surgical attention, 44 percent required dental care, 38 percent had large glands in the neck indicating disease processes, 18 percent had tonsilitis. Translated into money values based upon potential earning, production, and purchasing power such ill health increases the deficit of national economy.

WHAT THE WAGNER BILL WILL DO

To correct this waste the Wagner bill for the national health program is now pending in the United States Congress. It provides for: (1) Maternal and child health services; (2) services for crippled children; (3) grants to States for maternal and child welfare; (4) public health; (5) grants to States for nospitals and health centers; (6) grants to States for medical care; (7) grants to States for temporary disability compensation; (8) rules for the determination of the financial status of States. All expenses are to be met by general taxation—Federal and State. The bill proposes to unite and develop research, prevention, and treatment, and includes the training of personnel. This service administered by physicians of qualifications equal to State and Federal standards set up by the leaders in medicine will reach every American. It will provide medical care for all conditions at minimal cost. It will provide a way for compulsory health insurance for the individual and the Nation. To correct this waste the Wagner bill for the national health pro-

THE A. M. A. OPPOSES GROUP MEDICINE

The house of delegates of the American Medical Association is divided on the issue. Outstanding members are definitely against all group or cooperative medical practice for the following reasons:

1. State control now would be a radical and costly experiment at a time when the Nation can least afford it.

2. All the fine traditions of private practice would be swept

away.
3. Close relationship between physician and patient would be spoiled.

Physicians would be so involved in clerical details they would have no time for careful diagnostic and research work.

5. Politicians would dictate to medical men, and public-health officials would change with each election.6. Laws would not allow for the use of oncoming discoveries.

THE CASE FOR STATE MEDICINE

To these objections Dr. Henry Ernest Sigerist, professor of Johns Hopkins Institute of the History of Medicine, answers in this

1. State control of medical care is not a radical departure. Sixty percent of all hospital beds are now owned and operated by the

Government.

2. If the \$6,000,000,000 now lost through loss of manpower, and the additional \$3,500,000,000 spent annually for medical bills was distributed rationally, little more than this amount would be required to provide adequate medical care for the entire population.

3. To say that salaried physicians lose their incentive to do good 3. To say that salaried physicians lose their incentive to do good work is an insult. Koch, Pasteur, Gorgas, Reed, Welch were all salaried men. So are the workers in the Mayo clinic, the Rockefeller Institute, and 15 percent of this Nation's physicians who work in governmental institutions. Great medical discoveries have been made by salaried physicians connected with commercial firms and various public institutions, Federal, State, and county.

4. Few people today are free to choose their own physician. Dispensely patients farmers and some city dwellers have to accept the

pensary patients, farmers, and some city dwellers have to accept the physician available.

5. The fact that a doctor is a member of an organized group does not spoil the physician-patient relationship. The doctor moves ahead by the results he produces. Results are measurable by the patronage enjoyed as in the educational field. The popular physician testionship the solventifically become as well as groupsthetic in the solventifically becomes a solventifically because the solventifi sician is scientifically honest as well as sympathetic in his attitude.

6. The existing forms of cooperative medicine endeavor to bridge

the gap now existing between hospitals and the individual by bring-

the gap now existing between hospitals and the individual by bringing the practitioner into closer contact with a health center. These centers make possible time-saving diagnoses through the use of modern equipment and aggregation of specialists.

7. It will be serious if governmental control brings improper politics into medicine. But corruption and inefficiency do not need to enter Government activity. The United States Public Health Service has never been touched by the breath of scandal. Many States have honest health departments free of political skullduggery, which handle medical and administrative details efficiently.

The Federal Government's program indicates a desire to work in harmony and to collaborate with State health agencies already recognized by organized medicine.

recognized by organized medicine.

Would it be beside the point to add that doctors associated with governmental medical activities need not be exempt from a pension system after progressive, faithful duty? Many doctors seem to fear the net effect of all plans for cooperative and state medicine will cut the income of the medical profession. Assurance of a retirement income would remove such objections. The average net income for doctors at the present time in paid-up bills is slightly less than \$3,500 per year, and 80 percent of them are on 24-hour duty. This income is the work interest of an average \$10,000 investment in the income is the work interest of an average \$10,000 investment in the physician's education for the practice of medicine and surgery. Very few doctors ever become wealthy through the practice they have Very few doctors ever become wealthy through the practice they have chosen. Very few physicians can afford vacations or take time for post-graduate study. If he is not working at his art, he is thinking about it, whether private or group physician.

In closing may I ask some questions?

1. Does the public rebel against state control of safety on the highway, for our homes, and our Nation?

2. Does the majority of our citizens rebel against compulsory public education?

public education?

3. Do we insist upon maintaining custodial institutions for individuals whose disease may have been prevented by compulsory

4. Does the public want to continue to pay well over \$1,000,000 a day for the care of preventable mental illness alone?

Some of these questions are already answered. Others are in the process of being answered. There will be further questions we will have to answer in the future and for which compulsory health insurance is the answer. These social-medical problems will be solved either under the leadership or helpful cooperation of the American Medical Association or without it. Let us sincerely hope for the good of all concerned that it is with the blessings of organized medicine.

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Wage and Hour Law

EXTENSION OF REMARKS

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

ARTICLE BY GUS W. DYER

Mr. TAYLOR of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by a well-known political economist, Gus W. Dyer:

UNSEEN EFFECTS OF WAGE LAW

(By Gus W. Dyer, professor of economics and sociology, Vanderbilt University)

The average man thinks of the industrial life of this country as confined almost exclusively to a group of big factories and medium-sized factories, located in big cities or big industrial centers. Conditions in these big industries are the foundation for practically all of the labor legislation at Washington.

The public in general is under a delusion that the big industries have driven out practically all of the small factories. The few left are not considered worthy of consideration in labor legislation. As a matter of fact the big industries have not driven out the small factories. The small factories make up a very large part of our industrial life today.

small factories. The small factories make up a very large part or our industrial life today.

In 1929, 210,954 factories of all types were in operation in this country. Over 7,000 of these factories employed no wage earners, 53,524 employed from 1 to 5 wage earners, 53,524 employed from 6 to 20 wage earners, and 25,022 employed from 21 to 50 wage earners. The total number of wage earners employed in these small factories was 1,838,847. The average number of wage earners in the 174,313 was 1,689,847. The average number of wage earners in the 174,313 small industries in operation was 10.

These little factories that give employment to nearly 2,000,000 people are located in cities, towns, villages in the rural sections,

Among them we find sawmills, grist mills, feed mills, chair factories, furniture factories, mattress factories, textile factories, sheet-iron industries, clothing factories, overall factories, etc.

tories, sheet-iron industries, clothing factories, overall factories, etc.

The wages of each employee are determined by the productivity of the worker. Each gets the market value of his services. The skilled get high wages; the unskilled, the untrained, the slow, the inefficient get relatively low wages. But all are paid by the same standard—the standard of their productive capacity. With two or three members of a family at work, even at low wages, the family is able to maintain its independence and respectability.

A serve laws expectability of these small industries are located in

A very large proportion of these small industries are located in small towns, villages, and rural communities. There are 13,433 small towns in this country that have populations of 2,500 and less. Over 10,000 towns have populations of less than 1,000. The combined population of these small towns is 9,183,035. This is a population greater than the combined populations of Boston, St. Louis, St. Paul, Buffalo, Baltimore, Cincinnati, Pittsburgh, New Orleans, Dallas, Houston, Indianapolis, and Chicago. Yet little thought is given to the life and problems of these little towns.

Few of those who are operating these small industries are mak-

Few of those who are operating these small industries are making much above a simple, decent living. These industries are in no condition to absorb any extra business cost. The productivity no condition to absorb any extra business cost. The productivity of labor is a definite, fixed quantity that can be determined definitely on the market. The labor in an industry must produce the value of the wages paid or the industry is doomed. These small industries have no reserve out of which to pay continuous losses. A minimum wage of 40 cents an hour or \$3.20 a day for 8 hours would mean the elimination of all workers who cannot produce the minimum, and this would, perhaps, mean the elimination of over one-half of the workers in the small industries, and the closing of a very large proportion of these industries. It is doubtful if the serious results of the minimum wage on these industries would ever reach the newspapers. ever reach the newspapers.

The 13,433 small, independent, self-supporting, self-respecting communities in which small business lives and thrives are the very heart of real American life and American ideals. If left alone they will take care of themselves under American constitutional industrial freedom. It is little less than a crime for an absentee, centralized government to make it illegal for honest, upright, zens to offer millions of workers in these towns an opportunity to work and support their families by their work. It is far worse for a government to force these people to join the ranks of the dependents and the mendicants.

Shall America Establish Concentration or Detention Camps or Stockades Wherein to Intern Human Persons?

EXTENSION OF REMARKS

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

REMARKS OF HON. JOSEPH A. GAVAGAN, OF NEW YORK

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of Hon. Joseph A. Gavagan relative to the bill H. R. 5643:

Mr. Speaker, ladies and gentlemen of the House, I can recall no other instance during my service in this House when a piece of proposed legislation involved to such great extent vital American principles of jurisprudence and government. Reduced to its simplest meaning, this bill would authorize the Secretary of Labor to order the arrest and detention, not in penal institutions, however, of all aliens previously ordered deported, but whose deportation cannot be carried out because the country of origin refuses to issue the necessary visas or consents. In other words, in those cases where the foreign country refuses to accept the alien the Secretary of Labor is empowered by order to arrest, intern, or otherwise detain the alien.

To my mind the principles involved in this proposed legislation are so serious that I have given time and consideration to their study and have reached the conclusion that I cannot, in accordance with my oath to maintain and support the Constitution, vote for

this bill.

The world today is in a disturbed state, mental and moral. All governments and all people seem to tread life's pathway in fear and dread, not knowing what the morrow may bring. Governments repudiate forthwith the written word; the geographical limits of a nation are changed overnight; there seems to be an absolute void of principle to guide men and peoples. Time-honored principles

of national conduct and action are forsaken, and men and nations seem to grope in darkness

seem to grope in darkness.

I rejoice, however, that the United States of America has a written constitution to guide her pathway. In all times of our history since its adoption, our Constitution has been our guidepost in the solution of our problems of government. I know and realize in the solution of our problems of government. I know and realize that my colleagues of the House of Representatives have the same reverence and respect for the Constitution. We too often, I think, look upon the Constitution as a grant of power to the Federal Government, and forget that while it contains grants of power, it also contains denials of power. The oft-repeated phrase in the Constitution—"the Congress shall not"—is an example of this denial of power to the Congress and the Federal Government.

I have many times expressed the belief that the provisions of our Constitution when the congress are considered.

I have many times expressed the belief that the provisions of our Constitution were the result of serious deliberation and consideration; that, as finally adopted, each provision rested upon some fundamental and historic principle of government. Each provision was deliberately agreed upon because of the compelling force of some moral or historical truth. After an experience of a century and a half we stand forth as the hope of mankind, the last citadel of human liberty. The exigencies of the moment, no matter how compelling or seemingly justifiable, can never sanction surrender of basic principle. There is one truth that guides me to a determination of my vote on this bill, the truth that liberty is indivisible; in other words, universal—it applies to all, no matter what be the class or condition. If the criminal may be condemned without a trial today, perhaps tomorrow the innocent may be so condemned. Our distinguished colleague the gentleman from Utah [Mr. Murdock] during debate on this bill ably expressed this truism when he declared:

"If today the ungrateful alien may be imprisoned without due

"If today the ungrateful alien may be imprisoned without due process of law, who may say that tomorrow may not see the re-building of the Bastille? Once we begin to tear down the temple of equal justice, we have destroyed its symmetry. It can only exist as a whole. If one part is torn away, the rest will surely fall. It is not so long ago that our greatest citizen said, "This Nation cannot endure half free and half slave.' Let the echo of those words remind us that when equal justice is denied to one, citizen or alien,

innocent or guilty, it is no longer equal, it is no longer justice."

The drafters of this bill, by the provision that certain classes of aliens shall be detained "not at hard labor," artfully and skillfully attempt to avoid the provisions of section 1 of the thirteenth amendment to the Constitution, wherein it is provided—

"Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their

The very attempt to so avoid the provisions of the thirteenth amendment should tell its own story, in spite of the drafters' art

In my opinion, the provision of the bill empowering the Secretary of Labor to imprison certain aliens subject to deportation, prevented because of the refusal of foreign countries to accept them, is in direct contravention of section 9, article I, of the Constitution, and clearly unconstitutional. This section, among other things, provides that "No bill of attainder or ex post factor law shall be passed."

Imprisonment or the distraint of liberty or freedom of action is in the nature of things penal. The ex post facto effect of a law cannot be evaded by giving a civil form to that which is essentially criminal.

This bill seeks to further imprison or distrain certain classified persons, without trial, simply and solely because of a previous criminal record; it is an attempt to impose new and additional punishment for old crimes—the debts for which to society have long since been paid—is clearly ex post facto and hence unconstitutional.

The Supreme Court of the United States since time immemorial has held that "every law that changes the punishment and inflicts a greater punishment than the law annexed to the crime when committed" is an ex post facto law and within the prohibition of

the Constitution.

Mr. Speaker, it is my deliberate judgment that this bill is uncon-Mr. Speaker, it is my deliberate judgment that this bill is unconstitutional and hence void; accordingly, I am compelled by my oath of office to vote against it. Aside, however, from its unconstitutionality, the bill, in my judgment, constitutes a grave departure from those principles of American freedom and liberty we hold so dear. Our forefathers understood the meaning of restraint and denial of liberty, the curtailment of freedom, alien and sedition acts, and all those types of makeshift legislation which at times of stress and storm governments pass to serve the exigencies of the moment. History proves, however, that when the exigencies of the moment pass, the restraints remain to throttle freedom and enmesh justice. Such has been the sad story of manking when none were justice. Such has been the sad story of mankind when none were found to sound liberty's clarion call. The great Burke paraphrased it well when he declared, "The people never give up their liberties but under some delusion."

Mr. Speaker, we are living in an age of stress and storm; nations and individuals are heedlessly grasping straws of delusion; might, power, and force seem the theme of our time; yet we know they shall not triumph. We should strive midst the storm to guard our citadel of liberty, always mindful of the admonition that "the condition upon which God hath given liberty to man is eternal vigilance."

APPENDIX TO THE CONGRESSIONAL RECORD

The Romance of Mother's Day

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

ARTICLE BY EARLE W. GAGE

Mr. BARKLEY. Mr. President, next Sunday will be Mother's Day. It has been established and set aside by Congress. We shall probably take an adjournment or recess over the week end so that a number of Senators who desire to visit their homes and their mothers may be permitted to do so.

I have ascertained that among the 96 Senators there are 21 whose mothers are still living. On their good fortune I congratulate them. I myself am happy to be one of the 21 whose mothers still live.

A very interesting article has been sent to me, which is to appear tomorrow in a publication called "The Friend," published in Dayton, Ohio. The article was written by Mr. Earle W. Gage, of Ashville, N. Y., and is entitled "The Romance of Mother's Day." Mr. Gage traces the celebration of some form of Mother's Day back to ancient Greece and Rome. He also mentions the interesting fact that in 1887, 52 years ago, a school teacher in Henderson, Ky., whose name was Miss Sasseen, first began the observance of Mother's Day. Various States, through their Governors, issued proclamations from time to time, and during the World War Congress adopted a resolution setting aside the second Sunday in May for that observance.

I ask unanimous consent that this very interesting article be printed in the Appendix of the RECORD. I am sure all Senators will find interest in reading it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From the Friend, Dayton, Ohio, of May 14, 1939] THE ROMANCE OF MOTHER'S DAY (By Earle W. Gage, Ashville, N. Y.)

The very earliest recorded formal mother worship lies in the tales of the ceremonies by which Rhea, the "great mother of the gods," was worshiped in Asia Minor. In this worship it was not so much the tender maternal aspect which claimed attention as the contractive of mother back was represented as power and majesty of motherhood. Rhea was represented as traversing the mountains in a chariot drawn by lions, and the ceremonies in her honor were marked by wild dances and even The lion, the oak, and the pine were sacred to wilder music.

her.

The worship of Rhea was introduced into Rome through Greece
The worship of Rhea was introduced into Rome through Greece about 250 B. C. Ceremonies were held on the Ides of March, when people made offerings in the temple, and the occasion was known as the feast of hilaria.

With the advent of the Christian Era the festival still retained its old form, but made a further advance and became infused with a new spirit. The development of observance by the church of a new type celebration became a custom on mid-Lent Sunday for the faithful to visit the churches in which they were baptized,

bearing gifts for the altar.

From this festival of worship in honor of the church there grew the observance of mothering day, or Sunday, though the successive steps in this development are not now clear. It is certain, however, that long ago, when young men and maldens were bound out ever, that long ago, when young men and maldens were bound out as apprentices and as servants, mid-Lent Sunday was set aside for them to visit their mothers, taking for them some little present, such as a cake or a trinket. A young person engaged in such a pilgrimage was said to be going "a mothering" from which the day came to be known as Mothering Day.

There is no unbroken line of descent to the present observance from the holiday when English apprentices and servants went a-mothering, though the modern festival is perhaps the most conspicuous and deliberate effort a nation ever made in honor of motherhood.

FOUNDER OF MOTHER'S DAY

The record of events leading up to the final designation of Mother's Day in the United States indicates that Miss Mary Towless Sasseen, of Kentucky, was the originator of the idea. A school teacher, Miss Sasseen started as early as 1887—52 years ago this year—setting apart one day which she called Mother's Day. She came of a distinguished Kentucky family and was born in the

city of Henderson, which was also the birthplace of John James Audubon, world-famous naturalist.

After she had observed Mother's Day in her own school for sev-After she had observed Mother's Day in her own school for several years, Miss Sasseen started a campaign to make its observance national, and issued a pamphlet for use of schools in 1893, two of which are now on display in the Henderson Historical Society, On the title page the pamphlet bears this inscription: "Lovingly dedicated to my mother in the hope that April 20 (her birthday) be annually celebrated as Mother's Day."

Supply this reason existed these to Miss Supply the page of the contract of the co

Surely, this was an original idea to Miss Sasseen, as her opening paragraphs declare: "Having by experience learned how much one can teach a child regarding the lives and works of the poets by our system of Authors' Days, it suggests itself to me that by celebrating Mother's Day once a year, much of the veneration, love

and respect due to parents might, by song, verse, and story, be included in the next generation.

"By Mother's Day I mean a day on which parents shall be invited to the school and a program presented, the recitations being on the subject of mother, the songs referring to the home."

Not long after the issuance of this pamphlet, Miss Sasseen made a trip to Springfield, Ohio, to visit her sister, and there they were able to introduce Mother's Day into the schools of that city. The Teacher's Manual of 1890 provides for the observance of the day. Prof. Carey Boggess, who was then superintendent of Springfield's schools, recites the events leading up to this successful school holiday and program. Miss Sasseen traveled as far as possible, preaching the gospel of Mother's Day, and about 1900 retired, when she married Judge Marshall Wilson and went to Florida to make her home.

MISS ANN JARVIS PICKS UP TORCH

Six years later she passed away, her campaign for Nation-wide observance being carried on by others, among them Miss Ann Jarvis, of Philadelphia, who finally succeeded in having Senator Burkett, of Nebraska, introduce a bill in Congress designating the second Sunday in May as national Mother's Day. This date was selected because Miss Jarvis' mother was born on that date.

KENTUCKY LEGISLATIVE RESOLUTION

The Kentucky State Legislature, conversant with the facts concerning the origin of the day, adopted the following resolution: "Whereas Mary Towles Sasseen, who was born and reared and was for many years a teacher in the public schools of Henderson, Ky., observed Mother's Day in the schools of Henderson as early as 1887 and earnestly labored in Kentucky and other States to have said observance become general; and
"Whereas said Mary Towles Sasseen was the originator of the idea

of Mother's Day celebration: Therefore be it

"Resolved by the General Assembly of the State of Kentucky, That
the people of Kentucky, through their chosen representatives in
legislature, hereby acclaim Mary Towles Sasseen as the originator of
the celebration of Mother's Day; and be it further

"Resolved, That full credit should be given said Mary Towles Sasseen for her splendid work in attempting to bring to the minds of children everywhere the full admiration, respect, and love due all mothers."

MEMORIAL TO FOUNDER

In the peaceful, shaded Henderson cemetery stands a white marker erected by the county historical society bearing this inscrip-tion: "Mary Towles Sasseen in 1887 founded Mother's Day."

But great credit is due Miss Ann Jarvis for her part in carrying on the torch handed her by Miss Sasseen. At the time she resided in a little Virginia community. The superintendent of the local Sunday school requested that she arrange a memorial service for her deceased mother, who had been a moving spirit in the com-

"While carrying out this congenial and sacred duty there came a realization to me of the growing lack of consideration for absent mothers among worldly minded, busy, grown-ups—of the thoughtless neglect of home ties and of loving consideration engendered by the whirl and pressure of modern life, the lack of respect and deference to parents among children of the present generation, of the need of a reminder of the loving, unselfish mother, living or dead," Miss Jarvis explained. And thus the Mother's Day idea came into existence, later to be expanded to include an outward demonstration of the latent love and gratitude to mothers by a gift, words of appreciation, an act of kindness, or a letter on the next of exempted. the part of everybody.

OKLAHOMA ISSUED FIRST PROCLAMATION

The distinction of issuing the first Mother's Day proclamation belongs to the State of Oklahoma. Miss Jarvis had met with sympathetic response from the Governor, who set aside the first observance on May 12, 1910, requesting the people of the new State

"Each citizen, whether old or young, rich or poor, happy or sorrowful, remember her whose love passeth human understanding, and remembering, manifest to the world your love and gratitude by wearing a carnation in honor of the dearest of all mothers and, wearing it, think of her and love her."

CONGRESS ESTABLISHES MOTHER'S DAY

The idea grew as popular sentiment was awakened. State after State adopting the plan, Congress was finally asked to set aside Mother's Day as a national holiday, and President Woodrow Wilson, amid the clouds of a world war, affixed his signature to the joint resolution which get forth. resolution which set forth:

"Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and
"Whereas we honor ourselves and the mothers of America when we

do anything to give emphasis to the home as the foundation head

of the state; and
"Whereas the American mother is doing so much for the home, for moral uplift, and religion, and hence so much for good government and humanity: Therefore be it
"Resolved, That the President of the United States is hereby

authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings, and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May, as a public expression of our love and reverence for the mothers of our country."

TRIBUTE TO MOTHER

What a world of sentiment is expressed in the word "mother." What tender emotions it stirs in those whose mothers are among the living. What a flood of sweet memories it brings to those whose mothers have passed on: Memories of tender caresses that softened the pain of some childhood hurt; of reassuring embraces that dissipated clouds of disappointment and brought the sunshine again; of soft lullables at twilight that soothed the aches in tired

again; of soft fullables at twilight that solthed the aches in tired little bodies.

"Mother" is the last word uttered by the hardened criminal as he goes to meet his Maker; of the soldier as he breathes his last amid the shambles of the battlefield; of king, commander, humble peasant as they start off on the journey of eternity. It is the first word we learn to lisp when we start life; the last we gasp as we

depart from life.

This because mother love is deathless, eternal. It knows no bounds; no limitations. It reaches all the way from earth to heaven. It is the finest and most inspiring of all emotions that influence the mind of man. It is the golden bridge that makes the passage between life and eternity the easier.

Mother love is the greatest of all loves, because it is tempered with pity and understanding. It forgives the error of the wayward child even before it is committed. Through the ages it has been the symbol of mercy and devotion, of self-effacement, of sacrifice, of patience and fortitude.

Mother's Pav is an occasion when the whole world is kin, when

Mother's Day is an occasion when the whole world is kin; when all races and all creeds kneel and worship at the common shrine of motherhood. It transcends even the great holidays; holidays set apart for glorification of heroes and heroic deeds. There never was an act of heroism, there never was a valorous deed that could match or even compare with the life work of the humblest little mother.

On Mother's Day millions of sons and daughters pray that the golden flame of mother's deathless love for mankind may burn on eternally; that not alone on this holiday we may pay them reverance but on every day every year prove to them that their devotion and their sacrifices have not been in vain.

American Defense Society

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CARO-LINA, MAY 6, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address delivered by me on last Saturday, May 6, in New York City, at the Hotel Astor, under the auspices of a patriotic organization of American citizens known as the American Defense Society.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I would be entirely ungrateful were I not to Mr. Chairman, I would be entirely ungrateful were I not to publicly acknowledge my deep appreciation of your very kind introduction to this splendid audience today. May I say that I am inspired in the thought that I stand now not far from that very spot upon which the Father of our Country stood 150 years ago when he assumed the obligations which he gladly undertook as the first President of the United States. And I, for one, am only sorry that he is not with us today in order that his words of wisdom might at this hour reach the ears of every single American mother and father, when he advised that we of the United States of America, then but recently created and founded, stay clear of foreign entanglements and embredlements that might lead to were foreign entanglements and embroilments that might lead to war.

I would that he were here at this hour. But I am going to state unhesitatingly that I am comforted in the thought that we have within the confines now of this, the greatest Nation upon the face of the earth, outstanding patriots who dare to express frankly and courageously their respective opinions in reference to this and that subject of interest to the American people.

And as here, ladies and gentlemen, I stand, I see sitting not far from this festive board the Honorable Bainbridge Colby [applause] who was Secretary of State in the Wilson Cabinet, and who, only a few days ago, appeared in Washington and delivered there a statement that I only wish every single American—particularly, those who would lead us into war—would have an opportunity

of reading.

I was invited here today to talk particularly in reference to the I was invited here today to talk particularly in reference to the question of immigration and unemployment; but, as a matter of fact, I am going to take the privilege of referring, it but briefly, to the chaotic condition that we find existing at this hour throughout the entire world. I was encouraged in the fore part of this week when I observed through the columns of the Washington press one morning that the President of the United States had said to the gentlemen of the fourth estate that he was not, for some time, going to make any comments upon foreign affairs. That, to my sight, was indeed encouraging. And I had, in truth and in fact, hoped that his suggestion, by way of a statement of that sort—or advice, one might say—would be followed by all who are interested in keeping our country out of any foreign embroilments.

I was in hopes that our newspapers would cease to print so much; that our executives, whether affiliated with the Federal Government or with the respective Commonwealths of the Nation, would follow the advice of the President of the United States. But I have learned, to my regret, that they have not followed his

advice.

And I can very readily understand that, because the majority of the newspapers in the country today—at least, those that I am provided the opportunity of seeing from day to day and time to time—have not been in accord with Mr. Roosevelt relative to collective security insofar as domestic collective security is concerned. But on the other hand, I might add, it has appeared to me that the press of the country has been generally with the President in his theory of collective security from the standpoint of internationalism. When I picked up the paper this morning—I have one now before me—I observed that five out of the seven columns on the front page were taken up with matters pertaining to European affairs. I have another paper before me, printed here in New York. I observe that one, two, three, four, five out of seven columns on the front page are headlined with matters pertaining to European affairs.

I observe in one column of one paper that Governor Baldwin, the chief executive of the State of Connecticut, has stated—at least, he is so reported through the columns of the morning press—that he is desirous of equipping a full regiment of men to handle the anti-aircraft guns, and that he hopes that we will not become involved in war, but that, if we do, he wants Connecticut to be prepared, because it is the arsenal of America.

I wish that records would guit talking about war. I want to say

in war, but that, if we do, he wants Connecticut to be prepared, because it is the arsenal of America.

I wish that people would quit talking about war. I want to say to you unhesitatingly that, in my humble opinion, those today who are injuring this country more than any other class are those who are constantly frightening the American people. Why, I observed only a few days ago that a youngster in California was so afraid that he was going to be called into war, drafted, that he committed suicide. The American people have the war jitters, and we are more concerned today about what is going to take place in Europe than are the Europeans themselves. We are actually more concerned about what is going to become of our poor brothers across the sea than we are concerned about what is going to become of the millions of God-fearing, honest men and women who are today walking the streets in search of employment.

I say that we have gone crazy. This war talk has given us the jitters. I sometimes think, my friends, that, on the one hand, it would be well if the American masses could be provided with sleeping powders in order, at least for a while, that they would not hear so much about war in Europe, that has so thoroughly upset your country; and, on the other hand, I wish sincerely that these same masses of America might be provided with injections of something that would awaken them to the perils in this country.

Today when I was motoring by taxicab from the hotel at which I am storpning to the Astor from which point I now speek I en-

Today when I was motoring by taxicab from the hotel at which I am stopping to the Astor, from which point I now speak, I encouraged conversation with the taxicab driver in reference to war, and he embodied in his answer the future of the world's fair, in which he stated that he hoped to God Hitler would not attack New

York until after the fair was over.

My friends, in reference to Hitler, may I say that as long as he continues to go east, away from the United States, I am satisfied. And I am going to suggest here today, since the stop So-and-so movements have been inaugurated with such eminent success, I desire the privilege of suggesting that the American people start a

movement to stop Stalin.

I heard of that fellow when I was in Russia in 1933; but for the past 2 years I have not heard his name over the radio, and it has been difficult for me to discover his printed name in a magazine or any sort of publication, and I was fearful of his life.

I the results of standard of the results in the state of the name of the results of the results of the results of the results of the name of the results of the results

I, like you, am desirous of stopping Stalin in raising to the surface the temples of worship. I, like you, am desirous of stopping Stalin from destroying God's own temples. I, like you, am desirous of stopping God's greatest enemy. I am desirous of stopping that man who brought about the murder by slow starvation of more than 3,000,000, perhaps 4,000,000, people in the Ukraine,

north of Odessa, in 1933 and 1934, which statement has never been denied. I, like you, am desirous of stopping every movement that

is un-American.

Is un-American.

And I want to say in defense of that eminent, that fine, patriotic statesman, the former Secretary in the Wilson Cabinet, Bainbridge Colby, here today that there is no such thing as Democratic Americanism, there is no such thing as Republican Americanism; there is just one thing, and that is Americanism. And all within the confines of these United States of yours must band together for the nurses of saying America, for Americans.

connines of these United States of yours must band together for the purpose of saving America for Americans. In passing I direct these few words particularly to the ears of the mothers of America. To them, more than to any other group, is due some comfort—at least in words. American mothers have been frightfully unhappy on account of the fact that this country itself has been disturbed for fear that we would be drawn into the

war, drawn into European troubles.

I want to say to you mothers who are here today, and I likewise I want to say to you mothers who are here today, and I likewise want to reach the ears of those mothers who honor me by listening in at this hour, that the United States of America will not participate in any European war. And I, for one, declare to you that as long as I am privileged to serve the people of my great Commonwealth of North Carolina in the upper House of the Congress of the United States, I swear that I shall never cast a vote in that Congress to send the son of an American mother across the turbulent waters of the Atlantic to save again an ungrateful people for the so-called democracy of Europe.

And I say in that connection that we had better interest ourselves

in saying the democracy of the United States of America. If you do not interest yourselves in that for yourselves, certainly you should for your own flesh and blood—your sons and daughters. Otherwise we will wake up one bright morning and find that we are living in a different sort of government provided us than that under which we are now living.

My friends of America, I observe, if I may say it again, through the columns of the press that an effort is being made to bring the Soviet Union into an alliance as a part of that chain being welded for the protection of certain sections of the world. I want to say to you that, in my opinion, the mothers of America will never permit their sons to don a uniform and shoulder arms in the trenches to save the democracy of Stalin and the Soviet Union.

Let us interest ourselves in saving America—and, in that connection, I come to my subject, if you please, pertaining to immigration restrictions and to the deportation of alien criminals and undesirables. We have been spending your money in Washington by the billions—I have voted with others, with your approval, appropriations totaling into the billions—in order that you might be provided with an adequate national defense; and you have wel-comed those appropriations, because you have been frightened to the degree that many of you feel that we will be attacked from abroad within a few weeks.

abroad within a few weeks.

Why, you know as well as I do that our danger is not from without, but the danger is from within. You remember, in 1928, when your own fellow citizen of the city of New York, the Honorable Al Smith, was the Democratic nominee for the Presidency of the United States, our friendly enemies said, "If you put him in the White House, he is going to move out and bring the Pope over and put him there; and the only thing is that Al does not know whether he will take a room at the Hamilton Hotel or the Raleigh."

And they believed it.

There is just about as much chance of anybody in Europe attacking your country as there was chance of Al Smith's bringing the Pope over here in 1928. But I voted for those appropriations because I knew that it would appease the American citizens, because cause I knew that it would appease the American citizens, because the majority of American citizens have been led to believe that they will perhaps be attacked within a very brief period of time. But, anyway, the majority of the American people are desirous of having an adequate national defense. They want to feel safe; and I believe in keeping our powder dry, as do you.

But, my friends, why make expenditure of billions of dollars to protect yourselves from the enemy from without, when you are not making any appropriations or making any effort to defend your country from within? You operators of the observation planes.

country from within? You operators of the observation planes, my dear Major, can locate without difficulty the position of the enemy's cannon. That is true, is it not? But I say that if to-morrow your country should unfortunately become engaged in war, you would find within your midst from four to seven million potential enemies and spies, because there are within your midst between four and seven million aliens. And if war were declared, you would not know where to locate them, who they were, or what they were doing; but all the time those four to seven million enemies, aliens, spies, would be boring from within, destroying the very founda-

spies, would be boring from within, destroying the very foundations of your Government.

And I therefore say that the Congress of the United States should pass a bill, which I have introduced there in the Senate, requiring the mandatory registration and fingerprinting of every alien in the United States, in order that we may ascertain for ourselves whence they came, where they are, and what they are doing. This is the only country upon the face of the earth that does not keep track of those from foreign shores residing temporarily or permanently within their borders, and it is a shame. I cannot too frequently repeat that our danger is from within. My friends, objections have been raised to fingerprinting; but may I call to your attention the fact that the President of the United States was fingerprinted years ago when he was Assistant Secretary of the Navy, as you know. May I call attention to the fact that only a

few days ago the President of the United States submitted voluntarily to fingerprinting, and likewise the Vice President of the United States?

May I state that down in my Commonwealth of North Carolina, in the queen city of Charlotte, where the first Declaration of Independence was drafted and signed on May 20, 1775, more than 10,000 boys and girls submitted voluntarily to fingerprinting for their own respective protection? And may I then direct your attention to the golden coast of the West, in the city of Berkeley, where recently more than 25,000 residents of that lovely section of the country when it the country when it is the country in the city of Berkeley.

submitted voluntarily to fingerprinting?

It is for the benefit of those who are fingerprinted; and, as you all know, during the World War every one of the 4,400,000 under arms know, during the World War every one of the 4,400,000 under arms and in uniform at the close thereof, on November 11, 1918, were fingerprinted, and every member of the Army, the Navy, the Marine Corps today submit gladly to fingerprinting for their protection. The only ones who today are objecting to being fingerprinted are the aliens themselves. They are telling you what kind of laws you should have your representatives enact in the United States, and they are getting away with it. I will tell you why. They are getting away with it because the minorities in this country of yours are in control, for the very reason that the minorities are organized, and they are working night and day, and they have the money to spend, while the masses of Americans are asleep at the switch. asleep at the switch.

That is why I stated at the outset that I only wished that they might be injected in order that they could awaken to the dangers confronting them at the crossroads which we are approaching extremely rapidly. There must be a showdown in this country. There will be. I have introduced a bill in the Senate that would bar all immigration to your shores for the next 10 years, or until such time as every single American citizen today out of employ-

such time as every single American citizen today out of employment has been provided with an opportunity to earn a living. I insist upon the passage of that bill. I hope that it will reach the floors of Congress—the floor of the lower House and that of the Senate—at least in order that we may ascertain where every single Member of the Congress of the United States stands, in order that we may know whether he is for the American people or

whether he is for those from foreign shores.

Here we are, devoting all of our time and making expenditure of all of our energy upon how to save the democracy of Great Britain, how to save the democracy of socialistic France, how to save the democracy of our beloved anarchists of Russia, where, on the other hand, we should be devoting our time and our energy to the people of the United States of America, who have been neglected.

Unfortunately and unhappily for me at this hour, I must call your attention to the fact—as you, a moment ago, my dear Major, mentioned—that there are today in the United States more than 11,000,000 people out of employment, many millions of whom have not had any employment of any nature whatsoever for many years past—God-fearing men and women walking the streets in earnest

oh, my heart was touched last night when down this great white way of the world I strolled, feasting my eyes upon the magnificence way of the world I strolled, leasting my eyes upon the magnificence of the electric signs of your tremendous boulevard, watching the thousands upon thousands who passed; and, at that corner referred to as the center of the world, Forty-second and Broadway, I saw standing in rags an aged mother endeavoring to sell a few little boxes of chiclets; and there she stood. I paused and made purchase of one, and I made inquiry of her as to how many she had sold, and she said that within the hour she had only been to sell two.

Millions of mothers and their children and their sons, looking for employment, and they cannot find it, and we—God, we ought to be ashamed of ourselves, spending our time and attention, devoting our energies, to how we can save those abroad who owe us billions upon billions of dollars now.

Think of those 11,000,000 men and women, and mark you, my friends, there are 26,000,000 men and women who are employed only part time, and that you can well believe if you will recall in your respective minds that only a few weeks ago an advertisement was inserted in the classified columns of one of your local newspapers calling, or offering positions to, 16 women at \$15 or \$16 or \$16 women at \$15 or \$1 a week, instructing them to call on a morning of a certain date. The night before we are told by the press thousands packed your Seventy-sixth Street Armory—young girls of high-school age to those beyond the half-century mark, thousands of women and unfortunately out of employment, seeking an opportunity to find employment.

In addition to those 11,000,000 entirely out of employment, in

In addition to those 11,000,000 entirely out of employment, in addition to the 26,000,000 people working only part time, you have 3,000,000 upon the W. P. A. rolls, many of whom are taking their orders from the Workers' Alliance, and another million who would like to get on the W. P. A. rolls, and many of those upon the W. P. A. rolls—the great majority—are unfortunate men and women who had to cast aside pride and seek the aid of the Government through no fault of theirs.

In addition to that, there are 300,000 young men in the C. C. C. camps of your country, and an equal number who would like to be admitted to those camps in order that they might be clothed and sheltered and fed and provided with funds sufficient to send at least the larger portion to their daddies and to their mammies. In addition thereto, my friends, there are 4,000,000 people upon the rolls of your respective governments—4,000,000 working for

your Federal Government, your 48 respective State Commonwealths, your 10,000 incorporated cities, towns, and hamlets, your more than 3,100 counties, and your thousands upon thousands of political subdivisions to be found throughout the length and

breadth of your land.

breadth of your land.

Summing that all up, with no prospect for the future, don't you think we have gone crazy—when I say that we are giving too much time and too much attention to matters beyond the seas? If I wanted to make friends with you, I would endeavor to curry favor by providing your ears with sugared words, by bringing to you only good news. But I am not endeavoring to curry favor with any individual, group, or collection of people. All in God's world that I am endeavoring to do is to do my part as a humble American citizen who hails from one of the greatest States in the Union, that gave you a first Declaration of Independence.

I care not what anybody thinks about me. I care not what anybody says about me. They can say anything, they can print anything, and I don't care a tinker's damn so long as I am provided with the opportunity of aiding in the task of awakening the American people who love their country and who want to preserve it for their sons and daughters.

I seek no office. I have no political ambitions, and, thank God, I

I seek no office. I have no political ambitions, and, thank God, I can speak as I choose. And I shall continue to do so, so long as you and I find the country of our forefathers endangered. And

My friends, no one knows how many million aliens there are in this country. I contend that there are from four to seven million. Those who oppose me in certain suggested matters pertaining to legislation say that I am wrong, that there are only about 3,000,000. Well, if there are only 3,000,000, there are 3,000,000 too

many

When I employ the word "alien," I use it advisedly, because I refer to that man or woman from foreign shores who here has lived and who has not ever made application for American citizenship. That man or woman who comes from foreign sections of the world and becomes an American citizen is just as good as you or I, and just as much of an American citizen, the only difference being that fortunately we were born here, and unfortunately they did not have any say-so in the matter.

not have any say-so in the matter.

I am speaking of those millions who have been here for years, and who have never thought enough of the protection of the flag to make application for naturalization. They are the ones to whom I refer, and I say that your jails and penitentiaries, in many sections, are filled with alien criminals. They need to be taken out and sent back to the countries whence they came, in order that you taxpayers may be spared the further expense of continuing their maintenance in the form of shelter, clothing, food, and education. It is not fair to the American people to continue them.

and education. It is not fair to the American people to continue them.

Now I come in partial conclusion to a resolution in which you are interested, in which you mothers are vitally interested. I have reference to a resolution introduced by my good friend, a man for whom I have deep affection and admiration—none other than the senior Senator of the great Empire State of New York; and, in speaking of this resolution, I pray you not, for once, infer that I would reflect in the slightest degree upon Bob WAGNER.

Our offices are just across the hall from one another. Many, many has been the time that delegations of school children have visited his office. They do from their respective States. They are always desirous of meeting their Senators; and, many times, when there they go, and Senator WAGNER is not present on account of the fact that he is about the busiest man in Washington, I invite those children across the hallway to my offices, provide them with little booklets pertaining to the historical things of interest in the Capital, and with cards with my signature admitting them to the gallery in order that they may take a little memento home.

That is how much I think of Bob. But Bob has introduced a bill that would permit to enter this country, over a period of 2 years, 20,000 refugee children under 14 years of age, from Germany, Czechoslovakia, Austria—those portions recently acquired by Germany itself.

by Germany itself.

I wish to say, firstly, that I am in sympathy with the orphans of the world. My heart goes out to the little urchins that we find scattered throughout the length and breadth of our land,

find scattered throughout the length and breadth of our land, and there is nothing to me that appeals more deeply to the heart than a motherless child, fatherless child, an orphan child, because I think that a mother is the greatest institution in all the world. And to me, a simple woman of the hills of western North Carolina, my mother is next to God. My heart goes out to the unfortunate little boys and girls of all the earth who have lost their mothers and their fathers.

But, my friends, my first sympathies are for the orphans of America. And that is why I am going to oppose the Wagner resolution. That is why, if necessary, I will filibuster until the cows come home. As I have said, if I may be permitted to repeat, I am in sympathy with those unfortunate children of Germany, Czechoslovakia, Austria, but my heart is larger; my heart beats in sympathy for the million orphans of China, since the Japanese started their march northward in 1931 for the purpose of making conquest of Manchukuo, with its 120,000,000 of people. Today, more than 1,000,000 Chinese have been murdered—combatants and noncombatants and frail old men and unprotected women and innocent children. and innocent children.

I am in sympathy with the orphans of China. My heart, in-deed, further beats for the little black orphans of Abyssinia.

Down yonder in the South, we have a lot of colored people. Down yonder in the South, some of those colored people have been with some of our families for years. In my own home, where I reside with my mother in the countryside, 5 miles from the little Queen City of the mountains—visited by you, Judge Nott, and many times by my honorable friend here—we have an old Mammy Foster. She has been with my mother for 25 years. And then we had a boy, Walter Aikens, as black as coal, and his teeth as bold and as white as the sea shells. They were devoted, both, to my mother. mother.

I remember that 2 years ago Walter was murdered, and I cried like a baby. A black man, but I cried like a baby because he was like a baby. A black man, but I cried like a baby because he was devoted to my mother and always so attentive. He was killed and he left a little boy, Walter—a little black fellow. I will always try to look after him, because Walter was always so devoted to my mother and was always so good to all of us. And I remember now so well and so vividly—I fashion it in my mind—whenever I would go home I would step off the train and there would be Walter—"Mr. Robert, I sure am glad to see you." I miss his smile; I miss his handshake his handshake.

So I say my sympathies are, too, with the little black orphans of Abyssinia or Ethiopia. It spreads throughout the world for the orphan children; but I say to you that my first sympathies are with the orphans of America, where there are thousands upon thousands today undernourished, today improperly and not comfortably clothed.

Those little boys and girls whom Senator Wagner would bring to your midst are only 14 years of age now, but, my friends, I remind you of the fact that within 3 or 4 years they will be big boys and big girls and they will be competing with your sons and daughters—and don't forget it.

And don't forget that the admission of 20,000 does not stop there.

And don't forget that the admission of 20,000 does not stop there. It means that eventually their folks—whether mothers or fathers, or perhaps both mothers and fathers, because they are not of necessity orphans, as are the Chinese and the Ethiopians—their fathers and mothers were killed in Ethiopia—their fathers and mothers were killed by the hundreds of thousands in China—don't forget that within a few years there will be another bill before your Congress of the United States providing for the admission of their fathers and mothers, providing for the reuniting of the families upon your shores. upon your shores.

I know that to be a fact, because I have had that experience in Washington. And innumerable times have I suggested that they reunite those families upon their foreign shores, but in every instance they want to reunite them here on our shores.

It has been broadcast that there would be no danger, because every single child who comes here under that resolution, if passed, will have become a public charge for the research that wall today.

will never become a public charge for the reason that well-to-do people in finance in your city and others have undertaken to underwrite them by way of guaranteeing by bond, secured by property, that those 20,000 children will never become public charges. But, my friends, let me venture this: If times in this country do not get any better the ones who make the bonds will be on relief themselves and the bonds will not be worth a damp. selves and the bonds will not be worth a damn.

I could at length continue to speak with you in reference to these matters in which we are interested, but, in view of the fact that I am tonight to address the members of the Medical Society of the District of Columbia in Washington at their annual banquet, I must forego the opportunity of speaking with you further.

I want to say, in conclusion, that I am, indeed, more than grateful to you for your kind, courteous attention. I have enjoyed being with you, and if I have contributed anything to those matters in with you, and if I have contributed anything to those matters in which you are entirely and generously interested my time has been well spent. In conclusion, let me say this: I hope, if I am so fortunate as to have you reflect upon any word or words that I have uttered here today, that you will bear in mind that in my heart of hearts there is no hatred for anybody upon the face of the earth; and may I add, if you will pardon a personal reflection, of all the people in this country and abroad that I know, I do not hate a single person upon the face of the earth because hate ages the person who hates, and the person you do hate does not know anything about it. Hate makes you old very quickly and I want to live a long time. to live a long time.

But I have spoken out of my heart in the interest of my fellow Americans. I think that we should take care of America first. I think that we should keep our noses out of other people's business. I think that we should quit criticizing the rest of them and tend to our own knitting because, folks, it is going to be a long time before you get back to normalcy. Think about it now. Don't get mad at me for bringing you the truth. I have found that the truth pays. It may not at the time, but it pays good dividends. It is going to be a long time, and you do not have to be any prophet to reason thusly.

How so? With millions upon millions out of employment, what is there to bring you right back to where you were prior to the

is there to bring you right back to where you were prior to the crash in October of 1929? Prepare for a long siege. But in so doing remember that a discontented people will sometimes become an erratic and a radical people. Let us hold our balance. Let us endeavor to do everything possible to preserve the principles of our great country; and, above all, let us remember at times the words of Washington, when that great man, possessed of foresight, said, "Let us keep out of any foreign entanglements or embroilments." Let us tend to our business here at home. I thank you.

APPENDIX TO THE CONGRESSIONAL RECORD

Dairy Farming in Pennsylvania

EXTENSION OF REMARKS

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. C. HALE SIPE

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on May 9 by the Honorable C. Hale Sipe, a member of the State Senate of Pennsylvania.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, there is no more enjoyable life than that of a farmer when he has a chance to make a living and lay aside a little money for a rainy day. When he has this chance he has the hope of a serene old age and there is no frightful strain upon his mind. Then his ear sits in the vast amphitheater of Nature and hears the first songbird in the spring and the last one in the autumn, and his heart is as free from care as that of the feathered songster. Then he gazes upon the flocks and herds on the smiling fields, over which sweep the sunshine and the shadow, with no shadow upon his soul. Then he sees the undulations on his meadows and grain fields like the undulations on the billows of the ocean with no billows of despair raging on the sea of his soul. Then he hears the pleasant rain upon the rustling corn with no rain of tears of despair welling

rain upon the rustling corn with no rain of tears of despair welling from his honest eyes.

It is the happy lot of the Pennsylvania farmer to go into partnership with nature in one of the most beautiful sections of the world. In the summer he gazes on templed hills and mountains clothed in living green, where majestic rivers roll their winding way between. In autumn days, when summer's work is done, he gazes on purple hills and mountains, dozing in a hazy sun. The scenic grandeur and majesty of the hills and mountains of Pennsylvania impose lofty thoughts upon the farmer's soul if his soul is free from haunting thoughts upon the farmer's soul if his soul is free from haunting

despair.

There is something about the life of a farmer that makes him love the good earth, mother of us all. And so we have in eastern Pennsylvania farm homesteads that have been in the same family for more than two centuries—homesteads where many generations have lived where their fathers lived, and died where their fathers died. The present owners of these ancient farms are bound to them by mystic cords of love and affection—golden cords that I hope will never be severed.

never be severed.

Even in my part of the State there are farm homesteads which have remained in the same family for more than a century. It is may fortune to own, live on, and operate an ancient farm that has been in my family 143 years. Often I turn the lights low in my library at midnight and muse on the recollections and hallowed associations of the 143 years of family history of these ancient acres. Often I stroll in the moonlight and in imagination see the acres. Often I stroll in the moonlight and in imagination see the honest faces of fathers and mothers and the smiling faces of boys and girls who in the far, dim years quenched their thirst with the sweet, cool, limpid waters of the blue-slate spring, which still gushes forth its life-giving waters, sweet, cool, and clear as in the days of yore.

Tilling these fertile and ancient acres, living amid the ghosts and shedows of other days it is but natural that I should have a strong

shadows of other days, it is but natural that I should have a strong hope that all our Pennsylvania farmers may be able to make a liv-

nope that all our Pennsylvania farmers may be able to make a living, be able to save a little money for a rainy day, be able to retain ownership of their farms, and to hand these farms down to their children without their going under the sheriff's hammer.

The Pennslvania farmers have a background as heroic and historic as that of any other group beneath the folds of the beautiful banner of the free. Without their services the Revolutionary War would have been doomed to failure and the War between the States would have resulted in a shattered and broken Union. They kept Washington's Army from starting at Valley Forge when Congress. Washington's Army from starving at Valley Forge when Congress failed. Inured to the warwhoop of the Indian and the whistle of bullets in Pennsylvania's pre-Revolutionary Indian wars, the Pennsylvania farmers received that discipline in hardship which made them the backbone of Washington's Army and enabled him to lead the American arms to victory through the 8 years of fire and blood of the Revolutionary War.

the American arms to victory through the 8 years of fire and blood of the Revolutionary War.

The Revolutionary general was himself the greatest farmer in America in his day and, like the Pennsylvania farmers, loved his homestead with an undying love. After his abundant labors as the first President of the United States, he retired to his beloved Mount Vernon to end his days in glory and in peace. He called his broad acres his "vine and fig tree," his "goal of domestic enjoyment." "I would rather be at Mount Vernon," he said, "than at the seat of the Government, surrounded by the dignitaries of every newer in Furone."

every power in Europe."

I repeat that I have a strong hope that the Pennsylvania farmers will be able to retain their farms and hand them down to

their posterity.

But I see little hope of the Pennsylvania milk-producing farm-ers being able to retain ownership of their farms very long unless the hard-boiled, cold-blooded, greedy milk monopoly can be curbed and forced to give these farmers a more just share of the consumer's dollar. Testimony brought out in the investigation of the milk situation indicates that the average price paid the Pennsylvania farmers for their milk over the State is less than 3 cents

sylvania farmers for their milk over the State is less than 3 cents a quart, while the milk monopoly sells it to the consumers at anywhere from 11 cents to 13 cents a quart. It is not a pleasant thought for Pennsylvania farmers that the milk-producing farmers in Hitler Germany receive twice as large a share of the consumer's dollar as the Pennsylvania farmer receives.

Nor is it a pleasant thought for the Pennsylvania farmer that while the cold-blooded milk monopoly has been battering down farm income for years, the monopoly in the meantime is growing more wealthy and more powerful and the salaries of monopoly executives have been mounting skyward. A good example is the National Dairy Products Corporation, which, according to the Federal Trade Commission, paid its president a salary of \$108,000 in 1935 and by 1938 had boosted his salary to \$150,460.

A few days ago the newspapers quoted the president of the National Dairy Products Corporation as saying that there should be a

A few days ago the newspapers quoted the president of the National Dairy Products Corporation as saying that there should be a certain price level in the milk industry. Evidently he thinks there should be two levels—one for the monopoly and its executives as high as the heavens, and one for the farmers as low as the deepest depths of perdition. The milk monopoly, its lawyers and lobbyists, the milk control board, and the Governor have done much to increase the distance between these two levels—the monopoly, its lawyers, and lobbyists persuading the milk control board to adopt the monopoly's view, and the Governor approving the outrageous the monopoly's view, and the Governor approving the outrageous orders of the milk control board in the face of the abundant and rosy promises which he made the farmers when running for office.

rosy promises which he made the farmers when running for office. Some Democratic politicians have endeavored to excuse the milk control board for planting despair in the hearts of our farmers, and some Republican politicians have endeavored to excuse the much-promising Governor. Some have said the Governor did not understand the situation, but he has had abundant chance and abundant time to understand the situation in western Pennsylvania since he approved the outrageous order of the Pittsburgh area in the early days of his administration. But even the densest mind ought to be able to see that promises which are diametrically opposite to performance lay him open to the charge that the promises were made with reckless abandon and for the mere purpose of getting votes. pose of getting votes.

I have a suggestion to make to the Pennsylvania farmers. They should no longer permit such promising and ranting politicians to herd them into rival political camps and thus destroy their effectiveness in matters vitally pertaining to their own interests. In other words, the farmers should organize just as completely as labor

other words, the farmers should organize just as completely as labor has organized, and thus be able to drive into political oblivion blathering and ranting politicians who make them campaign promises that they have no intention of keeping and do not keep. The farmers should divorce themselves from whatever political prejudice they may have, keeping in mind that one of the greatest victories that any man can win is the victory over his prejudices.

I repeat that the milk control board's orders, which the Governor has approved, are driving the Pennsylvania farmers to despair. I further say that if the metropolitan press would carry even a fair amount of the testimony that has been produced at the hearings of the milk investigating committee thus far there would soon be such a revulsion of feeling throughout Pennsylvania that hearings of the milk investigating committee thus far there would soon be such a revulsion of feeling throughout Pennsylvania that the farmer would get the justice that is due him. But the metropolitan press, for some reason or other, pays little attention to the matters brought out at these hearings. Here is Pennsylvania's greatest industry flat on its back, and with no hope of better days, yet the metropolitan press, instead of carrying a reasonable part of the messages of the farmer to the people of Pennsylvania, fills its pages with long accounts of legislative happenings that are only poppycock in comparison to the seriousness of the situation in which the Pennsylvania farmer finds himself.

The Pennsylvania farmer's life has been and is a battle with monopolies and trusts. The Dairy Feed Trust gouges him. The Farm Machinery Trust gouges him. The Milk Trust hammers the life out of his income, while the Coffin Trust waits at the foot of the hill—at the end of the trail—to receive his battered body when life's fitful dream is o'er.

Communists in America

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

ARTICLES FROM THE WASHINGTON POST OF MAY 12, 1939, AND THE BALTIMORE SUN OF MAY 12, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the Congressional

RECORD two newspaper clippings. One is an article from the pen of Mr. Westbrook Pegler, a nationally known columnist, entitled "Treacherous Minority," appearing in the Friday, May 12, issue of the Washington (D. C.) Post, owned and published by Mr. Eugene Myer; the other article is dated New York, May 11, 1939, and is from the New York Bureau of the Baltimore Sun, with the headlines-

Browder pledges Communist support to Roosevelt in 1940. Radical leader says if President doesn't run his party will back avail-

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 12, 1939] FAIR ENOUGH-TREACHEROUS MINORITY

FAIR ENOUGH—TREACHEROUS MINORITY
(By Westbrook Pegler)

It is often said that "red" baiters exaggerate the menace of communism in this country, because the Communists poll a small vote and because there are, practically speaking, none of them in the communities between the seabcards, which are made up of native Americans. These arguments are true, but they defeat their own purpose, because no group so small and unrepresentative of native American sentiment deserves the disproportionate influence which Communists possess in the National Government.

If the Communists are as weak in numbers as they angrily insist they are, it is a betrayal of the Americans who did elect the New Deal to permit any of them to hold influential positions in the Government. They received no endorsement from the voters, and they

were repudiated before the election. They have no more standing than members of the Nazi anti-American Bund, with whom they have everything in common but a label, and the leaders of the administration have a duty to discredit and repel them as vigorously as they would a representative of the Hitler sedition and sabotage.

FRIENDLY ATTITUDE SHOULD BE HALTED

It is, therefore, not the number of Communists, avowed and furtive, which requires frequent reminders, but the friendly and encouraging attitude of the Government toward so small and treacherous a minority. It must be observed that communism and Communists never are rebuked by anyone speaking for the administration and that Mr. Ickes, on two occasions, has appeared as the honor guest of professional organizations which are conspicuously troubled by communistic disturbances in their ranks. It is easy to believe that Mr. Ickes is not in great demand as a guest of genuinely American groups, but even that famous frugality which twice impelled him to become an illegal, semicharity case

in a Government hospital while drawing \$15,000 a year and perquisites would not entirely explain his eagerness to tear meat with members of the Stalin conspiracy. He would not be a gracious guest of an organization containing a Nazi unit, although he might show up for the sake of the meal, but he can manage to be cordial in the company of Communists.

OFFICIAL TOLERANCE OF COMMUNISTS HIT

This attitude of the Secretary of the Interior is, in round numbers, the attitude of the whole Washington administration toward the Nazis and the Communists, respectively. It indicates a preference or tolerance for communism by a government which was elected on the Democratic, not the Communist, ticket.

It need not be said that if the Nazi bund were to start an organization of W. P. A. workers, demanding a tithe of their wages for a Hitler fund to be used against the American form of Government, calling sit-down strikes on Government work, sabotaging the national relief and recovery program, and discriminating against ment, calling sit-down strikes on Government work, sabotaging the national relief and recovery program, and discriminating against genuine Americans in the distribution of public jobs, the New Deal would kick the conspiracy to pieces in a week. On the basis of performances to date the New Deal might break off diplomatic relations with Germany and deport or imprison the fuehrer of the anti-American bund, but it must be noted that when the Communists do this there is no official displeasure. Indeed, the displeasure falls upon those Americans who have the temerity to expose the plot, and the very act of exposing a conspiracy against expose the plot, and the very act of exposing a conspiracy against the American form of government is held by some to be an act of sabotage against the New Deal.

NO MOVE AS YET TO PURGE COMMUNISTS

The identity of communism and nazi-ism need not be argued in detail here, having been demonstrated many times. Yet a Communist, or a "fellow traveler" who frankly admires Stalinism and advocates it here is not embarrassed in the New Deal.

Last fall Mr. Roosevelt, Harry Hopkins, Secretary Ickes, and some others tried to purge some Americans who were not Communists, whatever their faults, and the Communists endorsed the effort.

Not yet, however, has there been any move to purge the Communists. And any proposal to that effect would be denounced as an attempt to discredit a government elected on the Democratic ticket by a nation whose Communists boast that their number is insignificant.

[From the Baltimore Sun of May 12, 1939]

BROWDER PLEDGES COMMUNIST SUPPORT TO ROOSEVELT IN 1940— RADICAL LEADER SAYS IF PRESIDENT DOESN'T RUN HIS PARTY WILL BACK AVAILABLE LIBERAL

New York, May 11.—The Communist Party of the United States will support President Roosevelt for a third term in 1940, Earl Browder, general secretary of the party, said tonight at the opening of the ninth annual convention of the Young Communist League at Madison Square Garden.

League at Madison Square Garden.

If Mr. Roosevelt does not run, Mr. Browder said, the Communists will support the Democratic Party if that party nominates a liberal of the Roosevelt faction. Should a conservative Democrat be nominated, such as Vice President John N. Garner, Mr. Browder said, the Communists will oppose him and join with "the radical one-third of the electorate" for the formation of a new third party.

party.

Mr. Browder's statement was an indication that the Communist Party would not run its own Presidential candidate in 1940. In the 1936 election Mr. Browder was one of the nominees opposing the reelection of President Roosevelt, although the principal campaign slogan at that time was "defeat Landon."

paign slogan at that time was "defeat Landon."

Mr. Browder's discussion of national politics was based on the assumption that there is traditionally in America a three-way alinement of political forces, with one-third of the Nation consistently Republican, one-third consistently Democratic and one-third in the "popular, progressive, and radical" groups. It is this last group, Mr. Browder stated, that was responsible not only for Mr. Roosevelt's victory but for the victories of numerous other candidates of both matern parties. candidates of both major parties.

The present administration in Washington, Mr. Browder held, was based on a coalition of Democrats and Progressives.

Address to Catholic University Students

EXTENSION OF REMARKS

HON, DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA, MAY 4, 1939

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by the junior Senator from Montana [Mr. Murray] delivered at a dinner of the Catholic University Student Chapter of the American Society of Civil Engineers on the evening of May

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I feel highly honored to be invited by the Catholic University student chapter of the American Society of Civil Engineers to

participate at this dinner.

While not an engineer myself, throughout my practice as a a lawyer I have had an intimate association with engineers and have a very high respect for the accomplishments of the profession. In litigation involving technical engineering problems we must always have the advice and assistance of engineers—in the preparation of cases in the cross-examination of witnesses and in the solution of difficult and intricate questions arising in our highly modernized life of today—questions which are too obscure and confusing for the lay mind without expert aid.

The civil engineer must be thorough, accurate, and reliable in his every act. He must never be in error. A mistake by an engineer is always inexcusable and indefensible, and to the great credit

of the profession their mistakes are rare indeed.

We are relying on the engineer today more than ever in the solution of the perplexing problems of the world, both in peace and in war. This is true in America in a greater degree than anywhere else. The engineer also takes the lead both in prosperity and in adversity.

Among the disguised blessings of the great depression which lately enveloped this Nation have been the magnificent contributions toward recovery made by American engineers. It may seem anomalous for one to say that anything of a blessed nature could emanate as a byproduct of a widespread and dangerous economic depression, and yet, in my opinion, this is no rhetorical exaggeration, but is the plain and actual truth.

but is the plain and actual truth.

Well-planned construction programs made possible by the recovery measures of the Congress of the United States during the past 6 years have produced some of the most remarkable engineering feats in the history of the world. The public-works programs of the early civilizations of Rome, Greece, China, and Egypt resulted in towering engineering structures, many of which have made their mark in the world's history—the Pyramids of Egypt, the Great Wall of China, and the famous temples of Athens. The building activities of the middle centuries brought forth the magnificent cathedrals of Europe, to be followed in a later period by those celebrated engineering projects, the Suez Canal and the rail-road tunnels of Switzerland. road tunnels of Switzerland.

In our own country we have witnessed such accomplishments as the Erie Canal, the great transcontinental railroads, John Roeb-ling's Brooklyn Bridge, the subways and skyscrapers of Manhattan, the modern American highways, and the Panama Canal. And now, within the brief space of half a decade, Government engineers, working with thousands of other engineers throughout the Nation, have produced unique and outstanding examples of professional skill, including the Grand Coulee Dam in the basin of the Columbia River; the Fort Peck Dam on the Missouri River, which will create the largest artificial lake in the world, having a shore line of 2,500 miles; the Triborough Bridge in Greater New York; the Moffat tunnel in Colorado; the Chicago Sanitary District's gigantic dis-posal plan; and the overseas toll highway to Key West; to mention only a few of the thousands of modern marvels of useful engineering works.

There is another side to the relationship between engineers and our Federal recovery program to which I direct attention. The depression threw thousands of highly trained engineers out of employment. Also thousands of young engineers, because of the economic collapse, faced a world which offered no opportunity for a start in life. Through the Federal Public Works Administration, the Works Progress Administration, the Bureau of Public Comments of these ends of these contracts of these sends of these contracts of these sends of these contracts. Roads, and other Government agencies, thousands of these engineers have been engaged in useful, productive work. Moreover, the projects subsidized and sponsored by these agencies have created a vast amount of private employment outside the Government projects, all of which has been of great benefit and help to the engineering profession and others who benefit from engineering work.

The national program of public works, while thus furnishing employment for trained engineers and experts in various lines, has at the same time produced assets for our country which will be of vast importance to the Nation in the years to come. I think be of vast importance to the Nation in the years of come. I think it is safe to say that our country has made greater progress in useful engineering works during the depression than it would have attained in 50 years of prosperity under former conditions. In carrying out this great public program of engineering construction our Government has been most fortunate in having

upon its roster engineers of outstanding ability and training. I refer to those highly efficient officers of the Army Corps of Engineers, the career engineers of the Bureau of Reclamation in the Department of the Interior, the engineers of the Department of Agriculture, including those of the Bureau of Public Roads, and other engineers and experts scattered throughout the many bureaus agencies of our Government.

When President Roosevelt launched this great recovery program of public works in 1933, the call went out across the country for engineers to plan, supervise, and construct these thousands of public projects in order to create employment, stimulate business, and overcome the dangerous condition that confronted our country as a result of the sudden collapse of our economic system. engineers of the country answered that call for service.

I do not hesitate to assert that what they have accomplished will stand as an enduring monument to their ingenuity, their ability, and their integrity. They have demonstrated to America once more and their integrity. They have demonstrated to America once more their capacity to do things on a gigantic scale.

I think the record of accomplishment in engineering and con-

I think the record of accomplishment in engineering and construction work by the P. W. A. is entitled to the highest commendation. Established in 1933, it has accomplished in the highest degree its intent and purpose. To date it has produced 34,500 projects, costing \$5,900,000,000. These projects created 1,675,000,000 man-hours of direct employment at construction sites; 4,189,000,000 man-hours of labor behind the lines in the Nation's industrial plants and in transportation. As a result of pay rolls spent locally plants and in transportation. As a result of pay rolls spent locally, it is estimated that an additional 3,350,000,000 man-hours of labor have been created in supplying consumers goods.

For the construction of these 34,500 projects there has been a steady and continuous flow of material orders to industry for steel, steady and continuous now of material orders to industry for steel, cement, brick and tile, stone, marble, lumber, plumbing supplies, hardware, etc., for a total of \$2,300,000,000. And with the 1938 program approaching the peak anticipated this coming summer, this expenditure for material will be close to \$3,000,000,000.

This, I am sure you will agree, is a remarkable record. In addition to furnishing employment to overcome the dangerous conditions that threatened our records we have greated these valuables.

tions that threatened our people, we have created these valuable national assets which should command the approval and admiration

of every intelligent, patriotic citizen.

It is obvious that this great undertaking could never have been accomplished except with the scientific aid and cooperation of the accomplished except with the scientific and and cooperation of the engineering profession of our country. Due to the serious collapse in private industry, P. W. A. was fortunate in securing the services of many of the Nation's outstanding engineers and architects. While many of these men have returned to private practice because of improved conditions, the Division has always been able to maintain a very high standard of personnel.

Practically all branches of the engineering profession were called on for the makes up of the Engineering Division. Civil sentiary

Practically all branches of the engineering profession were called on for the make-up of the Engineering Division. Civil, sanitary, bridge, highway, electrical, hydraulic, power, marine, and many other types of engineers found themselves members of the Public Works Administration. This wide variety was necessary because of the very nature of the P. W. A. program. It, from the start, embraced every possible kind of public works, including construction, repair, and improvement of public highways, streets, and parkways; grade-crossing eliminations; public buildings, such as schools, hospitals, courthouses, city halls, institutions, and publicly owned facilities, such as bridges, tunnels, docks, viaducts, waterworks, sewage- and refuse-disposal works, electric power and light plants,

flood control, irrigation and reclamation works, dams and canals, as well as community buildings, stadiums, recreational centers, armories, and auditoriums

On the shoulders of this staff of men of wide training and experience has rested great responsibility. It has been up to them to see that the technical aspects of every P. W. A. project were sound and practicable. It has been up to this Division to coordinate the work of thousands of local officials to insure construction of the projects on sound structural and economic principles and in ac-cordance with local and State laws and the Federal legislation authorizing the program. The Division has also been charged with authorizing the program. The Division has also been charged with the responsibility of following through, step by step to completion, every project receiving P. W. A. financial assistance. This has involved the study of preliminary designs prior to the allotment of Federal funds, the review and approval of the detailed plans and specifications prepared by the architect or engineer selected by the community, the supervision of the award of construction contracts to responsible bidders, the supervision and inspection of the construction work to make sure that it measured up to contract requirements, and the careful control of the expenditure of all requirements, and the careful control of the expenditure of all funds on the project.

But this work has not all been done in Washington. As the technical and construction branch of P. W. A., the Engineering Division, has become a body Nation-wide in scope. There is a regional engineer and staff in each of the several regional offices of P. W. A., a small staff in Washington for direction, control, and review, and a field force of engineer inspectors who are assigned to the various projects during the construction period. The Dito the various projects during the construction period. The Division is so organized that it may be readily expanded or contracted as the needs of the program require. At the present time the Division has a total force of 4,500—approximately 3,500 of whom are engineer inspectors and clerical assistants on duty at the site

of projects under construction.

Perhaps you will be interested to know how a local community Perhaps you will be interested to know how a local community makes application for a P. W. A. project and the procedure used in getting it under way. The Public Works Administration has never dictated for one moment to any community as to what kind of projects it shall apply for. All of the non-Federal projects that have received P. W. A. funds have originated in and been applied for by the communities themselves.

Originally the Public Works Administration set up an administrative office in each State of the Nation. This has been changed. We now have the country divided into regions and an administration.

We now have the country divided into regions and an administrative office is set up in each of the several regions to take care of the activities of the P. W. A. originating in the several States comprised within the region.

The local community, city, county, or other subdivision of the State seeking a project, files its application with the regional office. The application must set out the project sought, show the legal authority of the applicant, and comply with certain requirements so as to advise the P. W. A. of the feasibility of the project, its usefulness, and the financial ability of the applicant to comply with the requirements. This application constitutes the first contact of the local community with the P. W. A.

Almost immediately the engineers enter the picture. When the application is received in the regional office it is promptly reviewed by the engineering section. The proposed project is analyzed from an engineering standpoint to determine whether it is technically and economically sound, reasonable in cost, properly designed in accordance with sound, standard practices, and in the case of applications involving loans to determine that the revenue-producing aspects of the proposed project would produce a necessary income to retire the loan in the period specified.

In cases where, in the opinion of the examining engineer, the estimates of cost are materially too high or too low, on the basis of existing conditions, the estimates are revised accordingly. The project is, of course, also examined in the legal and financial divisions, where it must pass muster as to legality and financial soundness before it can be approved.

When the application reaches the Washington office the field recommendations are then reviewed. After approval by the President a contract between the Federal Government and the local authorities is drawn up stating definitely the purpose, the estimated cost, and the extent and nature of allotment, the date for starting and completing construction of the project, and any special conditions.

When the applicant accepts the contract, a date is set by the regional engineer for the submission of complete plans and specifications for the construction of the project. The local share of the estimated cost of the project is deposited in a construction account and the applicant submits the name and address of the architect or engineer whom it had engaged to prepare the plans, specifications and contract documents. specifications, and contract documents.

Next the applicant presents to the regional engineer informa-tion as to the amount of funds available and a complete list of a number of contracts into which it intends to divide the work schedule showing the sequence for the award and the letting of the contract. After the regional engineer reviews this information he sets up a control estimate for use in all future construction work on the project. After completing the examination of all documents and plans, they are returned to the applicant with recommendation for such changes as are deemed desirable for con-formance of P. W. A. requirements. formance of P. W. A. requirements.

Then comes the advertisement for bids by the applicant. The proposed award of contracts are submitted to the regional office and passed on by the regional engineer. Any dispute on the pro-posed awards is reviewed and the matter settled.

Just prior to the start of construction, the regional engineer assigns an engineer inspector to the project to not only represent

assigns an engineer inspector to the project to not only represent the Government but to work in close cooperation with the engineer and architects retained by the local communities.

In discussing non-Federal projects I have alluded to some of the larger ones such as the Triborough Bridge in New York, the Chicago Sanitary District project, and others. But these large projects, of course, are the exception. While the individual cost ran into millions in those special cases, the average cost of a non-Federal project has been slightly over \$250,000. To date P. W. A. has allotted funds for 7,000 schools, 1,529 sewer systems, 2,421 water systems, 288 power projects, 379 bridges and viaducts, 632 courthouses and city halls, 180 penal institutions, and hundreds of other types of useful public works. In each case, regardless of the size and cost, the same cooperation between the engineers of P. W. A. and those retained by the cities, counties, and States has existed. has existed.

In addition to the P. W. A. program which I have explained, you, of course, know of the tremendous program of the Works Progress Administration. I will not have the time to explain in detail that stupendous undertaking of the Federal Government to furnish a prompt work-relief scheme for the millions of unemployed and destitute citizens during the depression. Naturally the W. P. A., like the P. W. A., depended on the engineering profession for the scientific direction of the program. In the W.P.A., therefore, we find an engineering set-up somewhat analagous to that in the P. W. A. While the programs are not identical, the W. P. A. did undertake a tremendous program of construction work with a view of furnishing employment throughout the

work with a view of furnishing employment throughout on country.

The character of the work carried on by the W. P. A., of course, was largely of a type that enabled it to employ manpower to a much larger degree than the P. W. A. I cannot take the time to explain that program now, but it is a subject that every engineer should naturally be interested in. It performed a great piece of work for the Nation. It improved the streets, parks, and public playgrounds; it built bridges, roads, sewers, local water-supply reservoirs, sewage facilities, country schoolhouses, and various public works of a kind that could be undertaken, having always in consideration the reduction of unemployment rolls in the various communities. It put millions of men and women to work throughout the Nation almost overnight and relieved a most dangerous strain upon our democratic system. It turned the Nation back

out the Nation almost overnight and relieved a most dangerous strain upon our democratic system. It turned the Nation back from the brink of bankruptcy and despair.

The recovery construction program of P. W. A. and W. P. A. was also an answer to a cryling need on the part of every section of the country for more and better schools and hospitals, adequate sewer and water facilities, additional recreational areas for an everincreasing outdoor-minded public. It has virtually "lifted the face of America."

of America.

A very important outcome of this huge program fostered and promoted by the engineers has been a higher standard of construction. For example, fireproof and earthquake-resistant construction is now a requisite on all school buildings over two stories in height and fire-protection measures are required in all school buildings. It is believed that serious losses, both in life and property value, will be avoided in buildings constructed under the high standards set and followed by the Government and the locally retained consulting engineers.

In regard to waterworks, the requirement that all sources of supply be approved both as to quantity and quality, and wherever possible by public-health officials has resulted in systems which are sounder, on an economic basis, and far better from the standpoint of public health. Likewise, in sewerage systems the engineers have taken care to see that they are constructed in accordance with the best standards of public health and that no system is built which removes a nuisance from one community at the expense of another by dumping it into a river to flow down to the next town.

The working partnership that has existed between individual consulting engineers and engineering firms throughout the country and P. W. A. for the past 6 years has certainly been one that has proven of benefit to the country at large. It has produced a deep-rooted confidence of the American public in the Government and its work. This is borne out by the fact that there are on hand in Washington today 5,000 additional applications for as many P. W. A. projects but for which there are no funds at present

available.

In times of military stress the American engineer has always proved his worth as a patriotic citizen and as a soldier and has brought fame and glory to his profession. In normal times of peace the American engineer, whether engaged in Government or private work, has done his job so well that in the matter of engineering structures the United States today stands head and shoulders above all the nations of the world.

We cometimes hear criticism of this hype spending program

shoulders above all the nations of the world.

We sometimes hear criticism of this huge spending program which I have discussed. Critics love to dwell upon the unbearable and crushing burden of the public debt which has been created. I assert it cannot be successfully denied that this program was necessary and justifiable from every standpoint. At the time of its inception our Government was facing a complete break-down of our industrial system. It wisely took the right course. It alleviated the immediate distress and started our country back on the road to more prosperous times. It does not of course, constitute road to more prosperous times. It does not, of course, constitute a cure for the deep-rooted ills of our economic system, but I assert that it did rescue our country from the most dangerous conditions that ever threatened it. I challenge anyone to say that this program was not justified and that these funds of the American people were not properly and wisely expended.

people were not properly and wisely expended.
What did we accomplish with the program? First and most important, we achieved maintenance of democracy; we restored the confidence of our people in their form of government. Second, we conserved the physical and spiritual welfare of our people. Third, we enriched our environment with vast public improvements, such as roads, bridges, sewers, schools, hospitals, recreation facilities, and the like Fourth we brought about a recovery in our ties, and the like. Fourth, we brought about a recovery in our national income.

Since our debt has not been incurred wastefully, but has been wisely invested in public improvements and in the conservation of our most precious asset—our human resources; since the debt increase can be taken care of by working out a rational tax policy; and since the debt burden is by all standards and comparisons a very moderate one, what is there left to weep about for our children and our children's children? The great point to remember is that we have given our children a country salvaged from ruin—a house that has been put in order. If by some occult manipulation we could consult the opinion of our children 30 years hence, and if we could sak them which they would prefer a debtless government. could ask them which they would prefer—a debtless government and a country in ruins, or a government in moderate debt and a country restored through wise governmental investment—does anybody doubt what their answer would be?
In conclusion, I say to the young American engineers of today:

Your predecessors helped to build our Nation and to make it great. May you go forward with the great tradition you have inherited and help to rebuild our Nation on a sound and enduring basis.

The Right to Work

EXTENSION OF REMARKS

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. H. STYLES BRIDGES OF NEW HAMPSHIRE, ON MAY 10, 1939

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the Record an able address delivered by my colleague the senior Senator from New Hampshire [Mr. BRIDGES] over the radio on May 10, 1939, from Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, I speak to you tonight as a citizen of our great Republic who is interested only in bringing to your attention a matter of vital national concern. In all openmindedness and with heavy emphasis I submit that the most impor-tant national issue before us today is the right of American workers

The right of our workers to work at jobs of their own choosing is fundamental. The right of workers and all other citizens to be free from any coercion or intimidation in the exercise of their American

from any coercion or intimidation in the exercise of their American birthright is essential under our system of government. I submit to my listeners tonight that the right to work is part and parcel of the Constitution of the United States of America, our Bill of Rights.

For many weeks I have carefully weighted the factors prompting me to make this appeal. Could I have been convinced that it was unnecessary, I would not be speaking at this time. For it should not be necessary to defend the right to work. Neither should it be necessary to defend the right of the American worker to the full protection of our Government from coercion or intimidation in the tection of our Government from coercion or intimidation in the performance of his work.

Ladies and gentlemen, I have followed with keen interest the pro and con of all public and press discussions and hearings in connec-tion with amendment and revision of the National Labor Relations Act, better known as the Wagner Act. Is or is not this Wagner Act. Act, better known as the Wagner Act. Is or is not this Wagner Act a just and true piece of American legislation? Should or should not it be amended? The Committee on Education and Labor of the United States Senate is now considering that question.

I publicly charge that present application and interpretation of the Wagner Act represents an unintentional blot in the annals of our legislative history. Bearing this in mind, I submit that, regardless of the actual language incorporated in the act, its amendment is necessary. I further charge that we cannot have any solid national recovery program unless we first approach this vital question. Approach it with an open mind. In other words, it is necessary that we consider first what is best for our country.

The time has come for Republicans and Demograts and other

The time has come for Republicans and Democrats and other political groups to forget their party prejudices. This issue is above party politics and above personalities. The time has come for all of us here in Washington to gather around a table and hear those for and those against any particular program in true American fashion. Our decisions must be guided by our unbiased judgment. All of us can well seek the guidance of that Almighty Power so needed in our legislative halls today. Our emotions should not sway us. Those who oppose amending the Wagner Act should not be classified as saints. Neither should those who favor amendments be classified as devils. After a personal and conscientious analysis of this whole subject, I state to the American public tonight that I firmly believe it is our solemn duty to amend the National Labor Relations Act.

With a great feeling of humbleness, therefore, as well as with

deep sincerity, I hereby appeal to Senator Wagner, the gentleman who initiated and fathered the present legislation.

I appeal to all Republicans and Democrats.

I particularly ask the attention of Mr. John L. Lewis, head of the Congress of Industrial Organizations, and Mr. William Green, president of the American Federation of Labor.

I appeal to business, large and small, and to all workers in this

I appeal also to that all-important and valuable medium of free expression, the American press. I ask the press if they will print in their papers the full text of this address so that those who may

in their papers the full text of this address so that those who may not be within sound of my voice will be able to read a full and complete copy of this speech in their daily paper.

Finally, I appeal to each and every citizen in America. I ask each and every one of you to study carefully that which I am about to say and to reply to me here in Washington or otherwise make known to the American public in a tolerant and unbiased manner whether or not you agree with the importance of the contention I am about to raise. I ask those who might not feel as I do to point out to me and to the American public wherein I am wrong.

am wrong.

The case I present to you is as follows:

Some weeks ago, in the midst of the present Senate hearings on the Wagner Act, I received a letter from an employees' association the Wagner Act, I received a letter from an employees' association of New York City. The letter was from some workers in a concern doing business throughout the country. The moment that I saw the phrase, "employees' association" used in this letter, I could not help but think of the oft-used offense of many people today wherein and whereby such groups are immediately dismissed under the charge of being employer-dominated. This aspersion has become the common reply of those who do not want to hear the truth. I do not refer to these particular workers tonight for any other reason except to lay the facts before you and to show why I charge openly that the right of American citizens to work on jobs of their own free will and choosing, without molestation from any source is now an issue. The fundamental

to work on jobs of their own free will and choosing, without micelestation from any source, is now an issue. The fundamental American right to work is now in danger.

This particular group of definitely established and nondominated citizen workers to which I have referred have had amicable and happy relationships with their employers for over 12 years. When problems arose those workers were only too happy to approach their bosses with them. The workers tell me that their employers

When problems arose those workers were only too happy to approach their bosses with them. The workers tell me that their employers were always willing to help them solve their problems.

Likewise, when their bosses had problems of their own they, in turn, naturally took them up with the workers, and these workers always gave whatever cooperation possible. In other words, these workers were appreciative of their jobs and of their treatment. They were satisfied with their wages, with their hours, and with all other conditions of their employment. Their bosses likewise were satisfied with the loyalty, spirit, and effort of these employees. These employees further realized that in order to have a weekly pay check the business of their employers must be permitted to pay check the business of their employers must be permitted to make a reasonable and legitimate profit. In a day when we all read and hear so much about bad business, bad employers, and bad labor it is indeed gratifying to realize that relationships such as these still do exist.

In 1934, 1 year before the Wagner Act came into existence, these

In 1934, I year before the Wagner Act came into existence, these workers formed their own little association. It was formed solely for mutual benefit to themselves and their employers. It was formed of their own free will and accord.

In 1935, after the Wagner Act became a law, these workers were compelled to discontinue this happy relationship. They had to cease discussing their problems with their bosses. Likewise their employers were refrained, by the application and interpretation of the Wagner Act, from discussing their problems with the workers.

The picture begins to cloud.

Today we all know that there is a dual labor movement in this on one side stands the American Federation of Labor, on the other the Congress of Industrial Organizations. Every business-man, every worker, and surely every citizen knows this.

We also know that, insofar as the Wagner Act is applied to local we also know that, insolar as the wagner Act is applied to local and national questions of labor and industrial relationships, there are only two labor parties and two groups of workers considered—sometimes only one. We also know that in this bitter fight now being waged between these two rival labor unions quarter is neither asked nor given. Under such a condition it is quite evident that asked nor given. Under such a condition it is quite evident that the public interest suffers. When the public interest suffers we all know that the normal flow of our business and commerce is endangered. Workers become idle. Industries shut down. The very economic structure of the country becomes increasingly undermined.

Now, I ask why American industry, American workers, and the American public must be the "goats" in this fight? It is quite obvious that labor, industry, and the general public are caught in the middle. Most decidedly it is not good policy for these two great labor unions to continue their personal battle. Up to this moment,

however, although the lifeblood of our economic security is being daily annihilated, we have done absolutely nothing to make it known that this sort of thing should not and cannot continue.

I hardly think that my listeners will now fail to understand why it is that in New York City the C. I. O. saw fit to assume what it to state in New York City the C. I. O. saw it to assume what it considered its lawful prerogative. It proceeded to distribute literature of its own phraseology in and to the workers of this employees' association to which I have referred. In practically all of this literature is printed a clause similar to this: "Bear in mind that under the Wagner Act you are protected in choosing a union of your own free will."

Now, when the New York local C. I. O. saw that the distribution of its literature did not bring about the sought-after result, namely, the taking over of these American citizen workers, it requested that

of its literature did not bring about the sought-after result, namely, the taking over of these American citizen workers, it requested that a mass meeting be held of all these employees—employees who already belonged to their own personal association.

At this meeting a leader of this C. I. O. union was to attend and personally appeal to these workers to join this particular C. I. O. union. The employees' association, in true American fashion, granted this request, granted it even though they could see no bona fide justification for it. They were quite happy in their own sphere of existence. They did not want to annoy anyone, and they did not want anyone to annoy them. Their only interest was to keep their jobs, continue to receive their weekly pay checks, and provide for their wives, children, and homes.

It is very interesting to note that seven C. I. O. union officials appeared in a body at this particular meeting of this employees' association. One spokesman for the C. I. O. was all that had been expected. Each of the seven made his appeal and did his best to sell C. I. O. to these American workers. Specially prepared ballots were produced. In this enlightened day of labor politics it is not surprising to find that these C. I. O. ballots failed to contain the one and only specific question at issue, namely, Did or did not those workers want to join a C. I. O. union? Despite this series of self-assumed Wegner Act liberties, the record shows that 97 of the 102 employees present voted to remain as they were. They were forced to write in their desire and wish, and they expressly did so.

Was it not natural for these workers to feel that this election expressly did so.

Was it not natural for these workers to feel that this election

Was it not natural for these workers to feel that this election had settled the question in an American manner and that henceforth they would be free from trouble? The C. I. O., however, did not take this point of view. C. I. O. pickets soon began to walk up and down in front of the various stores in which these workers earned their daily bread. C. I. O. pickets announced to the world that this particular store and company was unfair to organized labor. This was untrue. As a result of this picketing it followed quite naturally that business began to fall off. When business began to fall off, the security of these workers began to be jeopardized

Ladies and gentlemen, something far more important then took Ladies and gentlemen, something far more important then took place. We became confronted, as a Nation, with the problem of the right to work the American way. These workers became desperate. Seeking any relief possible it was quite natural for them to make an appeal to the New York State Labor Mediation Board. In making this appeal they ran the risk of being misjudged. Labor groups and Wagner Act agencies try to discourage such appeals. This they do by saying to the public, "Pay no attention to them. They are a company-dominated union."

When these workers appealed to the State Labor Board they were when these workers appeared to the State Labor Board they were informed that it was impossible to do anything for them. Why? They were told that because they had bargained successfully with their employers and because there was no labor dispute or other dispute present, the State labor board had no official power to take up their case.

They were further informed that it was useless to appeal to the National Labor Relations Board because it, too, was powerless to intervene or grant relief under the Wagner Act.

May I point out at this time, ladies and gentlemen, that this unlawful picketing, this deliberate un-American choking of business, this systematic indirect blackmail has continued for more than 3 years. It is still in effect today.

What are these workers to do? What are the millions of others like them in America to do? Should not the Wagner Act be

like them in America to do? amended to afford them relief?

In recent weeks this C. I. O. local has seen fit to take further unlawful steps, namely to intimidate and threaten the employers with letters, boycotts, etc., not only in New York City, if you please, but in stores located in other parts of the Nation. This is not an isolated case of which I speak.

is not an isolated case of which I speak.

After I received this letter of appeal and investigated the facts, I appeared before the Senate Committee on Education and Labor. This was on Monday, April 24. I there introduced for the committee's record the letter that I had received, and I also made a statement. At that time two of these workers gave their testimony. It will be of interest to the American public to know that during all of this hearing Chairman J. Warren Madden, of the National Labor Relations Board, was present. The records show that when he was questioned on the matter he admitted that under the Wagner Act the National Labor Relations Board had no power to intercede or give relief in a case like this. The picketing and loss of business to the employer and loss of security to the workers still continue. To all of you within sound of my voice tonight and to all whom I have directed this statement of facts I submit that this presents a serious and vital American question.

this presents a serious and vital American question.

I believe in labor unions. I believe in collective bargaining. I believe in the right to strike. I grant willingly the right of any worker in America to join any union he so desires, provided he is

not coerced or intimidated or forced into so doing. I say to the American people, and to Mr. Lewis and the C. I. O. in particular, that this right is an American prerogative against which there is no argument. It is just and fair that we grant these proper powers and rights to such groups as comprise both the A. F. of L. and the C. I. O., which groups approximate around 7,000,000 people. But we should immediately take any and all necessary steps to protect the thirty or forty million workers in this country who might not desire to join either of these labor movements or any other labor move-ments. We should take steps to put a stop to any and all of these illegal and un-American activities that some labor organizations

illegal and un-American activities that some labor organizations have engaged in and are now engaged in.

It is quite an easy matter in cases like this, to propound a lot of questions and insert a lot of issues that are far outside of the basic point I raise tonight. Do not just say that a case like this is purely a local matter. Or that a case like this is one which the injured workers should take to court and secure necessary relief via the injunction route. I admit this can be done. But I most emphatically and seriously point out that this costs time and money. It is not always easy for workers earning their daily bread to find time and money.

I further point out that if the Wagner Act was intended to lessen strife in industry and to protect all workers; if the Wagner Act means that no discrimination is to be shown toward any worker in this country, how is it that such activities as I have discussed are tolerated? Or was it intended that the Wagner Act was to be a tool of any one labor organization and operate to the detriment of the great mass of American workers?

Do such activities as these lessen industrial strife? Do they

Do such activities as these lessen industrial strife? help the vital flow of our business and commerce? safeguard the right of American workers to work in an American way? By what authority can any union proceed in such manner? From whence does such license of self-granted authority come? Why should it be necessary for innocent workers and innocent employers to spend their money and their time in court merely to establish the fact that such activities are unlawful and un-

If the Wagner Act fails to protect all workers and lessen the burden of industrial strife, is it too much to ask that it be amended so that any and all persons so motivated will be prohibited from following unlawful courses? It's undoubtedly true that an aroused American public today is not attacking the written law law for the course of the protection of the course of the cour ten language of the Wagner Act as much as its application and interpretation. But that is no reason why all, Republicans and Democrats alike, should not see the justice of my appeal and join to add to the Wagner Act whatever language is necessary to protect, once and for all, the right of an American worker to pick tect, once and for all, the right of an American worker to pick a job of his own choosing and be protected in his right to work when of his own free will he elects not to join any union. Such right and such protection are fundamental American principles. The evidence on this particular case is in my office here in Washington. It is in the records of the Senate Labor Committee. Any-

one who might feel that I am not speaking with a full knowledge

of all circumstances can see the proof.

Ladies and gentlemen, I am extremely grateful for your kind Ladies and gentlemen, I am extremely grateful for your kind attention. I am especially hopeful that my sincere appeal will be answered. If there are some who might justifiably feel that I am wrong, I welcome their advice. We have traveled a long, long way to build up this United States of America. Freedom of speech, freedom of press, and all the other liberties guaranteed by our Constitution have made our growth possible. But I point out in all sincerity that it is such questions as I have raised here tonight that are making many workers in this country ask themselves just what it means to be an American citizen. In trying to solve questions such as these I plead for tolerance, guidance, and unbiased judgment on the part of each and every one of us.

We stand today as a nation at the very crossroads. Let us seek guidance and help from the Power Above, who watches so well over us all. It is my sincere conviction that if I had not spoken as I have this evening on the question that I consider a basic part of our republican form of government I would be derelict to the duty of the office I hold. I would most certainly be a poor recipient of the benefits that have been bestowed upon me by a country in which I am proud to live and of which I am thankful to be a small part.

I am proud to live and of which I am thankful to be a small part.

I thank you.

Senator Robert R. Reynolds

EXTENSION OF REMARKS

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

EDITORIAL BY CARL GOERCH

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the Congressional RECORD an editorial from the pen of Mr. Carl Goerch, editor and publisher of The State magazine at Raleigh, N. C., entitled "Senator ROBERT REYNOLDS," together with a telegram which I received this morning from Los Angeles, Calif., as a result of my 41/2-hour speech upon the floor of the Senate yesterday, May 11, on a question of personal privi-

I desire to add that this telegram is merely one of a large number of communications, telephone calls, and personal calls which I have received today in particular reference to my address of yesterday.

There being no objection, the editorial and telegram were ordered to be printed in the RECORD, as follows:

> [From The State, Raleigh, N. C.] SENATOR ROBERT REYNOLDS

A year ago the voters of North Carolina elected a United States Senator. They decided to bestow this distinction upon ROBERT RICE REYNOLDS, of Asheville, whom they had similarly honored 6 years before.
"Our Bob" was a popular hero. In 1932 he defeated that grand

old campaigner, Cameron Morrison. In 1938 he ran against Congressman Frank Hancock and won without any great amount of

difficulty.

But today, instead of being a popular hero, Senator Reynolds is being condemned from one end of North Carolina to the other. The very people who had praised his many fine qualities a few years ago are now denouncing him for everything they can think of. They are calling him pro-Hitler and are intimating that he is a traitor to his country and to our principles of government. "Down with Reynolds" seems to be one of the popular slogans of the day. And may we say in this connection that we have never seen citizens of North Carolina display such silly, absurd, uncalled-for sentiments as are being manifested today in this connection.

Call Bob Reynolds a playboy if you want to. Say that he lacks the qualifications of a statesman if you so desire. Label him almost anything else that may come to your mind. But when you try to cast aspersions upon his patriotism, you are barking up the wrong tree.

wrong tree.

The idea of saying that REYNOLDS is pro-Hitler is just about as reasonable as saying that Governor Hoey is a candidate for dog catcher in Hanging Dog Township, Cherokee County. He has never said anything and has never written anything that could be used in designating him as a supporter of any of the tenets of government which Hitler has sponsored. He has consistently fought the introduction of foreign "isms" into our Government. He is a recognized foe of all aliens and of all dictators. He is a Democrat if there ever was one. if there ever was one.

if there ever was one.

REYNOLDS a supporter of Hitler? Anyone who would believe that would believe that the New York World's Fair is now in progress in Bertie County. Of all the silly, asinine things we ever have heard, this just about climaxes them all. And yet we have read a dozen or more editorials in North Carolina newspapers and we have heard scores of citizens express themselves along this line. Victims of malicious propaganda, which was started in northern publications, they have deliberately permitted themselves to be blinded and deceived. deceived.

Pause and think for a moment. What has REYNOLDS ever said or written that could be used against him in this connection?

He has traveled all over the world. Last year he went to Europe and visited Italy, France, Germany, England, and other countries. He viewed conditions first-hand. Most of those people who are now denouncing him so bitterly have never set foot on foreign soil. Senator Reynolds came back from his trip abroad. He said, among other things, that he found the German people happy; that there were no evidences of unemployment; and that everything seemed to be moving along nicely in that country.

Immediately there was an unroar particularly in the North Our

Immediately there was an uproar, particularly in the North. Our own people, here in North Carolina, joined the pack and began denouncing the very man for whom they had voted less than a year ago.

Of all the dirty, scandalmongering, malicious things we have ever heard of, this attack on Senator Reynolds is the worst. Those newspapers and individuals who have joined the pack of hounds that are baying at his heels ought to be everlastingly ashamed of themselves.

What is wrong with some of our people, anyway?

A year or more ago they were denouncing Senator Balley for everything they could think of. They called him a traitor, too, and said that he ought to be removed from office.

Now they have shifted their attack and are bringing it to bear

upon Senator REYNOLDS.

We stood by BAILEY because we believed his ideas concerning the economic progress of our country were sound.

We stand by Reynolds because we are convinced that the campaign being waged against him today is just as unsound and just as uncalled for as was that which was waged against Balley.

Once more: send us a single quotation Bob Reynolds has made that could justifiably be used in classifying him as endorsing the policies of Hitler, and we'll gladly take back everything we have just said.

Los Angeles, Calif., May 12, 1939.

Senator ROBERT REVNOLDS.

Senate Office Building, Washington, D. C .:

Your stand on Senate floor heartily commended by Los Angeles Vindicators, and merits the warm-hearted applause of all red-blooded Americans. There are too many shyster columnists in this country subservient to and presumably in the pay of organized minorities. Warmest personal regards.

Los Angeles Unit, Vindicators, By Dr. Wilson.

Washington's New Airport

EXTENSION OF REMARKS

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

EDITORIAL FROM THE WASHINGTON POST

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Washington Post of May 7, 1939, entitled "Our New Airport," dealing with the progress of the Gravelly Point Airport in Washington, D. C.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 7, 1939]

OUR NEW AIRPORT

It is difficult for many Washingtonians to believe that work on Gravelly Point Airport is going forward with a burst of speed. After 10 years of delay in starting construction of this model aircraft terminal, all restraints appear to have been removed. Within another year the large area on the south bank of the Potomac now being built up by dredging operations should be almost ready for planes to take off.

The Civil Aeronautics Authority recently reached complete agree-ment with the National Capital Park and Planning Commission and

The Civil Aeronautics Authority recently reached complete agreement with the National Capital Park and Planning Commission and the Fine Arts Commission upon relocation of the Mount Vernon Boulevard in the vicinity of the airport site. Designs for the airport buildings are being prepared. And dredges are daily pouring from 50.000 to 75,000 cubic yards of sand, gravel, and mud into the low area where most of the runways will later be built.

The rapid progress now being made unfortunately does not mean that all problems connected with the airport have been solved. Protests are being made against the proposed location of an administration building for the Civil Aeronautics Authority on the site. The House has passed a bill providing for elimination of any administration structure from the airport project, and Senator Greson, one of the prominent sponsors of the Gravelly Point development, is supporting that position. He rightly believes that this site should be reserved for air-terminal service and not utilized for Government buildings. It is urged, with a good deal of logic, that housing of the C. A. A. on the airport is no more essential than accommodation of the I. C. C. at Union Station.

Obviously the C. A. A. needs a building of its own where all of its branches can be brought under one roof. But such a structure could be located on any one of many more appropriate sites than the airport. Already the project is marred to some extent by the laboratories of the Bureau of Public Roads built near the site. While these are not in the line of any runway they might constitute a hazard in case of emergency or in blind flying. And the same would doubtless be true of an administrative building large enough to accommodate the C. A. A.

The question of locating this proposed office building ought to be carefully reviewed along with the cost of the project. Present

The question of locating this proposed office building ought to be carefully reviewed along with the cost of the project. Present indications are that the airport may cost as much as \$10,000,000. which is far more than any congressional group contemplated spending for this purpose. To safeguard the airport development against possible adverse action in Congress, as well as to avoid unnecessary outlays, further scrutiny of the plans from the viewpoint of cost is also desirable. British Propaganda Exposed

EXTENSION OF REMARKS

HON. HIRAM W. JOHNSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

EDITORIAL FROM PITTSBURGH SUN-TELEGRAPH

Mr. JOHNSON of California. Mr. President, I ask unanimous consent that there be inserted in the RECORD an editorial entitled "British Propaganda Exposed," published in the Pittsburgh Sun-Telegraph.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Pittsburgh (Pa.) Sun-Telegraph] BRITISH PROPAGANDA EXPOSED

The American people are greatly indebted to and should be greatly appreciative of Senator Gerald P. Nye, of North Dakota, for his astounding revelation of the carefully laid plans of foreign propagandists to involve the United States in the next European war.

Senator Nye has put into the Congressional Record a chapter from a British volume which deals frankly with the means which will be pursued to get the United States into "the next war" on the side of England and her allies.

While it is certainly no news to us now, this book offers a valu-

While it is certainly no news to us now, this book offers a valuable reminder of how the United States was made "a propaganda able reinfluer of how the Orlicut states was made a propagandists battlefield" during the World War and how British propagandists finally won a victory over German propagandists by swinging us into a conflict in which we had no vital concern.

The important thing that the book reveals is that the British intend and expect to do the same thing again if England again

As casually as if the American people were being invited to a tea party, at which their presence was necessary for the success of the occasion, this British author, Sidney Rogerson, writes:
"In the next war, as in the last, the result will probably depend upon the way in which the United States acts and her attitude will reflect the reaction of her people to propaganda properly complied." applied."

And with a confidence in our gullibility which belittles our national intelligence as well as our ability to read the plain lessons of our recent history, he boasts:

of our recent history, he boasts:

"Since on paper our case toward neutrals appears to lack a mainspring, it will behoove us to manufacture what we can and press it everywhere we can—a task of making bricks without straw, at which we showed ourselves to excel in the last war."

While admitting that the American people are no longer so naive as to believe the "atrocity" stories which they once swallowed hook, line, and sinker, the British opinion is that we are still ripe for the old gag about "saving the world for democracy," as this amazingly frank passage attests:

"Fortunately, with America our propaganda is on firm ground. We can be entirely sincere, as our main plank will be the old democratic one.

We can be entirely sincere, as our main plank will be the old democratic one.

"We must clearly enunciate our belief in the democratic form of government and our firm resolve to adhere to it."

The book from which Senator Nyz quotes was permitted to circulate only briefly in this country, and according to him the copy which he chanced to read in a university library is the only one now extant in the United States.

However, due to his patriotic vigilance, the parts of it dealing with the vital interests of the United States are now a record of

Congress.

It is pictured as one English purpose to form and direct American opinion in support of England in advance of war by keeping English propagandists constantly in our midst.

That part of the program has been in full operation for years. English literary figures and lecturers have made a beaten path from shore to shore of the American continent preaching the English viewpoint and seeking American sympathy for every English aim, ranging all the way from defaulted debts of the last war to our participation in the next war.

participation in the next war.

Another English purpose is to lead us into Europe's next war through the back door by involving the United States in war with

In proof of this is the following quotation from Rogerson's book, which Senator Nye read into the Congressional Record:
"The position will naturally be eased if Japan were involved, and

this might and probably would bring America in without further ado.

ado.

"At any rate, it would be a natural and obvious object of our propagandists to achieve this, just as during the Great War they succeeded in embroiling the United States with Germany."

Here is British diplomacy and intrigue in its fullest flower.

England, and not the United States, has interests and investments in the Orient which might be worth going to war to save.

England, and not the United States, is a world empire, vulnerable in Asia as well as in Europe.

England cannot afford to divide her armed forces between Asia and Furone.

and Europe.

Therefore, the utilization of American armed forces to defend

British interests and investments in the Orient is the ultimate aim and purpose of English diplomacy and intrigue.

It is no mere prediction and no idle threat that the United States will become "a propaganda battlefield" in the event of war in Europe.

It is already that.

If the ancient adage about being "forearmed if forewarned" is true, then Senator NyE has done his country an enormous service.

Movement of Industries from One State to Another

EXTENSION OF REMARKS

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES Friday, May 12 (legislative day of Monday, May 8), 1939

EDITORIAL FROM THE COLUMBIA (S. C.) STATE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Should Government Move Industry from One Region to Another?" published in The State, of Columbia, S. C., in the issue of May 10,

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The State, Columbia, S. C., May 10, 1939]

SHOULD GOVERNMENT MOVE INDUSTRY FROM ONE REGION TO ANOTHER?

Apparently the Reconstruction Finance Corporation agreed tentatively to make a loan to a Massachusetts textile corporation for the building of a new plant at Spartanburg, S. C. The present New England plant, according to the story, would then be abandoned.

Naturally, New England Senators, Congressmen, Governors, and others, when they heard of the plan, leaped to prevent the making of a Government loan that would take from their region one of its industrial plants; and there is no good reason to criticize the New Englanders for what they are trying to do in this case. Offi-cials and private citizens of the Southeast would fight hard to clais and private chizens of the Southeast would ight hard to stop Government if it were financing the removal of industry from this to some other region. If our political leaders failed to fight in such a cause, we, the people, would blow their official heads off at the next election. Right or wrong, that would be the

off at the next election. Right or wrong, that would be the popular attitude.

This newspaper works as hard as it knows how to work for the development of South Carolina. It feels an upward surge of pleasure when any locality in South Carolina lands a sound new industry. But this newspaper cannot cheer with unrestrained joy when government begins the dangerous policy of financing the removal of industry from one region to another. This newspaper cannot see that it is government's proper business to develop the removal of industry from one region to another. This newspaper cannot see that it is government's proper business to develop one region at the expense of another. The fact that national policy has at times been unfair to the Southeast does not change the moral factors involved. This newspaper believes in national fairness as policy and principle, and in natural regional development. It doubts the wisdom of making deliberate errors in efforts to balance previously made errors. For example, the National Government has been unfair to one of the South's products—oleomargatine, but this prosperser does not suggest that correction he at -but this newspaper does not suggest that correction be attempted by discriminating henceforth against butter. Merely remove the discrimination against a cottonseed-oil product.

But that is high-ground stuff. Let's come down to the bog of politics and look at this proposed and opposed R. F. C. loan that would benefit one region, and perhaps hurt another. If that kind of business is done by a Democratic administration, friendly to the industrial development of the South, will not the same kind of business be done by a Republican administration, indifferent to the South? If we grab while our grabbing is good, they will grab when their turn comes. This is a matter of survival and selfishness; not one of emotional hostility between regions.

One hears the next migration of the textile industry will be westward, to the Mississippi and beyond. If that migration develops, and if Government takes a hand in it by lending money to the migrants, the Southeast will be as deeply aroused as New England is now, and will fight as New England is fighting.

Economic conflicts between regions are inevitable. Such conflicts may increase in intensity as the Southeast expands in agriculture and in industry. The role of the National Government is to adopt rules for fair and natural competing, and to act as umpire while the struggles are on. But that Government should never have favorites among the regions.

In democracies, majorities rule, and favoritism, if it is practiced, is likely to be mainly in the interest of the majorities. The Southeast east and the Southwest are mimorities.

is likely to be mainly in the interest of the majorities. The Southeast and the Southwest are minorities.

Flood-Control Appropriation

EXTENSION OF REMARKS

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1939

Mr. ELLIS. Mr. Speaker, I rise in favor of the amendments to add \$25,000,000 to the flood-control appropriation.

The remarks of the gentleman from New York [Mr. TABER], who has just preceded me, are very interesting, but the fact remains that we are just now beginning the program of flood control in this Nation. It is not a matter of increasing the appropriation.

Let us see where we stand. By the Flood Control Acts of 1936, 1937, and 1938 the Congress authorized the construction of flood-control projects that would cost a total of \$1,148,-877,000. Appropriations were not authorized in that amount, however, and herein lies a most important factor to be considered. In those bills the Congress set up another figure, a much lower figure, a figure of only \$698,877,000, which is the total authorization for all appropriations. In other words, the cost of projects authorized is \$450,000,000 larger than the appropriations authorized for the same projects.

No one seems to be able to explain why this difference. To say the least, it is most deceiving because the practical result is that we all think we have a lot of projects authorized in our districts which are, in fact, not authorized at all.

Here is how it works. The White River Basin in Arkansas and Missouri, in which most of my district lies, for instance, has six projects authorized: At Norfork on the North Fork River, at Lone Rock on the Buffalo River, at Greers Ferry on the Little Red River, at Water Valley on Eleven Point River, at Bell Foley on Strawberry River, all in Arkansas, and at Clearwater on the Black River in Missouri. No appropriation was made for any of these. It would cost approximately \$75,000,000 to construct all of them. The language of the act is as follows:

For the initial and partial accomplishment of said plan there is hereby authorized \$25,000,000 for reservoirs; the reservoirs to be selected and approved by the Chief of Engineers.

The War Department construes this to mean that in no event can more projects be begun than can be completed within the \$25,000,000. Then only two of them can be begun until we enlarge the authorization. Actually, therefore, we have an authorization for only two projects, though the act authorizes the construction of six. The point worth considering here is that in this program the Congress has evidently not been willing to assume responsibility for its own children. It has created projects on paper but has refused to give them even an authorization for an appropriation to go forward.

PROJECTS YET UNAUTHORIZED

The picture is really darker than it might appear from the above figures. The Congress began these authorizations only 3 years ago. Many of the choice sites as yet have not been included. It will be observed that not a single one of the White River Basin projects listed above is in the main channel of the river. A comprehensive survey of the White River was begun in 1928, pursuant to section 1 of the River and Harbor Act of 1927, and section 10 of the Flood Control Act of 1928, the survey completed, and the report, signed by Patrick J. Hurley, Secretary of War, made to the Congress in 1932, containing a general plan for the improvement of the river. This report was later ordered printed and became House Document 102 of the Seventy-third Congress, first session. The engineers in this voluminous report located three projects in the main channel of the river, the first and smallest being at Beaver in Carroll County, the next at Table Rock in Missouri, and the third at Wildcat Shoals, between Baxter and Marion Counties in Arkansas. These three reservoirs, in addition to a storage capacity of 5,058,700 acre-feet for flood control, would produce annually 1,000,000,000 kilowatt-hours of electricity. For some mysterious reason not one of these three projects was included in the Flood Control Acts of 1936, 1937, or 1938. It is, therefore, evident that when these other desirable projects throughout the Nation are added to the total projects authorized, the amount required for construction will far exceed \$1,148,877,000.

AMOUNT OF \$110,000,000 INSUFFICIENT

It is also evident that the Budget Director in setting up a figure of \$110,000,000 is driving at the total of appropriations authorized instead of the projects authorized. It is only reasonable that next year a new flood-control bill will be enacted as law, adding many more of these desirable reservoirs, and then the Budget Director's figures would be entirely out of line.

General Schley, Chief of United States Engineers, in testifying before the Appropriations Committee—page 107 of the hearings—stated:

We could spend economically in carrying forward the new work authorized by Congress in the next fiscal year (1940) \$195,000,000 for flood control.

While I think it is also evident that the Chief of Engineers is driving at the low figure of appropriations authorized instead of projects authorized, his figure comes much nearer fitting into the long-range program than that of the Budget Director.

Anticipating that the Appropriations Committee would likely write into this bill (H. R. 6260) the figure of the Budget Director, a group of us have held several meetings in an effort to arrive at a reasonable figure to submit by way of amendment for an increase. Yesterday this group decided to fight for a \$25,000,000 increase in the flood-control item. We arrived at this figure after conferring with the President and with the majority leader [Mr. Rayburn]. I do not mean that the President agreed to this amendment but he did agree that this amount might be used for this purpose from the 1940 relief appropriation; therefore he agreed to the merit of it.

Members of the Appropriations Committee have been quoted as saying that probably in behalf of no other bill has there been as much interest manifested. Many Members of Congress, including myself, appeared before the committee in an appeal for an increase. My statement appears at pages 202 to 207 of the hearings.

Early this morning I went to the Appropriations Committee room and obtained a copy of this bill, which was printed during the night, a copy of the report and a copy of the hearings. I was favorably surprised to find the \$25,000,000 increase written into the appropriation; but 2 or 3 hours later I was again surprised when I learned that the whole Committee on Appropriations had rejected the subcommittee recommendation and had ordered the bill reprinted with the increase stricken. We are asking that they be again added to the bill.

WHERE WOULD THE MONEY GO?

Of course, the Army engineers are not bound by their estimates, but General Schley submitted to the subcommittee—table 10, page 92, of the hearings—a statement showing the proposed application of funds, if the Budget figures are adopted. This statement includes the Norfork Reservoir on the North Fork River in Baxter County, in my district, to cost an estimated total of \$11,327,000, and to have a tentative allocation of \$100,000 for the next fiscal year. I called General Schley this morning, and he told me that we should be able to get some dirt started moving on this project within a year, contingent upon the engineers being able to hurry the designs, or upon an increased appropriation over and above the Budget estimate.

General Schley also submitted to the committee a statement—table 18, page 116, of the hearings—in which he sets out that with an increase of \$20,000,000 over and above the Budget estimate they could profitably allocate additional funds to the Norfork Reservoir for the next fiscal year to the extent of \$300,000, making a total of \$400,000. This project is typical of most of the others with similar status. In other words, we must have the increase to really get started. An increase of \$25,000,000, as we are now proposing, would even raise this figure. We think this is very conservative in view of General Schley's further statement—table 16, page 10, of the hearings—that they could profitably expend \$1,300,000 on this project in the fiscal year 1940. This, of course, was anticipating an appropriation of the full \$195,000,000.

PROJECTS UNDER CONSTRUCTION

Sixty-nine projects are now under construction throughout the Nation, but not even one in my State, even though Arkansas, next to Louisiana, suffers the heaviest average annual flood loss of any State. Approximately \$80,000,000 of whatever appropriation we make will be required to carry on the work already under way. New projects will be begun only from appropriations above this figure.

VALUE OF FLOOD CONTROL

The enlarged Gobi Desert and the ancient City of Babylon will stand forever as monuments to a careless liquidation of our greatest resource, the soil. From a great fertile plains region the Chinese expanded the desert by permitting their top soil, century after century, to wash into the sea. No one Chinaman, perhaps, observed much change in his own lifetime, but we have the benefit of history. So, also, the Babylonians, beginning way back at the end of the third millennium B. C., built some six great cities, one upon the other, in the rich and fertile Euphrates Valley, carrying on a careless agriculture until finally their soil disappeared to the point that there was no longer sufficient humus to hold the moisture, the vegetation faded out, and a whole civilization vanished. Though admittedly it will be centuries, unless we do something about it, the same result is inevitable here in America.

We have been the last of so-called civilized countries to adopt extensive practices of conservation. By permitting our top soil to gradually wash away and blow away, by plowing up the plains and cultivating hillsides that should have ever remained in forest or pasture, we have gradually built the dust storms and the droughts and the floods. We must now set about to unbuild them.

Mr. H. H. Bennett, Chief of the Soil Conservation Service, tells us that two hundred 40-acre farms are lost in the United States every 24 hours by erosion, that 3,000,000,000 tons of soil per year are washed into the sea, and that 100,000,000 acres

of agricultural lands have already been totally destroyed or | seriously damaged

The flood losses in my State from overflow waters alone are greater than the fire losses. Seven thousand square miles of the alluvial valley in the White River-and there is no better land in the world-are flooded every 2 or 3 years. At the height of the 1927 flood the White River emptied 440,000 cubic feet of floodwaters per second into the Mississippi. This amounted to approximately one-fifth of the floodwaters passing that point.

All 69 of the projects under construction and the 91 projects which the engineers propose to begin will help immensely to put an end to an era of soil destruction. Every single one of them has been determined by the engineers to be economically justified, which means that in the end they will cost the people nothing. Furthermore, there are many byproducts of flood control that help to reduce the cost.

WATER POWER

A large percent of the projects to be commenced upon the adoption of these amendments will be power producers.

One of the greatest needs of my State is cheap power. The Norfork Dam alone will produce 217,043,000 kilowatthours of current annually. There is not only a ready market but a demand in Arkansas for many times this amount. The White River drainage basin alone comprises 28,000 square miles-more than two-thirds the size of the celebrated Tennessee Basin. The Ozark region of the White River Basin consists chiefly of small farms, and there is no good reason why every farm home in this whole territory should not be thoroughly electrified from this power that has been for centuries wasting itself to the sea-and electrified at a price which the farmers can afford to pay. This same cheap current can be used to grind the limestone and phosphate, abundantly stored in this region, into cheap fertilizers so badly needed on all the farms. The development of other minerals and of small industries depends upon this program.

Our known sources of power, chiefly coal, oil, and gas, are becoming extremely limited, and I think there is some duty on the part of this generation to conserve these deposits for our own children and the generations that shall follow them. Every kilowatt-hour produced from water power is actually wealth created, because a definite amount of coal or oil or gas has been conserved.

Nothing has been done in the T. V. A. country that cannot be done here.

One of our greatest handicaps in the White River Basin is high freight rates. Navigation means low freight rates. The river can be made navigable, in conjunction with the floodcontrol program, at least as far north as Cotter, or a distance of more than 300 miles. It is difficult to conceive of anything more beneficial to my district than navigation into the heart of the Ozarks.

RECREATIONAL ADVANTAGES

Every reservoir created by these dual-purpose dams forms a great recreational center which also adds to the total wealth of any community. Give us water in the Ozarks and they will rival Florida and California as a tourist attraction.

CONCLUSION

The adoption of these amendments will give to many parts of the Nation that have thus far been left out of major New Deal developments an opportunity to share for all time in these newly created assets. Measured in terms of flood losses eliminated, cheap water power produced, aids to navigation, irrigation and recreation possibilities, not to mention the benefits from labor, the sale of materials, and increased purchasing power in our communities, each one of these dams will add materially to the permanent wealth of the people and will stand as monuments to the future happiness of generations yet unborn.

The amendments were adopted on a roll call by a vote of 182 to 153.

LXXXIV—App——124

Congress Should Pay 1935-36 Cotton Certificates

EXTENSION OF REMARKS

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

Mr. PATMAN. Mr. Speaker, many resolutions have been passed by organizations of farmers favoring the passage of H. R. 193, providing for the full payment of the 1935-36 cotton certificates. The Bowie County (Tex.) Agricultural Association has recently passed a resolution that explains the proposal more fully and the reasons for its enactment than any other resolution I have received. It is as follows:

Whereas it is known that in Bowie County there exists a surplus whereas it is known that in Bowle County there exists a surplus of certain tax-exemption cotton certificates issued under the Bankhead Cotton Act for the crop year 1935–36. Furthermore, it is known that there exists a surplus of said certificates in proportion throughout the State of Texas and the Southern States;

Whereas such surplus of said certificates are in possession of those farmers who either by reason of drought or unusually nega-tive crop conditions or because of compliance with the acreagereduction program of the Bankhead Cotton Act could not utilize all of said certificates;

Whereas said certificates are in possession of those farmers, who in compliance with the request of the Secretary of Agriculture refused to sell or transfer said certificates below par value of same;

Whereas since redemption of these certificates would furnish a needed asset to those farmers who by reason of drought or acreage reduction produced a short crop of cotton which resulted in a shortage of income;

Whereas a bill was introduced in the House of Representatives of the United States of America by Hon. WRIGHT PATMAN, of Texas, the purpose of which bill is to provide for redemption of these certain cotton certificates issued under the said Bankhead Cotton

Whereas said bill was dated January 3, 1939, and labeled H. R. 193 in the first session of the Seventy-sixth Congress;

Whereas this bill provides:

"That upon application to the Secretary of Agriculture by any producer of cotton to whom tax-exemption certificates for the crop year 1935-36 were issued under the Cotton Control Act approved April 21, 1934, the Secretary is authorized and directed to pay, out of appropriations made pursuant to this act:

"(a) To any such producer who transferred certificates originally issued to him for the crop year 1935-36 to a certificate pool established under such act for the exchange of certificates, the difference between the amount heretofore received by him for the certificates he transferred and an amount ascertained by multiplying 4 cents by the number of pounds of lint cotton represented by such certificates: and

"(b) To any such producer, to whom certificates for the crop year 1935-36 were originally issued, an amount ascertained by multiplying 4 cents by the number of pounds of lint cotton represented by the uncanceled certificates originally issued to him which such producer surrenders to the Secretary and which he at no time transferred to any pool or to any other person.

"SEC. 2. As used in this act, the term 'producer' includes the heirs legal representatives of a producer. A transfer to such heirs or or legal representatives of a producer. A transfer to such heirs or legal representatives shall not be considered a transfer within the meaning of section 1 (b).

"Sec. 3. The Secretary is authorized to utilize the personnel services and facilities of the Agricultural Adjustment Administration in carrying out this act.

"SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out this act."

Whereas the Bowie County Agricultural Association is an organization of 551 farmers in Bowie County, Tex.; and
Whereas the Bowie County Agricultural Association in regular business meeting on this 17th day of April 1939 deems it absolutely imperative that a positive action be taken in regard to said bill H. R. 193 not only because of the added income provided by same to those farmers who now hold said certificates but in order to keen faith with these agreesaid farmers. Now therefore be it keep faith with these aforesaid farmers: Now, therefore, be it

Resolved, That the Bowie County Agricultural Association, with all of its auxiliaries, by unanimous vote of the entire membership assembled, go on record as favoring said bill H. R. 193 in its entirety, also be it further

Resolved, That the president of the Bowie County Agricultural Association be instructed by the association to present this resolu-tion to the Congressmen of district No. 1 of the State of Texas and to the Senators of the State of Texas in Washington, D. C., and demand positive action regarding said bill H. R. 193.
L. M. Day,
C. O. Moser, Jr.,
E. G. Arnold,

Executive Committee of the Bowie County Agricultural

There is more interest manifested in this proposal every day. This payment should be made not only because it is a just and honest debt but, as stated in the resolution, in order to keep faith with the farmers.

The United States Chamber of Commerce Resolves and Pontificates

EXTENSION OF REMARKS OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

EDITORIALS FROM THE PHILADELPHIA RECORD AND FROM LABOR

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I include two editorials from leading publications. These editorials treat of the official action of the United States Chamber of Commerce convention in the city of Washington and the formal resolutions adopted by it. The editorials pay their respects to the findings of the chamber of commerce and refute them. Particularly are these editorials impressive, as they point out the lack of constructive offerings in the chamber of commerce program and graphically set forth that the only articles in the agenda of the chamber were criticism and complaint against some New Deal endeavor.

It would appear that the objective of the august chamber of commerce is to return to the remarkable days of 1930 and 1931 when prosperity was just around the corner; when we were still laughing in recollection of President Hoover's promise of two chickens in every pot and two cars in every garage. These are the times to which the chamber would return us: when veterans were driven out of the Capital city of the Nation by the use of bayonets and tear-gas bombs when they asked for social assistance; when banks were failing by the score every month; when breadlines characterized every industrial city and soup kitchens were crowded to beyond capacity; when business confidence in the Republican Party was so low that every time President Hoover made a speech the stock market would crash to further depths within an hour thereafter.

PAEONS OF HATRED AND VENOM

Mr. Speaker, I have listened daily in the House of Representatives for constructive and progressive offers from my Republican colleagues, but I have listened in vain. We have had a congeries of lugubrious croakings about unbalanced Budgets; we have had a plethora of demands to restore business confidence, we have had sung ad nauseam hymns of hate of President Roosevelt; we have heard thinly disguised attacks upon the President of the United States, inferentially charging that he was disloyal to the American institution. We have heard our Republican brethren stigmatizing the President as a war monger-as one who mercilessly and with diabolical cunning was planning deliberately to land this country in another European war.

REPUBLICANS POUR ON THE VITRIOL

I have heard with dismay repeated reflections upon the W. P. A. I have heard statements that the W. P. A. is Communist riddled and is saturated with the poisonous philosophy of Stalin. I have heard responsible figures declare solemnly that the W. P. A. was made up of chiselers, slickers, and malingerers. I have heard on this floor the President's family reviled and charges that his sons had cheated in their income tax and that his wife was guilty of questionable conduct in accepting payment for radio broadcasts. I have heard criticism, carping and captious, directed at the President's program. Day after day I have sat here while our Republican brethren continued their incessant chatter of vitriolic partisanship and personal venom. Let us have some constructive offerings by our conservative friends. What would they propose as an alternative; what agencies would they abolish; how would they economize; where would they lop off? They are startlingly unspecific; they are amazing in their generalities.

DENUNCIATIONS AND JEREMIADS

Now comes the august Chamber of Commerce of the United States with the same old twaddle-a "you can't do this," "you should avoid that," "you should eliminate this," "you should destroy that." In God's name, Mr. Speaker, are there no proposals offered to replace what has been tried? The alternative, then, is to go back to the very conditions which created the hard times of 1930, to go back to the untrammeled business-controlled monopoly and Wall Street domination of government.

The editorials are as follows:

[From the Philadelphia Record of May 8, 1939] THE RECORD AWARD FOR 1939

To the United States Chamber of Commerce goes the record award for 1939, consisting of a piece of cheese cake 3¾ inches by 5½ inches. This award is conferred in recognition of the chamber's monumental achievement in passing 28 anti New Deal resolutions in

33 minutes flat. Not even the Liberty League ever showed anything approaching that record, and for sheer anti-Rooseveltism it makes the National Association of Manufacturers and even the American Newspaper Publishers' Association rate as also-rans.

Publishers' Association rate as also-rans.

It should be said, too, that the quality of the resolutions was in keeping with their quantity. No higgling, wiggling, or niggling. They came right out and demanded:

1. Abandonment of the W. P. A.

2. Repeal of the Wage and Hour Act.

3. Emasculation of the Wagner Act.

4. Reduction of Federal tayes by turning relief over to the States.

Reduction of Federal taxes by turning relief over to the States municipalities.

Reduction of taxes in States and municipalities. 5. 6.

An end to Federal spending for recovery. Curtailment of farm relief.

Repeal of New Deal monetary policy.
 Restriction of social security.

10. Promotion of trade with China even if it might involve the Nation in war.

Fortunately, every thoughtful citizen knows the United States Chamber of Commerce no more represents real American business

than a chiseling loafer represents the American workman.

We are quite sure that businessmen—as distinguished from the professional misrepresentatives of businessmen—have little desire to restore the conditions obtaining in 1933, when the country enjoyed(?) all the freedom to wreck its economic system that the Chamber of Commerce resolutions demand.

Many businessmen, indeed, are worried because the New Deal and Democratic leaders in Congress are taking too much advice from such people. They are alarmed, for example, by yesterday's head-

"Two hundred thousand being laid off W. P. A.; 12,800 get dismissal notices in New York."

Businessmen don't want to lose those 200,000 customers.
Or do we have the Chamber of Commerce wrong?

Is it offering 200,000 jobs to those fired W. P. A. workers? Are the

jobs waiting?

Speak up, gentlemen. We can't afford to give our prize cheese cake to the wrong outfit.

(From Labor (official publication of Railroad Brotherhoods) of May 9, 1939]

FEDERAL TAXES NOT "MURDERING INCENTIVE"

Among many complaints voiced by speakers at the United States Chamber of Commerce convention in Washington this week was the declaration that Federal taxes have "murdered incentive" by taking so much money from industry that businessmen are disBusiness trots out that alibi on all occasions to shift the blame for lack of recovery from private industry to the Government. But it is sheer "bunk." Here are some actual figures for 1937, the last year covered by official reports:

The total profits of eight big cement companies were \$8,006,385

and their total income taxes were only \$875,079, or about 10 cents on each dollar of profits. Incidentally, most of the cement industry's profits were made on business provided by Uncle Sam.

The 20 big oil companies made total profits of \$643,970,479 and paid total income taxes of \$81,817,646, or only 12 cents out of each

The six big sugar refiners had \$11,756,895 total profits and paid \$1,881,090 total income taxes, or 16 cents on each dollar.

Other industries made similar reports of actual profits and tax

The ordinary citizen would grab at the chance to get millions of dollars in profit and pay only from 10 to 16 cents of each dollar to Uncle Sam. But businessmen insist they are "discouraged" when asked to do so.

The Underground Pneumatic Mail Tubes Speed Delivery

EXTENSION OF REMARKS

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

ARTICLE FROM THE BROOKLYN (N. Y.) CITIZEN OF APRIL 28, 1939

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Brooklyn Citizen of Friday, April 28, 1939:

[From the Brooklyn (N. Y.) Citizen of April 28, 1939]

SYSTEM OF UNDERGROUND PNEUMATIC MAIL TUBES CUTS TIME TO MINIMUM

A maze of pneumatic underground mail tubes will be one of the marvels of the World of Tomorrow—an era in which time will be marvers of the world of Tollorrow—an eta it which the will be annihilated in the delivery of written messages and parcels to an even greater extent than the miracles which are accomplished today in our Postal System. A central post office in the locality may act as a clearing house and the mail could be shuttled around the country through subterranean passages in such time that it will make today's age of speed look like the "horse and buggy" days of

By next year, if certain legislation is approved by Congress, world's-fair visitors may secure their mail at the grounds as quickly as the Manhattan Island businessman receives his incoming out-of-town mail. Sponsored by Representative Eugene Keogh, the legislation calls for a pneumatic-tube connection between the Grand Central Station at Forty-fifth Street and Lexington Avenue, Manhattan, the Long Island city post office, the Flushing postal station, and the postal station which will be used for the service of the visitors from the opening day. from the opening day.

from the opening day.

This proposal for the conveyance along underground tubes by high compressed-air pressure would provide for such construction along the lines of the subterranean tube service currently in operation between Brooklyn and Manhattan. Started in 1898, this system encompasses over 27 miles of double tube and feeds 23 postal stations, each equipped with 2 receivers and 2 transmitters. Seventeen hundred carriers average a total distance of 100,000 miles per day on an operating schedule of 18 hours a day.

At the same time that the world's fair gets the benefit of this system of cheating time in mail delivery, another may be under construction connecting the general post office in this borough, Manhattan, and Floyd Bennett Field. The distance is about 10 miles, and mail transportation between the three points would take approximately 4 minutes. The bill providing for this system was also introduced by Representative Kroch in anticipation of the airport being used as an air-mail terminal.

The underground pneumatic tube will be in the World of Tomorrow a truly effective realization of the ancient Greek quotation, "Neither snow, nor rain, nor heat, nor gloom of night stays these

"Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds."

Heavy Cloud of More Taxation Hangs Over the Average Citizen

EXTENSION OF REMARKS

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

ARTICLE FROM THE WASHINGTON SUNDAY STAR OF MAY 14,

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Washington Sunday Star of May 14:

[From the Washington Sunday Star of May 14, 1939]

HEAVY CLOUD OF MORE TAXATION HANGS OVER THE AVERAGE CITIZEN— DAY OF RECKONING FOR DEFICIT SPENDING SEEN AS FORESHADOW-ING LOWER EXEMPTIONS FOR INCOME-TAX PAYERS

(By Arthur A. Ballantine, former Under Secretary of the Treasury)

A German tax decree raised income taxes of single persons 12½ percent, but contained the merciful provision that such persons were not to pay a total of more than 55 percent of their income, or married persons of certain classes more than 45 percent. The rate on the income of corporations, which has been steadily increased, was placed at 40 percent. At that German taxes are estimated to equal only about two-thirds of the national expendi-

The normal income tax in Great Britain stands now at 27½ percent, with certain abatements in the lower brackets of income. For 1939-40 the aggregate of Government expenditures in Great Britain is estimated at 31 percent of the national income. Of this total, huge additional expenditures for national defense are in

total, huge additional expenditures for national defense are in themselves equivalent to about 14½ percent of the national income. In France, also, taxes are shoving sharply upward.

These developments have a message for everyone in this country, whether he has a job or is on relief. How deep is the tax gatherer to reach into the pocket of the average man, John Smith? What is the effect of taxes on his living costs and his job?

The offhand reaction of most of us is that heavy taxes are a worry to the very prosperous or rich. The German or British John Smith certainly would not say that. And John Smith here is waking up to tax realities, present and impending.

RICH GET SOAKED

Of course it is true that the rich are now "soaked." The Federal income tax, including the normal tax of 4 percent and the surtax reaches a top rate of 79 percent—a rate some 20 percent higher than the top rate of Great Britain. When an income reaches \$80,000 the tax rate applying to the next block of income becomes 55 percent, and at \$100,000, \$32 percent.

tax rate applying to the next block of income becomes 55 percent, and at \$100,000, 62 percent. This is without including anything for State income taxes, now reaching 8 percent in New York.

For the fiscal year 1937 the number of individuals paying income taxes in the United States was but 3,310,201. The total personal income tax paid was \$1,142,200,000, but the amount paid on incomes of less than \$5,000 was only \$78,000,000, and the total amount paid on incomes of \$10,000 or less was only \$161,000,000. Nearly a billion of the total tax paid was paid by incomes of \$10,000 or

The present distribution of the Federal income-tax burden has very distinct meaning for Mr. John Smith and his future as a

taxpayer.

The top rates of income tax are now so high that there is no chance of increasing the tax yield through further boosting of the rates—the only possibilities of increase is through lowering the top rates.

ENTERPRISE DISCOURAGED

The top rates are now so high that the flow of taxable income tends to dry up through discouragement of enterprise and the virtual impossibility of building up any large savings. The recipient of a large income has no incentive to put his money into new ventures or the enlargement of old ones that develop more employment. Since such a taxpayer bears all the losses, having but limited rights to offset them against income and retains but a small portion of any gains, his cue is to play safe, and he does so. The rich are "soaked" again in the estate taxes. While the Federal estate tax on a \$100,000 net estate is but \$4,200, the tax on a \$500,000 estate is \$80,400. On a million-dollar estate \$211,000, and the top rate reaches 70 percent. The late Senator Couzens is

reported to have left an estate of \$33,500,000, practically all in tax-exempt securities. The Federal tax on this was reported as \$20,000,000, reducing the net to \$13,500,000.

While the yield of the Federal estate tax rose to \$382,000,000 in 1938, these taxes will in the end be a dwindling source of income. Big estates are not being built up, and those that were big steadily cut down by successive taxes—without regard to market vicissitudes.

It should be observed, too, that the effect of the extreme tax rates It should be observed, too, that the effect of the extreme tax rates is to tend to make the owners of large estates put their property, so far as is possible, in forms in which it can be readily liquidated so as to meet the tax. That means taking capital out of active employment making for jobs. It does not do much good for the owner of a large estate to divide it up while living, for the gift tax is three-quarters as much as the estate tax. So here we have another factor operating against the employment of Mr. John Smith.

UNITED STATES JOHN SMITH BETTER OFF

Getting back to the income-tax situation of John Smith himself, he is certainly well off as compared to the German or English John Smith. If single, he pays no Federal income tax at all on an income of \$1,000 or less. If married, he pays none unless his income exceeds \$2,500. He enjoys a further exemption of \$400 for each child. On an income of \$3,500, if married and having one child, he pays but \$24, and on a \$5,000 income only \$168. In sharp contrast, the German having an income of only \$300 is reported to pay \$33 if single and \$24 if married. On \$1,200 he pays \$145 single or \$120 married, and on \$2,000 pays \$272 or \$232, according to his marrital status. to his marital status.

The Englishman (married and with one child) with an income of \$2,500 pays \$90.41, and on a \$3,500 income he pays \$300.40, and on \$5,000, \$640.51. Under the new tax schedule just introduced, a \$10,000 income on a married person (without children) carries a total tax of \$2,373; a \$15,000 income, \$4,071; and at \$25,000 the total

tax of \$2.373; a \$15,000 income, \$4,071; and at \$25,000 the total tax equals about one-third of the income.

These facts about the present income tax sound pleasant to the American John Smith. Yet a little consideration shows that he is nevertheless paying very substantial taxes, mostly in the form of the added cost of what he buys—the hidden tax. This burden cannot be accurately measured, yet can be realized when it is perceived that the total tax bill in the United States for 1938 reached nearly \$14,000,000,000, equivalent to about 22 percent of the estimated national income. national income.

John Smith must bear in mind that, of the total income of the Federal Government, only a little over two-fifths comes from income taxes; the balance from a wide variety of miscellaneous taxes or

exactions.

Estimates made, as indicated above, in some cases carry the tax burden to over 12 percent of every dollar spent out of modest incomes, equivalent to \$228.60 a year out of an income of \$150 a month. The probability of this is that these estimates are conservative.

"BENDS" MAY FOLLOW

While the present hidden-tax burden on John Smith is considerable, he is perhaps adjusted to it. When you tell him about it, he may feel no worse than he would if you were to tell him that he lives under a weight of atmosphere of 16 pounds to the square inch. But that isn't all; suppose you were to tell him that this pressure is likely to run up to 32 pounds or more. He could then see that this pressure might give him the "bends."

The sad truth is that the present taxes do not come anywhere near paying the bills of the Federal Government. The deficiency in Federal revenue, officially estimated for this fiscal year, is around \$25,000,000,000,000,more than it used to cost back in 1928 and 1929 to

\$3,600,000,000-more than it used to cost back in 1928 and 1929 to run the whole Government and also make heavy payments to the sinking fund for the reduction of the Government debt. And this huge deficit follows others for the past 8 years, bringing the total up to some twenty-seven billions, met, of course, by borrowing and piling up the Government debt. What does that mean to John Smith? Must he pay more and have his job further endangered?

Some in high positions, and some having academic standing, now say that the Government deficits can go on indefinitely. These are prophets of a new era in Government finance, a happy era in which debt begets prosperity, and never has to be paid or reckoned with. The history of nations affords little support for this alluring idea. "DEBT ALIBIS" CHANGE

At first the piling up of Government debt was excused as a necessity of the emergency. Then it was justified as a temporary step toward recovery and relief. Now comes the theory that piling up the debt is a necessary permanent device, always building up the national income.

The new justification lies in the idea of treating certain Federal expenditures as producing "assets," to be capitalized in a properly constructed Federal balance sheet, and hence not to be considered as creating deficit.

There is a basic difficulty with this idea. The Government always has to pay out real money for all that it spends. Unless the "assets" to be capitalized will actually turn into cash or produce net revenue, they do not help solve the Government's financial problem. The Government must just go on borrowing and taxing to meet the expenditures. Counting on the assets simply postpones the day of reckoning.

the day of reckoning.

Necessary as expenditures for these purposes are, we cannot be blind to their financial effect. And now, to make matters more difficult, we have also the greatly enlarged expenditures for national

defense.

In the end the only safe, practicable course will be for the Federal Government to make its revenues and expenditures balance. Government bonds are the ultimate support of banks, insurance companies, and security funds. How can they continue indefinitely to be good if the Government cannot succeed in making both ends meet?
What does this mean for John Smith?

BALANCING ONLY COURSE

Undoubtedly Federal expenditures will have to be cut. No one has shown how to balance Federal expenditures of between eight and nine billions a year—the present rate. Certainly these expenditures will have to be held down, and that in the face of imperious new demands. Some of these are most appealing, like the public-health program, to cost ultimately nearly a billion a year. Yet if additional expenditures are taken on too soon they are likely to wreck the whole financial structure. Some stand must be made to wreck the whole financial structure. Some stand must be made against heavy State and local expenditures.

The most probable tax development in the offing is a real broadening of the base of the income tax. This would take the form of lowering the exemptions so as to reach incomes below \$1,000 in the case of single persons, and perhaps as low as \$1,500 in the case of the married, with a sharp stiffening of the rates up to the high brackets. We might not be taking as much as 10 percent on the very small incomes, as in England and Germany, with sharply increasing percentages beyond that, but we may approximate such rates.

Such increases in the present income tax will hurt John Smith. They will also reduce his immediate purchasing power and tend to check industry and still further restrict the creation and utilization of capital for new enterprises. Yet they may be inevitable, so greatly have Federal expenditures increased.

It is small wonder that taxpayers everywhere finally are becoming active. Their associations multiply and become militant. They are right in insisting that the tax problem be dealt with candidly and vigorously. Financial salvation is at stake not only for John Smith but for the country.

The Federal Tax Burden

EXTENSION OF REMARKS

HON. WILLIAM E. HESS

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, APRIL 27, 1939

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Robert A. Taft, of Ohio, at the Bureau of Advertising dinner, New York City, April 27, 1939:

I greatly appreciate the honor of this invitation to address the American Newspaper Publishers' Association. All newspapermen are deeply interested in the problems we are considering in Washington, and, of course, the gentlemen in Washington are deeply interested in the views of the publishers, for, in spite of some criticisms from exalted sources, we know that there is no body of men in America more representative of the American voter or more

influential in creating his opinions.

The difference between a politician and an editor, as I have seen it, is that the politician is usually anxious to discuss the past, to point with pride to the past record of his party, and condemn the past wickednesses of his opponents. The editor does not care much about the past, but he is intensely interested in the question what the politician is going to do next; and so tonight I am not going to discuss how we got into the situation where we seem to be today, but what that situation is, and what can be done to change it.

The papers have been so full of foreign news, and the Government has been so much more interested in foreign affairs than they have in domestic affairs, that everybody except the unemployed and the businessman seem to have forgotten the situation in this

country. But it is just about the same as it was a year ago today. Its principal characteristic is the vast expansion of government activities into all kinds of fields where government never operated before. This expansion has been undertaken for a variety of reasons, many of them forced by circumstances beyond anyone's control. Nearly all the activities have been undertaken to cure actual or supposed economic inequalities. Some are accepted, others seem unnecessary.

THE GIANT TAX BURDEN

But the net result is that the total expenses of local, State, and Saturational Governments in the year 1938 have reached approximately \$18,000,000,000, or nearly 30 percent of the national income. The taxes levied, which fall \$4,000,000,000 short of paying those expenses, amounted in 1938, nevertheless, to \$13,700,000,000, 22 percent of the national income. This is more than twice the burden which existed before the depression, and it creates new problems which seriously

threaten the entire welfare of the country. It may be interesting to analyze the new activities which have caused this tremendous

increase in expense.

The first group, and the largest, is that which gives direct financial assistance to the lower-income groups—direct relief, work relief, old-age pensions, unemployment insurance, and subsidized tousing. The general principle of assisting those who are not able to earn a reasonable wage under our present economic system has been accepted by all parties. The method and amount of such financial assistance is substantially in dispute.

A second group of less expensive measures have been designed

to help the weaker groups to organize themselves, with Govern-ment help or under Government direction, to obtain a better ment help or under Government direction, to obtain a better deal in their bargaining with other elements of the population. Such are the National Labor Relations Act, protecting the right of collective bargaining; the farm cooperative and marketing ac-tivities; the Federal Housing Administration, guaranteeing home trivities; the Federal Housing Administration, guaranteeing mortgages up to 90 percent of the cost of the home; the Home Loan banks, stimulating home building through building and loan associations; and the Securities Exchange Commission, protecting unorganized investors in the purchase of securities. These measures seem to me the most constructive toward securing a permanent readjustment of relative position, without trying to upset all laws of supply and demand, and without any overwhelming expense to the Government.

ECONOMIC PLANNING?

A third group of measures may be called economic planning: measures to fix or manipulate prices, particularly in agricultural commodities and coal; measures like the N. R. A. and certain minor revivals of that extinct regulation of business activity. In general, I believe that all price-fixing measures have failed in their general purpose, because sooner or later they inevitably try to set aside the natural law which controls prices and the relative position of different industries. Some measures, like the T. V. A., the Rural Electrification Administration, and some of the activities of the W. P. A., involve direct Government entrance into business, in competition with existing industry, and a considerable Government expense. A third group of measures may be called economic planning: siderable Government expense.

Finally a large expense is involved in public works, and the granting of money to States and local subdivisions for local public works. This program has been enlarged on the theory that it would furnish relief and stimulate recovery, in spite of the fact that public works as a relief measure was thoroughly discredited in England and is vastly too expensive to solve the present extraordinary unemployment. It has also been pursued on the theory that Government spending would stimulate recovery. This same theory has led to the constant expansion of the other measures, theory has led to the constant expansion of the other measures, and a recklessness regarding the expense of their administration which accounts largely for the tremendous deficit today. It is obvious that the whole theory of recovery through Government spending is as completely discredited, both by logic and experience, as any economic theory can be.

as any economic theory can be.

The position of the lower income groups is probably better than it would be without the humanitarian measures described in the first group, although it is not as good as it was in 1928, when unemployment was almost nonexistent. But the danger of the present situation is obvious. It involves a perfectly tremendous burden of taxation so great that the Government does not dare impose taxes to pay the full weight of Government expense. There is no longer any sudden emergency, and yet the Federal Government's deficit this year, and next year also, will be at least \$4,000,000,000.

The tremendous burden of taxation discourages the very incentive

The tremendous burden of taxation discourages the very incentive The tremendous burden of taxation discourages the very incentive required to resume industrial progress and put men back to work in the United States. Taxation amounts to \$317 a year for each employed person in the United States, and would amount to \$450 a year if we were paying our bills. The average workman today pays 20 percent of his income in taxes and in increased prices due to taxes, for when taxation goes over 10 percent of the national income, it is no longer possible to get it from the rich or the large corporations.

"SOAK THE RICH"

A soak-the-rich tax bill might raise half a billion dollars, but a A soak-the-rich tax bill might raise half a billion dollars, but a 5-percent pay-roll tax is taking a billion and a half dollars out of American industry today. A pay-roll tax is like a sales tax—tt goes into the cost of every product which labor goes into, and that is every product which the average workman buys. You can't get the money out of the rich because if you confiscated all incomes over \$10,000 a year, you would get somewhere around \$7,000,000,000, and today you need \$18,000,000,000. There is only one way to get the money, and that is through volume taxation, through the taxation of every individual even down to those on W. P. A. It means that the average workman can only choose what he will spend 80 percent of his income for, and the Government spends the other 20 percent for him. for him.

for him.

This tax burden, both on industry and on workmen, threatens to stop all progress in America. Our system and our success have been based on individual initiative, and the constant incentive given to men to work and save, and spend their time and money in building up this little enterprise or that big enterprise, with the promise that they will provide a better living for themselves, a better education for their children, and a better provision for their family after death. If that incentive is removed, if no man can look forward to anything except an old-age pension, we are never going to resume the progress which built up America to be the greatest and the most prosperous nation in the world.

I don't know how far the increase of Government activity can go, but I feel convinced that 30 percent is too high, and that if the Government ever gets to the point where it is spending 50 percent of the national income, private incentive will be so dead percent of the national income, private incentive will be so dead that we can look forward to a completely socialized state. Another danger arising from this tremendous increase in Gov-

Another danger arising from this tremendous increase in Government activity is the centralization of power, which threatens to destroy State and local self-government. The kind of Government activity we have embarked upon cannot be conducted without subordinating State and local self-government. Purely local affairs, like relief and public works, are operated from Washington. Local labor troubles are handled by a National Labor Relations Board examiner, sent out from Washington. Now it is proposed that schools be financed from Washington. I believe myself that a democratic government, connect be long maintained. schools be financed from Washington. I believe myself that a democratic government cannot be long maintained unless the people have a direct voice in the way their local affairs are conducted, even if those local affairs have some national aspect. The truth is the average citizen has little to say about what the Washington Government may do, whereas he can make his voice clearly heard in his city council or his local school board.

Another danger of the present situation is almost too obvious. We cannot go on indefinitely with a Federal deficit of \$4,000,000,000,000 a year. It leads inevitably to national bankruptcy. Nations which

We cannot go on indemnitely with a Federal deficit of \$4,000,000,000 a year. It leads inevitably to national bankruptcy. Nations which fail to balance their budget in the end are forced into a position where they must repudiate their debts, usually through inflation of the currency. Already our burden for interest is over a billion dollars a year. If interest rates became normal, it would be 50 percent higher. When the people are looking for a convenient method of reducing taxes, this tax burden to pay the extravagances of past administrations will seem heavy indeed, and a very tempting inscripting to pay only bills with paper more than the second of the control of the con ing incentive to pay our bills with paper money.

Ing incentive to pay our bills with paper money.

How can we meet these dangers and still retain the essential advantages of present policies? I believe we must assure to the lower-income groups a respectable standard of living; that we must continue relief, old-age pensions, unemployment insurance, subsidized housing. But we must administer these laws in a spirit of economy, because, after all, the people benefited will be even more benefited by a stimulation of private industry to cure the present unemployment situation. Relief expenditures may amount to \$4,000,000,000 a year, but if business activity can be restored so that it produces the average income per person which we enjoyed in 1928, we would increase our income by \$25,000,000,000, and most of those receiving relief would benefit much more than and most of those receiving relief would benefit much more than they do from relief.

Much can be accomplished by a change in the spirit in which these laws are administered. There has been too much of the theory that you can improve the condition of the lower-income groups by taking it away from those who are better off, by soaking the rich, and that any well-to-do man is a crook until he is proved innocent. This certainly was the spirit of the National Labor Relations Board, of the Power Commission, and to some extent even of the Securities and Exchange Commission. I am convinced that amendment of the National Labor Relations Act would not be necessary today if the act had been administered in an impartial manner

manner.

Taxation has been used as a punitive measure instead of a measure to secure revenue. The making of a profit has been regarded too much as a crime against society. I am quite convinced that many of the complaints of businessmen against petty annoyance and bureaucratic administration could be removed by a friendly administration of the laws fully within their spirit.

SOME CONSTRUCTIVE SUGGESTIONS

In the second place, I believe that laws attempting to regulate directly wages and prices, in cases in which there is no oppression, should be repealed. We should protect businessmen against monopoly and unfair competition; we should protect unorganized labor against sweatshop wages by minimum-wage laws, but we should competely abandon efforts to fix prices and wages in other cases. No government ever has succeeded in resisting permanently the effect of the law of supply and demand. Sooner or later controlled prices have collapsed, at great expense to the government, and usually with more disaster to the producer than if there had never been any such control. While such price fixing continues it completely discourages individuals from entering actively into the industries where such controls exist, because such individuals can industries where such controls exist, because such individuals can no longer look to their own efforts for success, but are utterly at the mercy of arbitrary government action. We should repeal the price-fixing and production-control features of the farm plan and the Guffey Coal Act.

In the third place, I believe that the relief and social-security laws should be administered with the constant thought in mind that the many or relief should have no advantages.

that the man on relief should have no advantage over the man who is earning his own way in private industry and saving the money to take care of his old age. The man who has acquired his own home should certainly be better off in old age than the man who has saved nothing and receives an old-age pension. The man who has saved nothing and receives an old-age pension. The housing program is important, but certainly it should not result in a man who earns a lower income reaching a position where he is better off than a man whose ability or diligence makes his services more valuable and who has put his earnings into his own home.

own home.

Each relief agency has only been interested in improving the condition of its particular wards. There has been little appraisal of the whole standard of living possible in a country producing as the United States is producing today. As far as the Federal Government is concerned, I believe that all relief agencies should be

concentrated under the direction of the Social Security Board; that through the State agencies they should coordinate the employment agencies, the payment of unemployment insurance, the furnishing of direct and work relief, and the payment of old-age

pensions.

Further, we should turn back the administration of relief and other local activities to the States, and as far as the States can handle the expense, we should hand back the expense to the States. Relief expense is still too heavy, and in turning back work relief to local administration to handle in conjunction with the direct relief which localities already handle, a Federal grant of at least two-thirds of the cost will have to be made. It is doubtful whether we should continue the tremendous reserve plan of the Social Security Act, or make it optional and supplemental to the State old-age pension. Certainly the pay-roll tax burden should be reduced.

The time for Federal financing of local public works has certainly come to an end, although, of course, a reasonable public-works program to cover works in which the Federal Government has a direct interest, like flood relief, river and harbor work, and the like, should continue in a reasonable sum.

BALANCE THE BUDGET

There should be no further extension of Federal activity until the Federal Budget is completely balanced. We have an example today in the effort to pass the general education bill, proposing to distribute \$200,000,000 a year to States to assist their paying for primary and secondary education. Education is a local matter, and has always been so considered. In general, it has been well done by the States, and the people in each locality have more interest in education than any other subject. They are more willing to pay taxes for that purpose than any other purpose. They are determined to run their own schools. The argument that the States are unable to finance public education is certainly met by the fact that the Federal Government is also unable to finance public education, because no one can devise a Federal tax system to raise \$9,000,000,000 without choking all industry.

tion, because no one can devise a Federal tax system to raise \$9,000,000,000 without choking all industry.

And finally we must undertake a general reduction of the expense of all present Federal activities. I feel very strongly that the policy I have suggested and a general economy drive in every department of the Government can reduce Federal expense by at least two and a half billion dollars. The Federal Budget can and should be reduced to approximately six and one-half billion dollars. If it is, and there is any reasonable improvement in business, we should succeed in attaining a goal where the expense of Federal, State, and local government does not exceed 20 percent of the national income. The attaining of such a goal is essential if we wish to retain an American system dominated by free and competitive enterprise and individual initiative.

They say it cannot be done, and certainly anyone in Congress

enterprise and individual initiative.

They say it cannot be done, and certainly anyone in Congress can appreciate the difficulties of doing it. I have served on the Appropriations Committee, and I see one appropriation bill after another come before the committee and go through with little possibility of reducing expense. The policy of administration has already been established by Congress by law, and if we wish to save money, we must first establish in many cases a fundamentally different and more economical policy before appropriations can be reduced. That requires positive action, and today the divisions of political groups are such that while Congress probably will not authorize any expansion of Government activities, it is not likely to reverse any existing policy.

to reverse any existing policy.

Congress is not the kind of body to develop an all-inclusive policy and take a broad view of the entire situation. A group of more than 500 men find it difficult enough to concentrate on one issue at a time without trying to fit a hundred policies together.

Nearly every one of the projects for Government activity is attractive and desirable in itself. There is hardly one for which a magnificent argument may not be presented, and if that project is considered without any relation to the entire picture, Congress is likely to adopt it.

Its likely to adopt it.

The newspapers lay great emphasis on the influence of pressure groups in Congress. Undoubtedly they do have more influence in Washington, where we are less able to check their actual power against public opinion at home, than they have with local governments. But many of these projects brought forward by pressure groups are desirable, if considered without reference to the whole

groups are desirable, if considered without reference to the whole financial situation.

I do not see much opportunity for any great change in Government policy during the next year, but I do think that the great majority of Congressmen and Senators realize that the present condition cannot continue. Minor corrections in policy are being constantly proposed and given serious consideration. There is no disposition on the part of either Republican or Democrat to abandon the principle of assistance to lower-income groups when our economic system fails to provide them with a decent and respectable living. But with a deficit of \$40,000,000,000, the Nation today is getting something for nothing, and no one has ever succeeded in doing that for long. The publishers of this country can do no in doing that for long. The publishers of this country can do no better task than bring home to the people that a nation, like an individual, cannot go on living beyond its income without facing ruin; that the burden of supporting people who do not earn their own living must rest on the millions who do earn their own living; and that every effort should be made to hold that burden down as

much as possible.

The Executive has always assumed the responsibility for coordinating an entire program and presenting a balanced Budget, and Congress has been the body favoring expansion. Now that we have an Executive who does not assume that responsibility, it might be

possible to set up a small committee in Congress to consider the whole fiscal policy of the Government and restrain extravagance. But there is no assurance today that such a committee could command the support of a majority of Congress. But unless we are prepared to wreck the United States, we must find someone to say to the people and to Congress that the Government has certain limitations beyond which it cannot tax without choking all industry and that the expenditures must be brought within that limitation.

Our policy from now on must be to face realities, to reduce the Our policy from now on must be to face realities, to reduce the swollen activities of the Federal Government constructively and with the preservation of its best objectives; particularly to reduce it by building up the responsibility of State and local government for State and local activities, for only thus can we preserve the true processes of democracy in a vast nation like the United States. We must continue to correct the abuses of our present system, but most of them can be corrected without powing out buildings of dellars. of them can be corrected without pouring out billions of dollars; but in 1932 President Roosevelt pointed out that the danger of governments engaging in social reform lay in unsound finance. "Too often in recent history," he said, "liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this denoter."

W. P. A. Foibles

EXTENSION OF REMARKS

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

RADIO ADDRESS BY HON. DEWEY SHORT, OF MISSOURI, MAY 13, 1939

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on Saturday last:

My fellow Americans, since March 4, 1933, the Federal Government has spent for relief purposes of all descriptions more than \$21,000,000,000. All that money has been borrowed and added to ment has spent for relief purposes of all descriptions more than \$21,000,000,000. All that money has been borrowed and added to our national debt which has been doubled since then. No one begrudges a dollar that has gone to some poor person actually in need, and certainly the money that has been spent on public improvements that were needed and are of a permanent and useful nature is money well spent. Far too much of the relief dollar, however, does not get to the person for whom it was intended. We spend \$1 and then spend \$2 more to find out where the first dollar went. While there have been commendable activities we should not blind our eyes to the inefficiency, waste, extravagance, and often graft and corruption that has permeated the different relief agencies. Tonight I want to discuss briefly the W. P. A., since this agency alone has spent more than six and one-half billion this agency alone has spent more than six and one-half billion

As a squanderer of the taxpayers' hard-earned money the W. P. A. should be rated 100 percent plus. Since its inception this governmental agency has embarked upon some of the most ridiculous and wasteful enterprises, under the guise of humanitarianism, as is evidenced by official pronouncements, press reports, personal affidavits, etc., in many parts of the country. The record of this agency, in many respects, is amusing and ridiculous as well as disgusting and disheartening.

gusting and disheartening.

Prior to the present year W. P. A. had approved upward of 175,000 different schemes, none of which in the final analysis can be classed as vitally essential or necessary to the continued welfare of our people. Among such projects are the following:

The establishment of maids' training schools to train young women for general domestic services. According to W. P. A. reports, 517,945 families on relief were furnished with the services of hired girls, without cost, and these domestics served on 3,473,473 occasions. occasions

The construction of a bear house at Highland Park Zoo in Pittsburgh, Pa., at a cost of \$294,848, so that the bears might enjoy the more abundant life, while many unfortunate human beings were ill-fed, ill-clad, and ill-housed. And remember the New Deal claims that "we planned it that way."

that "we planned it that way."

Construction of a grand stand at the State fair grounds in West Allis, Wis., at a cost of \$878,715, so that visitors at this fair might enjoy the more abundant life, while the ill-fed, ill-clad, and ill-housed could—well, get along as best they could under the "we planned it that way."

Employment of 10,778 persons in December 1936 on mosquito-control projects in the States of New York, Illinois, Connecticut, Massachusetts, Rhode Island, New Jersey, and Delaware, when those States were under a cover of ice and snow. Oh, those poor mosquitoes.

mosquitoes.

Raking leaves across roads and streets, and then raking them back again. Anything to keep the leaves moving. New Deal

efficiency.

Counting of trees, lampposts, rats, and cockroaches in various localities. This, of course, for the uplift and welfare of the tax-payers, whose money was thus wantonly wasted and scandalously squandered.

squandered.
Assisting in building lakes where it will benefit and increase the value of property held by prominent politicians.

Using W. P. A. labor and materials for private construction of roads, bridges, etc., as evidenced by various press reports of arrests and indictments of W. P. A. officials in many States. Of course, we do not presume that this "was planned that way."

The W. P. A. exhibit building at the New York World's Fair is an outstanding example of the inefficiency of management of that agency. Albert Stevens, expert for the Procurement Division, Treasury Department, testified on May 2 before the House Subcommittee on Appropriations, investigating W. P. A. expenditures and ury Department, testified on May 2 before the House Subcommittee on Appropriations, investigating W. P. A. expenditures and activities, that the W. P. A. building at the New York World's Fair is going to cost \$544,000, whereas Col. Francis C. Harington, W. P. A. Chief, estimated the cost at \$250,000. In other words, W. P. A. spends twice as much on construction jobs as private contractors. This building, of course, should never have been erected, as it will not tend to serve any real beneficial purpose to the Government, but rather to serve the vanity of those responsible for its erection. Instead of trying to curtail the activities of W. P. A. and end them as quickly as possible, those in high command are doing everything in their power to glorify the W. P. A. The real objective of this whole program should be to rehabilitate our unfortunate unemployed people in order that they might be in position to take care of themselves. Many of the higher-ups in W. P. A., wanting to hold their easy jobs at fat salaries, are bound together to perpetuate W. P. A. in its present form. They are making their careers upon the misery of the masses and are thriving off the suffering and want of the people. Under the cloak of ing off the suffering and want of the people. Under the cloak of philanthropy these wolves in sheeps' clothing would prosper and promote themselves by continuing people on relief when they could actually find jobs in private industry. When W. P. A. ceases, the big shots will be without a job.

As another example of careful planning, the statue of Lincoln As another example of careful planning, the statue of Lincoln that was constructed at a cost of \$4,000 to the Government, and which was to be displayed in the Federal building at the New York World's Fair, was taken out the day before the fair was officially opened and completely destroyed. Mr. Louis Slobodkin, a New York sculptor, was paid \$2,000 for his work, and a like amount was spent by the Government for enlarging, casting, and construction of the pedestal. Imagine the broken-hearted Mr. Slobodkin, when he took his wife on the opening day of the fair to see his statue of our martvred President, only to learn fair to see his statue of our martyred President, only to learn that it had been carted away and destroyed under the orders of Theodore T. Hayes, executive assistant of the United States World's Fair Commission, who said the statue "was too big, far too high, and hid all the lighting." Could it be that "we planned it this way."

it this way"?

A few words about the Federal theater project.

The Federal theater project was started in 1936 in order to give relief to unemployed actors and theater technicians, etc. That year it cost slightly over \$7,000,000; in 1937 its cost was fifteen and a half million dollars; in 1938 it was a little over eleven and a half million dollars, and for the fiscal year 1939 until the month of

half million dollars, and for the fiscal year 1939 until the month of February it cost seven and a half million dollars.

This makes a total of \$41,715,597 so far spent on the Federal theater project. Its main activities have been to put on a series of plays, of which the following is a partial list: Bill of Divorcement; The Bishop Misbehaves; The Boudoir Diplomat; Be Sure Your Sex Will Find You Out; Cheat and Swing; Cheating Husbands; Correspondent Unknown; Companionmate Maggie; Just a Love Nest; The King and the Chorus Girl; Lend Me Your Husband; Love 'Em and Leave 'Em; Old Captain Romeo's Four Wives; Ruling Passion; Suppressed Desires; Three Ways to Rob a Lady; and Up in Mabel's Room.

Could any more suggestive or salacious titles be found for

Could any more suggestive or salacious titles be found for plays to parade before the American public? Are the people of this country to be taxed to support such vulgar and villianous ac-

The expense of the Federal theater project is appalling. It is running at the rate of \$10,000,000 a year, and at present giving employment to approximately 8,145 persons.

There are 21 projects now under way with anywhere from one to dozen or more companies in each project. The average wage for the Nation as a whole is \$91 a month. Some 25 of the workers received salaries in excess of \$250 a month.

Of the eight-thousand-odd Federal theater project workers, approximately 3,500 are in New York City and about 1,500 in California. The third largest group is in Chicago.

The best known offering of the Federal theater project at present is the Mikado, which is now being played in New York City by a group of unemployed Negroes brought at Government expense from Chicago (incidentally, while on the road, employees of the Theater Project receive the security wage plus transportation expense and plus subsistence allowance).

In the hearings on the Federal theater project the fact was brought out that a private producer offered to engage the entire cast of the Mikado, which had been in rehearsal for 5 months, as presented by the Federal theater project, at a scale of salaries to be double that which they were at present receiving. This offer, however, was contingent on the guaranty by the Federal theater project that it would not produce its own version of the Mikado in New York while this private version was being produced. The Federal theater refused to give this guaranty, and the hundred members of the cast thereby lost the chance of getting jobs in private industry. The New Deal is in the show business. And what a show!

The annual cost of the legitimate New York stage, which accounts for approximately 90 percent of the American theater as it now operates apart from Little Theaters, Community Players, and the like, is approximately \$2,750,000. This sum would cover the average yearly production cost of the New York legitimate stage apart from musicals. It is apparent then, that the present cost of the Federal theater project would not only produce all the plays put on Broadway in an average year, but keep them running for about 6 weeks each which is considerably longer than the average Broadway run. It would be cruel to compare the qualities of the

Broadway run. It would be cruel to compare the qualities of the plays given by the private theaters with the plays produced by the Federal theater project.

The tremendous cost of this useless Government project is the least evil. Serious charges have been made before the House Committee Investigating Un-American Activities (commonly called the Dies committee) that the Federal theater project in New York City has spread communistic and subversive propagands aimed at the destruction of both our capitalistic economic system and our republican form of Government.

The Federal writers' project has also employed cynical columnists to portray the virtues of communism and to condemn not only the judiciary of the United States but many of our long-cherished

judiciary of the United States but many of our long-cherished American activities.

Perhaps the most shocking activity of all is that of the Federal arts project. The proprieties of radio do not permit me to enter into any extended discussion of this project, but I may say, I believe, that certain documentary evidence placed before the investigating committee would not be tolerated in a good American home.

These are only a few examples and instances of wasteful spend-

ing of the taxpayers' money by the W. P. A. and of the abominable activities carried on under the guise of humanitarianism. As I stated in the beginning, no American wants to see any of his fellow countrymen starve or even suffer. No one is against relief to those who are destitute and worthy of assistance, but certainly the time has come when we should eliminate much of the foolishment and the company of the control of th the time has come when we should eliminate much of the foolishness, fraud, graft, and corruption that has crept into this program. Up until recently there has been no sincere or determined effort to get rid of the abuses. Naturally the New Dealers will not indict themselves and Mr. Hopkins always investigated himself. As one of my constitutents wrote me, "the one greatest weakness of all Federal relief of both direct and work relief has been that the sole power to investigate and prosecute has been invested in those who have been themselves responsible for the irregularities. I have it in a signed letter from the Attorney General's office that have it in a signed letter from the Attorney General's office that they had no jurisdiction over W. P. A. irregularities. Such a thing as that breeds crimes against the Federal Government, as the

same crooked politicians that caused the wrongdoings had the sole power to investigate and prosecute."

While the Senate investigating committee last year uncovered the coercive and intimidating tactics employed by W. P. A., if not open unblushing bribery, that committee was careful to affix no blame on those in high command. In the Congressional Record of January 12, this year, I made a 25-minute speech in which I included many personal affidavits from citizens of my district testifying as to politics in relief. Nothing yet has been done about the evils of this agency, and some of its rotten activities that are so foul they stink to high heaven. However, the conscience of the American people, though calloused and warped by many of these New Deal activities, has become so aroused that the masses are rising up in righteous indignation and holy wrath to clean house from top to bottom. At present, the House subcommittee on ap-propriations carrying on the investigation is striving to do a good job and should receive the whole-hearted approval and unfailing support of the American people in their attempt to right many

wrongs.

Transportation and Progress

EXTENSION OF REMARKS

HON. EARL R. LEWIS

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

RADIO ADDRESS BY L. J. TABER, MASTER, THE NATIONAL GRANGE, COLUMBUS, OHIO, APRIL 20, 1939

Mr. LEWIS of Ohio. Mr. Speaker, the pace of progress in civilization has through the centuries been largely geared to mankind's means of transportation, and, as those means have made possible evermore direct and speedy travel, the pace of advancement in the arts, the sciences, industry, and agriculture has been quickened.

Hon. L. J. Taber, an eminent constituent of mine, and for many years and now the master of the National Grange, recently delivered a most timely, thought-provoking, and constructive address by radio on the subject of transportation and progress, to which address I now call your attention, as follows:

Transportation is the evolution of loads first borne on the backs of men, then on the camel, the elephant, the donkey, the water buffalo, and other beasts of burden. Then came the development of crude rafts and boats; the slow evolution of the ship, first driven by oars, then by sail, and finally by steam and the combustion In earliest times came the oxcart and the chariot; then came the covered wagon and the horse and buggy, followed by the automobile. Finally came the miracle of miracles—man left the earth, and airways became the latest link in the highway of

It has been well said that the discovery of the wheel ranks as one of the greatest inventions of the human race. The modern machine age, with all of its blessings, is but the completion of this first discovery back in the dim, unchartered past. The savage built no roads and had no regular system of communication. The long forward march of the human family from the river valleys in the Orient, ever westward, has resulted from the use and development of travel. The Caesars of old realized that without roads there could be no imperial Rome. The Appian Way stands symbolic of that great spider web of highways leading out into the conquered territory. Transportation on land in those days placed limits on progress. Columbus and other bold navigators of centuries ago put a new emphasis on water-borne commerce.

Tonight I want to direct the thinking of all listeners to the fact that our further development, recovery, and civilization itself rests that our further development, recovery, and civilization itself rests more definitely on the broad problems of communication and transportation than ever before in history. There are four great sides to the transportation quadrangle of progress—airways, waterways, highways, and railways. Each of these has a definite place in the life of today and the hopes of tomorrow. Without transportation the wheat of Kansas or of the Dakotas will never be turned into bread to feed the teeming millions in eastern cities. The products of our fields, flocks, and herds coming from a thousand hills and farms would never satisfy those who ask for food and raiment without excellent shipping facilities.

Too many people take transportation as a matter of course and

Too many people take transportation as a matter of course and Too many people take transportation as a matter of course and think it means little to their lives and happiness. Let me make this suggestion—analyze what was on your dinner table today. The meat probably came from the Corn Belt; the butter from Wisconsin or Minnesota; the sugar from the South, or from the islands of the sea; the coffee, spices, and the pepper from the Tropics. Your head lettuce came from the West. The grapefruit or the strawberries from southern California, Texas, Florida, or the Gulf coast. Your cream may have come from nearby farms; or the contented cows which produced it may have been a thousand the contented cows which produced it may have been a thousand miles from your home. The maple sirup you enjoyed came from New England. At every dinner table tonight, almost without exception, all forms of transportation were used, either in the actual deliveries or in the mailing of orders or payments for the material consumed.

Transportation is so essential to our development that I have no patience with those who spend their time quarreling as to which form is the most essential and which is entitled to greater protection. It must be admitted that all have their own places that each should have freedom for development in its own way, and each should be used to serve not only the progress of the Nation, but for the safety and defense of the Republic itself.

Nation, but for the safety and defense of the Republic itself.

Railways have been a tremendous factor in the development of our Nation. They are the agencies that brought the East, the West, and the North, and the South closer together. They linked the Republic with bands of steel and made national unity a reality. In the beginning, railways held a monopoly in land transportation, and regulation became essential.

Today we hear much of an acute railway problem, and every friend of progress wants the railroads to enjoy their full share of national prosperity and fulfill their part in the development of the Nation. Railways, like any other form of transportation, are entitled to justice and fair treatment. They should be given larger freedom to meet competition and to develop along sound and workable lines. workable lines.

Speaking for the National Grange and its million members, I want to emphasize our insistence on justice to the railroads, but at the same time we demand that other forms of transportation shall not be handicapped, restricted, or retarded in an effort to cure railroad ills. The difficulties of the rail carriers will be corrected

railroad ills. The difficulties of the rail carriers will be corrected by essential adjustments, economy, and progress, and not by imposing unnecessary regulations on other forms of transportation.

Ocean-borne commerce and the freedom of the seas are essential to modern civilization. This is a problem that affects the whole human family and need not be discussed tonight, other than to insist that our coastwise shipping be allowed to continue its development for the good of all. On our rivers and lakes, however, transportation problems mean much more than the movement of commodities. The public has a three-way interest in lakes, rivers, and canals. First are matters of conservation. The protection from floods on the one hand and water shortage, on the other, is from floods, on the one hand, and water shortage, on the other, is a public necessity. Of almost equal importance is the question of power and the utilization of our rivers and harbors as a matter of national defense and welfare. No nation dares to neglect the

proper protection of its lakes, rivers, and harbors if it hopes to survive in this modern age. Our third interest comes from the problems of commerce, and here, again, water transportation should not be subsidized, on the one hand, nor interfered with by unfair taxation or regulation, on the other.

taxation or regulation, on the other.

The great new method of air transportation is in its infancy. No man can tell what the future will bring forth in this regard, but we can be certain that airways will affect the transportation of mall, of passengers, and of freight to a growing degree in the years ahead. Our airway program must be developed and airports must be built, not to subsidize air commerce, but to take adequate steps for the progress, the defense, and the safety of all our people. nation will be secure in the future unless it develops adequate

This brings us to the consideration of the most basic and fundamental of all the forces of transportation, namely, the highways of the Nation. They are the foundation upon which the whole structure of communication recognitions. ture of communication, progress, safety, and the movement of persons and goods from place to place must rest. In the beginning, primary consideration was given to post roads and military high-

Our modern highway system is much more than that. It is the foundation upon which our complicated social order rests. Destroy the streets and highways of America and overnight the Republic would lapse back into the jungle. Highway transportation does take on a new relation with the ever-increasing development of the automobile and the truck. While roads are essential for health, the automobile and the truck. While roads are essential for health, safety, social, and educational life, they are also essential in the movement of passengers and of freight. Let it not be forgotten that every ton of freight, that every passenger, that every piece of mail that moves over railways, airways, or waterways must some place be moved by an automobile or a truck. Not a pound of produce leaves the farm and comes to the city without first moving over the highways. Not a piece of mail gets from the post office to the citizen without the highways or the streets of the Nation getting into the picture.

to the citizen without the highways or the streets of the Nation getting into the picture.

Highway users ask no special privileges or unfair advantages. They are willing to pay the cost of construction, maintenance, and repair of our highways. They are willing to pay their just proportion in the elimination of grade crossings and the taking of necessary steps to promote highway safety. I insist that the highway users have made this contribution in the past, are doing so now, and will continue to do it in the future. The automobile and the truck user through license fees, through State and Federal gas and oll taxes and other taxation methods pay their full share of highway costs.

oil taxes and other taxation methods pay their full share of highway costs.

In 1936 the total cost of highway construction, maintenance, administration, and interest on outstanding bonds was \$1,371,000,000. The following year, however, the motorists of this country paid over \$1,500,000,000 in fees and special taxes. This equals many times the total taxes paid by all the railways, airways, and water carriers of the Nation combined.

During the 21-year period from 1917 to 1937, both inclusive, Federal appropriations for highways totaled \$2,625,100,000. This included appropriations for forest roads, trails, and bridges in national parks and reservations, together with roads and bridges on nontaxable Indian lands and reservations. In the above is \$1,200,-000,000 of special authorizations made by Congress primarily for relief purposes. It was expressly stipulated that some contracts were to require hand labor wherever it would furnish the greatest amount of employment. More important, an emergency appropriation of \$400,000,000 in 1935 and \$200,000,000 earmarked for gradecrossing elimination. It is apparent that several hundred million crossing elimination. It is apparent that several hundred million dollars in the above total was not used exclusively for highway

During the 21-year period in question the Federal Government collected \$2,573,000,000 in special taxes on motor transportation. This proves conclusively that the motorists were not subsidized

collected \$2,573,000,000 in special taxes on motor transportation. This proves conclusively that the motorists were not subsidized by the Federal Government, and are actually contributing more to the whole program than is spent on highways. This is true in practically every State in the Union. Motor transportation, and especially the family flivver, is paying its full share of the cost of government. Remember, these taxes are paid by those who have already contributed their full share in real estate, income, and other forms of taxation. The National Grange is opposed to all legislation now pending in Congress that would add to the tax burdens of those using the highways of the Nation.

We want no fights between the four great essential transportation agencies. Each has its own work, each has its own task to fulfill; but I again submit that, out of the four, the highways are the most important. Cripple highway transportation and the three other forms are injured. The Grange demands that there shall be continued and increased appropriations for farm-to-market roads; that safety provisions shall be maintained; that our transportation system shall develop in the American way along competitive lines and not monopolistic lines. We are willing that motorists and highways users pay their share of Government costs and, in addition, maintain highways from the taxes they pay. We demand, however, that there should be no taxation to equalize transportation costs, and, equally important, that there shall be no diversion of highway funds to other purposes.

Let us not forget that transportation is the lifeblood of commerce. It is also the lifeblood of progress. Let us give to the public the most efficient and safest transportation possible, and

merce. It is also the lifeblood of progress. Let us give to the public the most efficient and safest transportation possible and let the consuming public, which must foot the bill, determine which agencies shall render the service they desire.

This great problem has a close relationship to the family pocket-books of the Nation. The heaviest single item that must be paid by both the farmer and the consumer is that of transportation and distribution costs. During 1938 the farmer received only 40 cents out of every dollar spent by the consuming public for food. It would be contrary to sound public policy to take any step that would arbitrarily increase the costs of transportation. Every home owner, as well as every farmer, is vitally interested in the problem of maintaining for America efficient and low-cost transportation, all are interested in seeing that every form of transportation shall stand on its own feet.

portation shall stand on its own feet.

Who wants to go back to the covered wagon? Who wants to go back to the model T Ford in this day of better roads and streets? Who wants to go back to the old-fashioned railroad coach and the old unventilated sleepers? In no line of endeavor has there been greater progress and efficiency and lower costs than in the development of the automobile, the tractor, and the truck. Here it is the survival of the fittest. It is the choice of the consumer that has given America the greatest automobile manufacturing plants in all the world.

We have been celebrating the various steps marking the one hundred and fittieth anniversary of our Constitution and the founding of the Nation. On the 30th of this month we pause to celebrate the one hundred and fittieth anniversary of the inauguration of George Washington and the complete functioning of our Nation with the legislative, its executive and indical branches of governments. the one hundred and liftieth anniversary of the inauguration of George Washington and the complete functioning of our Nation with its legislative, its executive, and judicial branches of government, with its checks and balances, its unity of purpose, and its freedom for the individual. Orators have stressed in recent days the advantages of our Constitution with its Bill of Rights and the guaranty of religious, political, and personal freedom. These are outstanding milestones of progress. Tonight we all pay tribute to this document and are all ready to give our lives for its preservation and the Republic which it made possible.

I challenge you to remember, however, that it was that provision in the Constitution which made possible the freedom of commerce between the States that gave us our national unity. It was the creation of post roads and military roads that gave the Nation its foundation for growth and progress as well as for the greatest highway system in the world. Yes, better transportation is not only the key to progress, it is progress itself. The future happiness of every citizen in America is dependent upon maintaining this great quadrangle of transportation, highways, waterways, rall-ways, and airways, functioning so they can serve the greater America that we all await.

A Message From the First Republican President

EXTENSION OF REMARKS

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

ADDRESS BY DR. STEWART W. McCLELLAND, D. D., L. H. D., PRESIDENT, LINCOLN MEMORIAL UNIVERSITY

Mr. ROBSION of Kentucky. Mr. Speaker, with the unanimous consent of the House I am extending my remarks and including therein a learned and eloquent address delivered by Stewart W. McClelland, D. D., L. H. D., president of Lincoln Memorial University, Harrogate, Tenn., at the Lincoln banquet in Louisville, Ky., February 11, 1939.

Lincoln Memorial University is the fulfillment of a desire of the Great Emancipator himself to do something for the people of the great Appalachian Mountain region. A great majority of the people of the Appalachian mountain section favored the Union cause. They were strongly attached to the Union and were opposed to slavery. The people of the highland region throughout the ages have championed the cause of freedom. Because of their devotion to the Union and their opposition to slavery, Lincoln became greatly attached to them. During the progress of the great war President Lincoln put his finger on the map at Cumberland Gap. where Tennessee, Virginia, and Kentucky join, and said, in speaking of the people of that section, "General, if we come out of this great war alive we must do something for those wonderful people." President Lincoln did not live to carry out his purpose, but General Howard and many other devoted friends of Lincoln's set about to establish the university of which Dr. McClelland is now president, and they named it Lincoln Memorial University.

There is no finer or more beautiful place in all America. Its holdings cover many thousands of acres of land, some of it beautiful blue grass, also towering mountains with great forests. It has beautiful and modern buildings, up-to-date equipment, and trained teachers necessary for a great university. I should say there is not a more attractive spot or more desirable surroundings for a young man or young woman to secure an education than this university, located at the foot of the mountains near Harrogate, Tenn.

Philanthropists, captains of industry, Presidents, and statesmen have considered it an honor to be sponsors and promoters of this university. It is especially designed to serve the boys and girls, the young men and young women, of the great Appalachian region, where is found the purest strain of Anglo-Saxon blood in the United States. This institution is ably directed by Dr. McClelland. The speech of

Dr. McClelland at this time is most timely.

Mr. Toastmaster, ladies, and gentlemen, it is the custom of each generation to look to the past for guidance either for good or bad. Whether we will or not, we are to a great extent the products of the past. We are accustomed to find authority for our acts in the customs, ideas, and ideals, of preceding generations and the present is largely determined by the heed we pay to the voices of our forefathers. More and more men of all creeds and all political faiths look to Abraham Lincoln for their authority, regardless of the doubt which rests in the minds of some of us whether or not Lincoln would like to be the authority in some case in which he is quoted. One is sometimes reminded of Shakespeare's famous saying, "What damned error, but some sober brow to bless it and approve it with a text."

Sometime ago, in a discussion of the Gettysburg Address, Alex-

Sometime ago, in a discussion of the Gettysburg Address, Alexander Woollcott made the observation that Lincoln was not merely talking to the audience within the sound of his voice, not merely to the North nor to the South, "He was also talking to Americans as yet unborn and unbegot." And with trumpetlike clearness his ideas echo down the ages not only for Americans but

for all nations.

Let us in just a few minutes see what was the heart of the message of the first Republican and the greatest of all Presidents.

Lincoln recognized the supremacy of the individual without reference to race or creed. And under the Declaration of Indereference to race or creed. And under the Declaration of Independence all men are entitled to the right of life, liberty, and pursuit of happiness. Under such a leader there could be no such cowering individual as the "forgotten man." Abraham Lincoln, the rail splitter, recognized the dignity of the man who worked with his hands, and in his message to Congress on December 3, 1861, he said: "Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any rights, nor is it denied that there is, and probably always will be, a relation between labor and capital, producing mutual benefits. The prudent, penniless beginner in the world labors for wages a while, saves a surplus with which to buy tools or land for himself, then labors surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and pros-perous system which opens the way to all, gives hope to all, and consequent energy and progress and improvement of condition

And again on the same subject at a later date he enlarges on this theme, "Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built." The implications of such a doctrine are too evident for us to dwell upon and we must hurry to Lincoln's next message to us all.

This we would find in his emphasis on law observance and reverence for the Constitution. He would say to us today as he said 75 years ago, "Our enemies to be feared are not those without our years ago, "Our enemies to be feared are not those without our borders but our worst enemies are they of our own household." "I hope I am not overwary; but if I am not, there is even now something of evil omen amongst us. I mean the growing disposition to substitute the wild and furious passions in lieu of the sober judgment of courts; and the worse than savage mobs for the executive ministers of justice. The answer is simple. Let every American, every lover of liberty, every well-wisher of his posterity, swear by the blood of the Revolution never to violate in the least particular the laws of the country, and never to tolerate their violation by others. Let reverence for the laws be breathed by every American mother to the lisping babe that prattles on her lap; let it be taught in the schools, in seminaries, and in colleges; let it be written in primers, in spelling books, and in almanacs; let it be written in primers, in spelling books, and in almanacs; let it be preached from the pulpits, proclaimed in legislative halls, and enforced in courts of justice. And, in short, let it become the political religion of the Nation; and let the old and young, the rich and the poor, the grave and the gay of all sexes and tongues and colors and conditions, sacrifice unceasingly upon its altars."

With such an attitude toward the laws of the land we would expect from Lincoln's lips some strong statement on behalf of the Constitution, in which all just laws are based. "As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. Better not take the first step which may lead to a habit of altering it. Better, rather, to habituate ourselves to think of it as unalterable. It can scarcely be made better than it is. New provisions would introduce new difficulties, and thus create and increase appetite for further change. No; let it stand as it is. New hands have never touched it. The men who made it have done their work and passed away. Who shall improve on what they did?"

But the watchword of Abraham Lincoln was "Union." It is related that when he met the southern commissioners on board the River Queen, where they had come to talk conditions upon which the war might cease, that he told them that he did not care what might be the terms, just so that the word "Union" should be written first. Born in the South, matured in the West, elected to the Presidency by the North, Lincoln taught men to look at the country not from a sectional but from a national point of view. Older and dearer than the Constitution was the Union, the confederation of States, the representatives of which gave us the Constitution and our sacred Bill of Rights. And the first Republican President in words which will always be an inspiration to every American youth proclaimed his sacred obligation to "preserve, protect, and defend" that Union.

Other Presidents had taken that oath, other men had said those words, but Abraham Lincoln lived and died his belief in the spirit back of them. Today, as then, Union does not merely refer to a mechanical amalgamation of State lines nor the joining together in a confederation, peoples in different sections of this vast country. The Union for which Lincoln gave his life was the spiritual ideal of a united people. Each individual, in whatever State he may live is secure in the rights of his personal liberty, giving himself to the service of his country for the betterment of his countrymen; this was Lincoln's idea of Union.

Utopian? Aye, Utopian! But listen to Lincoln, "The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land, will yet swell the chorus of the Union when again touched, as surely as they will be, by the better angels of our nature."

Flood Control

EXTENSION OF REMARKS

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HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1939

Mr. GEYER of California. Mr. Speaker, I rise in support of this measure. No one has ever accused me of being reckless in the spending of money. My entire life training has been in the opposite direction. I have never had money to spend and consequently have never formed the habit of extravagance. I believe, however, that if we can save several dollars by spending one that that is good business. Last year in several places in these United States there were more dollars lost because of floods that could have been prevented than the entire amount of money requested in this bill.

RELIEF WORK SHOULD BE ON WORTH-WHILE PROJECTS

Much of this money will be expended directly for relief on flood-control projects. This is as it should be. Our people who find themselves unemployed should be given work on projects that will return to the Nation value received for the money spent.

I MAKE THE SAME PLEA TO THE ENTIRE HOUSE THAT I HAVE MADE TO THE COMMITTEE

I wish to discuss with this entire House a problem that I placed before the Appropriations Committee. It may sound like an old story to these few on the committee, but it is so vital to my people that I know the committee will bear with me. Besides, as that committee is the one that first must recommend before an appropriation can be obtained, I am anxious that you know the story well. I know at first hand

the things of which I speak for my home is on the very banks of this "problem child."

GARDENA VALLEY-THE GARDEN

Gardena Valley is just what the name implies—a beautiful little valley of gardens. This community lies in the very heart of the industrial area of southern California. Millions of people are employed within a radius of a drive of 15 minutes. It is not strange, then, that into this fertile valley, bordered on one side by metropolitan Los Angeles and the other by the great harbor of San Pedro, the port of Los Angeles, people have flocked to make their homes. Here, indeed, is the place, so thought thousands of home-loving people, to get a little garden patch and after the toil of the day is over in the factory or in the office indulge in their favorite pastime of working in the garden or the raising of chickens or rabbits that might be sold, if they so desired, from the numerous highways and crowded streets that traverse this territory.

OUR PEOPLE THE VICTIMS OF CIRCUMSTANCES

But in the last few years all has not been well. The higher country above the valley has also been settled to a large extent. There has been built recently a large racing course with many acres hard surfaced, making the land impervious to the water that falls during the rainy season. We also have on the high ground several large airports also hard-surfaced. In fact the water that at one time fell on the higher ground about us now falls and at once runs off at such a rapid rate that the ditch or slough that once was ample to carry it away now becomes clogged with the excess and the muddy water finds its way into the very homes and gardens of the good people. When this water recedes it leaves something that does not make any housewife happy. This is what is happening to the fine people who a few years ago believed their homes to be high and dry. If it were possible to take you to the little community of Keystone, for example, just after one of our storms, you would realize the terrible conditions that I am unable to describe to you.

BUSINESS IS DEMORALIZED

Besides this matter of the inundation of the homes and farm lands there are other very bad features connected with this drainage problem. The main trade routes to and from the city of Los Angeles and the harbor pass through this valley and must cross the Laguna Domingues, usually called Nigger Slough. Traffic is held up sometimes for days, causing great loss to the business interests of the country. This blocking of traffic might also have serious results if ever the country were plunged into war.

EDUCATION IS RETARDED

It so happens that for the past 12 years I have been a teacher in one of the high schools in this community and I can testify from first-hand information that there are times when it is impossible for either teachers or pupils to reach the school buildings. There are many other angles that I might discuss here, but I believe that I have outlined the problem to some extent. As you will see from examining my statements to the committee—page 373—I am very much concerned about this matter.

I SHALL NOT ALLOW THIS BODY TO FORGET THIS PROBLEM UNTIL IT IS SOLVED

While I was unable to get the project included in this bill, my purpose today is to acquaint you somewhat with the problem, for I intend not to allow this body to forget our problem until we have solved it. This can only be done by the Federal Government for the community has already burdened itself to the point of exhaustion in coping with this. I am not here advocating any particular procedure as to how the plan will be worked out. That is not within my province but I am telling this body that the Nigger Slough is a worthy project and I intend to remind you of it at every opportunity. You will hear from me again.

Flood Control, Rivers, Harbors, and Economy

EXTENSION OF REMARKS

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

Mr. BENDER. Mr. Speaker, journalists throughout the Nation have been telling their readers that "economy suffered a major defeat" in the House of Representatives when the Members of our lower House added \$50,000,000 to the floodcontrol, rivers and harbors appropriation. To those who have neither analyzed the legislation nor studied the issues involved, this charge seems irrefutable. But any such conclusion is completely contradicted by the facts. It would be just as proper for our columnists to condemn Congress for appropriating funds to protect the health of the Nation's children in the name of economy. We have long known that there is such a thing as utterly false economy. Saving funds today which jeopardize important national investments tomorrow cannot be described as economy. Such action is nothing but parsimonious stupidity.

What would our people think of a businessman who decided to "save" his money by neglecting to renew his insurance against fire? What would we say to the home owner who refused to build a bulkhead to protect his ocean cottage from the winter's storms? What would we think of a city which stolidly refrained from erecting a sea wall after it had been repeatedly inundated by floods? Surely no thinking citizen would assert that a valuable "economy" had been effected by such unreasonable "savings" of expenditures.

What, then, would our Nation say of a Congress which is ready and willing to spend over \$1,000,000,000 on military and naval appropriations and yet refuses to designate \$50,000,000

to protect billions of dollars' worth of property?

In the year 1937, one flood sweeping over the Ohio Valley caused damage amounting to more than \$400,000,000. The devastating waters which covered the New England area inflicted losses totaling untold millions. In the words of the gentleman from Massachusetts, Mr. ALLEN T. TREADWAY, "The business interests that were destroyed, the homes that were ruined, the industries that were leveled, and the destitution in the flooded area cannot be overestimated." The United States Army Engineer Corps which studied the related problems of flood control and rivers and harbors development informed Congress that \$195,000,000 could be well and economically spent for flood control alone; that \$102,000,000 could be intelligently used for rivers and harbors. As passed by the House of Representatives, the measure provides for the expenditure of \$172,000,000 for flood control, \$39,000,000 of which will be used for Mississippi River flood-control developments, and \$96,000,000 for rivers and harbors improvements. The figures are still \$29,000,000 below the amounts proposed by the Army Engineering Department.

And the Nation has the assurance which comes from long experience that these funds will be wisely and efficiently spent. The gentleman from Missouri, Mr. Dewey Short, addressing the House in the debate which preceded the passage of the flood-control appropriation, stated the case with

pointed significance. He declared:

The American people are more concerned not as to the amount of money that is spent but the manner in which it is spent and of money that is spent but the manner in which it is spent and the purposes for which it is spent. This money is not going to be wasted on boondoggling projects—the raking of leaves, building of outhouses on the sides of hills in North Carolina, the construction of a dog pound in Memphis, or monkey houses in Little Rock. This money is going to be spent to save human life and to save hundreds of millions of dollars worth of property. Every dollar that has been spent in our past history by the Army engineers has been wisely spent, and never has anyone raised his voice in protest or questioned the integrity and honesty of the men who construct these projects. It seems to me when we come in here and vote hundreds of millions of dollars for so many different things, then vote against an increased appropriation of \$50,000,000 for these useful projects which will serve the public all alike, indiscriminately, without partisanship, without favor of discrimination, is simply straining at the gnat and swallowing the camel.

As for the arguments that the expenditure of funds for flood control and harbor improvements will reduce the funds available for relief, consider the observations of the gentleman from Massachusetts [Mr. TREADWAY]:

If there is any one thing that means relief to the people of the New England area it is better flood control. Those of you who have visited the New England sections that suffered in the flood of last September can well realize how much our section of the country needs this most necessary relief.

There is the further evidence of the Army engineers that it is their practice to take people from relief rolls to give them

employment on flood-control projects.

Taken in its entirety the program passed by Congress cannot be assailed as "pork barrel" legislation. The construction of a flood wall at Ironton, the improvement and reinforcing of the Portsmouth flood wall which saved that city from the menace of the Ohio River's rising currents in 1937, the dredging of the Cleveland Harbor are typical projects in the list approved by the Government engineering department. If these developments are unnecessary, then virtually none of the legislation which Congress enacts is necessary.

Economy is a magic word. It can be used to praise or to condemn with equal facility. But when it is used as a synonym for lack of foresight, it has no place in the vocabu-

lary of a provident nation.

Return of the Original Wright Airplane to the **United States**

EXTENSION OF REMARKS

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

RESOLUTION ADOPTED BY THE AMERICAN LEGION, DEPARTMENT OF INDIANA

Mr. HARNESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

Whereas the science of aeronautics is rapidly becoming more important to the national defense and the economic life of our country; and

Whereas the pioneers in the field of aeronautical research in the United States have made contributions of inestimable value to the orld in the science of aeronautics; and

Whereas the first flight made by man in a heavier-than-air craft was accomplished by the Wright brothers at Kitty Hawk, N. C., on December 17, 1903; and

Whereas this first flight of man in a heavier-than-air craft was made in the first man-carrying airplane capable of sustained free flight under its own power; and

Whereas official records in Washington do not acknowledge the original Wright airplane as being the first man-carrying airplane capable of sustained free flight under its own power; and

Whereas the Aeronautics Committee of the Department of Indiana of the American Legion has ample documentary evidence to prove the above statements; and

Whereas the original Wright airplane is now being exhibited in a museum of a European country as a voluntary acknowledgment of its being the first man-carrying airplane capable of sustained free flight under its own power; and

Whereas this original Wright airplane can and should be returned to the United States, the home of the birth of heavier-than-

air flight; and

Whereas the American Legion can be of great and unselfish service to our contemporaries and to posterity by assisting in bringing about the return to the United States of the first man-carrying airplane capable of sustained free flight under its own power: Now,

therefore, be it

Resolved. That the American Legion. Department of Indiana, request immediate and favorable action by national and department officers and committee members to bring about proper and clearly understood corrections of records in Washington in order to justify a request that the first man-carrying airplane capable of sustained free flight under its own power be returned to the United States of America—the birthplace of heavier-than-air flight.

P. W. A. Endorsed by Public Opinion

EXTENSION OF REMARKS

HON. CLYDE WILLIAMS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

EDITORIAL FROM THE PERRY COUNTY (MO.) SUN OF APRIL 27, 1939

Mr. WILLIAMS of Missouri. Mr. Speaker, under leave to extend my remarks, I include an editorial which appeared in the Perry County Sun, Perryville, Mo., on April 27, 1939, entitled "P. W. A. Endorsed by Public Opinion." Inasmuch as the article represents a compendium of opinion throughout the West and Middle West, I believe it will be of interest to the Congress.

The editorial is as follows:

[From the Perry County (Mo.) Sun of April 27, 1939] P. W. A. ENDORSED BY PUBLIC OPINION

Numerous editorials and comments commending the good work done by the P. W. A. and advocating its continuance as a permanent agency to combat future business depressions have appeared from time to time in many leading newspapers throughout the country.

The general impression seems to prevail that the Public Works Administration has functioned in an efficient and businesslike manner and has been a major factor in turning the tide of the recent business depression by stimulating industry through the construction of permanent and worth-while improvements.

Comment from various newspapers published in the eight States comprising region No. 4 are shown below:

Des Moines (Iowa) Tribune: "It stands as a remarkable tribute to the administration of the eight-State region of the P. W. A., and to the resourcefulness of the construction forces in this State,

and to the resourcefulness of the construction forces in this State, that actual construction was under way on every project which lawfully could be started before the January 1 dead line established by Congress. Iowa's share in this program represents a widely diversified and a geographically well-distributed range of projects so genuinely wanted by the Iowa communities that they were willing to assess themselves for 55 percent of the total cost."

Bolivar (Mo.) Herald: "'Yes, we are glad for P. W. A. and resulting improvements." Editorial headline: P. W. A. has already done a great deal for Polk County. What would the State have done for highway bridges had it not been for P. W. A.? Missouri has some of the finest highway bridges in America, all built by P. W. A. If the above appropriation is the last made for P. W. A., it will have hundreds of lasting memorials to its credit, due to the wise planning of President Roosevelt and the Democratic Party."

If the above appropriation is the last made for P. W. A., it will have hundreds of lasting memorials to its credit, due to the wise planning of President Roosevelt and the Democratic Party."

Aberdeen (S. Dak.) News: "Although but one project is in progress now in Aberdeen, the boys' dormitory at Northern State Teachers' College, this community is proud of the improvements that P. W. A. helped to make possible. The city water softener supply and the civic school auditorium, which this month is expected to accommodate 5,000 basket ball fans at the Big Eight tournament, are notable examples. The P. W. A. has proved a good stimulus to building and one especially beneficial in States whose citizens pay a small percentage of the Federal income tax." International Falls (Minn.) Journal: "Our experience with P. W. A. has been both pleasant and profitable."

Hysham (Mont.) Midland Empire Farmer: "P. W. A. recommended for cooperation.' Public Works Administration is among the very foremost mentioned in this county when recognition is given to those who have made it possible for the Treasure County to enjoy a new and modern gymnasium building. It is pointed out that the gymnasium building is a permanent and needed improvement which could not have been added to the school system without P. W. A. assistance. Contacts with the P. W. A. organization have earned and deserved its splendid reputation for well-organized efficiency."

Lamar (Mo.) Democrat: "The new jail is so much better than Bartno County ever hoped for before the P. W. A. grant was obtained that it will be a real monument to this form of Federal aid

tained that it will be a real monument to this form of Federal aid which has done so much to improve this community."

Casper (Wyo.) Tribune-Herald: "Pyramids remind us of the ancient Pharachs and the glory that was Egypt's. But there are more practical reminders of the Public Works Administration in Wyoming and elsewhere. Gleaming structures of stone, like the new State Supreme Court Building in Cheyenne. The P. W. A. (not to be confused with the W. P. A. or work relief) has poured out a golden flood of \$4,400,000 in Government, city, and county funds in Wyoming during the last 5 years."

Virginia (Minn.) Enterprise: "On July 25 the city council's application was submitted to the P. W. A. regional office in Omaha and received almost immediate approval. On July 27 the application was forwarded to Washington, D. C., and on August 6 the final approval was gained. If this is a sample of the manner in which P. W. A. now functions, it must be agreed that there is very little 'red tape' involved."

P. W. A. now functions, it must be agreed that there is very little 'red tape' involved."

Central Constructor, Des Moines, Iowa: "There has been no Government agency more heartily supported by those responsible for its success than has P. W. A. by the contractors. They have gone to bat for it consistently before Congress and congressional committees, They have urged—and in no small degree have been responsible for—a continuation of the agency as an active construction organization."

Salaries of Corporation Executives

EXTENSION OF REMARKS

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. GEYER of California. Mr. Speaker, inasmuch as we are now considering the Fair Labor Standards Act. it might be well to have in the RECORD the report of the Securities and Exchange Commission on the salaries of corporation executives who receive more than \$100,000 per year.

It might be interesting to note that some of these very people whose names are listed below are the very ones that are either directly or indirectly opposing this measure.

The article appearing below is taken from the Christian Science Monitor:

[From the Christian Science Monitor]

SALARIES IN 1938 OF OVER \$100,000 LISTED BY THE S. E. C.

Washington.—Walter Gifford received \$209,350 as President of the American Telephone & Telegraph Co. in 1938, thereby heading the list of corporation executives whose compensation was re-ported to the Securities Commission.

The only other executive listed who received more than \$200,000 was Robert C. Stanley, board chairman of International Nickel of Canada, Ltd. His 1938 remuneration was \$204,700.

Nineteen corporation officials received between \$100,000 and \$200,000, while 65 received between \$50,000 and \$100,000. William S. Knudsen, president of General Motors, got \$193,713, of which \$69,248 was a common-stock bonus. Alfred P. Sloan, Jr., chairman, received \$164,450. Charles F. Kettering, vice president, was paid a salary of \$83,173 and a stock bonus of \$50,154 in common stock common stock.

For 1937, Mr. Knudsen received a salary of \$140,380 and a common-stock bonus valued by the company at \$166,820, while Mr. Kettering received a salary of \$95,120 and a stock bonus of

\$117,674.

Others earning \$100,000 or more were:

William S. Paley, president of Columbia Broadcasting System, Inc.,

William S. Paley, president of Columbia Broadcasting System, Inc., \$171,849; David Sarnoff, president of Radio Corporation of America, \$100,900; H. F. Atherton, president of Allied Chemical and Dye, \$125,000; Thomas N. McCarter, president of Public Service Corporation of New Jersey, \$120,000.

C. P. Cooper, vice president of American Telephone & Telegraph Co., \$102,699; H. W. Bracy, branch manager of Kroger Grocery Co., Cincinnati, \$124,512; Martin W. Clement, president of the Pennsylvania Railroad, \$100,000; W. E. Weiss, chairman of Sterling Products, Inc., \$116,068; A. H. Diebold, president of Sterling Products, Inc., \$115,000.

Seton Porter, president of National Distillers Products Corpora-

Seton Porter, president of National Distillers Products Corpora-tion, \$178,360; Charles L. Jones, vice president of National Dis-

tillers Products Corporation, \$137,960; F. L. Carlisle, chairman of Consolidated Edison Co. of New York, \$108,160; W. S. S. Rogers, president of Texas Corporation, \$100,000; T. Rieber, chairman of Texas Corporation, \$100,000; J. W. Van Dyke, chairman of the Atlantic Refining Co., \$100,000; and Frank W. Lovejoy, president of Eastman Kodak Co., \$115,419.

"Green Pastures"-Senator Wagner's Bill to Politicalize and Socialize the Sacred Art of Healing

EXTENSION OF REMARKS

HON, FREDERICK C. SMITH

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

RADIO ADDRESS BY HON. FREDERICK C. SMITH, OF OHIO, MAY 7, 1939

Mr. SMITH of Ohio. Mr. Speaker, under leave to extend my remarks in the Record, I include a speech I made in debate with Hon. Robert F. Wagner, Senator from New York, on the American Forum of the Air, May 7, 1939, as follows:

Mr. Chairman, Senator Wagner, ladies, and gentlemen, I appear before you this evening in a dual capacity, first as a physician and second as a Member of Congress. My opposition to Senator Wag-Ner's bill to politicalize or socialize medicine is based upon the

NEE'S bill to politicalize or socialize medicine is based upon the historical facts of the manner in which the healing art has developed and my own experience of 30 years as a practicing physician. Medical science has been in the process of development for thousands of years, and upon the shoulders of the medical profession rests the responsibility of preserving that achievement as well as its future advancement. It is of the most vital importance to future generations, even to civilization itself, that no obstacle be placed in the way of that continued progress. It behooves us, therefore, to proceed cautiously.

We should be mindful of the fact that the greatest advancement in the science of medicine, that of the past century, has taken place in the period characterized by the greatest human liberty and freedom from political restraint. In no other field has the necessity for free individual initiative been more clearly demonstrated than in the science of medicine. It is of the utmost importance that everything be done to preserve those natural incenstrated than in the science of medicine. It is of the utmost importance that everything be done to preserve those natural incentives to individual accomplishment. Compulsion and the lack of natural rewards for individual improvement, such as must prevail in any political system, cannot fail to have a deleterious effect upon all individual effort. Socialized medicine would of necessity and because of the manner in which it must be operated, tend to freeze the present state of medical knowledge and check advancement.

No one more than those engaged in the practice of medicine No one more than those engaged in the practice of medicine realizes the imperfections and need of advancement in this field. Medical science has gone far and its accomplishments have been phenomenal but we understand clearly that much remains to be done. We must bear in mind that medical research is not confined to laboratories alone but is conducted every day by thousands of physicians at the bedside of the sick.

physicians at the bedside of the sick.

The physician-patient relationship is a very personal and individual relation. It is an intangible thing that rests upon mutual confidence and past experiences of the doctor and his patient. The good physician does not prescribe to the physical only. Nowhere is that Biblical saying "Man cannot live by bread alone" more applicable than in the treatment of the sick. Under a political set-up, widow Brown whose six children I may have brought into the world, and whose husband before his untimely death had tried hard to meet his obligations, would no longer be my sorrowful. hard to meet his obligations, would no longer be my sorrowful friend who needs consolation, advice, and encouragement more than drugs, but by force of circumstances would become case No. 1405. Socialized medicine would destroy those personal relationships and the individual touch that means so much to the sick and are so meet its prized by the true physicial. greatly prized by the true physician. Under the sick and are so greatly prized by the true physician. Under the system of political compulsion and regimentation, these fine humanities could not survive. More and more medical practice would become systematized and mechanized. The whole process would become involved in political red tape.

in political red tape.

During several months of study in Europe I had an opportunity to observe the operation of socialized medicine. There I saw the cold and clammy hand of political regimentation and bureaucracy in the field of medicine. The poor did not receive the kind consideration our physicians give them here. Medicine there was routine and Government reports. The patient's disease was not a private matter between himself and his physician. Every case was

the subject of a Government report. To reply that this need not be so here answers nothing. Human nature being what it is, that is the way socialized medicine works out in actual practice. We can only accept human nature as it is, not as we would have it.

be so here answers nothing. Human nature being what it is, that is the way socialized medicine works out in actual practice. We can only accept human nature as it is, not as we would have it. A comparison of the results of our free practice of medicine with that of countries where it has been for many years socialized, does not warrant the importation of that alien system into our country. Health conditions in America are definitely superior to those in Germany and England. A splendid point in evidence is the exceedingly low diphtheria mortality rate in the United States. In 1933 this was 2.9 per thousand, as compared with 8 in Germany and 8.2 in England. Diphtheria is a disease where laboratory and treatment technique are established, and if socialized medicine could bring any improvement it should certainly be apparent in those diseases where definite procedure is known.

From whence comes the demand for socialized medicine? Has the public asked for it? There is no evidence that they have done so. I am sure they would not if they understood it. Convincing evidence shows that it is sponsored by those same political and bureaucratic forces that have in the past few years so successfully maneuvered and forced upon the American people the many socialistic measures that are today bankrupting our Government, strangling out the liberties of our people, destroying our American institutions, and our opportunity for employment.

Senator Wagner's bill would set up another gigantic Federal bureaucracy. It would require an immediate appropriation of \$80,000,000 for its first year's operation. Should this bill pass, of course, the further recommendations of the "technical committee" will in due time be carried out, in which case the annual appropriation estimated to be required is \$2,600,000,000. Where, Senator Wagner, do you propose to get the money to finance such an undertaking? The Federal debt is now well above \$40,000,000,000 and daily increasing. Shall we also charge our medical services to our children? How long ca

established, it would move forward under its own political momentum, in its own politically preconceived directions, toward its own politically desired goal.

The so-called "technical committee's report," upon which Senator Wagner's bill is based, is anything but a carefully considered or scientific work. In my opinion, it is the cheapest political propaganda—petty dramatization of human disease, especially for appreciation to the programment of the programment. appeal to the poor.

All through this report the association together of poverty and disease is stressed, and correctly so. Of course, they are related to each other. But unemployment and poverty happen to be twin brothers, too. So that makes triplets—unemployment, poverty, sickness. In an endless cycle unemployment begets poverty; pov-

sickness. In an endless cycle unemployment begets poverty; poverty, sickness; sickness, unemployment.

Moreover, this matter is now becoming very serious. Colonel Harrington, head of W. P. A., highest authority, a short time ago before the House Appropriations Committee admitted, "We now have the greatest destitution in the history of the United States."

I agree with Senator WAGNER that the national health now is the concern of Congress. But I disagree with him altogether on the cure. As it appears to me, he sees only the symptoms. I would go

to the root of the matter.

What, then, is the statesman's problem here? It should be sun clear. Find the cause of unemployment and remove that. Therefore this is for you and me, Senator Wagner, insofar as we have any statesmanship in us, primarily an economic and not a medical question. Our foremost duty is to restore the health of our economic

body.

This being one of the most serious problems that can confront a nation, forthrightness is absolutely essential. We must face the

What is causing the continual great unemployment?

What is causing the continual great unemployment? The many socialistic laws, exactly like this scheme of Senator Wagner's, to politicalize medicine which have been enacted by Congress in the last few years, which have resulted in the creation of 50 to 75 new powerful bureaus and the addition to the Federal pay roll of more than 300,000 political jobs. These things, together with the excess-profits tax and other oppressive legislation, and especially the political tinkering with our money, are sapping the lifeblood out of our people, and especially the poor. They are destroying our industry and the opportunity for employment. The bare truth is, Senator, your bill, if enacted, instead of relieving the physical ills of the poor, would add to them. Besides destroying the healing art. of the poor, would add to them. Besides destroying the healing art, it would add to the already overburdening tax load of the poor, rob them still further of their opportunity to get jobs, thus making them more vulnerable to disease.

The poor don't want charity. They want us politicians and bureaucrats to get off their backs, leave them alone so they can earn their own living, choose their own doctors, and pay for their own medical service.

Thank you.

Address of the Postmaster General

EXTENSION OF REMARKS

HON. ROBERT CROSSER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

ADDRESS BY HON, JAMES A. FARLEY, MAY 11, 1939

Mr. CROSSER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, chairman of the Democratic National Committee, at the second quadrennial convention of the Brotherhood of Railroad Trainmen, held in Cleveland, Ohio, Thursday, May 11, 1939:

It gives me great pleasure to join with the delegates to the second quadrennial convention of the Brotherhood of Railroad Trainmen and to have the opportunity of speaking before an organization that has done so much for and been so vitally alive to the necessities of the workers and the welfare of our Nation.

Nothing gives me greater satisfaction than to meet with the leaders of organized labor, whose membership is drawn from the masses of the common people. Unions are idealistic in character and are founded upon the innermost feelings of the heart and mind. Labor has ever fought to promote the moral, spiritual, and

mind. Labor has ever fought to promote the moral, spiritual, and cultural welfare of the people. It has ever endeavored to raise the standard of living and the standard of citizenship.

The record shows that working people, through their trade unions, have succeeded in realizing in a very large measure their primary objectives. Wages of working men and women have been increased. Conditions of labor in workshops, mills, mines, factories, and on the railroads have been improved. Long hours of hard labor have been greatly reduced. All of which has resulted in better living conditions, better homes, and better home life.

In advocating social and industrial reforms organized labor often took positions that were in advance of the thought of the day. They were pioneers and blazers of new trails. Organized labor was one of the first groups in America to advocate free textbooks for school children. It was the first large organized group to fightfor compulsory education, old-age pensions, and unemployment insurance. It was the first to advocate workmen's compensation laws, the abolition of child labor, and the restriction of immigration.

There is no greater problem than that of human relations and careful planning to create greater cooperation, better understanding, and mutual good will among men.

When America was young the security of life, liberty, and happiness was rather abundant. But the shift from individual to corporate ownership, the transition from hand labor to mass production, and the switch of the simple agricultural economy to our complex industrial economy have brought about changes without much consideration to the changed relationship of the individual much consideration to the changed relationship of the individual to society. It was assumed that the individual would somehow adapt himself to a complex industrial system which he knew little about but which affected his security on every side. That industrial system is more complicated now than ever before. The security or insecurity of the American worker today depends upon such varied factors as pecuniary competition, production on a large scale, the scheme of prices, distant and future markets, the ever-increasing use of machines, the alteration of business enterprises, and the cycles of stagnation. This onward sweep of industry into an unknown future has made the security of men even more uncertain. more uncertain.

The immediate task facing the citizens of this Republic (and there aren't many republics left) is to plan for the establishment of fair-dealing and closer cooperation between government, industry, and labor. It is a goal for which every one of us should be

The most essential requirement to promote fair dealing and operation is the development of tolerance, reason, and understanding by the leaders in these three groups. Unless our economic problems are dealt with intelligently, fairly, and with justice to all concerned, very serious consequences may face us.

Sanity and light begin with facts. Fact No. 1 is that modern civilization rests upon industry. Human life is so dependent upon the services of industry that we become appalled when we stop to contemplate the results which would follow should the industrial life of the Nation become impaired or paralyzed. Without the forces of industry our civilization would perish.

The second fact is that in our very complex civilization government could not exist without successfully operated industry, and it is equally true that industry could not continue properly to

function without the sympathetic and active aid of government. No business could exist very long without the protection of a strong national authority. It is business that makes a cohesive and powerful national authority.

While business on the one hand depends upon Federal unity, it is even more dependent upon certain natural laws called the laws of economics. And these laws are no more changeable than the natural laws of other sciences. They operate steadily, irresistibly, whether the unity of government is strong or weak, whether civilization is represented by a crude social order or the complex social structure of today. Business may quarrel with the laws of government with some degree of success, but government can quarrel with the laws of economics with no change of any success.

the laws of economics with no chance of any success.

Business should be a realist. It should not suffer from any delusion as to its ability to buck the natural laws on which it is based. Government, on the other hand, by its very nature must be idealistic and must try at all times to meet the needs of its

Let us look at the facts. In America we have created the highest standard of living in the world. A recent report from a reliable

business bureau stated:

"A factory worker in the United States can buy four times as much food and clothing with an hour's wage as a German worker, nine times as much as an Italian worker, and nearly twelve times as much as a Russian worker."

as much as a Russian worker."

We lead the world in the production of iron ore, tin, iron, steel, copper, coal, crude oil, and telephone, and electric energy.

More than 30,000,000 Americans own and drive automobiles.

More than 27,000,000 young men and women go regularly to school. There are approximately 61,000,000 individual bank deposits, amounting to approximately \$57,000,000,000.

We still have the right of free assembly free speech free press

We still have the right of free assembly, free speech, free press and radio, and free religious worship.

We have everything necessary for a prosperous life. A wealth of raw material, the inventive genius of our scientists, and the great productiveness of our workers—the greatest in the world. Yet, in spite of all this, we have failed to create adequate policies and practices which would enable us to balance production with consumption and to deal fairly and effectively with many

with consumption and to deal fairly and effectively with many human problems.

I firmly believe that our political, industrial, and labor leaders can find a solution for these grave problems if they will honestly cooperate with each other. But this cannot happen until suspicion and coercion are supplanted by reason and good will.

Nothing in this world is stationary. Everything changes. Values decline and new values are created. One of our greatest industries—the railroad industry—your industry, has been seriously affected with the passage of time and by changed conditions.

The railroad transportation problem is one that must be given the most careful and sympathetic consideration. The history of the railroads and the important part they have played in the develop-

railroads and the important part they have played in the development of our Nation is admitted by all.

I am firmly convinced that we must develop in this country a broad national transportation policy, because the railroads must continue to operate. They furnish access to the markets as no other means of transportation can. In national defense they always have been and will continue to be indispensable. In carrying the mails nothing can take their place. They have employed, directly and indirectly, more men and women than any other single industry in America. If it were not for the equipment and supplies that the railroads secure from other industries, our unemployment problem would be more equipment. problem would be more acute.

No group of labor leaders in this country has had to meet more

pressing and acute problems than that in the railroad industry, and no group of labor leaders in the world has conducted itself with greater patience and more intelligence than that of the railroad

brotherhoods.

The very essence of government stability depends upon change. The late Justice Cardozo said: "We live in a world of change. If a body of law were in existence adequate for the welfare of today it could not meet the demands of tomorrow—there is change whether we will it or not."

The birth of new ideas because of

The birth of new ideas because of new needs and greater security for the masses is necessary. Governments, empires, kingdoms, and republics arose and declined because they falled adequately to meet the needs of their citizenship and to readjust, from time to time, their internal affairs.

At the present hour more than 375,000,000 persons are living under dictatorships, where freedom of assembly, freedom of speech, freedom of the press and of the radio, freedom of religious worship, and intellectual freedom have been completely abolished or drastically restrained; where free labor unions are not allowed to exist; where industry and capital have, to a great extent, been put into dictatorial strait jackets.

Under these forms of government, man is given to understand that he exists solely for the welfare of the State. The individual is completely submerged. He is assigned to a definite part of the national plan and is held responsible for his part of the plan's

fulfillment.

There is a complete loss of all the liberties so dear to the heart of all Americans. Liberties that we revere and that countless brave citizens fought to obtain and to preserve are destroyed.

The time has come for men of good will in all ranks of society to work together for the common welfare and for the preservation of our democracy.

I know from personal experience and contact that there is no

I know from personal experience and contact that there is no group within our borders more loyal to our institutions than the leaders and members of organized labor.

To put our own house in order is the best plan to meet any threat from without our borders, and all of us should dedicate ourselves to this great purpose. Labor, industry, and the Government, working together, can make democracy effective if they will unite in an effort to find a solution for the serious every-day problems facing all of us.

facing all of us.

I want to repeat that nothing is static. Changes are occurring constantly and we must make the necessary changes for the assurance and protection of a decent standard of living, adequate food, clothing, shelter, education, health, recreation, and work for all a guaranty of personal and social security and an opportunity for self-expression and growth. Until we do this we will not have discharged our moral, social, and political obligations.

We will as management. To

We are all industrialists—labor as well as management. To proclaim that the interests of labor and industry are fundamentally opposite is a mistake. Between capital and labor there is an interdependence so fixed and certain as to make complete success attainable only from understanding and cooperation. Economic read-

justments require careful study.

The Nation needs the cooperation of such men as are gathered at this convention. We need more teamwork, better understand-

ing, patience, and tolerance with each other.

This is a time for self-restraint in these very difficult times of readjustment. The country needs more smiles and less snarls. It

readjustment. The country needs more smiles and less snarls. It is a time for faith, courage, and cooperation.

Let me assure you, my friends, that so far as I am concerned, we are going to continue to place the security of the men, women, and children of this Nation first. We will not swerve from the determination to provide decent homes in which to live; to develop natural resources, and to safeguard the humblest citizen against the major misfortunes of life. We are going to continue to build for the future in a spirit of democracy against any possible threat of a dictatorship of tomorrow.

Let the delegates to this convention declare to the cynics of the world that America can't be liked.

world that America can't be licked.

Sale of Munitions and War Materials to Japan

EXTENSION OF REMARKS

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

JOINT RESOLUTION OF THE FLORIDA LEGISLATURE

Mr. GREEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint resolution recently adopted by the Legislature of the State of Florida:

SENATE MEMORIAL 3

Joint resolution as a memorial to Congress to pass an act terminating the selling of munitions and war materials by citizens of the United States to the country of Japan

Whereas in the interests of humanity and world peace it becomes necessary that the President of the United States and the Congress of the United States take such action as will deny aid or assistance of the United States take such action as will deny aid or assistance of any kind to the country of Japan in the furtherance of the war against the country of China; and

Whereas denial of the right to purchase munitions and materials of war would effectively accomplish such purpose: Now, therefore,

be it

Resolved by the Legislature of the State of Florida:

SECTION 1. That this body memorialize the President of the
United States and the Congress of the United States to take immediate action to terminate the selling of munitions and war materials by citizens of the United States to the country of Japan.

SEC. 2. That the Senators and Representatives of the State of
Florida in the Congress of the United States give their support to
any measure that will accomplish the purpose of this resolution,
and that copies of this memorial be forwarded to the President of
the United States the President of the Separe and the Speaker of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of Florida in

Amendment of the National Labor Relations Act

EXTENSION OF REMARKS

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

LETTERS FROM FRANK T. BOW, GENERAL COUNSEL, NATIONAL COUNCIL OF INDEPENDENT UNIONS

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters written by Frank T. Bow, general counsel of the National Council of Independent Unions:

APRIL 25, 1939.

Hon, Harold L. Ickes,
Secretary of the Interior,
Washington, D. C.

Washington, D. C.

Dear Mr. Secretary: In the name of the independent workingmen of the United States I protest against the purposeful discrimination shown against them by the Department of the Interior's so-called "American Forum of the Air." By "independent workingmen" I mean the vast majority—the 40,000,000 workers—who are not organized in unions or are organized in unions not dominated by national or international organizations.

I am speaking as general counsel for the National Council of Independent Unions, and in this capacity I shall relate to you the best of my protest.

Independent Unions, and in this capacity I shall relate to you the basis of my protest.

On Thursday, April 20, I learned that the forum was to offer a discussion of the National Labor Relations Act and the proposed amendments, on Sunday night, April 23, that Senator Burke had been selected to support the proposed amendments and that Senator Minton, whose distinction in labor-relations matters seems limited to his recognized ability as a rabble rouser, had been pressed into service to support the present act as a perfect instrument of law. I learned also that Mr. Joseph Padway, general counsel of the A. F. of L., and Mr. Lee Pressman, general counsel of the C. I. O., had been selected members of the discussion panel who argue the matter after the principal speeches.

It has been my understanding that the American Forum of the Air was represented to be an impartial, nonpartisan, unbiased feature of our Government for education and information. It is true

Air was represented to be an impartial, hospartisan, unbiased feature of our Government for education and information. It is true that I have heard different reports, reports to the effect that the forum was a subtle, and not too subtle at that, medium of propaganda for administration attitudes and projects, and that its so-called education purpose was a blind. I do not know anything about those reports beyond my experience, and my experience

supports the reports.

In these forums I have been informed that the nonpartisan character of the presentation is supposed to be preserved by having each of the principal speakers select an exponent of his views for the discussion panel which follows, and having the two other members of the panel selected as impartial representatives of the public—

of the panel selected as impartial representatives of the public—experts on the subject, possibly, but impartial.

I happened to know that Senator Burke had not, in fact, been given any opportunity to select the members of the panel to represent his views. That Representative HOFFMAN did a splendid job, despite the excess of time allowed to C. I. O. attorney Lee Pressman, is beside the point. When I learned that Messrs. Padway and Pressman were also on the panel, I naturally wondered which one was the unbiased, impartial representative of the public. It seemed to me that the panel was packed.

In behalf of the independent workingmen, whose interest in the

In behalf of the independent workingmen, whose interest in the Wagner Labor Act and its proposed amendments is in the ratio of 40,000,000 to the 8,000,000 claimed members of the international A. F. of L. and C. I. O. unions, I telegraphed the director of the forum program in Washington on Thursday, April 20, insisting that the interest of the majority be considered as well as the interest of the minority; that since the general counsel for the A. F. of L. and the general counsel for the C. I. O. were on the program, that the general counsel for the National Council of Independent Unions be

general counsel for the National Council of Independent Unions be also included, in the name of honesty and fair play. I received no reply. On Friday, April 21, I again telegraphed. Still I received no reply from the program director.

Saturday, April 22, I telephoned from Canton, Ohio. I could not find the program director, but I was told he would be at his home at 6 o'clock. I called at 6. I was told he was at the barber shop and would return home at 7. I called at 7, and, after determining who was calling, I was told he was out of town and would not return until 7 o'clock the next night; that is, Sunday night, the night

of the broadcast. It seemed obvious that he was giving me a runof the broadcast. It seemed obvious that he was giving me a runa-around, and, in accordance with the policy of the administration, was flouting the independent workingmen and playing into the hands of the C. I. O. To make sure, I determined that the program director was, in fact, in Washington and at home, and that he was, in fact, dodging me and evading the claims of the independent workingmen.

Now, Mr. Secretary, I am telling you all this because you have so often complained of the alleged "bias" of the newspapers. The facts I have related happened in your own department and they

may very well be standard practice.

The C. I. O. dominated La Follette committee, sometimes called the Civil Liberties Committee, and the C. I. O. dominated National Labor Relations Board have done everything they could to destroy the rights of independent workingmen and to beat them into inter-

national unions against their wills. Is the Department of the Interior joining this drive against independent workers?

The independent workingmen of the United States will await your reply and action with interest to learn what you may do to give them a hearing and to make the American Forum of the Air converties in fact.

nonpartisan in fact Very truly yours,

FRANK T. BOW, General Counsel, National Council of Independent Unions.

WASHINGTON, D. C., May 10, 1939.

The Honorable Elbert D. Thomas,

Chairman, Committee on Education and Labor,

Dear Senator Thomas: The National Council of Independent Unions desires to commend you on your suggestion that a conference be held between the National Labor Relations Board and proence be held between the National Labor Relations Board and proponents of certain proposed amendments to the National Labor Relations Act. However, we respectfully urge that the conference you have suggested represents a small minority of those who labor. What shall be done to protect the 40,000,000 independent working what shall be done to protect the 40,000,000 independent working men and women, many of whom are organized in independent unions, those who protest paying tribute for the right to work to the leaders of the international unions. Should not this large majority have some voice in such a conference?

We respectfully insist upon the right to join the conference between the Labor Board and the American Federation of Labor. Let it be known that we agree with many of the American Federation of Labor amendments as being constructive and a close to the state.

of Labor amendments as being constructive and a step in the right

The C. I. O., with a claimed membership of about 5,000,000, many of whom had to join and pay tribute to its international leaders by virtue of coercive methods, object to this conference. Why? The answer is easy. They have been able to exist only because of the benefit their leaders have been able to gain by virtue of the administration of the National Labor Relations Act by a pro-C. I. O. Labor Read Labor Board. Any labor group whose leadership will cripple an entire industry and threaten curtailment of labor's daily pay check in all industry of the Nation for purposes not beneficial to the men who labor but to further their own personal gains, as in the present coal strike, deserve no consideration in matters where the rights of workingmen to their daily bread is concerned.

We shall be pleased to cooperate with you and all others interested in the enactment of fair laws for the majority and safeguards

to the minority Very truly yours,

NATIONAL COUNCIL OF INDEPENDENT UNIONS, FRANK T. Bow, General Counsel.

Petitioners Urge H. R. 1

EXTENSION OF REMARKS

HON, FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1939

Mr. CASE of South Dakota. Mr. Speaker, one of the largest petitions received by me since I have been a Member of this body has recently been received in support of H. R. 1. commonly referred to as the chain-store bill. The petition carries the following heading:

To Francis Case and Other Members of Congress:

GenTLEMEN: We, whose signatures are attached to and make a part of this record, freely and most ardently believe in the following:
First. That to have a prosperous Nation we must have prosperous

That to have prosperous States we must have prosperous cities and communities.

Second. That to have prosperous communities, the people (in-dividuals) in that community must be prosperous.

Third. That to be prosperous the individual must be encouraged

and protected to own and operate his own business in that community. This induces home ownership also.

Fourth. That his (the individual's) choice of operations should be protected to any location, in any community, in any State of the United States; and that he be allowed to expand that choice in that community to his own limitations.

Fifth That no individual group or corporation should be also

In that community to his own limitations.

Fifth. That no individual, group, or corporation should be allowed, because of their financial ability to do so, to go into each and every community of every county, of every State in the United States, in the form of chain stores, or whatever form, taking the best locations in those communities and forcing previously prosperous individuals out of business in every community, city, county, and State in these United States.

Sixth We firmly believe that the bill before the Manual County.

Sixth. We firmly believe that the bill before the House of Representatives and known as H. R. 1 will do more to reestablish prosperity among the individuals throughout the United States than any

measure thus far proposed.

Seventh. This represents the only real method of the distribution of wealth, namely, at the source. Chains, in whatever form, take the wealth of the Nation to Wall Street, where it is a hard matter to distribute.

To this memorial to the Congress, there were over 700 signers, principally from the Black Hills region, as follows:

From Deadwood, 112; Rapid City, 82; Belle Fourche, 76; Lead, 74; Sturgis, 71; Custer, 54; Newell, 49; Spearfish, 47; Hot Springs, 26; Nisland, 25; Fruitdale, 14; Hill City, 12; Whitewood, 10; Vale, 7; Camp Crook, 5; Pringle, 5; Cedar Canyon, 4; and others from Blue Bell, Pactola, St. Onge, Sulphur, Hoover, Imogene, Sanator, Union Center, Zeona, Aberdeen, Buffalo, Buffalo Gap, Castle Rock, Central City, Fairburn, Hermosa, Silver City, Sioux Falls, Stoneville, Roubaix, and Twilight.

I have referred the petition to the Ways and Means Committee and urge their early consideration of the bill (H. R. 1)

on the grounds set forth by these petitioners.

America's Market for the American Producer

EXTENSION OF REMARKS

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Monday, May 15, 1939

Mr. PITTENGER. Mr. Speaker, Argentine beef has become the most widely known product outside of and inside of the United States ever since announcement on May 12 by the administration that the Navy would feed the Navy boys Argentine beef, and that a contract for the Argentine product would be approved. This made a hit in reverse motion with the cattlemen of the western section of the country, as well as all growers of cattle and also makers of meat products. There has been a storm of protest and the newspapers for the last 4 days have been filled with a defense of the American steer, that first-class four-legged American animal, who with the cow-the feminine representative of the herd-has been supposed to furnish meat for the great American consuming public. It has been traditional that one of the great delicacies in every well-ordered feast in England is roast beef, and the American product has had the lead.

Under the New Deal this tradition may be shattered, because the thing that has started the "dust storm" is canned beef, which is peculiarly a product of the Argentine. This must not be confused with corned beef which many of us ordinary individuals consider with favor when a hasty meal

is to be prepared.

"Cheaper and better" appears to be the argument which led the Navy Department to decide to fill the stomachs of the American sailors with Argentine canned beef, instead of supplying these men with beef from Wyoming or Texas or California, or a dozen other States. Even the reindeer in Alaska, one of our valued Territories, has been ignored in the New Deal with Argentina. This may give the American steer an inferiority complex, and if the philosophy announced on the 12th, namely feed foreign products to our Navy, is to be continued, then we still have the steer left to make dog food for the dog, one of man's best friends.

Seriously, Mr. Speaker, this episode brings us face to face with the protective-tariff question and also the administration policy of reciprocal-trade agreements. We are either going to save the American market for the American producer, or we are going to give it away at the expense of our own people.

I note with sympathetic interest the comment in one of yesterday's newspapers of a cattleman who insisted that individuals in home industry should be given a chance of furnishing their products to the Government they support.

Mr. Joe Sneed, of the Southwestern Cattlemen's Association, is reported by the Associated Press to have suggested that the Navy could buy uniforms, medicines, and other supplies from Japan, Germany, and England for 50 percent less than the Navy is now paying.

In this connection, Minnesota is also interested in saving the American market for the American producer because of many products besides cattle. The dairy interests want protection for their butter and other dairy products against importations from other countries. The timber producers want protection against importation of timber products from other countries. The same remarks apply to the fish industry in the Great Lakes area. This Argentine beef incident, which has raised such a storm of protest, points clearly to the soundness of a protective-tariff policy that will keep the American market for the American consumer.

The administration in control of our Government has the power to pass necessary legislation to correct conditions so that we can feed our men in the Navy beef, canned or otherwise, supplied by our agricultural interests. Such legislation ought to be passed at this session of Congress.

While this purchase of Argentine beef involves a relatively small amount of money, it is starkly symptomatic of the freetrade disease which is undermining our economic system.

As a matter of fact, I feel perfectly justified in asserting that it reveals fully one of the causes of current ruinous agricultural prices. The effect of these policies is to tell the farmers that they are not entitled to have the domestic markets exclusively for their own but must compete with the foreign low-wage producers.

The whole country is gradually becoming aware of the seriousness of the situation. A few days ago my good colleague from West Virginia, Congressman Schiffler, discussed this matter in a most forceful and convincing way. And in this morning's mail I have received letters which indicate that people are beginning to realize the foreign competition brought about by reciprocal-trade agreements of the new dealers has contributed substantially to the present depression in the United States.

The Story Behind the Headlines—Extend the Nine-Foot River Highway Through the Falls of St. Anthony

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 10, 1939

Mr. ALEXANDER. Mr. Speaker, there is a story behind the recent headlines carrying the account of the action taken by the House of Representatives—May 10—when my amendment to the Army appropriation bill (H. R. 6260) was adopted

This amendment struck out the provision in the bill for river and harbor work which would, if left in, have prevented the use of any of the appropriation for the building of locks in the Mississippi River at the Falls of St. Anthony. This is a final chapter in a long drawn out fight for transportation justice for the Northwest and should in time assist materially in rehabilitating Northwest farming, industry, trade, and commerce, and through that of even the railroads themselves.

I do not intend to make a public statement or record of the story behind the headlines carrying an account of this long-sought victory except to say that it was the result of concentrated effort during my service here in the House and also as a result of the aid and interest on the part of several new friends whose acquaintance I have already been favored with among the many fine Members of the House.

The fact that the committee finally adopted my amendment before I could open my mouth in defense of it as I stood before the microphone on the floor of the House ready to speak is good proof that we had laid our foundation well.

A CRITICAL SITUATION

However, I do feel that my colleagues are entitled to know the facts and the situation surrounding this great need of Minneapolis and the Northwest, and I want therefore to make a short explanatory statement regarding same.

Screaming articles in our daily papers carry the statement that we are at the end of our borrowing for the ever-increasing relief load we are carrying. One front-page headline dated May 2 is as follows: "More Relief Bonds Declared Out of Question for City."

With our finances depleted and drained dry, with the recent lay-offs in W. P. A., and the resultant growing direct relief load, with our business and industry stagnating or moving away, with our railroads in distress because of the consequent continual falling off in transportation business, and with a growing dissatisfaction and discontent among our relief clients because of these things and because of the constant tightening of their belts to fit the thinner and thinner spreading of relief, we are indeed in a critical situation.

Minneapolis needs cooperation and help in this dire situation, and this action of the House is a good step in the right direction. We need the employment the building of the locks at St. Anthony Falls will create. We need your help in rehabilitating agriculture, business, industry, and transportation, which the great, new, expanded, upper harbor will make possible, and it will all help to lessen our burden on the Federal Treasury, a direct interest of every Member of Congress.

According to figures compiled by Carl H. Chatters, executive director of the Municipal Finance Officers Association of the United States and Canada, Minneapolis has been paying up to now much more of its relief burden than some other cities.

SIX TIMES AS MUCH AS CHICAGO

In fact, Minneapolis is paying six times as large a proportion of its over-all relief bill as Chicago pays.

While Chicago pays only 6 percent of its total public relief cost, Minneapolis meets 35 percent of its over-all relief load.

Here is a chart showing the comparative contributions of various governmental units toward relief in the two cities:

	Minne- apolis, percent	Chicago, percent
Federal State County City	51 10 4 35	62 25. 6 6. 3 6. 1

The assistance of the Members of the House in putting through my amendment will help us to keep up our good record in this respect and to make curselves more and more self-supporting as the upper harbor benefits develop and bear fruit in lower transportation costs and revival of business.

In addition to the above information, I also wish to insert at this point some of the facts and figures used by me in addressing the House, March 21, on the same subject as follows:

NEED TO EXTEND BARGE LINE INTO MINNEAPOLIS

Admittedly a lot of public money has been expended to make this Mississippi water highway an economical artery of commerce

for the benefit of the producers and the consumers of the Nation. Upward of \$600,000,000 will be the public cost reasonably chargeable against improvement work on this highway for the purpose of providing a dependable low-cost transport service. Most of this improvement work has been completed, and most of the expenditure of public money has been made. Only a comparatively small amount is now needed to bring the improvement work to completion, and the dream of its sponsors to fruition, and work to competion, and the dream of its sponsors to fruition, and this necessary amount should be provided for in this appropriation bill. We need less than \$20,000,000 to fully complete the upper Mississippi authorized projects, and the improvement work to be finished with this money is vital and necessary before Northwest agriculture and industry can obtain benefit from the huge investment that has been made to date. The improvement work thus far does not bring the highway within reach of the extensive facilities engaged in the handling of farm products of the Northwest or of industry in Minneapolis, and because of this it is imperatively necessary that the job be completed without delay of Lebow below. out delay, as I show below.

The important difference between water transport and rail transport is the item of cost which normally is 10 times greater by rail than by water. This tremendous benefit must be preserved in the interest of both consumer and producer, both of whom, in the final analysis, must pay the tax burden of transport

whatever the cost may be.

The philosophy of James J. Hill was that railroad management should so operate as to discharge its heavy tonnage at the nearest water port. The Great Northern Railroad was built to perform in that manner. Its western termini is at the Pacific Ocean. Its eastern termini connects with three important water highways eastern termini connects with three important water highways—the Great Lakes at Duluth-Superior, the Mississippi at Minneapolis-St. Paul, and with the Missouri at Sioux City, Iowa. If I were to offer a suggestion looking to an improvement in the affairs of rail transport, it would be that they encourage in every way possible the development of tonnage over the water highways of the Nation, that the cost of transport over such water highways be kept down as low as possible, and that they be prepared to handle an increased tonnage from each water port in proportion to the volume of tonnage that is being transported by water. Low water rates at Pittsburgh made that industrial center possible, and it has paid greater dividends to the railroads than to any other it has paid greater dividends to the railroads than to any other form of transport. Even the land highways have developed more tonnage for the railroads than they have taken from them.

SOME COMPARATIVE FREIGHT RATES

It would be interesting to a lot of folks to learn just why there is a rail problem in the face of the wonderful showing the rail managements have made. Their record for 1937 shows an earning equivalent to 3½ percent on all outstanding securities figured at par value of the stocks and bonds. This is nearly 6 percent on listed value of these same securities. The same record shows that the railroad employees for that year transported 1,000 ton-miles of revenue freight at a cost of \$6.41, as compared with a cost of \$10.78 back in 1921. The record shows that the income from this freight was \$9.33, or a margain of \$2.92, and this same record shows that every ton of all the railroads were handled on these average figures. It sure looks like the railroad employees did their job and did it well. This railroad showing was accomplished with less than 1,000,000 employees, and the way it figures out is something like this: 17 trainmen can transport, approximately, 10,000 tons of freight a distance of 150 miles in 8 hours. This looks like exceptional performance, compared with water transport, where it requires 24 employees and 24 hours of time to move the same amount of tonnage the same distance. But now look how it It would be interesting to a lot of folks to learn just why there is where it requires 24 employees and 24 hours of time to move the same amount of tonnage the same distance. But now look how it compares with transport by land highway. A 10-ton truck will do well to make 300 miles in 8 hours, and two drivers are necessary. That means that 300 trucks and 600 drivers can start off with a total of 3,000 tons and make a distance of 300 miles in 8 hours, or the equivalent of only 3,000 tons for a distance of 150 miles with 300 drivers. The freight cost by truck is no higher than the freight cost by rail, while the freight cost by water is only one-tenth the cost of rail transport. Anyone who starts to figure this out should remember that the cost of \$6.41 per 1,000 tonmiles includes the salary of every rail employee, whether he be miles includes the salary of every rail employee, whether he be section hand or bookkeeper.

Mr. Speaker, I would like to see all the Members of the Congress

use their pencils on the transportation problem and keep them-selves out of the whirlpool of confusion that seems to permeate the air. On the basis of comparative performance, the railroad employees seem to be far in the lead over other types of transport. The railroad problem is not due to the loss of tonnage to other types of transport, and the issue must be faced on the basis that the public will insist that each type of transport renders an invaluable service that must not be throttled in any manner whatsoever. I hope the Committee on Appropriations sets up for the United States Army engineers the full amount of money the engineers can States army engineers the run amount of money the engineers can efficiently use during their next fiscal year, which they say is \$102.975,800. Of this amount, we in the Northwest would like enough to complete the upper Mississippi River highway so that it will become of benefit to our Northwest agriculture and industry. There is no economy in huge governmental investments that are largely tied up and nonproductive because of being incomplete. We must complete these authorized and appropried projects and I set must complete these authorized and approved projects, and I ask and urge that we all join hands to complete the job. Complete a job that is far advanced toward completion and thus promptly discharge our responsibility to the regions of the country where these projects are expected to bring about substantial relief.

Continuing loss and hardship will come from further delay, and delay will not meet nor discharge our responsibility. It is upon this basis that I plead for your cooperation and support for an appropriation that will meet the need of the Army engineers for river and harbor work.

THE MINNEAPOLIS PICTURE

Now, in order to get down to cases and to view this problem intelligently, I wish to give the Congress a brief picture of our situation in Minneapolis. The present 9-foot channel comes up the river through a deep, perpendicular wall, which has been dug out by the water currents in the centuries gone by to a depth in most places of well over 100 feet. About a mile below the center of the business district on the west bank of the river under an old bridge there is room for two small docks. These docks in 1938 handled approximately only 40,000 tons of miscellaneous and package freight, 60,000 tons of oil, and 96,000 tons of coal. This is the maximum handling capacity for coal, although we use upward of 2,000,000 tons in the city annually, and would increase this consumption considerably if capacity for coat, atthough we use upward of 2,000,000 tons in the city annually, and would increase this consumption considerably if we could get it at a price which would encourage, instead of throttle, industry. I say that as a general hint and indication of what might happen to industry in this country in a general way if we were not handicapped in many cases by high, artificial prices on both labor and material—in fact, on about everything except agricultural products. Our basic all-rail freight rate on prepared sizes of coal is nearly \$6 per ton from the Pennsylvania and West Virginia coal fields, which means an exorbitant retail price to our consumers. Think of the increased price which it would be possible to pay at the mine to both the operator and the miner if we could connect our waterway with our Minneapolis industry, our Northwest agriculture, and our milling terminals in a real measure of service, such as would be the case by the expenditure by the Federal Government of only about \$4,000,000 this year and a total of about \$8,000,000 altogether. This expenditure is recommended by the United States Army Engineers, I will say for the benefit of new Members, and also by an act of Congress in 1937, when the extension of the water highway through the Falls of St. Anthony was formally approved, subject to your making the necessary appropriation therefor. priation therefor.

minneapolis and the Northwest needs this extension very badly. Awaiting it we have millions of tons of freight annually. Our industry, our mills, and our harbor facilities all lie at or above this famous and historical falls. Just above the falls we have an ideal, level shore line for miles on both sides of the deep water forming the upper harbor. Give us this appropriation to build the necessary locks through the falls and we will be well on the road to sary locks through the falls and we will be well on the road to recovery, and the upper river channel expenditures of so many millions will have value and meaning. Deny us this small request and we will soon be worse than problem child No. 1, for our relief demands will be still greater, bad as they are now, with some 90,000 on the rolls; our mills and industry will completely stagnate, and with them our railroads, and our farmers will be forever bankrupt. I hope this body, knowing our desperate situation, will look favorably upon our plea. [Applause.]

Detention of Certain Aliens Pending Grant of Passports or Other Departure Arrangements

EXTENSION OF REMARKS

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES Friday, May 5, 1939

Mr. HOBBS. Mr. Speaker, the pending measure is the outgrowth of the work of the Committee on the Judiciary in pursuance of the inquiry under the resolution of our colleague, the Honorable J. PARNELL THOMAS, which sought the impeachment of the Secretary of Labor, the Solicitor of Labor.

and the Commissioner of Immigration. In that work we discovered that during the year 1938, 460 aliens who had been ordered deported by the duly constituted authorities of our Nation could not be deported because of the failure or refusal of foreign governments to permit their return.

Some of us were shocked by that discovery. We had not realized that in so many cases the sovereign deportation power of the United States was being thwarted.

We felt that the number of such cases might indicate collusion between many of these aliens and officials of their home governments, or worse.

The vast majority of these aliens are as free as any citizen, and yet they had each been adjudged unfit to remain here, and, after due, fair, and proper procedure, solemn warrants of deportation had issued.

The problem was given careful, intensive, and extensive study. It was found that while, of course, all of these had forfeited their privilege of living in this country by violating our law, yet in only a few cases were the offenses serious enough, or so socially significant as to warrant the provision of the manifest remedy. But in those few cases the offenses were both serious and socially significant. So the conclusion was reached that as to those few of such aliens whose conduct had placed them in any one of the four worst classes-white slavers, narcotic venders, anarchists and others advocating the overthrow of our Government by force, and felons whose crimes involved moral turpitude, not as to their own entry or naturalization—the right of detention necessarily incident to the right of deportation should be broadened, by authorizing, clearly, detention until deportation should have become feasible or other departure arranged, or until the Secretary of Labor, upon sufficient evidence of good cause, should order the release of any one of them temporarily or permanently, with or without rescission of the warrant of deportation.

The bill now under consideration has resulted from that conclusion. It was introduced, referred to the Committee on the Judiciary, and after hearings before a subcommittee which reported it favorably to the full committee, the full committee reported it favorably. The Rules Committee held two hearings on it, and on last Tuesday the House voted to adopt the rule granted by the Rules Committee making its consideration in order.

Mr. Speaker, Bishop Warren A. Candler, then the distinguished senior bishop of the Methodist Episcopal Church South, was holding a conference upon one occasion and he preached upon a text from that portion of the Scriptures containing the story of Ananias and Sapphira. "God did not strike Ananias and Sapphira dead for lying," that great preacher said. "God does not strike people dead for lying. If He did, where would I be?" A titter which grew into laughter swept that vast audience; that this distinguished prelate should thus involve himself. But immediately he continued. "I will tell you where I would be. I would be standing here preaching to a bunch of corpses." [Laughter.]

I am glad that God does not strike people dead for lying, but if He did, some of the statements in the latest edition of this Communist organ which I hold in my hand, and in the flood of telegrams and letters with which Members have been deluged the last few days, would have made the business of the undertakers boom and would have relieved us of some of the responsibility we are trying to discharge by the passage of this bill.

This telegram is one of hundreds sent out from Washington, D. C., although it is signed with Louisville, Ky., written after the name of the alleged sender, meaning, of course, to indicate that it was sent from Louisville, Ky. Each of these telegrams originating here in Washington in the master mind who sent them sought to make it appear that they had been sent from as many different cities as there were telegrams. In other words, though every one of them originated in and was sent from Washington, the false impression was striven for that the opposition to this bill was widespread over the Nation. Members of Congress do not claim to be the most brilliant citizens of our Republic, but they are not as stupid as the sender of these telegrams thought. At least we can read "Washington, D. C.," at the top of telegrams.

There is not one word in this bill directly or indirectly authorizing the establishment of a concentration camp, nor of a detention camp, nor of a stockade, nor of any additional places of confinement. The present immigration stations and the Federal penitentiaries are not only amply sufficient for the additional detention authorized by this bill, but it is specifically provided in section 3 that-

The Secretary of Labor is hereby authorized and directed to arrange for apppropriate places of detention in established institutions for those aliens required by this act to be taken into custody and confined.

Any Federal institution designated by the Secretary of Labor in a detention order hereunder shall receive the alien subject to such order, any provision of law to the contrary notwithstanding, and

shall deem any appropriate order of the Secretary of Labor sufficient warrant for discharging any such alien.

The appropriation of such sums of money as may be necessary from time to time for the maintenance and care of detained aliens in such places of detention, including the cost of the removal of such aliens thereto, is hereby authorized.

These are the "vicious," "awful," "barbarous," "inhuman," "undemocratic," and "un-American" provisions which opponents claim to authorize the establishment of Hitleresque concentration camps and stockades. There is nothing in the pending bill to justify any such interpretation. This propaganda merely creates a bogeyman in an attempt to frighten us. The language is as plain as words can make it. No such interpretation could possibly be placed upon it. Without proper arrangements being made in advance for appropriate places of detention in established institutions, and without specific authorization for them to be admitted thereto upon the order of the Secretary of Labor, the aliens to be confined under the provisions of this bill might be denied admission to Federal penitentiaries. Therefore, the bill authorizes and directs such arrangements to be made and further provides that any Federal institution designated by the Secretary in a detention order hereunder shall receive the alien subject to such order. The immigration stations being already under the jurisdiction of the Secretary of Labor, and ample provision therein being already available, no specific reference to them was necessary. Absolutely no new or other places of detention could possibly be established or utilized.

Yet these preposterous misrepresentations flood us and the

Let me read an amusing postcard which came to my desk with thousands of others. It is directed to Congressman Heil Hitler Hobbs:

As to your Fascist bill, H. R. 5643, America is going to remember you very well, Mr. Snobbs, Wobs, or Chobs. The name "Hobbs" has the stench of an English pigpen about it, and so certainly is appropriate, Mr. Knobs. Go back to Hitler, you dirty skunk.

If this were a cussing match I admit that I would be outclassed. I have been called many pet names since this fight began. Among a host of other complimentary references, I have been called a monkey, a wolf, a hog, and a dirty skunk. But I hold no grudge against this nor any other communistic sheet, nor against the equally subversive force behind these telegrams.

The gentleman from New York [Mr. Celler], the distinguished ranking Democratic member of our committee, complains that the Committee on the Judiciary did not take into consideration a letter written by the Secretary of Labor. If he will take the trouble to look at that letter he will see that it was written after the bill had been reported to the House. But had that letter been there, that committee, composed of 25 lawyers, would not have been very apt to have followed the legal advice of the Secretary of Labor, who is not a lawyer, upon the question of the constitutionality of this bill unless they agreed with her, which they did not.

It is said that the present law is sufficient. Sufficient for what? Sufficient to permit continuation of the pollution and poisoning of the blood stream of the body politic of this Nation. There its sufficiency ends.

The honorable gentleman from New York [Mr. Dickstein]. chairman of the Committee on Immigration and Naturalization, complains that he now has in the Rules Committee a bill, which is being held up there, that would if given a rule and passed by the House permit him and his committee to study this whole problem. In God's name, what have you been doing all these years? Why can you not study it now? You evidence a profound knowledge of the facts and an intimate mastery of the whole problem every time you make one of your many speeches on this subject in this House. You do not need a rule. What you need is inclination. [Applause.]

While you are cussing the Rules Committee for not giving you authority to make a study, we are doing business for God and for this country in the pending bill. [Applause.]

May I now quote from the minority report made by the gentleman from New York [EMANUEL CELLER], in which it is said that only 850 would be taken care of by this bill. Well, 12 men whom we read of in Holy Writ were said to have turned the world upside down in their generation. They did so by preaching a gospel to which we have sadly become hardened. In that same Book of Books we read, "Be not deceived: Evil communications corrupt good manners"; and again, "Righteousness exalteth a nation; but sin is a reproach to any people." This bill is in accordance with those Biblical injunctions. It seeks to make this land a better place in which to live. Even if this bill never takes "out of circulation" more than 850 of these uninvited guests who have outraged our hospitality, it would have done that much to purify our social atmosphere. Each one of those at whom this bill is aimed is a breeder of discord, a purveyor of dissatisfaction, a potential, if not an actual, debaucher of youth.

Mr. Speaker, I am glad this bill comes up for final passage in Child Health Week. Children all over this country are being preyed upon by peddlers of marijuana cigarettes and other narcotics. Some of the flower of our youth are being transformed into dope flends. A distinguished gentleman from a neighboring State told me just yesterday that he knew of one alien woman—a flend incarnate—who had sent into the degraded pollution of bawdy-house life over a hundred American girls in his State. Yet we allow such people to live here as free as any one of us, even though they be aliens who have no right to live here and who ply their iniquitous trade in open defiance of our law. The perpetuation of such outrageous travesties upon justice is what you opponents of this bill are pleading for, whether you know it or not.

May I call your attention to a letter signed by the general counsel of the C. I. O., Mr. Lee Pressman? I will not take time to read it because all of you received it, and I have no doubt you read it, as I did. He states:

This bill would authorize the detention of any alien who has been ordered deported, but who, through no fault of his own, is unable to secure a passport from the government of his native country.

That is not what men of long experience in the Immigration Service tell me. They say that 9 out of 10 of the aliens covered by my bill remain here as a result of slipping a bribe to one of their local consular agents, or by collusion with their home governments. They remain here, mark you, in spite of a solemn warrant of deportation, duly made in conformity with our law, by our duly constituted immigration authorities. after full and fair hearings, in which they had the right to be represented by counsel of their own choosing, and to disprove by any evidence they could adduce the charges against them. The important ones, who have qualified as efficient propagandists for the overthrow by force and violence of our Government and for the establishment of some communistic or anarchistic heaven on earth, have made themselves so valuable to "red" Russia, for instance, that Russia will not receive them back but wishes to keep them here on the job. The unimportant ones-the small fryhave to go down and slip a hundred-dollar bill to some local consular agent of their foreign government and say:

"Now, remember, this is not a bribe. I have been trying ever since Christmas to think of something nice to buy for you, but I have not been able to decide. Here is something I want you to take and use just as you see fit. There is just one thing I want you to remember, and that is I do not want to go back to Italy"-or to whatever may be his homeland. That is why most of them are here, so the experts tell me. Occasionally there may be one who through no fault of his own is unable to secure a passport from the government of his native country. I grant that. But may I inquire how Uncle Sam is to blame for that? Are the people of the United States to continue being compelled to suffer from their presence, merely because they cannot secure passports? And note this well: There is nothing in this bill which requires the detention of any alien until passport for him can be secured. The bill reads:

That any alien in any of the classes indicated in section 2 of this act, who has been or may hereafter be ordered deported by the Secretary of Labor, but whose deportation or departure from the United States otherwise is not effectuated within 90 days after the

date the warrant of deportation shall have become final, shall be taken into custody and transported to such place of detention as may be designated by the Secretary of Labor and there, or in such other place or places as may be thereafter designated by the Secretary of Labor, confined, though not at hard labor, until such time as deportation shall have become feasible, or departure from the United States otherwise shall have become arranged, or until the Secretary of Labor, upon sufficient evidence of good cause, shall order the release of such alien, temporarily or permanently, on such bond as may be required, with or without rescinding the warrant of deportation.

There are three other ways by which any alien covered by this bill may be released from the detention required: First, by shipping as a seaman on some vessel bound for a foreign shore, without passport or other authority; second, by obtaining from some foreign government a visitor's visa; third, by obtaining from some foreign government any other form of travel document when passport is not forthcoming. It is inconceivable that many aliens will find it impossible to arrange for their departure from the United States in one of these four ways. By making departure arrangements of any kind, any alien detained under this bill can escape further detention.

Mr. Pressman continues:

The result would be that such individuals would be placed in concentration camps for the rest of their lives.

This statement is so preposterously false as to require no answer. It is only necessary to point out that there is no provision anywhere in the bill for confinement of anyone in a concentration camp. In fact, it is utterly impossible that anyone could be so confined under the provisions of this bill. While it is conceivable that there might be an alien confined for a considerable length of time, and possibly for life, in an immigration station or a Federal penitentiary, by virtue of the passage of this bill, yet it is such a remote possibility as to be negligible. No alien can be detained longer than necessary for him to make some kind of departure arrangements.

Quoting further from Mr. Pressman's letter:

This procedure is a violation of the fundamental principles of justice and in contravention of our constitutional guaranties.

What fundamental principles of justice does it violate? Every one of the aliens who will be dealt with came here uninvited and forfeited his right to remain here, as in each case will have been adjudged by our own immigration authorities, in accordance with our law, before this act can touch him. It is a universally recognized principle of law that no alien has any right to live in this country except by complying with our laws. "In contravention of our constitutional guaranties." Whose constitutional guaranties? The Constitution of the United States and the rights therein assured are for the benefit of citizens, not aliens. It is true that in criminal cases due process of law is required even for aliens. But deportation is not a criminal proceeding. This is pointed out by the gentleman from New York [Mr. Celler] in his minority report on this bill. The Supreme Court of the United States has repeatedly so held. So no alien, much less one of the four worst classes of them, can complain that we do not accord him in this civil proceeding the rights reserved for citizens. No alien has the "right" to be or remain here, much less these.

These fulminations of Mr. Pressman are on a par with the statements of these other gentlemen who have been prating about the guaranties of the fifth, sixth, and fourteenth amendments of the Constitution of the United States, which are stressed in the minority report. Their plea for due process of law for aliens in a civil case is, with all due deference, pointless. The Supreme Court of the United States has made this clear in any number of its decisions. But via habeas corpus they achieve practically the same result—judicial review—as citizens get by the same means.

There is one part of Mr. Pressman's letter which is as true as gospel. He intimates that this bill is one of those designed to intimidate and threaten "workers." Yes; this bill is designed to intimidate and threaten workers. Workers, as busy as bees, engaged in smuggling dope and selling it; selling innocent girls into white slavery and exacting a "cut" out of the wage of shame; committing felonies involving moral

turpitude; and advocating the overthrow of our Government by force and violence. They are workers, all right. And I glory in the fact that this bill is intimidating them and all their "buddies." Pass this bill and the United States will no longer be as free and profitable a place for the white-slave procurer, the pimp, the peddlers of dope, the anarchists, and the felons whose crimes involve moral turpitude. [Applause.] They and their ilk and their sponsors are the very ones I am shooting at and talking about.

The gentleman from New York [Mr. Celler] made a statement today, hedging a little bit on the statement he made in his former speech opposing the rule which the House voted for this bill. Today he said the State Department would, beyond the peradventure of a doubt, agree with the Secretary

of Labor. But the other day he said:

I have been in touch with the State Department. They have indicated they would much prefer to deal with the question in the way indicated by the gentleman from California—namely, by treaty arrangement—and for some time past they have been endeavoring to work out a situation satisfactory to all parties. They feel that this method of attacking the problem is an erroneous method.

I did not know anyone to whom I might appeal in the State Department who had more authority to speak for it than its head, the Secretary of State, the Honorable Cordell Hull. He read to me the only letter the State Department had written on the subject. It had never been signed and had never been dispatched; yet the gentleman from New York said they have written a strong letter opposing my bill. Mr. Hull read the letter to me. The letter did not corroborate the statement of the gentleman from New York, and it had not gone out when the gentleman from New York made that statement. Now, I do not know to whom the gentleman has been talking in the

State Department, but I give you my authority.

The gentleman from New York [Mr. Celler] and several others would have you believe that the violation of the prohibition law when the old Volstead Act was in effect could bring an alien within the purview of this bill. They cry out against the inequity of detaining an alien who has been ordered deported pending departure arrangements when his only crime has been to have in his possession a bottle of beer. My answer is: First, this act stipulates specifically that the only criminal offenses covered are those denominated in our deportation statutes as "crimes." The possession of a bottle of beer—or any other intoxicating liquor-has never been a crime. It has always been a misdemeanor under all State and Federal prohibition laws. Second, but it is not even "crime" which warrants deportation. It is only those crimes which involve moral turpitude. And in my bill I specifically exclude even those crimes involving moral turpitude which are connected with the entry or naturalization of the alien. Moral turpitude is defined in Webster's New International Dictionary as follows:

The quality of a crime involving grave infringement of the moral sentiment of the community as distinguished from statutory mala prohibita.

Moral turpitude is defined in Forty-sixth Federal Reports, second edition, page 755, as "an act of baseness, vileness, or depravity"; and in Thirty-fourth Federal Reports, second edition, page 920, as "shamefully immoral." These definitions give us the true meaning of moral turpitude. Mere violation of the prohibition law is not such an offense. It has been repeatedly held by the courts not to be a crime at all, much less one involving moral turpitude. There are court decisions which hold that certain violations of the prohibition law involve moral turpitude, but mere illegal possession of liquor is not one of those. Third, there never has been in the history of this Government a single alien deported on the ground that he has violated the prohibition law. There is one case—and only one—which comes anywhere near supporting this contention of the opponents of the pending bill. That is the case of Rousseau against Weedin, reported in Two Hundred and Eighty-fourth Federal Reports at page 565. In that case a man who ran a house of ill fame in which he sold liquor illegally, as a business, was convicted under a Washington State statute as being a "jointist"; that is, a man who ran a "joint." The court said that because the "joint" he ran was of ill repute and was being run for the open sale of liquor in violation of the law of that State he could be deported. [Applause.] That is the only case in our Nation's history giving any semblance of support to the fear averred by the opposition, and it was not a mere case of possessing liquor unlawfully, such as they hypothesize.

Therefore, as there is no case in the past wherein any alien has been ordered deported for violating the prohibition law to be resurrected, as there is no such case pending, and as there is no reasonable possibility of one in the future, their alleged fears on this score are absolutely groundless.

The gentleman from New York [Mr. MARCANTONIO] is alarmed by the fear that the right of review provided in this bill is insufficient. May I remind the gentleman that before any alien may be ordered deported an affidavit must be made charging him with a deportable offense? This is reviewed by the immigration authorities and if deemed sufficient a warrant of arrest is issued and the deportation proceedings then begin. Deportation proceedings include a hearing before an immigration commissioner who hears the evidence both for and against the defendant. At this hearing the defendant has the right to be represented by counsel. After the commissioner makes his findings and reports that the evidence warrants the deportation of the alien, his report together with the evidence upon which it is based is transmitted to a board of review here in Washington, composed of seasoned veterans of the Immigration Service. They review the findings and the evidence and either affirm or send the case back for further hearing. Finally, after the proceedings have been approved by the board of review, the Secretary of Labor takes the record, goes over it carefully, and if satisfied that the decision of the commissioner, as affirmed by the board of review, is in accordance with the law and the evidence, a warrant of deportation is issued.

From beginning to end of these proceedings any alien has the right to appeal to the courts for a writ of habeas corpus to test the validity of the proceedings, or of his detention by virtue thereof. He may then, if the decision of the lower court be adverse, appeal to the circuit court of appeals, and if not satisfied with the decision of that court, may apply for the writ of certiorari which, if granted, will entitle him to a review by the Supreme Court of the United States. Take the case of Joe Strecker, for illustration. After due hearing before the immigration commissioner, the commissioner's report and the evidence upon which it was based were sent up to the board of review. The board of review did not think there was sufficient evidence of the character and purposes of the Communist Party to warrant the affirmance of the commissioner's report recommending the deportation. So the board of review ordered the case sent back to the commissioner for further hearing. Another hearing was had, further evidence adduced, both pro and con, and the commissioner again recommended his deportation. A second time the case came to the board of review. This time the board affirmed the decision or recommendation of the commissioner. The Secretary or, in that case, one of her assistants, duly authorized by law, reviewed the record and in due course issued the warrant of deportation. Two years ensued, during which the immigration authorities and the State Department sought a passport from the Government of Poland which would permit the deportation of Joe Strecker to be effectuated. Finally the passport was forthcoming. Then Joe Strecker appealed to the United States district court in Arkansas-the State in which he lived-for a writ of habeas corpus.

After due hearing the United States district judge denied Strecker's petition for freedom and remanded him to the custody of the immigration authorities for deportation. Strecker then went to New Orleans, La., surrendered himself to the immigration authorities, but immediately sued out a second petition for a writ of habeas corpus before the United States district court there. Again there was a hearing and Judge Borah rendered the same judgment which the Arkansas district judge had handed down. Strecker took an appeal from this decision to the United States circuit court of appeals. That court reversed the case and remanded the same to Judge Borah's court for further preceedings, a trial de novo. The

United States certioraried the case to the United States Supreme Court. The United States Supreme Court passed upon the case a few weeks ago and Strecker is a free man. The same rights which were exercised by Joe Strecker are open, free, and available to every alien who may become involved in deportation proceedings. The pending bill does not take away any right whatsoever of the kind to which Joe Strecker resorted. Every alien has them and will continue to have them. The pending bill deals only with those aliens as to whom the warrant of deportation may have become final.

As to such aliens this bill has no effect whatsoever, unless deportation cannot be effected within 90 days after the order of deportation becomes final. Then, after our duly constituted authorities, administering the law we wrote, have solemnly adjudged that they are unfit to live here and should be deported, and that order has stood the test of the courts if the alien sees fit to invoke their ruling, and only if the government of the alien's homeland shall have failed or refused to grant him permission to come back home-or for any other reason the order of deportation cannot be effectuated-then and not until then does this bill come into action. It simply provides that under these circumstances our law and our sovereign right to deport the four worst classes of such aliens may not be longer set at naught by foreign governments. It requires that such aliens of the four worst classes shall be taken into custody and confined, though not at hard labor, pending departure arrangements or passport. If and when the order of the Secretary of Labor has been issued for this further detention in aid of deportation, this bill gives every alien subject to such an order the right of petition to the circuit court of appeals with or without resort to the petition for the writ of habeas corpus. The jurisdiction of the circuit courts of appeals is enlarged so that they may hear and determine the question of the validity of the detention of any such alien.

In view of the fact, therefore, that at all times prior to the final order of deportation every alien has the right of habeas corpus, unsuspended, the right of appeal from an adverse ruling, and the same right, substantially, after the order of detention under this bill, and in view of the fact that in the case of Lai To Hong v. Ebey (25 Fed. (2d) 714) the Circuit Court of Appeals of the Seventh Circuit declared the law

This [deportation] statute is valid though it provides an administrative instead of a judicial hearing, an alien remaining unlawfully in this country having no right to a hearing unless that the state of the state be accorded him by Congress; it seems to me that instead of being criticized for an alleged failure of this bill to respect wholly the rights of aliens, we might be subject to criticism for extreme liberality in that regard.

The gentleman from New York [Mr. GAVAGAN] seems to be worried by the fear that this law would be an ex post facto law within the condemnation of our Constitution. stitutional inhibition against the passage of ex post facto laws cannot possibly have any application whatsoever insofar as this bill is concerned. What does the guaranty against ex post facto laws mean? Simply this, and nothing more: If I commit an act against which there is no law at the time of commission, no law thereafter passed can make that act punishable.

In other words, if the act I did was not a violation of law at the time I did it, no subsequent legislation can make me suffer the pains of law for that act. The Supreme Court has so held many times. This bill cannot by any stretch of the imagination be said to be ex post facto. In fact, it imposes no punishment whatsoever. It merely seeks to aid our own authorities in their efforts to accomplish deportation and to make it to the interest of these worst aliens to aid in that laudable undertaking. Now that we have, I hope, disposed of some of the arguments and fears which may have been confusing, and having cleared ship for action, let us look at the

Who are these that opponents of this bill would keep here in freedom, though Congress and its administrative agents have said must go hence? This bill only applies to the four

worst classes of aliens condemned to banishment by the law of this land:

First. Those aliens who are anarchists; or who advise, advocate, or teach, or who are members of or affiliated with any organization that believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States, or of all forms of law; or the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers of the Government of the United States or any other organized government because of their official character; or the unlawful damage, injury, or destruction of property, or sabotage.

Second. Convicted criminals who have committed felonies involving moral turpitude not as to their own entry or naturalization.

Third. White-slave procurers, proprietors, protectors, and pimps.

Fourth. Narcotic smugglers and peddlers.

There may be many other aliens who should be included within the operation of this bill. But surely we should not longer tolerate the presence here, in the freedom which you and I enjoy, of any alien who comes by reason of his own conduct into any one of the four classifications just enumerated. Illustrations might be multiplied to prove the necessity for separating these worst aliens from the life of our Nation. But one illustration of the need for this bill is so recent and so pointed as to suffice. For the past few weeks the daily papers have carried in almost every issue stories as to the operations of the poison murder ring of Philadelphia. One member of that ring, I believe, has admitted that he, personally, has had part in the lethal poisoning of 21 persons. The same man was quoted as saying that he knew of more than a hundred other cases in which other members of the ring had murdered their victims by poison. At least one member of this ring and probably others is now in the toils of deportation proceedings. Cesare Valenti is his name. I have a letter from Hon. James L. Houghteling, Commissioner of Immigration, giving me the facts about Valenti. He says:

> UNITED STATES DEPARTMENT OF LABOR, IMMIGRATION AND NATURALIZATION SERVICE, Washington, May 4, 1939.

Hon. Sam Hobbs, M. C.,

House of Representatives, Washington, D. C.
MY DEAR CONGRESSMAN HOBBS: In compliance with your telephonic request, the following facts are submitted in reference to the case of Cesare Valenti:

The above-named alien, who is a native and citizen of Italy, was admitted to the United States for permanent residence on April 14, 1909, and has resided in this country continuously since that time. The case was first brought to the attention of this Service in August 1933 by his divorced wife, at which time she submitted a certified copy of his criminal record in Italy prior to his embarkation for the

copy of his criminal record in Italy prior to his embarkation for the United States.

It appears that he was in constant conflict with the police authorities in Italy from 1896 to 1908. In 1903 he was sentenced to imprisonment for a term of 7 months after conviction on a charge of assault and battery. In the same year he was sentenced to imprisonment for a period of 3 months 26 days after conviction on a charge of "threatening with arms." In 1904 he was sentenced to imprisonment for a term of 3 years 5 months 20 days for "theft and wounds," and in 1908 he was sentenced to a term of 3 months 5 days after conviction on the charge of "threats" of threats of the charge of "threats" of threats. term of 3 months 5 days after conviction on the charge of "threats with arms."

It further appears from our records that in December 1918, in the court of quarter sessions for the county of Delaware, State of Pennsylvania, Valenti was indicted on a charge of murder, volun-tary and involuntary manslaughter. On December 5, 1918, he was reported to be a fugitive from justice, but on March 26, 1919, upon his plea of guilty to second-degree murder, he was sentenced to a term of imprisonment for a period of 15 years. He was not deportable for this conviction because the crime was not committed within 5 years from the date of his entry, which, as above stated, occurred on April 14, 1909.

On July 31, 1933, a warrant issued for his arrest in deportation On July 31, 1933, a warrant issued for his arrest in deportation proceedings on the ground that he is in the United States in violation of the act of February 5, 1917, in that he has been convicted of or admits having committed a felony or other crime or misdemeanor involving moral turpitude prior to entry into the United States; to wit, theft, assault and battery, threatening with arms, theft and wounds, threats with arms, and wanton destruction. After the issuance of the warrant of arrest he could not be located until January 24, 1939, when he was arrested by the New York City police on a charge of felonious assault. He was convicted on this

charge, and upon the expiration of his sentence was taken into custody by immigration officers attached to the Philadelphia office on April 30, 1939, and conveyed to Philadelphia for a hearing in de-portation proceedings. He is now in custody of the police officials in Philadelphia, and it has just been reported that he has confessed in Philadelphia, and it has just been reported that he has comessed to being implicated in the wholesale arsenic poison murders, for which 14 others have been arrested by the Philadelphia police. We understand that Valenti has not yet been indicted, but it is expected that this will occur most any day. The deportation proceedings are being held in abeyance pending the outcome of the criminal prosecution. The immigration officers in the Philadelphia station are in content of the content of the police officials of Philadelphia. cution. The immigration efficies in the Philadelphia station are in constant contact with the police officials of Philadelphia for the purpose of determining whether or not any of the other persons who have been arrested in connection with the wholesale arsenic poison murders might be subject to deportation. Thus far Valenti is the only one of the number who has been found subject to deportation. In this connection, however, it may be stated that there is one other case where deportation proceedings have been instituted and wherein the alien concerned is suspected of being involved in the arsenic murders. Nothing has yet been definitely volved in the arsenic murders. Nothing has yet been definitely determined as to this case, however.

Cordially yours,

JAMES L. HOUGHTELING, Commissioner.

P. S .- I think you will be interested in the enclosed copy of a letter received from the district attorney of Philadelphia commending the work of the Immigration and Naturalization Service in connection with the Valenti case.

[Enclosure]

DISTRICT ATTORNEY'S OFFICE, Philadelphia, May 1, 1939.

In re Cesare Valenti and the arsenic ring in Philadelphia.

Hon. Frances Perkins,
Secretary of Labor, Washington, D. C.
DEAR MADAM PERKINS: I want to extend to you my appreciation
of the valued assistance which your Department rendered my office in the investigation of the arsenic murder ring in Philadelphia

I particularly want to thank you for the assistance which Mr. James L. Hughes, district director of the Gloucester immigration division, rendered me in the transfer of Cesare Valenti from New York to Philadelphia, and I also want to recommend Inspector Schiavo in the assistance which he and the Gloucester officials rendered the office in the case of Herman Petrillo, who has been convicted of murder in the first degree with the recommendation of death.

With the feeling that your Department will continue its fine cooperation with our office, and thanking you for your Department's valued assistance, I am,

Very truly yours,

CHARLES F. KELLEY. District Attorney.

Some of you may not agree with me, or with the law of this land, or with the determination of our duly constituted authorities that such deportable aliens should not be permitted to live here in freedom, merely because of the pretense that they cannot make departure arrangements of some kind. But I say to you that men like Cesare Valenti have never made a valuable contribution to the life of America. They have frequently taken lives which would. And if the deportation proceedings now pending against him result in a final order of deportation, and if arrangements cannot be made for him to return somehow to his native Italy, then I reiterate and insist that some such measure as the pending one should require that he be separated from the free life of America, even though it means detention for life. Keep them here, if you wish, but I do not. [Applause.]

The next question which naturally arises is: Why are they here? The obvious answer is that our laws have been set at naught. Our sovereign powers have failed. In some instances that failure has been due to the whim or caprice of foreign governments; but in the main, they act with solemn assurance in vetoing our right of deportation. They seem to know what they want, and how to get it. Collusion and bribery undoubtedly play their part in forcing us to retain these undesirables. But if none of these things be true, then the only alternative answer is that they are so bad nobody wants them, but the opponents of this bill.

The next question is, What would this bill do? It would simply detain until the aliens themselves or their families or friends see fit to arrange for them to go home.

The effect of this bill is, merely, to extend section 20 of the act of February 5, 1917, to cover cases, not then anticipated, in which the deportees are so bad that no country will suffer their reentrance.

In such cases the beneficent provision of the pending bill is, that they are to be made "parlor boarders" of Uncle Sam

until they can persuade their homefolk to let them come back home. Thereupon they get a free trip back home, at our expense, and are as free as they ever were.

This may be subject to the criticism that it would place an unwarranted burden on Uncle Sam, and be too kindly treatment of the worst alien enemies who have outraged our hospitality and bitten the generous hand that fed them; but it cannot be justly said to be harsh, much less cruel.

This detention is in no sense penal. No punishment whatever is inflicted or provided. Hard labor is expressly inhibited. Many a good citizen would welcome an exchange of lots with one of these alien enemy hand biters who will get three good square meals a day and a kindly, comfortable home as long as he wishes.

The "sob sisters," who have joined the "reds" in fighting this bill, simply fail to appreciate the meaning of our sovereign right of deportation. Deportation means more than the making of an ineffectual order. It means banishmentthe removal of the deportee from the free life of America. Until we banish and remove these poisonous alien elements from circulation in the bloodstream of our body politic we are but a laughing stock-our national sovereignty, in this regard, but a joke.

As long as we acquiesce in the shameful thwarting of our right of deportation, while every Nation that may wish thumbs her nose at us, and, by refusing to take back her poisonous dregs, converts them into free residents of our homeland, our laws are set at naught-our solemn adjudications are as vain as the hand-washing of Pontius Pilate.

What does the word "deportation" mean? Of course, it comes from the Latin "deportare." De-from; portare-to carry or transport. The new Century Dictionary defines it in these terms:

To carry away, transport, banish, to carry off, remove, especially: transportation from a country by way of banishment or expulsion.

It means nothing less than banishment, and we must see to it that our Nation's deportation orders resume that outmoded connotation. Every free and independent nation has the right of deportation, indisputably. Yet in 460 cases last year other nations prevented us from exercising that sovereign right. What are we going to do about it? This bill is an honest attempt to answer that question. Let us pass it. [Applause.]

CONSTITUTIONALITY

The Supreme Court of the United States has repeatedly held that the right to exclude or to expel aliens is an inherent and inalienable right of every sovereign and independent nation. As a sovereign and independent nation, the United States of America has that right, indisputably.

Mr. Chief Justice Fuller, writing for the majority of the Supreme Court in the case of Turner v. Williams (194 U. S. 279, 289) says:

Repeated decisions of this Court have determined that Congress has the power to exclude aliens from the United States; to prescribe the terms and conditions on which they may come in, to establish regulations for sending out of the country such aliens as have entered in violation of law, and to commit the enforcement of such conditions and regulations to executive officers; that the deportation of an alien who is found to be here in violation of law is not a deprivation of liberty without due process of law, and that the provisions of the Constitution securing the right of trial by tury have no application. by jury have no application.

Citing a number of supporting cases: Chae Chan Ping v. United States, 130 U.S. 581; Nishimura Ekiu v. United States, 142 U. S. 651; Fong Yue Ting v. United States, 149 U. S. 698; Lem Moon Sing v. United States, 158 U.S. 538; Wong Wing v. United States, 163 U. S. 228; Fok Yung Yo v. United States, 185 U.S. 296; Japanese Immigrant case, 189 U.S. 86; Chin Bak Kan v. United States, 186 U. S. 193; United States v. Sing Tuck, 194 U.S. 161.

Further quoting from the same opinion:

Detention or temporary confinement as part of the means neces-sary to give effect to the exclusion or expulsion was held valid, but so much of the act of 1892 as provided for imprisonment at hard labor without a judicial trial was held to be unconstitutional (idem, p. 291).

The following quotation from the opinion of the Court in the case of Fong You Ting v. U. S. (149 U. S. 698, 705) further establishes the general proposition:

In the recent case of Nishimura Ekiu v. U. S. (142 U. S. 651, 659), the Court, in sustaining the action of the executive department, putting in force an act of Congress for the exclusion of aliens, said: "It is an accepted maxim of international law that every sovereign nation has the power, as inherent in sovereignty, and essential to self-preservation, to forbid the entrance of foreigners within its dominions, or to admit them only in such cases and upon such conditions as it may see fit to prescribe." In the United States this power is vested in the National Government, to which the Constitution has committed the entire control of international relations, in peace as well as in war. in peace as well as in war.

Quoting from the Chae Chan Ping case, the opinion in the Fong Yue Ting case proceeds:

Those laborers are not citizens of the United States; they are iens. That the Government of the United States, through the action of the legislative department, can exclude aliens from its territory is a proposition which we do not think open to controversy. Jurisdiction over its own territory to that extent is an incident of every independent nation. It is a part of its independence. If it could not exclude aliens, it would be to that extent subject to the control of another power. The United States, in their relation to foreign countries and their subjects or citizens, are one nation, invested with powers which belong to independent nations, the exercise of which can be invoked for the maintenance of its absolute independence and security throughout its entire

It is interesting to note that Mr. Justice Brewer, in his dissenting opinion in the Fong Yue Ting case, sets out substantially and clearly the very arguments which the opponents of my bill are now making. I quote from his dissenting opinion, page 733:

I rest my dissent on three propositions: First, that the persons against whom the penalties of section 6 of the act of 1892 are directed are persons lawfully residing within the United States; secondly, that as such they are within the protection of the Constitution and secured by its guaranties against oppression and wrong; and, third, that section 6 deprives them of liberty and imposes punishment without due process of law and in disregard of constitutional guaranties, especially those found in the fourth, fifth, sixth, and eighth articles of the amendments.

But the majority of the Court did not agree with Mr. Justice Brewer. They held the act constitutional.

In the case of Colyer v. Skeffington (265 Fed. 17, 23) the following significant language is used:

There is no constitutional limit to the power of Congress to exclude or expel aliens. He has no vested right to remain.

Mark this well, from the same opinion:

While deportation proceedings are not criminal proceedings, aliens who are thereby deprived of their liberty may have their legal rights to liberty tested on habeas corpus proceedings.

Reverting to the Fong Yue Ting decision, this part, quoted with approval in the Colyer case, is illuminating:

An order of deportation is not a punishment for crime. * • • It is but a method of enforcing the return to his own country of an alien who has not complled with the conditions upon the performance of which the Government of the Nation, acting within its constitutional authority and through the proper department, has determined that his continuing to reside here shall depend.

There are three cases which have been argued strenuously by the opposition, which, when casually read, may be considered as authorities militating against the constitutionality of the pending bill. They are Wong Wing v. U. S., 163 U. S. 228; U. S. v. Wallis, 279 Fed. 401; and Petition of Brooks, 5 F. (2d) 338.

From the Wong Wing I quote as follows:

We regard it as settled by our previous decisions that the United States can, as a matter of public policy, by congressional enact-ment, forbid allens or classes of aliens from coming within their borders, and expel aliens or classes of aliens from their territory, and can, in order to make effectual such decree of exclusion or expulsion, devolve the power and duty of identifying and arresting the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree, and causing their deportant of the persons included in such decree of exclusion or expulsion. tation, upon executive or subordinate officials.

But when Congress sees fit to further promote such a policy by

subjecting persons of such aliens to infamous punishment at hard labor or by confiscating their property, we think such legislation, to be valid, must provide for a judicial trial to establish the guilt of

the accused.

No limits can be put by the courts upon the power of Congress to protect, by summary methods, the country from the advent of aliens whose race or habits render them undesirable as citizens or

to expel such if they have already found their way into our land and unlawfully remain therein. But to declare unlawful residence within the country to be an infamous crime punishable by deprivawithin the country to be an infamous crime punishable by depirture tion of liberty and property would be to pass out of the sphere of constitutional legislation, unless provision were made that the fact of guilt should first be established by a judicial trial. It is not consistent with the theory of our Government that the legislature should, after having defined an offense as an infamous crime, find the fact of guilt and adjudge the punishment by one of its own agents.

In Ex Parte Wilson (114 U. S. 428) this Court declared that for more than a century imprisonment at hard labor in the State prison more than a century imprisonment at hard labor in the State prison or penitentiary or other similar institution has been considered an infamous punishment in England and America, and that imprisonment at hard labor, compulsory and unpaid, is, in the strongest sense of the words, "involuntary servitude for crime," spoken of in the provision of the Ordinance of 1787, and of the thirteenth amendment of the Constitution, by which all other slavery was abolished, and which declares that such slavery or involuntary servitude shall not exist within the United States or any place subject to their jurisdiction event as a number of trime whereof the to their jurisdiction except as a punishment for crime whereof the party shall have been duly convicted.

Applying this reasoning to the fifth and sixth amendments, it must be concluded that all persons within the territory of the United States are entitled to the protection guaranteed by those amendments, and that even aliens shall not be held to answer for a capital or other infamous crime unless on a presentment or indict-ment of a grand jury, nor be deprived of life, liberty, or property without due process of law.

Our conclusion is that the commissioner, in sentencing the appellants to imprisonment at hard labor at and in the Detroit house of correction, acted without jurisdiction, and that the circuit court erred in not discharging the prisoners from such imprisonment without prejudice to their detention according to law for depor-

From the Wallis case I quote as follows:

The right to deport does not include any right of indefinite imprisonment under the guise of awaiting an opportunity for deportation.

In the Wallis case the immigration authorities used as an excuse for their procrastination and failure to deport that alien that they could not get transportation back to England. The court said in effect, and very properly, "The war is over; your excuse will not hold water; your alleged inability to secure transportation is a sham; and 4 months is unreasonably long to detain this alien under the pretense that you cannot get transportation for him." But no such case could be presented under this bill. Transportation is no longer a problem. It is landing permits that we lack. Foreign governments are denying landing permits for their own nationals, and by thus refusing are thwarting our Nation's sovereign right to deport those who have been adjudged by our constituted authorities unfit to live here. We cannot run other countries, but we should be able to run our own. So, if we cannot send these, the worst aliens, who have been ordered deported, back home, we can at least keep them out of circulation until they arrange to leave.

From the third case, I quote as follows:

The right to arrest and hold or imprison an alien is nothing but a necessary incident of the right to exclude or deport. There is no power in this court or in any other tribunal in this country to hold indefinitely any sane citizen or alien in imprisonment, except as a punishment for crime. Slavery was abolished by the thirteenth amendment. It is elementary that deportation or exclusion proceedings are not punishment for crime.

It will, of course, be noted at a glance that this decision in petition of Brooks is predicated and built upon the words "in imprisonment." Therefore, we have no quarrel with this decision, since the Supreme Court of the United States has held in the Wong Wing case, that detention of an alien pending deportation is not imprisonment. This is necessarily true, for everyone knows that imprisonment is one of the well-recognized punishments for crime and usually includes hard labor. The Brooks case itself says:

It is elementary that deportation or exclusion proceedings are not punishment for crime.

And again:

The right to arrest and hold or imprison an alien is nothing but the necessary incident of the right to exclude or deport.

But even if all three of these supposedly adverse cases said and meant that the detention prescribed by this bill would be prima facie unconstitutional, because not specifically limited, this bill could not be declared unconstitutional. For,

feeling sure that the cry which has been raised would be raised, I wrote into the bill two insuring provisions against indefinite or unreasonable detention.

They conclude the first paragraph of the bill. I quote:

Confined, though not at hard labor, until such time as deportation shall have become feasible, or departure from the United States otherwise shall have been arranged, or until the Secretary of Labor, upon sufficient evidence of good cause, shall order the release of such alien, temporarily or permanently, on such bond as may be required, with or without rescinding the warrant of deportation.

These provisions not only eliminate all possibility of the requirement of hard labor of any detained alien but they also strictly limit the period of detention so that it could not possibly extend 1 minute beyond the conclusion of departure arrangements. No one could be held in detention under the provisions of this bill longer than absolutely necessary to effectuate the deportation order against him. And, in the second place, in order to make sure that there would never be any unreasonable detention, it is provided that the Secretary of Labor may at any moment, with or without rescinding the warrant of deportation, release any alien in detention. If there should develop sufficient evidence that the detention of any alien was being prolonged unreasonably, so as to satisfy the Secretary of Labor that this unreasonable duration of detention had become good cause for release, the Secretary could so order.

But I submit that none of these three cases is subject to the interpretation put upon it by the opposition. I am convinced that the Congress did not pass this Nation's deportation statute in order to place a plaything in the hands of the immigration authorities. Deportation is not a game of tag, just for fun. It is not a trivial matter. It is a solemn duty. When, after full hearings, fairly conducted, in pursuance of the law we have laid down, our duly constituted authorities decree the banishment of an alien, that decree ought to mean something. And that something should be no less than the complete separation from the free life of our Nation.

It is well said by the Supreme Court in the Wong Wing

Proceedings to exclude or expel would be vain if those accused could not be held in custody pending the inquiry into their true character, and while arrangements were being made for their deportation.

There is no authority contra.

It is also well said in the case of Becharias v. U. S. (208 Fed. 143):

Until the man was actually deported, * * the proceeding was "pending" within the meaning of the law.

It is thus supported both by authority and reason that Congress has the constitutional right to require detention of an alien ordered to be deported, "while arrangements are being made for his deportation," during the whole pendency of negotiation for some kind of departure authority and until deportation shall have become an accomplished fact.

DETENTION IS NOT IMPRISONMENT

We think it clear that detention, or temporary confinement, as part of the means necessary to give effect to the provision for the exclusion or expulsion of aliens would be valid. Proceedings to exclude or expel would be vain if those accused could not be held in custody pending the inquiry into their true character, and while arrangements were being made for their deportation. Detention is a usual feature of every case of arrest on a criminal charge, even when an innocent person is wrongfully accused; but it is not imprisonment in a legal sense (Wong Wing v. U. S., 163 U. S. 228, 238).

DETENTION IS NOT PUNISHMENT

The right to arrest and hold or imprison an alien is nothing but a necessary incident of the right to exclude or deport. * * * It is elementary the deportation or exclusion proceedings are not punishment for crime (Petition of Brooks, 5 F. (2d) 238, 239).

DETENTION IS NEITHER DOUBLE JEOPARDY NOR DOUBLE PUNISHMENT

Since we have seen clearly that detention is but a part of the necessary proceeding to effectuate deportation, and that it is in no legal sense imprisonment, and, not by any stretch of the imagination, can it be said to be punishment, it is manifestly absurd to prate of double jeopardy or double punishment by reason of the detention prescribed in this bill in aid of deportation. CONSTITUTION PRIMARILY FOR CITIZENS, NOT ALIENS

Please let me conclude this discussion of the constitutionality of the pending bill by inviting your attention to that which probably should have been the first point emphasized. Our Constitution and all its amendments were written primarily for citizens of the United States. It is true that in criminal cases, aliens being "persons," they are protected by the same guaranties as are citizens. Of course, the courts have held many times that aliens are not entitled to trial by jury nor the ordinary rules of evidence nor procedure in deportation proceedings. They are entitled to due process of law, both in criminal cases and in this strictly civil proceeding for deportation, but they have due process of law shown them in every case, and if the immigration authorities have not given the alien a fair hearing, or if for any other reason he feels himself aggrieved, he may sue out the writ of habeas corpus at any time. But in a number of cases it has been held that no alien has a primary or inherent right to bail, and whatever right in this regard may accrue to him must be granted to him by Congress (U. S. v. Commissioner, 297 F. 946; U. S. v. Sing Tuck, 194 U. S. 161; Wong Wing v. U. S., 163 U.S. 228).

And in Li To Hong v. Ebey (25 F. (2d) 714) we read:

An alien remaining unlawfully in this country, having no right to a hearing unless such a hearing is accorded him by Congress.

So, from a consideration of the decisions from the highest court of our land and many other courts of the most respectable authority, it is as clear as the noonday sun that even the best of our alien population are not entitled to the same rights under our Constitution as is a citizen. Aliens who are not the best, but the worst, are entitled under our law to a great many more rights than they are willing to accord us. Every one of these rights is safeguarded and assured to every alien within the purview of this bill. Fairly construed, it cannot be held unconstitutional.

Our forefathers came to this new land of promise seeking God—not gold.

They came with a Bible in one hand and a rifle in the other, determined to make this wilderness a sanctuary wherein they and their posterity could freely worship God according to the dictates of their individual consciences. But freedom of religion did not mean to them freedom from religion. The one and only living and true God was to rule here, though worshiped in a million different ways if individuals so pleased. He was to guard, guide, and rule.

In that determination our infant Nation came to birth. And when Jefferson, Adams, and Franklin designed our national currency they claimed for us God's promise to his first chosen people, after they had crossed the Red Sea and were come to Sinai, by putting an eagle, with wings outspread, on our coins and the pillars of cloud and of fire on our other currency. That promise was:

Ye have seen what I did to the Egyptians, and how I bore you on eagles' wings, and brought you unto Myself. Now, therefore, if ye will obey My voice indeed, and keep My covenant, then ye shall be a peculiar treasure unto Me above all people; for all the earth is Mine.

God had borne our parents across the flood of a greater than the Red Sea and brought them unto Himself here. So an American covenant was made with the Almighty, and constant reminders of it placed on our currency, lest we forget the condition precedent to national blessedness. And he is blind who cannot see the leading of the pillar of cloud by day and of fire by night in America's history.

We love money now even more than then; but are we forgetting our eagle? Do we still wish a God-ruled nation, where righteousness is enjoined?

If so, we certainly should strain out and remove from the stream of our national life the polluting and poisonous elements.

Aliens because they are alien? No—a thousand times no. Good immigrants have built our Nation. But not the four classes—white slavers, dope peddlers, criminals, and anarchists—which this bill, in kindly way, would urge to go back whence they came. These who have outraged our hospitality, broken our laws, debauched our youth, or plotted

to overthrow our Government are not builders. They are wreckers. Their lives stain our flag. Like termites, they undermine and destroy.

Good aliens, who come here as our laws provide they may, and who try to build-not destroy, pollute, or poison-are welcome and appreciated. Millions of such are here. Who of us in this House is not an immigrant per stirpes?

We all pay tribute of grateful homage to those millions of good aliens who have helped make America great. Few may

be named, but all are in mind.

From La Fayette, Rochambeau, Alexander Hamilton, John Paul Jones, Commodore John Barry, Count d'Estaing, Count de Grasse, Maj. Pierre L'Enfant, General von Kalb, Baron Von Steuben, Gen. Richard Montgomery, Haym Salomon, Gen. Thaddeus Kosciusko, Gen. Casimir Pulaski, Gen. William Alexander, Dr. James Craik, Robert Erskine, Gen. Alexander McDougal, Gen. Lachlan McIntosh, Gen. Hugh Mercer, Gen. Arthur St. Clair, James Wilson, John Witherspoon, Robert Morris, and Albert Gallatin, down through the years to Dr. Sizoo, Dr. Peter Marshall, Mr. Justice Felix Frankfurter, Albert Einstein, and Eduard Benes, aliens have here

wrought mightily for good.

Alexander Agassiz, Hjalmar Hjorth Boyesen, Leopold Damrosch, Walter Damrosch, Pierre Dupont de Nemours, Mayor William R. Grace, Franklin K. Lane, Mr. Justice Sutherland, Peter Henderson, Ales Hrdlicka, Ludwig Lewisohn, Jacques Loeb, James McCosh, John Edward Mc-Cullough, Henry Morgenthau, Hugo Munsterberg, Thomas Nast, John Boyle O'Reilly, Abraham Mitrie Rihbany, Anton Seidl, Pierre Soulé, Karl Spreckels, Matthew Vassar, Henry Villard, Alexander Wilson, William B. Wilson, James Wilson, Karl Bitter, Gustav Lindenthal, James J. Hill, Jacob A. Riis, Edward D. Baker, Samuel Gompers, Anna Howard Shaw, Eleuthere Irenee Dupont, Stephen Girard, Felix Adler, John Jacob Astor, Emile Berliner, Oscar Hammerstein, Otto Kahn, Franz Lieber, Ottmar Mergenthaler, Albert Abraham Michelson, Johann August Roebling, Jacob Henry Schiff, Carl Schurz, Charles Proteus Steinmetz, Nathan Straus, Theodore Thomas, Michael Anagnos, Joseph Pulitzer, John Philip Holland, Augustus Saint-Gaudens, Alexander Turney Stewart, Edward W. Bok, Knute Kenneth Rockne, Michael Heilprin, Judah Peter Benjamin, James Burnie Beck, Alexander Graham Bell, James Gordon Bennett, Andrew Carnegie, John S. Kennedy, James Pugh Kirkwood, James Laurie, Walter Lowrie, John Muir, Archibald Russell, Michael Pupin, John Ericsson, Louis Agassiz, Dr. Henry Detweiller, Meyer Guggenheim, Henry Rosenberg.

We honor ourselves by honoring such men-American

patriots.

Do opponents cry against this bill, "Undemocratic!"

If it be undemocratic for us, the duly elected Representatives of a sovereign people, to stop a loophole in our deportation law through which 460 aliens last year escaped their decreed banishment, then we should be just that undemocratic.

Do some say "Un-American!"

If it be un-American to restore the lost sovereignty of our Nation over deportation, we ought to glory in being just that

Make no mistake, that flag there—Old Glory—was not the product of silkworms and a dye vat.

Our flag-the most significant in all the world-is a living symbol of America's soul. We 130,000,000 people are in truth the flag.

The purity of common purpose for peace and freedom, plus the morals of the many, put that white-honor stripe in our living flag. Our lives besmirch it or keep it white.

That red is not a stripe of shame, nor wrath, but of virility; of flaming youth; of new, aspiring, conquering blood which flows in us and to us from the ends of the earth.

That field against which the stars shine is put into our living flag by the loyalty and devotion of those of us who are "true blue."

Those stars are kept bright by the fervor of the love of those who "star" in our national life!

More than a hundred million souls, by the quiet might of righteous living, keep this symbolic silken flag waving proudly over the real living flag their lives compose! Are we impotent to root out contaminating influences which stain our flag? Do we lack the courage?

> O beautiful for pilgrim feet, Whose stern, impassioned stress A thoroughfare for freedom beat Across the wilderness! America! America! God mend thine every flaw, Confirm thy soul in self-control, Thy liberty in law!

O beautiful for patriot dream
That sees beyond the years
Thine alabaster cities gleam
Undimmed by human tears!
America!
God shed His grace on thee
And crown thy good with brotherhood From sea to shining sea!

Mother's Day Address

EXTENSION OF REMARKS OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES Tuesday, May 16 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, MAY 14, 1939

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Congressional Record the Mother's Day address of the distinguished senior Senator from Massachusetts [Mr. Walsh], delivered at the Amphitheater, Arlington National Cemetery, Sunday, May 14, under the auspices of the American War Mothers.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This annual ceremony held under the auspices of the American War Mothers, leads me to express the hope that sometime there will arise in this land a man and a poet with the genius, inspiration, and sympathy fittingly to sing the services given and the sacrifices made by the American mothers on the altars of patriotism.

Certainly no more fitting place and no more appropriate occasion than on Mothers' Day—a day set aside for reverential recognition of the debt we owe our mothers—could have been chosen in which of the debt we owe our mothers—could have been chosen in which to hold these ceremonies. From where we stand in this amphitheater at Arlington, within the very shadow of the Tomb of the Unknown Soldier, whose resting place commemorates all those Americans who fought and died in the World War, the graves of countless thousands of departed military and naval heroes are within our view. On such an occasion and in such a setting our hearts are enthused with patriotism and our minds with high recolves.

It is appropriate and long has been customary on Memorial Day to eulogize our war dead and our living war heroes. Today we meet to pay tribute to our war mothers, living and dead, to honor and respect them for the services and sacrifices so unselfishly made and to recall the debt we cannot too often and too earnestly acknowledge.

When flags are flying and drums are beating, when the populace is cheering the marching soldiers, when the fever of war is burn-ing in every heart, and when the glamor and glory of battle are ing in every heart, and when the glamor and glory of battle are supplementing the appeal and passion of patriotism, it is not difficult to play the patriot's part, not hard to don the uniform of the Republic and go forth to serve the country and the flag. The psychology of such a pulsating moment catches the heart and brain of man; emotion is paramount and the voice of cold reason is silenced. This is among the easiest tasks of patriotism.

That there are other duties than those of camp and battle are forgotten. When the applause and acclaim of the people for the departing soldier has died away, when the music of the trumpet and drum is only a memory of a day of wildly demonstrated patriotism, the empty chair remains. The harassing thoughts of danger, the hellishness of war, and the long and lonely hours of watching, waiting, and praying begin. There and then commences the dark

waiting, and praying begin. There and then commences the dark and dreary days that try the souls of mothers and test their sub-lime courage and unfaltering fidelity; there and then within the walls of some city tenement or some remote dwelling far removed

from the crowded marts of man, in homes however humble or from the crowded marts of man, in homes however humble or stately, begin the days and nights of pain and anguish—the battle which mothers wage with the horrifying thoughts of the seamy side of war. Then the fibers of the soul of women are tested with trials and perils that the war and rush of conflict know nothing of. I speak of one—loneliness. Is there any sorrow quite so poignant? Is there any grief more heart-breaking? Longfellow strikingly portrays and touchingly depicts the character and torture of loneliness in the famous consoling words that the spiritual friend expressed to Evangeline: "Sorrow and silence are strong, but natient endurto Evangeline: "Sorrow and silence are strong, but patient endurance is Godlike."

The very realization of a mother that she cannot be at the side of her son to comfort him grieves her as she envisages the battle-field, the death and disease of the camp, the smoke and stench of the battle, the foulness and fever of the hospital.

To mothers come none of the emotions and glory of conflict, none of the acclaim of country, nor applause of the multitudes. Her sorrow is hidden behind the smilling face and brave spirit which she must display to a thoughtless and often unsympathetic world. All this is the lot of women in time of war, a work than which there is no nobler type of patriotism, no higher form of service.

no nobler type of patriotism, no higher form of service.

The world, indeed, loves the dramatic and spectacular and ignores the modest and unobtrusive. A watching country views with exaltation the bravery, courage, and triumphs of the soldier; it hails with mad applause a man who leads his fellows to death and glory amid the roar of artillery, but it seldom thinks of the silent women who wait mid the confusion and consternation for news from the front, wondering what message of sorrow it would bring to them. The pathetic story of the French mother who gave her five sons to the service of France in the World War illustrates my thought. Meeting the telegraph messenger from the front at the door of her peasant cottage, she cried out, "Which one?"

To him who falls on the battlefield we give bronze and tablets; to

To him who falls on the battlefield we give bronze and tablets; to the generals and admirals, marble and monuments; to the women who held the home and gave their sons to war and death, nothing. To the women who gave their all, their youth, their energy, their pity, and their patience, forgetfulness, except in recent years, and now this tardy recognition, this ceremony here at Arlington to recall her vanished youth, her gray hairs, her faded services, and often her untimely death. At least on Mothers' Day we can remind a careless world that pity and mercy, sacrifice and devotion are as acceptable in Heaven's sight as the valor of the soldier and the glory of the

In a little burial ground near Versailles a crumbling stone marks the resting place of a mother who in life rejoiced in a large family of sons and daughters. Across the face of the stone is carved her name, date of her birth, and of her death. The last line is reserved for her eulogy, brief but comprehensive: "She stayed at home."

She never made a speech, wrote a book, or held an office. She was too busy making a home—that indispensable unit upon which society has and must always depend. In taking care of their bodies, in teaching baby minds to turn to God, and in providing for her husband, she was so fully occupied that she had no time for responsibilities that did not have to do with home and family life. She was loyal to God and to her home.

"She was loyal to God and to the Holia."

"She stayed at home"—surely no more touching or effective tribute could be paid a mother than this. It embraces all that anyone might say, however eloquently gifted, of her duty, sacrifice, suffering, and loneliness. Why is not she who stays at home as worthy of honor and remembrance as the great captain or admiral whose genius has annihilated armies and navies and saved nations?

whose genius has annihilated armies and navies and saved nations? Dark and ominous clouds hang over mothers all over the world today. It was Horace, centuries ago, who referred to war as "hateful to mothers." Mothers, more than ever, hate war. With uplifted eyes they are pleading to those in whom repose the destinies of our Nation to avoid war and preserve peace. American mothers want no participation in the wars of other nations. If war comes, mothers want their sons to fight in defense of America on American soil. Willingly would American mothers give their sons to defend the lives, the resources, and the institutions of America against any who dares to invade our country. They would, if that day comes, be the very first to place muskets in the hands of their sons and bid them go forth, while clenching to their own breasts the cross. the cross.

And here on this hallowed spot, touched as we are to the very depths of our being with the memory of our mothers and par-ticularly our war mothers, let us highly resolve that, God willing, ticularly our war mothers, let us highly resolve that, God willing, our children and our children's children may be spared the horrors and tortures of war which it was the lot of those who are buried here, and the lot of thousands of our mothers and their sons now living to endure. There is no higher or nobler way to honor our present and future mothers than to spare them the suffering and sorrows of war now being experienced or threatened in many lands.

in many lands.

We Americans have no quarrel with any other nation and they should have none with us. While we rejoice that we have escaped thus far the wars and tyrannies that have come in recent years to other nations, we must continue to avoid war abroad, the overthrow of liberty, peace, and concord at home, and steel ourselves against the insidious propaganda that seeks to lead us into the maelstrom of European intrigue and animosities. The mothers of America and their sons, on this day affectionately dedicated to honor and revere our mothers, beseech the God of nations to protect us against war and to give our leaders the wisdom to guide us into the cherished ways of enduring peace.

Federal Aid for Education

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Tuesday, May 16 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, MAY 14, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address delivered over the Mutual Broadcasting System by the junior Senator from Utah [Mr. THOMAS] on Sunday evening, May 14, 1939, on the subject of Federal Aid for Education.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Let him who would deny Federal aid to education come forward, do so openly, and take the consequences from the electorate. Let him reject the scientifically assembled information and declare that he is what he is, an enemy to common learning for the people

of his country.

I throw down the gauntlet advisedly. For 15 years careful and conservative educators have planned the way to fulfill a need predicated on the astounding fact that in the United States, educationally speaking, the rich are getting richer and the poor are getting poorer, a fact amply proved in the hearings on the Harrison-Thomas bill, much of which proof was based on the findings of the President's Advisory Committee on Education, and offered as evidence by its staff in testimony before us. It is common knowledge that the wealthier communities are making forward strides in education. It is also common knowledge that the poorer communities are not going forward at all, but are even failing to maintain a parity with their own miserable past. In fact, they are actually losing ground and the gap between opportunities for education is becoming alarmingly widened. In America, where presumably all men are born equal, they do not retain equal educational opportunities beyond even the first grade. It is not a matter of indifference among the backward counties and States. Our studies reflect that, far from their making a relatively poor effort, they are making, for among the backward counties and States. Our studies reflect that, far from their making a relatively poor effort, they are making, for their means, the most valiant, and against odds which may not be surmounted by even their most heroic efforts. All this is in the evidence of our hearings. There is only one answer. The problem becomes national because its answer is not possible locally. The solution, and the only solution, lies in a united front against ignorance and against inequality of opportunity for the common elements of education. When we speak of a united front in America we mean unity through Federal action. That, in turn, means Federal aid for those in need.

But in order to make education still a matter of purely local control, we have determinedly sought and successfully found a solu-

But in order to make education still a matter of purely local control, we have determinedly sought and successfully found a solution which gives aid and not control from the National Government. The cost is to be borne by the Federal Government, while the whole program of education is left securely in the State governments themselves. Not one iota of States' rights is surrendered as a condition precedent to receiving help. The distribution is made solely on the basis of need, properly attested by the States' own educational systems, in keeping with their own capacity for maintaining their educational systems according to American standards.

The Harrison-Thomas bill in the Senate, and in the House the very similar Larrabee bill, have the support of practically all the

very similar Larrabee bill, have the support of practically all the educational associations in our country. American education, based upon the great public-school system, recognizes the place for the home, the church, and the private organizations in our educational system. The status quo is maintained under the Federal aid-to-education bill. American education basically remains the same after application of the proposed act as before. There is no attempt to superimpose anything on this happy condition, but to render it more happy by the addition of opportunities to States, counties, and school districts which the States, counties, and school districts have cried out for themselves, heretofore in

and school districts have cried out for themselves, heretofore in vain, and which they themselves cannot furnish.

The keystone of democracy rests upon the education of the people of a democracy. There is no way to separate education from democracy. As the opportunities for common-school education are limited, so is democracy itself restricted. Other ideologies flourish on darkness and propaganda. Democracy thrives on education and light, without which democracy is impossible. As common education becomes too expensive for a community to bear, so the essence of democracy becomes impaired and disappears in

whole sections of our country.

We approach Federal aid not as pioneers, for the pioneering was done many decades ago in the United States when President Lincoln signed a bill which created our land-grant institutions, and in

contrast to the strictural ideas of the weak Buchanan respecting the constitutionality of such a project found it fully constitutional in his own mind, a judgment which has been affirmed through the

There is no question of educational luxury in the bill. only the bare necessities of learning, and these not in abundance, but frugally. It says to a community which is starving for opportunities to give a simple school term to its young, reasonable library service to hundreds of thousands of persons now without any library service whatever, opportunities for self-help to adults who are desperate in their efforts to catch up with a neglected past a chance in life for the crippled and the shut-in, and decent but not chance in life for the crippled and the shut-in, and decent but not imposing buildings to replace shanty classrooms. Here, at the instance of your own local school boards and State governments, is a small investment for you to handle wisely and in your own way, to utilize economically. Here, if you please, is a modest beginning. Prove yourselves worthy so that Congress may examine the industry with which you have improved your desperate condition, and as the national income grows do better by you so that equality of opportunity may be looked toward as an ultimate goal. What better slum clearance may we offer than riddance of the slum conditions in the minds of our least fortunate children? What better sign may Congress give to business and industry than What better sign may Congress give to business and industry than by providing book learning to stagnant and impoverished minds for industrial and business leadership and invention of tomorrow?

by providing book learning to stagnant and impoverished minds for industrial and business leadership and invention of tomorrow?

Right here let me say that we are treading no new ground that has not been trodden before by courageous feet in the Halls and corridors of Congress and in the Federal departments. Looking back within our greenest memories we recall the F. A. P. signs which dotted our best roads when the automobile became an accepted means of transportation and travel. "F. A. P." meant "Federal-aid project." Where the sign was posted it meant that the Federal Government had bargained to pay three-fourths the cost of that highway. It was a national solution of local problems too great for the locality. Why? What business was it of the Federal Government, with its few, scattered, and strictly delegated powers? I will not argue tonight the wisdom of the liberal thinking of the hour which produced our Federal-aid highway system. Both the necessity and the wisdom of meeting the problem are recognized universally. Yet there were no initial Federal-aid highway projects without a sharp struggle between those with vision and those who challenged the province of the Federal Government to assume any kind of jurisdiction. Today State roads departments are so great an adjunct of State governments not in spite of but because of Federal assistance without Federal interference or control.

What a struggle to weld our troops into the Army of the United States under the Defense Act. Have National Guards surrendered anything? They are more important, more impressive, and more efficient as State troops as creatures of the State than they over

anything? They are more important, more impressive, and more efficient as State troops, as creatures of the State, than they ever were. In the light of these experiences we who have cherished feelings toward States' rights need have no suspicion when the only

motive is cooperation.

Within this fortnight our mayors, representing political subdivisions of, not the Federal Government but of State governments, have appealed in a desperate but organized sort of way, through have appealed in a desperate but organized sort of way, through their organized representatives, for Federal relief projects. Do they storm their State capitals? Did Mayor LaGuardia address himself to Albany or to Washington? Are these agencies of the State worried over Federal control? Yet the W. P. A. set-up was conceived and applied without a fraction of the precaution against Federal control which we applied in writing the purely State-control Federal aid to education bill.

I do not know of a single nationalist in Congress. To my knowl-I do not know of a single nationalist in Congress. To my knowledge, not one of its Members is subtly striving to bring about a unitary republic. The Constitution and the temper of their representatives, stand squarely against the surrender of one iota of State sovereignty.

But the Constitution lets the hungry eat, and the sweatshop vanish, the willing work, and the weary rest in its vast parks. It does not deny the common humanities, and in this spirit it is broad enough to satisfy a universal demand for equal opportunities for common education, such as are offered in the Federal aid to educa-

While on the subject of the Constitution, it is worth while to reflect that by its terms all persons born in the United States or under its jurisdiction are citizens of the United States and of the State wherein they reside. The Government of the United States exacts a citizen's obligation from all persons, no matter where they were born. Surely the Government owes to these citizens equal

consideration in opportunity.

American democracy, resting upon the theory of a trained citizenry—a citizenry growing into more complex activities as time goes on, conscious of the worth of that American democracy, both to himself and to the world, marches on with the growth and development of our Constitution. Thus, Federal aid, viewed as a cooperopment of our Constitution. Thus, Federal aid, viewed as a cooperative activity—cooperative on the part of the State and the Nation; cooperative on the part of the State, the Nation, and the citizen; cooperative in the development of our constitutional scheme in harmony with Marshall's great notion that the Constitution was set up to endure through the ages, and in harmony, too, with our present-day enlightened concept of that Constitution as the companion of the people in the accomplishment of their objectives—I repeat, Federal aid for education viewed in this sense finds its place and keeps its place in the development of American democracy. We may go even further: It is a base upon which that democracy rests. Both reason and purpose underlie American democracy; both reason and purpose will preserve it; but it is only through the

medium of trained minds and trained persons that reason and purpose and, therefore, democracy can be maintained. That we may better fulfill our mission through Federal aid will be our task.

Proposed Reciprocal Taxation of Government Securities

EXTENSION OF REMARKS

HON. ROBERT M. LA FOLLETTE, JR. OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Tuesday, May 16 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON, PRENTISS M, BROWN, OF MICHIGAN. MAY 15, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting address delivered last evening by the junior Senator from Michigan [Mr. Brown] concerning the taxation of Government securities.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The primary task of covering by taxation the expenditures of the Government of the United States falls upon the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives. Those Members of the Senate and House who are charged with the responsibility for governmental aid for agriculture, for those on relief, for military and naval preparation, and for the various other expenditures of the Government have a more pleasant task than those of us in the Congress who are charged with the responsibility for raising the money. Theirs is to grant

more pleasant task than those of us in the Congress who are charged with the responsibility for raising the money. Theirs is to grant and to give; ours to find means to pay the bills, and the only way to do it is to tax the public. It is much easier to give Government money than to take it from the general public.

In the last official statement of the public debt of the United States it appears that on January 31, 1939, the total debt of the United States was almost forty billion and the net debt was \$37,-000,000,000. This is exclusive of guaranteed obligations such as the Federal farm mortgage bonds, the Federal Housing Administration liability, Home Owners' Loan Corporation bonds, and others of a similar character, amounting to \$4,300,000,000, as shown by the statement referred to. It is amazing how many people seem to think that we have assets in gold stored in Kentucky amounting to almost \$16,000,000,000 to balance against this total. This view is entirely erroneous. The Government of the United States owns to aimost \$16,000,000,000 to balance against this total. This view is entirely erroneous. The Government of the United States owns very little of this gold. Over ten billion of the total held is owned ultimately by the depositors in banks in the Federal Reserve System. In other words, his \$10,000,000,000 represents the deposits of the general public of the United States in Federal Reserve banks. Almost three billion more is owned in the form of gold certificates by various corporations and individuals, mainly foreigners who have the right to own such certificates. The Government owns approximately two and one-half billion, of which the major part is in the stabilization fund. This balance in the Government's favor is taken into consideration in reaching the total net debt I above stated of approximately \$37,000,000,000, which is the actual present outstanding direct obligation of the Federal Government.

present outstanding direct obligation of the Federal Government. This is, of course, the largest amount of money that was ever owed by the Federal Government. In a country the size of ours, considering this as the debt of the individuals who make up the United States, it, while large, is not, comparatively speaking, on a par with the debts of other major nations. Nor is it one which the Government cannot eventually pay. It is, in round figures, about three-fifths of the present annual income of the United States; it is about one-half of the \$80,000,000,000 yearly income that we confidently believe our people will obtain when conditions States; it is about one-nair of the \$80,000,000,000 yearly income that we confidently believe our people will obtain when conditions are normal. It is mainly due to the tremendous financial outpourings of the World War period and those necessary to bridge the people over the great depression of the late twenties and the

REQUIREMENT OF TAXATION

This situation requires on the part of those charged with the tax-levying authority, a system of taxation that is (1) fair and equitable as between citizens and (2) sufficient to eventually meet these obligations while carrying the Government's current operating expenses. It is, therefore, our duty to see that citizens from whom so much is expected by way of tax levies should be treated justly as between themselves. To this end the President, in April of 1938, proposed that the reciprocal exemption from income taxation which had been granted to public officials of National, State, and local governments should be ended; and that the exemption which had been granted to holders of public securities should likewise be ended. Happily, the result desired in respect to public salaries has been achieved. Now, the Public Salary Tax Act, which was passed by the Congress and signed by

the President on April 12 and which I had the honor to sponsor in the Senate, requires every public official, be he President of the United States or the mayor of a city, a Member of the United States Senate or a member of the State legislature, a judge of the Federal court or a judge of a State or municipal court, to make the same income-tax contribution as do citizens in private employment.

It should be remembered in this connection that all Federal officials except judges appointed before 1932 have paid a Federal income tax, and State officials have paid a State income tax. The proposal we have is to apply the Federal tax to State income tax. The proposal we have is to apply the Federal tax to State officials and the State tax to Federal officials so that all citizens should be on the same basis. I could never see either the economic or legal justification for exemption.

Shortly after the President's message was received, the Senate

Shortly after the President's message was received, the Senate created a special committee to study the public salary tax question and the bond tax question. That committee consisted of the Senator from Virginia, Mr. Byrd; the Senator from Kentucky, Mr. Logan; the Senator from Arkansas, Mr. MILLER; the Senator from Delaware, Mr. Townsend; and the Senator from Vermont, Mr. Austin; with myself as chairman. We labored diligently with the question. We heard witnesses both pro and con whose testimony occupies over 700 printed pages. On February 21 of this year the committee reported favorably on the salary tax question and concluded that both from an economic and legal standpoint year the committee reported favorably on the salary tax question and concluded that both from an economic and legal standpoint the bill was in the public interest and constitutional. We were very happy that some weeks thereafter the Supreme Court came to the same conclusion in the O'Keefe case. The public salary tax became law. The return, while not large, will probably produce between fifteen and twenty millions of additional income to the Federal Government. To me the principal gain is that tax justice is done as between public and private taynavers. justice is done as between public and private taxpayers.

SIXTY-FIVE BILLION OUTSTANDING

We have not as yet formally reported on the bond-tax question. A report will be made within the next few weeks. I do not tonight speak for the committee respecting the bond tax. I give my own views. There are approximately \$65,000,000,000 in tax-exempt securities outstanding, of which amount approximately twenty billion are those of the States, cities, school districts, and other municipal units. The remainder are the securities of the Federal Government and its agencies. Not all of these bonds are wholly tax evempt but are either wholly or partially tax exempt. I esti-Government and its agencies. Not all of these bonds are wholly tax exempt but are either wholly or partially tax exempt. I estimate that if these securities were taxable at current rates by Federal and State governments they would bring in almost one-half billion dollars per year in taxes. That there would be some rise in the cost of Government financing if the income tax was applied to all Government securities there is no doubt, but that amount would be small in comparison with the return. The proposal which our committee is considering would authorize taxation of Federal Poorde by the Federal Government and the State governments and bonds by the Federal Government and the State governments and of State and municipal bonds by the Federal Government. We do not believe we should tax outstanding governmental bonds.

do not believe we should tax outstanding governmental bonds. We do not propose to make the tax retroactive, but we apply it to all newly issued securities, Federal, State, and municipal.

I pass for the present the legal question involved and discuss the matter from an economic standpoint. The exemption of this tremendous sum of \$65,000,000,000 from income taxation is objectionable (1) because it provides a means by which wealthy taxpayers may largely escape taxation and (2) because the Government loses a large part of its revenue—close to 8 percent of its present income.

TAKES UP TAX JUSTICE

I take up the matter of tax justice.

The exemption of interest on governmental securities from Federal and State income taxes results in great inequities. It affords eral and State income taxes results in great inequities. It affords proportionately greater tax-saving opportunities to the wealthy than to the less well-to-do. This follows from the fact that the Federal and practically all State income taxes have progressive rates, applying the accepted tax theory of ability to pay, which increase as the amount of taxable income increases. Consider a dollar of wholly tax-exempt interest in the hands of people differently situated. To an individual with only \$2,000 or \$3,000 of taxable income, a dollar of wholly tax-exempt interest affords a Federal income tax saving of only 4 cents. If the interest were taxable it would add 4 cents to the Federal tax liability. In the hands of an individual with \$30,000 the same dollar of interest affords a saving of 23 cents. This saving increases with further increases in income, amounting to 31 cents per dollar for an individual with \$50,000, 59 cents for an individual with \$100,000, and 77 cents for an individual with \$1,000,000. The exemption of this interest from State income taxes adds to the disparity.

In view of the progressive character of the income tax, a tax-

In view of the progressive character of the income exempt security is worth much more to a rich man than to an individual with relatively small means. Rich and poor, however, can buy these securities at identical prices. The available supply of Government securities is so large, in relation to the demand on the part of those who desire them most—the wealthy, that the tax exemption privilege these securities possess can be had by paying little or nothing for it. Because they can purchase tax-exempt securities at very favorable terms, the wealthy are encouraged to stay away from taxable securities—the type of securities which represent investments in private enterprise.

HIGHER NET YIELD

Individuals with large wealth can obtain a higher net yield from low-interest, tax-exempt Government securities than from taxable high-yield corporation securities. For example, an individual with

an annual income of \$100,000 would have to hold an equal amount of bonds bearing 7.3-percent interest in order to match a yield of of bonds bearing 7.3-percent interest in order to match a yield of 3 percent on a tax-exempt security. It is impossible to get 7 percent on good bonds. A man with an income of \$1,000,000 a year would have to receive 12½ percent on his corporation bonds to match a yield of 3 percent on a similar amount of tax-exempt securities. Expressed in another way, if a man with a \$1,000,000 income was fortunate enough to acquire 4-percent tax-exempt municipal securities (and such is entirely possible), his return would be equivalent to an interest rate of 16¾ percent on corporate securities as far as his retained income after tax is concerned, after deduction of taxes. deduction of taxes.

In view of these circumstances, it is to be expected that wealthy individuals will make large investments in Government securities. despite the fact that they are precisely the people who, because of their ability to assume risks, should use their funds for industrial their ability to assume risks, should use their funds for industrial undertakings. The extent of tax-exempt security ownership by wealthy individuals is indicated by Federal income-tax data. In 1937, 25 persons, each with net incomes in excess of \$1,000,000, received almost \$7,000,000 of wholly tax-exempt interest. They probably held well over \$200,000,000 in wholly tax-exempt securities. Their savings in Federal income taxes alone amounted to \$6,000,000. Stated another way, these individuals had almost one-third more income left after taxes than they would have had left if the interest from Government, securities were taxable even after if the interest from Government securities were taxable, even after an allowance is made for a one-fourth percent increase in yield. In one instance an individual with very large tax-exempt security holdings paid \$1,000,000 in income taxes, while if the interest he derived from wholly exempt Government securities were taxable, he would have paid almost \$2,500,000 in Federal income taxes.

LOSS MADE UP ELSEWHERE

These tax savings which accrue to the rich by virtue of their ownership of tax-exempt securities represent corresponding reductions in income-tax collections. The loss of revenue, of course, has to be made up elsewhere, frequently from less desirable sources. This is unfortunate, for the individual income tax, on which we primarily rely for progressiveness in our tax system, is much too unimportant already. It produces today less than 10 percent of combined Federal, State, and local tax collections. Estimates of the loss in Federal income-tax collections alone, due to the existence of tax-exempt securities, range between \$200,000,000 and \$300,000,000. In other words, the loss of income-tax revenue due to tax-exempt securities may be in excess of the total current yield of the Federal gasoline tax (\$203,600,000 in 1938). It may also be in excess of the total yield of all Federal manufacturary excess these taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes of the total yield of all Federal manufacturary excess taxes taxes and yield of the federal manufacturary excess taxes taxes and yield of the federal manufacturary excess taxes taxes and yield of the federal manufacturary excess taxes taxes and yield of the federal manufacturary excess taxes taxes and yield yield of the federal manufacturary excess taxes taxes and yield ers' excise taxes, other than gasoline (\$213,200,000 in 1938), which includes the yield of the excises on automobiles, trucks, tires, tubes, automobile parts and accessories, electric energy, lubrioils, radios, refrigerators, cameras, not to mention a variety of others.

of others.

In recent years we have witnessed a great expansion in governmental expenditures and the pressure for further increases continues. As a member of the Senate Finance Committee I am conscious of our responsibility to increase Federal tax revenue in order to bring about a better balance between revenues and expenditures. I am conscious of our responsibility to explore every practical channel for increasing tax collections. In that quest, the potentialities of discontinuing the issue of tax-exempt securities should not be overlooked. Such a step would not only add to the equity of the tax system but would result in a substantial revenue increase. The Under Secretary of the Treasury estimated that the elimination of tax-exempt securities would eventually revenue increase. The Under Secretary of the Treasury estimated that the elimination of tax-exempt securities would eventually mean an additional annual Federal revenue of from \$179,000,000 to \$337,000,000. This increase, of course, would not occur in full for many years, because, if the issuance of tax-exempt securities were discontinued at once, it would require almost 50 years for the entire supply of securities now outstanding to reach maturity. The resultant increase in revenue would be small in the early years, but would assume substantial proportions in later years.

ARGUMENT AGAINST PROPOSAL

The major argument advanced in opposition to the proposal that the issue of tax-exempt securities be discontinued is that such a step would greatly increase the cost of borrowing for all governments. These increased costs, however, would be small in comparison to the increase in revenue which would result. The increase in the cost of borrowing for the Federal Government and the Federal instrumentalities is estimated between \$19,000,000 and \$50,000,000; that for the State and local governments between \$40,000,000 and \$105,000,000. These increases, however, would occur only slowly as the supply of existing securities was replaced cur only slowly as the supply of existing securities was replaced by taxable securities. For State and local governments, for inby taxable securities. For state and local governments, for instance, assuming a one-fourth-percent increase in interest rates, the cost of borrowing will have increased by 1945 by only 2 percent, which is equal to 12 cents per capita, and by 1964 by 5 percent, which is equal to 30 cents per capita. The full increase in the cost of borrowing would occur only at the end of approximately 50 years and would never quite amount to 6 percent of the present cost of borrowing.

the present cost of borrowing.

The constitutional aspects of this question are most important.

The reason State and municipal bonds are not taxed at the present time is, in my judgment, due to the fear heretofore held that such a tax would be declared unconstitutional by the Supreme Court of the United States. The reason Federal bonds have not been fully taxable is because the market for them would be unfavorable in comparison with State and municipal bonds unless the tax-exempt feature was included. Therefore, it may be said that the barrier imposed by the strong indications in our court decisions is the real reason why both State and Federal bonds have not been taxed. There is no question but that the Federal Government could declare the future issues of its bonds to be subject to the income tax. The question of whether or not the Federal Government might impose its income tax on State bonds is more difficult from a legal standpoint. It is my judgment that the recent trend of decisions in the Supreme Court indicates that the early minority views of men like the late Justice Holmes and of Justice Brandeis, not to mention members of the present Court, will prevail as they have prevailed on the public salary tax question.

NOT EXACT PRECEDENT

The O'Keefe case holding the public salary tax constitutional is not, legally speaking, an exact precedent for holding a tax on bonds to be constitutional; but the O'Keefe case is a strong indication that the Court will consider that subject favorably. Strange to say since the adoption of the sixteenth amendment in 1913 there has been no ruling from the Supreme Court precisely upon the question involved here. The Court has indicated at various times that it adhered to the rule in the famous Pollock case, decided in 1896, notwithstanding the adoption of the sixteenth amendment in 1913. The Congress had several times before that case was decided taxed the income on governmental bonds; five times during the Civil War they imposed such a tax. In 1894 it imposed such a tax. The 1894 act was declared unconstitutional in the case referred to. The reasoning was, that one sovereignty should not be permitted to tax the instrumentalities of another sovereignty.

I do not propose to make a legal argument here, but merely to The O'Keefe case holding the public salary tax constitutional

I do not propose to make a legal argument here, but merely to refer to the position taken by the Court. Basing its reasoning upon the proposition advanced by Chief Justice Marshall in 1819 upon the proposition advanced by Chief Justice Marshall in 1819 in the McCulloch against Maryland case in which he used the famous phrase, "The power to tax involves the power to destroy," the Court in the Pollock case held that a tax by the Federal Government on the income of a private citizen or corporation, derived from a municipal bond was a tax on the source and laid such a burden upon the municipality that it was an unconstitutional interference by one sovereignty with another. Each of the Civil War acts and the 1894 act taxed income from municipal bonds in common with all other incomes under phraseology describing the income as coming "from any other source whatever." In the Pollock case the Supreme Court found that income from municipal bonds were intended by Congress to be taxable from municipal bonds were intended by Congress to be taxable under that phrase and, of course, held that such taxation was

NOT ONLY QUESTION

unconstitutional.

Immediately thereafter arose the agitation for the sixteenth amendment, based largely upon the holding of the Policok case that no income could be taxed unless it was apportioned among the several States according to population. But that was not the only question in the Policok case. The municipal bond question was also in it and was decided in it. The income-tax amendment was fully discussed for many years and finally adopted in 1913. It reads:

"The Congress shall have power to lay and collect taxes on incomes from whatever source derived without apportionment among the

rom whatever source derived without apportionment among the several States and without regard to any census or enumeration."

You will note the similarity between the phrases in the Civil War Acts and in the 1894 Acts, "from any source whatever," and the phrase, "from whatever source derived" contained in the sixteenth amendment.

It would be supposed that this plain language would admit of no misconstruction. It was in sense identical and in form practically identical with the prior statutory language which the Court held taxed municipal bond interest. This view is heightened by the fact that Chief Justice Hughes, who was then Governor of New York, stated in a message to the New York State Legislature in 1910, submitting the sixteenth amendment for ratification or rejection, the

"The comprehensive words, 'from whatever source derived,' if taken in their natural sense, would include not only incomes from ordinary real or personal property but also incomes derived from State and municipal securities.

"It is certainly significant that the words, 'from whatever source derived,' have been introduced into the proposed amendment as if it were the intention to make it impossible for the claim to be urged that the income from any property, even though it consists of the bonds of the State or of a municipality organized by it, will be removed from the reach of the taxing power of the Federal Government.

"The immunity from Federal taxation that the State and its instrumentalities of government now enjoy is derived not from any express provision of the Federal Constitution but from what has been deemed to be necessary implication. Who can say that any such implication with respect to the proposed tax will survive the adoption of this explicit and comprehensive amendment?"

VIEWS HAVE PREVAILED

It is significant also that the attorneys who argued and won the Pollock case appeared before the New York State Legislature and in opposing ratification asserted that without question the adoption of the sixteenth amendment would permit the taxation of Federal and State securities through the Federal income tax. But others, including Senator Borah and Senator Root, insisted that the sixteenth haven the sixteenth have a sixteenth and senator Root. teenth amendment did not overcome the immunity rule, and their

views have prevailed both in dicta expressed in various cases and in the practical application through congressional enactment, or lack thereof.

The court might very well decide this question on the basis of the sixteenth amendment, or it is entirely possible that it might review the findings and conclusions reached in the Pollock case and overrule that case insofar as it held municipal bonds to be exempt

overrue that case insorar as it held municipal bonds to be exempt from Federal income taxation, because the tax laid a burden on the source, the municipality, and therefore violated the immunity rule. The only way in which this legal question can be decided is by the application of the income-tax law to a State security. I hope that such will be done during the present session of Congress. I have become convinced after a most careful study of the question that not only should it be done but that it can be done under the Constitution of the present session.

Constitution as it now stands without amendment.

The proposed legislation will not only result in tax justice, but it itself would be a material factor in the reduction of the public debt. If this tax had been in existence during the twenty-odd years that the income tax has been effective, the returns would probably have been close to two hundred million a year, on the average, and would probably have resulted in a return to the Federal Government of approximately \$4,000,000,000 during the period, not to mention the returns to State governments.

I cannot believe that our Congress will fail to follow the recommendations of the Treasury Department. It is significant that, in addition to Secretary Morgenthau, former Secretaries of the Treasury Glass, Houston, Mellon, and Mills have all recommended elimination of tax-exempt bonds. To these high authorities I can add the last four Presidents of the United States—Presidents Harding, Coolidge, Hoover, and Roosevelt. These are high authorities. All favor the proposal. I believe we should follow their recommendations, based upon their vast experience in public figures and strike favor the proposal. I believe we should follow their recommenda-tions, based upon their vast experience in public finance, and strike down this unfair privilege.

Constitution Sunday

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Tuesday, May 16 (legislative day of Monday, May 8), 1939

ARTICLE FROM THE JOURNAL AND NEW YORK AMERICAN OF MAY 14, 1939

Mr. WILEY. Mr. President, on Sunday, May 14, there appeared in the Journal and New York American an interesting article by the senior Senator from Pennsylvania [Mr. Davis] regarding his proposal for setting aside a Sunday in September each year as Constitution Sunday. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal and New York American of May 14, 1939] CONSTITUTION SUNDAY AS "UNITED STATES RED LETTER DAY" URGED IN THE SENATE

(By Hon. James J. Davis, United States Senator from Pennsylvania) Washington.—The widespread observance recently of the one hundred and fiftieth anniversary of the origin and establishment of the Constitution of the United States has served to direct the thought of Americans to the religious basis of this great document.

The men who formulated its principles represented a Biblical tradition. They believed in the rule of God in the lives of men as transcendent over any earthly power. They had witnessed the tyranny of princes and kings in the Old World and wanted none

They believed in a government that would endure only through the consent of the governed. They believed in the will of the sovereign citizen who looked not to the arbitrary decrees of any earthly ruler for guidance but to the heavenly King.

The conditions that give rise to the religious faith of the founding fathers are not unlike those that prevail in Europe today. The eighteenth century was the so-called age of reason. It was also an age of many wars. The philosophers, materially minded, were seeking politely to bow God out of the universe.

CONSTITUTION BORN OF HIGH IDEALS

In this same Old World today we see this excessive emphasis on ideologies, the exaltation of force, and the war against God. The reaction against these lower levels of life caused pioneer Americans to turn away from the Old World and in this new land seek religious liberty.

The Constitution of the United States embodied these New World

aspirations. They were inherent in religious belief.

Last year, together with others, I was active in asking for the observance of Constitution Sunday, September 18. This year I received numerous petitions from eminent clergymen, representatives of the American Legion, distinguished scholars, and many others asking that I introduce legislation to designate the Sunday immediately preceding September 17 of each year as Constitution Sunday.

This would place this national observance of the Constitution near the date each year when, at Philadelphia in 1787, George Washington and his compatriots in free government placed their

Senate Joint Resolution 100 on March 27 in an attempt to prevent this "red-letter day from becoming a dead-letter day."

ANNUAL OBSERVANCE OF DAY IS URGED

This resolution calls for the designation of Sunday immediately preceding September 17 of each year as Constitution Sunday, to be observed in grateful remembrance for the privileges enjoyed under the Constitution of the United States. The President would be authorized and requested to issue annually a proclamation calling upon the people to observe it in an appropriate manner.

Needs of New England

EXTENSION OF REMARKS

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES Tuesday, May 16 (legislative day of Monday, May 8), 1939

ADDRESS BY RALPH E. FLANDERS

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Congressional Record the address of Ralph E. Flanders, president of Jones & Lamson Machine Co., Springfield, Vt., and a director of the New England Council, at the all-New England dinner, Washington, May 3, 1939, on the subject Needs of New England.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

printed in the Record, as follows:

It is something of a responsibility to be asked to present New England needs and possibilities before its representatives in the Senate and House, as I have been asked to do. The difficulty lies in the fact that no one man can see the whole picture; nor can any two New Englanders, with their traditional independence of opinion. fully agree on just what it is that we want and in just what direction we should go. You must then discount this as an authoritative presentation and give it only the importance which your own judgment assigns to it.

New England has had an interesting history. The industry of modern America was established there. The iron industry started there. The cotton-textile industry started there, and so did many another of our great industrial developments. Meanwhile we fed ourselves as well as manufacturing for the rest of the infant nation. Our fields of grain, flocks of sheep, and herds of dairy cattle supplied us with food and clothing. Our industries paid the highest wages, and our workers enjoyed the highest standard of living of any part of the country.

Meanwhile our fishermen drew the heaviest catches from the ocean, and our merchant ships salled the world around and were the undisputed masters of the seas. New England led the Nation in industrial and mercantile enterprise for more than half of the nineteenth century.

Her subsequent history has not been so spectacular. The limited

nineteenth century.

nineteenth century.

Her subsequent history has not been so spectacular. The limited sources of iron yielded place to the vast deposits of Pennsylvania, the South, and the Lake Superior region. The lower wages of the South attracted the cotton industry, and much of this has left New England forever. Shoemaking drifted away from our cities and towns nearer to the sources of leather and to the centers of population of the Nation. New England wool gave place to that from vast flocks raised on the open ranges of the West, made available by the building of the transcontinental railroads. Our grain

from vast flocks raised on the open ranges of the West, made available by the building of the transcontinental railroads. Our grain supplies come from the West. And while our milk is for the most part raised within our boundaries, yet cream and butter come to Boston markets from beyond the Mississippi.

New England geographically, industrially, and agriculturally is "out on a limb." The air is bracing and the view is unexcelled—but still we are "out on a limb." To leave the picture here, however, would be to give a very false impresison of what is really a heartening rather than a disheartening picture, for when New England found it necessary to give up providing the rest of the Nation with bulk and staple goods, she turned her energies to the production of quality goods; and in the production of those goods she finds her present field of activity and her present source of

employment for her workers and of income for her industries. Wherever material cost is high and the amount added to the production by labor is inconsiderable, we relinquish the field to our

competitors. Wherever skill of hand and brain is applied to the refined manipulation of quality products, there we find our field.

Although much of the low-priced shoe trade has left us, we still find a market for the highest grade of men's and women's shoes. It has become difficult for us to compete in the manufacture of staple cotton textiles; but the finer weaves and the artistic specialties meeting the demand of enlightened style—these we can and will produce. We no longer sell pig iron to the rest of the country; but we continue to manufacture the highest type of machine tools and find our market in the Waltham watch rather than in structural

Thus for the industries which we retain we still pay the highest wages and enable our workers to live at the highest standard of living of any section of the country. We have abandoned the quantity ideal and have become a region whose industries are based on quality. This has been made possible by the fact that we have as a foundation for our production of quality products a quality population, whose native ingenuity, skill, and character fit them for our type of industry to an extent not to be matched elsewhere in the Nation.

in the Nation.

in the Nation.

Carrying this idea still further into other fields than that of industry, we see the new opportunities of agriculture pointing in the same direction. Our future lies in food specialties which will bring a price above the market. Butter, cheese, hams, country sausage, bacon, each stamped with a trade-mark whose reputation has been founded on cleanliness of preparation, delicacy of flavor, and unvarying high standards point the way to the future of New England agriculture. Add to this the New England tradition of farming as a way of life and we have not only the background for a solid success in agricultural pursuits, we have as well a continuation of the New England countryside as a source of the finest human material for the replacement of the leaders of the Nation in commerce, industry, education, and statesmanship.

As our final resource we again have quality in the recreational facilities which we have to offer. There is quietness, beauty, and regenerating peace in our landscape. Those who live in the region and minister to its visitors have such a real though unconscious

and minister to its visitors have such a real though unconscious participation in the quality of the scene that they are at unity with it, and the discerning visitor seldom finds himself disturbed by the jarring note of dissonance between the seashore, the mountain, or the valley and its inhabitants.

A region whose prosperity is based on quality has difficult prob-lems to face, some of which come very clearly within the influ-ence of national legislation. Let us consider a few of these matters with which you, our representatives in Congress, are particularly concerning yourselves.

There is, of course, the ever-present question of the tariff, with

There is, of course, the ever-present question of the tariii, with relation to which our region presents no unusual problems. I must say that the terms of the recent reciprocal arrangements with Great Britain and Canada made it look as though New England had either been kept too much or too little in mind, when such things as milk, maple sugar, and fisheries had their protection decreased. I do not know that it is yet time to appraise the results of this action, and perhaps we had better wait until the results are clear before we try to make protest; for there are other legislative problems which do affect us more directly. lems which do affect us more directly.

Items which do affect us more directly.

The Wages and Hours Act is a serious matter. Here we find ourselves on the horns of a dilemma. I am sure that most of us are opposed to the setting of wage rates and hours by national legislation. The lack of flexibility, the widely varying conditions, the impossibility of granting exemptions with even-handed justice, the inevitable necessity for the building up of great bureaucratic administrative institutions, and the choking of natural developments in accordance with economic needs are only a few of the difficulties which follow an attempt to introduce totalitarian administration which follow an attempt to introduce totalitarian administration into a highly developed and elaborately organized society like ours. Yet, on the other hand, a region which must subsist on quality

yet, on the other hand, a region which must subsist on quanty products, paying high wages, is ever sensitive to the disadvantages which those high wages entail. Our region has led the Nation in its wage and hour standards. It has placed itself at a definite disadvantage thereby, and the temptation is strong to support wage and hour limitations and to demand their extension.

However advantageous such a course might be for New England, I believe that it would be bad for the Nation as a whole and ultimately bad for us. The most we should ask for, it seems to me, is such a wage rate as gives minimum standards of decency, giving assurance that the industry is just above the sweatshop level. Thirty-five cents an hour or even 32 cents an hour as a minimum would even to weet these requirements for goods made for interwould seem to meet these requirements for goods made for inter-state distribution.

A quality region also has its definite problems with relation to taxation. For one thing it is subject to greater fluctuations of income. It has years of loss in its operations and then a few years of profit. The net result over a period of years is a tax on its average profits higher than the normal rate of taxation for any one year. We are thus far more heavily taxed than regions engaged in more stable occupations, such as the food industries. We have a particular interest in taxation policies which carry over gains and losses so that the taxation is on the basis of our average conditions instead of on the abnormal ones. instead of on the abnormal ones.

In a region renowned for its inventiveness and its enterprise, we have been hard hit by the special forms of taxation which have

been devised, it would seem, specifically to penalize business risk. The undistributed-profits tax bore heavily on businesses whose earning power fluctuated widely, but it bore still more heavily on the growing industry, attempting to make for itself a place as a new venture against the competition of established businesses. The capital-gains tax, like the undistributed-profits tax, has been somewhat lightened, but even in its present form its effect is to discourage "venturesome capital." There is nothing this Nation needs more than a revival of the spirit of business risk and enterprise, and the ability to realize on profits from risk and enterprise is an essential necessity. Full reemployment waits on risk and enterprise and at this moment it waits on little else.

While these things of which we have been speaking are specific, there is a general requirement still unmet which it is most

While these things of which we have been speaking are specific, there is a general requirement still unmet which it is most difficult to put into words. That general requirement relates to the atmosphere or the "weather" in which business enterprise must live and act. The weather has not been good. The weather is made in part by business itself and in part by the conditions which surround it, which in the last few years have been primarily determined by the Federal Government. I think that I may safely say that the arrival of good business weather and consequent revival of employment and a decrease of the excuse for large governmental expenditures depends very little upon the passing of new legislation. It depends, on the whole, rather more on the refraining from legislation or from the threat of legislation. on the refraining from legislation or from the threat of legislation. We are indeed in a dangerous position when we assume that business depends on positive action by government for its health

and activity.

There are certain business evils from which government must protect the body of its citizens. There are certain evils from which some sections have to be protected as against other sections. There are certain disasters which come to business from the raids of speculation, for instance, from which protection must be provided. But, take it altogether, these various protections are of a general sort and fall far short of the regulation of the details of general sort and fall far short of the regulation of the details of business by government on which we have embarked in the last few years. Such detailed regulation is impossible. The attempt to enforce such legislation meets with difficulties such as to require an ever-expanding and ever-elaborating administrative machinery. It is not too much to say that the attempt to govern the details of business by government, if persisted in, will destroy popular government, and destroy the useful functions which our representatives in Congress now perform. Only the totalitarian government can give detailed management to business, and in the totalitarian government the people's representatives play no part.

I might properly close by calling attention to the fact that New England's particular forte of providing the more refined goods and services for the rest of the country gives her a particular interest in the welfare of the country as a whole. It is New England's industries which suffer first and most if the Nation's business is not sound. We have, therefore, no special favors to ask. We ask only that our Nation be permitted to continue on its old course of private enterprise and activity with only the necessary checks on the evils which have hindered that enterprise and activity.

activity.

activity.

I hope that this picture will appeal to you as clarifying and simplifying the responsibilities and opportunities of you who are responsible for national legislation. We are dependent on you, and we believe that the requirements which we feel must be met in your sphere are requirements which you are as well fitted to carry out in the future as you have shown yourselves to be in the past.

Manuel A. DeFreitas

EXTENSION OF REMARKS

HON, HENRY CABOT LODGE, Jr. OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES Tuesday, May 16 (legislative day of Monday, May 8), 1939

ADDRESS BY EDWARD G. PENNIMAN

Mr. LODGE. Mr. President, Manuel A. DeFreitas was a well-known citizen of Massachusetts and a leader among Americans of Portuguese extraction. Never forgetting Portuguese culture, he was also a stalwart American and instilled Americanism among all with whom he came in contact.

It is particularly appropriate that in the city of Peabody, Mass., a square should be named for Manuel A. DeFreitas, and that on May 6 last His Excellency Dr. Joao Antonio de Bianchi, Envoy Extraordinary and Minister Plenipotentiary from Portugal, should have made a trip from Washington in order to unveil the monument erected in honor of Mr. DeFreitas. It is estimated that more than 10,000 persons

attended the dedication; and I ask unanimous consent to have printed in the RECORD the speech delivered on that occasion by Edward G. Penniman, editor of the Peabody Enterprise.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We gather here today to humbly dedicate this junction in grateful memory of a departed friend, who for more than a quarter century personified the highest traditions of service, sacrifice, and

century personified the highest traditions of service, sacrifice, and loyalty, which were so broad and so deep that, although he has crossed the bar to God's kingdom, we today revere that memory with thanksgiving and with praise. That life and character was the late Manuel A. DeFreitas.

Born in the Azores 48 years ago, the son of humble but proud parents, Manuel was one of 13 children. At the age of 17 he came to the United States, the land of promised opportunity, where among free men and women Manuel found a society that held boundless careers for those who dared to live and to serve.

He soon found employment in a factory, where he learned the improved processes of making shoes. But he also had an unflinching desire to learn the customs, the language, and the traditions of the American people. Aggressive, alert, and intellectually honest, Manuel made friends easily; and always a keen student of conversation, he was pleased to find how close the spirit of America was to that of Portugal, and what a great similarity existed in the patterns of both great countries.

the patterns of both great countries.

In 1917, Manuel achieved a great personal victory, one that to him offered a challenge to serve the United States. He became a naturalized citizen after many years of patient study and effort; and although he always held close the tradition and history of his own native land, he had an understanding and vision to appreciate the jewel of his American citizenship better than most American-

born citizens.

For more than twoscore years, four organizations—the symbol of American cooperation—felt the radiating glow of his friendship, and progressed on the unfailing wisdom of his mind, and kindness and progressed on the unfailing wisdom of his mind, and kindness of his heart. He served as president of the Portuguese-American Civic Club, not alone because of the personal joy that came in that responsibility but because he appreciated the opportunity which such a unit in a democratic nation offered. He knew that the success of democracy depended upon the fine and harmonious interweaving of the two patterns—of the Old World and the New World. Manuel envisioned that dream of a better world because through mutual understanding of our backgrounds there would develop a closer and more beautiful life. Indeed, Banks' stanza is the most expressive of Manuel's life in the poem:

I live for those who love me And for those who know me true, For the heavens that shine above me And the good that I can do.

These words must have been enshrined in the heart of Manuel A. DeFreitas because wherever we saw him—in the store, in the lodge, or community, he was always striving to do all the good that he

For 18 years Manuel was the village storekeeper. Perhaps more than in any other chapter of his life it was here that we had the opportunity to know him best. Cheerful, friendly, honest, aggressive, and intensely interested in promoting the best interests of the cooperative Popular Grocery Store, Manuel so served that cause that cooperative Popular Grocery Store, Manuel so served that cause that it became one of the pioneer units in retail merchandising in the State. During prosperous times and depression days Manuel made the store successful, and yet, not one Portuguese family in this community went hungry. The door of kindness in the heart of this man was never closed and the light of service in his soul never flickered, but grew brighter when there was adversity, when trouble and even death cast its shadows over the homes of his friends.

In these days with so much misery throughout the world and when nations are disturbed by factors of great alarm, we might well look at the life of Manuel DeFreitas for many lessons of character which give strength and renewed determination to keep our two great countries, the Republic of Portugal and the Republic of the United States, ever free and glorious.

For Manuel was given the rare quality of a calm mind, which in the midst of strife and of uncertainty remained clear and determined. He was never confused, and at trials which would tax the patience of the ordinary man beyond endurance his would never be clouded.

be clouded.

We can well emulate his quality of kindness, not in the ordinary We can well emulate his quality of kindness, not in the ordinary sense, but to a very profound degree. Yes, in his veins not only flowed the milk of human kindness, but his heart was the pump and his spirit was the fountain. I remember many deeds, to rich and poor alike, which Manuel did that gave unmistakable evidence that God's own hand of kindness moved when Manuel raised his arms in service for those who came in contact with him. How many of you here today remember his kindness toward children, and how he was never too busy at the store to stop for a few seconds to pat some child on the forehead or give some undernourished boy who seemed faint from hunger a sandwich and piece of cake. Friends, we live, oh, so short a time, and eternity is, oh, so long, that if there could be more kindness as practiced by this leader there would be more happiness.

We might well engender into our lives the sense of duty, of

We might well engender into our lives the sense of duty, of obligation and of being faithful, the like of which is seen in few men, but certainly among those few was Manuel DeFreitas. Words

are easy like the wind, but faithful friends are hard to find. Manuel was faithful to his God, his native land, and his adopted country. He was faithful to a code among men which was founded only on the highest and finest principles of living. He was faithful to his wonderful wife, and splendid children, and to countless friends who sought his wisdom and were made happy by his kindness. Today, when nations and peoples tear down those institutions which made them great; when there are too many examples of broken faith, the spirit of fidelity as personified by Manuel DeFreitas should point the way to a better understanding and a greater victory. and a greater victory.

Manuel lived for humanity, for a sincere fatherhood of God and brotherhood of man. He turned away bitterness and ill feeling with a smile, and never allowed the spirit of guile, of trickery, or vindictiveness to enter his life. Wherever you met him, on his lips were words of hope and courage, words of joy and praise, and words of God's teachings. For men who could be so loyal to their creeds so profoundly consistent with a desire to correct the course there is a correct to the consistent with a desire to correct the correct to the consistent with a desire to correct the correct to the correct to the correct three is a correct to the correct to th creeds, so profoundly consistent with a desire to serve, there is a great place for them in this world, and a greater place in that world above.

So it is fitting that not only the people of Portuguese origin, but the citizenry of Peabody, today commemorate this life for posterity by dedicating this square, in the section of our community where he served most. People in other communities whose lives were enriched by some little deed of his kindness join hands with us today

in this tribute.

For in dedicating this square, the Manuel A. DeFreitas Square, we solemnly and sincerely thank Almighty God that such a spirit moved in our community, and for the manifold lessons of character which Mr. DeFreitas bequeathed to us. For without character, there can be no nation strong enough to endure, and no happiness

or achievement that can be fine enough to be permanent.

For his qualities of leadership, of cooperation, and of service, this monument will ever be a shrine. For years to come this square will bring to those living a deeper and better understanding of true

Americanism.

For his modesty and sincerity this bronze tablet will ever serve as a guide to us in our powers to distinguish the flimsy from

the gold of life.

For his contributions to this community, as a representative of a great race of industrious, honest, and God-fearing people, this shrine will ever have a purpose so great as to make those who will feel its genuine influence better Christians and more patriotic

Therefore, we dedicate in loving memory this square to a great American, and likewise, before God and Manuel DeFreitas in heaven, we dedicate our lives as he did, in useful service to our church and our country. Long may the memory of this departed citizen remain in the hearts of men and women in our com-The influence of such a memory, etched in gold by the munity. The influence of such a memory, etched in gold by the strong hand of God, will help our community go forward with a more united spirit and a more determined vigor.

"Little Sir Echoes" of the American Tariff League

EXTENSION OF REMARKS OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

Mr. KITCHENS. Mr. Speaker, in his speech of April 26 attacking trade agreements, the gentleman from Massachusetts [Mr. TREADWAY] stated that some of the speeches made in defense of trade agreements had the earmarks of State Department propaganda. As one who has spoken in favor of trade agreements, I want to say that I depend upon various departments of the Government to furnish me with reliable statistical and other information regarding the operations of congressional acts and results of trade treaties. In my estimation, the gentleman and other hard-pressed critics of trade treaties and of this administration would not go so far afield in some of their statements and unsupported charges if they should obtain their information from reliable sources rather than such organizations as the American Tariff League and the Republican National Committee.

If anyone will go to the trouble of reading the July, August 1938, and other bulletins of the American Tariff League, and particularly the February 1939 bulletin of that league, and then read the remarks and speeches of various gentlemen now opposing trade treaties, he will see more than earmarks. The people are not going to take bulletins of the American Tariff League as reliable authority for anything. As to the Republican National Committee, it has a most

elaborate and expensive establishment here in the Capital with 49 employees, and numerous advisers, managers, and directors. As to their duties, the public is probably not fully aware. However, one wonders whence comes the enormous contributions necessary to pay their expenses.

In the newspapers recently an account was given of a Republican banquet here in the Capital at so much per plate. That banquet was attended by Republican leaders, and the ostensible purpose was raising of party political funds. Sad to relate, according to the papers, only a profit of 40 cents was reported. There was general wonderment as to what became of the profits from that banquet, but not for long. A reasonable explanation is that the banqueters simply consumed them at the banquet table, then as usual handed an empty bag to the public to fill, and later the American Tariff League to make nice political contributions from a portion of the bag, retaining the most.

We do not know all the names of those who attended that banquet. Therefore I feel justified in absolving the gen-

tleman who speaks of "earmarks."

During my short term in the Congress I have learned to respect and admire the gentleman from Massachusetts [Mr. TREADWAY! for his amiableness, integrity, honesty, ability, and partisanship, but fear he may be playing "Little Sir Echo" to that organization known as the American Tariff League, which took such a prominent and incredible part in the enactment of the infamous Hawley-Smoot Tariff Act.

The public cannot forget, and will recall easily, that during the consideration of that act the American Tariff League was the spearhead of the experienced, profit-reaping tariff industrialists, otherwise known as tariff barons with special privileges, who wrote their own tariff ticket, and which brought, in 1930 and thereafter, so many disastrous retaliations against and destruction of our own and foreign commerce.

We can never forget that the secretary of that organization, Faubel by name, lobbied from the offices here in the Capitol of a former Senator, Grundy, during the consideration of the Hawley-Smoot Tariff Act. We are not going to forget the fact that Mr. Grundy, the United States Senator, still an official of the American Tariff League, in a congressional investigation admitted that he believed tariff benefits should be given to certain industrial interests in proportion to their political campaign contributions. Grundy believed in the special protection by law of the large political campaign contributors so they can extract more money from the consumers of America, and, as he thought, be able thereby to remain politically in power over the American people.

Mr. Speaker, the record shows that the secretary of the American Tariff League was called before the committee investigating tariff lobbyists to explain his pernicious activities in 1929 and 1930 during the consideration of the Hawley-Smoot tariff bill, and, according to the lobby hearings, part 6, page 2352, the American Tariff League was an adjunct of the Republican National Committee. It would be most interesting if we had details of the present relationship. The evidence indicates we are now hearing from time to time the voice of Jacob while the hand of Esau is felt in the background.

It will not be forgotten, and was brought out in those hearings, that the American Tariff League employed important confidential clerks of the congressional committees to write tariff articles for its bulletins and publications. Such tactics flaunted the people's interest for the interests of a few. The public will not forget that an employee of an organization, the Manufacturers Association of Connecticut, interested in tariff increases, was actually placed on the public pay roll and taken into the secret meetings of the congressional committees. We will never forget that the Tariff Act of 1930 was the culmination of previous maneuvers and secret manipulation for special tariff advantages by selfish interests that precipitated this depression. This is the true story that we must remember when those responsible for that act now, directly and indirectly, renew their exertion and attack trade agreements, which is an endeavor to repair some of the damage and correct some of the evils of the Smoot-Hawley Act enacted under that questionable procedure.

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A simple examination and comparison of the monthly bulletins issued and being issued by the American Tariff League, with the remarks of those now opposing trade agreements. will show a very close correlation in topics discussed tabulation of statistics, and statements made against trade agreements. Of course, if gentlemen wish to depend upon the American Tariff League for information and their views, that is their privilege. In the meantime, they might become wiser and more reliable if they should ignore the American Tariff League and read some able editorials in well-informed Republican newspapers approving Hull's trade-treaty program.

For their information, as a mere example, I ask that an editorial of the Star, a very ably edited Republican paper of Terre Haute, Ind., be made a part of my remarks at this

IT WORKS

The reciprocal-trade policies of Secretary Hull are already being Hull has adduced figures to show that the 16 countries with which the United States has reciprocal treaties increased their purchases of American goods 39.8 percent in 1936–38 as compared

by only 1.8 percent during the same period.

Secretary Hull believes this is ample proof that the Americantrade policy of equal treatment and equal opportunity for all is
well able to hold its own in competition with any aggressive form

of trade yet developed.

Many people lose sight of the scope of Hull's policy in watching the detail of its working out. It is not merely a competitive method to offset other methods. It is grounded in the idea that freedom of trade means an increased volume of trade, whereas special barter and two-sided trade arrangements inevitably decrease the total volume of trade of the world.

Thus far events have to a large extent vindicated Secretary Hull

and his policy of seeking more instead of less intercourse between

That great paper in its editorial of April 22, 1939, in a discussion of the trade policies of Secretary Hull and his program, under the title "It Works," states that such policies and program are already being vindicated. That great, unbiased paper is interested more in the general welfare and prosperity of all the people of the United States than in the restoration to power of such men as Grundy, the American Tariff League, or even the resurrection or resuscitation of a political party supported, dominated, and discredited by that

It is to be regretted that the American people will be forced again to decide whether to return to "Grundyism," "Smoot-Hawleyism," and the American Tariff League so as to help a few, or retain the trade-building program of Hon. Cordell Hull and of this administration, and thereby recover and permanently restore trade with all nations as far as possible for the benefit and prosperity of the many. I have no misgivings as to what the decision will be if the people do not forget or be misled.

Mr. Speaker, we need and must have a larger market for our goods and farm products. One hundred and twenty-five millions of our people produce crops and manufacture goods for export, and this trade must be fostered, enlarged, and protected so as to make better and larger our own market.

Sad experience teaches us that if we impose excessive tariffs and thereby raise around us a wall against trade with others, then trade walls will be erected against us. Under such conditions a few in this country will reap a rich harvest of profit from their neighbors, but not for long, because such neighbors will be surely, slowly, and gradually exhausted.

I have been hoping that the American Tariff League, heretofore quiescent and thought submerged, would not again raise its head in a fight for private and special interests. I have been hoping that the trade treaties now being negotiated would be given reasonable time for fulfillment of their great purpose, but that hope is now being dissipated, and the people of America might as well prepare and be on guard for a flood of propaganda such as they have never experienced before. I appeal to every Member of Congress, to everyone in an official position, to all thinking people to weigh guardedly and consider most carefully the aims and purposes of those who seek to destroy the outlets of trade for and with the American people, and if that be done without bias, without political prejudice, without selfishness, then the American Tariff League will enter a sleep that knows no waking.

When American Packers Will Manufacture Canned Corned Beef and Sell It to the Government in Sufficient Quantities to Meet the Demands, No Doubt Our Government Will No Longer Buy From South American Countries—Packers Find It More Profitable to Use American Beef for Hot Dogs and Hamburger

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

ARTICLE BY ARTHUR KROCK

Mr. COCHRAN. Mr. Speaker, if the article in the New York Times written by Mr. Arthur Krock is correct, there is certainly a lot of "bull" to the cry that the President has destroyed the market for canned corned beef in this country when he permitted the Navy to purchase this product in Argentina.

According to Mr. Krock, the packers make more money by using that part of our beef that would go into corned beef for hot dogs and hamburger, thus creating a shortage of canned corn beef in the United States.

As I told the gentleman from Pennsylvania this morning. the way to prevent the purchase of food from other countries by the Government is for the Congress to pass a law. We passed a law that requires Government agencies to use domestic material in the construction of our public buildings. That bill came from the committee of which I am chairman.

Probably it would be well, Mr. Speaker, if we did have an investigation about the purchase of canned corned beef in South America. The people would then find, according to Mr. Krock, and I might personally add the farmers and stock raisers would find, that the packers increase their profits by refusing to manufacture canned corned beef in quantities sufficient to supply the Army and Navy. the packers guarantee they will manufacture canned corned beef in sufficient quantities if Congress insists the Navy and Army buy in this country? Will the packers agree to sell to the Government canned corned beef equal in quality and for a reasonable price if Congress passes such a law?

It is clearly evident that the farmer and stock raiser have in no way been hurt by the purchase of this canned beef in the Argentine if Mr. Krock is correct.

Under leave to print, I include Mr. Krock's article in this morning's New York Times:

[From the New York Times]

IN THE NATION-THE GREAT BEEF TEMPEST IN NONEXISTENT CANS (By Arthur Krock)

WASHINGTON, May 15 .- Ever since the President told the Navy that since Argentine canned corned beef is better and cheaper than the local product it should be purchased, Members of Congress from the cattle country have been erupting in speeches. The President, they said, was destroying a great local industry in an effort to curry favor with the Argentine for his hemisphere policy. Are American cattlemen and packers to go penniless to enrich the estanciero and the gaucho of the pampas? The Capitol today resounded with such oratory.

The facts of the case suggest, among other things, that either the western Members of Congress don't know them or that they see a good chance to win favor at home through wild exaggeration and good chance to win favor at home through wild exaggeration and imaginary injury to a local activity. Whichever is true, or whether the truth is a combination of both, the facts are known to the President and the Departments of State and Commerce. They are also familiar to the packers, the chain-store supply men, and to the meat processors of South America. If the western beef animals could do anything more than moo or bellow, perhaps they would express complete indifference over the whole affair. For however they are sliced, they are eaten just the same.

On the testimony of experts the situation appears to be this:

On the testimony of experts, the situation appears to be this: A good percentage of American cattle used to be turned into canned corned beef. The only time people thought much about this product was during the Spanish-American War when the quality of the canned beef was so bad there was a scandal. Probably that was the reason why canned beef became unpopular in this country. At any rate, the bellies, or "plates," of cattle from which canned beef is made were ingeniously diverted to other foods in this country.

ENTER THE HOT DOG AND HAMBURGER

Maybe a shrewd publicity campaign developed the substitute appetite. But at any rate in the years succeeding the rout of Spain from the Philippines and the New World there developed the great American yen for hot dogs and hamburgers. These, like the canned corn beef of odorous memory, are made from the same plates of the cattle.

plates of the cattle.

From Maine to California, from Florida to Vancouver, the hot dog and the hamburger entered upon a rapid rise in consumption. Booths and counters began to spring up like mushrooms on the highways and the city street corners. The scent of the griddle was inhaled in the land. Since good prices and good profits were to be made in these commodities, 95 percent or more of the plates of cattle were thus processed. The result is that large orders for canned beef cannot be filled in any store or wholesele packing plant. wholesale packing plant.

In South America and the European countries where the products of cattle plates are sold there is no relish of the hot dog and the hamburger. If alien peoples are relapsing into barbarism, as American isolationists insist they are, this sad lack of appreciation for our great domestic delicacies may be offered as proof. So the beefraising countries to the southward—Argentina, Uruguay, Brazil, and Paraguay—have used most of the cattle plates—and even better cuts—for canned corned beef. For this and other reasons they can deliver the product here cheaper and better, as the President said

Canned beef is handy ration for the Army and the Navy. Not only is it scarce here, because unprofitable in contrast with the hot dog and the hamburger, but its manufacture is held to a mini-mum therefor. The law of supply and demand has almost extin-guished the American product. But the plates are completely used and sold at home. No American steer or cow, no domestic cattle raiser or processor, is being discriminated against by the President or anybody else. Through our choice, the Spanish War experience, and the acquired native taste for hamburgers and hot dogs, we have found a better commercial use for this portion of our cattle.

A SMALL CAN, INDEED

The United States absorbs its own beef product and thus imports little. But canned beef comes in because it isn't profitable to manufacture much of it here. In 1938 four South American countries sent about 79,000,000 pounds. Argentina can sell it in whole-sale lots in the United States for 16 cents a pound, of which 6 of which 6 cents represents duty and another portion the hauling charge.

American bidders wanted to charge the Navy 24 cents a pound for canned beef in which only cattle plates, and none of the better South American cuts, were the base. Their price was high because they don't find it interesting to make much of the stuff. And they don't find it interesting because they are doing better with hot dogs and hamburgers.

The Navy order given to the Argentine was for only 48,000 pounds of canned beef. Compare that with the 79,000,000 pounds imported in 1938; take the other facts into account; and try to believe what the western Members of Congress are saying about the President. Then forget the whole business over a hot dog or a hamburger, assured that the western cows and steers are the only constituents of the Members of Congress who are really getting the worst of it.

But they would be no better off in a can than on a roll, anyhow.

The Path to Recovery-Thrift or Spending-From the Republican and Democratic Viewpoints

EXTENSION OF REMARKS

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

RADIO DISCUSSION BY HON. ROBERT A. TAFT, OF OHIO, AND HON. T. V. SMITH, OF ILLINOIS, TUESDAY, MAY 9, 1939

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a timely and important discussion on The Path to Recovery-Thrift or Spending, disclosing the Democratic and Republican points of view on the subject as presented by Senator Robert A. Taft, of Ohio, and Representative T. V. Smith, of Illinois, Tuesday, May 9, over the Columbia Broadcasting System:

SENATOR TAFT

Citizens and taxpayers of the United States of America, the Roosevelt administration has adopted the theory that this Nation can spend itself into prosperity. It is the first administration in the history of the United States, and probably the first responsible government in the world, to be dominated by the spending philosophy. In 1932 the President advocated economy in government. From time to time thereafter he has promised a balancing of the Budget, but it is a long time now since he has even fixed a date, no matter how distant, for such a return to normal financial policy. Mr. Hopkins this morning expressly endorsed the spending policy for at least another year. In spite of feeble protests from Mr. Morgenthau, the spending philosophy dominated both executive and legislative departments. Those who believe in it see little reason for ever reducing an appropriation, because, if Government spending leads to prosperity, obviously the larger and more wasteful every appropriation can be made the more prosperous the people will become. To some extent the American people themselves were swept away by this philosophy. It was too easy to swallow the attractive theory advanced by plausible economic quacks that spending, rather than saving, is the new way to the abundant life. But the continued acceptance of the spending philosophy by responsible officials of government is unique and extraordinary. If any theory was ever completely disproved by results, this one has been disproved. We have spent twice as much money in the last 6 years as in any other 6 previous years. The public debt since 1933 has increased by \$20,000,000,000, and we have spent that much Citizens and taxpayers of the United States of America,

6 years as in any other 6 previous years. The public debt since 1933 has increased by \$20,000,000,000, and we have spent that much more money than we have received even from heavy, increased taxation. The Government expenditures today are still increasing. taxation. The Government expenditures today are still increasing. And yet after all that spending and borrowing we fell into another depression in 1937, from which we have not recovered. To cure that depression, the New Deal has found but one panacea—to spend still more money. The deficit deliberately planned by the President for the fiscal year which is about to close July 1 will be about \$4,000,000,000. The Budget for the year which begins on July 1, 1939, will probably create a deficit of at least \$4,000,000,000 more. The deficit spending at this rate has been going on steadily now for a year, and yet the country is substantially in the same condition it was in a year ago. I read only yesterday that the optimistic estimates for a large national income in 1939 had been abandoned. The national income is to be less than \$70,000,000,000, far under what it was 10 years ago, in 1928, when there were 10,000,000 fewer

what it was 10 years ago, in 1928, when there were 10,000,000 fewer people. If \$20,000,000,000 of borrowed money produced another depression instead of prosperity, if a large additional monthly deficit during 1938 and 1939 has not improved national income, what possible hope is there that any improvement can be obtained from more spending?

As a matter of fact the huge spending tends to deter recovery. Lack of financial restraint encourages the Government into all kinds of activities where private enterprise can no longer operate in competition. It justifies vast Government bureaus to regulate every industry, regulations which nearly always discourage individuals from going into that kind of business. It leads to increased taxation which makes profitable operations in private industry almost impossible. Spending feeds on itself. If one pressure group ob-tains a subsidy it is almost impossible to turn down another pressure group whose arguments and interests are just as powerful. Spending builds up activities and whether those activities are wise or not their sudden abandonment would throw many men out of work and perhaps start a downward spiral of further unemployment and business depression. Spending once undertaken cannot be suddenly abandoned but must be tapered off gradually.

So long as the spending program continues there always looms ahead the threat of national bankruptcy and while that threat exists men are not encouraged to risk their money in enterprizes exists men are not encouraged to risk their money in enterprizes which may be wiped out in the general break-down involved in such a result. No nation ever has continued indefinitely an unbalanced budget without ultimate collapse. Already our annual charge for interest amounts to a billion dollars. A slight increase in the rate of interest might easily make it a billion and a half dollars a year. Sooner or later this interest bill will become a tremendous burden and already we hear proposals that the debt be paid off in irredeemable paper money. Inflation of the currency is the means which governments use to repudiate their debts but inflation of the currency always leads to a tremendous rise in prices, which finally breaks down all business activity. It bears particularly hard on the poor and the people with fixed salaries. The savings of a lifetime and all life-insurance policies are destroyed by inflation, because dollars are depreciated until they will buy nothing. If we ever have real inflation, it is doubtful if we could reinstate the American system of individual freedom and initiative state the American system of individual freedom and initiative until we had wasted many years under state socialism. The spend-ing philosophy not only has failed to bring recovery but it contains

ing philosophy not only has falled to bring recovery but it contains the seeds of hardship and poverty, and even civil war.

Of course, it is true that the prosperity of the country increased from 1933 to 1937, but there has always been a recovery as the inevitable reaction from every depression, and it has always occurred before without substantial Government deficits. As a matter of fact, recovery from 1933 to 1937 was more rapid in England, where the budget was balanced throughout that period; and it was more rapid in many other countries throughout the world.

To support their theory, every New Dealer asserts without argument that the 1937 depression in the United States was due to the fact that the Government stopped spending. This proves too much. If the Government can never stop spending without producing a depression, it would be far better never to begin, for

on this hypothesis we must go on spending indefinitely and constantly piling up the debt until we reach the inevitable collapse. stantly pilling up the debt until we reach the inevitable collapse. But, as a matter of fact, there never was any cessation of Government spending. The 1937 depression began about the end of the fiscal year which ended on July 1, 1937. In that year the Government expenditures reached a new all-time high (excluding the soldiers' bonus payments), and the deficit amounted to approximately \$3,000,000,000, not as large as the super-deficits of 1934, 1935, 1936, and 1939, but still a very respectable deficit. Certainly the depression was not caused because the deficit was reduced \$1,000,000,000, through on the present in the present that we required. reduced \$1,000,000,000 through an increase in tax receipts. Nor does a study of what happened in 1937 justify the claim that the 1937 depression was caused by any reduction in the deficit. It resulted rather from Government interference, the lack of saving, and the unwillingness of individuals to invest in permanent

The depression first appeared in the capital-goods industries. The steel industry fell from 100 percent of capacity to 20 percent of capacity in 6 months. Hardly a domestic order was given for machinery. The demand for all the goods which go into permanent construction disappeared overnight. Gradually the unemployment in these industries which make things that go into permanent construction disappeared overnights. ployment in these industries which make things that go into permanent structures reduced buying power until the same condition was reflected in all of the other industries in the United States. The fall in business activity in the last 6 months of 1937 was greater than in any 6 months of the previous depression. What happened is quite clear. The railroads buy one-fifth of all the steel produced in the United States. Their taxes, wages, and other costs increased so fast under Government stimulation that other costs increased so fast under Government stimulation that no margin was left between their income and their increased expenses to provide for replacements or even ordinary maintenance. The costs of the utilities were increased, while their rates must remain the same, and they faced also the the threat of Government competition, so that naturally they could not spend for permanent expansion. Other industries which could legally increase their prices were afraid to manufacture many goods at increased costs for fear they could not sell them at the increased prices they were obliged to charge. There were no new models in prices they were obliged to charge. There were no new models in the automobile industry in 1938. The immediate cause of the depression, therefore, was Government interference to increase too rapidly wages, taxes, and other costs—so rapidly that prices

could not keep up.

But there would not have been such a complete collapse in these industries except for the fact that there had been less saving in the United States and even less willingness to invest savings in per-United States and even less willingness to invest savings in permanent improvements. In the twenties we saved in the neighborhood of \$10,000,000,000 a year and put this money back into buildings and machinery expansion. By 1937 savings had dropped to around \$3,000,000,000 a year, and most of these savings went into Government and municipal bonds.

America has been built up by thrift and the investment of savings, through life insurance, building and loan associations, banks, and corporate securities, in permanent improvements which would earn a return for their owners. In the United States today we have

earn a return for their owners. In the United States today we have a tremendous plant, thousands of cities with buildings from small residences up to giant skyscrapers, thousands of factories, a great railroad and utility system, all constructed by private enterprise, with the idea that a return could be earned so that the man who saved his money would have some income during the rest of his life to take care of himself and of his family after his death. This process has largely come to an end. No one is willing to put his money into anything permanent, because, with Government regulation, taxation, and competition staring him in the face, he cannot feel confident of any return. But a resumption of that process is the only way to put men back to work.

This condition was the underlying cause of the sudden collapse of 1937, a collapse which did not occur in any other important country in the world. Far from checking the depression, Government spending only aggravated it. The Government's activities made a return on private investment much less promising. That activity should have been devoted, not to public spending but to the stimulation of private spending. An excellent example of how this can be done is found in the Federal Housing Administration. where the Government, without cost to itself, has stimulated the building of houses by private industry and afforded almost the only real stimulation to business which the present administration has provided. Neither in practice nor in theory is there the slightest basis for the claim that Government spending can produce pros-

perity.

The new dealers, I believe, embrace the spending philosophy with ease and eagerness because they want to expand Government activity and regulation in every field and yet don't dare to levy the taxes which are necessary to meet the expense. If they did levy more taxes, they would almost certainly discourage all that is left of private industry and, incidentally, put an end to their own political

How far can Government expense go, assuming you could increase taxes to eliminate the deficit? Today the taxes are taking 22 percent of the national income, but total expenditures, local, State, and National amount to 30 percent of the national income. That means that if the Budget were balanced by more taxes, 70 percent of the state of the

That means that if the Budget were balanced by more taxes, 70 percent of a man's time would be used in working for himself, the other 30 percent in working for the Government. Perhaps what the Government gave him might be worth the 30 percent, but he at any rate has nothing to say about how that 30 percent is spent, and the chances are that most of it does him very little good. In any heavy tax bill the inclination is to levy the taxes first on

profits, so that the incentive to expand industry and develop new industry is tremendously reduced, because most of the earnings must be turned over to the Government. If we ever get to the point at which 50 percent of the national income is taken by the Government, I doubt very much if we can keep the other 50 percent in the hands of private industry. The burden on the private activities remaining would be so great that probably we would soon develop a hundred percent socialized state. Up to date no one has devised a system of taxation which can get more than 22 percent of the national income, and even that seems to be a tremendous of the national income, and even that seems to be a tremendous handicap to growth.

Many of the Government activities are most attractive. Taken one by one, there is the utmost justification to continue them, but the truth is that the people at the present time cannot afford everything they are getting, and someone must decide what is essential and what is not. The average workman knows that there are many expenditures he would like to make. Probably there are few who would not like a new and better house, a new automobile, more and better clothes; but the individual knows that he only has a certain income and can afford only a certain number of pleasant things each year. That is the condition the Government is in today. Dams and canals and slum-clearance projects, farm benefits, and P. W. A. may all be attractive and justifiable, but if we try to buy them all, we are only fooling ourselves. Sooner or later we will have to pay our notes in national dishonor, weakness, poverty.

have to pay our notes in national dishonor, weakness, poverty.

It is not easy to stop the present spending. Friday I cast the only vote in the committee against the \$1,300,000,000 farm bill. Our committees are considering another billion for the Federal Housing Authority, eight hundred million for the slum-clearance projects. A general education bill would add two hundred million a year, and a general health bill four hundred million a year to the annual charges of the Federal Government. Everyone is interested in spending. No one ever appears against an appropriation. No advocate of any of these spending proposals feels the slightest responsibility for suggesting where the money is coming from to pay for his proposal. A conservative Democratic Senator said to me for his proposal. A conservative Democratic Senator said to me last week that in his opinion spending could never be stopped until we went on and on to the final inevitable collapse. I don't agree with him. I believe that if the Executive accepts the responsibilities cost upon but by Commercial and the Proposition of the proposition o ties cast upon him by Congress under the Budget law, he can work out a plan which will give us all the essentials of the present program within a figure which the Nation can pay in taxes. I believe those taxes can be adjusted to interfere less with the industrious businessman and the industrious workman. If the President will not do it, I believe that Congress should create a committee to work out the editor and that mittee to work out the policy, and that a great public opinion can be created behind that policy to compel its acceptance. I have a determined confidence in the sound judgment of the American

REPRESENTATIVE SMITH

Kinsmen in Texas, neighbors in Illinois, friends in Ohio, men Kinsmen in Texas, neighbors in Illinois, friends in Ohio, men and women of America, greetings from Washington. That was a very sobering picture which the Senator has just painted for you of our national predicament. You note, however, that he knows the cure—just get the right President, or failing that, a congressional committee. Simple as the cure is, the picture of the predicament is, of course, extreme, extreme in color and extreme in urgency. It illustrates very well the common presumption that it is the business of those out of power to oppose those in public urgency. It illustrates very well the common presumption that it is the business of those out of power to oppose those in public office. The chief conservative method of opposing is to view liberal achievements with alarm. So Mr. Tatt's lifted voice and lowered brow. Why, to listen to the Senator, you'd think that debt itself was something unclean and national debt a public disserter. Such a view I repeat, reflects the alarm of extremists. aster. Such a view, I repeat, reflects the alarm of extremists. But we have extremists on our side also who leave the impression on many that debt is something delightful and national debt a peculiar delight.

Now, extremists are good-but chiefly good to balance other extremists. (A pessimist, you remember, is a person who has to live with an optimist.) Another good thing about extremists is that they make necessary a middle course. Leaving both sets of extremists, then—to hold each other in check—I invite you to seek with me a middle ground, some golden mean between the overthrifty and the overextravagant. And I ask you to take with me the strictly realistic view, that in such matters only those who sleep on the floor will not fall out of bed.

The Senator voted against the farm bill last Friday, he says, The Senator voted against the farm bill last Friday, he says, he alone of the whole Senate committee. But he did not some days before vote against some 6,000 war planes at a cost of some \$300,000,000. That time, indeed, he did his part to spend on one roll call approximately as much money as through the centuries Harvard, Yale, and Columbia have accumulated in total endowments for educational purposes. Why, the best of these planes will cost \$175,000 each. For one such bomber your whole high school graduating class, up to 50 boys and girls, could be sent through 4 years of one of these colleges to be turned out as happy, useful citizens. Such price the Senator pays for folly, and borrowed money it is, too. Borrowed money for instruments of destruction, \$175,000 per unit. The cost of the bomber is terrible, its work is horrible, its life is short.

Has Senator Taff gone crazy to worse than waste money like

Has Senator TAFT gone crazy to worse than waste money like that, and borrowed money to boot? You might think so. But I tell you otherwise. I know because I voted for the planes also. You must believe by this time that what the Senator and I both

vote for is likely to represent the lowest common denominator of sanity.

Though voting against the agricultural bill, why did Mr. Taff vote for these evil things, and that on borrowed money? I imagine for much the same reason that I did. He chose between two great evils, hoping and believing that he'd chosen the least. Confronted, not by a theory but by a stern condition which he had not created, he had to do the best he could. So the air bombers, and that

So also, my fellow countrymen, our peace spending program and the resulting national debt. We Democrats, whom the Senator derides, came to responsibility in 1933 to learn that officeholding is not a paradise of power but a predicament that tries the souls of honest men. Recall how it was in 1932. Rebellion on the farms was ugly. Insolvency in the banks was terrifying. Prospects of starvation stalked the city streets. Fear was the steady food of more millions than it takes to make a majority of our fellow citizens. We Democrats didn't make that situation; we found it full blown and not disposed to wait on our convenience. I do not say the Republicans outright caused the great depression of 1929—any more than we single-handed caused the recession of 1937—but the Republicans were themselves in power, long and strong in power, when the great depression happened. That's a funny place to be if later you expect to affect injured innocence about the whole matter—injured innocence in a carping voice. Certainly we Democrats did not make the conditions, though we must take our share of the blame for 1937. Indeed, we did not understand how serious things were then. We underestimated 1929, as the Senator overestimated 1937, seeing we're already pulling out of the recession. From 1929 to 1932 we'd heard it so often as to have our hope raised that prosperity wasn't dead—that it was only waiting "around the corner." In our innocence we promised to reduce spending, and, once in power, proceeded to do what we'd promised—inflicting a 10-percent cut right down the line. Well, the joke was on us, but we didn't see any Republicans around who could laugh other than sheepishly.

To grumble is cheap indeed, when you're grumbling at what on borrowed money.

So also, my fellow countrymen, our peace spending program and

sheepishly.

To grumble is cheap, indeed, when you're grumbling at what you yourself would have done had you been the one that had to do it. We have doubled the country's debt, yes; but for the same kind of reason Mr. Tarr and I voted for the airplanes the other day, and for a purpose infinitely more constructive than bombers. A good deal of our spending represents permanent improvements, capital investments, as it were. You have but to look around you, wherever in America you are, to see examples of this type of spending. A good deal more of our spending represents repayable loans to almost every group of citizens from big business to little home owners, and the remainder of the spending represents fortification against hunger and insurance against civil strife.

Allowing 10 percent—I doubt if Mr. Taft would charge more—

against hunger and insurance against civil strife.

Allowing 10 percent—I doubt if Mr. Tatt would charge more—to that louse, the chiseler, the remainder of our national debt represented when not the greatest good the least of evils. Mr. Tart will hardly dare say that he would not have run the Government heavily in debt. He is not irresponsible, and he is not cruel. Don't choose what you want, said a wise man, but stand by the choices you thought wise to make when you had to make them. Knowing why we contracted the debt, we Democrats are not privileged now, as some Republicans think themselves to be, to go back on the noble though hard choice of our manhood in power. We cannot renege like spoiled children; we must face our responsibility cannot renege like spoiled children; we must face our responsibility like men. The "push" of our spending has been fear, and you know it as well as I. But there was also a "pull" to the spending, and that pull was hope—hope of scotching the wheels against disaster, yes; but hope also of rolling the old wagon on ahead.

Now the spending has, by and large, relieved our fears, but it has not yet fulfilled our hopes. It has not yet brought us back to such a level of national income as to balance the Budget and to begin paying off the debt. Indeed, it has not yet brought us to where we dare safely stop the spending itself. Mr. TAFT has given you a grand Republican explanation of our democratic recession of '37. grand Republican explanation of our democratic recession of '37. I dare say that there is some truth in it. I'm not an economist, nor is Mr. Taft. But I dare say that there's some truth in what he says, as there's some truth in our partisan democratic explanation. I know only this: That we worked to save the lives, the property, and the morale of the American people until substantial recovery had returned. In '37 we thought it safe to move for a balanced Budget. We cut down rather steeply on spending, a recession set in and the conservatives were among the first to demand resumption of the spending program that had saved them from disaster and had seemed to be promoting general recovery.

Everybody was in favor of Government's spending in '33, even

Everybody was in favor of Government's spending in '33, even Mr. Hoover, I believe. Everybody knows that it's a delicate job, this job of tapering off. Mr. Taft is right about that, and Mr. Taft, I believe, is not in favor of the risk of stopping spending at at once. It's a delicate job. We have no adequate precedents to go by, unless '37 really tells us to go but to go slow on reducing aids to business, agriculture, and unemployed consumers. The economists are not agreed on how to proceed, and the conservatives are, as usual, hysterical. It's a good time for men in power to keep their heads.

keep their heads.

"But this spending cannot go on forever," yell the hysterical.

"Who said it could?" we calmly reply. "Not we. We know that it cannot go on forever. We're doing our utmost to keep it from going on forever; for we're doing all we can to save the profit system. If you let that system go down through your obstruction and to the tune of your hysteria, you'll see that the spending can go on and on. That's what's happening in Italy and Germany, and

in no small degree, because the chambers of commerce, so to say, were not willing to keep their heads and to cooperate themselves out of the jam into which our capitalistic system has got itself

the world over.'

the world over."

We Democrats propose to keep our heads. We know that the Budget must be balanced, but we also know that it must be approached cautiously. Leave it to conservative extremists to say "today." Leave it to radical extremists to say "never." We propose, exactly as Alexander Hamilton proposed when he put the young Nation \$80,000,000 in debt, to balance the Budget as soon as we can out of rising income and to pay the debt from a stabilized prosperity. But isn't that playing for the breaks? Yes. Isn't that gambling on the future? Yes. The same future of this same great country upon which we all must stake both our hopes and our lives. The debt is disturbing but not alarming. Insofar as the proposal is not personal and political, I wish Senator TAFT's congressional committee well, if he does not get the President he wants. But the committee, if it gets beyond the microphone, will face not merely the Senator's beautiful theory dated from days of Republican lethargy; it will also face the hard facts which we Democrats have been facing since the heavy economic hangover from the

have been facing since the heavy economic hangover from the Republican spree of 1927 and 1928. I like the leeway between us and disaster which Mr. TAFT himself seems to leave his favorite President or, that failing, his congressional committee, if I understand properly his distinction between bad taxes of 22 percent of disastrous taxes of 50 percent of our national income. If the Redisastrous taxes of 50 percent of our national income. If the Republicans will but be as generous and patient with us Democrats as Mr. TAFT is with himself, I think we'll make it all right.

as Mr. TAFT is with himself, I think we'll make it all right.

Meantime, treasuring that suggested leeway, conditions are not without hope today. Everybody not running for office admits, I believe, that times are getting better, though not as rapidly as any of us wish. The hungry are mostly being fed, and many of the able-bodied are being given work. Labor is enjoying collective bargaining, and farmers have democratic power to help themselves, if it can be done politically. More businessmen are making profits than like to admit it. The health of the Nation is at last honestly recognized as a problem, and the morale of our people is by no means shot.

means shot.

"But all of this is on borrowed money," is the constant refrain of the conservative hysterical. Mr. Taft has during these debates hardly been able to give his undivided attention to any other problem than borrowed money. "Yes, on borrowed money," reply problem than borrowed money. "Yes, on borrowed money," reply the calm, "just as the doctor and the hospital bills we all run up for our sick children are for most of us borrowed money." But for our sick children are for most of us borrowed money." But there are few things more worth borrowing money for than boys and girls, than men and women, than private credit, and a nation's morale. It is borrowed money; but it is money borrowed on credit that's good and that remains good even in the face of all the conservative hysteria. Our national debt is something that we can perfectly well and easily carry until we begin paying it back, for the interest rates are very reasonable today.

Mr. Tafr admits the bearing of this upon the ease of carrying our debt, but his fear returns, this time fear that the interest rates may go up. Well, now they could go up a long way before the carrying charges would be comparable with those paid by Republicans on their national debt. With or without the Senator's fear, the truth is that interest rates have steadily gone down as the debt has gone up, keeping thus the carrying charge

down as the debt has gone up, keeping thus the carrying charge remarkably reasonable. Indeed, while our national debt was increasing some 90 percent between 1932 and 1938, our interest charges increased only about 40 percent. This means that instead of some twenty billions of debt at 3½ percent we have now some forty billions of debt at 3% percent.

of some twenty billions of debt at $3\frac{1}{2}$ percent we have now some forty billions of debt at $2\frac{9}{10}$ percent.

Nor does this tell more than half the hopeful truth about our national soundness. The Nation's total debt, private and public, appears no larger than it was in the twenties. Our national debt itself is as large as it is in part because the Government has saved the credit of others by taking on its broader shoulders debts they simply could not bear. We know this is true of farmers, who otherwise would have lost their farms; of home owners, who otherwise would have lost their homes; of businessmen, big and little: of banks and of railroads. But equally deserving of recognitions little; of banks and of railroads. But equally deserving of recognition is the fact that the governmental units of cities, States, and counties have in untold cases been able to pull through solely because of the National Government's willingness to keep them solvent. Count this as the simple explanation of what the Senator explained in a way that sounded downright cynical. Let us give him the benefit of the doubt, however, and count as a slip of the tongue his notion that we have spent money because we wanted to expand governmental activity for its own sake. It will take more charity however to explode his left headed slep at wanted to expand governmental activity for its own sake. It will take more charity, however, to overlook his left-handed slap at both the power of the people and the integrity of their representatives when he suggests that the citizen has nothing to say about how the taxes are spent and that the chances are that most of it does him very little good. I'm always amazed when conservatives talk with the unrestraint which one associates with loose-tongued satisfact alone. To the interpresental expent methods talk. To the irresponsible such reckless talk!

When the Budget is balanced by a prosperity which Republicans and Democrats alike must depend upon, but which neither of us and Democrats alike must depend upon, but which heither of us knows how to cause, the national debt can and will be repaid out of the normal tax returns of a prosperous nation. To pay the debt out of a proper national income will not be hard; to carry it meantime is easy. To have saved the Nation by courage and honesty meantime is reward enough for the Democratic Party. Once on the highroad again, we will present to the Nation as unearned increment of these trying years a new governmental efficiency for this new and dynamic age. Our new federalism

APPENDIX TO THE CONGRESSIONAL RECORD

represents the orderly liquidation of provincial lethargy along the whole front and the creation of public equities in fields previously reserved for private exploitation. As a humanitarian, I do not apologize for relief debt; as a farmer's son I'm proud of what we've done for both agriculture and labor; as a city dweller and State patriot I'm proud of the debt-shifting from narrow to broad shoulders; but as a student of government and a believer in the democratic way of life, I'm proudest of our peaceful passage from a government of lethargy to this new federalism for our speedy and heady age.

The Real Farm Problem

EXTENSION OF REMARKS

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

ARTICLE BY ERNEST D. MACDOUGALL

Mr. HILL. Mr. Speaker, the able master of the Washington State Grange, Mr. Ervin E. King, has manifested great interest in an article by Ernest D. MacDougall appearing in the Washington Grange News of May 6. Because of the interest of the leader of the Grange in my State, I ask unanimous consent to print the article in the Appendix, as

[From the Washington Grange News of May 6, 1939] THE REAL UNITED STATES FARM PROBLEM—NO AGRICULTURAL PROGRAM
CAN WORK WHILE PERPETUATING CROP SPECULATION

(By Ernest D. MacDougall)

All farm plans fall into two classes. Some are calculated to hold prices of farm products, both at home and abroad, in line with world prices. Other farm plans are calculated to lift prices in the domestic market off of the world-price level. Plans of the former domestic market off of the world-price level. Plans of the former sort require the payment of a subsidy to the producers to compensate them for price deficiency due to lower production costs of competing products imported from foreign countries.

The United States Department of Agriculture, under its present Secretary, has consistently adhered to the theory of holding our agricultural prices in line with world prices and supplementing the low income of our farmers by relief (benefit) payments.

PROMISE UNKEPT

Secretary of Agriculture Wallace, when first appointed to the Cabinet, said much about parity prices. He soon changed the term to parity income. Secretary Wallace has been continually promising the farmers parity income—that is, low world prices plus benefit payments sufficient to bring up their income to a parity with domestic prices of American industrial goods in purchasing power. chasing power.

chasing power.

This promise has never been kept. The benefit payments have fallen far short of bringing the income of farmers to parity. These substitutes for parity prices have been tragically inadequate considering the fact that farmers must buy, under the Wallace type of farm plan, in a high, protected domestic market and sell in a low, unprotected world market.

Obviously, in order to rectify this gross injustice to agriculture, one of two things must be done. Either the protection our Government affords to industrial prices and wages must be withdrawn and industrial prices and wages forced down to the level of world prices and wages, or agricultural prices must be lifted up to and protected at the level of American industrial prices and wages.

ROOM FOR WONDERMENT

ROOM FOR WONDERMENT

The Wallace program definitely repudiates the latter objective and falls far short of attaining the former. The policy of reciprocal-trade agreements is a sly but feeble effort to withdraw governmental protection from American prices and wages and to reduce our American standard of living to world-cost levels. It is unlikely, however, that American industry or labor will permit that sort of thing to go very far.

This situation causes wonder as to why Secretary Wallace refuses to permit our Government to afford to agriculture the same protection it affords to industry and to labor. There is but one

protection it affords to industry and to labor. There is but one

protection it affords to industry and to labor. There is but one possible answer, namely, the fixed determination to hold our agricultural prices in line with world prices.

But that does not explain the real purpose of that fixed determination. The real purpose is to protect and perpetuate the market operations of the futures traders. Futures trading cannot be done on an American price level. There is no futures trading on American industrial prices. But there are no agricultural prices in the American protect event world prices reflected. prices in the American market except world prices, as reflected on the futures market ticker tape. There is no such thing as American agricultural prices of crops of which we produce an exportable surplus.

THE REAL EXPLANATION

Futures trading is possible only in world trade with world prices. Futures trading can be done only on a constantly fluctuating world-price basis. Futures trading cannot be done on a stabilized price level, either high or low. Futures trading requires (1) fluctuation of prices (2) on world-price levels. This is the explanation of the Wallace farm program.

Turning to the other type of farm plan, it should be noted that the protection offered by the Government to industry is protection of price. Industry fixes an American price for its products sold in

of price. Industry fixes an American price for its products sold in the domestic market and the Government protects that price by means of tariffs or import duties. Unless and until an American price, as distinguished from a world price, is fixed for agricultural

price, as distinguished from a world price, is fixed for agricultural products there is no price for an American tariff to protect. Lack of protection for agriculture does not arise from lack of agricultural tariffs. It arises from lack of an American price for the tariff to protect. In agriculture, the only price we know is world price, and "futures quotations set the pace for cash prices."

Several plans have been suggested, but never seriously considered by Secretary Wallace, to lift our agricultural prices in the domestic market off of and away from world-price levels. One is the cost-of-production plan. Another is the parity-price plan. Another is the commodity-index plan. Another is the loan-value-above-world-price plan. None of these is acceptable to Secretary Wallace because they would destroy commodity speculation in the Wallace because they would destroy commodity speculation in the

futures markets.

It may be assumed that it is not within the power of mortal man to devise any farm plan, or other plan, that will operate 100-percent perfectly. The choice is not between a perfect plan and an imperfect plan. The choice is between a plan that will, in a general way, hold our prices in the domestic market in line with world prices and a plan that will, in a general way, lift our prices off of and away from world-price levels.

It is, without a doubt, possible for the Congress to draft and enact legislation that will, in a general way, give to agriculture much the same protection that the Congress has afforded to industry. It has always been a difficult thing to adjust and regulate prices, freight rates, utility rates, minimum wages, protective tariffs, and the like. The difficulty of the task has never deterred the Congress from making the effort where industrial prosperity has been at stake. It is only in the field of agriculture that the task has been considered to be too difficult to be undertaken.

has been considered to be too difficult to be undertaken.

The secret of this whole dark, deep, difficult problem of agriculture is that the most powerful lobby in the land cleverly, effectively, but quietly, is determined that our prices of farm products, which are gambled in on boards of trade, shall be held in line with fluctuating world prices, so that the gambling game, for the great gain of the gamblers, may go merrily on. It is fairly obvious that no effective farm legislation ever can be enacted into law until and unless the deep, dark, mysterious game of the commodity gamblers is exposed to the light of day.

This situation clearly indicates the great need for an honest

This situation clearly indicates the great need for an honest investigation of the fine art of commodity gambling and futures trading, and obviously explains why no such investigation has ever

been made

Wage Differentials

EXTENSION OF REMARKS

HON. SAM HOBBS

OF ALABAMA IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

ARTICLE BY JOHN TEMPLE GRAVES II

Mr. HOBBS. Mr. Speaker, under leave to extend my remarks in the RECORD I insert the following article from the gifted pen of John Temple Graves II, which appeared in the Birmingham Age-Herald recently in his This Morning column. This worthy son of a distinguished sire, is one of the outstanding columnists of America. Whatever subject may engage his pen or tongue is always illuminated by his thought.

When P. O. Davis, director of the Alabama Extension Service, When P. O. Davis, director of the Alabama Extension Service, addresses the Exchange Club this Wednesday on the Essentials of Prosperity, Birminghamians will be listening to one of the all-too-rare economic leaders who are able to judge things on merit without regard to their undying hate or deathless love of the New Deal. As a member of the wage-hour law textile industry committee, Mr. Davis voted with the minority recently against the establishment of a uniform minimum wage of 32½ cents an hour which would eliminate the southern differential, while some of his fellow liberals—with their "feet in the clouds"—voted blindly in favor of it for its beautiful sound.

To wipe out southern wage differentials is to wipe out southern wages. Level-headed liberals like P. O. Davis face the fact.

The textile industry committee, upon which the South is outnumbered, proposes a uniform minimum wages of 32½ cents an hour in lieu of the existing 25-cent minimum, with no differential for southern mills. The 25-cent minimum has been low enough to permit the differentials between North and South, but if the minimum is raised to 321/2 cents there will be no room for them. Under mum is raised to 32½ cents there will be no room for them. Under N. R. A. the cotton-textile industry paid a minimum of 30 cents an hour in the South and 32½ in the North. Under the present Wage Hour Act the minimum for all industries steps up from 25 cents to 30 cents next October. The textile committee could, in its discretion, classify the southern textile mills in a manner to restore the old N. R. A. differential—30 cents for the South, 32½ for the North. Instead, it proposes a dead level everywhere of 32½ cents. If, as competent testimony from the South indicates, this new minimum and the wiping out of the differential results in the closing of southern mills, it is going to be hard for the majority members of the committee to prove that they are friends to labor rather than just friends to New England and the North. And it is going to be hard for those who call the South a No. 1 problem to prove that they have any desire really to solve that problem.

prove that they have any desire really to solve that problem.

The answer to the problem of the South is industry. Industry to absorb the excess products and populations of the farms, to keep more of the profits of production at home, to save transportation costs to southern consumers. Not the industry which portation costs to southern consumers. Not the industry which exploits and bleeds a land, of course. Not the industry which looks upon this area as a colony rather than as a region. But proper industry, healthy industry, industry that pays that highest possible wages and that recognizes these wages as part of the pur-

chasing power to which it must cater.

Naturally New England hasn't liked the southern move of cotton textiles. Naturally the industrial North doesn't like to see the agricultural South attracting smokestacks. It isn't in human nature or common sense not to stand up for your own, fight for it against those who attempt to take it away or against circumstances that remove it. New England has a right to serve its own regional interests, and so have New York, and the other areas of the North and East. But so has the South, and where the United States of America is concerned, where national policy must choose one region over another, the rule of reason, economy, and justice is plain that the region whose problem is named one should be chosen.

But the South has yet to be shown that even with equity and economics on its side it can get anywhere without having politics, too, on its side.

Willamette Valley Project in Oregon

EXTENSION OF REMARKS

HON, HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

Mr. ANGELL. Mr. Speaker, this project having for its purpose the development of the Willamette River and its tributaries lies partially within my congressional district in Oregon and partially in that of Representative Mott. The report of the Secretary of War, the Board of Engineers, and the district engineer on this project is contained in Document No. 544, Seventy-fifth Congress, third session. The Seventyfifth Congress, third session, on June 28, 1938, in chapter 795, Public, No. 761, approved the plan for this improvement and authorized \$11,300,000 for the initial development, the reservoirs and related works to be selected and approved by the Chief of Engineers.

The Willamette Valley is one of the most fertile agricultural areas in the State of Oregon, and, I believe, compares favorably with any in the United States. The Willamette River flows in a general northern direction through this broad valley and joins the Columbia River 99 miles above its mouth. It has a length of some 189 miles. The Willamette River Basin has an area of 11,200 square miles and is located between the Cascade Range of mountains on the east and the coast range on the west. In addition to the valley land there is a large mountain area within the drainage basin which is rugged and covered with extensive commercial forests. Some 3,800 square miles of the watershed area are in nationalforest reservations. Timber and wood products are an extensive industry in this area. The bottom lands have rich soil and are well adapted for agricultural purposes of a diversified nature. There is a population in the Willamette Basin of approximately 575,000, of which some 325,000 are in the city of Portland. There is an extensive rainfall throughout the whole area with the exception of the summer months, during which time natural rainfall is insufficient for best crop production and some irrigation is desirable.

Logging is carried on extensively in Willamette Basin, and during the 9-year period from 1925 to 1933 production in this industry averaged 9.000,000 board feet per annum. It consisted mostly of Douglas fir and amounted to approximately 121/2 percent of the total cut during this period in the western Oregon and western Washington Douglas fir region. Most of this product goes north through the Willamette Valley to Portland and the lower Columbia River mills. The 1930 census shows that 2,663,000 acres, or approximately 30 percent of the gross area of the counties lying within the basin, are contained in farms. This is 16 percent of the total Oregon farm acreage. Seventy percent of the farms are less than 100 acres in size.

Over 80 percent are operated by full or part owners. Dry farming is generally followed in this area, although there are some 12,000 acres under irrigation, by means of pumping, gravity, and diversion. Crops raised in that area are hay, oats, wheat, hops, fiber flax, grass and other seeds, flower bulbs, nursery stock, small fruits, prunes, cherries, apples, pears, peaches, strawberries, and nuts. Sheep and goat raising for wool and mohair is extensively engaged in, and dairying, as well as the raising of hogs, sheep, and other livestock, are major activities. The 1930 census data gives the total value of farm products for the eight counties lying within the basin as \$50,880,000. In 1929 the mineral output for these

counties was valued at approximately \$1,225,000. In addition to the agricultural industries proper, industrial activity is carried on to a considerable extent mainly in the processing of forestry and agricultural products. There are some 290 sawmills situated in the basin, with a combined capacity, on an 8-hour shift, of 2,200,000,000 board feet annually. The Portland mills obtain a considerable portion of their logs outside of the Willamette Basin. The average annual production of Portland mills for the period from 1925 to 1933 amounted to 675,000,000 board feet. Agricultural products are processed in Portland and at various other points throughout the Willamette Valley. Large fruit and vegetable canning, drying, and packing plants, as well as nutpacking plants, are located throughout the central area. The manufacture of butter, cheese, canned milk, and other milk products is extensively engaged in throughout the whole area. Flax retting and scutching plants are also established in the cities of Eugene, Mount Angel, Canby, and Salem, within the area.

Transportation is furnished by the Pacific Highway, running north and south through the valley, and numerous branch highways leading to it. Water transportation is afforded by the Willamette River and its tributaries and railroad facilities exist throughout the area. The Willamette River is navigable at low water from its mouth to Portland for oceangoing vessels of 30-foot draft; and from Portland to Oregon City for boats drawing about 6 feet; and generally throughout the year to Salem for boats not exceeding 21/2foot draft. Only boats of shallow draft can navigate the river above Salem during low-water period. Yamhill River is navigable for boats of 21/2-foot draft to Lafayette and for smaller-draft boats to McMinnville. None of the other tributaries of the Willamette are commercially navigable except for the floating of logs.

From November through April floods may be normally expected. Major floods, however, are confined to the period of late in November until early February. There is backwater from the Columbia River as far as the Willamette Falls, which are 26 miles above the mouth of the river. This results in floods when the Columbia River is in flood stage. Floods occur in this area on an average of every 5 years causing great damage. The most destructive one occurred in December 1861 when the peak discharge at Portland was 635,000 cubic feet per second. At a point 120 miles from the mouth of the river the flood exceeded bank-full stage by 19 feet and flooded some 353,000 acres. In February of 1927 at the same point flood stage was exceeded by 10 feet and 273,000 acres were inundated. The United States

division engineer, as shown by his report, estimates the average annual flood damage for the basin at \$1,693,000.

For some 40 years local interests have been attacking this problem and have expended some \$250,000 on various flood-control works for the protection of highways, railroads, and bridges. My own city of Portland has constructed concrete retaining walls, intercepting sewers, and pumping facilities costing \$2,871,000. The Federal Government, through allotment from relief funds, has expended some \$300,000 for bank protection along the Willamette near Independence and between Harrisburg and Eugene.

The division engineer, following exhaustive study, survey, and examinations, pursuant to the authorizations I have referred to, recommended as the logical, initial step the construction of seven reservoirs with provision at three for future raising of dams to give additional storage for the development of power and for the reconstruction of the Willamette Falls locks, and open river navigation improvement from the locks to Albany. Major General Schley, Chief of Engineers, as well as the Board of Engineers, concurred in the recommendations of the division engineer, holding that, notwithstanding the direct benefits that would accrue in the proposed initial development would not be fully commensurate with the cost, nevertheless, other considerations and indirect benefits justified the project. Major General Schley said (H. Doc. No. 544, 75th Cong., 3d sess.):

Other considerations, however, enter into the determination of the advisability of undertaking a project of the scope and magnitude of the one under consideration. The Willamette Valley is a rich agricultural area, and extensive further developments are to be anticipated should reasonably adequate flood protection be provided. It is difficult to estimate the extent of future growth or to evaluate benefits that would result therefrom; but in such a comparatively undeveloped territory of great future possibilities these benefits would unquestionably be important. I believe that, taking into consideration these more or less intangible future benefits and the possibilities for the future development of large quantities of power, the improvements proposed under the plan for initial development are justified. With respect to requirements for local cooperation under the plan for initial development, I concur with the Board that since the reservoirs are designed primarily for the control of floods, the provisions of the 1936 Flood Control Act with respect to requirements of local cooperation should be complied with, and that local interests should be required to bear the costs of lands and damages as provided in that act, including the cost of railroad relocations and the facilities for the propagation of fish and related works, and should be required to maintain the reservoirs upon their completion. I recommend that the existing navigation and flood-control projects for the Willamette River and tributaries, Oregon, be modified to provide: For the construction of a system of reservoirs for the regulation of stream flow in the interest of flood control, navigation, irrigation, power development, and stream purification, substantially as proposed under the plan for initial development; for such channel improvement and contraction works as may be necessary to secure with stream-flow regulation controlling depths of 6 feet to the mouth of the Santiam fiver and 5 feet thence to Albany, and for the reconstruction and enlarge

Mr. Speaker, under the plan as proposed and approved by the division engineer, the Board of Engineers, and the Chief of Engineers, the modification of the existing navigation and flood-control project for the Willamette River and its tributaries would provide for the construction of a system of reservoirs which would regulate the stream flow and provide flood control, navigation, irrigation, and stream purification; and eventually, if conditions warranted, power development. The initial project as approved would provide channel improvement and construction work necessary to secure stream-flow regulation controlling depths of 6 feet

at the mouth of the Santiam River and 5 feet not quite to Albany, and for the reconstruction and enlargement of the locks at Oregon City. This is a project that is in keeping with the general plan of waterway development and conservation of water resources followed and practiced by the Government in connection with development work through the Board of Engineers of the War Department. It is fully justified as shown by the record of the hearings and the reports of the engineers. It will result in great savings to the people affected in the Willamette Valley area, result in annual savings from flood waste, provide additional river transportation facilities, and afford water supply for irrigation purposes during the dry summer months. It will also assist in stream purification and result generally in substantial, direct benefits, as well as indirect benefits, fully justifying the appropriation requested at this time to initiate the work.

The Library of Congress

EXTENSION OF REMARKS

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

STATEMENT BY RECTOR H. (REX) FLOYD

Mr. ELLIS. Mr. Speaker, I have the honor of representing the Third Congressional District of Arkansas, which district was represented in this august body from 1904 to 1914, inclusive, by a very distinguished son of Arkansas, the Honorable J. C. Floyd. Today one of his illustrious sons, Rector H. (Rex) Floyd, occupies a position on the staff of the Library of Congress; he is considered one of the best authorities of its growth and history. With the opening of the new annex, which is even larger than the original and which is designed to meet the needs of the country for another half century, Mr. Floyd has compiled a brief history and description of this great institution.

In this rapidly changing age, in a world of unsettled conditions, it is always worth while for us as individuals to keep ourselves abreast of the times by interpreting as best we can the trends of civilized man, as reflected by a better knowledge of the roads we have traveled.

To this end, I am happy to quote the article in full:

As the Library of Congress enters another period of its growth and evolution by expansion into the new annex and the inauguration of its ninth Librarian, the time seems appropriate to assert anew our praise to the noble men of the past who have contributed so much to our benefit in the development of this greatest institution of its kind in the entire world. May the people of the United States encourage future administrations to keep this storehouse of knowledge at the top of the stratosphere of fame where it so majestically soars in the year 1939.

Due to the complicated arrangement of corridors, balconies, and pavilions, it is difficult to outline in writing a comprehensive guide to the myriad objects of interest. In this brochure, however, one finds a general picture which gives the casual visitor some knowledge of the Library's history, its buildings, and its functions.

The Library was founded in 1800 by an act of Congress. For the first 97 years of its existence it was located in the Capitol building, being completely destroyed by fire when the British invaded Washington in 1814. The following year Congress purchased the complete library of Thomas Jefferson, which is the nucleus of the present collection. (These Jefferson volumes may be seen, as well as used, in the rare book reading room.)

The present main structure was occupied in 1897. Its construction consists of New Hampshire granite and marble collected from all sections of the earth. It is of the Italian Renaissance order of architecture. The building is crowned with a dome which terminates in a gilded finial known as the Torch of Science, ever burning.

As you approach the building you encounter on the sidewalk the "Court of King Neptune," with his Triton sons, sea nymphs, sea

horses, serpents, frogs, and turtles. This is a very interesting study in bronze and worth a moment of one's time.

The main entrance consists of three massive bronze doors, commemorating tradition, writing, and printing, from left to right

Inside, just what is the first impression?

Bear in mind that as the purpose of this booklet is only to help the visitor to become acquainted with objects of outstanding interest, it is necessary to omit many notable details.

MAIN ENTRANCE LOBBY

This magnificent hall is lined throughout with white Italian marble. The arches are adorned with marble rosettes and foliated designs of an exquisite finish and delicacy. The stairways have 26 miniature figures carved in relief, representing the various arts and sciences. The newel posts are beautifully decorated with festoons of fruits and flowers and are surmounted with bronze torchbearers, holding aloft electric lights. Over staircase buttresses are small children with hands resting on globes, representing America and Africa on the one side, with Indian and resenting America and Africa on the one side, with Indian and Negro children, and Europe and Asia on the other, with Caucasian and Mongolian children. From the center of the floor radiate the points of the compass from a conventional sun surrounded by the signs of the zodiac, all in brass inlaid in a marble field. Rising on all sides are lofty rounded columns with elaborately carved capitals of Corinthian design. With a height of 72 feet to the skylight, the vaulted ceiling, the marble balustrades, and the neighboring decorations, it offers an architectural effect which is most imposing

THE EVOLUTION OF THE BOOK

In the first corridor toward the center of the building we find a series of paintings which show the different steps in the development of the modern book.

Starting at the south end of the corridor on the left the first scene is called the "Cairn." This is merely a heap of boulders, piled up as a reminder of shipwreck, battle, or other unusual happening. The observer will remember this to have been an ancient pening. practice.

Next comes "Oral Tradition," depicting an ancient spokesman, Next comes "Oral Tradition," depicting an ancient spokesman, relating his tale or story to absorbed listeners. This mouth-to-ear process of information of the past was carried on for centuries.

Then comes the "Hieroglyphics," those crude characters chiseled on the rocks by the ancient Egyptians, Babylonians, and others who

recorded the various outstanding accomplishments.

Continuing to the opposite end of the corridor we find at the left the "Pictograph," showing the American Indian recording war trails and the like on the back of buffalo hides.

On the right of this is the "Manuscripts." This portrays monastic continuous and illuminations.

tic scribes, engrossing and illuminating hand-written manuscripts,

a practice carried on for many centuries.

The last in this series of the development of the modern book depicts Mr. Gutenberg, the inventor of movable type, displaying proof of his work together with the printing press, out of which have evolved our books, libraries, and education in general.

The mosaic ceiling in this corridor is dedicated to theology, law,

and medicine.

GOVERNMENT OF THE REPUBLIC

Beneath the arches next to the main reading-room entrance are a series of five murals by Elihu Vedder. Everyone should know the symbolic significance of these murals.

Beginning over the entrance door we find "Government," majestic of mien and laurel crowned, holding the scepter and a tablet, upon which is inscribed Abraham Lincoln's words, "Government of the people, by the people, for the people." She is attended by genii, or guardian spirits, who bear the sword of authority and the bridle of restraint. In the background is an oak tree typifying strength

strength.

On the right is "Good Administration," the genius of America. She is seated beneath an arch, every stone of which offers its office of support to every other, as each State must contribute its share to the upholding of the Union. In her lap is the open book of the law. In her right hand are the evenly balanced scales of justice. Her left hand rests upon a shield, the divisions of which represent the political parties of this country. At one ballot urn youth is casting its first vote. In the other, public opinion is winnowing the wheat from the chaff. In the background is the wheat field and the fig tree which indicate domestic tranquility.

Next on the right over the south elevator, "Peace and Prosperity" are represented by a goddess who extends the laurel wreath to agriculture and art, symbolic of appreciation and reward. An olive tree graces the background.

since there is nothing in nature which does not possess a negative, as well as a positive, element, directly opposite over the north elevator, Mr. Vedder gives us two illustrations of the danger of corrupt government.

"Anarchy" holds aloft as a brand the flaming scroll of the Consti

"Anarchy" holds aloft as a brand the flaming scroll of the Constitution and the cup of madness. She is the presiding genius amid universal waste and ruin. Her left foot rests on the downfallen arch of state. Her right foot is spurning law, learning, religion, and art. She is attended by ignorance and violence. The broken cogwheel and grindstone are evidence of complete devastation. On the right is "Corrupt Legislation," who has gathered unto herself cornucopias of gold, the source of which is indicated by the briber slipping his bribe onto her sliding scale. That legislation

might have been influenced by purchase is indicated by the briber accepting the book of law with the overturned ballot box at his The small female figure on the left represents honest industry, seeking recognition in vain. The smokeless chimneys are evidence of the idleness of the factories. In the background is the poisonoak vine dying and with falling leaves.

(This group of paintings has graced these arches for 42 years, and, unfortunately, the thousands who view them daily have no

way of knowing their meaning.)
(Take elevator to the balcony of the main reading room.)
You are now viewing the main reading room from the visitors' rou are now viewing the main reading room from the visitors gallery. All business radiates from the round center desk where the reference assistants serve the public in any way possible. As a rule the reader is familiar with the system and goes directly to the card catalog (on the far side) and searches for the book under the author or title. Once located, the number of the book is written on the supplied order slip. A vacant seat is then located and the number of the desk is written on the same slip. This slip is then hearded in at the central desk and it is transported to slip is then handed in at the central desk and it is transported to the proper book stack by a pneumatic tube. Here the order is filled and the book sent to the central desk in a mechanical carriage. The book is then delivered to the reader by messenger. It requires about 15 minutes to complete the order for a book after the slip has been filed at the central desk.

The daily attendance in this reading room varies from 800 to

a thousand persons.

The attendants at the central desk also serve all Government departments, fill requests of the President, the Supreme Court Justices, Senators, and Representatives. They also arrange for the packing and shipping of books throughout the city.

In the dome are painted allegorical figures. The countries named re those which have been most instrumental in the evolution of civilization. Below the name of the country is an outstanding contribution of that respective nation. The stained-glass windows display the seal of the United States and each State of the Union. Circling the balcony are 16 bronze statues, commemorating men of the past who have excelled in arts, sciences, and letters. Their names appear on the wall behind each statue. The brown marble

names appear on the wall behind each statue. The brown marble is from the Sienna quarries of Italy. As a whole, this rotunda is generally accepted as being the most effective and beautifully arranged spectacle of its type to be found in the world.

Descending from the gallery by stair, we encounter Mr. Vedder's master mosaic portraying Minerva, the goddess of wisdom. She displays a scroll upon which is inscribed the various arts, sciences, and letters. She carries the spear. A Gorgon's head, steel plated, bordered with serpents, is about her neck. Below at her right is the owl and in front, her helmet and shield. Standing on a globe at her left is a statuette of Nike, the winged victor of the Greeks, extending the laurel wreath of victory and the palm branch of peace. In the background is a far-stretching landscape, with the sun of prosperity shining over all. Before passing this mosaic, stand on one side of the steps and observe the angle of her feet. Then step across to the other side as the feet reverse themselves. The illusion is quite mystical.

Nil invita Minerva quae monumentum aere perennius exegit. (Freely translated: "Minerva was at her best when she erected this monument more lasting than bronze.")

GUTENBERG BIBLE

In the mahogany case immediately ahead of the steps we find the famous Gutenberg Bible. Published in the year 1454, it was the first book printed in movable type. It is valued at \$350,000. The Bible is in three parts, bound with pigskin. There are only three complete Gutenberg Bibles extant. It is printed on vellum

and written in old Latin.

From facing the Bible cabinet, continue around the balustrade to the left. These exhibit cases are changed from time to time and contain interesting bindings, manuscripts, and the like which would take hours to study in detail.

Over the windows and doors are famous quotations in red letters on a gold field.

At the four corners of the quadrangle may be seen flying female figures, personifying the eight virtues: Justice, fortitude, industry, concordia, temperance, prudence, patriotism, and courage, divided two to a corner.

Continuing around to the left over the entrance to the north wing may be seen four paintings, representing wisdom, understanding, knowledge, and philosophy, viewing from right to left, respectively. Directly overhead, running the full extent of the ceiling, is cleverly sketched the five senses, taste, touch, smell, hearing and seeing in the order names. ing, and seeing, in the order named.

Before continuing around to the left, examine the first case on the right as you enter the north wing. Here may be seen the smallest book in the world, and immediately behind it in a long frame is the first telegram transmitted by wire. It reads, "What hath God wrought," and was sent from Baltimore to Washington.

While a brief tour of the Library permits only skimpy observa-tion of the many objects of interest, return and continue around the balustrade to the last exhibit case. Pause here for a moment and study one of the most beautiful examples of American literature—the first draft of the Gettysburg Address which is in the handwriting of President Lincoln. It is written partly in ink on White House stationery and partly in pencil on a plain sheet, as if to represent all classes of society. This document was left at the White House when the President departed for Gettysburg, contradictory to the story of its inspiration aboard a train en route to the battlefield.

On the opposite side of this same exhibit case is a photostatic copy of the Star Spangled Banner, showing how the original appears in the Walter's Museum in Baltimore City.

pears in the Walter's Museum in Baltimore City.

Now we come to the shrine of the Constitution of the United States of America. This shrine is under guard of a police officer 24 hours a day. In the marble table under yellow glass are the four original parchments as executed by 39 men, headed by General Washington, 152 years ago. It is the oldest active constitution in the history of the world. This fundamental law of our rountry was penned by Jacob Shallus, a clerk of the Pennsylvania Legislature, who was selected to do the work on account of his excellent penmanship. He used a goose-quill pen and was paid \$30 for the task. \$30 for the task

Immediately above the Constitution in a gold case may be seen the original Declaration of Independence executed on July 4, the original Declaration of Independence executed on July 4, 1776. It is signed by 56 men headed by John Hancock, of signature fame. In 1829 President John Quincy Adams ordered a copper plate made of this document in order that the then living signers might have a true copy. Unfortunately this plate removed much of the ink, obliterating many of the signatures. No attempt has been made to retouch it in order to preserve its originality. After the damage referred to, both the Constitution and the Declaration of Independence were kept in various dark vaults of the Government departments, unseen by the public, until 16 years ago, when the Library of Congress was made custodian. The shrine was erected as seen here and dedicated by President Calvin Coolidge. As many as 10,000 people have viewed it in 1 day.

As we continue around the balustrade we encounter cases containing the genesis of the Declaration of Independence and portraits of the signers.

The next wing branching off to the right contains etchings,

The next wing branching off to the right contains etchings, prints, and lithographs. This is known as the fine-arts section. The extent of our tour does not permit a visit to this section, but if one's time is not limited, many interesting examples of art may be seen.

Over the doors entering the fine-arts wing are medallions idealizing in female figures the seasons: spring with the bud, summer with the full blossom, fall with barren trees, and winter looking icv and cold.

In the ceiling directly overhead are the Three Graces, typifying

all that is lovely in nature, human life, and art.

We here turn left and descend the staircase to the point of beginning.

NEW ANNEX

The cost of the Library Building and the new annex total \$18,-747,000 to date.

The annex covers the two blocks square immediately east and is connected to the main building by tunnel. This new addition contains 249 miles of fireproof book shelving, giving a total of 414 miles in the two buildings. Books are transported from one building to the other in pneumatic tubes in 29 seconds. The annex is, as was intended, a house of utility. Most of the 27 major divisions of the Library will occupy this addition and the extent of their operations in the new quarters are such that one can hardly realize that these divisions were tucked away in the old building to the contract of the con up until a few weeks ago.

There are no exhibition halls in the annex but a visit to its two large reading rooms will make a lasting impression. The building is faced with white Georgia marble in the modern style of archi-

tecture.

It now seems pertinent to know some facts about the function of the Library.

The institution is directed by the Librarian of Congress. He is assisted by 27 chiefs of major divisions and a personnel of approxi-

mately 1,100 persons. The most recent inventory discloses that the Library contains 5,591,710 books and pamphlets, 1,402,658 maps and views, 1,194,697 pieces and volumes of music, 542,074 prints, 95,000 bound volumes of newspapers, and so many manuscripts that a numerical statement is not feasible.

Encyclopedic in nature, the Library covers the subject of knowledge from the dawn of civilization down to the present time. With the system of classification and cataloging in use any 1 of the 8,826,139 items can be secured in a few moments' time for the free

use of the public.

In the 40 years of his directorship as Librarian of Congress, Dr. Herbert Putnam has seen this institution grow from a comparatively small library to the greatest source of information in the recorded history of man, and it seems at this time that his name will be associated with the library world and with the Library of Congress in particular as are the names of Washington and Lincoln with

Often the visitor neglects a visit to the Library, thinking it just another collection of books like the home-town establishment. But to the amazement of all, here are the most magnificent buildings and the most interesting exhibits to be found anywhere in the

Exploring Federal Aid for Education

EXTENSION OF REMARKS OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

RADIO ADDRESS OF HON. FRED L. CRAWFORD, OF MICHIGAN, ON MAY 14, 1939

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Hon. Fred L. Crawford, of Michigan, on May 14, 1939:

It is a pleasure to join in this discussion tonight, because one of the cherished rights which I inherited when I was born was that of freedom of speech. In that connection I desire at this point to add my word of commendation to the Mutual Broadcasting System for devoting this hour of each week to an open discussion of major issues pending before the people of the United States. In few other nations of the world could we meet in this manner and debate in

unbridled and uncensored fashion a Government proposal.

It has been ably said that "The way to defend our liberties and our fundamental democratic institutions for the future is to develop closer cooperation between education and the agencies of communication. Both are servants of the people. They should never be their masters."

This program each week is a demonstration of what those words ean. Through this means of communication our people are being mean. mean. Through this means of communication our people are being better educated on national problems, and tonight we are airing our thoughts on the subject of education itself.

In joining this discussion this evening I have no thought of entering as an antagonist. But I am convinced there is some exploratory work into which we should enter.

The bill of which Senator Thomas is the author, and upon which he has elaborated in his usual able manner, has been carefully drawn and cleverly worded. I advisedly use the word "cleverly." I am not going to quarrel at this point about the general provisions of his proposal.

I am in full agreement with the theory that education is the first

line of defense in a democracy. In my great State of Michigan we are still proud of the type of district schools which were made famous as the "little red schoolhouse." We are proud of them despite some of the uncomplimentary things said about them by some of the endorsers of this legislation appearing before Senator

some of the endorsers of this legislation appearing before Senator Thomas' hearing.

As I approach the issue before us tonight—that of Federal aid to education—the question in my mind is this: Are the American people ready to take that next to the final step and accept the embrace of the Federal Government in control of education?

I say "next to the final step" because the second question with which I am confronted is this: After we receive the embrace, will we then receive the kiss of death by having the Federal Government move into complete control of our educational system?

Were we to confine our remarks here tonight strictly to the Thomas bill, such questions would be entirely out of order. But the problem here dealt with goes far beyond this legislative proposal, and that is why I said at the outset that this particular bill is cleverly worded. is cleverly worded.

I do not for one moment entertain the thought that Senator Thomas, or any of the others who have been working with him, have ever had any idea of complete Federal control of our educational system. Their statements clearly indicate their purpose is

affiliated with no such intent.

affiliated with no such intent.

However, we are living in a streamlined era, where rapid changes in our habits and lives are taken for granted by our generation. We must look a few years into the future and consider what some other Congress might do toward completely encircling our educational system and draw it into the network of complete Federal domination on the basis and argument that in 1939 a Congress opened the way for such Federal control. We must ask ourselves whether in this case the camel of the Federal Government is permitted to stick its nose into the tent of the State-controlled educational systems only to move completely in at some future time.

mitted to stick its nose into the tent of the State-controlled educational systems, only to move completely in at some future time.

Federal aid for education is by no means new, as you have already been told. In fact, it dates back as far as 1785 in connection with the Northwest Territory when the Federal Government divided the land into townships and dedicated lot No. 16 in each township to "the maintenance of public schools within each township."

each township."

each township."
Proponents of this legislation claim that there is nothing in the Constitution to indicate the founding fathers opposed Federal aid to education. Yet it is interesting to note that in the Constitutional Convention, May 29, 1787, Mr. Charles Pinckney sub-

mitted a draft of a constitution in which it proposed to give power to Congress "to establish and provide for a national university at the seat of government of the United States." In the following few weeks three other proposals relating to national education were presented to the Constitutional Convention—two of them by Mr. Madison. In that short period in the Constitutional Convention we find that four efforts were made to give to Congress the patronage of education, art, and science in one manner or another, but whenever and in whatever form present, it was refused.

it was refused. Several decades later Clay made a very forceful argument in this connection in the Senate. Pointing out the great difference in powers of the National Congress and the legislatures of the various States, Senator Clay said—I quote from the Congressional Globe of February 7, 1859—"The powers of the Federal Government are few and defined; those of the States numerous and indefinite. Its powers are fully enumerated, those of the States unenumerated. Its powers are measured and limited, not only by prohibitions and reservations of ungranted rights but by specifications of the powers granted; those of the States unmeasured and unlimited except by prohibitions. The States may dowhatever is not forbidden by the Constitution; the Federal Government can do nothing that is not authorized by its charter or letter of attorney—the Federal Constitution. * * They were intended to move in different orbits, to attain different ends, and to exert different means. * * No one, on comparing the Federal and State Constitutions can fail to observe that while to the Federal Government is entrusted those common and ex-Several decades later Clay made a very forceful argument in to the Federal Government is entrusted those common and exto the recera Government is entrusted those common and external objects, such as war, peace, finance, negotiation, and commerce, to the State governments are reserved the care of whatever

merce, to the State governments are reserved the care of whatever is local or domestic, agriculture, education, trades, manufactures, poverty, crime, domestic relations, corporations, roads, bridges, ferries, and rights of property."

Thus we have Mr. Clay's views on restrictions on the Federal Government and the liberal powers of the State governments. It is likewise interesting to note just how many of the fields of States' rights enumerated by Senator Clay have been invaded in recent years by the Federal Government. Agriculture in the States no longer operates under the privilege of States' rights, but the Federal Government has moved in and taken over control of agriculture, as evidenced by the untilled acres and idle processing plants in my own State as well as other States—all due to restrictions imposed by the Federal Government.

The Federal Government has invaded other fields enumerated by

The Federal Government has invaded other fields enumerated by Clay. I quoted him because education was identified as a State right by Clay along with other rights now usurped by the Federal

Government.

And while commenting on the remarks of this prominent figure in American history, I desire to add a few lines from that same speech he made on Federal education, and ask you to draw your

speech he made on Federal education, and ask you to draw your own conclusion as to whether there is any existing parallel.

At that time—1859—Clay said he desired to invoke the attention of the country to the fact that such legislation was proposed—I quote him—"at a time when the country was \$60,000,000 in debt; when its revenues are insufficient to supply its ordinary wants; when we are told we must either increase the supplies or reduce the

demands upon the Treasury."

This great statesman was concerned at a new venture in the face of a \$60,000,000 debt. But consider our predicament at this hour, with a direct Federal debt almost 700 times greater than in Clay's time. The current year's deficit has already reached \$3,000,000,000,

and more to come.

But there the parallel stops. In our day we are not told we must either increase the supplies or reduce the demands on the The supply is not being increased, nor are the demands

on the Treasury being reduced.

Centuries ago, it was said: "The descent to the nether world is Centuries ago, it was said: "The descent to the nether world is easy. To retrace one's steps thence and regain the air above, this is the toil, the laborious task." Another observation is made to the effect that "units of industry, farmers, lending institutions (such as banks and building and loan associations), insurance companies, professional people and others, cannot compete with the United States Government. Each day more of our people comprehend this fact. "Equality under the law" calls for the Government to "lend to all" if loans are to be "made at all." Each day we enlarge the opening of the door of the Treasury. We say this is a democracy. We say this is a self-government. We say this is popular government. The trend is for Government agencies to lend money or to guarantee the debts of "all" the people, "on such security as they require and at such rates as they demand." There are those who contend that having gone so far, we must go "all the way." Everybody must be "equal under the law." As we proceed further down the incline, more people and more groups are saying, "You either lend to me, or give to me. and more groups are saying, "You either lend to me, or give to me, or guarantee for me, on my terms, or I will vote against you."

Let me again remind you that "no government is strong enough to support the people. The people must support the govern-

I desire to turn for a moment to another controversial phase of this proposed legislation. I refer to the possibility that the question of a step toward union of church and State exists in this measure. Powers given to the States under this bill do not pro-hibit any State from providing funds for the operation of certain

parochial schools. Thus we step into extremely dangerous territory and tread upon a sacred ground specifically set out in the Federal Constitution.

Federal Constitution.

Freedom of religious worship is purely an American institution. It is provided for by a primary law of the land and has been repeatedly protected by the highest court in the Nation.

I respect the right of Catholics to teach Catholicism in their parochial schools. I recognize the right of the Lutherans, Baptists or Seventh Day Adventists or other denominations to teach their religions in schools which their members establish for the education of their children and which they finance out of the funds which they themselves provide. That is a right inherent to American citizenship.

American citizenship.

President Grant clearly stated the duty of the State in education of its children when he said in an address at Des Moines in 1875—
I quote the President: "Encourage free schools, resolve that not one dollar appropriated to them shall go to the support of any sectarian school; resolve that neither State nor Nation shall support any institution save those where every child may get a com-mon-school education unmixed with any atheistic, pagan, or sectarian teaching; leave the matter of religious teaching to the family altar, the church, and the private school, supported enby private contribution. Keep church and state forever separate.

separate."

Former Governor Pollard, of Virginia, in discussing Federal aid for education purposes and religious liberty, pointed out that the phrase "religious liberty" means not only the right of every man to worship God according to his conscience but it means absolute separation of church and state. It means, said he, that the state has no religious function except to protect all of its citizens in the sacred right of conscience, just as it protects them in their rights of property and person.

them in their rights of property and person.

In reviewing this Federal-aid bill recently, one of the Roman Catholic weekly papers said, I quote: "The plain truth is that whatever the Federal Government subsidizes the Federal Government sooner

the Federal Government subsidizes the Federal Government sconer or later controls."

The Pittsburgh Catholic, the official organ of the Catholic Church in the Pittsburgh diocese, recently commented on the report of the recommendations of the President's committee out of which this legislation grew and said; I quote: "The entire history of the church, emphasized by recent events, shows that public funds come at too dear a price. Mexico had state aid, and so had Spain and Germany and Italy and France. And it proved a weakening, demoralizing connection. Better the sacrifice and the limitations which independence requires than the unsound edifice built on the deceptive, treacherous basis of state aid."

I am convinced these fears are well founded. Any legislation of this type, if considered favorably, must definitely separate the State from the church. If religious liberty is to be maintained in America, and the common schools are to serve as a bulwark of the

America, and the common schools are to serve as a bulwark of the State, then the State and the church must each attend to its own business and operate separately and independently in its own respective and distinctive field. There can be no commingling of interests without the clashing of spiritual and secular swords in deadly conflict

I have failed to find a clear provision in any of these bills to the effect that the funds are available only for tax supported free public schools, but I find much evidence to support a contrary opinion. There are other phases of this immediate bill which are debatable

but in my opinion the two questions which I have presented transcend in importance, at the moment, all other questions.

Let us consider whether parents of our boys and girls of school age want this legislation. Despite the claims that have been made I fail to find convincing evidence to the effect that our people are anywhere united on wanting a Federal-aid education program of this type. In fact, I find in the hearings a statement of a repre-sentative of the National Congress of Parent-Teachers, in which it is admitted that among the 48 States there are wide differences of opinion in this matter.

Likewise, I find of record a statement of Alexander G. Ruthven, president of the University of Michigan, in my own State, in which he says, I quote: "No one feels more keenly than I do the attempts that are being made by the Federal Government to capture education in the United States."

Neither have I found explanation to the statement, both in the printed hearings and in the Senate committee report, in which it is revealed by the Acting Director of the Budget that this matter had been taken up with the President and that it would not be in

line with his program.

Despite the fact that this legislation has been pending several years, I am sure the country as a whole has not had the opportunity of hearing it discussed or of studying its ramifications and

possibilities.

Let us have full opportunity to consider whether such a plan to finance education through the Federal Treasury is taking a step toward purchasing for the Federal Government a measure of control over education—regardless of how small a beginning.

Let us ponder whether if Uncle Sam takes his children onto his

knees, whether they be from 5 years to 90 years—as is possible under this bill—and attempts to finance their education, then will his next move be to issue to them schoolbooks written under a writers project of Federal employees and printed in the Government Printing Office? If so, will this not then next lead to the establishment of the Commissioner of Education, already provided

in this bill, with authority of greater dictator proportions over the lives of American people than the Minister of Propaganda in German or other totalitarian states as they now exist? Shall we not likewise ponder the fact that despite the claims for this legislation that it contains specific provisions for the di-vorcement of Federal control under the program, yet the suspicion remains that any provisions against Federal control must necessarily tend to be relaxed at some future time?

The greatest need of thousands of those it is intended to benefit under this program is not education, but bread, milk, and other nourishing provisions. The traditional three R's of education are of no avail if the stomach is empty and the cupboard is bare.

The Public Works Construction Program

EXTENSION OF REMARKS OF

HON. MICHAEL J. BRADLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

ADDRESS OF JAMES M. MYLES, VICE PRESIDENT AND LEGIS-LATIVE REPRESENTATIVE, OPERATIVE PLASTERERS' AND CEMENT FINISHERS' INTERNATIONAL ASSOCIATION

Mr. BRADLEY of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of James M. Myles, vice president and legislative representative, Operative Plasterers and Cement Finishers' International Association, before the Pennsylvania Federation of Labor (A. F. of L.) convention held at Philadelphia, Pa., May 11, 1939:

Mr. President, officers, and delegates to this convention, it is my purpose to discuss with you the Public Works Administration program as compared to the "made work" type of relief project. I intend to discuss, from the standpoint of labor, the benefits derived from past public-works programs and ask for your united support for legislation now pending in the Congress of the United States to continue the P. W. A.

The last appropriation for P. W. A. was made available on June 21, 1938. It made available \$200,000,000 for Federal projects and

21, 1938. It made available \$200,000,000 for Federal projects and \$750,000,000 for loans and grants for non-Federal projects of States, school districts, municipalities, and other public agencies throughout the United States. The Public Works Administration Act of 1938 permitted the receipt of applications for loans and grants through September 30, 1938, and provided a dead-line date of January 1, 1939, for the start of all construction work.

This appropriation provided the sponsors with funds for the construction of school buildings, auditoriums, city halls, courthouses, hospitals, colleges, dormitories, power and disposal plants, bridges, tunnels, traffic arteries, waterworks, and other worth-while public improvements. This building and construction program has made the P. W. A. one of the greatest employing factors in the history of our Nation.

our Nation.

The Public Works program has not only served the purpose of putting building and construction tradesmen and laborers to work at the job site but its purchasing power has extended to industries supplying construction with cement, stone, sand, lumber, clay products, copper, glass, paints, lead, lime, plaster, steel, power, tools, trucks, machinery, transportation, and other materials.

The Bureau of Labor Statistics has made a study of the manhours of labor furnished by the P. W. A. programs and the orders for miscellaneous industrial products which have been filled during this huge construction undertaking. It is significant to note that in addition to the million workmen currently employed as a result of the P. W. A. program, thousands of other workers are engaged in of the P. W. A. program, thousands of other workers are engaged in the preparation of plans and in the consumer goods industries which, of course, directly benefit from the P. W. A. It is well to emphasize that the million workmen directly engaged on P. W. A. work are not on the Federal pay rolls. They are paid by private contractors at prevailing wage rates and are working in their own

The P. W. A. construction program in its entirety provides for the awarding of contracts under the competitive bidding system. Its employment regulations recognize the rights of labor to bargain

Statistics tell us from the time of man that construction has been the greatest single employment force. It is this Nation's greatest single capital investment. It is one of the greatest forces toward diminishing unemployment and elevating the living conditions and standards of the citizens of this country. If we are to continue our war against unemployment and depression we who are engaged in the building trades must unite our efforts to continue the Public Works Administration.

Congressman Joe Starnes, Member of Congress from Alabama, has introduced in the House of Representatives a bill

known as H. R. 4576, which provides for the continuation of the Public Works Authority and an appropriation of \$500,000,000 for loans and grants for new construction projects. A similar bill has been introduced in the Senate by Senator James M. Mead, of New York, known as S. 2063. The Starnes-Mead bill provides for the release, in times of depression, of worth-while projects for immediate operation. It is a long-range program and should have the active support of every building-trades worker.

This bill accepts the theory that P. W. A. should be retained as a permanent part of our Government structure. Long-range planning of public works is vitally necessary if we are to prepare to take up the slack in private building occurring during periods of depression. This bill recognizes that if we are to provide ways and means to transfer men from relief to pay rolls some method must be employed which will enable employers in private industry to absorb them. Since the works projects undertaken by P. W. A. are let to private contractors, this means that work is provided in private industry to the unemployed in their chosen trades, rein private industry to the unemployed in their chosen trades, regardless of their relief status.

The plan proposed by Senator Mead and Congressman Starnes would permit loans and grants to public bodies as in the past, and, in addition, permits loans and grants to nonprofit corporations for the construction of hospitals, sewage treatment and

disposal plants, and for elimination of stream pollution.

If this new program is made possible by Congress, it will result in the construction of projects costing over \$1,000,000,000. Over 5,000 the construction of projects costing over \$1,000,000,000. Over 5,000 applications are now pending in the Public Works Administration, which were filed prior to the expiration date for accepting new applications under the 1938 act. Since these applications have been approved it would appear that they might be eligible for allotments if further funds are provided. In this connection I might point out that there are 966 approved applications, with estimated construction costs of \$289,450,945, now pending in P. W. A. from Pennsylvania communities. Under past programs the General State Authority of Pennsylvania received Federal aid, which made possible a \$65,000,000 institutional construction program, which included public buildings, State arsenals, armories, military reserves, State airports and landing fields, college and school buildings and additions, swimming pools, etc. swimming pools, etc.

swimming pools, etc.

I am a firm believer in the public-works program. I believe that every public dollar expended in this manner pays dividends. I ask your support in having the program continued and the necessary funds appropriated to relieve unemployment in the building trades and heavy industries. I appeal to this convention and all affiliated unions to contact local Members of Congress and Senators requesting their active support of the P. W. A. appropriation bills. The Starnes-Mead bill is the only pending bill in Congress which carries an appropriation for P. W. A.—keep this fact in mind—and the only bill which embraces the principles for which the American Federation of Labor stands. It is the only pending bill which continues the authority of P. W. A.—the agency which is one of the outstanding instruments of government on which the American Federation of Labor is dependent for a livelihood. We must support this legislation and appeal to our Representatives in Congress to do so.

It has come to my attention that some of the Members of Congress are under the impression that a transfer of P. W. A. to the newly created Federal Works Agency under the President's first

gress are under the impression that a transfer of P. W. A. to the newly created Federal Works Agency under the President's first reorganization plan obviates the necessity for new legislation. This is very erroneous and it should be stated here that unless the Starnes-Mead bill is enacted into law the Public Works Administration ceases to exist and its authority expires. Unless this bill is enacted the more than 5,000 pending approved projects will not be put under construction and the members of our federation will lose the employment it carries with it.

Lalso want to leave with you this thought: That the responsibil-

I also want to leave with you this thought: That the responsibility of the Works Progress Administration, as originally intended by the Congress, is to provide work for those who are eligible for relief. This means white-collar employment, sewing projects, research projects, art projects, and the like. It should not embrace construction of any kind. The construction work should properly be undertaken by the Public Works Administration, the construction unit of Government, and I ask your support in securing congressional approval of such a plan. All building construction must be done on a contract basis under contracts which provide that the contracts shell pay the prevailing rate of wages. In this way only tractors shall pay the prevailing rate of wages. In this way only can the building-trades workers secure proper working conditions and ample wages. Wholesale operations in the construction industry by the Works Progress Administration plan of operation will ultimately result in a break-down of the workers' morale and, what is equally important, in his wage schedules. Any future relief programs must provide that construction projects shall be placed under the Public Works Administration to be successful. I ask your support to this end. It is suggested that you contact your Congressmen and Senators urging this provision in the next relief bill.

bill.

If we are successful in our drive to secure enactment of the Starnes-Mead public-works bill, and to secure amendments to any future relief legislation whereby construction work will be placed solely with the P. W. A., then we may be assured of a new work program which will permit the members of our federation to keep on working in their own trades and under normal and happy conditions. This, I believe, is the goal we all want to reach. Your work tions. This, I believe, is the goal we all want to reach. Your work in presenting the rights of our workers to Congress and making our needs known will surely be crowned with success. We need only to persevere and success is ours.

I thank you.

Neutrality Legislation

EXTENSION OF REMARKS

HON. L. L. MARSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

RADIO ADDRESS BY HON. L. L. MARSHALL, OF OHIO, ON MAY 13, 1939

Mr. MARSHALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by me recently over the radio:

I shall speak this evening on a subject which is engrossing the attention of the American people more than any other that has commanded their interest in recent months. That is the subject of legislation affecting peace, foreign policies, and neutrality.

Congress has been struggling with this problem for weeks. Volumes of evidence have been taken before the Senate Committee on Foreign Affairs. Yet no clear opinion has been crystallized and no legislation developed which, up to now, could be said to command majority support of either branch of Congress.

To properly appreciate the perplexities under which most Congressmen labor a clear understanding of the essential provisions of the present Neutrality Act, as well as the various proposals now before Congress affecting this subject, is necessary.

The so-called neutrality law as first passed in 1935 provided that when two or more nations became involved in an armed controversy the President might decide that a state of war existed and proceed to put into effect the terms of the act. These provide that when the President has made such determination an embargo on the sale of arms and war munitions to belligerents must be on the sale of arms and war munitions to belligerents must be established.

The category of war munitions was strictly limited by procla-mation to manufactured and finished articles suitable for war

purposes.

purposes.

The act was amended in 1936 and 1937 to provide a so-called cash-and-carry plan (which lapsed on May 1) which placed certain raw materials in a group which were not to be embargoed, but which might only be obtained from the United States by a belligerent who was able to come and get them in his own ships.

Let us see how this law has worked out. For instance, let us take the case of the Sino-Japanese conflict. The act has never been brought into operation in this instance—on the slim technicality that Japan has not officially declared war on China, and therefore, a state of war does not exist.

The real reason of course, is that application of the law would

The real reason, of course, is that application of the law would

The real reason, of course, is that application of the law would work a greater hardship upon China than Japan—a result of which 99 percent of our people do not wish to see effected. China has no means of converting any considerable quantity of raw materials into war supplies. Invoking the provisions of the act would deprive her of all help she might be able to secure from us in the nature of finished war commodities.

Such action, however, would not seriously affect Japan, as she has ample industrial machinery to convert raw materials into war supplies, and could easily come and get in her own ships any materials in that small category, which prior to May 1 were under the "cash and carry" provisions.

The result is, that while thousands of Chinese people are being killed or maimed by bombs made from American scrap iron and activated by gun cotton made from American cotton, invoking the Neutrality Act would make the situation of the Chinese even more desperate.

more desperate.

A large group of our citizens, even numbering among them many who thought the present neutrality law a model act at the time of its passage, now feel that it does not meet such situations as the Sino-Japanese conflict, and that it ought to be repealed or amended. Other complaints against the existing law are that it gives notice in advance that the United States will exercise no moral judgment

in a war anywhere in the world but will put the aggressor and the victim of aggression on an exactly equal footing.

It is correctly contended that the present law makes no distinction between a nation which violates its treaty obligations with us and other nations and one which respects its obligations and adheres to its treaties.

adheres to its treaties.

If the present Neutrality Act is not to be retained, Congress has two alternatives. It may repeal the law outright, or it may be amended in one of a number of ways. There is some opinion, both in Congress and out, that we would be well-advised to repeal the present act in toto and develop and adapt our foreign policy

to each situation as it arises.

It is argued that this procedure would give flexibility to the handling of our foreign relations and permit each separate condition to be dealt with with a free hand, and in the hope of better results.

The proponents of this policy realize, however, that repeal of the law would take us back to much the same position we occupied in

1917 when our foreign policy was predicated upon adherence to principles of International Law, then much more clearly defined than they are at the present time. It would revive such questions as the doctrine of freedom of the seas and rights of neutrals.

In wartime it would require many delicate and dangerous decisions on such questions as our interpretation of what constitutes a contraband and what is an effective blockade. Millions of Americans remember all too well that these are the decisions and this

the path through which we became involved in war in 1917.

In my judgment, there is little likelihood that repeal of the existing law will be the course finally taken by Congress. There are several proposals before Congress which represent amendments

to the present act.

The Pittman bill provides for the reenactment of the "cash and carry" provisions but places no embargo on arms and other war munitions. It permits any nation at war to purchase any com-modity in this country without any limitations as to character or use, requiring only that the purchaser take title in this country and take the risk of transporting his purchases wherever he pleases. In the case of European war, such an act would undoubtedly favor

In the case of European war, such an act would undoubtedly favor Britain and France because they have control of the seas and would be the only nations in position to take advantage of it.

The argument for this provision is based upon our experiences in the last war. It is claimed that we would never get into trouble by attempting to assert our rights as neutrals on the high seas, as our own vessels would be entirely innocent of any traffic in goods even remotely resembling war material, and consequently would have no cause for entering a foreign conflict.

The view that the United States has some obligation to treat

have no cause for entering a foreign conflict.

The view that the United States has some obligation to treat aggressor nations in a different fashion than others is embodied in the amendments proposed by Senator Thomas of Utah. The provisions of this amendment are, roughly, as follows: When foreign nations became involved in war, the President would immediately put into effect the provisions of the law providing embargo of supplies to all the nations involved. He would then examine the character of the nations involved; and if he determined that one or more of them were guilty of violations of treaty obligations with us, he would have authority, with consent of Congress, to release the innocent nations from the provisions of the embargo and make them apply only to the treaty-breaking nation or nations.

It is argued for this policy that by it America would serve notice

them apply only to the treaty-breaking nation or nations.

It is argued for this policy that by it America would serve notice in advance that such nations as were guilty of aggression or violation of treaty obligations could not expect the same support from us as nations which had been guiltless of such violations. The contention is that, knowing our disposition to make such discriminations, nations otherwise disposed to start a foreign conflict would hold back and refrain from aggression, and thus we would avoid war for curvalues by requesting two to the countries.

Mhatever else such a law may be, it certainly would not be a neutrality act, if neutrality is to carry the meaning of equal treatment by us of all other nations. The backers of such provisions frankly admit that it does not pretend to be a neutrality act, but is the type of legislation which our position among the powers of the world requires us to take if we ever expect to assist in establishing a world not constantly convulsed with warfare.

The opponents of this proposal insist that by thus selecting the aggressor in any foreign conflict, we have practically committed an act of war, and that our involvement in such conflicts would only be a matter of a short time.

I think it is clear that if such an act is passed, we have already selected the aggressor because nothing is clearer than that Germany has violated the Pact of Paris of which both Germany and

ourselves were signers.

The Thomas amendments represent a course further removed from the policy of isolation than any other pending before the

Congress.

It seems to me that there is only one other policy which might be suggested, and that would be a policy of complete isolation. Such a policy would provide that in the event of war in Europe or any other part of the world, the United States would sever itself completely from all relations with the combatants and refuse to trade or deal with them in any manner whatsoever. Such a policy would demand embargoes on all goods destined for any of the warring countries. It is doubtful if support could be secured for any such extreme isolationist policy.

Students of history will recall that Jefferson put into effect such

Students of history will recall that Jefferson put into effect such a policy, but that its repeal was speedily forced when its effect on American trade became apparent.

These then represent in rather sketchy form various ideas on peace, neutrality, and foreign affairs with which Congress is struggling.

It is interesting and sometimes amusing to note the manner in which individuals or groups of individuals who seek to advise Congress come to their decisions on these matters. The rule that such persons follow seems to be, first, to select their favorite in the European or Asiatic "sweepstakes" and then support a policy which will tend to give advantage to their selection.

It seems to me that the best approach to this question is to determine what policy is of advantage to the United States and the Western Hemisphere and is best calculated to keep our country from involvement in foreign wars; and having determined such a course, to let the chips fall where they may.

Many will contend that this is a program of self-interest, but who can conclude that the foreign policies of any other nation with whom we deal is actuated by any other motive?

From my observation, the country may be well assured that every Congressman is determined to support a policy which in his judgment will prevent any American boy being transported to foreign shores to engage in foreign war.

I think the policy of Congress, as well as the country, is to keep out of foreign war at all costs, and in the meantime provide such defenses for the United States that no power or group of powers will dare contemplate the domination of any portion of the Western Hemisphere.

Paying the Government Debt With a Fountain Pen in the Hands of the People, in the Same Manner the Debt Was Created With the Pen in the Hands of the International Banker

EXTENSION OF REMARKS

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

CONGRESSIONAL BREAKFAST TALK, MAY 9, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, I have asked to extend my remarks in the RECORD, and include therein a radio talk made over Station WOL, Washington, D. C., on May 9 as a part of the Congressional Breakfast Talk series by some of my colleagues. This series of broadcasts is by the Constitutional Money League of America under the personal supervision and direction of former Congressman Charles G. Binderup, of Nebraska.

I have been listening in on these broadcasts for several weeks and have been instructed greatly by the numerous Members of the House who have presented their views. I feel that the money question is one of the paramount issues or questions of today. While my own mind is not thoroughly made up, and I do not necessarily endorse all that these radio speakers may say, I do take this opportunity to pass on their comments, and feel that the public may be greatly enlightened thereby.

Mr. BINDERUP. In behalf of the Constitutional Money League of America, I take pleasure in extending our morning greetings to our President Roosevelt, Members of Congress, and others. through my mind this morning for the most expressive words of appreciation for the privilege of these broadcasts, I can only find the same old words, "Thank you, WOL." We are grateful also to our guest speakers for their efforts to promote our work and for coming down to the station at this early hour before breakfast. I have always considered the subject which we will discuss this coming down to the station at this early hour before breakfast. I have always considered the subject which we will discuss this morning the most difficult to explain, perhaps because it is so new to all, and seems so impossible to all, and yet so simple in fact. May I suggest to you, our honored guest speakers, that in discussing this morning's subject we dramatize it in this manner: Suppose, Congressman Gehrmann, that you represent "We the banks," and you, Congressman Massingale, if you will, represent "Uncle Sam," and, if agreeable, let me represent "We the people." In this manner I believe we can explain it so that even a child could understand. And now may I introduce to our vast audience scattered over the entire Nation our guest speakers on our congresscattered over the entire Nation our guest speakers on our congres sional breakfast talk for this morning—Congressman Gehrmann, of Wisconsin, and Congressman Massingale, of Oklahoma.

Mr. GEHRMANN. Well, then, as I am representing "We the bankmr. GEHRMANN. Well, then, as I am representing we the bank-ers," let me ask the first natural question which probably would come to a banker's mind. Mr. Binderup, as a Congressman repre-senting the people, you said on the floor of the House and wrote it in your book called "Uncle Sam's Hospital Chart": "Our monetary bill must provide a plan for retiring the national debt without one cent of inflation or deflation, and without disrupting even in the cent of inflation or deflation, and without disrupting even in the slightest degree either our monetary system or our banking system, and without one cent of taxation or repudiation." Still quoting from your Uncle Sam's Hospital Chart, you said: "Every cent of United States bonded indebtedness can be liquidated by a mere switching of credits by merging the interests of the creditor and the debtor, or fusing the interests of the payer and the payee. All these bonds were originally bought from Uncle Sam with 'fountain pen' money, and they are now being paid in the same manner, with 'fountain pen' money." Well, if this peculiar monetary magic or economic sleight-of-hand performance can be done, it certainly would be quite a trick, wouldn't it, and mighty good news?

Mr. BINDERUP. Yes; it certainly will be welcome news. We use just the same magic pen you bankers have been using for many years. Congressman Gehrmann, or rather "You the bankers," how

many billions of dollars do you hold of Uncle Sam's obligations or notes?

Mr. GEHRMANN. Well, for the information of "You the people,"

we hold now aitogether \$20,000,000,000.

Mr. Binderup. Let me ask another question. Now, just where did you get all this money to buy \$20,000,000 in Government bonds or notes? All the capital stock of all your banks amounts to only \$8,208,000,000, and that includes preferred stock. Also your capital stock by lighting and distributed by the stock of the s stock includes farms and other real estate, buildings and fixtures. You couldn't buy Uncle Sam's bonds for these. I ask again, Where did you get the approximate twenty billions wherewith to buy these

Ind you get the approximate twenty billions wherewith to buy these bonds?

Mr. Gehrmann. Well, Mr. "We the people," we bought these bonds with the people's demand deposits.

Mr. Binderup. Oh, you did! Well, then, the bonds really belong to us, do they not? We paid for them, didn't we? It was our money that bought the bonds, was it not, "Mr. Banker"?

Mr. Gehrmann. Well, of course, that is part of the profits "We the bankers" take for ourselves for taking care of your money.

Mr. Binderup. But "We the people" pay you for that service specifically when we pay you \$1 a month for a checking account and a fee for every check we cash. If you have invested our money in Government bonds, the bonds surely belong to "Us the people." To say that the bonds belong to you merely because you purchased them with our money is as absurd as though I should go out and buy a business car with my firm's money and then claim, as you do, that I own the car because I bought it. How much do "We the people" have deposited in your banking system in demand deposits?

Mr. Gehrmann. For the information of "You the people," you have deposited in our banks \$26,126,000,000.

Mr. Binderup. Of this you have invested twenty billion in Government bonds, have you not?

Mr. Gehrmann. Yes, approximately so. We have done that, because of the people of the people of the people of the people of the people.

Mr. Gehrmann. Yes, approximately so. We have done that, because we wanted to be safe, so we invested it in Uncle Sam's

obligations.

Mr. Binderup. But United States bonds are not safe, and "We the people" don't want you to invest our money in anything. We want it right here in your bank. That is what we pay you for. Uncle Sam, suppose you settle this. If "They the banks" bought the bonds for our own money and we had already paid the banker for his services as our agent, don't you think your bonds, Uncle Sam's bonds, belong to "Us the people"?

Mr. Massingale. Of course, your Uncle Sam's bonds belong to "You the people." "They the banks" could not possibly have a claim on them. But first I want to say, don't be too sure about investing in my bonds, Mr. Banker, so long as they are left in the hands of Wall Street for speculation, a football for money monopoly. You will remember in 1920 my bonds sold for 80 cents on the dollar. In case industrial bonds and commodities should go up in value to where they were in 1920, 1929, with cents on the dollar. In case industrial bonds and commodities should go up in value to where they were in 1920, 1929, with all the billions of bonds Congress has issued against me, your Uncle Sam, at a very cheap rate of interest, will go to the lowest price my bonds have ever been. You haven't forgotten April 1937, just 2 years ago, when for several months previous, industrial bonds and stocks and commodities were beginning to raise in price, and it did look as if prosperity were coming back, how hundreds of millions of my bonds were thrown on the market daily at reduced prices by people who sought investments which would yield a greater income than did my bonds.

Mr. BINDERUP. And it looked like another bankers' panic was inevitable until Morgenthau, Eccles, and company saved the day for the bankers by sacrificing the interests of the people by creating another depression to destroy prosperity, to destroy the incentive to sell Government bonds and buy commodities and indus-

tive to sell Government bonds and buy commodities and industrial bonds, knowing that another experience like the year 1920,

trial bonds, knowing that another experience like the year 1920, with bonds 20 percent below par, would bankrupt practically every bank in the Nation, as it would cost the banks, based on their present bond holdings, approximately \$4,000,000,000.

Mr. Gehrmann. Yes; and "We the bankers" have always been mighty thankful for the assistance the Secretary of the Treasury, Mr. Morgenthau, together with "We the bankers" representative, Mr. Eccles, of the Federal Reserve Board, rendered to us bankers when they went in on the market and bought up Uncle Sam's falling bonds above par with the people's money. Of course, it was too bad that it necessitated another depression, but we all knew that the banks could not stand a drop of 20 percent or even

was too bad that it necessitated another depression, but we all knew that the banks could not stand a drop of 20 percent or even 10 percent in Government bonds without bankrupting 95 percent of the banks who held the people's demand deposits invested in Uncle Sam's bonds. So something had to be done.

Mr. Massingale. But, listen, "You the bankers," to the warning of your Uncle Sam. What you say means that we can't have prosperity without 95 percent of our banks busting up unless you find some way to take my bonds out of the Wall Street international banker bond jugglers' hands. If not, it will mean the worst money panic we have ever had. If we have prosperity, your Uncle Sam's bonds will fall 20 percent and the banks holding them will go broke, and "You the people" will be pulled down as usual with the banks. And if we don't have prosperity, the sheriff will come and take what little "You the people" have left. You seem to have gotten yourselves into a nine-hole—it's damned if you do and damned if you don't.

Mr. BINDERUP. But surely "You the bankers" should feel ever-

Mr. BINDERUP. But surely "You the bankers" should feel everlastingly grateful to your able lieutenant, Chairman Eccles of the Board of Governors of the Federal Reserve banks, for creating this recession of 1937.
Mr. Gehrmann. Mr. Binderup, how do you know Mr. Eccles and

the Board caused the recession of 1937?

Mr. BINDERUP, Mr. Eccles himself has said so repeatedly. I have heard him say it myself, and I saw it happen.

Mr. Gehrmann. Did Mr. Eccles state any reason why he caused

the recession of 1937?

Mr. Binderup. Oh, yes. He said there was a threatened inflation and he cited the fact that copper and steel and some trust-controlled monopolies were above normal.

Mr. Gehrmann. Well, but wasn't that true?

Mr. Gehrmann. Well, but wasn't that true?

Mr. Binderup. Because of European war preparations; yes. But it never looked much like inflation to me. The farmer was selling his products at 25 percent of the cost of production and 11,000,000 people were still unemployed, and our relief rolls still crowded and grants and charity still the rule.

Mr. Massingale. Please explain again why everyone wanted to sell your Uncle Sam's bonds.

Mr. Binderup all right let me repeat it once more. Because of

Mr. Binderup. All right, let me repeat it once more. Because of their volume and low-interest rate and the potential profits in investing in property or purchasing industrial bonds and stocks and all commodities which were on a rising market.

Mr. Massingale. Then do you mean to say that "they the banks"

prevented a raise in wheat, cotton, and corn, and all commodities, and labor just to stimulate my bonds on the market?

Mr. Binderup. Exactly. That is what I mean. And that is what

Mr. Massingale. Why not tell our audience how the banks do

this?

Mr. Binderup. Oh, that is very simple. It's just the old trick. Make money scarce and the prices of all commodities will go down, and the premium of United States bonds go up. They just advise the Federal Reserve banks to advise the member banks to reduce the amount of check-book money among the people by forcing the collection of old loans and refusing to make new loans. And thus they took out of circulatin in 1937 in a few months almost \$3,000,000,000.

Mr. Gehrmann. But "We the bankers" have always been willing to make loans on good securities.

Mr. Binderup. Certainly. But there is no such thing as good securities with a reduced volume and velocity of money which the bankers themselves create. Everything goes down with money scarcity except Government bonds, which go to a premium when

commodities go down.

You said, Uncle Sam, that we would all go broke with the banks if we had prosperity. But "We the people" could live and thrive if we had prosperity and a raised price level, and so could the bankers if they hadn't invested our demand deposits in your bonds, which they had no business doing. What we want them to do now is to just hand over these bonds which they admit they purchased for our money, and we will see to it that these bonds are not put on the market.

Mr. Gehrmann. But "You the people" would not expect "Us the bankers" to let you continue checking on your account and you hold the bonds also, would you?

Mr. BINDERUP. Well, "You the bankers" would certainly not expect us to let you invest our money in Government bonds and let you hold our bonds, would you, and exact from us interest besides?

Mr. Massingale. Let your Uncle Sam settle this. Suppose both of you let me hold the bonds as a custodian for both of you. How would that suit would.

would that suit you?

Mr. GEHRMANN. Well, that's all right if you turn over the interest

Mr. Massingale. Well, what would "You the people" say? Sup-we let the banks continue drawing the interest on these bonds until they are due, but I will hold them in my vault where they will be safe and keep them off the market so you won't all die of prosperity.

Mr. Binderup. Well, while this is more than "They the bankers" could expect, "We the people" will do this with the bonds they now hold, just to be safe and in order to take the bonds off the

market

Mr. Gehrmann. But when the bonds are due, how about paying "Us the bankers"?

Mr. Massingale. Pay you! Why, we have assumed your obliga-tions to the people for their demand deposits, haven't we? You have thereby received your payment in full, haven't you?

Mr. Gehrmann. Yes; I guess that's right.
Mr. Binderup. When the bonds are due, Uncle Sam, then what?
Mr. Massingale. I, your Uncle Sam, will just renew the bonds.
Mr. Gehrmann. Renew the bonds? In whose name?
Mr. Massingale. Why, in the name of the people, of course. It's their money that is invested in the bond's isn't it?

Mr. GEHRMANN. But where does the profit come in to "Us the

Mr. Massingale. Just exactly the same as it does now. It doesn't affect the balance in your banks a penny. You get your interest on the bonds until they are due and paid for. The only difference is that your Uncle Sam is custodian of the people's deposits.

Mr. BINDERUP. But how about "Us the people"? How will it affect us?

ffect us?

Mr. Massingale. Go right on and check against the bonds, just
the bankers' vaults. The exactly as you did when the bonds were in the bankers' vaults.

only difference is that Uncle Sam holds all demand deposits.

Mr. Binderup. But who gets the interest on the bonds?

Mr. Massingale. Nobody has a right to interest. You don't want, do you? You never did get interest on your demand deposits efore. All you want is a checking account that is safe, so you can always get your money; and the banks have been paid their interest in cash and the par value of the bonds by Uncle Sam's assuming

their demand deposits to the people.

Mr. Binderup. Yes; that is all we could expect.

Mr. Binderdy. Yes; that is all we could expect.

Mr. Gehermann. But I have some Government bonds that I bought
with my own money. How about these?

Mr. Massingale. Well, then, naturally those bonds are yours and
must be paid for in full and are not considered at all in this plan;
but we are protecting the cash value of your own bonds by taking
twenty billions off the market.

Mr. Gehrmann. Well, this did seem like money magic, but, after all, it's just good, honest, common sense. "We the bankers" get every cent that is coming to us and a little more, and it makes our banking safe. We are no longer afraid of the Government-bond market crashing and destroying our deposit balances. We understand that this cone of the features of the property of the features of the features. stand that this is one of the features of your 100-percent reserve plan, which makes it possible for every one of the 50,000,000 de-positors in the Nation to call at the banks the same minute and all get every cent of their deposits. It will eliminate Federal de-posit insurance and will insure all deposits for their full amount. at any time without cost to the bankers or to Uncle Sam. This

will make the bankers happy.

Mr. Binderup. And believe me, it will make the people happy, for now we will know that our deposits are safe and that we will have no more banker-created panics. Believe me, we will sleep better at

night.

Mr. Massingale. And it isn't a bad deal for your Uncle Sam, for it cancels approximately \$20,000,000,000 of his bonded indebtedness. No; there is no money magic about this. We have only merged the interests of the debtor and the creditor. We have fused the interests of the payer and the payee. It is simple. If I owe you a dollar and you owe me a dollar, no money is necessary in order to pay these bills—just a fountain pen. The people owed the banks bonds and the banks owed the people deposits, so we just used the fountain pen.

Mr. Gehrmann. But how about the other \$17,000,000,000 in bonds

Mr. Gehrmann. But how about the other \$17,000,000,000 in bonds outstanding? How will you pay these with a fountain pen?

Mr. Massingale. When prosperity comes back, as it will with a safe monetary system, and I, your Uncle Sam, will have increased your money supply approximately \$15,000,000 a day, at least for a number of years, among the lower income groups, this money will drift into the banks immediately as demand deposits primarily, and your Uncle Sam will hold these deposits for the people and will invest them in the balance of outstanding bonds. Thus the nightmares of repudiation and taxation, inflation and deflation, and starvation will disappear like the dew before the morning sun. And, listen, it will save "You the people" a billion dollars a year in interest, which is practically enough to pay all the old-age pensions. pensions.

The Duty of Italians of America

EXTENSION OF REMARKS OF

HON, JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

NEWSPAPER ARTICLE BY GENEROSO POPE, PUBLISHER AND EDITOR OF PROGRESSO ITALO-AMERICANO

Mr. FAY. Mr. Speaker, under leave to extend my remarks in the RECORD. I include the following newspaper article by Mr. Generoso Pope, publisher and editor of the Progresso Italo-Americano, a translation of which appeared in the New York Times on Saturday, April 29, 1939:

WHAT IS THE DUTY OF THE ITALIANS OF AMERICA?

Today, more than ever, separate and associated citizens and organizations have the duty to unite in stabilizing and maintaining relations of friendship, cordiality, collaboration with every other racial group of the great American family.

We are and we remain most loyal citizens of this great hospitable We are and we remain most loyal citizens of this great hospitable land, to which the Italian people have given not only the best of their intellectual and moral strength but also, in the last war, tangible proofs of their profound attachment with a percentage of soldiers which constitutes a great title of worth for our immigrants and for our new generations born here.

This loyalty of ours, this faith and the record of our conduct in these of record and in time of war given as greater moral strength.

time of peace and in time of war give us a greater moral strength to defend, today and always, internal peace and peace with other peoples, who, like those from which we spring, have no cause for enmity with the United States; they confer on us the right and the duty energetically to oppose every mischievous propaganda calculated to draw this country into war for interests not its own; they urge us to encourage every precaution of the Government which visions a stronger defense of the Nation, that would be and ought to be ready to repulse victoriously every eventual enemy attack.

In short, the Italians of America should strive to live in the best relations with the rest of the people of the United States and should labor together with them to create, to preserve, and to solid-ify friendship with all the nations of the Old World, whatever may

be their political systems or their religious faith.

be their political systems or their religious faith.

And we can render America great service if we are vigilant and active in clarifying situations, badly known because badly viewed; if we know how to substitute for a propaganda of lies and of hatred a propaganda of demonstrable truth, of serene, impartial, and convincing opinions. It is the surest way to relieve America from the perils of unjustifiable conflicts and to assure to this Nation a durable and benevolent peace, by means of which domestic problems, even the most grave, can find more urgent, more radical, more definite, and more satisfactory solutions. definite, and more satisfactory solutions.

Germans in America

EXTENSION OF REMARKS

HON. FRED C. GARTNER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

ADDRESS BY HON. PAUL W. SHAFER, OF MICHIGAN

Mr. GARTNER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address made by my colleague, Hon. Paul W. Shafer, of Michigan, at a dinner commemorating the ninetieth anniversary of the founding of the Philadelphia Turgemeinde, Philadelphia, Pa., May 14, 1939:

I wish tonight to pay tribute to a people who have contributed as much to the building of this Nation and have had as great an influence upon the American way of life as any other—those Germans who have made this country their home.

The Germans, as we have known them, are a family-loving, law-abiding, thrifty, industrious, culture-loving, creative people. They have demonstrated a deep social sense and an earnest civic pride. Active in public affairs, they have always contributed much to the communities in which they lived. German hospitality is traditional. German charity is always ready and generous. Our Germans have not only been absorbed into American life; they have helped to create it. They have not only taken their place among helped to create it. They have not only taken their place among our finest citizens; they have been among our foremost leaders. Their patriotic love for their adopted land and their value to her

have been proven through more than a century.

It would be impossible to enumerate tonight the countless contributions which Germans have made to American life and the vital part they have played in our history. Books have been devoted to the subject. I can mention here only a few instances.

The German influence was felt from the earliest days of American

colonization. Soon after the discovery of the Hudson River, Hendrick Christiansen, of Kleve, a German, made seven expeditions to its shores. He built the first houses on Manhattan Island in 1613, and laid the foundations for the trading stations of Fort Nassau and New Amsterdam, now the cities of Albany and New York. A little later another German, Peter Minnewit, of Wesel, on the lower Rhine, became director general of the Dutch colony of New Netherland. It was he who closed the bargain with the Indians to buy

land. It was he who closed the bargain with the Indians to buy the island of Manhattan for trinkets valued at about \$24.

It has been well said that Germantown is the Plymouth Rock of Americans of German descent. On October 6, 1683, a little group of 33 Mennonites arrived in Philadelphia, after a voyage of 73 days, from Crefield on the lower Rhine. Led by Franz Daniel Pastorius, they settled near the Schuylkill River. Suffering untold hardships, they built a home in the wilderness. When complete, Germantown had a street 60 feet wide, with peach trees on each side. Every house boasted a garden of 3 acres. And so well did these early Germans cultivate their flowers and vegetables they were soon sup-Germans cultivate their flowers and vegetables they were soon sup-

plying Philadelphia.
On February 18, 1688, the leading citizens of Germantown drew up one of the most remarkable documents in American colonial

history. It was a protest against the increasing slave trade from Africa, and a tribute to the humanitarianism and love of freedom of the Germans.
"Is there any that would be done or handled at this manner?" it asked, "to be sold or made a slave for all the time of his life? How asked, "to be sold or made a slave for all the time of his life? How fearful and faint-hearted are many on sea when they see a strange vessel, being afraid it should be a Turk, and they should be taken and sold for slaves into Turkey. Now, what is this better done as Turcks doe? Yea, rather it is worse for them that say they are Christians; for we hear that ye most part of such Negers are brought hither against their will and consent; and that many of them are stollen. Now, tho', they are black, we cannot conceive there is more library to heave them closes as it is to have the work. there is more liberty to have them slaves, as it is to have other white ones. There is a saying, that we shall doe to all men, like as we will be done our selves; making no difference of what generation,

descent or colour they are. And those who steal or robb men,

and those who buy or purchase them, are they not all alike?"
Was ever a more eloquent denunciation of the practice of slavery made, even in the later years when slavery became an issue in this

country?

Another epoch in the German struggle to establish freedom in this country was marked by a dramatic court scene which took place in New York in January 1735. Johann Peter Zengler, publisher of the New York Weekly Journal, had been jailed for publishing denunciations of the court system. When he was set free the entire population of New York celebrated the victory with wild

Freedom of the press had been established in America. In accounts of our American Revolution one always hears of the

Hessian troops that fought for King George. Far too little is said of the splendid part played by the Germans in this country.

The spirit of the American Germans was typified by that of a Virginia Lutheran minister, Peter Muhlenberg. When the war clouds threatened he informed the community that he intended clouds threatened he informed the community that he intended to resign, and would preach but once more. His eloquent sermon reminded his hearers of their duty to their country. In conclusion he announced, "There is a time for preaching and praying. But there is also a time for fighting. Now this time has come."

Throwing off his clerical gaiment, he suddenly stood revealed in the uniform of a colonel of the Continental Army. Slowly he descended from the pulpit, amidst wild outbursts of cheering. Outside was heard the beat of drums, calling men to arms. Before sunset several hundred Germans had enlisted in the fight for freedom.

freedom.

At the siege of Boston German sharpshooters performed an in-At the siege of Boston German sharpshooters performed an invaluable service, using bored rifles which were then made only by the German gunsmiths of Pennsylvania. On May 25, 1776, Congress called for the formation of an entire German battalion, which served valiantly throughout the war. George Washington's bodyguard was composed entirely of Pennsylvania Germans, 150 strong, who protected him faithfully during all 7 years of the struggle.

The greatest German name in the drama of the American Revolution was that of Baron Friedrich Wilhelm von Steuben. At great personal sacrifice, he offered his services to the struggling American Colonies. It was he who took the ragged troops at Valley Forge and transformed them into an army capable of meeting the trained forces of the English. In 1781, at the siege of Yorktown, the regiments of Yon Steuben held the front trenches. Thus,

town, the regiments of Von Steuben held the front trenches. Thus, the British Cornwallis surrendered to a German.

Von Steuben is truly the father of the American Army; for it was he who laid the plans for a standing army of 25,000 and for a military academy, which became our West Point.

During the War of 1812, when the British had captured and burned Washington, they started for Baltimore. Fort McHenry was valiantly defended under the leadership of a German, Capt. George Armstadt, while Francis Scott Key, held a prisoner by the British, wrote the inspiring words of our national anthem. It was due to the gallant defense by Captain Armstadt and his men that The Star-Spangled Banner was still waving our Fort McHenry the next morning.

McHenry the next morning.

During the War with Mexico it was a German, Brig. Gen. Johann Quitman, who in 1846 led his troops at Monterey and raised the American flag on the church tower. In 1847 he commanded the land troops which company hoppherdment on Vers Cruz on Senland troops which opened bombardment on Vera Cruz on September 14, and entered the city on the 15th. He was appointed governor of the city until order was established.

governor of the city until order was established.

It was natural that the Germans, who had so long been opposed to slavery, should have rallied to the defense of the Union at the outbreak of the Civil War. It was partly due to their influence that the doubtful border State of Missouri remained with the Union. Entire German regiments were formed in the States of Ohio, New York, Pennsylvania, Indiana, Illinois, Wisconsin, and Missouri.

consin, and Missouri.

The name of Gen. Peter Osterhaus is associated with the famous "Battle Above the Clouds" on Lookout Mountain. The great victory of Pea Ridge, Ark., was largely due to the genius of Gen. Franz Sigel, who also participated gallantly in the Battle of Bull Run. At the fateful Battle of Gettysburg the German regiments of Generals Schurz and Von Steinwehr held the exposed and strategic position on Cemetery Ridge. Indeed, so outstanding were the German troops that it is reported that Gen. Robert E. Lee once exclaimed: "Take only these Dutch out of the Union Army and we claimed: "Take only these Dutch out of the Union Army and we will whip the Yankees easily."

During the Spanish-American War the hero of the great naval battle at Santiago de Cuba was Admiral Winfield Scott Schley, a veteran of the Civil War, whose ancestor, Johann Schley, a German schoolmaster, built the first house in Frederick, Md.

So much for the part the Germans played in battle for the ideals of freedom. However, the Germans are a creative people. Their greatest contributions have been made in time of peace, for they

greatest contributions have been made in time of peace, for they have enriched every phase of American life.

They have given us statesmen. The greatest of these was Carl Schurz, who was born near Cologne, and fled to this country during the Revolution of 1848. Ardently opposed to slavery, Schurz became a most eloquent orator and powerful leader of the abolitionists. He was active in the councils of the new Republican Party, and in the campaign which resulted in the election of Abraham Threely. Lincoln. In recognition of his services he was appointed Minister to Spain. At the outbreak of the Civil War, however, he resigned this post to become a general in the Union Army. At the end of the war it was Schurz whom President Johnson chose to make a tour of the Southern States and report on conditions.

In 1877 President Hayes appointed Schurz Secretary of the Interior. With characteristic German frugality, he was the first Government official to emphasize the necessity of preserving our forests and other natural resources, which had been exploited without regard for the future generations. He was the first to introduce a merit system and the principles of civil service in a department regard for the rather principles of civil service in a department of the Government. It was also Schurz who constantly preached the grave dangers of paper money, the "silver craze," and other financial panaceas which threatened the fundamental principles of sound currency from 1860 to 1896.

Schurz remains a personification of the American spirit. His

Schurz remains a personification of the American spirit. His motto was one which we today would do well to cherish. "My country! When right keep it right; when wrong, set it right!"

Germans have been leaders in agriculture, industry, and commerce from the early colonial days. In 1716 Thomas Ruetter founded the first iron works in Pennsylvania. In 1738 Kaspar Wuster started the first glass factory, near Salem, N. J., with the help of German workmen. In 1750 Johannes Huber established the first hammer works and smelting furnaces in America.

A pennsylvat rublished in 1759 antitled "An account of the Management of the

A pamphlet published in 1789, entitled "An account of the Manners of the German Inhabitants," describes their skill in farming, their development of horticulture, and states that they were the first to use artificial fertilizer. The author of this interesting book concludes:

"Citizens of the United States, learn from the German inhabi-tants of Pennsylvania to prize knowledge and industry in agricul-ture and manufacture as the basis of domestic happiness and

ture and manufacture as the basis of domestic nappiness and national prosperity."

As for the manufacture of food products, consider but a few of our prominent companies today. The Quaker Oats Co. was organized by Ferdinand Schumacher and the American Sugar Refining Co. by the Havemeyers. The H. J. Heinz Co., famous for its "57 varieties" of preserved fruits and vegetables, was founded by a Pennsylvania German, Heinrich Heinz. The founder of the Royal Baking Powder Co. was William Zeigler. Two brothers, Karl and Maximilian Fleischmann. were the organizers of the Fleischmann Maximilian Fleischmann, were the organizers of the Fleischmann Yeast Co. In the art of brewing, the names of Pabst, Schlitz, and Ruppert, and a host of others are outstanding.

Turning to other industries, need one point out what the name of Schwab has meant in the steel industry, Studebaker in automobiles, Steinway in pianos, Weyerhaeuser in lumber, Rockefeller

in oil, and Wanamaker in department stores?

in oil, and Wanamaker in department stores?

In the Nation's physical development, we owe a debt of gratitude to the German Americans. It was due to Carl Beck, Carl Follen, and Franz Lieber that the gymnastic system of the German, Dr. Friedrich Ludwig Jahn, was introduced into the United States and incorporated in the curriculum of American colleges and universities. The first gymnasiums in this country were established in 1826 at Harvard University, in Boston, and at Northampton, Mass.

The movement to build "a sound mind in a sound body" was given new impetus in 1848, when thousands of Germans came to this country to escape the revolution in their native land. Everywhere they organized the "Turn-Vereine," or gymnastic societies. The first of these was the Cincinnati Turngemeinde, established in November 1848. This was followed by one in Philadelphia in 1849, and countless others. In 1850 these were incorporated into the North American Turnerbund. From the beginning they have

the North American Turnerbund. From the beginning they have carried forward the most advanced ideas in physical education. At their convention in Indianapolis in 1880 they recommended that physical training be introduced into the public schools. Largely due to their work in communities all over the Nation, this goal has been realized today.

Nor have the turners confined themselves to physical culture. Nor have the turners confined themselves to physical culture. Many of their societies have singing and dramatic sections as well. Many of them maintain elementary schools, freehand and mechanical drawing schools, schools for the study of German, girls' industrial schools and children's camps. Their regular national gymnastic festivals, with competition between the societies, have added to the public interest, and bring together many of the finest examples of American young manhood and womanhood from all over the country.

Thus the turners have played an increasingly important and valuable part in our American life during the 90 years of their

The Germans, who are proverbial philosophers and scholars, were naturally pioneers in American education. Among the many early schools established by them was a seminary for female teachers in Bethlehem, Pa. How far advanced were their views on the education of women as compared with those of Puritan New England is illustrated by the fact that when it was suggested, in 1793, that a similar school be established in Plymouth, Mass., the proposal was rejected. The reason given was that "in such a school women might become more learned than their future husbands." Perhaps this fear has leavely been realized. this fear has largely been realized.

Through the years Germans have been prominent on the faculties of American universities and have been instrumental in raising their standards. They have indeed left their mark on American

education and methods.

German contributions to the founding and development of science in America have been equally great. Gotthilf Heinrich Muhlenberg was the first to publish a series of books on the flora of Pennsylvania. Georg Engelmann wrote the first descriptions of the unknown vegetation of the Far West, after hazardous trips through the wilderness. The first to make a study of American fishes was David Schopf, a German doctor. Gerhard Troost was the first to lecture in America on geology. In the fields of archaelogy and ethnology are such names as Karl Hermann Berendt, Gustav Bruhl, and Franz Boas. To these and to a host of other German scientists we owe the information secured on numerous expeditions all over the world, many of our most valuable books on and some of the finest scientific courses at our these subjects. leading universities.

Germans have played no less important a part in American engineering. It was they who built many of our first bridges, tunnels, and canals. It was Johann Roebling who constructed the suspension bridge over Niagara, the Ohio River bridge, and finally, the suspension bridge between New York and Brooklyn. Another German-American, Gustav Lindenthal, built the great Hell Gate

German-American, Gustav Lindenthal, built the great Hell Gate Bridge at New York.

But German-Americans have done more than add to our fund of knowledge, our physical comfort, and our material well-being. They have brought beauty into our lives as well, and, if for no other reason, deserve our undying gratitude.

The first Handel and Hayden Society was organized in 1786 in Stoughton, Mass. In June 1815 a similar group was formed in Boston by Gottlieb Grapuner, who also founded the first orchestra, the Philharmonic Society. This was largely composed of German. Boston by Gottlieb Grapuner, who also founded the first orchestra, the Philharmonic Society. This was largely composed of German members and led by German conductors. The Germania Orchestra was formed by refugees of the Revolution of 1848. Its leader, Karl Bergmann, made a concert tour of the Eastern States with great success. The first singing society was the Philadelphia Manner-chor, which was founded in 1835 and is still flourishing. German theaters were early founded in New York, Philadelphia, Baltimore, Cincinnati, Chicago, Milwaukee, and St. Louis, and exerted a great influence upon the American theater. It was due to these German-Americans that German opera was brought to this country, and it was largely due to the efforts of Leopold Damrosch that German opera was introduced at the Metropolitan Opera Co.

On the canvasses of German-American artists are portrayed every

On the canvasses of German-American artists are portrayed every On the canvasses of German-American artists are portrayed every phase of American life, the rich variety of American scenery, and the great events and characters of our history. Many of these are now in the Metropolitan Museum or the Corcoran Art Gallery. The greatest of the nineteenth century historical painters was Emanuel Leutze, whose painting of Washington crossing the Delaware is known to every American school child. Murals and paintings by Friedrich Dielman are to be found in the Congressional Library.

In the field of architecture there are many outstanding names. Thomas U. Walter designed and executed the dome of the United States Capitol, as well as the extensions of the Houses of Senate and Representatives. He also constructed the United States Treasury Building, the east and west wings of the Patent Office, and the beautiful Girard College in Philadelphia. To Johann Schmitmeyer and Paul Johannes Pelz we owe the United States Congressional Library. G. L. Heins, as a member of the firm of Heins & LaFarge, is responsible for the beautiful Cathedral of St. John the Divine in New York.

No tribute to the German-Americans is complete without mention of their philanthropies, which date back to the colonial days. On Christmas Day 1764 a group of Lutherans founded the German Society of Pennsylvania, whose object was to fight the German Society of Pennsylvania, whose object was to fight the evils of immigration by which many an unfortunate immigrant was tricked into virtual slavery. The German Society of New York provides needy persons with cash, meal tickets, lodging, coal, and medication. From this resulted the German Hospital and the Legal Aid Society of New York. Similar organizations were established in Boston, Washington, Philadelphia, Newark, Chicago, Cincinnati, San Francisco, and other cities.

It was William Muhlenberg who founded St. Luke's Hospital in New York and was superintendent until his death in 1877. Ho

New York, and was superintendent until his death in 1877. He was also the originator of St. John's Land on Long Island, with homes for old men and crippled children. It was likewise a man

homes for old men and crippled children. It was likewise a man of German ancestry, Henry Bergh, who founded the Society for the Prevention of Cruelty to Animals in 1866, and later the Society for the Prevention of Cruelty to Children.

The tradition of German-Americans has given their descendants much to live up to, and every American a glowing example, America has need of Germans today of the type who have come to her shores in the past, pioneers who made homes in the wilderness, ever developing knowledge and culture, ever making life richer and more beautiful wherever they went. America needs citizens today with the devotion to the ideal of freedom which has inspired German immigrants to make her their adopted land. has inspired German immigrants to make her their adopted land, and to carry aloft the torch of liberty. America needs citizens today with the passionate love of truth and tolerance that have

characterized so many of our German-Americans.

The vast problems facing us today are not insoluble if we have but their courage, their industry, their thrift, their thirst for knowledge, and their determination to build a better world.

Twenty-five years ago, when general conflict broke out in Europe,

Twenty-five years ago, when general conflict broke out in Europe, the Germans in this country suffered intensely and unjustly. Today, there is no war. Yet once again a propaganda campaign is being waged to arouse the people of this country against the people of Germany.

Such a spirit must strike at the heart of every man and woman who has come to this country from Germany, or who is of German parentage. Their love and loyalty to their adopted land cannot and should not erase their affection for their fatherland.

That any barriers of hatred and suspicion should arise between

That any barriers of hatred and suspicion should arise between the German-Americans and the rest of the American people is unthinkable.

In conclusion, I can do no better than to quote from a speech made in Congress by the German, Richard Bartholdt, who served as Representative of the Tenth District of Missouri for 22 years. "There should never be a division in the United States upon racial or national lines. Under the American sun, in their capacity

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as citizens, the Teuton and the Slav, the Irishman and the Englishman, the German and the Frenchman extend to each other the hand of brotherhood as equals, and the great flag covers them all. Ancient prejudices have melted away under the sun of freedom until, no longer English, Irish, German, Scandinavian, we are, one and all, heart and soul, Americans."

In this spirit, we will not fail to go forward together.

King of England Should Bring War Debt

EXTENSION OF REMARKS

HON. JOSEPH A. GAVAGAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

ARTICLE FROM THE NEW YORK ENQUIRER OF MAY 8, 1939

Mr. GAVAGAN. Mr. Speaker, ladies and gentlemen of the House, by permission of the House, I insert in the RECORD a news article entitled "King of England Should Bring War Debt," written by William W. Griffin, editor and publisher of the New York Enquirer, and appearing in its issue of May 8, 1939.

In these days of stress and storm we hear much preachment on the sanctity of contracts, and while we, as a Nation, have always maintained our sacred honor and preserved our written as well as our spoken word, sad experience has taught us that others do not. Almost every nation in Europe owes to this Nation great and accumulating debts as a result of the late war, and in spite of the fact that each and every one of these nations are spending billions of dollars for armaments, no honest attempt is made by any of them to even make a token payment to the United States of America. In my opinion, therefore, the following article by Mr. Griffin is very much to the point:

[From the New York Enquirer of May 8, 1939]

KING OF ENGLAND SHOULD BRING WAR DEBT, SAYS GRIFFIN

(Reprinted from the January 16 edition of the New York Enquirer) Within a few months the King and Queen of England will visit

the United States.

It will mark the first occasion upon which a reigning British monarch set foot upon the soil of this Republic. Nothing is more important than that all Americans should know the reasons why George VI and his Queen are coming to this country, to the end that John Bull and his partners in Washington shall not succeed in pulling the wool over Uncle Sam's eyes once more for the honor and glory and material benefit of the British Empire.

We are told that England's King and Queen are traveling to the United States in order to render due honor to this Republic on the occasion of our celebrating the hundred and fiftieth anniversary of the assumption of the Presidency by George Washington and the

the assumption of the Presidency by George Washington and the coming into full effect of the Constitution of the United States.

That is the ostensible reason for their visit.

In reality, England has taken advantage of this momentous event to promote her political and economic interests in this land through the medium of her imperial salespeople George VI and Queen Elizabeth.

SEEKS OUR CASH

She seeks our cash. She seeks our guns. She seeks the blood of our youth. She seeks an alliance with us so that she can the more

easily exploit and betray us.

The success with which Britain, with the aid of her allies in America, has been able to fool some Americans is simply aston-

Of all the lands on the face of the globe, England is the greatest

Of all the lands on the face of the globe, England is the greatest enemy of the United States, not alone potentially, but actually. Never has that country, since the days of 1776, thought of or done any unselfish act of friendship toward the United States of America. In this year of grace 1939 Britain is the foremost debtor of the American people. She owes us \$5,000,000,000. And she not only owes this stupendous sum but in addition resolutely refuses to repay it. Moreover, she is responsible for the united swindlers' front whereby we are being defrauded of a further sum of \$8,000,000,000 by other nations, making a total of \$13,000,000,000 in all. What other foreign nation has inflicted a loss of this astounding character upon America? The answer is none.

And this by no means tells the full story of England's hostility

And this by no means tells the full story of England's hostility

to our country.

In the face of this situation the American people are being asked by Wilsonian internationalists entrenched in temporary authority at Washington to repose implicit faith in England and to receive her Sovereigns with acclaim when they put in an appearance here a few short months from now.

A SIMPLE TEST

Here is a simple way to test Britain's professed sincerity in her attitude toward this Republic:
Will England cease mainta

Will England cease maintaining her \$13,000,000,000 united swindlers' front against the American taxpayer, and will George VI bring with him to America a certified check repaying in full England's war debt to the American taxpayer?

If the British Government will guarantee that these things will be done, then our people will gladly receive George VI and Queen Elizabeth as the representatives of a country that has proven its good faith

proven its good faith.

Prime Minister Chamberlain boasts that England has the money. Will King George bring it with him?

AMERICANS WRONGED

It can be said right now as a matter of absolute certainty that this happy eventuality will not take place. George VI and his Queen will come to America as the agents of a land that for more than 17 decades has continuously and outrageously wronged the American people and that gives no proof of the slightest change

what a mockery it will be and what a descration, when George VI of England, descendant of George III who scourged us in the War of Independence, lays a wreath upon the tomb of George Washington, the man whom John Bull longed beyond all else to hang by the neck upon the gallows of British revenue.

We Americans need not thank John Bull that in 1939 we are to celebrate the sesquicentennial of our Federal Government and inauguration of the Father of his Country as our first President.

Who has forgotten how England, with fire and sword, with ter-rorism and bloodshed and devastation, tried to smash our na-tional independence in the days of 1776 and in the War of 1812?

BURNED WHITE HOUSE

In the last-named conflict, she, the self-proclaimed torch bearer of civilization and international good faith, did not hesitate to burn down our National Capitol and the mansion of our Presidents—where, by the way, George VI, descendant of George III, will be housed in state next spring at the expense of the American taxpayers.

American taxpayers.

It is not forgotten in this land how, on the eve of our harrowing Civil War, the then Prince of Wales visited the United States and was accorded an enthusiastic national welcome, and how England requited our good will toward the grandfather of her present monarch by putting forth superhuman efforts to enable the secessionists to destroy the Union and leave this vast and precious land at the mercy of the British Empire.

Nor is it forgotten how John Bull lured us into the World War by protestations and promises as false as Satan and thus set us on the toboggan of disaster which has landed us in the fix in which we find ourselves today.

we find ourselves today.

JEFFERSON'S WARNING

Americans, be not deceived by the glamor of British royalty or by the sophistry of John Bull and his partisans upon American soil as to the vital necessity of our having confidence in England and cooperating wholeheartedly with her. Listen to these words of the man who penned the Declaration of Independence:

"England, on the contrary, is an ever-present danger not to be relied upon as an ally, for she would make a separate peace and leave us in the lurch. Her good faith? The faith of a nation of merchants. The punica fides of modern Carthage. Of the friend of the protectress of Copenhagen of the nation who never admitted a chapter of morality into her political code."

a chapter of morality into her political code."

Never was it more vital for the American people to be guided by this solemn warning of Thomas Jefferson than it is in the sesquicentennial year of 1939.

WILLIAM GRIFFIN, Editor and Publisher, New York Enquirer.

The Silver Question

EXTENSION OF REMARKS

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

EDITORIAL FROM THE AMERICAN METAL MARKET OF FEBRUARY 17, 1939

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the American Metal Market:

[From the American Metal Market of February 17, 1939] THE SILVER RACKET

The special Senate Silver Committee has held public hearings in Washington to discuss the operations of the administration's silver policy. Such an investigation is highly desirable. However, conducted under the aegis of Senator Pittman one may despair of results since the Senator himself is responsible for our present policy. One may indulge in the hope that this committee investigation may educate Pittman as to the fallacy of his silver policy which he has held since his first Nevada election, but this is more or less of a forlorn hope. Certain it is, however, that Pittman have more characteristics that it is the controlled the silver that it is the controlled to the silver that knows more about silver that isn't so than any other silverite in the world.

At one committee meeting last week Henry Morgenthau, Jr., Secretary of the Treasury, was heard. An Associated Press dis-

patch says that:

patch says that:

"Pressed by Senator William H. King, Democrat, of Utah, as to the possibility that Mexican silver was still finding its way into the United States, Mr. Morgenthau said he had no knowledge of this since the Treasury broke off an agreement with Mexico last March under which it was taking \$5,000,000 of silver monthly."

This is an outrageous reply. The Secretary cannot help knowing that the Mexican silver is coming to this country. The Secretary reported to the committee that in 1938 the Treasury bought

reported to the committee that in 1938 the Treasury bought 355,000,000 ounces of silver.

The world production was just under 265,000,000 ounces. Of this Mexico produced 85,000,000 and in addition supplied 35,000,000 ounces from accumulated supplies, making a total of Mexican silver in 1938 of 120,000,000 ounces. The world consumption of silver, as estimated by Handy & Harman, was 90,800,000 ounces. Consequently, Mexico supplied to the world market about 30,000,000 ounces more than the world consumed. Even on this basis the United States would have taken this 30,000,000 ounces of Mexican silver on Morgenthau's own statement, which the A. P. quotes as silver on Morgenthau's own statement, which the A. P. quotes, as

"Under the direction of Congress," Mr. Morgenthau said, "the Treasury buys each day all of the silver offered to it. We have no

way of knowing the origin of that silver."

Of course the United States bought more Mexican silver than 30,000,000 ounces because to assume otherwise is to assume that the Indian, German, and English consumption was all of Mexican

silver, which was not so.

The Secretary said, "We have no way of knowing the origin of that silver" (which the Treasury buys). A year ago when owing The Secretary said, "We have no way of knowing the origin of that silver" (which the Treasury buys). A year ago when, owing to Mexican expropriation of American property, the administration was besieged with demands to stop buying Mexican silver, the Secretary said, regarding the Treasury's silver purchases, it did not know where it comes from and "we don't care." The Treasury did cancel the contract to buy directly from the Mexican Government but it continued to buy the Mexican silver in the open market and everybody in the metal world knows it. Morgenthau knows it and his reply to Pittman's committee was an evasion unworthy of one in such high office and one of Alexander Hamilton's successors

But there is no need to resort to these arguments to show that the Treasury does know where the silver comes from which it buys. Every bar of refined silver bullion which the Treasury buys has a brand on it which indicates the country from which it comes. More-over, every importation of silver into this country has to come over, every importation of siver into this country has to come through the customs house and has to be accompanied by various certificates among which is a certificate of origin. Mr. Morgenthau personally does not see all this bullion and can truthfully say he does not know and does not care, but his Department not only does know but would refuse to accept the silver if it did not know.

On January 4 Senator Townsend, of Delaware, introduced a joint resolution providing for the appointment of a special joint committee to investigate the silver program. The preamble contains 52 "whereases" and as it is the most succinct survey of the silver situ-

ation available, it is worth reproducing as follows:

"Whereas the purchase of vast quantities of newly mined and demonetized silver from Asia, Europe, Latin America, Canada, Australia, and Africa has failed to accomplish the economic purposes stated by the program's advocates and apologists; and "Whereas no government in the world has deemed it advisable to

remonetize silver, despite the conspicuous measures on behalf of that metal taken by the United States, and despite the expectations of silver advocates that such a development would occur; and "Whereas no foreign government or central bank deems silver an acceptable substitute for gold in payment of its international

credit balances; and

"Whereas there is no prospect of foreign countries ever restoring silver to its former position either as a standard of value or as a reserve material against currency and bank deposits; and "Whereas this country's silver purchases in fact have caused the last silver-standard countries to give up that metal; and "Whereas today, due to the Silver Purchase Act, silver nowhere in the world remains a standard of value; and

'Whereas this country's silver program has caused silver to be taken from circulation, melted, and sold, even in non-silver-standard countries, including Bolivia, Chile, China, Costa Rica, Colombia, Ecuador, Ethiopia, Hong Kong, Iran, Mexico, Peru, Salvador, and

Uruguay; and "Whereas the London silver agreement of 1933 was violated, failed, and was permitted by its signatories to expire without being

renewed; and

"Whereas the execution of the American silver program has re-eatedly caused public confusion and criticism at home and peatedly car abroad; and

"Whereas the Silver Purchase Act since its inception in June 1934 has created disturbances and evoked ill will toward the United States in various countries, including England, British India, China, Colombia, Hong Kong, Iran, Mexico, and Peru; and

"Whereas the purposes and effects of the silver program are very inadequately understood by the American public and members of

Congress; and
"Whereas the American silver program is very widely regarded as an economic and political hodgepodge which does not serve the best interests of the American people and is inconsistent with currency management as it is sought to be practiced by the Federal Reserve System and the Treasury; and
"Whereas economists have overwhelmingly and repeatedly gone

on record to condemn the purchase of silver; and
"Whereas no economist of standing here or abroad has endorsed
the Silver Purchase Act as being in the interests of the United States; and "Whereas purchases of silver to date already represent a dissipa-

tion of over \$1,000,000,000 of American national wealth for the benefit of a mere handful of individuals; and "Whereas more than 82 percent of the silver acquired since 1933,

not including silver nationalized in 1934, has been purchased from abroad and not at home; and

"Whereas it is entirely unnecessary, undesirable, and indefensibly wasteful for this country to purchase foreign silver; and "Whereas the Silver Purchase Act has clearly failed to have the

"Whereas the Silver Purchase Act has clearly failed to have the depression-eliminating effects promised by its supporters; and "Whereas the importation of over a billion and a half ounces of foreign silver has not had the promised stimulating effects on our merchandise export trade; and "Whereas the price of foreign silver is today actually lower than it was when the Silver Purchase Act was passed by Congress; and "Whereas silver is a very minor commodity in the United States' economy, the Department of Labor assigning it an importance of only seven one-hundredths of 1 percent in a list of 784 commodities: and

"Whereas the Department of Labor statistics show that the normal importance of silver compares with that of grape jelly, lemons, wire nails, packers' prime tallow, or anhydrous ammonia; and

"Whereas the purchase of foreign silver tends to encourage the production in this and other silver-mining countries of other non-ferrous metals and thereby to depress their prices in the world markets, thus aggravating the world's economic problems; and "Whereas the artificial price paid for imported silver by this Government is far interesses, the same of the seconomic problems."

"Whereas the artificial price paid for imported silver by this Government is far in excess of the metal's economic value; and "Whereas artificial support of the price of foreign silver is injurious to American silver consumers in photographic, chemical, and industrial lines, and in the arts, since due to the existence of a special premium paid by the Government for domestic-mined silver, those consumers depend entirely upon imports of the metal from abroad; and

from abroad; and
"Whereas Treasury regulations necessary to the administration
of the silver program have devitalized New York as a silver bullion
market and driven open-market trading abroad; and
"Whereas the purchase of foreign silver tends to involve us in
Asiatic political troubles; and
"Whereas the State Department has been greatly embarrassed
by the silver program on various occasions; and
"Whereas the purchase of foreign silver by the Treasury still
continues week after week, under mandate of Congress; and
"Whereas the Treasury continues to buy Mexican silver, despite
the treatment accorded by Mexico to American interests; and
"Whereas the technical goal of the Silver Purchase Act, after
approximately 4 years of large-scale silver purchases, actually is
further from attainment than it was at the time the act was
passed by Congress; and

"Whereas there is absolutely no way of knowing how much additional silver ultimately will have to be purchased to fulfill the requirements of the Silver Purchase Act because the act links the silver program to a fluctuating and far more than ample gold

the silver program to a fluctuating and far more than ample gold stock; and "Whereas the injection of silver into the United States monetary system has been in conflict with and disturbing to this country's other monetary policies such as the sterilization of gold and the regulation of bank reserve requirements; and "Whereas the 'Circulation statement of the United States money—November 30, 1938,' shows that over 25 percent of the currency in the hands of the public now consists of silver, as compared with less than 8 percent in February 1933; and "Whereas there are now three times as many standard silver dollars and silver certificates in public use in the United States as in 1933, prior to initiation of silver purchases; and

dollars and silver certificates in public use in the officed States as in 1933, prior to initiation of silver purchases; and "Whereas the importation and monetization of foreign silver by the United States adds to the problems raised by the inflow of foreign capital and complicates the public finances; and "Whereas the American Government—alone among the government that the price of silver."

"Whereas the American Government—alone among the governments of the world—is attempting to maintain the price of silver, thus engaging in a futile gesture in defiance of economic law and foredoomed to fail; and
"Whereas for generations the American public has rejected and continues to refuse silver coin other than fractional denominations and exhibits a distinct preference for paper money; and
"Whereas the Treasury is pressed for space to store the metal which the public will not handle; and
"Whereas it has been found necessary to construct extra vaults

which the public will not handle; and

"Whereas it has been found necessary to construct extra vaults
outside of existing Treasury establishments to hold the silver which
is being accumulated without useful purpose; and

"Whereas the United States now has the dubious distinction of
holding in its vaults the largest hoard of silver bullion and coin
ever accumulated anywhere in the history of the world; and

"Whereas in addition to approximately \$1,580,000,000 of silver
coin and bullion held as reserve against certificates outstanding,

the Treasury holds no less than \$530,636,000 cost value (993,000,000 ounces) of sterilized, unutilized silver bullion still awaiting issu-

"Whereas the continued purchase of silver increases the stock of sterilized bullion in the Treasury and of silver in monetary use as backing for silver certificates; and

"Whereas the continued issuance of silver currency adds to the already large rigid element in our monetary system represented by nonwithdrawable silver certificates; and

"Whereas it would be entirely impossible to find buyers for the silver which has been accumulated by the United States Treasury during the past 5 years excepting if the silver were offered at a

mere fraction of its cost to the American people; and "Whereas the silver program to date represents a tremendous loss to the American Nation and a corresponding benefit to foreigners;

"Whereas the Treasury has never endorsed the silver program;

"Whereas the Secretary of the Treasury has stated that he is opposed to all subsidies; and "Whereas various persons who once actively supported the silver program have evidenced a conviction that it should now be recon-

sidered by Congress; and

"Whereas on December 10, 1938, the Northwest Mining Associa-tion meeting in Spokane, Wash., advocated the immediate discon-tinuance of the present program of purchasing large quantities of foreign silver; and
"Whereas on November 3, 1938, the Chamber of Commerce of the

whereas on November 3, 1956, the Chamber of Commerce of the State of New York urged the termination of all buying of silver bullion by the Government; and "Whereas the termination of the present silver program depends entirely upon action by Congress: Now, therefore, etc."

The Coast Guard Retirement Legislation

EXTENSION OF REMARKS

HON. COLGATE W. DARDEN, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

Mr. DARDEN. Mr. Speaker, on yesterday there passed the House S. 595, a bill to increase further the efficiency of the Coast Guard by authorizing, under certain conditions, the retirement of enlisted personnel. This legislation is of great importance and benefit to the Coast Guard personnel many of whom, I am glad to say, are stationed in the Norfolk-Portsmouth, Va., area.

It has been my pleasure to work with their representatives in securing favorable consideration of this bill. I want to congratulate this splendid service on their successful effort. No service is closer to the American people than is the Coast Guard. They have played a great part in our national development. In peace and in war their service has been outstanding. Those of us who see them on duty along our coasts know their sterling worth. They have richly earned our respect and admiration.

Character Loans

EXTENSION OF REMARKS

HON. WALTER S. JEFFRIES OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

RADIO ADDRESS BY HON. WALTER S. JEFFRIES, OF NEW JERSEY

Mr. JEFFRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

As I look out of the window of this studio, this very minute, I see houses which are sadly in need of repair. They require labor and material. The people walking on the streets are not as well dressed as they were 6 years ago.

There are many reasons for this condition, a stagnant condition which is retarding the progress of this country. I do not intend to delve into each and every reason, for my time is limited. But

I will explain one of the prime causes of this stagnancy.

That reason goes back to the old business maxim of supply and demand. Both are essential to prosperity. Both exist now, perhaps more than they ever did before. But the middleman—the retailer—cannot supply the consumer with goods that are demanded because he does not have sufficient capital to purchase the goods at the outset.

The merchants know full well that the people are clamoring for merchandise, and he knows the merchandise is available to be distributed. He reaches down in his pocket, or looks at his bank book, however, and finds he hasn't enough money with which to replenish his stock.

Or perhaps he wants to rebuild his store, make it modern and more attractive. He knows that pays dividends too. He knows

more attractive. He knows that pays dividends, too. He knows he isn't betting on a long shot or embarking on a risky venture which may wipe him out. For once, he has a "sure thing."

which may wipe him out. For once, he has a "sure thing."
Our retailer, though, has one asset, however intangible it may be. He has a good reputation. He's been in the town for years. Everybody knows him. Why, he went to school with So-and-So, the district attorney, and he did his homework with the mayor. He is the town. He grew up with it; proudly watched its progress as he progressed. Without him there would be no town.

The town—your town—exists today because the so-called "little fellow" had confidence in it. He made it his life's work.

An almost total lack of credit is paralyzing the country today, increasing unemployment, throwing builders out of work and industrialists into bankruptcy, creating surpluses and discouraging initiative, ingenuity, and inventiveness.

To rectify this condition I have introduced in the House of Representatives a bill known as H. R. 5429, or the "character loan" bill. Briefly, here are its fundamental points:

bill. Briefly, here are its fundamental points:

(1) The bill authorizes the Reconstruction Finance Corporation to guarantee loans made to merchants by local and Federal Reserve banks in amounts not exceeding \$2,500.

(2) It sets an interest rate of 6 percent yearly.

(3) Loans made to merchants shall be secured by a promissory note, with 7 years given in which to repay.

(4) In order to secure these loans, however, the merchant must have operated his business for a period not less than 5 years, and shall have enjoyed a good personal and business reputation.

(5) A lack of commercial assets, collateral, or security will not prohibit the loan, and need not even enter into the negotiations.

(6) The bank making the loan shall pay 2 percent interest on the amount outstanding to the R. F. C. This money shall be deposited by the R. F. C. in a fund to underwrite service charges and possible losses.

(7) The repayment of loans made by the banks shall be guar-

(7) The repayment of loans made by the banks shall be guaranteed by the R. F. C. up to 90 percent.

In connection with this all-too-obvious business stagnancy, it is interesting to note that the R. F. C., recently cut its interest rate on loans to business from 5 to 4 percent. This step, as announced by R. F. C. Chairman Jesse Jones, has been interpreted to be a part of a business-recovery program sponsored by the administration.

I contend, however, that this action on the part of Mr. Jones is nothing more than a camouflage. Certainly, it does not solve the problem. Credit is just as difficult to secure. It is like adding a tempting improvement to an island city without first building a bridge to enable people to reach the city.

Mr. Jones has reduced the interest rate on loans. But he has done nothing to enable the merchant to secure the loan in the

first place.

first place.

One of the secrets of our country's great economic development through the years was the availability of "risk money." There always had been the little village banker who staked his claim in a new settlement with the barber and the butcher. He was liberal with loans, for he had great vision. Because of his liberality, he saw the settlement expand. He saw it become a thriving community. Such vision exists no more, thanks to the lessons of the 1929 crash. Yes, we all admit 1929 must never be repeated, but we are still struggling in the chaos it created. We have been frightened, like the turtle, and have drawn our heads in. But, like the timid turtle again who cannot move forward as long as his head is pulled in, neither can we. neither can we.

My character-loan bill will revive the country's courage. It will rid the country of the fear that is gripping it. It will insure the banker in loaning this credit, and the little retailer will get his loan. He will spend it, put it into circulation; he will buy new stock, or he will rebuild his store. The wheels of commerce will begin gathering speed, people will be put to work—builders, painters, con-tractors, laborers. The Gordian knot has been cut.

You may ask: Is there sufficient capital in the banks to meet such demands? The answer is, Yes. There is plenty of money in the Nation's banks, but it is frozen. It is frozen and useless because of

the Federal Deposit Insurance Corporation, which morally allows banks to stay open or closed. The banks are afraid to extend any such "risk" loans because, every so often, the F. D. I. C. pays a visit and looks over the collateral. The appraising impairs the banks'

The banker says: "Well, if I lend this money, without physical security, the F. D. I. C. will say it isn't good enough. Immediately, the investigator writes it off." In my bill, there is a billion-dollar fund to be used to insure such loans. The F. D. I. C. cannot write a loan off as long as it is liquid and the merchant is paying something on it.

There is no doubt in the mind of any thinking person but that such purchasing power has broken down. The merchandise of the average small-business man is being eaten up by his overhead. That which he has on hand has become out-of-date. If the merchant has a purchasing power of \$2,500, as allowed in my bill, the purchase of materials would create an immediate demand in manufacturing and only a superior materials. facturing and employment.

The Government would only be lending its credit—not giving it. The Government would not go into debt, as it is guarded against losses. The bill creates a reserve to take care of any losses. We are blessed by a sufficiency of resources and we have the demand. Why not take measures to bring them together?

The Government has come to the aid of the cotton growers, the railroads, the farmers, and, to some extent, to the unemployed. But the independent retailer—the backbone of the Nation—is the forgotten man. He has been totally overlooked.

If the small retailer wants money advanced to him today, he never thinks of his former comrade—the banker. He is forced to apply elsewhere, to a corporation or another established business, and he pays well for it. The penalty—or interest—he must pay in 99 cases out of 100 is prohibitive.

For the most part, the retailer must apply to the small-loan companies, which will advance only a few hundred dollars at rate of interest averaging 30 percent a year. Moreover, the term of the loan is so short that the retailer cannot properly utilize the money he borrowed.

As a matter of record, I would like to point out that, for a quarter of a century or more, the banks have lost rarely because of a liberal credit policy to the small-business man. Only when the general depression of post 1929 gripped the country, were some losses sustained by the banks, and the depression was not the fault of the merchant, but rather the merchant became a victim of circum-

It has been pointed out by the Temporary National Economic Committee that there has been, in recent years, an overwhelming concentration of financial assets. Without castigating any group or institution or individual in respect to this condition, it is undeniable that one result has been the inability of the small merchant to secure credit facilities.

Frankly, I am unable to explain the present situation in which we see a reputable businessman on one hand, unable to obtain money, and banks, on the other hand, fairly bulging with ready cash which is denied circulation. Certainly, it is an unhealthy condition.

But, if such a condition exists—and we wouldn't be discussing it if it didn't—some other steps must be taken to "de-ice" these funds. Call it artificial respiration if you will, but it is the only remedy known. My character-loan bill, which I submit as that remedy, is

not a panacea, but it is a big step in the right direction.

For proof I can show you the hundreds of letters I have received from retailers all over the country. Some are almost pitifully grateful; all agree it would solve their problems. Each presents his own individual case for illustration.

One merchant points out the following paradox: In 1921, 10 years after he had established his business, he asked for and got a loan of \$10,000 from a bank. The loan was repaid without a hitch, and his credit was intact. A few years later he applied for another loan, this time for \$7,500. This, too, was granted.

His business by then had expanded sufficiently to satisfy him for a decade. Then he took inventory of his stock and his establishment, and decided that he should make quite a few additions and replacements. Back to the same bank he went and asked for \$2,000.

replacements. Back to the same bank he went and asked for \$2.000. After lengthy deliberations—which were akin to pulling teeth—our bewildered retailer managed to obtain \$1.000—exactly half of what he had asked. He had reason to be bewildered. Nothing had happened to impair his credit standing; in fact, it had risen. He was definitely entrenched in the community's business life. With a lower credit rating before, he had secured much larger loans from the banks without any trouble. Now he is hamstrung.

Another retailer wrote as follows:

"I have a furniture store, the largest in my city. I have been in business here for the past 25 years. I think I can safely say that I am a part of the city; if not myself personally, then my establishment.

"I occupy an entire first floor of a 3-story building. I employ 20 persons, and I am making a fair living. I believe I could make even greater profits if I expanded, took over at least the second floor, and added to my stock not only modern furniture which is demanded, but also other incidentals, odds and ends, which may be considered supplemental to a furniture business. At the present

I am selling beds, chairs, tables, and a few floor lamps. I have the demand, however, for other articles, such as cushions, rugs, mirrors, furnishings, such as book ends, ash trays, and innumer-able other appliances. People nowadays would like to furnish their home in one store-not buy a table here and a lamp somewhere else, and so on.

"Because I am aware of such a trend, I want to enlarge my business. I am convinced it would more than pay were it a semi-department store, because there is a crying need for such a place

"But I require capital. I read in the newspapers where the banks are overflowing with money, so I apply there for a loan. Their collateral demands are prohibitive, and I cannot meet them. I point out my standing in the community, the longevity of my business, and I explain the uses to which I intend to make of the money. All in vain.

"Naturally, if I were loaned the money I need and went through with my enlargement plans, the result would be felt throughout the city. I would hire local workers to fix the second floor; I would buy stock; I would increase my advertising budget; I would hire painters, electricians, plumbers. More important, I would relieve unemployment by almost doubling my staff of permanent employees.

"I sincerely trust that your bill will be enacted into law. It would be a lifesaver for me and for thousands of others who are in similar predicaments."

Here, then, is the key to the most vital problem now confronting the United States. Here is the "open sesame" to the door which leads to a return of economic well-being. Here is the path which

will lead to the solution of other problems.

I am firmly convinced that the importance, the gravity, of the situation I have attempted to outline cannot be underestimated. I am just as sincerely convinced that my "character loan bill" would assist immeasurably in making the depression—or recession a thing of the past.

I made this small-loan problem one of the principal planks of my preelection campaign, and I am doing all in my power to fulfill the promises I made then concerning it. I believe the people of my Congressional District recognized the problem and my plans to solve it and voted accordingly. I am convinced that public sentiment is 100 percent behind the bill.

As representatives of the people, Congress is duty bound to adhere to their desires. It is imperative that action be taken now. Further delay will result not in stagnancy, but a worse fate—that

of slipping back.

Congress, then, has the power to shift in reverse or in high gear. Small-business men—the retailers—throughout the Nation are silently praying, for the good of the country, that it decides to go

I now ask the people to unite in supporting this bill. Everyone is affected directly or indirectly by the present situation. By the same token everyone should aid in rectifying it. Get in touch with your Congressman today; let him know how you feel about it. I thank you.

"Upon What Meat Doth This Our Caesar Feed. That He Has Grown So Great?"

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

Mr. REED of New York. Mr. Speaker, we have been told by President Roosevelt ever since he assumed office that his aim and object was to raise the price of farm products for the benefit of the farmers. I had assumed that he meant the American farmer, but apparently he had in mind the foreign farmer, because there seems to be no other conclusion to be drawn from President Roosevelt's letter directing the Navy Department to purchase Argentine beef, in which he is quoted as saying:

I am impressed with the fact that the price quoted by the Argentine meat producers' cooperative is \$0.157 per pound, against the lowest bid on an American product of \$0.2361. After payment of the duty of \$0.06 per pound on Argentine beef, the net cost to the Government would be about \$0.097 per pound.

I shall not mention the slur cast by the President upon the quality of this important American farm product, which will reduce the sale of American beef in every market in the world. I believe the American consumers, however, will prefer the higher-priced domestic brand of beef rather than the lower priced hoof-and-mouth disease brands of foreign countries.

America Cannot Forget

EXTENSION OF REMARKS

HON, JOSEPH A. GAVAGAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER OF MAY 15, 1939

Mr. GAVAGAN. Mr. Speaker, ladies and gentlemen of the House, by permission of the House I insert in the RECORD an editorial entitled "America Cannot Forget," which appeared in the New York Enquirer, a New York newspaper, under date of May 15, 1939. In my opinion this editorial is timely and food for thought. The editorial reads as follows:

> [From the New York Enquirer, May 15, 1939] AMERICA CANNOT FORGET

George VI and his Queen had hardly embarked for their trip to the United States, ostensibly to manifest the warm friendship of England for America but in reality to advance England's material and other interests in and through this Republic at the expense of the American people, than it was announced that a valuable discovery, testifying to the intensity of Anglo-American concord of other days, had been made in Brooklyn. Reporting this incident the Daily News stated: the Daily News stated:

"W. P. A. workmen extending Building Ways No. 2 in the New York Navy Yard, Brooklyn, to provide for construction of a new 45,000-ton battleship, unearthed the bones of what is believed to be one of the 12,000 American soldiers who died on British prison ships anchored in Wallabout Bay during the War of Independence." For a considerable period America has been subjected to an intense campaign on the part of England and her tools and dupes in the United States, in order to induce the people of this land to believe that the destiny of their country and that of the British Empire are one.

Empire are one.

The present occupant of the British throne, descendant of George III, under whom those 12,000 Americans met a barbarous death at the hands of England, is coming to the United States to do his part in the promotion of that treacherous campaign. During the presence of the British sovereigns in our country, the American people will be treated to an unprecedented exhibition

of servility to England and England's interests by people in high and not-so-high places, people who call themselves Americans, but who in heart and soul are descendants of Benedict Arnold.

Like Arnold, they are eager to betray this Republic for the glory and benefit of the British Empire.

and benefit of the British Empire.

The 12,000 Americans savagely murdered by England on her prison ships in Wallabout Bay mean nothing to them. Neither do the other atrocties committed by John Bull upon American soil during the fight of Washington and his compatriots to free this country forever from British domination mean anything to them.

Nor are they at all concerned over the diabolical acts of England in our second war of independence—the War of 1812—when, among other lurid evidences of British civilization, the mansion of our Presidents and the Capitol of the United States were given to flames by the armed forces of John Bull.

Nor are they worried in the least over the manner in which England scourged us in our Civil War agony, or how, in our own day, she lured us into the Great War, with collossal losses to us in blood and gold, or how, even as her King and Queen come to visit us, she continues to withhold the \$5,000,000,000 she owes the American people in her defaulted war debt.

It is nonsensical to talk of Anglo-American concord while the It is nonsensical to talk of Anglo-American concord while the British Empire maintains its traditional attitude and policy toward this Republic. Ill will has ever governed that attitude and that policy. America's most dangerous enemy today, as ever, is John Bull. It is he, and he alone, that keeps the United States and England so far apart—and they are very far apart, despite the flowery words and cocksure claims of England's spokesmen and the descendants of "Benedict the Betrayer."

Criticism of Recent Findings of Federal Communications Commission in the Subject of Superpower and Engineering Practices

EXTENSION OF REMARKS

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

Mr. SWEENEY. Mr. Speaker, the long-awaited report of the Federal Communications Commission proposing new rules to govern broadcast stations and containing additional standards of engineering practice was made public April 7, after an exhaustive hearing held in June of last year, before a committee consisting of Commissioners Norman S. Case, T. A. M. Craven, and George Henry Payne. I am not going to deal with many of the proposed rules governing standard broadcast stations, nor will I touch upon the standards of good engineering practice as suggested by this committee. The standards of good engineering practice are of a purely technical nature, and I grant to the committee any benefit of doubt and resolve in its favor any question as far as the engineering aspects of the report are concerned. They cannot nearly be so controversial as the policy to be adopted by the Commission itself with reference to the subject of socalled superpower.

From the report of the committee no subject considered in the June hearing was more controversial than this so-called superpower proposal supported by the progressive and enterprising clear channel group of stations. The report goes on to say that the use of power in excess of 50 kilowatts has certain distinct advantages, especially in the form of increased rural service. Notwithstanding this pointed economic argument, the committee finally comes to the conclusion, in its solitary effort to protect the networks and other radio monopolies, to toss superpower out the window and decides to remain in status quo so far as any advance in radio science is

What is this thing called superpower? Stripped of all its confusing ramifications the basic question confronting the radio industry and the Federal Communications Commission is: Shall the rural listeners be denied good radio reception under all conditions?

Further, shall the rural or small-town listener be entitled to any semblance of parity with his urban brother in the matter of radio reception and choice of programs? Boiled down to its last analysis, that remains the only question of superpower. The fact remains uncontroverted that a superpower station does nothing more than furnish radio parity to rural listeners, a parity not now available. It does not interfere with existing facilities operated with less power, nor does it "squeeze out" smaller licensees. Yet the F. C. C. says "no" to any advance that would insure program equality. The Commission grants that the only reason why clearchannel stations were created was because only clear-channel stations could give secondary service; that is to say, service to remote rural areas. The 42 clear-channel stations operating in the United States today do not share frequencies with local and other regional stations. They are therefore in a position to offer reception and program excellence to some people who reside outside the metropolitan areas, but cannot reach the great listening public, which depends upon superpower stations for any reception whatsoever. The amount of power used by any clear-channel station does not interfere in any way with reception of regional or local stations, and by experiment it was found that despite the single license issued for a superpower station the number of radio stations in the United States has increased from 625 to 769 as of April 1, 1939. Does this look like superpower creates a radio monopoly?

While the city listener has 18 percent more stations and, consequently, 18 percent more programs from which to choose out of the signals delivered to him, rural America, with 54,000,000 people, which never had good radio service and which must depend upon long-traveling radio waves from clear-channel stations, is given no consideration whatsoever by the Federal Communications Commission. In denying all clear-channel stations the right to increase their power output above 50 kilowatts, while urban America with 18 percent more stations in the last couple of years has enjoyed excellent radio reception, rural America has lost 30 percent of its clear-channel stations. And now by the policy to be adopted by the Federal Communications Commission the rural listener will be denied good reception and good programs because the Commission refuses to deal with superpower. Rural America has been sidetracked from the trunk line of broadcasting progress and finds itself, despite the effort of its national leaders, headed into an oblivion which cannot even be penetrated by the powerful X-ray of modern radio. How long the farmers and the small-town residents of the United States must remain in this purgatory depends upon the continued and unconscionable refusal of the F. C. C. to deal intelligently with high power.

In its anxiety to protect the networks the Federal Communications Commission has conveniently overlooked the fact that the National Broadcasting Co. operates seven or more 50-kilowatt stations, and the Columbia Broadcasting Co. operates six or more of the same type stations in the United States. The networks have agreed that superpower would be a serious competitor with chain broadcasting, in that one station with a power output of 500 kilowatts would reach a greater share of the rural listening public, with its stronger signals, than that furnished by the chain which makes no attempt to reach the outlying farm communities at the present time. The question then is, Shall rural America in the West and the South be denied the same program excellence and the same good reception as is furnished in the metropolitan districts of the North and East by the chains and regional outlets?

The committee devotes 20 pages of its report to the subject of superpower, and if this report is carefully analyzed it is the best argument yet brought forward in support of high power. It was pointed out in this report that serious doubts as to the ability of clear-channel stations to operate at 500 kilowatts with financial success in cities of substantial size were not voiced at the hearing.

By the committee's own language it can be deduced that all economic evidence can be resolved in favor of superpower. The evidence further points out and the committee recognizes in its report that from a technical standpoint superpower creates a radio parity for all listeners. It knows no East, it knows no West. It affords to the sparsely settled districts of the scattered South and the same programs and the same reception that is now afforded to the industrialized North. I quote from this report:

The use of power in excess of 50 kilowatts has a distinct advantage because it provides better quality service to the vast population residing in rural areas and in towns which neither have broadcasting stations of their own nor are located within the primary service area of any station. The public residing under these circumstances must now rely for their only program service upon distant clear-channel stations having not more than 50 kilowatts power. Therefore, from a technical standpoint, it is safe to conclude that the higher signal intensities produced by greater kilowatt power, with the consequent improvement in technical service, tends to equalize the quality of service rendered to the population in rural areas as compared to the service rendered the population in urban communities more fortunately equipped with broadcast transmission facilities of their own.

Then the committee indicates its unwillingness, despite the distinct advantages to rural listeners and without any interference to the urban population by the use of superpower, to handle the subject in a constructive and statesmanlike manner. The committee refuses to recognize any advancement in the field of radio science. It arbitrarily refuses to grant to the South and the West the same advantages of

radio as are presently enjoyed by the North and metropolitan East. It summarily revives the Mason and Dixon's line in the field of radio. It shuts the door to progress and serves notice to those engaged in radio research that present conditions are satisfactory; that we do not want to know anything more about the intricate science of reception and communication; and says in effect that we have gone far enough so let well enough alone.

We might as well close doors to the Patent Office. We might as well tell every inventive genius in the United States to devote his time and energy to fields other than radio. What would have happened in the nineteenth and early part of the twentieth century if a similar regulatory body had said to Alexander Graham Bell, to Thomas A. Edison, to Marconi, and others that the present means of communication were entirely satisfactory, and therefore any improvement would be looked upon with askance. Where would we be today? We would still be using the pony express, the mails, and means of communication other than radio, telephone, and telegraph. Fortunately for this country we had far-seeing people at the helm in those days, and the United States of America proceeded from 13 colonial possessions to a point now where it comprises 48 integral united States. several Territories, and districts not separated beyond the space of telephone, telegraph, or radio communication.

For the past several years and until an unprecedented. arbitrary, and capricious action by the Communications Commission denied it a renewal of its broadcast license, one station located in the great State of Ohio has operated on superpower; that is to say, on 500 kilowatts. It has been demonstrated throughout by the operation of this station and even to the ultimate satisfaction of the Communications Commission, that its operation was not destructive. and in no way squeezed out local stations which are dependent upon local and some network advertising. It has been argued by the clear channel group, which is anxious to use superpower, that local advertising now enjoyed by this group of stations would be lost. That is true, and now what becomes of this local advertising? It goes to the local and regional stations because the larger clear channel superpower stations, as demonstrated by the only license in existence for superpower, use practically nothing but national and some network advertising which is not available to the purely local or regional stations anyway. By this the Commission admits that if a clear channel station was permitted to increase its power and if local business was lost as argued, the only benefactors of the loss of local advertising by the superpower stations would be other smaller stations located in the same metropolitan area as the superpower station losing such business. This admission is on page 130, paragraph 2, of the committee's report.

The committee hides behind the inevitable result and begs the question by stating that local stations are still available for national network and national spot advertising, despite the fact that they do not get it now anyway and declares that by removing national spot advertising entirely to the clear channel group would be in effect "squeezing out" of the field the small 100-watt operators, a field never at any time open to this class of stations. This, they say, would be contrary to the Communications Act, which provides equitable distribution of radio broadcast transmission facilities to the several States.

It might be well by way of analogy to compare the Federal Communications Commission as it is presently constituted with the Interstate Commerce Commission back in 1887, when that administrative agency came into being to bring the railroads and other transportation systems out of chaos and economic insecurity. Conditions then in the rail industry were comparable to the broadcasting situation at the present time.

Did the I. C. C. refuse to face the problem as it was presented at that time? Did it refuse to lay down the law to belligerent small carriers and refuse to declare that the common good of the several States should be subordinated

to the whims and fancies of few who feared a union of the East with the West and the North with the South?

Did it evade the issue at any point? The answer in each case is emphatically "no." The I. C. C. provided the long and short haul and in effect said the trunk-line carriers did not have to short haul themselves. It was backed up by the courts at that time, and especially during the regime of Chief Justice Edward Douglas White. The I. C. C. brought the rails out of chaos and had absolute power to provide these through routes from Maine to California with a division of rates for all carriers, thereby protecting the weak and assuring an adequate return for the strong. These regulations are still in effect, and that is one reason why the transportation system in the United States now is second to none in the world. The I. C. C. back in the year beginning 1887 did not try to support the narrow-gage railroad as against the great interstate carrier, but it provided through routes for all traffic traveling between States and was supported in this by innumerable jurists who included besides Chief Justice White, Mr. Justice Holmes, Mr. Justice Brandeis, and later, Mr. Justice Cardozo. Now the F. C. C., a similar regulatory body, refuses to provide the same facilities in another field just because it will not deal with the subject of superpower. In one stroke the F. C. C. decides not to profit by the experience of the I. C. C., the grandfather of all administrative bodies, and casts its lot with the chains to provide instead of adequate broadcasting facilities for the whole United States, a system that admittedly covers only a part of the country.

The committee itself agrees that there is raised a conflict between good service to listeners and distribution of transmission facilities to the various communities in the country. The question therefore is, Shall good service to listeners be damned just because a 500-kilowatt station may get reception in Florida, and the Florida listening public be serviced by a program excellence that cannot be attained by 100-watt stations located in some urban area in that State? Shall the F. C. C. promiscuously issue 100-watt licenses, holding out the bait of a possible chain connection that will never materialize

now or henceforth?

The question was raised by the committee of the possible social effect of permitting a few persons in the United States to control the operation of the means of mass communication. This is easily answered. The only excuse for the F. C. C. at the present time is to stand guard over the communications system of the country, radio, telephone, and telegraph. By raising this question the Commission practically admits that it is not capable of controlling the field of communications and backs away from the subject of superpower. Had the I. C. C. made this admission back in 1887 what would be the status of the transportation system in the United States today? In place of 100 or so class-A railroads we would have today thousands of short lines without semblance of schedule and no regulations, except those administered in each of the various 48 States.

In recommending against superpower the Commission avoided the substantive question and said it could proceed only after a more extensive accumulation of facts and a further study of the economic factors involved. How are you going to get a more extensive accumulation of facts and a further study of the economic factors involved in superpower by denying a license to a superpower station? You cannot continue to assay the gold after you kill the goose that lays the golden egg. This fact is undeniable. Until you see a superpower in operation and its effect on other stations you cannot draw any conclusions as to its favorable or adverse effects. While the committee engineers admit that America is only one step away from superpower the Commission denies a renewal of a high-power license to an existing station and tells every other clear-channel operator that it cannot favorably consider its application for more power until more facts are at hand. Every other country in the world has tried superpower, but it remained for the Yankee ingenuity of an Ohio pioneer in the field of radio to make it work.

Now England, Russia, and Mexico are using it to propagandize the rest of the world. For the past 4 years we had a station operating on 500 kilowatts power in Ohio, and this station did not affect adversely any other licensee in Cincinnati, in the State of Ohio, or in the United States, yet the committee has come to the surprising conclusion, and entirely against the weight of evidence, that superpower is not yet here. It has been "here" in Ohio for 4 long years or more.

In its absolute and unbounded desire to protect the national and regional networks, the committee points out that if there were twenty-five 500-kilowatt stations throughout the United States there might be a natural trend toward the exclusive use of these superpower stations by the largest national advertisers at a subsequent loss in profit to the networks. What stakes have the networks in radio? No investment in transmission and technical equipment other than scattered studios and talent under exclusive contract available for programming. Yet the interest of this group controls.

It boils down to the fact that the networks have brought such a tremendous amount of pressure to bear upon the Commission against the use of superpower that the Commission has been blinded to the need of this type of transmission, and has decided, as I said, against the weight of evidence, to protect the monopoly now enjoyed by the National and Columbia Broadcasting Systems, condemning the rural listener to a fate

on a par with the peasants of communistic Russia.

By the words of the Commission itself, superpower is only a step away. Irrespective of what pressure can be brought upon the present membership of the Federal Communications Commission, this organization cannot stop the progress of radio by an arbitrary finding that has no support from anyone except the lobbyists who have impressed upon the Commission members themselves the advisability of maintaining a noncompetitive field for the networks which admittedly do not serve the South and the West and have made no attempt to service the backbone of these United States, rural America.

Rural America today stands condemned to the "tongue-

less silence of the dreamless dust."

Protection for the American Farmer Against **Foreign Competition**

EXTENSION OF REMARKS

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

RESOLUTION OF THE HOUSE OF REPRESENTATIVES OF PENNSYLVANIA

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the House of Representatives of the State of Pennsylvania.

House Resolution 27

The American farmer, upon whose prosperity depends the pros-perity of the Nation is being deprived of his opportunity to earn a living by means of not being able to compete with the cheap imports from other countries.

Crops can be grown and cattle raised abroad at much lower cost an can be done here where the standard of living to which the American farmer is accustomed demands a larger compensa-

tion for labor.

tion for labor.

The importation of cheaply grown grains, foodstuffs, cattle, and meat products from abroad has done much to deny to our farmers the prosperity their efforts deserve: Therefore be it Resolved, That it is the opinion of this House of Representatives of the General Assembly of the Commonwealth of Pennsylvania that action should be taken by the Federal Government to prevent the importation of such grains and foodstuffs, cattle and meat products, the sale of which in the American markets contributes so largely to the economic plight of the American farmer either by the imposition of a high tariff on such importation or the closing of our ports of entry to such articles: And be it further

Resolved, That a copy of this resolution be immediately transmitted by the chief clerk of this house to the officers of the Congress of the United States and to the Members of the Senate and House of Representatives in that Congress from the Commonwealth of Pennsylvania.

Works Progress Administration

EXTENSION OF REMARKS

HON. WILLIAM D. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

Mr. BYRON. Mr. Speaker, Mayor Hawken has written me regarding the W. P. A. situation in Williamsport, and I want to make a few observations on the situation there as I have known it and as I see it at this time.

Williamsport, a small community of about 2,500 people, was the recipient of the first W. P. A. project in the State of Maryland. At that time, some 4 years ago, I was not in Congress, but, having been mayor, I was naturally interested in the physical development of the community and the idea of putting its needy unemployed to work.

I was and still am interested, as one of the main employers of the town, in seeing that those who suffered from the depression would have some way of earning their livelihood. I assure you that this work has been absolutely necessary from the point of view that people on W. P. A. in the community today have not had, nor have now, any other means of support for themselves and families. The W. P. A. program of this community has achieved remarkable results.

The mayor's letter gives you in detail what has been accomplished and I want to simply add my word of commendation

of it.

There has never been the slightest breath of scandal and, insofar as I know, politics have been kept out. I have never had anyone say to me that he could not get work because of his political affiliation. I, of course, realize that the W. P. A. has not worked out this well in every locality. Mistakes have been made which naturally go with a huge organization such as has been set up by the administration. However. I have been in Congress 4 months and, so far as I know, no one has offered a satisfactory substitution for work relief. The dole system in this country would be ridiculous and the smaller communities and States would be unable to finance worth-while projects completely without Federal aid.

I am making these few remarks not only as Congressman from the Sixth District of Maryland but, as I have said before, one whose business interests have played a large part in the industrial development of Washington County. While I would like to see business at the point where every man is employed in private industry, the situation does not now exist where this can be done, and I am making this plea for the proper continuance of work relief while the country is getting back to normal.

Burgess and Commissioners, Williamsport, Md., April 26, 1939.

Hon. William D. Byron,

Room 316, House Office Building, Washington, D. C.

Dear Congressman: With the investigation of the Works Progress Administration we feel that you, as the Representative from the Sixth District of Maryland, should be reminded of its operations and successful accomplishments in Williamsport and the resultant benefits to the entire community.

benefits to the entire community.

Permit me to state, as an official and citizen, that Williamsport is a 75 percent better town economically and physically at present than it was before the W. P. A. came into our community life.

than it was before the W. P. A. came into our community life.

This estimate of the importance of the W. P. A. in the development of Williamsport in the past 4 years is shared by 90 percent of the citizens, including merchants and all dealers who depend upon the public for their patronage. This fact has been personally communicated to me by the businessmen of the town and I am pleased to state that the support they have received from this source has been one of the chief sustaining factors of their economic existence through the depression and until the present. I

am not overstating a fact which you will probably recall, that before we applied for and began receiving Federal aid through the W. P. A., Williamsport, like many other communities, was experiencing a period of business stagnation.

The two principal industries of the town being at low ebb in operations and at times closed down with an estimated 250 and 200 employees being cut of employment some of the conditions.

operations and at times closed down with an estimated 250 and 300 employees being out of employment, some of the conditions existing then and now may be familiar to you, but to give you a complete picture of the situation with its W. P. A. background, permit me to summarize as follows:

No. 1. Grading and building of all the streets. Construction of concrete curbing, relaying brick sidewalks, and the grading and sodding of street parkways.

No. 2. Excavation, grading, and macadamizing of all alleys within the corporate limits, together with necessary storm water drainage

the corporate limits, together with necessary storm water drainage incidental thereto.

No. 3. Construction of the Memorial Library Building in memory of the 14 high-school students who lost their lives in the Rock-

ory of the 14 high-school students who lost their lives in the Rock-ville, Md., bus accident April 11, 1935.

No. 4. Construction of the Community Recreational Building of native stone, which houses the nursery school for underprivileged children and serves, as its name implies, the community as a recreational center.

No. 5. Improvements to the community park, building of tennis courts, road, and walkways; rip rapping of the existing stream; construction of a stone main entrance; repairs to the bandstand, construction of a stone refreshment building, and grading and landscaping, and other incidental work thereto.

No. 6. Construction of a native stone municipal building which will give the town modern and elegants facilities will great the town modern and elegants facilities will great the town modern and elegants facilities will great the form modern and elegants facilities will be supported to the construction of the

will give the town modern and adequate facilities, viz, administration offices, fire house, courtroom, town garages, supply storage rooms, and public comfort station.

I desire especially to call your attention to what the town officials and the citizens consider to be the most important and outstanding of the improvements mentioned, the Recreational Building and the Municipal Building, both being important assets to the community and architecturally of beautiful appearance. These buildings and the memorial library building have elicited admiration and praise from the citizens and visitors.

The construction of the Recreational Building and the Municipal Building particularly evidence the latent ability which was developed.

Building particularly evidence the latent ability which was developed in the raw W. P. A. workmen in dressing and laying the stone, the manufacture of fire tools and in framing and trimming the buildings which could not have been excelled under private con-

In conclusion and a vitally important feature of the contribution of the Works Progress Administration to the community has been the employment of the heads of approximately 150 needy families, the interest they have shown in their work, and their expressed appreciation of the general benefits they have derived therefrom.

Respectfully yours,

BURGESS AND COMMISSIONERS, R. G. HAWKEN, Burgess.

The Enfield Dam

EXTENSION OF REMARKS

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

EDITORIAL FROM THE HARTFORD (CONN.) COURANT OF MAY 14, 1939

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Hartford Courant:

> [From the Hartford (Conn.) Courant of May 14, 1939] ENFIELD DAM AGAIN

The Rivers and Harbors Committee of the House of Representatives has at last temporarily removed the \$12,000,000 project for improving navigation on the Connecticut between Hartford and Holyoke from the pigeonhole to which it was consigned when the committee voted not to include it in the omnibus rivers and harbors bill. On Friday the committee announced its intention of giving

bill. On Friday the committee announced its intention of giving the proposal a rehearing tomorrow. Manifestly, this unexpected announcement does not give the opposition to the project an opportunity to martial its forces and again present the powerful objections that Connecticut has to the scheme.

Connecticut's case was presented some weeks ago at the original hearing on the bill. Its arguments against the proposal were based on solid ground. It showed, on the testimony of the Army engineers themselves, that the proposed dam at Enfield, which is an essential part of the project, would increase the potential flood crest, the estimates running from a few inches to nearly a foot. It

showed that the only way the project could be economically justified was by counting on the revenues from a public power plant. It showed that there was no demand in this part of the State for the snowed that there was no demand in this part of the State for the sort of power that a hydroelectric station at Enfield would produce and that it could only be sold on a seasonal basis, thereby cutting into the revenues of the privately owned stream plants which were designed for year-round service. Finally, this State demonstrated that the protest against the project was not, as Representative RANKIN, of Mississippi, tried to make it appear, confined to "the interests"; the bill is supported by no member of the Connecticut delegation in Congress, Democratic or Republican; it is opposed by the State water commission, and by other spokesmen for the State's the State water commission, and by other spokesmen for the State's interests and by a great majority of the farmers in the affected area.

The public power bloc in Congress, which is behind the proposal, knows that the proposal could never become law on its own merits. What they hope to do is to include it in the omnibus bill, where it will stand or fall with a host of other projects, many of them beneficial and some of them essential. The attempt to attach it to the coattails of the omnibus bill ought again to be defeated.

Walsh-Healey Act Changes

EXTENSION OF REMARKS

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

RESOLUTION OF THE GENERAL ASSEMBLY OF WISCONSIN

Mr. BOLLES. Mr. Speaker, the inconsistencies and injustices in the Walsh-Healey Act have been recognized by many labor organizations. A memorial was sent to the General Assembly of the State of Wisconsin by the members of a union of the Simmons Bed Co., of Kenosha, Wis. The General Assembly of Wisconsin passed it, and it is worthy of the consideration of every Member of Congress. The resolutions follow:

Joint resolution memorializing Congress to amend the Walsh-Healey Act so as to provide more stringent conditions for the purchase of supplies and the making of contracts by the United States

Whereas the Walsh-Healey Act provides in part that all Government specifications and contracts involving the purchase of \$10,000 or more of supplies must contain provisions for the payment of a prevailing rate of wages to be determined by the Secretary of Labor and that employees of contractors must not work more than 8 hours in any day or 40 hours in any week; and

Whereas such act is designed to obtain social benefits from a public policy based on the limitation of expenditure of Government funds to contractors who apply fair labor conditions and that decent and general labor standards may be applied on governmental projects regardless of geographical location; and

Whereas operation under such act indicates that somewhat more than 10 percent of the total Government purchases are made there-under and that industry has capitulated to the principles thereof;

whereas the Walsh-Healey Act by definition has not included manufacturers who now supply the Government through dealers, subcontractors, service contractors, and by its limitations to contracts of \$10,000 or more and the indefinite prevailing wage rate has thereby permitted circumvention and evasion of the terms thereof; and

Whereas the differential in wages permitted in various States under the prevailing wage rate has made it both imprecises and

under the prevailing wage rate has made it both impractical and impossible for the industries of Wisconsin paying a fair wage rate to competitively and successfully bid on Government contracts;

Whereas it is manifestly unjust that the industry of a State maintaining a respectable wage rate in conformity with the policy of the act should be penalized by losing contracts, thereby creating

of the act should be penalized by losing contracts, thereby creating local unemployment, to industries of other States unscrupulously availing themselves of technical loopholes; and

Whereas Federal Labor Union, Local No. 18456, of Kenosha, Wis., through its committee, has given much time and study to the subject, and respectfully urges the Congress of the United States to enact legislation that will place the industry of the entire country on an equal and commensurate wage plane, include the regular dealer in supplies to be manufactured, subcontractors and service contractors, and define more minutely and rigorously the minimum wages to be paid under the prevailing rate to persons employed in similar work in the particular or similar industries of the country: Now, therefore, be it Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully petitions and urges the Congress of the United States to enact necessary legislation to impose more stringent and rigorous conditions to prevent evasion and circumvention

of the Waish-Healy Act in the purchase of supplies and the making of contracts by the United States; be it further Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

Alien-Baiting Legislation and Its Danger

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

Mr. COFFEE of Washington. Mr. Speaker, because intellectuals throughout the United States are tremendously concerned lest the Hobbs bill be the harbinger of similar and more drastic alien-baiting bills, there is tremendous interest in efforts now being made by the foremost progressive thinkers of America to combat such proposed legislation regarded as subversive and un-American by most true lovers of civil liberties and of the principles enunciated in the Declaration of Independence.

The National Emergency Conference was convened on the week end of May 13. The purpose of this conference was to discuss ways and means of arousing the general public to the menace inherent in the lack of numerical opposition in the Congress to such bills as the Hobbs bill, which recently sailed through the House of Representatives with a majority of 5 to 1, only 61 Members being willing to register in a record vote their opposition to this form of legislation. Was the Hobbs bill a trial balloon? Was it to serve as an indicator? Was it a prelude to repeated and persistent efforts to persecute and prosecute every alien resident within these United States? Have we become so arrogant and selfsatisfied, so egotistical and contemptuous of history, that we ignore the lessons of the past century and fail to recognize that the influx of foreign blood and intelligence was the most potent contributing factor in making our Nation the preeminent country of the world? Are we going to tolerate a Fascist pogrom against another because the latter is not a citizen? Is the Constitution only for American citizens and not for foreign residents within our borders?

Let us awaken, Mr. Speaker, to the danger in our midst. Surely alert Americans, conscious of the contributions of democracy and its teachings, want no pogroms against the alien per se. Nor do we want any drives of the character of anti-Semitism, anti-Negro, or anti-Catholic. Racial and religious hatreds have no place in the American make-up.

Recently the Washington Post printed an editorial entitled "Threats From Within," which well deserves the careful scrutiny of every Member of Congress and of all citizens. The Washington Post is edited by Felix Morley, brilliant member of the Morley family, whose writings have achieved national prominence. The editorial is as follows:

[From the Washington Post] THREATS FROM WITHIN

Without debate and without publicity the House recently passed the Dempsey bill, providing for deportation of aliens advocating any change in the American form of government. Last week, by an impressive majority, the House also approved the Hobbs bill, which authorizes internment for an indeterminate period of certain classes of aliens subject to deportation but unable to obtain passports from their native countries.

These are only two of many bills now before Congress which constitute a threat to the civil rights and liberties of alien resi-There are, for example, bills requiring the registration and fingerprinting of aliens and the deportation of aliens who have been on relief for a year. There is also a bill providing for the deportation of aliens who do not take out citizenship papers within a year as well as proposals to ban all immigration and to cut

quotas drastically.

Under the present Relief Act aliens have already been deprived of the privilege of holding W. P. A. jobs, whereas at first need alone was the test of eligibility. This change of policy, making proof of citizenship a condition of W. P. A. employment, is indicative of the increasing pressure being brought to bear upon aliens either to become American citizens or to get out of the country.

There may be justification for excluding aliens from Federal relief work when American citizens are without employment. But there is no valid excuse for repressive legislation of the type which the justly named national emergency conference has been called upon to combat. Convening in Washington today, that conference, rep-resenting 150 different organizations, will discuss pending measures which are not only a menace to aliens but a threat to the freedom and security of American citizens as well.

The sponsors of the conference are men and women who have

distinguished themselves in law, science, social work, and the academic professions. The speakers have been recruited from many different fields of activity. Prominent among them are Mgr. John A. Ryan, of the National Catholic Welfare Conference; Dr. Harold

A. Ryan, of the National Catholic Welfare Conference; Dr. Harold C. Urey, Nobel prize physicist; Senator James E. Murray, of Montana; and John Brophy, director of the C. I. O.

The strongest defense of our form of government lies in a firm stand against those misguided patriots who assume that democracy can be preserved by tyrannical procedure. The laws against sedition and crime which apply to citizens are also applicable to aliens, and should provide sufficient protection against subversive and criminal activities of all residents. To threaten with deportation aliens who indulge in criticism of our institutions, or to detain aliens not charged with any crime for unreasonably long periods, is to deprive them of fundamental liberties which our Bill of Rights guarantees to all. to all.

The National Emergency Conference has not been called any too soon. Its sponsors are justified in saying that the bills directed against aliens "point toward universal police surveillance and State regimentation of every one of us." They are calculated "to set man against man, to sow the seeds of race hatred and discord among us, and to split and divide the American people.'

A Toast to Colorado

EXTENSION OF REMARKS OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

TOAST PROPOSED BY HON. JOHN A. MARTIN, OF COLORADO

Mr. LEWIS of Colorado. Mr. Speaker, at an all-States banquet held by the First Methodist Church of Lamar, Colo., the following toast, written by the Honorable John A. Martin, who so ably represents the Third Congressional District of our State, was read:

> A TOAST TO COLORADO (By John A. Martin)

I propose a toast to Colorado, its immensity: It has properly been called the Switzerland of America. It is the mother of mountains, containing within its borders the Sangre de Cristo Range, the longest and highest in North America, and more than 40 peaks reaching an altitude of 14,000 feet. To see most of the States of the Union is merely a matter of a few days driving on a few highways. To really see Colorado would mean a campaign of travel involving months. I have longed to see all of Colorado, but I never expect to do so. It is too immense.

I propose a toast to Colorado, its scenery: The scenery of Colorado is proportionate to its immensity and, like its immensity, has been seen by but few people. Nowhere else in the United States can one reach viewpoints where one will stand in awe before such a panorama of peaks and ranges and forests and valleys, thrown out by

rama of peaks and ranges and forests and valleys, thrown out by the hand of Nature in a giant profusion as far as the eye can reach, Pike and Long and James Peaks, names known all over the United States; the beautiful Spanish Peaks, so near and yet so far by reason of their immensity that a wilderness of untrod beauty surrounds them; the enchanted Mesa Verde; the Royal Gorge; these are but a few of the high lights of what a prodigal Nature has lavished on Colorado.

I propose a toast to Colorado. Its history: It has the distinction of being the Centennial State, admitted to the Union 100 years after the signing of the Declaration of Independence. Its territory was once part of the far-off kingdoms of Spain and of France, with the Arkansas River the boundary line of these kingdoms. Along this stream ran the famous Santa Fe Trail. Passing up this stream with his soldiers, the eyes of Zebulon Pike first saw the sight which with his soldiers, the eyes of Zebulon Pike first saw the sight which he described as "a blue cloud no larger than a man's hand," which first gave the East the knowledge of a strange new world in America. It was the peak which Pike later declared no man could scale. Yet Pikes Peak was only the sentinel of a land of great peaks. The description which John C. Fremont, the pathfinder, gave of the lone rock of the Huerfano on the highway north of Walsenburg inspired Senator Thomas H. Benton, of Missouri, to say upon the floor of the Senate that there should be set upon the great rock a tablet pointing to the west and bearing the legend, "There is the east; there lie the Indies." I propose a toast to Colorado. Its resources: Their variety forbids even mention in 10 minutes. Its great mines are part of the romance of the golden West. Its coal and other mineral resources are scarcely touched. It is the mother of waters as well as of mountains. They flow into or kiss the soil of 19 States, these waters that rise in the mountain ranges of Colorado. It has such a variety of excitations of certification of the states of potential to the state of the states of the states of potential to the states of the states

waters that rise in the mountain ranges of Colorado. It has such a variety of agriculture, of cattle and sheep, of sugar beets, of potatoes, of alfalfa, of melons, of beans, of celery, of peas, of corn, of wheat, of oats, of seed-producing vegetables, that many counties specially adapted to one variety or the other have very little in common with other counties.

I propose a toast to Colorado. Its people: How can they fail to measure up to its immensity, its scenery, its history, and its resources? They are of the pioneer type, the people who settled, conquered, and developed this great domain, unearthing its mineral riches, and with infinite pains building the water systems which produce its agricultural wealth and maintain its towns and cities. They have subdued a stern and rugged nature. They have built a Colorado worthy of the eminence given it by its location in the heart of the Nation and at the top of the world.

Neutrality

EXTENSION OF REMARKS

HON. HIRAM W. JOHNSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES Wednesday, May 17 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. HENRIK SHIPSTEAD, OF MINNESOTA, MAY 16, 1939

Mr. JOHNSON of California. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered last night by the senior Senator from Minnesota [Mr. Shipstead] on the subject of Neutrality.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

Good evening, folks. I am thankful to the Columbia Broadcasting System for the opportunity of speaking to you tonight. I propose to speak to you about neutrality and war.

All winter we have been discussing neutrality in the Foreign Relations Committee of the Senate; also throughout the country in newspapers, in the pulpit, and from other forums.

From the correspondence that I receive from the different parts of the country, I have come to the conclusion that the more neutrality is discussed the more confused we become.

We have several specular neutrality resolutions pending before

We have several so-called neutrality resolutions pending before

the Senate Foreign Relations Committee. Sponsors of these various resolutions all say they want to keep us out of war. Some of these resolutions, if they become law, would, in my opinion, start us on the road to war—and still they are called neutrality resolutions. It seems to me that the first thing we ought to do in discussing neutrality is to make it plain what we mean by the word "neutr

trality.'

what is it for a nation to be neutral in an international contest? I have always been of the opinion that unless a country intends to go to war its government should remain neutral in an international controversy involving war.

Neutrality means not to take sides to help either side. It is defined as follows in international law, according to Webster's International Dictionary:

"The condition of a state or government which refrains from taking part, directly or indirectly, in a war between other powers. The right to observe neutrality and the name 'neutrality' are both comparatively modern, all persons anciently having been considered as friends or foes." as friends or foes.'

Having come to an understanding on what neutrality is, the next thing for us to determine is, do we want to be neutral? Do we want to keep out of foreign controversies? If so, are we willing to remain

neutral in these controversies?

If we don't, then the thing for us to decide is on what side are we going to take our position?

On the other hand, if we are going to keep this Nation at peace and out of war, we must keep neutral—if humanly possible. must not take sides with one side or the other.

I know there are organizations of many well-meaning persons in this country who have taken the position ever since the last war that in another war we cannot keep neutral.

There are also many good people who think we should not keep neutral. There are people who think that our duty to the world is to mix into every international controversy that arises between patterns. nations.

In answer to this very insidious propaganda that we cannot keep out of war I will say that it depends a great deal upon our will to keep out. It is almost entirely a matter of will rather than law.

If we do, the first thing we ought to do is to repudiate this propaganda of the inevitableness of the coming tragedy if war should come. This propaganda is undermining our peoples' will should come. This prop for neutrality and peace.

for neutrality and peace.

I know the people of the United States do not want war any more than the people of any country in Europe. It is only governments that make war, and they make it because of economic conditions—or the ego of rulers—or for the benefit of private interests, who want raw materials, trade routes, oil fields, and power. To get these things they are willing to go to war, and they try to get as many nations to help them as they can.

There are also domestic business interests that think a war would bring prosperity to industry and agriculture. These people I would ask, What prosperity are you enjoying now as a result of the last war?

the last war?

It is needless to comment on politicians who think that a war would help their political status.

The first thought of a nation that wants to advance its interests in an international controversy is to try to convince other nations that it is good and that those with whom it has controversies are bad

This kind of propaganda is spread to mislead the people and to throw a "smoke screen" over the real issues in controversy in the belief that people will sympathize with and aid the good people and punish the bad. The fallacy of such an argument is apparent to every sensible person who knows that no nation is wholly good

wholly bad and no nation is wholly good.

Agencies of propaganda are created to stir up hate against an opponent in a controversy and all nations have them. The machinery of hate is always operating overtime whenever a con-

troversy arises.

We always have mass production of misrepresentation in order to arouse the spirit of hate, and the more of such propaganda we have the more difficult it is for nations to peacefully adjust their

It was said that peace shall come on earth to men of good will. War propaganda is manufactured for the purpose of destroying good will among men, and of that we have a surplus in every country. And the purpose of it is to effect something like an operation upon our intellectual vision in order to make the most will things look heaviful

operation upon our intellectual vision in order to make the most vile things look beautiful.

In countries not parties to the controversy, it is used to break down the people's will to remain neutral. It is employed to stir up the emotions of hate in order to get the people to abandon neutrality and to enter upon an unneutral policy to take the side of favor of one or the other of the nations in a controversy.

Every country contemplating war has in its war budget large sums of money for the purpose of manufacturing and spreading propaganda in neutral countries, in order to get sympathy and aid for themselves in such controversy.

aid for themselves in such controversy.

The object of the propaganda in the present controversy is largely to make the people believe that this is a struggle between democracies and dictatorships.

democracies and dictatorships.

And, in my opinion, nothing could be farther from the truth. It is a matter of nations who have little and want more, and nations who have a great deal—who took what they have by war and want to keep what they have taken.

It just so happens that nations who pride themselves on their democracy have taken plenty. In fact, they have taken so much that they have made conditions in other countries so bad as to make it possible for dictators to come to power.

The democratic governments who dictated the terms of peace must assume the responsibility for the dictatorships that are now in existence. In writing that treaty of peace they sowed the seeds for most of the troubles that are afflicting the world today. The Senate of the United States did not ratify that treaty, and so in a legal sense we have no responsibility for the terrible conditions resulting from it. resulting from it.

Statesmen of Europe realize that these adjustments that are now going on must be made. They are trying to make them peacefully. They have succeeded to some extent.

Of course, peaceful settlements cost something, and injustice will be done, and when economic conditions become very bad, persecutions of minorities will take place, and these things we deplore. But let us not forget they come as a result of the last war; and, in my opinion, if there is another world war, they will be multiplied many times more than we have experienced since the last war.

many times more than we have experienced since the last war.

The last war increased the number of dictators. It increased the burden of the taxes upon the people. It reduced the standard of living in every country in the world, including our own.

In my opinion, if we should be so unfortunate as to have another world war, we will have still more dictators than we have now. We will have more debts and more misery and a lower standard of living than we have now. There will be more persecutions of minorities than now, and there will be less democracy for the protection of the people than now.

But we hear so many good people say that we cannot keep out of a war. One is almost led to believe they do not want to keep out. They say they are for peace, but they say we must go to war

and do our duty and our share.

What is our first duty if not to our own people and to our own

Much as we deplore the troubles and persecutions and suffering in other countries, isn't it a fact that our first duty is to ourselves as citizens and that of our Government to its citizens, is to protect our own interests first?

To remain neutral and keep our country peaceful may cost some-thing, and if it does, I say it is worth it. War will cost a thousand times more in suffering and misery.

In my opinion we can best serve the cause of democracy and the welfare of the United States by keeping as friendly as possible under the circumstances with all nations and put our own house in

We have plenty of opportunity here to exercise whatever common sense we have in so arranging our affairs that we can get out of this

depression that has been with us since 1929.

We have something like ten or eleven million people out of work.

Something like 20,000,000 are living directly or indirectly on relief.

Our farmers are being sold out through mortgage foreclosures.

We are piling up debt upon debt, local, State, and Federal. Our taxes are becoming more and more heavy to bear as a result

of these conditions.

If we permit them to continue and appropriate millions upon millions for a purpose of putting the rest of the world in order, we may find ourselves in the condition of the man who did not know how to run his own business but was spending his time trying to straighten out the business troubles of his neighbors.

In this connection I would like to call your attention to a recent statement by the Premier of Canada, Hon. MacKenzie King.

In speaking for Canada, he said he could see no reason why "every 20 years it should automatically and as a matter of course take part in a war overseas for democracy or self-determination of other small nations; * * * that a country which has all it can do to run itself should feel called upon to save periodically a continent that cannot run itself, and to these ends risk the lives of its people—risk headquarter and political disquired—seems to many a night mare risk bankruptcy and political disunion—seems to many a nightmare and sheer madness.

That is also my view, and, I believe, the view of the American

people.

people.

In order to uphold that policy we must remain honestly neutral.

Let me remind you that during the last war Holland, Switzerland, Denmark, Norway, and Sweden, all being democracies and having parliamentary government, kept neutral. They kept out of the war, although the war was being conducted all around them. Of course, neutrality cost them something, not only in inconvenience and in human lives. They had ships torpedoed and their nationals killed. However, they emerged after the war with increased respect and prestige for not having entered the war.

Their statesmen, under great difficulties, managed to keep their people from becoming involved. They did this under great difficulty, but with great ability.

Would it not be well for us to emulate their prudence for the protection of our people and our institutions?

I think it would. Thank you and good night.

American Exports and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Wednesday, May 17 (legislative day of Monday, May 8), 1939

LETTER FROM THE FOREIGN TRADE DIRECTOR OF THE ROYAL TYPEWRITER CO.

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have received from the foreign trade director of the Royal Typewriter Co. setting forth, at least in part, the benefits to industry resulting from the trade policies of our State Department under the Reciprocal Trade Agreement Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROYAL TYPEWRITER Co., INC., New York City, April 19, 1939.

Hon. JAMES M. MEAD.

United States Senate, Washington, D. C.

MY DEAR SENATOR MEAD: A recently completed comparison of the typewriter exports from the four leading typewriter-exporting countries, for the calendar years 1937 and 1938, presents very convincingly some facts about the trade which should be most interesting to the deputies of the market falling off in the total volume. Mean ingly some facts about the trade which should be most interesting to you despite the marked falling off in the total volume. Many factors, other than the existence of a score of trade agreements in effect, influenced trade one way or the other during 1938, but at the very least we may conclude, from the following facts, that without those trade agreements our position in the world's trade would have been far worse than it was.

The total international movement of typewriters was decidedly smaller in 1938 than in 1937. The United States remains the larg-

est single exporter but supplied a much smaller proportion of the total trade. All references to United States exports in the following comments are to new typewriters exclusively, and all comparisons are based on number of units rather than value.

In 1938, compared with 1937, United States exports dropped 30.8 percent, Canada 11.6 percent, Germany 12.1 percent, and Switzerland 8 percent. The United States lost volume in each of the six major geographical divisions. Germany made gains in Australasia and Africa, losing in the other four. Switzerland gained in Africa. and Africa, losing in the other four. Switzerland gained in Africa, lost in all others.

United States exports are shown to 126 individual markets; of these, 30 are areas which were covered by trade agreements effective in 1938. The trade loss in these areas in 1938 compared with 1937 was 18.3 percent. The drop in the other 96 markets was 37.4 percent. Among the 30 trade-agreement areas increases were scored in 10. Also, among the 30 were 4 markets where severe trade losses occurred because of acute economic or political developments: France, Czechoslovakia, Cuba, and Brazil. If trade had fallen off in the trade-agreement areas to the same extent as in the remain-

in the trade-agreement areas to the same extent as in the remaining markets (37.4 percent), our 1938 exports would have been about 17,000 units less than they were.

In 1937, 34 percent of United States exports of typewriters went to trade-agreement countries, which in 1938 took 41 percent. (This applies to the 30 areas in both years, although agreements with Czechoslovakia and Ecuador were not in effect in 1937.)

Germany's exports of typewriters to areas where the United States had trade agreements dropped 19.6 percent in 1938 as compared with a total average drop of 12.1 percent, or 6.3 percent in countries where the United States had no trade agreements.

Switzerland's exports to trade-agreement countries dropped 42.5 percent as compared to 8 percent in the total, or a gain of 43.4 percent in the nonagreement countries.

cent in the nonagreement countries.

It gives me sincere pleasure to present these comparisons for your information, evidencing, as they do, definite benefits to the export business of our industry, attributable, at least in part, to the trade policies of our State Department under the Reciprocal Trade Agreement Act.

Sincerely yours,

Jos L. RYAN, Foreign Director.

Pan Americanism Versus European Meddling

EXTENSION OF REMARKS

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES Wednesday, May 17 (legislative day of Monday, May 8), 1939

RADIO ADDRESS BY HON. DENNIS CHAVEZ, OF NEW MEXICO, MAY 11, 1939

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able and timely address delivered by the junior Senator from New Mexico [Mr. Chavez] over the National Broadcasting Co.'s network on May 11, 1939, on the subject Pan Americanism Versus European Meddling.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Our foreign relations are possibly the most important question facing the American people today. Because of the seriousness of the situation in Europe, from whence none but ominous tidings reach us, a mistake in foreign policy today is very likely to prove costly. Peace, which all Americans love so dearly, the welfare of our people, the fate of this Nation and its institutions, will most certainly be placed in jeopardy if we become involved in another

We favor the policy of the good neighbor—yet the good neighbor does not interfere with the domestic matters of his fellow man. To do so is meddling. In our case meddling can have but one consequence-war.

Meddling in European affairs is contrary to the concepts of our early statesmen. America grew great on a policy of noninterference in European affairs and a strict confinement of our foreign interests to the geographical sector in which we had been placed. The foreign lecturers and propagandists with whom we are plagued challenge the wisdom of Washington and the others. They say the United States cannot isolate itself; that therefore we must have part in European disputes.

say the United States cannot is take part in European disputes.

It is perfectly true that we cannot live in economic isolation from the rest of the world and maintain our prosperity. The world today does not permit this. Modern conditions force all nations into closer ties.

It is one thing, however, to speak of economic isolation and quite another thing to speak of political isolation.

It is political isolation from the border disputes and blood feuds

of Europe that is desired and most certainly possible.

In my few remarks this evening I will try to develop the thought that it is vital that this Nation cease meddling in European affairs and that Pan Americanism is the answer to the isolation problem.

I am aware of the danger of continually talking of war, but it seems logical that we should plan now for the course we would take in the event of a European conflict.

seems logical that we should plan now for the course we would take in the event of a European conflict.

The experience of the last war should teach us that we should cushion the economic effects of a widespread war. In the event of war, European markets will be cut off from us and as in the last war, trade will be diverted to neutral markets. Those markets will be in Latin America. This is why it is important that we develop our relations with Latin America now.

Senator Borah hit the nail on the head when he said recently that the very cornerstone of our foreign policy should be the Monroe Doctrine, if by the Monroe Doctrine is intended the new interpretation which makes it bilateral and the responsibility of all the

roe Doctrine, if by the Monroe Doctrine is intended the new interpretation which makes it bilateral and the responsibility of all the nations of this hemisphere, because we live in the Western Hemisphere and it is here that we should entrench ourselves.

By reason of our similar history, because of the similarity of our institutions, because of our geographic situation, our destiny lies parallel to that of the nations of the New World. It is only common sense, in view of the chaotic conditions in Europe today, that we should promote at all costs commercial, cultural, and political relations with these countries which are most apt to remain neutral in the event of a future war. in the event of a future war.

It is obvious that if we are thrown into a European war it will be because our commercial and political relations are almost exclusively concentrated in Europe; why not then reverse this and see to it that our relations are just as advanced with South America?

I am convinced that if we devoted ourselves principally to the

Western Hemisphere as far as political questions are concerned, a European war could not be brought to our shores. The combined might of the Americas would make it impossible and the united Americas would insure international respect for our territory and our institutions; it would not matter who dominated the remainder of the world.

We can choose European meddling and war or we can choose Latin America and peace. The choice is ours. There is a road to peace if we will only take it.

peace if we will only take it.

With war in the air our rule now should be to cultivate such markets and friends on whom we can depend in the event of a conflict. By developing markets with nations which are likely to be neutral and are remote from the scenes of the disputes, we insure stability to our economic machine and guarantee an even keel in the event of the disruption which must come with war.

Our safest and best bet is South America. By developing our ties with Latin America we will be taking out insurance against the day of war just as effectively as the broker who insures himself with Lloyds against lost markets in the event of war.

It is impossible to overestimate the importance of South America in the world picture. The world realizes this even if we do not.

in the world picture. The world realizes this even if we do not. Other nations appreciate the tremendously rich resources of the 20 Hispanic countries, and they know that these resources are absolutely indispensable to their economic and political advancement. We meanwhile give lip service to democracy but continue to involve ourselves in the quarrels of Europe and sit back and let the very nations whose actions we have been decrying beat us to South American good will and trade. For us to overcome this is a tremendous task

mendous task.

An examination of the history of our relations with the Latin-American republics reveals countless black pages. They reveal events which totally eclipse the pious but hypocritical platitudes of our statesmen who, while boasting of friendship and nonaggres-sion, set out methodically and successfully to impose our might on our American neighbors

on our American neighbors.

It is a familiar story. Our imperialism explains it. Texas was torn out of the arms of the Mexican Republic, our nearest neighbor to the south. In short order followed California, New Mexico, and the rest of the West, which were wrested from Mexico and added to the rest of the west, which were wrested from Mexico and added to this Nation. We intervened time and time again in the economic and political affairs of Central and South American nations. We wanted a Panama Canal, and there were no steps we did not take to get it. Our acts in Mexico, Nicaragua, Haiti, and Santo Domingo, etc., earned for us the hatred and distrust of our southern neigh-

Latin American literature is filled with expressions of hatred of this country. We are the "Yankee imperialists"; our Nation is the "Colossus of the North." Because Latin America to us was nothing more than vast expanses of jungle and desert and a land peopled by savages, we felt it was our divine mission to save these helpless by savages, we left it was our divine mission to save these helpless people by giving them the blessings of American sanitation and the joys of American technical progress. We crammed sewers and public utilities down the throats of our neighbor, but in so doing we earned for ourselves their hatred rather than their friendship.

That is why, in spite of 6 years of New Deal good-neighbor policy, we are still making little or no headway in Latin America. However much these countries may welcome the new American policy, they find it hard to forget the past.

As a result Latin America is a ripe field for the aggressive diplo-

they find it hard to forget the past.

As a result Latin America is a ripe field for the aggressive diplomacy and vigorous trade policy of the rising nations of Europe and Asia. However much we may preach to them of the dangers of fascism and of the aggressor nations, the Latin American is not so naive as to forget a more familiar and closer-to-home example of aggression. Sandino and the marines are by no means forgotten.

We are making some progress, however.

The good-neighbor policy has been in effect since 1932. The South American countries have had opportunity to test the new spirit of friendship which characterizes it. Without a doubt, they are ready for concrete evidence of friendship from us. ready to be convinced that we value and seek their friendship.

The rest of the world is interested. Germany is interested.

There are more Germans in every South American country than there are Americans, with the possible exception of Cuba and Mexico. German trade increases year by year. German communications outrank our own. We are familiar, of course, with the extent of our Pan American airways. We do not stop to realize that the German Lufthanza network in South America is more extensive, serves more territory, and connects with more cities than the Pan American and strangely enough. Berlin by air is 2 than the Pan American, and strangely enough, Berlin by air is 2 days closer to Rio de Janeiro than is New York.

The Germans are leaving no stone unturned in promoting Latin American friendship. Every man who enters the Latin American field must take a special course at a central bureau in Berlin where he is thoroughly grounded in the culture, customs, law, history, habits, and trade relations of the Iberic countries. At this bureau he is trained in the perfect use of Spanish and Portuguese, and what should interest us is that he is thoroughly instructed in the propagation of Nazi doctrines. In other words, he becomes a missionary for the state. Is it any wonder that German officials in South America accomplish more than Americans who know little or nothing about the countries to which they are sent and sometimes care less?

Germany at Zeesen has eleven 100,000-watt short-wave broadcast-ing stations. These stations have 15 angle directional beams. With these they practically dominate radio reception in South America.

Contrast this with our broadcasting station at Boston, which sup

posedly handles our official propaganda. The Boston station is only one-fifth as strong as one of these German stations.

Italy is not taking a back step and in many respects leads German stations.

many in the effectiveness of her propaganda and diplomacy. Time does not permit anything but a superficial outline of what she is doing. Needless to say it brings results.

Like Germany, she subsidizes free press service and student experience and student experiences.

changes and maintains Italian professors paid by her at the insti-tutions of learning in South America. Italian radio stations send Latin America a steady stream of propaganda. She promotes trade and military missions. Italy is well repaid in friendship for these

And what are we doing? In the first place, there are countless reasons why we should be close to these people, yet everything we have done tends to separate us further.

Writers of textbooks and of novels have furnished us with unfavorable conceptions of these countries. We think of Latin America as a land of deserts and jungles, reeking in revolutions, and peopled by bandits. We do not realize that South America boasts a culture older than our own, that their literature and art equals any in the world, and their cities are nowhere outranked in modernness and beauty. Therefore, there is every reason for them to resent attempts to treat them on the basis of superiority, and equal reason to believe that they will welcome efforts, diplomatic or otherwise, which meet them on the basis of equality and friendship.

friendship.

There is no use deceiving ourselves about the true state of affairs. It is our fault if South America is closer to Europe than to the United States. Their ties are closer to European nations.

For example, at the Lima Conference, the South American nations were quite anxious to point out that however much they might want to promote amity among the nations of the New World, they by no means intended to sever their ties with Europe. Today the Latin American faces the future much as we did in this great nation 50 years ago. He has lands, unlimited resources, thriving and ambitious populations, beautiful cities, and only lacks capital to make himself great and prosperous.

The nations to our south are on the march and it is up to us

The nations to our south are on the march and it is up to us to participate in their progress.

Granted that it is necessary to cultivate relations with Latin

Granted that it is necessary to cultivate relations with Latin America, what can we do?

In the first place, we should recognize that radio is the greatest force existing today by which people of different nations can be brought close together. We need a powerful Government shortwave broadcasting station. Outside of the General Electric station and the World Wide radio station at Boston, and the efforts of the National Broadcasting Co. through the intelligent and expert guidance of its vice president, Mr. Frank Mason, who has devoted considerable study to the Latin American field, little or nothing is being done. These stations are woefully ineffective. Travelers tell us that nowhere in South America are they able to get reception and that in Central America it is inadequate and only partially successful.

There is no reason why this Government cannot operate a radio

There is no reason why this Government cannot operate a radio station exclusively devoted to promoting cultural ties with the Western Hemisphere. Through such a radio station we can acquaint our Latin neighbors with the sincerity of our good-

neighbor policy.

Secondly, we should prove our sincerity toward the Latins by adopting a definite policy toward Puerto Rico.

All Latin America is eyeing our action toward this island pos-

The feeling concerning the fate of her 2,000,000 souls is very deep.

If we treat Puerto Rico as a vassal state, no matter how much we boast of our friendship and of our hatred of aggressors and our love for democracy, it will be of no avail. Our Puerto Rican

our love for democracy, it will be of no avail. Our Puerto Rican policy will be a glaring example of our real attitude.

I personally believe that a definite policy leading toward the eventual status of statehood should be adopted. New Mexico and Arizona faced similar problems and are part of the Union today. However, the Congress should at least offer Puerto Rico its choice of autonomy or statehood. The condition of vassalage should be ended.

should be ended.

Thirdly, a definite policy must be adopted in respect to our nationals and their investments abroad. There is no reason why they should expect different treatment under the law of the land in which they make their investment than the citizen of that land. Such a policy would serve to eliminate sources of future trouble and occasion for intervention.

It would be a concrete illustration of our sincerity if we could say that we desire to meet even the smallest South American country on the basis of equality; and when we condemn the aggressor nations for their treatment of the weak we will do so

with clean hands.

Pan Americanism is vitally important to us because it offers a solution to the problem of isolation. It represents a haven in which the people of the United States and of this continent can seek refuge from the international tyranny of the world. It is absolutely necessary that we devote all our energy toward devoted the continent of the world. veloping our relations with the Latin Americans.

Meddling in the affairs of Europe can have but one result. It

will lead to war and disaster.

Pan Americanism, on the other hand, tends toward peace. The choice between these two will have to be made. To me the choice is simple. Pan Americanism is the answer. It creates for us a barrier more extensive than our own shores to the hatred and bitterness of Europe. Toward it we can strive with joyous hearts because there's a recommendation. hearts because it leads to peace.

Purchase of Argentine Canned Beef

EXTENSION OF REMARKS

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES Wednesday, May 17 (legislative day of Monday, May 8), 1939

ARTICLE BY ARTHUR KROCK IN THE NEW YORK TIMES OF MAY 16, 1939

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the New York Times of May 16, 1939, by Arthur Krock, entitled "The Great Beef Tempest in Nonexistent Cans."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of May 16, 1939]

IN THE NATION-THE GREAT BEEF TEMPEST IN NONEXISTENT CANS (By Arthur Krock)

WASHINGTON, May 15 .- Ever since the President told the Navy WASHINGTON, May 15.—Ever since the President told the Navy that, since Argentine canned corned beef is better and cheaper than the local product, it should be purchased, Members of Congress from the cattle country have been erupting in speeches. The President, they said, was destroying a great local industry in an effort to curry favor with the Argentine for his hemisphere policy. Are American cattlemen and packers to go penniless to enrich the estanciero and the gaucho of the pampas? The Capitol today

estanciero and the gaucho of the pampas? The Capitol today resounded with such oratory.

The facts of the case suggest, among other things, that either the western Members of Congress don't know them, or that they see a good chance to win favor at home through wild exaggeration and imaginary injury to a local activity. Whichever is true, or whether the truth is a combination of both, the facts are known to the President and the Departments of State and Commerce. They are also familiar to the packers, the chain-store supply men, and to the meat processors of South America. If the western beef animals could do anything more than moo or bellow, perhaps they would express complete indifference over the whole affair. For, however they are sliced, they are eaten just the same.

On the testimony of experts, the situation appears to be this:

A good percentage of American cattle used to be turned into canned

A good percentage of American cattle used to be turned into canned corned beef. The only time people thought much about this product was during the Spanish-American War, when the quality of the canned beef was so bad there was a scandal. Probably that was the reason why canned beef became unpopular in this country. At any

rate, the bellies, or "plates," of cattle from which canned beef is made were ingeniously diverted to other foods in this country.

ENTER THE HOT DOG AND HAMBURGER

Maybe a shrewd publicity campaign developed the substitute appetite. But, at any rate, in the years succeeding the rout of Spain from the Philippines and the New World there developed the great American yen for hot dogs and hamburgers. These, like the canned corned beef of odorous memory, are made from the same plates of the cattle.

From Maine to California, from Florida to Vancouver, the hot dog From Maine to California, from Florida to Vancouver, the hot dog and the hamburger entered upon a rapid rise in consumption. Booths and counters began to spring up like mushrooms on the highways and the city street corners. The scent of the griddle was inhaled in the land. Since good prices and good profits were to be made in these commodities, 95 percent or more of the plates of cattle were thus processed. The result is that large orders for canned beef cannot be filled in any store or wholesale packing

In South America and the European countries where the prod-In South America and the European countries where the products of cattle plates are sold there is no relish of the hot dog and the hamburger. If alien peoples are relapsing into barbarism, as American isolationists insist they are, this sad lack of appreciation for our great domestic delicacies may be offered as proof. So the beef-raising countries to the southward—Argentina, Uruguay, Brazil, and Paraguay—have used most of the cattle plates—and even better cuts—for canned corned beef. For this and other reasons they can deliver the product here cheaper and better, as the President said.

the President said.

Canned beef is handy ration for the Army and the Navy. only is it scarce here, because unprofitable in contrast with the hot only is it scarce here, because unprontable in contrast with the hold dog and the hamburger, but its manufacture is held to a minimum therefor. The law of supply and demand has almost extinguished the American product. But the plates are completely used and sold at home. No American steer or cow, no domestic cattle raiser or processor, is being discriminated against by the President or anybody else. Through our choice, the Spanish War experience, and the acquired native taste for hamburgers and hot dogs, we have found a better commercial use for this portion of dogs, we have found a better commercial use for this portion of

our cattle.

A SMALL CAN INDEED

The United States absorbs its own beef product and thus imports little. But canned beef comes in because it isn't profitable to manufacture much of it here. In 1938 four South American countries sent about 79,000,000 pounds. Argentina can sell it in wholesale lots in the United States for 16 cents a pound, of which 6 cents represents duty and another portion the hauling charge. American bidders wanted to charge the Navy 24 cents a pound for canned beef in which only cattle plates, and none of the better South American cuts, were the base. Their price was high because they don't find it interesting to make much of the stuff. And they don't find it interesting because they are doing better with hot dogs and hamburgers. dcgs and hamburgers.

The Navy order given to the Argentine was for only 48,000 pounds of canned beef. Compare that with the 79,000,000 pounds imported in 1938; take the other facts into account, and try to believe what the western Members of Congress are saying about the President. Then forget the whole business over a hot dog or a hamburger, assured that the western cows and steers are the only constituents of the Members of Congress who are really getting the worst

But they would be no better cff in a can than on a roll, anyhow.

Proposed Parity Payments on Corn

EXTENSION OF REMARKS

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Wednesday, May 17 (legislative day of Monday, May 8), 1939

LETTER FROM HON. EDWIN C. JOHNSON, OF COLORADO, TO HON. CHARLES L. McNARY, OF OREGON

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter which I have written to the senior Senator from Oregon [Mr. McNary] on the subject of proposed parity payments on corn. The purpose of this letter is to clear up considerable misinformation brought out in the Senate debates on the subject, recorded on pages 5496 to 5500, inclusive, of the Congressional Record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE, May 17, 1939.

Hon. CHARLES L. MCNARY,

Member of Conference Committee on Agricultural Appropriation Bill, United States Senate.

Dear Senator: Please refer to the debate on the Senate floor
Friday last, May 12, pages 5496 to 5500, upon my motion to strike
from the agricultural appropriation bill the language which denies
parity payments to corn grown outside of the "commercial corn
area."

You were of the opinion then that the substantive law enacted

last year contained prohibitions against making parity payments to corn outside the said area, and that therefore my proposed amendment to strike from the bill the language "in the commercial cornproducing area" would not be effective. I find that you were mistaken. The substantive law does limit corn loans in such areas to 75 percent of the "commercial area" loans, but makes no declaration whatever about restrictions where we restrictions whether we have the striction where the strict

taken. The substantive law does limit corn loans in such areas to 75 percent of the "commercial area" loans, but makes no declaration whatever about restrictions upon parity payments to corn grown outside the "commercial areas." The parity-payment appropriation bill last year carried the language found in this bill which must be in H. R. 5269 if the restriction on parity payments to the noncommercial corn-producing areas is to be continued next year.

In 1938 the "commercial corn-producing area" was limited to 12 States and 586 counties, which harvested 42,815,500 acres, yielding 36.3 bushels per acre, and producing a total of 1,553,713,000 bushels. The noncommercial area, on the other hand, harvested 49,330,500 acres, with a yield of 20.5 bushels per acre, and produced a total of 1,012,508,000 bushels. Under the provisions of this appropriation bill the Federal Government would make parity payments upon 42,815,500 acres and deny parity payments upon 49,330,500 acres. When this appropriation bill was being considered in the House, the restrictive language to which I object was stricken from it, but the Senate committee, unfortunately, put it back and made it a special-privilege, parity-payment bill instead of one of general application insofar as corn produced in the United States is concerned.

Please note the following tables made available by the Department of Agriculture, which illustrate more eloquently than my poor efforts the unfairness of the Senate amendment:

[From U. S. Department of Agriculture, Bureau of Agricultural

	1938—indicated Aug. 1			
State	Acreage for harvest	Yield per acre	Production	
Commercial area:	Acres	Bushels	Bushels	
Ohio	2, 893, 500	43.6	126, 284, 000	
Indiana	3, 789, 000	39. 7	150, 535, 000	
Illinois	8, 411, 000	40. 5	340, 646, 000	
Michigan	267, 000	39. 6	10, 577, 000	
Wisconsin	532, 500	37. 3	19, 836, 000	
Minnesota	3, 624, 000	36.0	120, 402, 000	
			130, 403, 000	
Iowa	10, 182, 000	43.0	437, 826, 000	
Missouri	3, 249, 700	28.3	91, 886, 000	
South Dakota	1, 672, 000	22.7	37, 998, 000	
Nebraska	6, 609, 100	25. 3	167, 293, 000	
Kansas	1, 434, 300	24.7	35, 486, 000	
Kentucky	151, 400	32. 6	4, 943, 000	
12 States	42, 815, 500	36. 3	1, 553, 713, 000	
Noncommercial area:	-			
Ohio	598, 500	39.9	23, 872, 000	
Indiana	258, 000	36.1	9, 321, 000	
Illinois	********	*******	*********	
Michigan	1, 323, 000	35. 3	46, 663, 000	
Wisconsin	1, 843, 500	33.1	60, 948, 000	
Minnesota	829, 000	25. 3	20, 999, 000	
Missouri	950, 300	22, 6	21, 514, 000	
South Dakota	1,700,000	13, 4		
Nebraska		16, 9	22, 698, 000	
	1, 215, 900 1, 046, 700		20, 507, 000	
		15.9	16, 615, 000	
Kentucky	2, 667, 600	25. 6	68, 351, 000	
12 States	12, 432, 500	25, 1	311, 488, 000	
All other	36, 898, 000	19.0	701, 020, 000	
Total, noncommercial	49, 330, 500	20. 5	1, 012, 508, 000	
Total (commercial and noncommercial areas):				
Ohio.	3, 492, 000	43.0	150, 156, 000	
Indiana	4, 047, 000	39. 5	159, 856, 000	
Illinois	8, 411, 000	40.5	340, 646, 000	
Michigan	1, 590, 000	36.0	57, 240, 000	
Wisconsin	2, 376, 000	34.0	80, 784, 000	
Minnesota	4, 453, 000	34.0	151, 402, 000	
Iowa	10, 182, 000	43.0	437, 826, 000	
Missouri	4, 200, 000	27.0	113, 400, 000	
South Dakota	3, 372, 000	18.0	60, 696, 000	
Nebraska	7, 825, 000	24.0	187, 800, 000	
Kansas	2, 481, 000	21.0	52, 101, 000	
Kentucky	2, 819, 000	26. 0	73, 294, 000	
12 States	55, 248, 000	33. 8	1, 865, 201, 000	
Total, United States	92, 146, 000	27.8	2, 566, 221, 000	

Corn: Utilization for grain, silage, hogging down, grazing, and forage, 1938, by States

[From Crops and Markets, U. S. Department of Agriculture, Washington, D. C., December 1938, vol. 15, No. 12]

h	1938						
	For grain			For silage			Hogging down,
	Acreage har- vested	Yield per acre	Produc- tion	Acreage har- vested	Yield per acre	Produc- tion	grazing, and forage acreage
	1,000		1,000	1,000		1.000	1,000
	астев	Bushels	bushels	acres	Tons	tons	астев
Maine	3	40.0	120	6	10.5	63	
New Hampshire	4	41.0	164	10	11.0	110	
Vermont	10	40.0	400	61	10.5	640	
Massachusetts	8	38.0	304	25	10.0	250	
Rhode Island	2	39.0	78	7	9.0	63	
Connecticut	11	36.0	396	34	10.5	357	
New York	181	38.0	6,878	404	10.0	4,040	10
New Jersey	154	38.0	5,852	35	9.0	315	
New Jersey Pennsylvania	1,068	43.5	46, 458	250	9.5	2, 375	5
Ohio	3, 350	44.0	147, 400	107	9.5	1,016	11
ndiana	3, 975	41.0	162, 975	127	8.0	1,016	12
Illinois	8,067	45.0	363, 015	194	8.5	1,649	16
Michigan	1, 170	37.5	43, 875	225	8.5	1,912	19
Wisconsin	1,081	39.0	42, 159	1, 105	8.0	8,840	16
Minnesota		36.5	123, 224	450	8.5	3,825	67
owa		45. 5	438, 438	247	10.0	2,470	42
Missouri		25.5	103, 198	43	6.0	258	17
North Dakota	167	19.0	3, 173	108	3, 2	346	70
South Dakota		13.5	30, 118	89	4.5	400	65
Nebraska	6, 761	15.0	101, 415	186	4.0	744	48
Kansas		20.0	38, 880	147	4.0	588	16
Delaware Maryland	139 474	29.0 37.0	4,031	3	9.0	27	
Virginia	1 202	24.0	17, 538 31, 032	19	10.0	190	
West Virginia	1, 293	26.5	11, 819	21	10.5	514 189	4
North Carolina	2, 361	19.0	44, 859	16	6.5	104	
South Carolina	1, 813	14.5	26, 288	3	3.5	104	6 3
Georgia		11.5	52, 210	4	4.5	18	7
Florida	769	11.0	8, 459	2	4.0	8	3
Kentucky	2,705	27. 0	73, 035	17	8.5	144	3
Tennessee	2, 628	25. 5	67, 014	11	7.0	77	5
Alabama		14.0	48, 902	2	2.5	5	
Mississippi	2, 988	16.0	47 808	3	5.3	16	4
Arkansas		16. 5	47, 808 34, 782	3	5.0	15	8
Louisiana	1, 587	16. 5	26, 186	2	3. 5	7	3
Oklahoma		20.0	33, 840	9	4.0	36	
Texas		16.0	72, 496	8	3. 3	26	18
Montana	61	18.0	1,098	4	4.0	16	1
Idaho	23	38.0	874	5	10.0	50	
Wyoming	120	13.0	1,560	10	4.5	45	1
Wyoming Colorado	819	11.5	9, 418	70	4.5	315	18
New Mexico	154	14.0	2, 156	8	5.0	40	1
Arizona	26	15.0	390	2	7. 5	15	
Utah	8	26.0	208	5	10.0	50	
Nevada	1	35.0	35	1	9.0	9	- A -
Washington	12	35.0	420	7	10.5	74	1
Oregon	29	29.0	841	17	5.8	99	
California	40	36.0	1, 440	11	9.0	99	I III I
United States	82, 106	27.7	2, 277, 259	4, 172	8.02	33, 475	5, 5

1938 AGRICULTURAL CONSERVATION PROGRAM BULLETIN AS AMENDED APRIL 16, 1938

(A compilation of the provisions of the 1938 agricultural conservation program, effective as of April 16, 1938)

Commercial corn-producing area means the area included in the

following counties of the States specified:

Illinois: All counties.

Indiana: All counties except Brown, Clark, Crawford, Floyd,
Harrison, Jefferson, Lawrence, Martin, Monroe, Ohio, Orange, Perry, Scott, Spencer, and Switzerland.

Iowa: All counties.

Michigan: Branch, Hillsdale, Lenawee, Monroe, and St. Joseph.

Minnesota: Big Stone, Blue Earth, Brown, Carver, Chippewa,
Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Grant, Houston, Jackson, Kandiyohi, Lac qui Parle, La Sueur,

hue, Grant, Houston, Jackson, Kandiyohi, Lac qui Parle, La Sueur, Lincoln, Lyon, McLeod, Martin, Meeker, Mower, Murray, Niccollet, Nobles, Olmstead, Pipestone, Redwood, Renville, Rice, Rock, Scott, Sibley, Steele, Stevens, Swift, Traverse, Wabasha, Waseca, Watonwan, Winona, Wright, and Yellow Medicine.

Missouri: Adair, Andrew, Atchison, Audrain, Barton, Bates, Benton, Boone, Buchanan, Caldwell, Callaway, Cape Girardeau, Carroll, Cass, Chariton, Clark, Clay, Clinton, Cooper, Daviess, DeKalb, Gentry, Grundy, Harrison, Henry, Holt, Howard, Jackson, Johnson, Knox, Lafayette, Lewis, Lincoln, Linn, Livingston, Macon, Marion, Mercer, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Pemiscot, Perry, Pettis, Pike, Platte, Putnam, Ralls, Randolph, Ray, St. Charles, St. Clair, Saline, Schuyler, Scotland, Scott, Shelby, Stoddard, Vernon, and Worth.

Nebraska: All counties except Arthur, Banner, Blaine, Box Butte,

Nebraska: All counties except Arthur, Banner, Blaine, Box Butte, Brown, Chase, Cherry, Cheyenne, Dawes, Deuel, Garden, Garfield, Grant, Holt, Hooker, Keith, Keyapaha, Kimball, Lincoln, Logan, Loup, McPherson, Morrill, Rock, Scotts Bluff, Sheridan, Sloux, Thomas, and Wheeler.

Ohio: All counties except Ashtabula, Athens, Belmont, Carroll, Columbiana, Cuyahoga, Gallia, Geauga, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lake, Lawrence, Lorain, Mahoning, Medina,

ing, Jackson, Jefferson, Lake, Lawrence, Lorain, Mahoning, Medina, Melgs, Monroe, Morgan, Muskingum, Noble, Portage, Stark, Summit, Trumbull, Tuscarawas, Vinton, Washington, and Wayne. South Dakota: Bon Homme, Brookings, Charles Mix, Clay, Davison, Douglas, Hanson, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Minnehaha, Moody, Turner, Union, and Yankton. Wisconsin: Dane, Grant, Green, Iowa, Lafayette, and Rock. Kansas: Anderson, Atchison, Brown, Coffey, Crawford, Doniphan, Douglas, Franklin, Jackson, Jefferson, Jewell, Johnson, Leavenworth, Linn, Lyon, Marshall, Miami, Nemaha, Norton, Osage, Philips, Pottawatomie, Republic, Riley, Shawnee, Smith, and Washington. lips, Pottav Washington.

Kentucky: Fulton, Henderson, Hickman, and Union. Done at Washington, D. C., this 16th day of April 1938. Witness my hand and the seal of the Department of Agriculture.

You will note that Oregon in 1938, for instance, had 29,000 acres in corn with a yield of 29 bushels to the acre producing 841,000 bushels and that Colorado had 819,000 acres and a production of 9,418,000 bushels. The corn growers in 36 States, including Oregon and Colorado, will be denied all parity payments by the Senate amendment on 50,000,000 acres of corn producing more than a billion bushels for the direct benefit of corn growers in the 12 parityleged States.

privileged States. It is my opinion that the 72 Senators in these 36 States would not approve the Senate amendment if they understood its perni-

cious purpose. Sincerely,

Bainbridge Colby Shows America How to Avoid War

EXTENSION OF REMARKS

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following front-page editorial from the New York Enquirer by William W. Griffin, the editor and publisher:

BAINBRIDGE COLBY SHOWS AMERICA HOW TO AVOID WAR

The evidence given by Bainbridge Colby before the United States

Senate Committee on Foreign Relations in connection with proposed neutrality legislation is of a momentous character.

Mr. Colby is one of the most distinguished men whom America has produced since she became an independent nation. A brilliant lawyer, a brilliant statesman, and an uncompromising American, his words carry a weight that commands the respect of all

lawyer, a brilliant statesman, and an uncompromising American, his words carry a weight that commands the respect of all.

No statement of the many made before the Committee on Foreign Relations with regard to projected neutrality legislation measures up to the importance of that voiced by Mr. Colby, when, in response to a question as to whether he looked upon America's entering the Great War as a mistake, he affirmed:

"In the light of its results and in the light of our sober subsequent judgment, who can regard it otherwise? Perhaps it would be more becoming of me to say a calamity."

Mr. Colby served as Secretary of State to President Woodrow Wilson. He is, therefore, no novice in affairs diplomatic.

His knowledge of international law and the inner workings of intergovernment relations is profound. He has a thorough grasp of the dealings of this Republic with other nations from the days of the Revolution to the present.

When he counsels America as to the course she should pursue in

When he counsels America as to the course she should pursue in

When he counsels America as to the course she should pursue in the present dangerous condition of world affairs, his advice is the advice of ripe wisdom born of rich knowledge and wide experience. And the counsel which Bainbridge Colby gives the American people and their Government in this crucial juncture of world history is that they follow the course mapped out 14 decades ago by the Father of his Country, namely, to insulate themselves against the broils of the Old World and to work for the best interests of America at all times.

It was no easy matter for Mr. Colby to declare the

It was no easy matter for Mr. Colby to declare that our becoming involved in the World War was more than a mistake.

Everyone knows that President Woodrow Wilson played a major

part in bringing about our involvement in that catastrophic struggle between two types of Old World imperialism. Mr. Colby is deeply devoted to the memory of the war President. Under a sense

of mistaken loyalty to his former White House chief, a weak man in his position would have shrunk from branding our entry into the World War in the terms used by Mr. Colby. Our former Secretary of State merits the highest encomium for the manly, patriotic, enlightened, and effective manner in which he told the Senate Committee on Foreign Relations what he thought of our getting ourselves mixed up in the Great War.

Mr. Colby's lengthy testimorph before that hedr decorate to be

Mr. Colby's lengthy testimony before that body deserves to be spread broadcast throughout the land.

It constitutes a masterly presentation of America's case for self-reliance, self-respect, and self-salvation against the cunning and traitorous forces that are seeking to bring about, under the guise of neutrality legislation, the enactment of a measure that would be self-respect to the control of the self-respect to the self-respect mean our inevitable and perpetual involvement in war on the side of one favored class of nations.

of one favored class of nations.

This Republic is more than fortunate in having a man of the commanding ability of Bainbridge Colby to admonish and counsel it in these perilous days.

It is said that comparisons are odious. They generally are. But there are times when it would be highly censurable to avoid them. In the present instance it is both fair and necessary to contrast the attitude of former Secretary of State Stimeon with the test.

the attitude of former Secretary of State Stimson with that of former Secretary of State Colby.

The one is an internationalist who would have us repeat our astounding folly of Good Friday 1917, when we marched into the World War. The other is an American who boldly tells us to follow an independent American course and keep America at peace.
WILLIAM W. GRIFFIN,
Editor and Publisher, New York Enquirer.

A "Mountain" That Proved To Be a Molehill

EXTENSION OF REMARKS

HON, JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

LETTER TO THE EDITOR OF COLLIER'S

Mr. JOHNSON of Oklahoma. Mr. Speaker, within the past several months there has been a general movement on the part of many leading citizens in and out of Congress to "smear" the Works Progress Administration. Many charges have been made by individuals, newspapers, magazines, and others in an effort to fully discredit that organization. Some of the charges against the W. P. A. are no doubt true. Undoubtedly there have been wrongdoings on the part of those in responsibility in certain States and areas.

Considering the hundreds of millions of dollars expended and the millions of people who have been given a livelihood as a result of the W. P. A., I submit that such wrongdoings and inefficiency have been negligible. Merely because a few chiselers have managed to find their way on the W. P. A. rolls and a few projects out of more than a hundred thousand that have been provided by the work-relief program are open to criticism is no evidence why the entire program should be held up and ridiculed and scorned, nor why the entire program should be junked or seriously curtailed at this time as long as there are millions of people willing and anxious to work in order to earn their livelihood.

Mr. Speaker, recently I had a letter from a well-known citizen of my district, who can see no good in any of the Roosevelt administration. It is all bad from his viewpoint. Evidently he gets up an hour early every morning in order to hate President Roosevelt or anyone sympathetic to the objectives of the New Deal. In order to prove to me that the Roosevelt administration is all bad he recently sent me an article from an issue of Collier's magazine in which a particular case of a Texas citizen was pointed out, wherein it undertook to discredit the relief program. I sent this article to the W. P. A. and asked for a thorough investigation and the letter below, which I have secured permission to print, speaks for itself. It follows:

MAY 8, 1939.

To the Editor, Collier's, 250 Park Avenue, New York, N. Y.

Sir: In your column Any Week, of April 15, you published an excerpt from a letter by J. C. Richaberger, of Vinton, Tex., which caused a lot of comment. Naturally, anything published in your LXXXIV-App-128

magazine would. Of course, you didn't have time to check on the facts, but we did. We found that the statements made by Mr. Richaberger were completely false. Since they have already done considerable harm, we feel you owe the W. P. A. workers of the country a retraction.

Mr. Richaberger states that a friend of his could not get a house-maid named Maria to work for him because she was on a W. P. A. sewing project at \$40 a month; that her daughter was working for W. P. A., too, at \$38 a month; that her son was in the C. C. getting \$30; that her husband Miguel was "working for relief" also, at

ting \$30; that her husband Miguel was "working for relief" also, at \$12 a week; and, finally, that Miguel was thinking of becoming a citizen so that he could vote against such niggardly treatment.

Collier's ought to know that W. P. A. does not hire two people from one family; also that aliens are ineligible for W. P. A. employment. Evidently you gave some weight to Mr. Richaberger's fantastic story, for you printed it as "a hot symptom" of something wrong with America. Upon investigation the symptom turns out to be not so hot. Hundreds of thousands of Collier's readers probably took Mr. Richaberger's folk tale as seriously as you did, however, and one Congressman has already received a letter from a constituent citing the story as evidence that a "puree" of

did, however, and one Congressman has already received a letter from a constituent citing the story as evidence that a "purge" of ineligibles on W. P. A. is needed at once.

Now, here are the facts. I quote from affidavits made on the spot. Upon direct questioning by a W. P. A. field representative, Mr. Richaberger stated that the names he gave in his letter were fictitious; that the friend who had looked for a housemaid was a Captain Reinburg, but that he did not know the identity of any of the persons referred to in the story, which had been told to him not by Captain Reinburg himself but by one Jack Williams sometime last March. Mr. Richaberger further stated that he was sorry that his story had done so much harm, but he explained: "That is what Collier's picked out and used of my letter." He stated that a housemaid working for him received a salary of \$3.50 a week, but that he had no evidence that any housemaids or other workers on W. P. A. had refused jobs offered them.

Capt. J. E. Reinburg was then asked to testify. He said the story was based on a case that occurred several years ago but that he did not think there had been any such thing as W. P. A. at

Capt. J. E. Reinburg was then asked to testify. He said the story was based on a case that occurred several years ago but that he did not think there had been any such thing as W. P. A. at that time. The story did not originate with him but was a common legend in the district. He was not the person who attempted to hire the maid, and he did not suppose anybody had. He stated that the account of the original case was told him by a person he refused to name "for fear it would get him into trouble." He refused to give the investigator any clue to the identities of any of the persons allegedly involved. "It was just a good story, that was all," Captain Reinburg said. He added that it was very difficult to get labor in his district and implied that this labor shortage was due to better wages on relief. He admitted, however, that he had never asked for labor from the National Reemployment Service or from the W. P. A., and that he knew nothing whatever about the W. P. A. or any other relief agency.

Mr. Jack Williams was then questioned. He said that he had told the story to Mr. Richaberger and that it had been related to him by Captain Reinburg as though it had happened to him personally. Captain Reinburg had told Mr. Williams that he "thought it was a darn shame when he needed a girl, not only to find the girl employed on relief but the whole darn family." Mr. Williams admitted that he had never heard of a specific case of a W. P. A. worker refusing a private job and that his own assertions that there were such cases were based entirely on hearsay. He stated that the use of machinery had thrown many workers out of employment in his area, that 7 farms out of 10 were equipped with tractors, that the local branch of the National Reemployment Service had been very cooperative, and finally that "there must have been a reason for the Government program. We were not using these men. They were starving to death."

The affidavits from which I have quoted are on file in my office with thousands of other investigations of comp

The affidavits from which I have quoted are on file in my office with thousands of other investigations of complaints of job refusals by W. P. A. workers, and may be studied by anyone who wishes to learn the facts in any or all cases. Less than 1 percent of these complaints were actually based on anything more than

rumor, ax-grinding, or wish-fulfillment.
Sincerely yours,

DEAN R. BRIMHALL Director, Section on Special Employment Problems.

Spendthrift United States Policy Spells Inflation

EXTENSION OF REMARKS

HON, ALBERT J. ENGEL OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

ARTICLE FROM THE CHICAGO HERALD AND EXAMINER

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written by me, which was published recently in the Chicago Herald and Examiner:

[From the Chicago Herald and Examiner]

"SPENDTHRIFT UNITED STATES POLICY," SAYS ENGEL, "SPELLS INFLATION"

(By Albert J. Engel, Republican Representative from Michigan and noted congressional authority on taxation

Washington.—Appropriations aggregating \$65.000,000,000 in 7 years, necessitating an increase in our national debt of \$24,000,000,000, exceeding the all-time high mark by nine billions, will force Congress to follow one of three courses:

First. Drastic economy with a pittless cutting of expenses.

Second. New and added taxes approaching confiscation.

Third. Spending, borrowing, and inflation.

Drastic economy means less political pap for constituents of those

Members of Congress who were elected on an "I brought home the

hembers of Congress who were elected on all I blodgit home the bacon" platform.

In 1937 the 48 States paid into the United States Treasury in internal revenue the sum of \$4,653,195,315. When we deducted \$3,746,175,683 direct payments made to and within the States, and deducted \$866,384,331 interest paid on the public debt for that year, it left \$40,635,301 to operate the Government, and a resulting deficit of \$2,774,106,545.
Some chambers of commerce and other organizations send letters

and telegrams asking Congress for more Federal aid, while businessmen represented by these organizations are groaning under the weight of taxes and are asking tax relief.

ECONOMY PLEDGES ONLY EMPTY GESTURE

ECONOMY PLEDGES ONLY EMPTY GESTURE

Members of Congress who were elected on a "gimme platform" and because of their ability to "bring home the bacon" will not invite certain defeat by voting to cork the political pap bottle which nursed them safely through one or more elections.

The appropriation for the Gilbertsville Dam and its subsidiaries, which the Democratic chairman of the Rivers and Harbors Committee said would ultimately cost \$392,000,000, and which was passed over his protest, and other similar appropriations were passed by a spending Congress in one breath while it vowed in the next breath to cut expenses and economize.

While Congress speaks of economy the President approves Passamaquoddy and the Florida ship canal. There is nothing in a policy of this kind to encourage business recovery.

The second choice is for Congress to raise sufficient new taxes to balance the Budget. This will require double the amount of taxes now levied and means a tax that will approach confiscation and a capital levy. That we are reaching the saturation point where the law of diminishing returns will begin to operate is evident to every student of fiscal affairs.

CANNOT REDUCE TAXES UNTIL COSTS ARE CUT

CANNOT REDUCE TAXES UNTIL COSTS ARE CUT

To tax business more when there is no business will ultimately mean less revenue.

There is one other source, and that is to levy consumers or sales

There is one other source, and that is to levy consumers or sales taxes and lower income-tax exemptions.

No tax short of a capital levy will produce sufficient revenue to balance the Budget unless such tax is accompanied by a substantial reduction of expenditures. No substantial reduction of expenditures is possible unless we drastically reduce benefit payments to States and to groups within the several States.

The third alternative is to continue trying to spend and borrow superlying into received business.

ourselves into prosperity, hoping that ultimately increased business will pay sufficient taxes to balance the Budget without levying new

This policy will lead us farther and farther on the road to spending and borrowing, and will inevitably be followed by unlimited inflation.

Inflation means the wiping out of the investments of millions of life-insurance policyholders, endowment funds of colleges, universities, churches, and charitable institutions, including the social-security fund.

It will mean the wiping out of the investment of every bank depositor and bond and mortgage holder, big and small. Its greatest burden will, as in Germany, fall on the working classes of the

The national debt, by June 30, 1940, will have reached the enormous sum of \$44,457,845,000, or 34 percent of the assessed valuation of every piece of real and personal property in the 48 States. It is only when we add this sum to some \$20,000,000,000 of State and local public indebtedness and some \$20,000,000,000,000 in private indebtedness that we realize the weight of this debt

The picture I paint is not a cheerful one. The debt limit of \$45,000,000,000 will be reached on or about June 30, 1940. The President then will have to ask Congress for an increase before he can borrow more money.

CONGRESS CURB URGED ON EXECUTIVE SPENDING

The practice of raising that debt limit by large lump sums is as victous as the policy of giving the President blank checks by making lump-sum appropriations. The two together have brought us to the brink of ruin.

One House of Congress can stop this spending orgy by refusing to increase the debt limit beyond the immediate needs of each annual Budget. Congress should require each annual Budget to show, first, the total amount required for the year, as shown by a minimum of appropriations necessary; second, the estimated

revenue for the year, and, third, the amount necessary to be borrowed over and above the amount of estimated revenue to meet the amount of the Budget.

Congress should authorize the President to borrow only the

Congress should authorize the President to borrow only the amount shown to be necessary by that Budget and increase the debt limit only to that extent each year.

Congress should adopt a plan for an annual definite deficit reduction which, together with drastic economies and increased taxation, will put the Government on a "pay-as-you-go" basis and bring about a balanced Budget not later than 1944. The Congress as at present constituted will not do this.

Only an aroused public opinion demonstrated at the polls can compel this action.

Cotton Pulp Bill (H. R. 5991) a Real Solution of the Surplus Cotton Problem

EXTENSION OF REMARKS

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

ARTICLE BY SCIENCE SERVICE STAFF WRITER

Mr. FULMER. Mr. Speaker, since introducing H. R. 5991 known as the "Fulmer cotton pulp bill," I have received numerous letters and telegrams stating that this bill is the only suggestion or bill offered that will really solve the surpluscotton problem.

As stated some days ago, many suggestions and many bills have been made and submitted to the Congress proposing to solve this most serious problem; but up to date nothing has been offered that will really tend to solve the same except

in a temporary manner.

I have listened to many statements and have read many speeches on this important matter, but in practically every instance those speaking on this problem state that they realize that what they have to offer or what they are proposing is only a stopgap proposition.

Those of you who are interested in solving this problemand certainly every Member of Congress should be interested because this problem is affecting seriously every section of the country-should read my extension of remarks in the Appendix of the RECORD, page 1368, and my radio address delivered over the N. B. C. network on the evening of May 10, 1939, which I have inserted in the Appendix of the Congres-SIONAL RECORD, page 1948.

I am inserting herein an article written by one of the Science Service staff writers, Mr. Engel, which also states that, out of hundreds of suggestions for the solution of one of America's most serious farm problems, only two thus far give any hope, and refers to the purpose of my bill.

You will notice in this statement the reference to the manufacturers of artificial fibers in foreign countries.

As stated by me in my previous remarks, the increased use of these fibers is largely responsible for the loss of our foreign cotton markets.

That is also true in this country.

As stated by Mr. Engel, the growth of synthetic fibers in 1926 represented only 400,000 bales of cotton; but in 1937 the synthetic fiber, which is made from wood pulp, represented 4.000,000 bales of cotton.

[From Science Service of May 5, 1939]

(By Leonard H. Engel, Science Service staff writer)

Washington.—Cotton experts, about ready to give up attempts to dissipate by purely economic means of a growing cotton surplus, are in the market today for new uses of cotton which will remove the downy white stuff from the textile field and which do not compete with already overabundant materials of other kinds, as the only immediate hope for permanent solution of one of America's most serious farm problems.

Hundreds of suggestions for its use have been made, it is reported here, but only two thus far give any hope of absorbing significant amounts of cotton without at the same time striking hard at some other material produced in the United States.

Addition of 5 percent of cotton to cheap wood-pulp paper and of 15 percent to superior grades of paper would at the same time improve the quality of the paper generally used here and cut down on American imports of wood pulp, as well as reduce to a slight extent cutting of America's forests.

A second possibility for consumption of cotton bales by the 10,000 is use of a cheap cotton-fabric base for secondary roads. Most of the side roads in this country are still unsurfaced, though miles of concrete highway give a contrary impression. The cotton fabric serves as a cheap reinforcement for the crushed-stone dressings and bituminous materials widely used.

Neither of these suggestions is, however, capable of application this year on the scale required to move a substantial portion of the surplus.

Cotton's difficulties are due partly to the rise of other cotton-producing areas outside the United States and partly to the growth of synthetic fibers. In 1926 world rayon production represented only 400,000 bales of cotton, but in 1937 the synthetic fiber, which is made usually from wood pulp, represented 4,000,000 bales of cotton—11 percent of the 1937 cotton crop throughout the world and 15 percent of the 1938 crop.

Rayon will continue its phenomenal growth as long as it is superior to cotton for many purposes. Among the leaders in the manufacture of artificial fibers, incidentally, are precisely those countries which were among the largest customers for American cotton—Japan, Germany, and Italy. A new fiber—nylon, a synthetic substitute for silk—may be expected not only to hit silk but cotton as well.

cotton as well.

It would require an incredible amount of clothes to move the mountains of cotton that must be disposed of. About 683,000,000 shirts can be made from 1,000,000 bales of cotton—more than 5 shirts can be made from 1,000,000 bales of cotton—more than 5 shirts for every man, woman, and child in the United States, an Agriculture Department expert has calculated. And the Government is currently keeping out of the market 11,391,000 bales—almost the amount of an entire year's crop. Finding methods of putting more cotton into textiles would, therefore, achieve little. Almost every pound of Government cotton put into cloth would mean 1 pound less of currently grown cotton used.

Should the Wagner Law Be Amended?

EXTENSION OF REMARKS

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

RADIO ADDRESS BY HON. CLARE E. HOFFMAN, OF MICHIGAN, MAY 12, 1939

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks, I include the following talk made by me over the Mutual Broadcasting System from station WOL in Washington on Friday evening, May 12, 1939:

As expressed in its title, the National Labor Relations Act, commonly known as the Wagner law, was passed "to diminish the causes of labor disputes burdening or obstructing interstate and foreign

commerce."

If figures mean anything, it has not lessened the causes of such labor disputes, for, from the Department of Labor's own figures, we find that in one year, 1937, which might well be said to be the first year during which the Wagner law manifested its full strength, we had 4.740 strikes, or almost twice as many as we had during the 4-year period beginning in 1928, and these strikes involved 740,000 more men than did the strikes which occurred during the 4-year period ending in 1921. period ending in 1931.

The American Federation of Labor might well be termed the

father of the Wagner Act. Nevertheless, the law is so defective, the Board has so administered it, that the A. F. of L. now charges that it is being used "to nullify the rights of unions established during being a continue".

The A. F. of L. charges that, while "under this act, workers were to be safeguarded in organizing, free from employer interference," instead, "labor has found itself coerced by a new and powerful bureaucracy"; that is, the Labor Board.

Its general counsel charged that, while section 7 of the act is supposed to guarantee to every employee the absolute right to

supposed to guarantee to every employee the absolute right to freedom of choice in respect to representatives for the purpose of collective bargaining, it does nothing of the kind.

And so the A. F. of L. and hundreds of thousands of protesting, indignant citizens and workers are demanding the amendment of this law.

The National Labor Relations Board, whose political life depends upon maintaining the act as it is, and the C. I. O., in whose ranks are many Communists and which has been using the act—assisted by the Board's interpretation of it—in its attempt to force all employees into the ranks of the C. I. O., hail the act as perfect, and bitterly and vigorously oppose all amendments.

The Board, realizing that the general public has lost all confidence in either its ability or its integrity; that many regard it as prejudiced and biased and as favoring the C. I. O., as charged by the A. F. of L., and are demanding its abolition, during the past week most commendably went into conference with the A. F. of L. on the question of amendments.

Immediately the C. I. O., like a jealous suitor, jumped on the A. F. of L. for attempting to negotiate—may I say bargain collectively—with the Board; accused the A. F. of L. of using back-door methods, and demanded that the C. I. O. be admitted to the conference—a privilege which the C. I. O. has frequently demanded that the Board refuse to extend to the membership of rival unions.

This demand of the C. I. O. demonstrates its idea that it has

This demand of the C. I. O. demonstrates its idea that it has proprietary rights over the Board.

The presumptuous contention that the officers of the A. F. of L., a labor organization with a history of a half century of constructive activities behind it, should not be permitted to sit in conference with a Federal agency over amendments proposed by the A. F. of L., unless the C. I. O. representatives were present, is in keeping with that organization's intolerant attitude toward everyone who does not agree wholeheartedly with its entire

program.

True friends of labor should beware of going to extremes. They should profit by the errors of the Anti-Saloon League, of those who brought about the prohibition amendment—and I was one of them—and by the mistake which is now being made by liquor dealers, who by their extreme "wetness" will again bring restrictive

legislation.

If we are to avoid the hardships which have been imposed upon labor in foreign lands, we will fight unceasingly to maintain the freedom of the worker in this land of ours, not only to join but to refuse to join a union.

If once we submit to the contention that no man shall work if once we submit to the contention that no man shall work until he has joined a union, employees will soon find that the tyranny and the oppression in years gone by inflicted upon them by a few greedy, unscrupulous employers was mild indeed when compared with the methods of a dictator; and a dictatorship over

labor Lewis is seeking to establish.

This past week Lewis demanded and, apparently backed in his demand by the administration, insisted that no man shall be permitted to dig coal unless he joins the United Mine Workers, pays dues to that organization, and submits to its rules and regulations.

Lewis, like some others, expresses great solicitude for the welfare of the man who must work with his hands, but he has no aversion to accepting a salary of \$25,000 per year, a generous expense account, and living in luxury on the fees and dues wrung from the man who goes down into the earth to earn a livelihood for himself

and his family.

Doubtless Lewis, passing in his limousine, with his liveried chauffeur, the trudging miner going to his daily work, waves his hand in friendly greeting. But the miner still walks and lives upon what Lewis terms a "meager wage," while Lewis himself basks in the sunshine of that prosperity which he has condemned so-called economic royalists for enjoying.

The purpose of the Wagner law is most laudable.

But the law itself is unfair in that it imposes penalties only upon the employers; never upon employees, no matter how reprehensible.

But the law itself is unfair in that it imposes penalties only upon the employers; never upon employees, no matter how reprehensible their conduct. It defines and grants rights and privileges to employees, while giving none to employers.

Any law which, when applied, affects two great classes of people, as does this law, and which fails to recognize the fact that each class may at times be in error will never receive popular support and popular support is essential if a law is to be effective.

Those opposing all amendment to the Wagner law fail to recognize the fact that, while the employee must have a living wage, there will be no wage at all, if employers are not permitted to exist and to make a profit.

Perhaps they have heard the old, old adage that we should not

Perhaps they have heard the old, old adage that we should not kill the goose that lays the golden egg, but they fail to accept the fact known to at least all farmers that we must feed the cow which gives the milk.

Unless employers can sell the goods which they manufacture at a profit they will be forced out of business and there will be no jobs.

If, to the cost of production and the wage to be paid the worker, If, to the cost of production and the wage to be paid the worker, there be added a membership fee and monthly dues to be paid to John L. Lewis or his organization, to be collected through the check-off from every man who desires to work, the amount so paid must be either added to the cost of the finished product or deducted from the worker's pay check.

The Wagner law should be amended so as to protect the employee, the man who does the work in factory, mill, or mine from coercion, intimidation, and extortion, not only from the employer, but from labor racketeers, who are just as greedy, selfish, and avaricious as ever was any employer.

The Wagner law, as interpreted by the Board, has been used by the C. I. O. to raid the membership of the A. F. of L. and to

the C. I. O. to raid the membership of the A. F. of L. and to destroy some of its affiliates. About this there is no question.

The law expressly provides that the unit from which the representatives for collective bargaining shall be chosen "shall be the employer unit, craft unit, plant unit, or subdivision thereof."

Nevertheless, the Board, in a case where it knew, or, at least, should have known, that its action would result in destroying A. F. of L. affiliates, in giving the Harry Bridges communistic-controlled C. I. O. the advantage, designated as the bargaining unit or election precinct all that territory on the west coast extending from Canada on the north to Mexico on the south.

It includes in this 1 unit Portland, Seattle, San Francisco, Los Angeles, and 25 smaller ports. The decision united in one unit many independent employers engaged in different businesses,

in different towns.

From this decision the union took an appeal to the Circuit Court of Appeals for the District of Columbia, claiming that "In ascertaining the appropriate representative of the men the Board ignored the identity of separate employers or of separate ports and extended the employer unit to include the entire Pacific coast, with the result that the rival union was designated and certified as the sole representative, in consequence of which its own union was 'put out of business' and its members obliged to become members of its rival and deal with the employer either exclusively through it or not at all."

The Court, holding that it had no jurisdiction to entertain this appeal for the reason that the order designating the bargaining unit was not a "final order," said:

"So that what happened was precisely what in a proper case the act designed should happen, but, as we have seen, with the result that petitioner in the localities in which its members constituted a majority, was, if the Board's decision as to the representative unit is valid, deprived of the very thing which petitioner insists it was the purpose of Congress to secure and protect."—

that is, that the American Federation of Labor affiliates and the members of those affiliates were denied the right to bargain collec-tively through representatives of their own choosing in the plants where their members constituted a majority of the employees and were forced into the Congress of Industrial Organization (American Federation of Labor et al v. National Labor Relations Board, decided February 27, 1939, by the Circuit Court of Appeals for the District of Columbia).

The first amendment to the Constitution provides that "Congress hall make no law * * * abridging the freedom of speech or of shall make no law

The law should be amended so that the Board will no longer be

permitted to deny this right.
On April 1937 Richard Frankensteen, a C. I. O. organizer, in Detroit, according to the press, made the statement:
"Henry (meaning Ford) will either recognize the union or he won't build automobiles."

About the same time John L. Lewis, according to the public press,

said, with reference to Ford recognizing the union:

"Henry Ford will change his mind or he won't build cars."

This was free speech and a free press. Nevertheless, when Henry
Ford attempted to tell the employees of the Ford Motor Co. that they did not need to pay tribute to him or any man in order to obtain or hold a job in the Ford Motor Co., the Board held that such statements on his part were an unfair labor practice. One rule for the labor organizer, another for the employer.

The board has held that the distribution of an illustrated speech

made by a Congressman on the floor of the House, upholding the right of a man to join or not to join a labor organization, in plants where the C. I. O. was attempting to organize, was an unfair labor

practice.

The present Board should be abolished; a new Board, consisting of three or five unbiased men from different sections of the country,

should be appointed.

The law should be amended so as to give an appeal by either employees or employer from any order of the Board designating a bargaining unit or certifying the representatives for collective bargaining.

The law should be amended so that in a case of a jurisdictional or other dispute, if neither union will ask for an election to determine the question, the employer may be permitted to ask for an

The law should be amended so that the Board may not indefinitely, as it now can, make orders and then, when challenged in the courts, withdraw its orders; make other orders and again, when challenged, withdraw its decision; thus playing the old game of "now you see it and now you don't" with the rights of not only employees.

employers but employees.

The law should be amended so that all, whether members of unions, employees, or employers, shall stand equal before it.

To that end I have introduced H. R. 4980, and am asking Congress for its passage.

American Foreign Policy

EXTENSION OF REMARKS

HON. LEE E. GEYER OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

STATEMENT OF MRS. GEORGE FITCH BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE ON APRIL 24, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include the statement made before the Foreign Affairs Committee of this House by Mrs. George Fitch. Mrs. Fitch has spent many years of her life in the Orient. Few people are better qualified to discuss this subject than she. Her statement is as follows:

Mr. Chairman and members of the Committee on Foreign Affairs, I appear before you as an American to speak for myself and some 30,000 others from my part of California—whose signatures I present to you—on American foreign policy, especially as it relates to the Far East, where I have lived for the past 20 years.

I am sure, gentlemen, you have heard of cross-questions and

crooked answers. With a list of questions, such as: "Alexander Graham Bell wrote Uncle Tom's Cabin," or "Benjamin Franklin discovered America," the question is, If he didn't, who did? Again, "Christopher Columbus invented the telephone. If he didn't, who did?" Somewhere on the list would be every right answer, though in the wrong place.

in the wrong place.

I am reminded of this little game when people hedge at any distinction in attitude and action between aggressor and victim, between treaty breaker and law-abiding nation. Much attention has been focused this week on events in Europe moving with kaleidoscopic rapidity. My remarks will deal more directly with the Far East, and this for a very definite reason. The American people and Government are more concerned about the situation there, where American interests—economic, political, and cultural—are already badly disrupted, and the future is threatened with worse already badly disrupted, and the future is threatened with worse potentialities.

But what about the right answers in the wrong place, or vice But what about the right answers in the wrong place, or vice versa? Neutrality sounds right; therefore many people say, "If only the President had invoked the Neutrality Act, everything would have been fine." Would it? Would the American people have been happy about legislation which would have done more harm to the victim than to the aggressor, which is just what the Neutrality Act would have done in the Far East. The sale of munitions would have been prohibited to both countries, while to Japan raw materials for her munition factories would have continued to flow on the cash-and-carry (come-and-get-it) plan. As far as the public mind is concerned, the time of apathy has passed.

"We don't want war! We don't want war!" is so convincing and has been repeated so often that it has become a parrotlike slogan.

has been repeated so often that it has become a parrotlike slogan, coupled with no constructive efforts toward preventing wars. "Keep America out of war" sounds so noble that few have realized that America out of war" sounds so noble that rew have realized that there is ultimately only one way to keep America out of war. That, gentlemen, is to keep war out of the world—no longer an impossibility, paradoxical as that must sound today. This passive pacifism has nearly led us into another great world conflagration. The green light of our Neutrality Act has been the "go ahead" signal for every aggressor who has thus been reassured that America would never take action stronger than words. Today the "ganging up" of aggressors has become a threat to every nation, large or small, that loves freedom. It is forcing us into apother agreement tree that makes freedom. It is forcing us into another armament race that makes past armaments look like kiddy-car races. "We don't want war." But neither did China. But China has war, and so will we if we don't stop helping the Rome-Berlin-Tokyo axis. The most vulnerable arm of this axis, fortunately, is the one with which we are most concerned, and, incidentally, the one we have done most to strengthen. strengthen.

Peace organizations, any number of them, talk about "poor, suffering China," but many people meet the suggestion of severing trade with the outcry, "This would make innocent Japanese suffer" or "We would offend Japan, and that means war." Innocent Chinese are suffering—millions of them. No one explains why all the suffering that the suffering thad the suffering that the suffering that the suffering that the s ing should be on one side. No one explains why we should be afraid of offending Japan, but think nothing of offending 450,000,000 of long-suffering Chinese. We count too much on their cosmic patience. No; the fear of offending is the fear of war. The usual statement is, Japan would immediately retaliate on American

citizens and American properties.

When anyone makes this statement he forgets (or is uninformed) on two points. (1) That the Japanese military will do anything to American citizens or American properties whenever they get ready, regardless of what we do or don't do. One would think the sinking of the U.S.S. Panay, the machine gunning of the British Ambassador's party, the looting of all our American homes (as well as every other nationality) in Chinese territory, the slapping of an American Embassy official's face would be sufficient illustration of this. (2) That the Japanese war machine cannot move without American aid. Her whole fabric of heavy industries is geared to the American plan. To illustrate: 61 percent of her oil comes from this country—petrol and oil products, motor lubricating oil for metal works, high-octane gasoline—and America is the only place to get the kind of oil her American machinery requires.

American machinery requires.

Now, as a matter of fact, innocent Japanese are suffering, and are due to suffer more. (See Japan's Silent Millions, Reader's Digest, November 1938.) Not because of us, but because of their own military clique. Though in no sense comparable to the unparalleled suffering of the Chinese people, the suffering of the Japanese under suppression of democratic rights, under an inverted pyramid of mounting taxation, under unemployment when war industries lapse, will go on into the years ahead, unless the military war lords—robbing the people of prestige and power—are defeated. There is no freedom for the Japanese people until they again achieve control of their Government. The 100,000 businessmen in Japan arrested for violation of Fascist control, the Osaka industrial group, the exporters, the labor groups, the farmers—whose sons are not in Japan tilling the soil but in China

killing the Chinese—these are the basis of a new democratic government once the military clique has been defeated. For the sake of Japan, as well as of China, that clique must be defeated. Make no mistake, gentlemen, what we are witnessing in the Far East is not only the assassination of China. It is also the national suicide of Japan. Those who work to stop the war in the Far East are working for the double good of the people of China and of the people of Japan, and—with expediency and self-interest. fortunately, on the side of right—for the best interests of and of the people of Japan, and—with expectative and servanteest, fortunately, on the side of right—for the best interests of America as well.

and of the people of Japan, and—with expediency and self-interest, fortunately, on the side of right—for the best interests of America as well.

There is another right answer frequently used in the wrong place. An oft-repeated alibi for doing nothing in the present situation—also to be laid at the door of the pacifist (as I, who am a pacifist, dare say) is that all nations have been guilty in the past. Gentlemen, I submit that this is the poorest reason for not doing better now that I have ever heard. It is not a question of "Who will cast the first stone?" or of taking up Japan's own strong-arm methods against her. Japan joined with other powers in achieving a new world order, an order based on treaties which outlawed war, renounced it as a means of settling disputes, agreed to respect the sovereignty and territorial integrity of China in this period of her reconstruction. No nation which agreed to the new relations in international affairs, the new rules of the game, can now be excused or condoned for breaking them. Nor is it any help to the people of Japan for western nations to strengthen her military clique and keep her war machine going. I want to make this point clear.

I am not afraid of the eventual outcome The war is more than a headache to the Japanese military today. It is a nightmare. I believe the Generalissimo Chiang Kai-shek was right when he said not so long ago: "Japan has lost the war. China has not yet won it!" What I am concerned about is how much more of China must be destroyed, how many more civilians killed and maimed, or burned to death in incendiary raids. (For how the war is being waged, I refer you to Reader's Digest, July 1938—my husband's eyewitness account in Nanking.) A recent report from an American observer in Shansi Province says: "We estimate that between three and four million civilians have been killed in the rural areas of this one province alone." I have circularized Congress with copies of an open letter from my husband in the new capital to Pres'dent Roosevelt. Take the

clothes at the river front, were mercllessly machine-gunned from the air."

We all know what Sherman called war. You know in a general way what the war in China is like. I venture to say that never since modern mechanical devices have been invented have they way what the war in China is like. I venture to say that next since modern mechanical devices have been invented have they been used with such inhumanity to man. I do not need to labor this point. I simply want to say: To end the whole ghastly business quickly is to release the people of Japan from insuperable burdens of suppressed rights, mounting taxation, disastrous loss of manpower. The manpower of China is to that of Japan as 7 to 1. Which country will suffer more in the next generation? Miss Haru Matsui, Japanese woman in New York City, says: "Anything you do to stop the war is a help to my people."

You may very well reply, "Granting all this, what of it? The Japanese have brought this unfortunate situation on themselves—let them get out of it the best way they can." True, except that the Japanese military and the Japanese people are two different entities. Also, that peace in the Orient is very much to our own best interests, and, conversely, to strengthen the Japanese military is to menace our best interests.

is to menace our best interests.

best interests, and, conversely, to strengthen the Japanese military is to menace our best interests.

But there is an important point yet to consider. The game we play in 1950 may read: "In 1937-39 Japan defeated China in an undeclared war. If she didn't, who did?" If that day ever comes (as I do not grant) the answer which fits will be: "American airplanes, with American high-test gas to fly them, loaded with American bombs, and only Japanese aviators to operate them, destroyed law-abiding, peace-loving Chinese in 1939!" Whose war is this, and what can we do about it?

It's our war for many reasons, three of which—with your permission, gentlemen—I shall mention:

1. It's our war because we claim to be on the side of democracy, and in China we have the largest number of people in any country on the face of the earth—450,000,000 of them—who want to stand for democracy, and we are helping their enemy to destroy them.

2. It's our war also because Japan is ruining our best potential market of the future. She is ruining her own best market, too, by destroying China's purchasing power. But we are helping Japan ruin a present, and a greater future, market for us. Does that make sense? Have we any trade with Formosa or Korea or even Manchuria (except in war supplies)? There is no "open door" in any of them.

Let us get this straight. If Japan wins, she exploits the 450,-000,000 as serf labor and finds her raw materials in China. We lose Japan's trade and commerce. We lose also the potential trade in China. I have figures for the six southern and western provinces only, which are still "free China." Szechwan Province alone has a coal reserve of 9,874,000,000 tons. Its yearly output is above

600,000 tons. Hunan has an annual production of 1,000,000 tons. 600,000 tons. Hunan has an annual production of 1,000,000 tons. These same two provinces produce about 20,000 tons of pig iron annually. Yunnan, Szechwan, and Kweichow produce approximately 500 tons of excellent copper yearly. Yunnan turns out 8,000 tons of tin every 20 months. I might go on with antimony, tungsten, zinc, manganese, etc. China has also an oversupply of tea, bristles, leather, hides, silk, and, most important of all, tung oil or wood oil. This commodity backs the \$25,000,000 credit loan from the Import-Export Bank and so far, despite the difficulties of transportation, the quote has been maintained.

or wood oil. This commodity backs the \$25,000,000 credit loan from the Import-Export Bank and so far, despite the difficulties of transportation, the quota has been maintained.

On the other hand, if Japan loses the war, she must still trade with us. Take cotton, for example, as one commodity of great concern to America. And steel.

North China had a cotton surplus before the war. The Japanese with improved American cotton (at a conservative estimate) could increase that surplus by 20 times, helping to free her of all dependence on American cotton and, at the same time, putting her in the world market as a competitor. With China's raw materials mentioned above, Japan will be able to lay down steel products in the shadow of the steel mills of Pittsburgh, and the shadows will be as long as the mills are silent. If she conquers China, gentlemen, why should we build up a Frankenstein in the Orient to menace our interests through all the years to come? Much has been said of treaty-breakers and refusing to trade with them. I believe in the principle thoroughly. I do not think it means setting ourselves up as judge. I believe nations define themselves as aggressors when they break treaties to which we also are signatory. Because I believe in the principle referred to above, I am for the Thomas amendment or any other legislation which (out of our moral apathy of 20 years) will say: "We believe in the sanctity of treaties, and we will not trade with treaty-breakers." But I want you also to look at this from the most realistic, cold-blooded standpoint of our trade and commerce, and ask if it is to our interest to support a war-machine which will eliminate American shipping from the Pacific. Gentlemen, if we want to live in a world where freely moving trade insures the prosperity of our own and other nations, we have a problem here of immediate concern.

3. In the third place, it's our war because we are Japan's largest

3. In the third place, it's our war because we are Japan's largest arther, furnishing 54.4 percent of all the raw materials and finished products which Japan needs to carry on her aggression. We are far from being neutral vis-a-vis this war in China, and we are still farther from being right. I take it that you gentlemen of the Foreign Affairs Committee know the general divisions of this 54.4 percent average. Japan gets from us:

Of trucks, autos, and parts
Of copper
All oil
Pig iron
Other iron (scrap)
Machinery and engines
Of high-potane gesoline 93 41 60 Of high-octane gasoline____

Much the same is true of the other raw materials. The difficul-ties of finding new markets, or markets at higher prices, would now ties of finding new markets, or markets at higher prices, would now be disastrous in a campaign which is already bogging down. This is the most vulnerable arm of the Rome-Berlin-Tokyo axis. It is the easiest arm to amputate. It is an embargo on our own people, not a punishment of Japan. One day in a democratic Japan her people will thank us for helping to defeat the clique which has throttled the soul of Japan. Japan has not enough credits left to change to higher-priced markets. Other nations, especially those to whom she would naturally look, are busy with their own armament program. The risk is nonexistent; the benefits enormous to China, to Japan, and to the United States. Just keep in mind that Japan's war machine cannot move without our help.

Just keep in mind that Japan's war machine cannot move without our help.

Some of us—I refer chiefly to the Committee of 100 for Concerted Peace Action (of which I am a member)—believe we have found the means of preventing future wars—the method, too, that will make our participation in another war unnecessary. The economic strength of the United States—the nation which turned the left was the participation which turned the nomic strength of the United States—the nation which turned the tide in the last great war, the nation stronger and more nearly self-sufficient than any other country today, the nation without whose help no war anywhere can long continue—the United States can today both prevent and stop wars if we rise to our political and economic maturity. But as Dr. H. H. Kung, Premier of China, says: "Amazing insanity—instead of helping us, you are helping Japan." While we strengthen the war machine of Japan, she endeavors to conquer China, and at the same time prepares her bases in the Western Hemisphere, in Ecuador, in western Mexico, and along the Panama Canal, where she has cut down the cocoa trees on recently acquired territory for an air base. We sit back in a strange apathy saying, "No navy can safely cross the ocean and attack us, no country can land a large expeditionary force on foreign and hostile shores." Japan prepares her own bases and her friendly shores to attack from South or Central America, when she has established her empire on the continent of Asia, commands the Pacific, and is ready with the coercion of 450,000,000 of enslaved Chinese to take on the rest of the world. It is easy now to cripple the three-power axis. It will be quite a different thing if ever any considerable part of China comes under her control.

China's present morale and her present progress are a thrilling China's present morale and her present progress are a thrilling chapter, which there is no time to relate. I could read you from my husband's letters of the silk experts bringing 1,000 mulberry seedlings from the coastal region into west China to start a silk culture which will capture much of Japan's silk trade with India and Burma. Of a Chinese friend who moved all his machinery from Shanghai to Kweichow Province to reestablish his cotton mill where it is now supplying one-third the needs of the Province. Of college students who have treked more than a thousand miles on foot, following their universities to improvised quarters in "free or college students who have treked more than a thousand miles on foot, following their universities to improvised quarters in "free China"—the leaders of the next generation are not being conscripted for the war of this. Of medical students and national health administrators carrying on under almost insuperable difficulties, copying their few medical texts by mimeograph, having Chinese artists reproduce their charts and drawings, sleeping in double-decked bunks less comfortable than the factory girls have in Kweiyang. But carrying on. China's present morale is superb.

But, gentlemen, as I look to the Orient in the face of the support.

But carrying on. China's present morale is superb.

But, gentlemen, as I look to the Orient in the face of the support for the cash-and-carry proposal of the so-called Pittman Peace Act. I beg to inform you that it would have a psychological effect disastrous to China. China may not be getting great quantities of supplies at present from us. She expects to get a great deal more through Rangoon, through French Indo-China, shipped on Scandinavian boats or what have you. China will find a way if you do not deny her the right. But I dare to say that the psychological effect on China of what she can only interpret as an alinement with Japan might even break this superb morale which has so far been China's salvation. If by any legislation we pass here we should do to China what all the vicious bombings of 21 months of incessant warfare have failed to do, i. e., break China's morale, then we bear a burden of guilt for all future time that I dare not contemplate.

contemplate.

contemplate.

As I understand American foreign policy, it has always stood for three things: (1) The Monroe Doctrine for the Western-Hemisphere, (2) disentanglement in Europe, (3) the open door in China. What support have we in the country for insisting that the open door should be kept open? Six hundred and ninety out of seven hundred newspapers in this country examined editorially urged an embargo on Japan. Such an embargo has been urged by such organizations as the national board of the Y. W. C. A., the American Association of University Women, the General Federation of Women's Clubs, the National Federation of Business and Professional Women's Clubs, the National League of Women Voters, the National W. C. T. U., the National Council of Jewish Women, the American Youth Congress, the National Trade Union League, the C. I. O., the recent Gallup poll. Representatives of a number of the organizations referred to have appeared before this committee. mittee.

Congressman Coffee, of the State of Washington, said (as reported in the Appendix of the Record, p. 635), "In advocating an embargo of aggressors I am following good precedent. All save one of the peace organizations of the United States advocate this viewpoint. In insisting upon this attitude toward Japan I am heeding the precepts of every Republican Secretary of State for 40 years." He

"Twenty-five years ago international bankers fomented sentiment for war. Today no one advocates war, but a clarion voice is rising in increasing volume from the throats of millions, demanding that we stop sending scrap iron to Japan, where it will be made into machine guns, insisting that we no longer stand aloof incurring the hatred of the entire world but take our proper place in it, lest we be engulfed and destroyed."

machine guns, insisting that we no longer stand aloof incurring the hatred of the entire world but take our proper place in it, lest we be engulfed and destroyed."

"Nothing from Japan; nothing to Japan" would end the war in China very quickly. With increasing momentum and cumulative effect the American people are expressing their will as regards the first. "Let American legs defeat Japanese arms" would be a good slogan for them. Japan must sell silk if she buys scrap iron, and she can sell enough of it nowhere else. What I ask of you, gentlemen, is to make the second premise a fact. How? By the Thomas amendment, if you will. By repeal, removing the strait jacket from the administration, if you prefer. By action under the tariff act similar to the 25-percent curtailment duties on German goods, if preferable. Certainly Japan is discriminating against our goods and subsidizing her trade with this country. By even the Pittman cash-and-carry amendment (I say it with reservations), provided it is made clear that the Far Eastern situation will be dealt with separately—and I would say first. More satisfactory would be such an inclusion of the Coffee bill in the Pittman amendment as to satisfy your constituents that supplies will be withheld from Japan. The legislative process is yours. The principle is the important thing. The mandate of the people that this traffic with Japan must stop is clear. These petitions signed by sincere and earnest people from my State indicate the feeling on the Pacific coast. One hundred and seventy-five thousand signatures to the same

petition in New York add their emphasis from the opposite side of petition in New York add their emphasis from the opposite side of the country. The American people want something done about this infamous traffic which makes us a partner with Japan in this attempt to destroy China, and they will continue to make their voice heard until you act. Neutrality? As impossible as calling black white, or night day. Participation in Japan's war guilt? No longer. Go to war in the Orient? Preposterous. China has more manpower than anything else. America's self-defense and best interests and moral responsibility simply require that we stop helping Japan. helping Japan.

Filipinos and Independence—President of Philippine National Volunteers Says Philippine Independence Must Be Certainty

EXTENSION OF REMARKS

HON. KARL STEFAN

OF NEBRASKA IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 17, 1939

LETTER FROM PRESIDENT OF THE PHILIPPINE NATIONAL VOLUNTEERS

Mr. STEFAN. Mr. Speaker, it is high time that the membership of this House learn more about what the Filipino people themselves say about independence. We are being told almost every day that the ordinary Filipino in the islands, the "man on the street," does not want independence; that he would prefer to leave things as they are.

I wish to remind Members that in the Philippine Islands there is a great organization known as the Philippine National Volunteers. It has a membership of over 100,000 men who have rendered and are continuing to render meritorious and valuable service to their country. These volunteers are located in every corner of the Philippine Archipelago. Their distinguished president is the Honorable Panfilo Laconico. a man of high character, high ideals, a man imbued with a great sense of responsibility and one who is tremendously patriotic to his own country and who has a great love in his heart for the people of the United States. I have recently received a letter from President Laconico which tells just how he and his great organization feel about Philippine independence. It is one of the best arguments I have read regarding the question of independence, and it should set at rest many of the arguments with which we have been confronted during the past few weeks. I have the honor, Mr. Speaker, of setting forth herewith the letter from President Laconico:

Office of the President, PHILIPPINE NATIONAL VOLUNTEERS, Manila, April 18, 1939.

The Honorable Congressman Karl Stefan,

Member, United States Congress, Washington, D. C.

My Dear Mr. Stefan: In your last letter, you inquired from me regarding my stand on the question of independence. It is quite comprehensible that you should, since there have been statements in the American press interpreting or purporting to interpret the seemingly enigmatic stand of the Filipinos on the question of independence in the face of perplexing far eastern and affairs.

affairs.

However, I presume that my previous statements are still too fresh to you on the subject of independence. On various occasions in the past I have made plain to you my unequivocal stand on the question of Philippine freedom. We Filipinos remain true to that stand; conscious as we are of the heritage given us by Filipino heroes who died for liberty and of the heritage which liberty-loving Americans have nurtured in our hearts.

Permit me to take this convertunity to retrace for you the history.

Permit me to take this opportunity to retrace for you the history of the fight of the Filipinos for freedom in order to give you a fitting background to our cherished ideal and to justify before the eyes of the American people our love for liberty—and why that love is so deep-rooted and patent.

Historical events have been piled one upon another to demonstrate the ardent love of the Filipinos for freedom. The pages of our history, covering the period from the coming of Magellan to the inauguration of the Commonwealth, are filled with unsullied, untrammeled efforts on the part of the Filipinos to attain a desired goal to be free and independent. The valorous fighters of the

island of Mactan opposed foreign invasion and demonstrated it (unfortunately for history) by sacrificing the life of a great navigator at the altar of independence and freedom from foreign yoke. It took the Filipinos, oppressed and kept ignorant, 3 centuries to unite and assert their national ideal. Under the leadership of patriots we rose up in arms and battled the sovereignty of Spain in the Philippines in 1896. In the intervening period from the occupation of the Philippines to the revolution of 1896, there were series of rebellions and expressions of protest against foreign sovereignty.

there were series of rebellions and expressions of protest against foreign sovereignty.

Needless to relate here, we won that war against Spain. An unexpected turn in our history brought America to our shores just after the reins of the Government were being transferred into the hands of the Filipinos. In 1899 (American history confirms it) the Philippine revolutionary government under Gen. Emilio Aguinaldo made its determination to establish an independent Philippines known to the American authorities; the Filipinos would not accept the American fiag and the American sovereignty unless their independence or their right to independence was recognized and safeguarded; that they would rather defy the might of the greatest republic on earth than unconditionally submit to American domirepublic on earth than unconditionally submit to American domination. That the leaders voiced the unanimous sentiment of the liberty-loving mass of the Filipino people was proved by the 3 years of exasperating warfare that followed—a war which cost the Philippines thousands of lives, the devastation of fields, the misery of innumerable families, and the United States thousands of lives and help a billion dellars. We tried at the cost of lives and worse.

of innumerable families, and the United States thousands of lives and half a billion dollars. We tried, at the cost of lives and money, to prevent Philippine occupation. We sent envoys abroad and sought recognition for the independence we won in our fight against Spain.

America came and poured into the country her wealth in order to help us develop what she fondly called her far-eastern outpost. American also sent us great teachers, who taught us to love Americanisms and all the embodiments of American doctrines of democracy, equity, and justice. But, above all, she also taught our children the essence of American liberty. The lives of great American patriots were taught to our children and soon became the gospel of Filipino youth. These lives, part of the great American history, soon became part of the ideals of the Filipinos, who have learned to recite and revere the biographies of American statesmen and learned the lessons of these biographies by heart. George Washington, Thomas Jefferson, Abraham Lincoln, Benjamin Franklin are the object of emulation everywhere in the Philippines.

In are the object of emulation everywhere in the Philippines.

The Filipinos realized what America did for them and, both by words and by deeds, expressed heartfelt gratitude toward the great American Nation.

Meanwhile missions after missions were sent to America, reiter-Meanwhite missions after missions were sent to America, reterating the great desire of the Filipinos to be free and independent.

America honored her pledge as promised, and gave the Philippines the independence she asked. The Commonwealth of the Philippines was inaugurated, with America sponsoring the inauguration. The world looked upon this occasion with astonishment and surprise; the first example in world history where a country was granted her freedom, through peace and not through bloodshed. Representatives of all nations of the world were gathered in Manila on November 15 1935 to witness America's great award.

shed. Representatives of all nations of the world were gathered in Manila on November 15, 1935, to witness America's great award. But the attachment of the Filipinos toward America has not been severed; neither is the love of the Filipinos for their mother country dimmed. On the contrary, the Filipinos never hesitate to reiterate their gratitude toward their liberator. Organizations in the country, like the National Volunteers of the Philippines, have expressed their absolute and earnest gratitude toward America.

The Filipinos, since the inauguration of the Commonwealth, have heen preparing themselves for the final grant of independent state-

been preparing themselves for the final grant of independent state-hood in 1946. The Commonwealth has embarked on an industrialiration program which is designed to make the country economically self-sufficient. Millions of pesos from the government treasury have been poured into the vaults of the National Development Co.

for this purpose.

The Commonwealth, too, has embarked upon a program of national defense which may cost the country P180,000,000 in 10 years. The amount is not to be scoffed at, especially if one considers the financial position of our government, but the Filipinos have explicit trust in their military adviser and in their President. Money does not matter to them if in spending that money they are assured of security and permanent independence. With that money we are practically buying the price of our future safety. Our young men, in answer to the call for training, have left their homes, forsaken both their families and their jobs, in order to prepare themselves

in military training camps.

Lastly, it might be mentioned that the J. P. C. P. A. was created in order to insure the economic and political independence of the Philippines. Both the American and the Filipino Nations believe in our attaining an independence which shall be a living, perma-

nent thing and not a mere chimera or dream.

Accordingly, and after all these steps have been taken, it is the hope of the Filipinos that they are building a Republic in this section of the Orient which shall be the pride of the great Amer-

section of the Orient which shall be the pride of the great American Nation and that our independence shall exist long after 1946, both economically and politically.

Current world conditions have been pointed out as reasons for a reexamination of the Philippine question. To my mind, and to the minds of a great majoriy of the Filipinos, current world conditions should not work against our national aspirations. We have faith in the justice of God. With such faith, we do not exhibit

any trace of fear in the face of a threatening world debacle; instead of a "stop the totalitarians" the Filipinos are today more concerned with combating fear. It is our hope and our belief that the world will settle back to normaley, that the world will not always be on the throes of chaos, crisis, and threats. With the help of the Almighty, it is our hope and our prayer that we shall attain what we have always dreamed of attaining under quiet and peaceful auspices and circumstances.

Very sincerely yours,

PANFILO LACONICO. President.

Religious Persecution

EXTENSION OF REMARKS

HON. BRUCE BARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 17, 1939

ADDRESS BY JOSEPH V. CONNOLLY, GENERAL MANAGER OF THE HEARST NEWSPAPERS

Mr. BARTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Joseph V. Connolly, general manager of the Hearst Newspapers and president of King Features Syndicate, Inc., delivered before the National Eucharistic Congress, October 18, 1938:

When my mother heard the tough kids of our neighborhood use the name of Christ irreverently, she used to warn them they might

lose their tongues.

This had some effect upon the volume of profanity on our block, but it was the first time I gave thought to the power of Christ over the actions of people, and was the beginning of the shaping of pictures of Him in my mind, which through the uncharted space of my youth, companied me into the forest of maturity, strengthened my staff on dark journeys of sorrow, and laughed with me when happiness lighted my noth

happiness lighted my path.

We were taught in those days to accept triumph and failure in His name, and that not irreverently but realistically in the whispered prayer to His mother, whether in victory or despair, He comes to all who want Him.

And so, when His Excellency the Archbishop Rummell, invited that the proof to the Archbishop Rummell, invited the Archbishop Rummell, invited that the Archbishop Rummell, invited the Archbishop Rummell Rummell

And so, when His Excellency the Archbishop Rummell, invited me to speak to you at this National Eucharistic Congress, I was reviewing in my mind some of the things I might say to you. I was in California, and boarded an eastward plane.

Before boarding the plane, a hundred thousand words tell the story of the world march had passed my eyes that day—and no fragment was there in the vast mosaic of trained correspondents' reports that did not signal the rest of the world: "It can happen anywhere!" So, as my ship flung itself over the black vault of the Sierras, my fervent hope was that my voyage might be blessed with a single idea that might inspire not only me but also the Catholic press of America to organize and energize their full strength now toward the defense of our faith, a battle that must begin now against the destructive movements in the Old World, which if not checked now are certain to break the dikes of Germany and Italy and Russia and Spain, and drench the other from many and Italy and Russia and Spain, and drench the other fron-

tiers of the civilized world.

Night had gathered her sable robes over the highest cliffs, and my ship reached through a shoreless sea of silver cloudlets brushed with the glint of the moon and myriad jewels in the dome above. Earth was behind as though my soul itself had left it. Heaven

must be like this, I said.

The roar of giant motors that a moment before pressed on my

eardrums stopped. The silence was deafening, stunning. And the peace of birth and death seemed to be about me.

And then I thought how wonderful it would be, here away from earth, if I could talk to Him, and ask Him about the things of earth and the darkness that is upon it which He must see from

of earth and the darkness that is upon it which He must see from the throne of His heavenly Father above.

He would not be awesome, though His garments be etched in dazzling light, for He is man as well as God. I thought how He, Christ, the man, must weep this night, looking down upon this torn world. He must weep as He wept over the city of Jerusalem when He cried: "If thou hadst known, and that in this thy day, the things that are to thy peace."

He looks out upon that same world and sees strife and hatred and confusion and bloodshed. He sees even more. He had hoped

He fooks out upon that same world and sees strile and natrea and confusion and bloodshed. He sees even more. He had hoped for better; He had prayed for better; He had died for better.

No need to ask Him why this seeming failure of the world. It is written through weary centuries of misery, wherever and whenever the world has forgotten Him.

He has not failed men; men have failed Him.

He left an eternal pattern upon which men might weave the happiness of the world.

Whenever or wherever Christianity fails, it is the failure of Christians. There was a time when the pagans marveled: "Behold how the Christians love one another."

Behold today the pagan jeers of this day echoing over land and

"Kill the Jew!"
"Burn the bishops!"

"Starve them!"
"Pillage!"
"Whip!" "Despoil them!" "Disgrace them!"

"Disgrace them!"

And so, on my way here to this celebration of the mystery of Christ with us, Emmanuel, the Eucharistic King whom we honor and addre, I thought what must this Man God who gave His lifeblocd for love of humanity think of those who have made a mockery of His beatitudes, who have drenched earth with the blood of His innocent children and the persecuted in their fanatical, tragic pursuit of an ideology that springs from the womb

of paganism.

My plane seemed suspended between heaven and earth. A snow-lipped mountain in the west penciled the sky.

And I thought of the words from His Sermon on the Mount:

And I thought of the words from His Sermon on the Mount: "Blessed are the peacemakers, for they shall be called the children of God. Blessed are they that suffer persecution for justice's sake, for theirs is the kingdom of heaven." And again the words from Matthew: "But I say unto you that whosoever is angry with his brother shall be in danger of the judgment."

And I thought of Jesus when asked by one of the scribes which is the first commandment of all. He answered, "The first commandent of all is Hear, O Israel: The Lord our God is one God. And thou shalt love the Lord thy God with thy whole heart, and with thy whole soul, and with thy whole mind, and with thy whole strength. This is the first commandment. And the second is like to it: Thou shalt love thy neighbor as thyself. There is no other commandment greater than these." And the scribe said to him, "Well, Master, thou hast said in truth that there is one God, and there is no other besides Him. And that He should be loved with the whole soul, and with the whole understanding, and with the whole soul, and with the whole strength; and to love one's neighbor whole soul, and with the whole understanding, and with the whole soul, and with the whole strength; and to love one's neighbor as one's self is a greater thing than all holocausts and sacrifices." And Jesus, seeing that he had answered wisely, said unto him, "Thou art not far from the kingdom of God."

As recorded in the opening verses of the Gospel according to Matthew, Jesus was a Jew, directly descended from King David. Our beloved Mother Mary was a Jewess; and when Jesus was born the wise men of the East came to Jerusalem saying, "Where is He that is born King of the Jews?" Jesus, like John the Baptist, was normally addressed as "Rabbi," which means "master," the title used by the Jewish talmud students for their teachers.

Always this should be borne in mind by all Catholic journalists who must look with horror upon the cancer of race batted and

who must look with horror upon the cancer of race hatred and religious persecution that has fixed itself upon the body of Europe and threatens to infect the western areas of the world. The cries of fleeing Jewish children 1,900 years after the time of Herod must, in the name of Christ, be answered now by Catholic press and Catholic action and Catholic force and power of every kind.

"And he that shall receive one such little child in my name receiveth Me. But he that shall scandalize one of these little ones

that believe in Me, it were better for him that a millstone should be hanged about his neck and that he should be drowned in the depth of the sea."

"And they brought to Him young children, that He might touch them. And the disciples rebuked those that brought them. Whom when Jesus saw, He was much displeased, and saith to them: "Suffer the little children to come unto me, and forbid them not; for of such is the kingdom of God."

Thus on this flight came to me one idea that might sink into the hearts and minds of thinking newspapermen and thinking Catholic journalists: That the army of intelligent American public opinion be marshaled now to rededicate this great democracy of ours to the principles of religious freedom and tolerance upon which

our forefathers founded these United States.

Make no mistake. We are in danger. Make no mistake. We are multiplying the elements of danger by our inaction, by our selfish-

ness, and by our apathy, if not by our ignorance.

I say that the Catholic forces throughout the world today should join now in crusade in defense of those who suffer persecution, Jew

and Christian alike.

I say that if the Christians of Europe, warned of the diabolical paganism behind Nazi and Communist persecutions, had acted as Christians and fought for the protection of the persecuted of any creed, madmen would not now burn a crucifix in Cardinal Innitzer's palace, imprison innocent priests and nuns, defile holy monks, and

palace, imprison innocent priests and nuns, deflie holy monks, and drive little Catholic children from their schools.

The poisonous doctrines of present-day paganism, spawned in Soviet Russia, have stifled the natural religious yearnings in that country of Catholic, Protestant, and Jew alike. The cadaverous specter of Marxism, with its murderous philosophy of class hatred, has an insidious manner of cloaking its greedy materialism with promises of Utopia. What kind of Utopia the Communists have in mind we have been able to observe in Soviet Russia with its rising crescendo of mass murder, its reign of terror, its long list of degrad-

ing crimes against humanity and against all of the highest ideals of civilized man.

The time to fight in America is now. Every instrument of Catholic power and force must be coordinated in defense of our sacred American institutions. The brains and the strength of Catholics must be employed to expose and denounce and wipe out not only anti-Semitism but also other forms of intolerance wherever it lifts its head, because if no other lesson were needed, the history of the past 5 years proves that one injustice begets another, and the man who attacks the Jew. attacks a Christian. And unless the Christian is a follower of Christ in deed as well as name, and fights in defense of the Jews or any persecuted minority group, he is not a son of God, he has ignored the first teachings of Jesus Christ.

Catholic journalists see about them in the world today the terrible onslaughts against Jew and Christian alike. Both are in the broadest sense of the household of Christ, whom we honor in this

Eucharistic Congress.

That abnormal or ignorant men should indulge in bigotry, persecution, or oppression because of race or color or creed is hard to understand. But that intelligent and at times intelligent Christian men and women should be guilty of such is something beyond

We as Catholics have for centuries borne the burden of oppression. We as journalists realize that such persecution is founded on ignorance and bigotry. But what is our attitude today as we kneel before the God who knows no black or white, bond or free, Jew or Gentile, but knows each of us and all of us as His children redeemed

by His sacred blood?

I don't have to make a plea to Catholic journalists for tolerance. But I do make a plea for a demonstration of true Christian charity founded on the principle and code of Christ. We expect tolerance from intelligent beings, but we demand more from intelligent Christians. Race and color and creed are the accidents of life. We are all men, sons of God, heirs to heaven. The enemy of God has sown the cockle of division in the field of Christianity. and bigotry exist among us. Race pride and exaggerated national-ism are the common faults of Christians. Well might we be proud of our birth, of our race, or our ancestry, but that pride is sinful and foolish if we forget that we are Christians and sons of a common

Catholic journalists are guided by the code of Christ. In a world that has nearly forgotten the meaning of the word justice, the code of Christ may sound unrealistic. Little nations and nationalistic groups cry tonight that justice might be done to them. cries seem in vain. Oppressed nations for political or social reasons cry for justice. Minorities in strong countries cry for justice. The Catholics and Christians in Spain and Mexico, in Germany, and Russia cry for justice. The Jew under the scourge of dictators cries for justice in this day of injustice. Why is the cry unheard? Because the world must follow the other principles of the code of Christ before it can see justice.

His Holiness Pope Pius, on the occasion of the International Hospital Congress, indicted the injustice of nazi-ism when he said: "We must realize that if the German program of paganism is extended to and accepted by other nations, incalculable damage will result for the world." In his Christmas message he said: "Germany's persecution has seldom been matched in history for its power and gravity, its willful and violent brutality, united with insidious falsehood and cheating denials." And again he said: "Here are signs and portents of terrifying reality of what is being prepared for Europe and the whole world if they do not hasten to adopt necessary remedies of defense."

Catholic journalists here and abroad should take up the fight against this increasing terrorism. But, as I said before, justice can only follow if the world understands the rest of the code of Christ.

The code inveighs against greed—greed for power, and wealth, and prestige, and position, as is the way of the world. Economic greed threw the nations of Europe to the brink of disaster a month ago. Economic greed inkindles the fire flaming into revolution in the world of labor. Greed for riches destroys the fabric of our social life. For men are forsaking all, that they might possess the goods of the earth.

But most important is the principle of the code which says, "Blessed are the clean of heart." Unrest rules the world, because the world is emotionally disturbed and the sons of men are in anguish and turmoil because they have left the paths of justice

and honor and sobriety.

"Blessed are the clean of heart," Christ says to a world that is on a holiday of license, and not before it cleans its heart and returns to the principles of purity in family life and personal life will it see justice. For only the clean of heart see God in their fellow men

When Christ said, "Blessed are the peacemakers," He meant those who brought to the world lasting peace—a peace founded on justice and mercy; a peace that takes into consideration the code of Christ. The peace of Versailles, which was not made in the name or spirit of the peace of Christ, could never have been a leating peace.

To be lasting, peace must be founded upon the determination of governments and peoples to forget antipathies and race hatreds; they must put aside the desire for conquest, and they must see that all may survive and prosper, or none shall.

The General Welfare Act

EXTENSION OF REMARKS

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

LETTER FROM J. HARRY KELLY

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD. I include herein an interesting letter written by J. Harry Kelly, of Brule County, which recently appeared in the Dakota Farmer and which relates to the General Welfare Act:

GENERAL WELFARE ACT, H. R. 2

TO DAKOTA FARMER:

To Dakota Farmer:

We hear a lot these days from almost every quarter and from every public man and woman expressing their conviction that "something must be done" to solve the unemployment problem and to put more money into circulation. Every day we hear radio talks and read articles by supposedly smart men giving graphic descriptions of our deplorable financial condition; and, while hoping for a remedy to be suggested, all too often they have none to offer, but instead close with the following remarks: "Something must be done." "Some plan must be devised." "The unemployed must be put to work." "We cannot maintain our democracy with 10,000,000 people idle."

I will not take space calling attention to the distressful condi-

I will not take space calling attention to the distressful conditions. They are all too well known. Let me say, the people who advocate the Townsend recovery plan suggest a remedy and have been explaining the plan as a recovery measure for 5 years, and no one has offered a reasonable or successful argument against it or been able to explain how it would not do the things claimed

WIDELY ENDORSED

It has also made steady and definite progress, until it is receiving the endorsement of many of our leading men of the Nation. As evidence of its growing favor, let me call attention to the fact that evidence of its growing favor, let me call attention to the fact that our own State legislature unanimously passed a memorial asking Congress to bring this bill, H. R. 2, out on the floor for complete discussion and consideration. Nearby neighboring States whose legislatures have passed similar memorials to Congress asking for the enactment of H. R. 2 are Montana, which passed it in the house 80 to 2 and in the senate 53 to 1; Wyoming, Colorado, Nebraska, North Dakota, and Iowa. Many other States have done likewise, but these are our neighbors. Certainly the legislatures of those States are composed of the most representative groups that can be found, and express the general sentiment of the people of their States. I suggest that any skeptic who feels the plan is not sound investigate to find the reason why the representatives of those investigate to find the reason why the representatives of those States have asked the Congress to enact this law. Those men are the choice of the people and are not all dummies.

HOW IT WORKS

The Townsend bill, H. R. 2, provides for a 2-percent transaction or gross business turn-over tax, which is a broader tax than the gross income tax—which comes the closest to a transaction tax of gross income tax—which comes the closest to a transaction tax or any form or type of transaction. From the receipts of this tax it is proposed to pay it out pro rata to all who care to apply and who are 60 years old and over, who will agree to stop all gainful occupation and spend the whole amount in 30 days. Any person can, however, apply for a lesser amount than the pro rata share if he feels he cannot conveniently and reasonably spend the full amount in 30 days. But in no case shall the amount be more than \$200 a month

a month.

There are about 8,000,000 persons who could and perhaps would apply and qualify, and about half, or 4,000,000 of them, are now gainfully employed. When they step out it will provide jobs for 4,000,000 younger persons who are now unemployed. The spending of the money they receive will immediately put many more millions to work and to replace the goods they consume and supply the services demanded. This will repeat the next month and soon all will be employed. It is a pension only as a secondary matter. Within 30 days all the money will be in the hands of the younger people who will, in turn spend it, and again the next month another amount will pass into the channels of trade, with all the transactions carrying a 2-percent tax going to the fund for the next transactions carrying a 2-percent tax going to the fund for the next month's distribution. It is a recovery plan first. It will solve the problems of old-age security, relief, business depression, unemployment, and our national crime bill.

THIS IS WHAT IT WILL SAVE US

J. Edgar Hoover, no doubt the best authority on crime, says crime is costing us \$15,000,000,000 a year. He also says that if we

can find employment for our young men when they get out of school and put them to work, we can cut this crime cost in half. That will mean a saving of \$7,500,000,000. Poorhouses and homes for aged, etc., cost \$2,500,000,000. This would be saved. Present Government pensions cost \$750,000,000. This positively would be deducted from the cost of the Townsend plan. W. P. A., P. W. A., C. C. C., etc., cost \$2,000,000,000. This could be saved. We have delinquent taxes in the amount of \$3,000,000,000. If the unemployed could go to work at good wages, those would be paid. The above amounts to a saving of \$15,750,000,000, or almost the total cost of the Townsend plan.

ployed could go to work at good wages, those would be paid. The above amounts to a saving of \$15,750,000,000, or almost the total cost of the Townsend plan.

We hear some say the plan will cost too much money; that it will wreck the country. Let us see. We propose a flat 2-percent tax. This is spread over all alike according to the business they enjoy. The present Social Security is now costing 2 percent (1 percent on the employee who will benefit and 1 percent on the employer who will not get any benefit). This tax gradually increases until in 1949 it will reach 3 percent on each.

This is 6 percent. This money is not coming back into the channels of trade, but is being spent for general governmental expense—and bonds drawing 3-percent interest are placed in the fund instead. Who pays the interest for our Government? The people. When this money is needed for the purpose for which it was collected, another tax will have to be imposed to provide it. If my figuring is correct, that makes 9 percent. If not, let someone else figure it. This last 3 percent is where all the people will be remembered. Under the Townsend plan all people will contribute and all will share in the benefits. Which is "crackpot?" Which is "cockeyed?" Which is "fantastic?" Every person should study this plan well before passing judgment on it.

After it is understood, there are few who will not agree it will do the things claimed for it. The bill, H. R. No. 2, is now being given a hearing before the House Ways and Means Committee and all who are interested in recovery should write their Representatives and Senators asking them to do all they can to make it a law.

J. HARRY KELLY.

Brule County.

Our Trade Relations With the Philippines

EXTENSION OF REMARKS

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

Mr. STEFAN. Mr. Speaker, it is again necessary at this time to call to the attention of the House the fact that the very controversial subject of our trade relations with the Philippines seems likely to again come before Congress. The press has carried the news that leaders of this administration are urging that some action be taken. In addition to bills which were introduced in both Houses some months ago, a new proposal has now appeared in the upper Chamber with the intimation that it is to be given early consideration and urged for enactment into law.

We have not in this House yet had the matter brought before us by the introduction of any bill. It appears that unless attention is given in advance we may be called on to act hastily and without the consideration this matter deserves at our hands.

My colleagues will recall that on several occasions in the past I have expressed my views on this subject. I have made it plain that these views are not the result of listening to the special interests of Filipinos specially favored by past conditions. Neither are they the result of the efforts of favored American interests seeking to perpetuate their own favored position. Instead of this I have tried to present the facts based on my own experience in the Philippines, and my long study of the problems involved.

These views, as those who have heard me before well know, are that the political and economic independence of the Philippines, which is provided for in the Tydings-Mc-Duffie Independence Act should be carried through to full performance. This should be done without delay, and without any intervening action which can be taken as an intimation, much less a promise, that after the time of such independence, the favored treatments which have been mutually

existing for long years in the past should be continued in any way. The Filipino people, I am convinced, by a very large majority, want their full independence just as they have asked for it almost ever since our first occupation of the islands. A handful of interests want to trade that freedom for their own financial and trade interests at the expense of the American taxpayers.

The bills which have been presented to the two Houses of Congress earlier in this session clearly represent the interests of those who wish to prolong the period of favored trade relationships. The analyses of this measure which has been presented before a committee of the other House clearly show that this is the case. The appearances before that committee in favor of that legislation show even more clearly which American interests favor the legislation. Only those who seek to continue financial benefits through cheap materials from the low-paid Filipino agricultural industries or who have an interest in the sale of a few American-made commodities in the islands are supporting those proposals.

The current information is that this proposal has met such strong opposition that its enactment is impossible. The American people are waking up to the real facts of the minor character of the interests benefited by our treatment of the Filipino compared with the mounting costs to this Government and its taxpayers of continued occupation and continued free trade relations. Continued drafts on the Treasury of the United States for subsidies to Filipino cane growers, in competition with our own, for erecting factories in the islands to produce products in competition with those they now buy in the United States, to maintain expensive representation in the islands, and to maintain armed military forces there, and support a section of the American Fleet, ostensibly for their protection, are forceful arguments against continued occupation and control. It is time-that time will be fully ripe when 1946 rolls around-for the dissolution of all political ties which bind the Philippines to the United States, and to end for all time this continued drain on the Treasury of the United States.

It is time now—more than time—for the withdrawal of a good part of the American Army now maintained in the Philippines. I have suggested such withdrawal in the past. I emphasize it again at this time.

Because the proposal for a 15-year continuance of favored trade has proven impractical of enactment at this session of Congress, a new measure, as stated at the beginning of this statement, has appeared. That measure is of a different character. To its credit it is to be said that it deals entirely with a few changes in the Tydings-McDuffle Act to become operative only up to July 4, 1946, the date set for Philippine independence.

I have had prepared a brief abstract of this bill and wish to call your attention to its major provisions, as follows:

This bill is evidently an interim proposal intended to set up trade arrangements between January 1, 1940, and July 3, 1946, differing in some particulars from the provisions of the previously introduced measure which was supposed to represent the carefully worked out ideas of the Joint Commission on Philippine Trade Relations. No provisions found in this bill relating to definite trade relations, tariffs, duties, taxes, quotas, and so forth, is so stated as to extend beyond the date July 3, 1946, which is, under all existing law, the definite date upon which the political independence of the Philippine Commonwealth becomes fully effective.

Provisions of the previously introduced bills (Tydings bill S. 1028 and Kocialkowski bill, H. R. 3330) were written to cover certain trade relationships for a period of 15 years beyond July 3, 1946. The introduction of the new Tydings bill at this time, and its possible enactment into law before the end of this session, does not forecast any cessation of the effort to carry on preferential trade relationships after July 3, 1946. It only postpones the time when the Congress will probably be called on to meet and face that proposal of the interests in both the United States and the Philippine Islands, who seek special privileges and special financial profits by special privileges.

The more important provisions of the new Tydings bill are as follows:

First. An export tax on certain items of Philippine production shipped from the Philippines to the United States is provided for to take effect on January 1, 1941. The money produced from this Philippine export tax is to be turned over to the Treasury of the United States for the general purpose of paying interests and principal on bonds of the Philippine Government or its subdivisions, or of providing a sinking fund for their retirement. Several pages of the bill are devoted to the details of these bond-paying transactions.

Second. This export tax is required to be paid on all articles of export from the Philippines to the United States except those items for which other specific provision is made. The rate of such export tax is for the first year beginning January 1, 1941, 5 percent of the United States duty, and for each succeeding year is to be progressively increased by an additional 5 percent of the United States duty. From January 1, 1946, through July 3, 1946—independence date—the rate will be 25 percent of the United States duty.

Third. Specific exemption from this export duty is made and a duty-free quota is provided as follows: Cigars, 200,000,000; scrap, stemmed, and unstemmed tobacco, 4,500,000 pounds; coconut oil, 200,000 long tons; buttons of pearl or shell, 850,000 gross.

These quotas become effective for the calendar year 1940 and are to be decreased for each calendar year after the first year by 5 percent of the first year's quota. Exports above quota limits are subject to the full United States duty.

Sugar is relieved from export tax and given duty-free entry up to 850,000 long tons, of which not more than 50,000 long tons may be refined sugar, this without progressive reductions.

Cordage is relieved from export tax, and the tariff-free quota fixed at 4,000,000 pounds between May 1, 1941, and December 31, 1941, and at the rate of 6,000,000 pounds for each calendar year thereafter from January 1, 1946, to July 3, 1946, not more than 3,000,000 pounds may be entered.

Fourth. A provision is included providing for the exchange or purchase of properties found desirable for consular or diplomatic establishments.

Fifth. Existing provisions concerning the use of the excise taxes and import taxes now collected by the United States on Philippine articles imported or used in the United States are changed in two particulars. The present prohibition of the use of the coconut-oil excise-tax moneys for subsidization of copra of coconut-oil production is repealed, and in its place there is a general authorization for the use of these and other tax moneys, worded as follows:

Shall be held as separate funds and be paid into the treasury of the Philippines to be used for the purpose of meeting new or additional expenditures which will be necessary in adjusting Philippine economy to a position independent of trade preferences in the United States, and in preparing the Philippines for the assumption of the responsibilities of an independent state.

Sixth. Provision is made that on and after the 1st day of the second month following the passage of this act customs receipts from Philippine imports shall be covered into the general fund of the Treasury of the United States and shall not be paid into the treasury of the Philippines.

The act in general is to become effective on January 1, 1940; provided, however, that before that date the Philippine Government has enacted the necessary laws to conform to its provisions.

With reference to this bill I want to say that if any changes in the provisions of the Tydings-McDuffie Independence Act are necessary, the changes herein provided seem to be the least dangerous of anything that has been proposed. The coconut-oil quota set in the Independence Act, namely, 200,000 long tons per year, is unnecessarily large, larger than has ever been reached under unlimited free trade. So the proposal to bring about a 5-percent per year reduction over a 5-year period is a step in the right direction. However, since our present tariff law, the act of 1930, provides that copra, which is the dried meat of the

coconut and the source of coconut oil, is on the free list, the setting of a quota of one size or another for free coconut oil from the Philippines will hardly affect the total coconut oil in our markets and means nothing to the producers of fats and oils in the United States. The size of the free quota is a matter of concern only as between the coconut-oil crushers in the Philippines and the copra merchants there, each seeking to outdo the other in sales to the United States.

Let me appeal to my colleagues on both sides of this Chamber not to lose sight of the importance of the issues presented whenever Philippine policy comes before Congress. As the matter now stands, the fruition of the work which was done when the Tydings-McDuffie Act was placed on the statute books will be freeing the United States in 1946 from a drain of millions of dollars per year now turned into the islands, partly in governmental expenses there, partly in subsidies to Filipino enterprises, as pointed out, and partly, most largely, perhaps, as the adverse trade balance which accumulates year after year without exertion. It will free us from the heavy and, as many believe, impossible burden of military and naval protection. It will carry out the promises made as binding covenants to the Filipino people. It will set the seal of final and permanent disapproval on colonial and jingoistic plans and ideals. These worthy results will come about unless legislation is enacted which robs the Tydings-McDuffie Act of its purposes by indirection, by granting special trade privileges, by long-continuing trade agreements, and the other subterfuges which the few financial interests concerned in petty profits of unnecessary trade so well know how to use. Congress must stand firm in protecting the Philippine Independence Act and in refusing to pass any amendments to this act, even the one now proposed, unless it is clear that it will aid rather than obstruct the culmination of full and free political and economic independence of the whole Filipino people on July 3, 1946.

Buy American

EXTENSION OF REMARKS

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 17, 1939

Mr. HOUSTON. Mr. Speaker, it was with amazement and dismay that I read press reports of a few days ago to the effect that President Roosevelt had authorized the United States Navy to purchase 48,000 pounds of corned beef from the Argentine Meat Producers' Cooperative, and that he was reported to have said their product was superior to that prepared by our packers and could be obtained at a much lower price.

It was encouraging to read last evening an Associated Press dispatch from Buenos Aires reporting the Argentine Government has assigned \$8,000,000 of treasury bonds to United States automobile importers and hopes to dispose of an additional \$12,000,000 to importers of other United States manufactures, and I do not join those who charge that our farms and cattlemen have been "sold down the river" by this purchase of corned beef which probably does not represent over 200 head of cattle, and I am not opposed to the principle of a reasonable amount of give and take in foreign trade; but I do not like the implication that our great packing companies do not produce an item comparable in quality with that of foreign packers nor do I like the idea of our purchasing outside of the United States competing goods for our naval forces.

It has long been the boast of the Navy that practically all money appropriated for that service is spent for American goods and services, even to fueling of vessels at far-distant naval bases.

If we are to believe the reports that have been made to us in recent months, certain foreign builders of aircraft are in position to build airplanes superior, perhaps not "infinitely" better but somewhat better to those which our factories produce, and it is reasonable to assume such planes can be bought at a lower price; but the mention of a purchase of bombers for our armed forces is unthinkable.

We have tried to better the condition of American labor. and in 1936 passed the Walsh-Healey Act providing that all Government specifications and contracts involving the purchase of \$10,000 or more of supplies, or loans, or grants must contain the provision for paying the prevailing rate of wages to be determined by the Secretary of Labor; that employees of these contractors must not work more than 8 hours in any day or 40 hours in any week; that boys under 16 years of age and girls under 18 years of age must not be employed; and that all work must be done in sanitary buildings and decent surroundings. That act is an example of what we have done to limit expenditure of Government funds to contractors who apply fair labor conditions, and our American packing houses are undoubtedly living up to these requirements at a sacrifice in profits; but what do we know about the fair-labor policy of the Argentine Meat Producers' Cooperative, or the sanitary conditions in their plants, or their inspection of animals, or their wage scales?

During the past few years it has been necessary for the Federal Government to aid more than 1,000,000 destitute farm families through rehabilitation measures, and this administration's agricultural policy has been directed toward raising farm prices and farmers' income and to guard the domestic market from bargain-counter prices. But it seems we can do some shopping down in Argentine for beef while our Department of Agriculture develops inbred strains homozygous for characteristics of economic importance; develops new and superior strains by means of hybridization followed by selection and inbreeding; and finds the progeny sired by bulls of one strain of beef shorthorns averaged 17.24 pounds of gain for 100 pounds of digestible nutrients consumed, whereas those of another strain average but 15.37 pounds.

The State of Kansas is third in the production of beef cattle for slaughter and is one of the leaders in the production of purebred livestock, fourth in meat packing, and has been called the breadbasket of the world; but I have just read the Kansas crop report for May 1939 and noted the Kansas winter wheat crop is estimated at about 116,000,000 bushels, or a decline of almost 2,000,000 bushels from the April forecast; that almost one-fourth of the acres sown last fall will be abandoned; while pasture condition for cattle grazing is the highest since 1932. That means that this year Kansas farmers will be forced to look to livestock more than ever before for a large share of their income, or many more of them will be forced to join that million of destitute farm families on relief.

The livestock industry is the most important phase of agriculture, and agriculture is the biggest business in the United States. Forty-eight thousand pounds of corned beef is not what I am "beefing" about; I am talking about the principle of using the American taxpayers' money, appropriated for national defense, to import a product in competition with one of our own and at a time when the livestock industry, agriculture, business, and labor needs all the aid and assistance we can give them.

I hope the time is here when every appropriation bill for the Army and Navy will contain a provision that will prevent a recurrence of this exceedingly exasperating and unfortunate affair. It is my belief that American livestock producers can easily supply the American market with all the beef it can consume, and the American packing houses can supply all the corned beef at a reasonable price and of excellent quality that the Navy can stow away. Classification of Fur Farming as Agricultural Work

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

LETTER FROM THE MINNESOTA FOX AND FUR BREEDERS' ASSOCIATION

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and brief received by me from the Minnesota Fox and Fur Breeders' Association:

MINNESOTA FOX & FUR BREEDERS' ASSOCIATION, Minneapolis, Minn., May 12, 1939.

JOHN G. ALEXANDER,

United States Representative, House of Representatives, Washington, D. C. DEAR SIR: The members of our association has requested the officers to present information to our Senators and Representatives, and to many other Congressmen who kindly acknowledged our petition in the former session when we asked their consideration of supporting proper classification of fur farmers from that of "industry" to that of "agricultural labor."

The former Wage and Hour Act passed after the Social Security

The former Wage and Hour Act passed after the Social Security Act properly exempted fur-farm labor, and this fair classification indicates the views of Congress as intending exemption toward farm groups of raw products where there is no processing or opportunity of such farmers to have a voice in the selling price of their product.

As the Social Security Act will be under consideration of the Congress at this session, may we kindly ask your support and consideration for such exemption. Where such taxes cannot be passed on and where market prices are already below cost of pro-

passed on and where market prices are already below cost of production in the great majority of fur-farmer ranches, the placing of such farmers under "industry" develops a heavy jeopardy against the farm home, farm land, and the stock of such farmer who must shoulder such a special tax as a direct farm loss, thus mak-ing it a problem to meet other important taxes of the real estate and personal property class

It is apparent that a special tax levied under the theory of addition in the selling price to the next buyer as in industry is not applicable to "farm products," and that there is a definite point of existence involved in the same manner as provision is made for exemption of certain personal or household property, otherwise unpaid real and personal taxes cause confiscation. This situation is already present among many of our formers.

is already present among many of our farmers.

Respectfully yours,

MINNESOTA FOX & FUR BREEDERS' ASSOCIATION, GEORGE PLAGMAN,

Secretary, Columbia Heights, Minn.

INFORMATIONAL BRIEF SHOWING FUR FARMING AS A DEFINITE AGRICUL-TURAL WORK

The raw product from fur farms is identical to other farm prod-The raw product from fur farms is identical to other farm products, exempted under the Social Security Act, as we have the production and marketing conditions and problems in which the selling price is set and fixed by others than the farmer himself. In "industry" it is recognized and expected that the processor or manufacturer will have a voice in matters relating to the first selling price, and it is only under such a situation that taxes of this nature can be included in each selling price.

Thus the following dependable information is given in detail to

Thus the following dependable information is given in detail to support all contentions that fur farming is a pure farming enterprise and should be classified as an "agricultural occupation."

1. The Social Security Act no doubt anticipated such farmers as coming under the "agricultural exemption" in designating livestock, farms, and ranches under the exemption, however, it was unjustly ruled that this farm occupation was not farming but industry.

2. Requests for reconsideration and designation as to proper farm classification was at once made to the Secretaries of the Treasury and Internal Revenue Bureau, as well as to the Department of Agriculture, and protest was made, however, same has remained under the unwise ruling awaiting changes in the act.

3. Senators, Representatives, and departments have been written and detail information has been given which points out the unworkable factors on true farmers, and most all have joined in declaring the fur-farming work to be an agriculture work, rightfully under the Department of Agriculture.

4. Prior to the act funds have been expended over a long period of time in the development of fur farming as an agricultural work.

5. States have recognized the work on fur farms as being within the term "agricultural efforts."6. The Department of Agriculture has in the past advanced loans

under the A. A. A. and recognized the crop as eligible for farm product security.
7. States recognize fur farms as entitled to homestead exemption

due to the farmer making his own living on his own farm.

8. The following defines the farm procedure on fur farms, control of buying prices by others than the farmer, and shows effect

of applying industrial taxes on agricultural producers:

(a) All the farm work is pure breeding and raising of livestock.

(b) Feeding and enclosing of livestock on farm lands.

(c) Raising and selling of a raw product only, without processing of any nature or industrial handling.

(d) Using country farm help in monthly and seasonal periods.

(e) Generally providing for extra or part-time men, who must be dropped in low-price periods if the theory of industry must be

be dropped in low-price periods if the theory of industry must be applied to farm work.

(f) An entire farm occupation unable to add up costs of feed, labor, overhead, plus special taxes or even profit of any amount, because the selling prices are made and set (like most other farm products) entirely outside of this farmer's control. This raw-product farm has no possible opportunity of passing any tax or definite cost on to the next buyer or consumer, due to the nature of all farming efforts, which cannot be directed to setting his own price.

(g) There is no monthly income or return from the farm labor or investment like most industry enjoys. A 1-year crop makes it possible for middlemen or others to set and determine the producer's price.

possible for middlemen or others to set and determine the producer's price.

(h) There is no short-season stopping or shut-down period. Crop sale comes once yearly, and the market-price results become known too late to restrict operation, thus when low prices develop below the cost of production the losing operation must be carried on for the entire coming year. This alone jeopardizes the home and land of this farmer whose existence is under the control of outside price-setting sources.

(1) The fur farmer pays all of the imposed taxes of the agricul-

The fur farmer pays all of the imposed taxes of the agricul-(1) The fur farmer pays all of the imposed taxes of the agricultural farmer, such as personal property, real estate, income taxes, etc., and any other special tax aimed to be passed into the cost of finished goods further jeopardizes payment of his home and land tax, and where such special taxes cannot be included in the selling prices, development of nonemployment must occur or farm taxes remain unpaid when all such farm prices are below production costs.

taxes remain unpaid when all such farm prices are below production costs.

(J) Due to being a farmer and due to the unfair decision, a duplication of taxes is secured from this farmer; first, in making such tax payment, as an industrial tax, unreturnable in sale of the raw product; and, second, when paying the various industrial taxes on goods exchanged for the crop each year.

(k) The fur-farm product itself has no fixed standards and is influenced directly by propaganda and rumors by which actual outside industry controls the product without thought or consideration of perpetuating this farm enterprise.

(1) As a farm product, same is in no way connected with fur

tion of perpetuating this farm enterprise.

(1) As a farm product, same is in no way connected with fur trapping or wild furs as such where the items of foods, labor, land, and other costs are not a factor. The entire farm can be wiped out in one season, whereas the objective has been to establish and perpetuate domestic fur raising as a continued true farm enterprise.

(m) The fur farmer is a hard worker, willing to do all in his power to sustain his family, maintain his breeding stock, and keep extra help at work as well as pay regular taxes and remain an active consumer of goods coming out of "industry," but to do so as a farmer he must at all times be classified as performing or utilizing "agriculture labor." as a farmer ne must at an times be classified as performing titilizing "agriculture labor."

Respectfully submitted.

Minnesota Fox and Fur Breeders' Association,

By W. Beach, President.

George Plagman,

Secretary, Columbia Heights, Minn.

The Fur Farmers' Cooperative Association has jointly subscribed to the above brief and request.

WM. CUVELLIER. Secretary.

Nation-Wide Contest on Why America Should Keep Out of Foreign Wars

EXTENSION OF REMARKS

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

ANNOUNCEMENT OF ESSAY CONTEST BY THE NATIONAL COM-MITTEE TO KEEP AMERICA OUT OF FOREIGN WARS

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following announcement of a Nation-wide contest sponsored by the National Committee to Keep America Out of Foreign Wars, starting immediately and ending on Flag Day, June 14, 1939, for the best essay on Why America Should Keep Out of Foreign

Washington, D. C., May 16, 1939.—At a meeting of the executive committee of the National Committee to Keep America Out of Foreign Wars it was unanimously agreed to hold a Nation-wide contest, open to all American citizens, regardless of age, race, color, creed, or politics, on the subject Why America Should Keep Out of Foreign Wars.

All compositions submitted in this contest must be clearly

All compositions submitted in this contest must be clearly written (typewritten preferred) and must not exceed 200 words, and shall not include any quotation to exceed 10 words. They should be sent direct to the National Committee to Keep America Out of Foreign Wars, room 1424, New House Office Building, Washington, D. C., not later than Flag Day, June 14, 1939.

The committee offers as first award the sum of \$100 in cash and a trip to Washington, D. C., to be received by the committee, and a trip to the New York World's Fair, with all expenses paid. Second award will be \$50 in cash; third, \$25 in cash; fourth, \$10 in cash; and three additional awards of \$5 each for fifth, sixth, and seventh and seventh.

A committee was appointed to have charge of the contest, composed of Hon. John C. Schafer of Wisconsin, chairman; Hon. Dewey Short, of Missouri; and Hon. Francis H. Case of South

It is expected that the essays submitted in this contest will be judged and awards made on or before July 4, 1939.

Bankers and Recovery

EXTENSION OF REMARKS

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 17 (legislative day of Monday, May 8), 1939

ADDRESS BY E. C. LOVE, PRESIDENT OF THE OKLAHOMA BANKERS' ASSOCIATION

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Mr. E. C. Love, president of the Oklahoma Bankers' Association, at its forty-third annual convention at Oklahoma City May 4 and 5, 1939. Mr. Love presented a very able and convincing argument in support of the fiscal policies of the present administration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In addressing the Oklahoma Bankers Association I am speaking within the family. I do not include the investment bankers as members of our family to whom I am speaking directly. I know relatively little about their problems and the details of their business. I am only thankful to the Government for providing that their activities be carried on in a fish bowl so that I have full information about securities they distribute and, consequently, a good chance to make sound purchases of investments.

It is no accident that statements about business trends and legislation by us bankers receive great weight by the public. Bether

lation by us bankers receive great weight by the public. Rather is it the result of the strategic economic role of our banking indusis it the result of the strategic economic role of our banking industry. We bankers are a unique group in our economic system because we earn our living by trading in the most commanding of assets, money, and therefore are at the very fulcrum of economic activity—the balancer of savings and investment. We direct the conversion of the sterile money savings of the community into active investment spending, which increases the welfare of the community by providing for the production of goods and services. The economic counterpart of the sentimental French adage, "Love makes the world go 'round," is the capitalistic American saying, "Money greases the wheels of industry." It is our job to see that the greasing is properly done. In order to be successful we, more than any other group must be experts in the economics of total output or of the general functioning of the economic machine. Arising out of this fact is the feeling which we bankers have of our own importance. But still more important is the sensing of this own importance. But still more important is the sensing of this by our customers and by the public generally and the deep respect which our economic role engenders.

Respect for our judgment on problems of economic welfare seems

to be an inherent characteristic of our American economic system.

Even the hate and distrust of the 1929-32 period was not lasting. As an illustration of this, I am reminded of an incident which followed a "hard-hearted" request of a large midwestern city banker to a small country businessman to pay off loans in the fall of 1937.

Of course, the businessman thought the request was a pretty dirty trick, but he paid up. Some months later the businessman, while still struggling to make both ends meet without access to bank credit, made this statement: "Of course, paying off the bank made it pretty tough for us, but as I look back the bank was right. It was better for us to do so."

It was better for us to do so."

We could never have regained our position with our customers and with the public so quickly, if at all, after 1932 and 1933, had it not been for the assistance of the Federal Government. I am convinced of this, and I am sure all of you agree with me at least in part. Let me call to mind some of the more important measures taken to place and to maintain the banking system on a sound back. Ver all suret remember the healting beliefy and the provitaken to place and to maintain the banking system on a sound basis. You all must remember the banking holiday and the provisions for the orderly liquidation or reopening of closed banks. Loans by R. F. C. and liberalized rediscount privileges with the Federal Reserve banks enabled banks to meet the abnormal demands of depositors; purchases of preferred stock by R. F. C. bolstered the capital structure of the banking system, and especially of the weaker members; H. O. L. C. and the Federal Farm Mortgage Corporation substituted sound earning assets for the frozen assets which were clogging bank vaults. You all must know that the confidence of depositors was permanently restored by means of the F. D. I. C. You all know that the Government did not stop with these measures. but has continued its efforts to build a with these measures, but has continued its efforts to build a sounder and more useful banking system. Among the more recent important steps has been the more realistic attitude taken toward loans and investments embodied in the revisions of bank-exami-nation procedures. All of us recognize that these were necessary and effective measures for restoring the health of the banking system. Yet we seem to have forgotten the benefits bestowed upon us by a long list of governmental measures relating to the banking industry. According to a financial writer for the New York Times, we seem even to have forgotten the banking holiday.

The effect of the Government's measures has been not only to

restore the public's respect for us but also our own self-respect. Not only do the people now know that the bankers will not let themselves down but they also know that the Government will not

themselves down but they also know that the Government will not let the bankers down. And this firm position of the Government behind our lines is a far more potent influence on public opinion with regard to banking than we have been willing to admit.

We all know—and I am not so simple as to believe otherwise—that the Government has worked to rehabilitate the banking system, not for love of bankers but for other deeper reasons. The economic welfare of the whole Nation—not only our own—requires a sound banking system. And it was to provide the necessary condition for high levels of national income that the Government acted. We bankers were only a convenient medium through which a broader national purpose was attained.

Even though Government activities in the banking field have been undertaken for the benefit of the whole Nation, they have not been pursued in a spirit of antagonism or rancor toward bankers.

been undertaken for the benefit of the whole Nation, they have not been pursued in a spirit of antagonism or rancor toward bankers. Had it been otherwise, our Government would not have been worthy of the people in whose interests it operates. Let us not forget that nationalizing the banks was a real alternative in 1933. Nor should we close our eyes to the fact that even today there are those who believe the Government should take over the banking system.

Our Government has made every effort to restore the banker to his traditional position in the community, to maintain and widen the scope of his activities and to provide the basis for sound and profitable operations. I hardly need remind you that the fear of the examiner's visit has practically disappeared, particularly in those banks which are under Federal supervision. Nor should I need to remind you that during the 4 years, 1935–38, bank suspensions averaged less than 50 per year and deposits in those banks less than \$14,000,000 per year; the comparable figures for the twenties are 635 banks with deposits of \$181,000,000. I think the fact that the recent banking difficulties in New Jersey—probably the major headache of F. D. I. C.—caused so little interest is ample evidence of the general confidence in and soundness of the banks achieved during the past 6 years, as well as of the value of F. D. I. C.—d. R. F. C.

the banks achieved during the past 6 years, as well as of the value of F. D. I. C. and R. F. C.

The talk I have heard about the Government trying to elbow us out of the banking business is just sheer nonsense. You and I known that the Government has not engaged in lending activities known that the Government has not engaged in lending activities out of any desire to take over the banking industry. The Government has the responsibility for getting increased business activity. Lending was necessary to attain that end. When for one reason or another we were unable to do the lending, the Government was forced to do so in order to fulfill its obligations. R. F. C. loans were extended only after banks had declined to take the business; only defaulted farm mortgages were taken over by the Federal Farm Mortgage Corporation, and so on.

Long before the New Deal arrived in Washington such a policy was pursued by the Federal land banks and the Federal intermediate credit banks. We may say that the Government has played the role of guarantor for our weaker borrowers—at a fee of course—and has provided credit when no private credit was available. Now that it turns out that the Government judged the risks involved with considerable accuracy we bankers seem to be cover-

able. Now that it turns out that the Government judged the risks involved with considerable accuracy we bankers seem to be covering up our own mistakes by raising the bugaboo of Government competition. Today there is no lending business that the banks cannot have if they want it. If this be competition between Government and bankers, then competition is based on brotherly love and not, as every economist since Adam Smith has maintained, on the law of the jungle.

Nor has banking been profitless since the Government stepped in to repair the rickety structure of our industry. I know—and

you know—that while bank profits are infinitely better than in 1931-34, they are not so great as they were in the bankers' heyday of the twenties. But what other industry with an invested capital of \$7,000,000,000 can boast of a more than 5-percent annual net profit rate on capital, surplus, undivided profits and contingency reserves for the recession half of 1938? And what other industry has been able to cut its largest single cost item—interest paid on deposits—by 75 percent, largely by Government regulation? May I remark that that cut in costs alone was greater than the net profits of banks in 1929.

profits of banks in 1929.

I think it may fairly be said that there is no other industry for which the Government has done more than for banking. Yet by and large the only return to the administration has been violent verbal abuse. I have attended numerous meetings of bankers verbal abuse. I have attended numerous meetings of bankers during the past few years and with very, very few exceptions the speeches I have heard were antiadministration. Bankers, big and little, city and country, have all joined in the chorus; each delivered a tirade against the administration, then sat down and stuck out his chest in the firm belief that he had done his bit to save the country. We are prone to forget difficulties, hardships, and miseries once we escape them: We are at the same time, inclined to be increase. to be ingrates.

Neither you nor I can gage with accuracy the effects of the continuous stream of antiadministration utterances from such an influential group as we bankers. I know that the effect in my own community has been to keep at an unduly low level the kind of investment spending which starts and keeps recovery going. I profoundly believe that for the Nation as a whole, similar effects must have been of tremendous magnitude. And our own business, of course, has suffered with the rest of the Nation as the limited

outlets for loans and investments indicate.

All this does not make sense to me.

I suppose it is too much to expect us to explain to the public just what the Government has done for bankers and the banking system. After all, we were carried away by the "new era," just as everyone else was. In the tempo of the time, we departed from sound banking practices on occasion, and we failed to discourage others from similar departures. Consequently we cannot avoid our share of the blame for the ruins in the economic system which we could not reconstruct. And if we talked about what assistance could not reconstruct. And if we talked about what assistance the Government had given, we would have to swallow our pride and admit we could not have solved our difficulties alone.

and admit we could not have solved our difficulties alone.

But there are other measures which the Government has taken and is contemplating which we bankers can discuss without loss of pride or prestige. Is it too much for us to do so with a view to helping the Government in its efforts to attain and then to maintain high levels of activity? We drew the first large dividends from the New Deal program carried out for everyone's benefit. It is not too much for us now to lend a hand so that other groups, too, may have opportunities to obtain corresponding dividends. And for us to do so would not be gratuitous benevolence but rather shrewd and enlightened selfishness.

Our economic functions are all that they have ever been. The

Our economic functions are all that they have ever been. The public still entrusts vast sums of its savings and surplus funds to us. It is still our job to see that these funds get invested—put to use. We are still the primary mechanism for expanding credit so that the volume of deposit money will be adequate to carry on the Nation's business.

Right here I would like to say we have an immense responsibility with regard to credit creation. Because we did not live up to that responsibility in the twenties, when we permitted—in fact, stimulated—excessive credit expansion, our leeway has been restricted to prevent damage to us as well as to the rest of the economy. I am sure that should it ever be to the best interests of the Nation to permit a greater expansion of credit than is now possible, the Government will relax those restrictions.

Because of our central economic role with regard to credit and Because of our central economic role with regard to credit and the prestige it engenders, we are in a particularly strategic position to be helpful. We are in intimate contact with private enterprise and know how and why it functions. We know the circumstances under which funds are wanted or not wanted and why. We understand the importance of keeping funds flowing. And we know the depressions and recoveries which may be anticipated with a high degree of certainty from changes in the flow and use of funds. All this grows out of our everyday practical experience, and because of that our economic knowledge and judgment can be of the greatest value to the Nation. greatest value to the Nation.

Take Government spending as an example. I know it is strange for a banker to support the Government's spending policies. But in spite of the shock such an almost unprecedented position may involve I am going to use them as an example.

I know of no other group of private citizens who could do a better job of explaining the Government's deficit spending activities than bankers. They strike at the very spot in the economic system at which we function—the conversion of idle savings into active investment spending. We know that when deposits pile up while loans and investment decline them is a lack of the property ment spending. We know that when deposits pile up while loans and investments decline there is a lack of investment spending. We know that unless the money savings which banks get as deposits are put to use, business activity and national income would decline, and with them our earnings and safety. We know from practical experience that a business firm will not invest when the volume of its products sold and consumed is far from capacity output. We know that with the existing productive capacity the present level of consumption, whether maintained by Government spending or not, will not bring forward any great increases in private investment until the existing capacities have been liquidated by wear and tear and obsolescence. obsolescence.

We know that were Government spending now stopped in an effort to balance the Budget activity would decline and with it tax receipts, so that the Budget would remain unbalanced; that the falling off of orders due to a contraction of Government spending would have the same drastic effects as a stoppage originating in private sources. In short, we know that if recovery is to be speeded up orders going to private enterprise must be brought to a high enough level so that pressures on productive capacities will be sufficient to induce new loans and investments. When the volume of consumption or activity generally is not enough to create the of consumption or activity generally is not enough to create the necessary pressure there are two alternatives: The Nation can let it ride and wait until capital equipment wears down to the low levels of activity. This is a long, hard trail, as everyone knows from 1929–32; in 4 years it was not possible to wear our productive assets down enough. While the Nation was trying to do so business never did get fully reimbursed for the physical capital assets used up. (I might say on the side that while the people wait they might also pray for rain in the form of technological changes, foreign wars, foreign investments, or some hitherto unknown economic

wars, foreign investments, or some markets stimulant.)

On the other hand, the Nation can actively seek to raise the level of activity. This is exactly what Government spending does. As we bankers know, if the volume is sustained and great enough, it will raise activity to a level where it pays private industry to invest. This is exactly the same proposition we are up against in dealing with an individual business; if its sales are coming in regularly at high levels, it comes to us for funds—short or long term—and we extend credit. If its sales are erratic and at low levels, the firm may come to us for funds but won't get them, because we're not in the business of financing bankruptcies.

Instead of criticizing the spending program, we bankers should be explaining the economic necessity for it on the basis of our

Instead of criticizing the spending program, we bankers should be explaining the economic necessity for it on the basis of our knowledge of the mechanics of industry. If we really paid heed to the lessons from our own experience, we would ask the Government not to balance the Budget but to provide for a large enough and sustained enough volume of spending to provide the volume of orders necessary to bring forth high investment. And only when private investment was adequate would we think of asking the surfailment of Government spending.

curtailment of Government spending.

Yet what have the banking spokesmen been saying? I quote from a speech by one of our own Oklahoma bankers:

"Why company on the property of the property

"Why cannot we, as bankers, arouse a * * * protest against a continuation of our present fiscal policies—policies which, if con-tinued indefinitely, will result in only one thing—chaos?" And from a speech by a former president of the American Bank-

And from a speech by a former process.

ers' Association:

"The truth is that through unsound financial practices * * *

they have impaired the country's economic strength and beaten
business down until it is remarkable that it has left as much
vitality as it displays."

These are the scarecrows most bankers are putting in the path

These are the scarecrows most bankers are putting in the path of earnest efforts by government, which we know are sound, to keep activity moving up. So far as facts are concerned, they do not bear out such attacks on the spending policy. And so far as the economic effects on business are concerned, I think it is time bankers recognized that the finances of business were never in better shape. Need I mention the mute figures on bank loans and deposits as symbolic of the financial liquidity of business? Need I mention that the liquidity is a direct result of cash inflow being in excess of cash outgo made possible by the flow of Government expenditures through business channels?

Let me hold up just one more banker on the question of fiscal policies—the chairman of the board of the world's largest bank. I quote from testimony before a special Senate investigating committee:

mittee:

mittee:

"The thing which gives me more concern * * * than anything else * * * is this continually unbalanced Budget."

"* * * every businessman that I know and every banker I know appreciates the danger of this Budget situation. I do not mean, when I say that, the fear of any immediate collapse."

Now here is a charge of impending bankruptcy made almost a year and a half ago. Is it a true appraisal of the financial condition of the Federal Government? If it is, the quotations on Government obligations should be near bottom in view of what has occurred since the statement was made, and most banks should be on the verge if not actually in bankruptcy. the verge if not actually in bankruptcy.

Bankers ought to know how to make a sound analysis of financial conditions—of assets and liabilities, of debts and credits. More than any other group, we know the realities and the fantasies of debt in modern times. We know debt must be expanded in order for business activity, particularly our own, to increase, and that is why modern credit institutions exist. We know, or we ought to learn, there is nothing but nonsense involved in the contention that debt must remain helow some mystically determined level. Such a debt must remain below some mystically determined level. Such a contention is tantamount to saying that an arbitrary psychological fear of debt should limit economic expansion all by itself without

regard to the necessity of debt creation for the effective functioning of modern corporate enterprise.

The plain fact of the matter is this: So long as people save in money terms—in bank deposits and insurance policies, for example—and not in physical asset terms, then there must be debt if economic expansion is to occur. So long as savers will not, because of a desire for safety and liquidity, or cannot, because of the physical arrangements of production, hold direct title to real assets, then there must be one or two or three or even more layers of debt in the financial structure underlying those assets. For example, our railroads and utilities could not have been built had it not been

for a huge increase in debt—an increase which was beyond conception 60 or 50 or 40 years ago. Without debt creation our economic machine cannot function. If business does not create debt, then someone else must; otherwise only business stagnation and decline can be expected. Government, because of its responsibility to make can be expected. Government, because of its responsibility to make the system function, has been doing the necessary debt-creating job. Instead of wasting time complaining about it, we ought to be developing methods for gearing financial arrangements to the highest national output the Nation can attain.

The least bankers can do is to make a sound analysis of the financial condition of the Federal Government. And since most of them have failed to do so I'm going to start the ball a-rolling. I Just want to sort of lay a few facts about the debt and Budget on the line.

First of all I want to dispel some impressions about the size and increase of the public debt. At the turn of the year the gross debt was \$39,400,000,000, an increase of over \$18,000,000,000 since March

No banker that I know would throw away the asset side of a balance sheet and view with alarm the financial position of a business solely from the size and trend of the total liabilities. So, as hess solely from the size and trend of the total habilities. So, as bankers making a factual analysis, I think we should start by subtracting the cash and earning asset items—the balance in the general fund, the stabilization fund, and the proprietary interest in Government corporations and credit agencies. This shows the net debt was \$30,300,000,000. And the increase since early 1933 was less than \$12,000,000,000, some 35 percent less than the increase in the gross debt.

in the gross debt.

But the greatest asset of the Government is the earning power of the people. I don't know how to appraise this for balance-sneet purposes. One of my difficulties is that I've never had much experience with business bankruptcy situations similar to that of the Nation in 1932. I do know, however, that the earning power—
not the capital value—has increased by at least \$25,000,000,000
since early 1933—from no more than forty to no less than sixty-five
billion dollars. Whatever else we bankers say, I think we must
recognize that the increase in this asset has been many times the increase in the whole gross debt, not only the \$12,000,000,000 increase in the net debt. And we must recognize that the size of the debt is purely relative—that its relation to the national income

is the crucial point.

Nor should we forget the restoration of the earning power of the corporate system in adding up the assets behind the Government.

In 1937 profits of all corporations totaled about \$8,000,000,000, according to an estimate of the United States News. This was out according to an estimate of the United States News. This was out of a national income of \$70,000,000,000. In 1929 the "new era" peak profit year, corporate profits totaled eight and seven-tenths billion dollars. Of course this is higher than 1937, but remember that in 1929 the national income was \$81,000,000,000 and prices were about 10 percent higher. Certainly the 1937 results for the corporate system do not suffer by comparison with those of 1929. Certainly the corporate system has regained its full vitality since 1932 when it lost over \$5,500,000,000.

So much for the balance-sheet analysis. Let's turn to the P and L statement. I have already shown the huge increases in the gross income item. Tax collections are about the governmental equivalent of net income before operating charges for a private organization. These are running around \$6,000,000,000 annually, an increase of \$4,000,000,000 over the 1932-33 rate. And cold analysis shows that most of the increase was the result not of higher tax rates but of the higher income of the Nation; the Twentieth Century Fund has estimated that tax collections on the basis of the

tury Fund has estimated that tax collections on the basis of the 1933 national income would be around \$3,000,000,000.

And the burden that the debt places upon revenues has actually decreased. Interest charges are now around \$1,000,000,000, compared with about \$700,000,000 in 1932-33. Instead of 35 percent of revenues they are now about 17 percent of revenues. Not only that, but relative to the national income, interest charges on the public debt are one-seventh less than in 1932-33. I submit that even the best of financial analysts cannot support a charge of overcapitalization against the Federal Government.

I do not deny that the financial position could be better. But I also remember that scarcely any private firm is in so good a position that it could not be improved. As debtors go, the Federal Government is still in A No. 1 shape. Even should the national income remain at its current level, which I do not expect, while the debt increases in accordance with the last Budget, the financial position would be better than it was in 1932-33.

Not only has no harm been done to the financial position of the Federal Government by its fiscal policies, but the financial position

Federal Government by its fiscal policies, but the financial position of the Federal Government by its fiscal policies, but the financial position of other debtors has been improved. That is shown by two facts about debt discovered by the Twentieth Century Fund in a recent study. First, the net debt of State and local governments has declined by about \$2,500,000,000; and, second, the net-debt position of private individuals has shown an improvement of at least \$12,000,000,000—not to mention a decline of at least a few billion in the net debt of nonfinancial corporations. Thus the total governmental debt the people might have to pay off by taxes increased by less than \$10,000,000,000, while the net-debt position of private individuals improved by at least \$12,000,000,000. May I point out that by appropriate tax collections the Government during the years could have balanced the Budget and still have left past 6 years could have balanced the Budget and stin have left private individuals in a better debt position than they were in early 1933? Need I also add that such a Budget policy can be adopted at any time the Nation so desires? The existence of public debts and unbalanced budgets is purely a matter of discretion on the part of the people. Just as a private business firm may choose to have a large volume of assets and a large debt, rather than a small volume of assets and a small debt, so may a nation.

About 6 weeks ago Chairman Eccles, of the Federal Reserve Board,

pointed out that, by drastic reductions in expenditures, the Budget pointed out that, by drastic reductions in expenditures, the Budget can be balanced at any time the people decide they want to do so. There would be a price, of course—the price involved in lower levels of business activity. But, if the people are willing to make the necessary sacrifices, they can have a balanced Budget. I do not believe the people—and I include bankers—are willing to suffer the consequences of balancing the Budget by reducing expenditures. But there is another way of balancing the Budget—increasing taxes and maintaining expenditures. In this way also the people can have a balanced Budget at any time they decide that they prefer a smaller public debt and a less favorable private debt position than now exists.

In pointing out that increasing taxes is a real alternative to

prefer a smaller public debt and a less favorable private debt position than now exists.

In pointing out that increasing taxes is a real alternative to Budget balancing by reducing expenditures, I am pointing the way for those bankers—like the chairman of the board of the world's largest bank—whose No. 1 worry is the continually unbalanced Budget. If their worries are really a heavy burden, they can get rid of them. Let them say increased taxes are necessary; and let them say they are willing to pay their fair share. Let them do this rather than howl for curtailed expenditures at the expense of those without means of support in private industry. And if they do, I for one should be more than glad to back them up, particularly if their proposals were also directed toward modifying the tax structure so that it would bear less heavily on consumption and more heavily on income. Whether popular support would be forthcoming I do not know. It is difficult for everyone—not only bankers—to vote taxes upon themselves. But the leadership of bankers—the financial experts of the Nation—would go a long way toward breaking down resistance.

I have gone at some length into the fiscal policies of government because I am concerned lest an attempt be made to curtail Government spending before private industry has any need to increase its volume of investment significantly—an attempt similar to that made in 1936 and 1937 under business and banking pressure and which can have only about the same kind of results. I am concerned about the possibility that alarmist talk by bankers may be particularly damaging to the recovery now in process and to

concerned about the possibility that alarmist talk by bankers may be particularly damaging to the recovery now in process and to

bankers themselves.

As technical experts on business and economic affairs we bankers should be supporting the spending policies. We don't have to make arguments based upon humanitarian principles—although it would be well for us to listen to them when made by others; we can make the case on the basis of economic and financial prin-

can make the case on the basis of economic and financial principles. As I have already said, we are in the best position to explain the necessity for Government spending when industry is operating below par and to point out that the fiscal position of the Government is sound.

I think, also, we can go a little further at the present time and express dissatisfaction with the administration's plan to let the volume of spending decline during the next fiscal year. I think we may well ask that the present Congress provide, if not definite funds to be spent in any case at least some sort of reserve which we may well ask that the present Congress provide, if not definite funds to be spent in any case, at least some sort of reserve which could be thrown into the breach should private investment not increase during the next year or two as rapidly as the last Budget apparently contemplates. I say this advisedly. The index of industrial production is now around 100 percent of the 1923–25 average. And I know and you know that business is not going to put up any really large volume of investment spending until that index gets above 110 and then keeps going up. And I think we may well advise on the basis of our practical knowledge and experience the desirability of providing adequate safeguards against an economic decline when we are still far from full use of our productive resources.

productive resources.

In saying that we should support the spending program I by no means want to imply that we should give unqualified and uncritical

means want to imply that we should give unqualified and uncritical support to particular activities or methods under that program. All I mean to imply by approval of Federal fiscal policies in this proposition: Spending by Government is necessary to attain recovery in the absence of adequate spending by private parties. How the money is to be spent and for what are entirely different questions. For example, we in Oklahoma know that it is necessary to bolster the incomes of farmers through Government action. Whether the arrangements for doing so should be cost-of-production formulas, parity payments, surplus commodity purchases, soil-conservation benefits, or export subsidies requires further analysis. Another example is public employment for the unemployed. That it is necessary we all admit. But whether it should be on a relief or regular essary we all admit. But whether it should be on a relief or regular wage basis, on road or bridge or power or hospital or school or sewing or music or other types of projects, and on a direct Government operation or a contract basis raises a whole series of economic and social questions which bankers may well discuss on their merits.

What I want particularly to stress, however, is the fact that there is a very large element of practical economics, not abstract justice or sentiment, involved. The major criterion is: How can the money or sentiment, involved. The major criterion is: How can the money be most effectively spent to attain recovery? At the same time, of course, we do want to get the maximum return for the expenditures in terms of lasting improvements to the physical and human resources of the Nation. But it is in the light of the recovery objective that we can make our major contributions to the formulation of the most effective methods of spending the amounts required.

As bankers we know better than anyone else that money spent by private parties as well as governments has the maximum effect on

recovery if the persons receiving it respend it quickly. Now it is quite obvious under the recent economic conditions that the perquite obvious under the recent economic conditions that the persons who will do that kind of respending are by and large those who have the least to spend for consumption. Those who have enough available for consumption and would spend additional amounts for investment purposes have not done so, and will not do so under existing circumstances, simply because with low levels of activity there are no outlets for investment in productive capacities. The plain fact is that those groups who have been and are still able to save have vast liquid resources already; a larger flow of funds to them would only increase savings without increasing investments. investments.

So the conclusion is that the economics of the situation require So the conclusion is that the economics of the situation require money to be put in at the consumption line—to flow to the low-income groups. This is what the administration has been earnestly trying to do. We bankers can help by proposing improvements such as modifications of the Social Security Act to prevent the deflationary effect of building excessive reserves. And in addition why should we not criticize private groups—for example, those pursuing monopolistic price practices—which are preventing the full recovery effect of the spending measures to take place? At times—as in 1936 and 1937—such practices by private groups have a far more potent adverse effect on economic activity than the beneficial effects of the largest volume of deficit spending the Government has undertaken during recent years. undertaken during recent years.

In the narrower confines of our own professional banking activities we also can—and advisedly I add, must—make greater contributions to recovery than we have been making during the past

few years.

I am not going to become party to the blanket charge made by some that we have staged a sit-down strike and are refusing to loan money. My own experience indicates that there is nothing to the charge. And common-sense observation leads me to believe to the charge. And common-sense observation leads me to believe that bankers are no different from other people in gobbling up opportunities to turn an honest dollar. While it may be true that some few bankers intentionally and some few inadvertently have turned down sound loans, the large majority, I am convinced, have made every loan consistent with the current conception of soundness. But, whatever the facts, we are not so aggressive in seeking outlets for our funds that there is no room for greater aggressiveness. Far better for us and for the Nation to transfer our salesmanship from rampant political criticism to making loans. There is another point at which we can try a little economic

our salesmanship from rampant political criticism to making loans. There is another point at which we can try a little economic stimulation. This is interest rates. Even a cursory examination of bank statements shows that banks can lend money very profitably at pretty low rates. What we need is a greater volume of business from private borrowers than we now have. I know a wide range of circumstances affect loan rates and maturities. Yet I feel that something might be done to shave rates down and lengthen maturities in an effort to increase loans. That the rates in some cases are too high is amply indicated by the offers of two New York banks to lend under F. H. A. terms at 4½ percent—undoubtedly an experiment, but I feel sure they haven't gone the whole hog.

whole hog.

I know it is always difficult for us to reconcile ourselves to low interest rates, particularly for long-term investments. But at the present time it will be well for us to ponder the question that unless we do we may not be bankers on the hypothetical maturity

dates of unborn loans.

There is still another thing which we can do. We can offer to do something in conjunction with the Government. And I don't mean one-sided offers similar to those recently made by the stock exchanges. I mean a really earnest effort to sit down with Government officials and figure out how the useless money banks now heald on health to work the west to work. hold can be put to work.

Is it too much to ask of us that we do something for our own

businesses and for ourselves as individuals?

businesses and for ourselves as individuals?

All of us in the Nation are not far from desperate straits if not already in them. While employment is some six or seven million greater than in early 1933, unemployment is still around 11,000,-000, not to mention a couple of million in agriculture and other millions in industry who don't even have the semblance of decent economic opportunities. This is only one symbol of the under use of resources and of the boiling pot of social and economic explosives we are trying to cool off before it explodes. How fast we must travel along the recovery road is indicated by the fact that 50,000 new workers net are added to the labor force every month. Thus far the Government, largely through spending, has carried the major burden, not because it has seen its destinies in that course of action but because so little help has been forthcoming from private sources. It is high time the Government got some real assistance sources. It is high time the Government got some real assistance from those private groups which have the greatest stakes in the economy as it is now organized.

We bankers have at least one of the biggest if not the biggest stake in the United States. It is to our advantage to rebuild the cld economic pump and not to have it replaced with a new pump. For if a new pump is installed I am sure that the bankers and industrialists of today will not again be given the privilege of drawing the first water or the right to hold the most strategic positions on the handle. We ought to be realistic about the whole matter. Unless we use the water we already have, it will not be long before we may have to content ourselves with painful mental images of what might have been. If we do take a belated advantage of our opportunities, we shall be able justly to participate in an economy once again expanding. We bankers have at least one of the biggest if not the biggest

The choice is clear.

Builders of the Future

EXTENSION OF REMARKS

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES Wednesday, May 17 (legislative day of Monday, May 8), 1939

ADDRESS BY PHILIP C. EBELING

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Mr. Philip C. Ebeling, president of the United States Junior Chamber of Commerce, at Valley City, N. Dak.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Every once in a while it is important that we return to fundamentals. Tonight I shall do just that—discuss with you the underlying philosophy of the junior chamber movement. I shall answer your question, "What is it all about?"

No doubt everyone in this room has at some time been asked the questions: "What is the junior chamber of commerce?" "Is it like a chamber of commerce, a service club, a social club?" "Just what

a chamber of commerce, a service club, a social club? "Just what is it?"

It is not a chamber of commerce. While we are interested generally in business and business affairs, our primary concern is not business protection, promotion, or stimulation. We are interested in many other things of a civic, educational, philanthropic, or cultural nature. A chamber of commerce is concerned with the civic as it affects business. We are concerned fundamentally with civic

It is not a service club. Our definition of the word "service" is broader than that of "welfare," and includes generally a man's duties and responsibilities as a citizen—the true definition of "civic." Therefore, you will find us in the forefront of programs or projects that will improve the community, State, or Nation, even though they might involve governmental action—something a service club never does.

It is not a social club, a lodge, or a fraternity. While we encourage fellowship and fraternalism among our members, we use them merely as means to an end—to get effective action by young men

in worthy projects.

Therefore, when people ask you what a junior chamber of commerce is, the only answer you can give is that it is a junior chamber of commerce. It is an organization with a personality all its own.

own.

Listen carefully, as this is the first time you have heard a comprehensive definition of a junior chamber in one sentence: "A junior chamber of commerce is a supplementary educational organization wherein the young men of Valley City may join together in a friendly spirit to inculcate civic consciousness in its membership by means of active participation in constructive projects which will improve the community. State and Nation."

friendly spirit to inculcate civic consciousness in its membership by means of active participation in constructive projects which will improve the community, State, and Nation."

That is a junior chamber of commerce as the concept has finally crystallized. You will notice there are seven ideas expressed in it.

The first idea expressed is that it is "a supplementary educational organization." An intelligent man's education does not stop when he has completed his formal education in school or college. It is a lifelong process. Until this organization was founded a young man had no organized group wherein he could broaden his knowledge or develop his skills in the company of his contemporaries. He either was forced to hopelessly compete in groups with men many years his senior or spend his leisure hours in lonely solitude or "stepping out" in pleasure haunts. In the junior chamber he can supplement his formal education in practical ways and "step in" to his full share of civic responsibility.

It has been said that education consists of three processes: (1) Acquiring information; (2) developing skills; (3) creating attitudes. Here he can acquire first-hand information on the pressing problems of community, State, and Nation. He can develop quickly his skills in leadership cooperation, working with other people, persuasiveness, tact, and all those traits and personal characteristics which will make him a man among men. He can create correct attitudes of fairness, tolerance, patience, faith. This supplementary educational process can work more efficiently, with greater speed, and with practical effect in this company of friendly contemporaries free from artificial barriers.

The best definition of education I have heard is, "It is a preparation which enables a man to better understand his environment.

The best definition of education I have heard is, "It is a preparation which enables a man to better understand his environment, so that he might live in it happily and usefully." Certainly the junior chamber of commerce meets this test and can justly be called a supplementary educational organization.

The second idea expressed in the definition is that it is "a young man's organization." It is the only truly national young men's organization in this country. In 1931, we had 81 member organizations. We now have over 550 organizations with a basic membership of 110,000 young men. These exist in 44 States, the District of Columbia, Alaska, and Hawaii. We have associate members

in Canada, Australia, and China. The idea has been so worth while that it has spread to 16 foreign countries. We can now proudly say, just like the British Empire, that "the sun never sets" on a junior chamber of commerce. And even more proudly we can point out that this has been builded by the voluntary effort of young men without a dime being paid to organizers.

It is strictly a young man's organization with its membership composed of, its policies determined by, and financed by young business and professional men between the ages of 21 and 35 years of age. It must always remain a young man's group, as by this age limit new leadership, membership, and activity are assured. It is a veritable fountain of youth.

It is a representative group wherein worthy young men can find a place. In it Jew and gentile, Catholic and Protestant, Democrat and Republican, rich and poor will be found working shoulder to shoulder for a common goal.

and Republican, rich and poor will be found working shoulder to shoulder for a common goal.

Why shouldn't young men have an organization of their own? There is too much of a tendency to underestimate the abilities of young men. The pages of history chronicle the achievements of young men. Washington was a colonel in the Virginia army when he was 19; William Pitt was Prime Minister of Great Britain when he was 24; Napoleon was Emperor of France when he was 33; Mc-Cormick had invented the reaper and Westinghouse the air brake when they were 23; Shakespeare had written 10 of his greatest plays when he was 32; Sir Isaac Newton discovered the law of gravitation when he was 34; Alexander Hamilton was Secretary of the Treasury when he was 32; and the average age of the Continental Congress, the men who conducted the Revolutionary War, was slightly below 34 years of age. Energy, enthusiasm, and willingness to try—those attributes of virile young manhood can accomplish much. accomplish much.

They can accomplish more by being banded together in their own organization where those attributes are allowed free play. This idea is not new. A short time ago I was in Independence Hall in Philadelphia, the birthplace of this Nation. There I was told that Benjamin Franklin, whose name is synonymous with wisdom, when he was slightly over 21 years old, joined together with other young

Benjamin Franklin, whose name is synonymous with wisdom, when he was slightly over 21 years old, joined together with other young men of Philadelphia into a civic-service organization called the Junto Club. History records that many of the fine things Philadelphia enjoys today were started by that young men's organization—a forerunner of the junior chamber of commerce.

The third idea expressed is "in a friendly spirit." We do not operate as a cold business type of organization. We endeavor through luncheons, dinners, and social events to bring about a spirit of fellowship. The junior chamber makes acquaintances, develops friends, and keeps friendships in repair. Need I say more of the importance of this? We all recognize that friendship is "life's sweetest influence." It is desired by king and peasant alike.

The fourth idea expressed in the definition is "to inculcate civic consciousness." Here we have the fundamental purpose of every junior chamber. Personally, I can think of no more important purpose for which an organization can stand.

What can be more important than impressing people with their duties of citizenship? Too often we prate about the privileges of citizenship and overlook the duties. Too many think that they fulfill their obligations of citizenship if they pay their taxes, contribute to some worthy causes, vote and vote for the best man—or the least bad. Civic consciousness involves far more than that.

It means that we must think in terms of the general welfare and

the least bad. Civic consciousness involves far more than that.

It means that we must think in terms of the general welfare and not individual welfare. An alarming tendency in this country has been the growth of class groups and blocs of all kind. We almost have government by pressure groups. Pressure groups have their proper place, but when they think in terms of their selfish end only they become a threat to democracy.

It means that we must actually put the needs of others above our own selfish interests. The outstanding thing about George Washington to me is the fact that as the richest man in the Colonies, with everything material to lose and little to gain, he nevertheless, put the welfare of his countrymen above his own interest and chose Valley Forge.

It means having faith in your fellowmen, in your leaders, and in the eventual triumph of right. It means tolerance, patience, and "striving unceasingly to quicken the public sense of civic duty; that we may transmit this country not less, but greater, better, and more beautiful than it was transmitted to us," as the last sentence of the Athenian oath of citizenship from ancient Greece tells us.

"High-minded," you say. Yes, high-minded! And there will never be any permanent solution of the problems that bedevil and befuddle us until more and more individuals become high-minded! Intelligence is not enough. Knowledge is not enough. Industry is not enough. We may have any or all of these, and yet the direction in which we go may be wrong.

Laws will not solve our problems. You can't legislate goodness. James Whitcomb Riley said, "the meanest man I ever knew operated within the law." It will ever be thus with laws.

Gold will not solve our problems. The poet reminds us:

"Not gold, but only men can make A people great and strong. Men who for truth and honor's sake, Stand fast and suffer long.
Brave men, who work while others sleep, Who die while others fly—
They build a nation's pillars deep
And lift them to the sky." LXXXIV-App--129

It is only as more and more men accept the philosophy of life consistent with good citizenship that selfishness, greed, and thoughtlessness—those enemies of progress—will give way. Only four philosophies tug at man for his acceptance. "Know thyself," said Socrates, the Greek father of philosophy—knowledge is the highest good. "Be thyself," said Marcus Aurelius, the Roman stoic—personal virtue—as long as I am personally good—that is the highest good. "Exalt thyself," said Nietzsche, the German realist—power—the power that comes from position and money—that is the highest good. But the philosophy of citizenship and the most important one was uttered by a young man 33 years of age. "Give thyself," said Christ—service for your neighbor—if you give your life for him, you will not lose it. You know that philosophy of life. I submit until more and more individuals accept that last philosophy of civic consciousness very little else is of lasting importance.

I submit until more and more individuals accept that last philosophy of civic consciousness very little else is of lasting importance. Fellow Jaycees, you are therefore engaged in very important work. How important is well illustrated by this little story. A man was trying to read the newspaper one night. His small son was playing and making a terrible racket, as children often do. Finally, in desperation, the father tossed down on the floor a picture puzzle of the world cut out from a magazine and told the little boy to put it together. In just a few minutes the son reported that it was completed. The father asked him how he had managed to do it so quickly. The son replied, "Oh, that was easy. There was a picture of a man on the reverse side of the puzzle, and just as soon as I put the man together right the world came out right."

You are engaged in putting young men together right.

You are engaged in putting young men together right.

The fifth idea expressed is by means of active participation in projects. This is an important point—an unique contribution particularly appropriate for a group of energetic, enthusiastic young men. A junior chamber of commerce is not composed of joiners, but rather of doers. It is not another bunch of resoluters. It is not another one of these organizations that meet, eat, belch, and adjourn. It has always been, and may it always be, a project organization. Ever since Henry Giessenbier conceived this idea in St. Louis in 1915, it has been dedicated to action. With the energy, enthusiasm, and willingness to try anything once, so characteristic of young men, it is proper that it should have as its motto, "It will be done." We inculcate civic consciousness by doing, not by talking about it.

In this country we seem to have a fetish for committee meetings and conferences. Too many times that meeting is the last thing ever heard of a worthy project. A familiar way of solving a problem is to appoint a committee, have a meeting, draft a report, file it away. Next year you do the same thing all over again.

away. Next year you do the same thing all over again.

Clarence Day has written an interesting little book called "This Simian World." It is a soliloquizing or philosophizing on what would have happened if some other animal than the monkey had been selected as the base of the evolutionary process. He takes up these animals one by one. It might have been the tiger. Then we would have been slinky, terrifying kind of people, preying on each other and having a great time. It might have been the cow. Then we would have been ruminative, phlegmatic, Carnation Milk contented kind of people. Interesting, however, is the fact that the monkey was selected, and the outstanding characteristic of the monkey is chatter.

Lots of chatter oftentimes but very little action.

The greatest pleasure I get from traveling around the country this year is to see the many concrete evidences of the up and doingness of these young men—in Oklahoma City, to drive in the warm Oklahoma night to the beautiful Taft Stadium to hear the fine symhoma night to the beautiful Taft Stadium to hear the fine symphony orchestra, both junior chamber projects, and hear there that night the first rendition of the new Oklahoma State song, "In Old Oklahoma," a State Jaycee project—in Mobile, to be driven along the beautiful Azalea Trail, a junior chamber project that has brought a personality of its own to Mobile and thousands of tourists every year—in San Francisco to look out into San Francisco Bay, see beautiful Treasure Island rising from the bottom of the bay, and realize that it would not be there with the gorgeous Pacific Exposition thereon, except for the ingenuity, intelligence, and industry of the San Francisco Jaycees. These, and the many others I have seen in many places, are living proof of the worthwhileness of this young man's organization with its inexhaustible leg power. If I had to define a junior chamber in a phrase, the best I know

If I had to define a junior chamber in a phrase, the best I know

is "Young manpower at work"—emphasis on work.

The sixth idea expressed is "in a constructive manner." enough to be doing. It must be constructive and not destructive. It is hard to be constructive—easy to be destructive—hard to be "for" something—easy to be "against" things. This city is full of people who can get excited against civic improvements, but I will wager there are not many who will fight the "good, long, hard fight" for a thing for the public good. I often wish everybody had this little poem emblazoned on their hearts.

"I saw them tearing a building down, A gang of men in a busy town.
With a ho-heave-ho and a lusty yell, They swung a beam and the side wall fell.

"I asked the foreman, 'Are these men skilled, As the men you would hire if you had to build?' He laughed and said, 'No, indeed; Just common labor is all I need. I can easily wreck in a day or two, What builders have taken a year to do.'

"I asked myself as I went my way. Which of these roles have I tried to play?

Am I a builder who works with care,

Measuring life by the rule and square,

Or am I a wrecker who walks the town, Content with the labor of tearing down."

Builders—not wreckers! That is part of our "doing."

The seventh and last idea expressed in the definition is "for community, State and Nation." Of course, the community or city is important. I heard George Verity, chairman of the American Rolling Mills Co., say that he liked to think of a junior chamber as a "philoptimists' club." Philoptimists—not optimists—meaning "lovers of cities." We desire to make our home cities "alabaster cities undimmed by human tears," as the last line of that great song America the Beautiful says. We do want to make our communities happy places where we can live, own property, and raise familles.

I pity, however, the young man whose vision is circumscribed by the city limits. The problems which baffle us now, and whose solution are wrapped up intimately with our future as young men, are State and national questions. We must be concerned with them.

We can't avoid them.

That is one of the reasons why your State and national organizations exist—to express the young man's viewpoint in State and national affairs and to interest you in these questions. We primarily We primarily are concerned, and do a splendid job, in giving parentage, prestige, purpose, and inspiration to member bodies. With just a fraction of the dues that comparable national organizations receive, we enable you to do a good job locally by unloosing a veritable flood of ideas and accumulated experience for you. But part of our function is to make your voice heard beyond the confines of Valley City by joining it with the voices from hundreds of other cities in a non-partisan, nonsectarian manner toward the solution of State and national affairs.

national affairs.

That is the reason why last year your national organization was one of the sponsoring groups behind the McCarran-Lea bill. That bill is called oftentimes the "bill of rights of commercial aviation." That bill, now law, resulted in the Civil Aeronautics Authority being established with powers to forward commercial aviation.

We also were one of the original sponsors behind the Pittman-Robertson bill, which was designed to force the use of conservation tax moneys for conservation purposes. The heads of the United States Biological Survey recently expressed to me their debt to us for the splendid help we gave.

That is the reason why within the past few weeks we have vigorously made known to the public officials of Arkansas, Maryland, and other States our stand for the furtherance and improvement of civil service in the public personnel.

civil service in the public personnel.

That is the reason why this year and last year we have joined health associations in urging the passage of and proper financing of the Venereal Disease Control Act—commonly called the La Follette Act.

Follette Act.

That is why we, as sponsors, have arranged to have introduced in the present Congress two bills. One of these would enable the Post Office Department to put a safety message on every letter as part of the stamp cancelation. The other would authorize the creation of a national defense committee, composed of the ranking members of each of the five committees of the House and Senate that would otherwise dabble piecemeal in this important question. This committee would hold public hearings in order to define just what we are trying to defend, and then operate as a define just what we are trying to defend, and then operate as a

unit in its solution.

That is the reason why we are now undertaking a national survey of the long-term financing needs of small- and intermediate size businesses through our member organizations, which when completed will be turned over to the Securities and Exchange Commission and Congress as a basis for legislation in this im-

portant field.

Notice two things about these things that I have mentioned. First, that we are not a "pressure group" seeking to further the aims of young men only. All the things mentioned are concerned with the general welfare. We don't want any subsidy for young men. We want those things that will make this country a happier and better place for all groups. Secondly, that we, as young men, had better be interested in these significant problems. Con-

men, had better be interested in these significant problems. Consider the last one mentioned, for example—defense. The reason is obvious—21 to 35—we are first-class cannon fodder.

It is important that you be heard. Goethe said, "The destiny of any nation at any particular time depends upon the opinions of its men below twenty and five." Since medical science has advanced man's span of life 10 years, we may now say that the destiny of the particular destination will be determined by the particular of the

tiny of the nation will be determined by the opinions of its young men under thirty and five.

I have given you a definition of a junior chamber of commerce and its philosophy in these seven thoughts. However, I must say more about its educational value. I said before that education involves the creation of attitudes. This is the most vital of the three because it gives direction to the information acquired and the skills developed, and further because attitudes remain after the other two have

departed.

It is, therefore, encouraging to discover that young men have an

attitude of fairness

Fairness will solve nearly any of the problems that bother us. If you had to boil down into one word what Americanism is, you couldn't find a better word than "fairness." "Fairness is the one

indispensable feature of the American tradition," recently said the Supreme Court. Just being fair about matters seems to be the crying need of the time. If businessmen want protective tariffs, if they are fair, they will consider subsidies for others. If farmers want crop control, in fairness, they will want to consider the inter-ests of consumers. If labor insists in certain demands, in fairness, ests of consumers. If labor insists in certain demands, in rairness, the employers' interests must be considered. Fairness implies thinking of the other fellow. It does not lend itself to supreme confidence in one side of the story. Fairness would not result in thinking of America as a grab bag, but rather as a treasure chest in which we place everything we hold dear. It would exalt the spirit of compromise, remembering that this Nation was founded to compromise.

spirit of compromise, remembering that this Nation was compromise.

This is not a true democracy in which we live. Democracies have always failed. It is a democracy in a republic with a limit set beyond which even the majority may not go. Every citizen has certain rights. In this type of government we must have a spirit of fairness developed to the highest degree. Isn't it encouraging to know that an attitude of fairness is being instilled successfully in the young men of America?

Young men also have an attitude of optimism. They have faith and confidence in the future. Skeptics often say to us when they look at some of our committees, "You young fellows are crazy. You can't do anything about that problem, or that problem, or that

can't do anything about that problem, or that problem, or that one." They look at our public personnel standards committee, for example, and say, "Look at that one. You can't do anything about that. The spoils system is literally steeped in people's nature." It is a long hard fight—but we have faith and confidence. Young

men's faith insures progress.

Yes. We have faith and confidence even when the world is in the terrible state of affairs it is in now. And, gentlemen, it is in a bad way. Let me read to you this quotation from a well-known magazine:

"It is a gloomy moment in history. Not for many years; not in the lifetime of most men who read this—has there been so much grave and deep apprehension; never has the future seemed so ingrave and deep apprehension; never has the future seemed so incalculable as at this time. In our own country there is universal commercial prostration and panic, and thousands of our poorest fellow citizens are turned out against the approaching winter without employment and without prospect of it."

Consider this excerpt from a speech in Congress:
"We all know that the people were oppressed and borne down by an enormous load of debt; that the value of property was at the lowest point of depression; that ruinous sales and sacrifices were everywhere made of real estate; that relief laws were adopted to save the people from impending destruction: that deficit in the

save the people from impending destruction; that deficit in the public revenue existed; and that our commerce and navigation

public revenue existed; and that our commerce and navigation were threatened with complete paralysis."

Do those sound familiar to you? You would swear they had been spoken or written within the past 5 or 6 years by some Jeremiah. As a matter of fact, the statement from the magazine is from Harpers of the year 1857—82 years ago, and the speech in Congress was by Henry Clay in the year 1832—107 years ago.

Why shouldn't these young men have faith and confidence? Certainly they recognize history does make carbon copies of itself, and that the bitterest controversies of today will be mere footnotes in the history books of tomorrow. They are a part of a movement that is trying to create attitudes of faith, reverence, self-reliance, tolerance, good will, persistent striving—those pioneer qualities that will solve any problem, regardless of how imponderable the solution may seem.

qualities that will solve any problem, regardless of how imponderable the solution may seem.

I address my concluding remarks primarily to the older men present. When I say "older," I refer to those over 35 years of age. We know that a man may be 75 years of age and yet have the spirit of 25. Probably I should say "more experienced young men." We refer in junior chamber circles jokingly and fondly to those who pass beyond their thirty-sixth birthday as "exhausted roosters." May I say then to you "exhausted roosters." that we have no quarrel with you. We are proud of your accomplishments. We solicit your advice, your interest, your friendship. These young men are not callow youth. We trust you receive them not in the "father and son" attitude, but rather in the "older brother and younger brother" spirit. As brothers we can cooperatively do much.

cooperatively do much.

I have mentioned "young men" many times tonight and stressed their virtues. Here is what Sir Francis Bacon has to say on the

subject in his essays:

"Young men, in the conduct and management of actions, embrace more than they can hold; stir more than they can quiet; fly to the end without consideration of the means and degrees; pursue some few principles which they chanced upon absurdly; are reckless in innovating; use extreme remedies at first; and that which doubleth all errors, will not acknowledge or retract any. Like a badly trained horse they will neither stop nor turn."

(That should take us young fellows down a bit.) But Sir Francis continues:

"Men of age object too much; consult too long; adventure too little; repent too soon; and seldom drive things to a full completion, but content themselves with a mediocrity of success."

Then to prove the point I made of marching along together, he makes it all right by concluding:

"Certain it is good to compound employments of both because the virtues of either may correct the faults of both."

The Bible says, "Old men shall see visions; and young men shall some few principles which they chanced upon absurdly;

The Bible says, "Old men shall see visions; and young men shall dream dreams." We fully realize that we need your visions if our dreams are to come true. We know that you know that these

dreams of energetic, enthusiastic young manhood are needed if your visions are to be immortalized.

These young men are engaged in a very serious business. From them will come the builders of the future. While all the fine young men in this community are not members of this group, certainly from ones with attitudes like these will come those who will

tainly from ones with attitudes like these will come those who will immortalize your visions of a better world.

Back in the days of Mohammed, the prophet, people had great respect for horses with intelligence. The most intelligent ones were selected for war purposes. These war horses were trained to follow the bugle in battle. The great prophet himself had occasion to have some of these horses and went to a famous farm to make personal selections. The horses were pastured in a pasture next to the river. The prophet gave orders that the horses were to be fenced off from the river and left unwatered for 3 days. At the end of 3 days, the bars were taken down, and, of course, the horses rushed in a mad body to the water to quench their thirst. Just as they were about to plunge into the water, the bugle was sounded, and of that great number of horses only 10 answered the call of duty despite their physical needs. Those 10 constituted the

sounded, and of that great number of horses only 10 answered the call of duty despite their physical needs. Those 10 constituted the beginning of the famous "prophet breed" of Arabian horses.

My point is—we seek to breed such a passion for civic service and a desire to sublimate the individual welfare for the general welfare—that from this kind of young men, this "prophet breed" kind of young men, will come the builders of the future.

Yes! Builders of the future. Builders perhaps not of material wealth achieved oftentimes by devious means and by the sacrifices of others. Builders not of a reputation attained by the cheers of the crowd and the huzzas of the thoughtless. Builders, rather, of a type of character that will seek with a hungry heart for a larger and richer life. larger and richer life.

"Isn't it strange that princes and kings, And clowns that caper in sawdust rings, And common folk like you and me Are builders for eternity. To each is given a bag of tools, A shapeless mass, a book of rules, And each must build e'er life has flown, A stumbling block or stepping stone.'

Builders of stepping-stone kind of people because they are the ones who not only hold the secret of personal triumphant living but likewise will be the builders of the future.

Doesn't it make your heart leap with joy to be able to say, "The young men of Russia are marching under the red banners of communism, the young men of Italy are wearing the black shirts of fascism, the young men of Germany are wearing the brown shirts of nazi-ism—but, thank God, the young men of America are wearing the white shirts of constructive effort and peace in this civic service organization of and by young men, but for a better, finer, and greater America"?

Importation of Meat Products

EXTENSION OF REMARKS

HON. BERTRAND W. GEARHART OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 16, 1939

Mr. GEARHART. Mr. Speaker, in the light of President Roosevelt's recent approval of a Government contract for the purchase of beef from far away Argentina for use in the galleys of the American armada the attention of the people has again been called to the alarming increase in the importations of meat and meat products which has occurred within

the last 5 years.

A hasty glance at the record discloses that in 1934, the year when the tariff-reducing policies of the present administration first began to find expression in the so-called reciprocal trade agreements, only 59,000 head of cattle were imported into this country from abroad. In 1937, under the new foreign trade-tariff reducing policies of the Government, the figure was increased to 494,945 head. Only 8,000 pounds of live hogs were imported in 1934. In 1937 this item grew to 16,555,218 pounds, a colossal figure. During the same period the importation of canned-meat products jumped from 46,781,000 pounds to 88,087,000 pounds. These are significant figures.

In the face of the President's assertion that Argentina's corned beef is superior in quality to that which is produced in the United States and of the flooding of the American market with foreign-produced meat products as a direct consequence of our present-day tariff policies, it will be interesting to note just what is happening to our domestic livestock industry from day to day.

Because of the kindness of Mr. Carl H. Wilken, executive secretary of the Raw Materials Institute, who culled the items from the National Provisioner, a foodstuffs traders' magazine, I am able to hand to the Public Printer for inclusion in the Congressional Record as a part of these remarks, the membership of the House having unanimously consented thereto, a tabulation of the figures in respect to the importation of meat and meat products through but one port of entry, the port of New York, during but 1 week of the current year, the week of March 10, 1939.

Mr. Speaker, I am sure that the membership of the House of Representatives and the people of the country will find that which the tabulation reveals very interesting indeed.

The figures and facts follow:

Argentina: Canned corned beef	Pounds 170, 737
Roast beef in tins	28, 026
Brazil, canned corned beef	270,000
Canada:	
Fresh chilled pork cuts	3,985
Fresh frozen ham	4, 890
Fresh frozen beef livers	607
Fresh frozen beef cuts	7, 624
Smoked sausageSmoked bacon	677
Denmark: Cooked ham in tins	3, 224 25, 817
England: Meat paste in jars	20, 017
ESCONIA:	100
Cooked ham in tins	91, 155
Smoked bacon	99
Cooked bichics in tins	13 630
Cooked pork loins in tins	504
Tinned cooked pork butts	402
France: Liver paste in tins	423
Germany:	
Cooked hams in tins	5, 866
Smoked hams	1, 153
Smoked sausage	7, 216
Holland:	
Cooked ham in tins	120, 760
Cooked pork loins in tins	2, 287
Smoked hams	3,320
Tinned cooked shoulders	24, 685
Cooked picnics in tins	13, 362
Cooked pork butts in tins	7,914
Tinned liver paste	994
Hungary:	
Cooked ham in tins	62,907
Cooked picnics in tins	26, 204
Cooked pork loins	5, 760
Smoked bacon	0 400
Smoked bacon	3, 169
Smoked hams	1, 230
Italy: Smoked sausageLithuania:	37, 332
	04 405
Cooked ham in tins	24, 425
Paraguay: Beef extract in tins	6, 187 1, 653
Poland:	1,000
Smoked bacon	3,749
D. S. pork butts	3,000
Cooked ham in tins	
Cooked pork butts in tins	4, 392
Cooked point street in the contract of the con	3, 989
Cooked shoulders in tins	5, 859
Cooked picnics in tins	
Cooked picnics in tins	2 952
Cooked picnics in tins	2,952
Cooked picnics in tins	
Cooked picnics in tins	46, 156
Cooked picnics in tins	
Cooked picnics in tins	46, 156 20, 532
Cooked picnics in tins	46, 156 20, 532 227

Mr. Speaker, every pound, every ounce, of that which is listed above could have been produced within the territorial boundaries of the United States by, for, and to the profit of Americans. That it was not is indeed a sad commentary upon the failure of those who are presently charged with the duty of guarding our tariff walls to properly execute the trust that is theirs.

It is high time that something is done to return the American market to the American farmer and the American livestock raiser.

Address by the Postmaster General at Rock Island, III.

EXTENSION OF REMARKS OF

HON. JAMES M. SLATTERY

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES Thursday, May 18 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 13, 1939

Mr. SLATTERY. Mr. President, I ask unanimous consent of the Senate for the publication in the Appendix of the proceedings of an address delivered by the Postmaster General at the convention of the Illinois chapter of the National Association of Postmasters held at Rock Island, Ill., on May 13, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Illinois is a progressive State and the postmasters of Illinois offer evidence of their progressive spirit by assembling here in such large numbers today. It is always a pleasure to come here. It is good to meet my old friends again and to make new acquaintances. I sincerely regret that my schedule for this trip does not permit me to spend more time with this splendid group. As you

permit me to spend more time with this splendid group. As you probably know, I visited with the Missouri postmasters yesterday at St. Louis, and have an appointment to meet with the Iowa chapter of your organization at Des Moines this evening.

I repeat that Illinois is a progressive State. It is second in the Nation in postal receipts, being outranked only by New York State. The ordinary postal revenues for Illinois for the fiscal year of 1938 totaled more than \$76,000,000, or in excess of 10 percent of the entire postal revenues, and in the current fiscal year you have maintained your position in second place, being far ahead of the next State.

next State

I know you will be interested to learn that the country as a whole, insofar as the postal establishment is concerned, is continuing to show increases in business, and there is no doubt the revenues for this year will set another all-time high. When postal business is good it is generally accepted that commerce and industry are progressing satisfactorily. I know of no one who questions the fact that postal revenues are an accurate barometer of the Nation's business.

I am pleased to inform you that the Postal Service is keeping its place of leadership among the agencies of the Government, and is encouraging all forms of transportation by making use of fast is encouraging all forms of transportation by making use of fast planes, fast trains, and all other speedy transportation methods. The money we pay to the airlines and to the railroads for hauling the mails is of material assistance in the development of these private enterprises. We are using planes to carry mail in all directions in our domestic service. We are sending mail by plane across the Pacific, and are now inaugurating regularly scheduled mailings by plane across the Atlantic.

mailings by plane across the Atlantic.

In addition to a vastly improved air service that is making such rapid strides as to make the whole world neighbors, we are witnessing in this country a marked improvement in railway transportation. The facilities of the major transportation agencies are being constantly improved to provide greater safety, greater comfort for passengers, and greater speed. We in the Postal Service are so closely associated with transportation that we sense

Service are so closely associated with transportation that we sense these improvements and appreciate them more quickly than some of our fellow citizens. The owners and operators of the transportation systems in this country are the real pioneers of progress. They command the respect and admiration of the Nation.

Just a few weeks ago I was called upon to make a trip from New York to Los Angeles to be present at the dedication of the magnificent new post-office building in that city, and made the round trip by rall in 1 week with a whole day spent on the west coast. In making that trip I left New York at 11: 40 on the night of March 8 and went west by way of Chicago, arriving in Los of March 8 and went west by way of Chicago, arriving in Los Angeles at 8 o'clock on Saturday morning, March 11. Returning, I left Los Angeles at 11:30 Sunday morning, March 12, and arrived in Washington at 8:25 on Wednesday morning, March 15. Such a speedy trip by rail in a comfortable, modern, de luxe train both ways offers ample testimony of the efficiency and ingenuity of the relired management of today.

of the railroad management of today.

When we compare the present-day transportation methods with those of the early days of the Postal Service we get some idea of how grateful we should be to the men who have had the courage to pioneer and plan and to provide these modern travel con-

In the early days of the Post, as it was then known, the function of the post office was merely to receive, transport, and deliver letters and newspapers. Postage rates then were higher than rates prevailing today; the rate for a single letter was 6 cents for a zone distance of 30 miles, while today it is only 3 cents for more than 100 times that distance in many directions. The carrying of the mails was very slow but as fast as could be expected in those days. The horse was the fastest carrier available. The roadways and lanes were rough. In many instances travel over the trails was hazardous. Yet even under those conditions the mails moved with reasonable regularity from the more populated sections to the remote outposts.

In the early days the mail carriers really blazed the trails—going onward in the march of progress until mail was carried in regular and orderly fashion from coast to coast. Mechanical means of transportation followed; passenger service was combined with of transportation followed; passenger service was combined with the carrying of mail and express, and improvements made from time to time eventually resulted in the amazingly efficient system which is in operation today. An agency that started for the sole purpose of carrying mail matter has developed with the country, and following the improvement of business practices has introduced special features for the accommodation of the people, such as postage stamps for the prepayment of postage; registered mail for the protection of valuable articles; city, village, and rural delivery; nostal money orders; special delivery; nostal savings; and livery; postal money orders; special delivery; postal savings; and the air mail.

The postal establishment occupies an enviable position. It serves all of the people at all times. Throughout its long history it has been regarded as the most necessary agency of Government. Those who are privileged to serve in it have a rare opportunity to do something really worth while for their fellow man.

Since I have been Postmaster General I have had an opportunity agreed the with and observe mettly closely the postmasters and

Since I have been Postmaster General I have had an opportunity to associate with and observe pretty closely the postmasters and postal employees, and I am proud to say that the personnel of this Department for loyalty, industry, and efficiency is not excelled by any other group in America. There have been brought to my attention so many cases of self-sacrificing service, accounts of men and women who have done things far beyond the ordinary requirements, that I could spend hours relating them to you. I know that the people of this country appreciate the fine work you are doing, and I take advantage of every opportunity to meet with you at your conventions so I can tell you about it and thank you for your whole-hearted cooperation. Postmasters are doing good work and the postal employees are doing a good job because they are good people, carefully selected, and happy in their jobs.

The Postal Service is well-timed, well-disciplined, and sensitive to the needs of the people. It is a friendly organization. Knowing that we enjoy such a reputation and that we enjoy to the fullest extent the confidence of our customers should make us all assume

that we enjoy such a reputation and that we enjoy to the times extent the confidence of our customers should make us all assume the full responsibilities of our positions. I am sure that the postmasters of the State of Illinois appreciate the importance of their places and are ready and eager to do their part in keeping up to the high standards set for them. If this is to be accomplished, we the high standards set for them. It this is to be accomplished, we must not assume a self-satisfied attitude, take it for granted that we are well organized and sit back complacently and watch the wheels go round. What we need is eternal vigilance on the part of everyone. This is a tremendously busy and vitally important communication system, and we dare not relax our supervision even

communication system, and we dare not relax our supervision even for a moment.

We in the Department adopt policies, promulgate regulations, and in the broader sense manage the affairs of the postal establishment. But you men and women in the field are face to face with the everyday service problems which at times must become monotonous. Some of you may feel that your part in this vast organization is not so very important—but let me assure you that the postmaster in the smallest office, the carrier on the most sparsely settled rural route, the employee in the assure you that the postmaster in the smallest office, the carrier on the most sparsely settled rural route, the employee in the most obscure position in the service is just as important as the postmaster in the largest city. Stop and consider for a moment what would happen to the millions of pieces of mail that are deposited with our service in the principal cities of the Nation if the post offices in those cities did not have means of transporting them to the smaller offices through which they reach the addressees. On the other hand, the big post offices would not be so big if they did not receive mail for delivery to their patrons from the thousands of cities, towns, and hamlets throughout the country. So I say to you in all sincerity that the Postal patrons from the thousands of cities, towns, and hamiets throughout the country. So, I say to you in all sincerity, that the Postal Service of the United States is an organization which depends for its efficiency on the thousands of small organizations and units maintained within the system itself. So, bear in mind always that your part in this organization is most important. Be proug of your opportunity to do your share and be assured that your efforts are greatly appreciated.

of your opportunity to do your share and be assured that your efforts are greatly appreciated.

This is a great country because it is a democracy, made up of a confederation of States, which in turn are composed of a group of individual communities. Like the individual post office the community operates independently insofar as its local needs and requirements are concerned, and like the organization of the postal system these communities all band together and form into one nation under a single government for the protection of the national interest and for the common good

interest and for the common good.

The Government of the United States is based on a Constitution calculated to grant equal rights and privileges to all, and those montrol of Government are subject to the will of the people. We are weathering the storm of the present-day unrest throughout government, and have chosen for our leader a great statesman and great humanitarian, a great leader, who has worked untiringly for the preservation of our American institutions, Franklin D. Roosevelt. the world because we have maintained our democratic form of

I am very proud to serve in this administration and I congratulate you men and women on the part you have played in attaining our objectives. I say this without any partisan feeling whatsoever, and bespeak your continued cooperation in keeping the Postal Service where it rightfully belongs—as the leader of all Government activities.

Activities of National Labor Relations Board

EXTENSION OF REMARKS

HON, SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES Thursday, May 18 (legislative day of Monday, May 8), 1939

STATEMENT BY HON. ROBERT F. WAGNER, OF NEW YORK, BEFORE HOUSE COMMITTEE ON LABOR

Mr. MINTON. Mr. President, this morning the senior Senator from New York [Mr. WAGNER] appeared before the Committee on Labor in the House and made a very interesting and informative statement concerning the National Labor Relations Act and the activities of the National Labor Relations Board. I ask unanimous consent that the statement be printed in the Appendix of the RECORD.

There being no objection, the statement was ordered to

be printed in the RECORD, as follows:

Mme. Chairman and members of the committee, when I appeared before this committee in 1935 to urge the enactment of the national labor relations bill I did not present credentials from organized labor or organized business. I could not do so then and I cannot do so now. I spoke to you then as I speak to you today only as one who believes profoundly in a very simple principle. This principle is that democracy cannot work unless its homeoned in the feature as well as the realing beath and these men principle. This principle is that democracy cannot work unless it is honored in the factory as well as the polling booth, and that men cannot be truly free in body and in spirit unless their freedom extends into the places where they earn their daily bread.

To translate this very simple principle into practice, I drafted and introduced in Congress the law now before you in order that

those who work in industry might have the same right of self-organization and self-expression, the same power to protest against injustice and to advance their mutual interests, which is enjoyed by those who run industry. This committee, under the chairman-ship of that friend of justice and of man, Billy Connery, the co-sponsor of the measure, placed its stamp of approval upon the national labor relations bill in 1935, because he believed, as I did,

national labor relations bill in 1935, because he believed, as I did, that the bill protected a very fundamental American right.

In the 4 years that have passed since then there has been nothing to change my views, and I sincerely believe that there has been nothing to change your views, about the fundamental soundness and justice of the National Labor Relations Act.

If we look abroad, we find that the suppression of the rights which the Labor Act seeks to preserve and defend was almost invariably the first step of those dictators who have supplanted democracy with the totalitarian state. Look to those lands where the liberties of the workingman have been crushed or restricted, and you will find the places where liberty of thought, liberty of and you will find the places where liberty of thought, liberty of expression, liberty of religion, and government by the people have been slain and buried. Look to those lands abroad where the basic principles of the Labor Act are so well accepted that they are no longer even a subject for debate or discussion, and you will see there the torch of democracy still held high above the darkness and confusion of the Old World.

Within the boundaries of our own fair country, the wisdom of within the boundaries of our own fair country, the wisdom of the step we took 4 years ago in approving the Labor Act is even more clearly revealed. Not even once in 18 sucessive decisions has the Supreme Court of the United States nullified a single line of the act. Not even one leading industrialist in the country today, who has the respect of his fellow citizens, disagrees openly with the who has the respect of his fellow citizens, disagrees openly will the underlying purposes of the act. Not even one important labor leader in the United States today wants to repeal the act. No important political party in the United States today has failed to declare itself in favor of the rights the act protects. To those of us who remember the past, it seems almost incredible to believe, but we know it to be true, that the bickering and differences about the labor Act have now reduced themselves to mere matters of detail. Labor Act have now reduced themselves to mere matters of detail.

It seems to me tremendously important to recognize the vital

progress represented by the general acceptance of the need for the machinery already established and functioning for the pres-ervation of a fair industrial peace. It is even more important that the whole Nation now is persuaded that the hallmark of industrial peace is economic freedom. It is hard for us to realize that as recently as the administration of President Cleveland, which some of us here can remember, the only machinery the President of the United States had for settling strikes was the Federal Army. It is hard for us to realize that in the year 1935, when this law

was enacted, 58 leaders of the American Bar expressed publicly their belief that it was unconstitutional for the Government to protect the most precious of all industrial liberties. We are prone protect the most precious of all industrial liberties. We are prone to forget that before the act could benefit by the Supreme Court approval of it, a great industrial controversy arose in which more than 300 persons were injured by violence and 18 workers were killed by men bearing the emblems of the law.

Despite all the din and commotion about the Labor Act today, we have come a long way since the times to which I have just referred—a long way in bringing peace to industry, a long way in bringing liberty to labor, a long way in applying the American idea of freedom on a 100-percent basis.

The National Labor Relations Act, as none today will deny, is the symbol of this progress. To destroy or emasculate the act

the symbol of this progress. To destroy or emasculate the act would be to repudiate and betray this progress. On the other hand, to say that the act is perfect, that nothing can possibly be done to improve its effectiveness, would be to deny the principles of growth upon which all progress rests. I have always tried to avoid, and I know that all thoughtful citizens are desirous of

avoiding both extremes.

The National Labor Relations Act and the national policy which it embodies are not before this committee under indictment as a culprit, begging for vindication, or running the risk of conviction and punishment. The act and the policy it represents come before this committee in the full pride of achievement, asking only for a fair hearing, a chance to demonstrate great accomplishments, and a willingness to let reason guide the pathway to the future.

The law as adopted by Congress was simple in outline and sound in conception. It did not propose to establish compulsory arbitration, to fix hours, wages, or working conditions. It did not displace the conciliation functions of the Department of Labor. It did not interfere with the normal exercise of the employer's rights to hire or fire, or to operate his business in his own ployer's rights to hire or fire, or to operate his business in his own way. All it did was to codify and clarify the age-old bill of industrial rights, and to prohibit the specific practices that were antagonistic to the realization of these rights. The discriminatory discharge, the "yellow dog" contract, and the company-dominated union were proscribed. The law required the employer to bargain collectively with representatives chosen by a majority of employees in the appropriate unit, and authorized the holding of elections to determine employee representation. By these means the act was designed to mitigate bitter industrial strife over employee organization and representation, and to encourage the voluntary settlement of controversies over wages, hours, and working conditions around the conference table. The procedural provisions of the law followed almost verbatim the text of the Federal Trade Commission Act. Commission Act.

The task before this committee is difficult, not because of any uncertainty about the essential soundness of the act, but rather because of the multiplicity, the complexity, and the contradictory character of the proposed amendments to the act. Some of these amendments, whatever their intent, would clearly destroy the basic purposes of the act. Some of them, whether wise or unwise, are the product of an unfortunate labor struggle which we all hope will quickly end. Some of them, undoubtedly, are based upon a genuine desire to make the Labor Act a more effective method of accomplishing its accepted objectives.

method of accomplishing its accepted objectives.

The first step toward a fair-minded inquiry as to what, if anything, should be done to improve and perfect the Labor Act is necessarily an examination of what has already been accomplished under the act. The real birth of the act came with the five Supreme Court decisions of April 12, 1937, upholding the law in full and giving the Labor Board the power to seek its enforcement through the circuit courts of appeals. In order to demonstrate the effectiveness of the Labor Act toward promoting industrial peace, once it was implemented by the courts, I have prepared a number of charts, demonstrating in graphic detail the resolute march toward peace and justice in industry. Chart No. 1 shows that in 1938, the first full year of the act's operation under the Supreme Court's mandate, there were only about half as many strikes, one-third as many workers involved, and less than one-third as much working time lost as in the year 1937. Indeed, the number of workers involved in American strikes

1937. Indeed, the number of workers involved in American strikes last year, in relation to total population, was substantially lower than in Great Britain, notwithstanding that country's much-

heralded progress in labor relations.

The record for 1938 not only shows a tremendous improvement over 1937 but it represents the best record in recent years.

The steady upward trend in the number of strikes during 8 successive years beginning in 1930 was definitely reversed.

Fewer workers were involved in strikes during 1938 than in any year since 1932.

Less aggregate working time was lost through strikes in 1938 than in any year since 1931, although the tempo of business activity for the year 1938 as a whole was higher than in 1932, 1933, 1934, and 1935. Moreover, the rapid stepping-up of business activity in the second half of 1938 was not accompanied by a corresponding increase in labor strife, and no such increase is on the horizon at the present time.

This solid improvement in labor relations is due largely to the

operation of the Labor Act, which is rapidly eliminating the causes of strikes over the fundamental rights to organize and bargain of strikes over the fundamental rights to organize and bargain collectively. In chart No. 2, the black area at the base of the bars represents disputes over wages and hours; the heavy shaded area in the middle of the bars represents disputes involving the major issues, in whole or in part, of union recognition, discrimination, closed shop, or other organization matters; the light area at the top of the bars represents miscellaneous controversies.

Chart No. 2 shows that the proportion of workers involved in "organization" strikes declined from about 60 percent in 1937 to 33 percent in 1938, a level far lower than the average for the past

percent in 1886, a 1886.

10 years.

Chart No. 3 shows that the proportion of working time lost through "organization" strikes declined from 76 percent in 1937 to 44 percent in 1938, a level lower than in any year since 1932.

And these are figures for all strikes in the United States, not simple these which occur in interstate industry or are involved in ply those which occur in interstate industry or are involved in cases before the Labor Board.

cases before the Labor Board.

Chart No. 4 shows very clearly just how industrial strife is giving way to the orderly processes of law. For each month between the appointment of the Labor Board in 1935, and the end of the last fiscal year (June 1938), the chart indicates in a shaded bar the number of new strikes, and in a black bar the number of new cases filed with the Board. Notice how significantly the trend is disclosed. In the first few months of the Board's operation, there were more cases filed with the Board than strikes called. But as resistance to the law stiffened and injunction suits multiplied this proportion shifted. All during 1936 in this strikes caned. But as resistance to the law stiffened and in-junction suits multiplied, this proportion shifted. All during 1936 and through March 1937, there were more strikes called than cases filed. The turning point came in April 1937, with the Supreme Court decisions upholding the law. Beginning in May 1937, and in every month since, the number of cases filed with the Board has averaged three and one-half times the number of strikes.

The contrast is even more significant when limited—as it should e—to "organization" strikes, represented by the darker area at the be-to base of the shaded bar. Since May 1937 the number of new Board cases each month has ranged from three and one-half to ten times the number of "organization" strikes.

ten times the number of "organization" strikes.

Substantially the same story is told by chart No. 5, comparing the number of workers involved in new Board cases with those involved in new strikes. Since May 1937 the number of workers involved in Board cases has ranged from one and one-half to eighteen times the number of workers involved in "organization" strikes. The tendency of workers to take their cases to the Board rather than go on strike is even more marked today than in June 1938, the left month indicated on this particular chart.

than go on strike is even more marked today than in June 1938, the last month indicated on this particular chart.

Finally, let us look at the record on sit-down strikes. The Supreme Court put the final stamp of illegality on sit-down strikes in its very recent decision in the Fansteel case, which embodied views I have expressed from the beginning. But let it be noted that it was not the Fansteel case that stopped sit-downs. The sit-down flared in the early months of 1937 preceding the Supreme Court was not the Fansteel case that stopped sit-downs. The sit-down flared in the early months of 1937, preceding the Supreme Court decisions upholding the Labor Act, and as promptly declined in the months following these decisions in 1937. This is demonstrated graphically by chart No. 6, showing the number of sit-down strikes and workers involved since January 1937. At the peak, in March 1937, there were 170 sit-downs, involving 167,000 workers. The chart shows the very steep decline that followed promptly upon the Supreme Court decisions upholding the act. All through 1938 both the number of sit-down strikes and the number of workers involved hugged the zero baselines.

In brief, when workers were afforded a peaceful, valid remedy for eliminating the grievances at the root of the sit-down strikes, the sit-downs virtually disappeared from the American scene. Once again the American people have demonstrated the wisdom of the philosopher's statement that "It is only by instigation of the wrongs of men that what we call the rights of men become turbulent and

These statistics of declining labor disputes tell only part of the story about the better industrial order which is gradually emerging. story about the better industrial order which is gradually emerging. In the last 2 years alone, several thousand new labor agreements have been signed, and the ranks of organized labor have more than doubled. Almost entirely through the informal method of achieving compliance, the law has provided a peaceful forum for over 20,700 cases involving close to 5,000,000 workers. Ninety-four percent of the cases under the act have been adjusted without even issuing a complaint or holding a formal hearing. Almost 250,000 workers have been restored to their jobs after strikes or lockouts and over 15,000 after discriminatory discharges. More than 600,000 workers have participated in about 2,000 elections conducted under the law, and over 2,000,000 workers have joined in petitions for elections or certifications of representatives. Resort to the democratic procedure of the ballot box has become so frequent that in the last fiscal year, such cases involved a majority of the workers the last fiscal year, such cases involved a majority of the workers who invoked the machinery of the act. The interesting fact is that this simple procedure for industrial democracy, once vigor-

ously opposed in some quarters when invoked by workers, is now being demanded by employers themselves.

Going hand in hand with the increased enjoyment of industrial freedom is the increased enjoyment of civil liberties in hundreds of communities which had never before known their full blessings.

While the law has been exerting its pacific influence in the day-

While the law has been exerting its pacific influence in the day-to-day life of industry, it has stood up well in the courts. In 18 successive cases before the Supreme Court, as I have said, not a line of the statute has ever been held to contravene the constitutional rights of any citizen.

These facts, Mme. Chairman and members of the committee, are the fuel to feed our thinking about the future of the Labor Act. If we nourish ourselves on these facts instead of getting our minds giddy with frothy innuendoes and half-baked propaganda, we shall do justice to the great responsibility before us. These facts demonstrate that the basic objectives and philosophy of the act are sound. For this reason the ultimate test of whether any

particular amendment is sound or unsound is whether it advances the main purposes of the act and conforms to its essential

philosophy

In studying the transcript of the testimony given by the sponsors of amendments before your committee I have noted that they freely criticized the act or its administration, generally or in specific instances. But none of them presented a detailed explanation of each amendment, just how it would eliminate the alleged evils described, and just what effect it would have upon particular groups or upon the operation of the act as a whole.

Without questioning in the slightest the motives of those offering amendments, I believe that some of the amendments proposed are unsound, on the basis of sufficient knowledge and experience already available. But in discussing some of them I do not mean to imply that I approve of all others, or that my views about those I discuss are unalterably fixed, no matter what these hearings may

reveal.

For example, the amendments of Mr. Anderson, as well as those of Mr. Hoffman, deny the protection of the Labor Act to workers who strike to enforce legitimate demands regarding hours, wages, and working conditions. In other words, the employer would be entirely free under these amendments to refuse to meet or talk to the strikers' representatives and to destroy their organization by methods of coercion and intimidation. No amendment could have

more unfortunate results.

When Congress included strikers within the definition of "emwhen Congress included strikers within the definition of "employee" for the purposes of this act, it did not create a new status or invest them with new rights. It merely followed the common-sense rule that a strike was the very time when fair play and collective bargaining became most critically necessary to restore peace. To nullify the Labor Act when a strike starts, would be like turning off the water hose when a fire breaks out. Would be like turning on the water nose when a fire breaks out. This rule that a strike or lockout does not terminate the employment relationship was established by our courts long before the Labor Act was passed. And the American Law Institute in its restatement of labor law has given this principle its stamp of approval.

Another class of amendments, also sponsored by Mr. HOFFMAN. would impose restraints of various kinds upon employees. These proposals, such as the now famous proposal to prevent interference from any source, are put forward on the broad ground that

the law as now written is one-sided and unfair.

The frequently heard charge that the Labor Relations Act is unfair results from the device of looking at the act in an intellectual vacuum instead of placing it in the context of our whole industrial life. In this intellectual vacuum, since the law confers direct protection upon employees alone, it is one-sided in the same sense that a workmen's compensation law is one-sided because it pays compensation to employees alone. But when we take the Labor Relations Act out of this intel-

lectual vacuum and place it in the living context of our whole social system, the criticism that the act is one-sided or unfair social system, the criticism that the act is one-sided or uniant is stripped of its improper setting and shown in its true light. For laws are not sterile propositions of logic, but instruments of human adjustment among the various individuals and groups in a real world. The test of whether a law is fair, is whether in conjunction with the other laws and facts of society, it establishes a fair relationship among the people and groups with which it deals. By this test, the Labor Act is eminently fair.

which it deals. By this test, the Labor Act is eminently fair. Certainly the employer has the right to bargain collectively through the corporation and through the Nation-wide trade associations. Certainly, in dealing with labor and in all other business affairs, he has the privilege of selecting his own spokesman by majority rule. No working group has ever challenged the employer's right to use the collective bargaining procedure in dealing with his employees, his competitors, and the general public. As for the claim that the act should be amended to prevent labor unions as well as employers from "interfering" with the organization of workers, one might as well say that the law should be amended to prevent trade associations from "interfering" with the organization of employer groups.

should be amended to prevent trade associations from "interfering" with the organization of employer groups.

At the present time, there are over 400,000 active corporations operating in the United States, with total net assets exceeding \$303,000,000,000. In addition to these aggregations of organized capital, there are 6,000 State and local trade associations, 2,300 chambers of commerce, and 2,000 interstate and national trade associations embracing every line of industry. The National Association of Manufacturers, when it came before Congress in opposition to the Labor Act, spoke for 50 trade associations covering tion to the Labor Act, spoke for 50 trade associations, covering about 70,000 corporations employing over 2,000,000 workers. I do not need to go into the story of interlocking directorates, super-holding companies, and financial empires, to prove that the simple right to organize afforded labor under the Labor Act has been and is being enjoyed in greater measure by industry without challenge

In recognition of these facts, the Supreme Court of the United States has declared that the act is not "onesided." Chief Justice Hughes said for the Court in the Jones and Laughlin case:
"In its present application the statute goes no further than to safeguard the right of employees to self-organization and to select

representatives of their own choosing, for collective bargaining or other mutual protection without restraint or coercion by their employer. That is a fundamental right. Employees have as clear a right to organize and select their representatives for lawful purposes as the respondent has to organize its business and to select its own officers and agents."

Nor is it true that the Labor Act affords legal remedies to the worker in the economic struggle that are "unfair" in comparison with the legal remedies afforded to the employer. So far as violence in industrial disputes is concerned, the laws of the States and municipalities affording protection against violence apply to the worker as well as to the employer; and the employer, because of his superior economic strength and political position, can invoke these laws much more easily in his behalf. The use of the injunction in labor disputes in many State courts is another powerful weapon which the employer has at his disposal in the labor struggle. And it is an historic commonplace, reinforced by the recent gle. And it is an historic commonplace, reinforced by the recent \$700,000 treble damage judgment in the Apex Hosiery case, that the antitrust laws have been used more drastically against labor than against the monopolies they were designed to eliminate.

In addition to a legal system weighted heavily in his favor, the

employer has at his disposal superior economic staying power, more money, better legal counsel, and better access to the instruments of public opinion. Against all this, the Labor Act gives the worker nothing but the right to institute a lengthy legal proceeding to protect his right to organize and bargain collectively, a right theoretically recognized by our law for a hundred years. To call this act "unfair" is, to my mind, to evince a case of

economic astigmatism.

There is nothing new about this charge of "unfairness." It has been raised again and again in recent years—and raised uniformly, I may add, by people who have never lifted a finger to protect the legitimate rights of labor. It came up in the hearings on the Norris-LaGuardia Act, on section 7 (a) of the N. I. R. A., and on the Railway Labor Act amendments of 1934. It was fully considered by this committee when the Labor Act was passed, and the report of this committee clearly revealed the animus behind all proposals based upon this claim. This report said:

"What is really sought is a legal strait jacket upon labor organizations, on the specious theory that such organizations have no more legitimate concern in the organization of employees than have the employers themselves. But the bill seeks to redress an inequality of bargaining power by forbidding employers to interfere with the development of employee organization, thereby reand raised uniformly, been raised again and again in recent years

fere with the development of employee organization, thereby removing one of the issues most provocative of industrial strife and bringing about a general acceptance of the orderly procedure of collective bargaining under circumstances in which the employer cannot trade upon the economic weakness of his employees."

Your report further recognized that such proposals would nullify the sound purposes of the Norris-LaGuardia Act, and would re-establish all the abuses of the unfair labor injunction, abuses

establish all the abuses of the unfair labor injunction, abuses which it took 7 years to have removed from the Federal courts by congressional action.

Therefore I say that the proposals to make the Labor Act less "one-sided," to "equalize" it, to prevent "interference from any source," are based upon the reactionary view that the worker should not have the right to organize, or upon the false view that today the worker has become a privileged character, receiving more than the just fruits of his labor. Such proposals are designed more than the just fruits of his labor. Such proposals are designed to destroy the equality of bargaining power that the Labor Act strives to make possible, and to restore labor to its earlier status

as the economic underling.

Fair-minded and far-sighted employers who have given the principles of the act a fair trial, realize that while the Labor Act is limited in its scope, it is not one-sided, since it confers benefits upon employers who are wise enough to appreciate its value. These employers—and they now represent the great majority—are not numbered among the unremitting critics of the

act and of its administration.

act and of its administration.

The unremitting critics of all the Labor Act stands for do not represent the typical American employer. To understand better what they do represent, let us take for example the anti-labor activities of the National Metal Trades Association, brilliantly exposed in a recent report by the Senate Civil Liberties Committee. This employers' association, embracing 952 metal products manufacturing plants east of the Mississippi River, has for years carried on a ruthless campaign against the right of labor to organize and bargain collectively. Through a closely-knit organization, the association has exercised complete control over the labor policies of its members and made available a variety of ganization, the association has exercised complete control over the labor policies of its members and made available a variety of union-wrecking services in time of need. It promoted company-dominated labor organizations and gave advice and assistance in combating free trade unions. It maintained a blacklist of union members. It mobilized strikebreakers and supplied strike guards, many of whom had been convicted of felonious crimes. It supplied labor spies who ferreted out the organization activities of workers, rose to influential positions in unions, created dissension, and incited strikers to riot and violence. To meet emergency demands for spies, guards and strikebreakers, the association maintained at all times a substantial war chest or reserve fund. In these activities, the association did not hesitate to violate or circumvent State laws requiring the licensing of espionage agencies. espionage agencies.

It goes without saying that the association opposed the passage and enforcement of section 7 (a) of the N. I. R. A. It likewise fought the National Labor Relations bill in Congress, and 4 days after its enactment circulated to its members an opinion of the National Association of Manufacturers that the law was unconstitutional. The efforts of the Federal Government since 1933 to protect labor's rights only intensified the terroristic activities of the association to defeat those rights, going even to the point of bringing economic pressure on businessmen who counselled a more enlightened labor policy.

For advocating obedience to the law of the land, a great in-dustrialist of my State was denounced as "a dangerous man." Gustrialist of my State was denounced as "a dangerous man." For advocating recognition of labor unions, another industrialist was denounced as a "yes" man for labor racketeers. Even after the Labor act was upheld by the Supreme Court, the association defied its principles by advising its members to post "statements of policy" instead of entering into signed agreements with labor organizations. Today, while some of the association's activities have been modified as a result of the Senate exposé, its leadership, its structure, and its fundamental opposition to collective bargaining remain unchanged. bargaining remain unchanged.

The Senate Civil Liberties Committee did not exaggerate when it concluded that this powerful association of manufacturers, engaged in a concerted and planned campaign to nullify the duly enacted national labor policy, presented a challenge to Govern-

ment itself.

In the light of the committee's disclosures, it is easily understood why the association anticipated the Senate investigation by stripping its files of information on espionage and strikebereaking, and altering its bookkeeping methods to conceal its espionage account. It is more difficult to understand, however, how the association for years avoided paying income taxes to the Federal Government under the claim that its functions were civic and

Congress and the public will be interested to know that while the association's labor spies were plying their nefarious trade, many of the association's members were enjoying the benefits of millions of dollars' worth of United States Government contracts. Thus has the Federal Government unwittingly subsidized the most inexcusable violations of its own laws. For example, the Yale & Towne Manufacturing Co., one of the association's leading members, obtained over \$1,000,000 in Government contracts while employing a Metal Trades Association spy to worm his way into the confidence of its employees. This industrial termite made regular reports to the company officials. In 1936, he managed to get himself elected vice president of the local union; within a year, its membership fell from 243 to 21.

Just as I warn against affirmative amendments placing danger-

ous new obstacles in the way of the worker's right to organize, so I do not favor negative amendments, reducing the scope of the fair rights accorded to workers under the present act. Thus, I oppose Mr. Hoffman's amendment to destroy majority rule, a rule which simply applies to our economic life the honored principles of our political system. Another of Mr. Hoffman's amendments would require the majority of those representing employees in collective bargaining to be employees of the employer in question, and his bill goes so far as to exclude from the purview of the act all labor disputes in which the participants do not stand in the proximate relation of employer and employees. Your committee report in 1935 rightly denounced such proposals as depriving workers of the aid and the benefits of national labor organizations.

I likewise oppose Mr. Anderson's amendment to eliminate completely the prohibition against interference, restraint, or coercion of employees in the exercise of their right terrestrict.

of employees in the exercise of their right to organize. If this amendment were adopted, there would be no Labor Act.

While I appreciate the good spirit in which they are offered, I

While I appreciate the good spirit in which they are offered, I do not agree with the amendments of Mr. Barden and Mr. Hartley, removing the present provision that employers shall not "interfere" with the self-organization of their workers. This amendment would remove a form of protection recognized by the principles of the War Labor Board and section 7 (a) of the N. I. R. A., and which labor now enjoys also under the Railway Labor Act, the Bankruptcy Act, the act to create the Coordinator of Transportation, the Norris-LaGuardia Act, and the various State anti-injunction and labor-relations laws.

The ban against "interference" has been of central importance in protecting the right to organize under all these statutes, since it embraces a multitude of activities which would not be reached by specific prohibitions written into law, and would not be included within the range of such narrower concepts as "restraint" or "coercion."

or "coercion."

What I have in mind is illustrated by the following employer activity in the Remington-Rand case, involving several A. F. of L.

(1) Mr. Rand, president of the company, hired "Crying Nat" Shaw, so-called "prince of provocateurs," to do undercover work and furnish information on "radicals" among the strikers. Shaw found none, and Rand refused to pay him for his services.

(2) Shaw tried unsuccessfully to bribe the president of the Connecticut State Federation of Labor.

(3) Rand paid bonuses to strikers who went back to work, or who had their pictures taken walking into the plant.

(4) Rand arranged with Pearl L. Bergoff, "king of strikebreakers," for 80 men to enter the plant as if in reply to his fake advertisement for "millwrights" to dismantle machinery.

(5) Rand hired many Bergoff men to go among the strikers and their families, stir up dissension, and "confuse their logic."

(6) Rand's supervisory employees at the Ilion plant visited the strikers' homes and told them "the American Federation of Labor is a thing of the past in Ilion."

All of these acts were rightly held by the Board to constitute "interference." The amendment removing the prohibition against "interference" would cast doubt on hundreds of decisions of this type issued under the act, many affecting A. F. of L. unions, and put in question many victories in the courts, under this act as well as under the Railway Labor Act and many State laws.

Because it is alleged, rightly or wrongly, that the Board has misinterpreted this provision in a relatively few cases is no good reason for removing it altogether. Any misinterpretation of the Labor Act is subject to full judicial review before any final order can become effective. No matter what language is written into any law, and no matter who is engaged in its administration, we cannot remove the inevitable margin of human error nor eliminate the treatment of littlestient accuract such error. That is the

the inconvenience of litigation to correct such error. That is the price we must pay for orderly legal processes in a democracy.

Last but not least among these substantive proposals, one of Mr. Hoffman's amendments involves a wholesale denial of labor's protection under the act. It provides that whenever an employer has committed a wrong against an employee as defined in the Labor Act, the employee is denied redress if the employer can show Labor Act, the employee is defined redress it the employer can show that the employee or his labor union has committed some other wrong, even if already fully covered by local law. Certainly it would be a novel precedent for Congress to provide by law that two wrongs make a right, and that grave abuses shall be excused because small ones have also been committed on the other side.

because small ones have also been committed on the other side. To do that would be to substitute recrimination for justice.

While this proposal is supposed to "equalize" the act, it actually operates only against the employee and his labor organization, to whom the protection of this act means the difference between economic life and death. Is Mr. HOFFMAN ready truly to "equalize" the act by proposing that an employer who violates a local criminal ordinance or breaks a contract with a labor union shall be deprived of his corporate franchise? When that proposal is made it will be time to consider the wisdom of loading upon a Federal deprived of his corporate franchise? When that proposal is made it will be time to consider the wisdom of loading upon a Federal agency the enforcement of the multitude of local laws and ordinances that exist in every State in the Union.

I turn now to various procedural amendments which seem to me

threaten the effective administration of the National Labor

Relations Act.

The amendments of Mr. Hoffman would separate the investigatory from the fact-finding functions under the act, and Mr. Anderson's amendments would transfer this fact-finding function Anderson's amendments would transfer this fact-finding function bodily to the district courts—both novel suggestions for this type of quasi-judicial agency. Another of Mr. Hoffman's proposals would authorize the reviewing court to substitute completely its judgment as to the facts for that of the administrative body—another novel procedure. Mr. Hoffman further proposes to permit any employer to transfer his case to the district courts at the start, thus completely avoiding recourse to the administrative tribunal. One of Mr. Barden's and Mr. Hartley's amendments would authorize the district courts to issue proper writs at any time to compel the Board to perform its functions and duties. This would enable a party to shuffle every point in a case back and forth continually between district court and Labor Board, to the eternal delay of the workers seeking to vindicate their rights. All of the above-mentioned procedural amendments would result in abandoning or seriously impairing the principles of adminis-

in abandoning or seriously impairing the principles of administrative law that have evolved gradually since the pioneer establishment of the Interstate Commerce Commission in 1887. The concept of the administrative agency, growing up in necessary response to the manifold complexities of modern government, has been championed by Charles Evans Hughes, and by countless other luminaries of bench and bar. In a very vital sense, these admin-istrative agencies have come to be regarded as the people's instruments of government, created to effectuate a particular policy more expertly, more sympathetically, and more efficiently than was possible under the rigid formalism of court procedure. Above all, these agencies give the worker a fairer chance, because he afford to plunge into the costly arena of Federal court

litigation.

In a decision last Monday, the Supreme Court took occasion to deny the premise, which seems to underlie these procedural amendments, that administrative agencies and reviewing courts are in a relation of mutual hostility. "Court and agency," said Mr. Justice Stone, "are the means adopted to attain the prescribed end * * * Neither can rightly be regarded by the other as an alien intruder, to be tolerated if must be, but never to be encouraged or aided by the other in the attainment of the common aim."

The Neitheral Taker Paletimes Act was astablished in accordance.

aided by the other in the attainment of the common aim."

The National Labor Relations Act was established in accordance with the well-established concepts of administrative procedure, tested by 50 years of American experience. It is, of course, possible that special factors involved in labor relations make this traditional method unsatisfactory and require the substitution of a new and untried procedure. If this is the case, the Supreme Court of the United States has given us no indication to that effect. Chief Justice Hughes, writing for the Court after the first five cases involving the Leber Act were heard acid:

volving the Labor Act were heard, said:

volving the Labor Act were heard, said:

"The act establishes standards to which the Board must conform. There must be complaint, notice, and hearing. The findings as to the facts are to be conclusive but only if supported by evidence. The order of the Board is subject to review by the designated court, and only when sustained by the court may the order be enforced. Upon that review all questions of the jurisdiction of the Board and the regularity of its proceedings, all questions of constitutional right or statutory authority are open to examination by the court. We construe the procedural provisions as affording adequate opportunity to secure judicial protection against arbitrary action in accordance with the well-settled rules applicable to administrative agencies set up by Congress to aid in the enforcement of valid legislation."

The subsequent decisions of the Supreme Court in Labor Board cases have not only failed to modify this statement of the Chief Justice but have demonstrated also that under the present act, the

Court can and will check what it regards to be any false step by the Labor Board.

The only argument advanced to defend distorting the procedure under the Labor Act out of all relationship to precedent, custom, and experience is that, according to Mr. Anderson, the administrative procedure is "not necessary or justified in any private or class interest."

for one, will not concede that legal protection of workers' rights is any more a matter of private or class interest than legal protection of investors' rights or shippers' rights or the rights of competitors in trade. I am sure that this committee will not scribe to the proposition that the advantages of quasi-judicial fair competitors in trade.

fair competitors in trade. I am sure that this committee will not subscribe to the proposition that the advantages of quasi-judicial tribunals, which are available to other groups of the population through the Securities and Exchange Act, the Interstate Commerce Act, and the Federal Trade Commission Act, shall be denied to laboring men for the vindication of labor's inalienable, industrial rights. As this committee well said in its original report in 1935:

"No private right of action is contemplated. Essentially the unfair labor practices listed are matters of public concern, by their nature and consequences, present or potential. * * * The form of injunctive and affirmative order is necessary to effectuate the purpose of the bill to remove obstructions to interstate commerce which are by the law declared to be detrimental to the public weal."

While these proposals that I have been discussing are, in my opinion, detrimental to the objectives of the act, there are some others that merit the most careful study. Merely as an example, there is wide support for an amendment which would permit employers to petition for elections. As I have always said, there is nothing in the present act which denies this privilege to employers. The prohibition rests upon a ruling of the Labor Board. This ruling evolved before the current labor split, to meet the situation where an employer might attempt prematurely to "freeze" a situation produced by a long tradition of opposition to unionism. While there should still be safeguards against this situation, the labor split has introduced a novel situation where a well-intentioned employer is caught between the cross-fire of rival unions. In such circumstances, under appropriate safeguards which these hearings should develop, I feel that the employer certainly should have the right to petition for an election.

If the hearings now in progress disclose other perfecting amend-

have the right to petition for an election.

If the hearings now in progress disclose other perfecting amendments which are sound in principle and practical in operation, I have pledged to introduce or support such amendments and help enact them into law.

I come finally to the portion of the amendments proposed by Mr. BARDEN and Mr. HARTLEY, which deal with the thorny questions of the appropriate bargaining unit and the validity of contracts

contracts.

No legislator, and certainly none who, like yourselves, are in daily contact with labor legislation, can fail to be impressed with the profound consequences of the division which now exists in labor's ranks. This division, which I sincerely hope will soon end, was not created by the Labor Act, but its repercussions have greatly complicated all problems of administration.

I said at the time this law was under consideration in Congress, and I repeat today, that the act itself did not put the stamp of Government favor on any particular type of union—outside or inside, craft or industrial. Its only concern was to foster and protect the free choice of representation by the employees themselves. There is no claim to the contrary by any of those now sponsoring any amendments, but there is the claim that in its application to situations nonexistent when the act was written application to situations nonexistent when the act was written certain inequities have grown up. The only fair approach to these issues is that being taken by the Senate committee in its hearings on similar amendments, that is, to make a detailed study of the facts and issues in all the disputed cases, comparatively

of the facts and issues in all the disputed cases, comparatively few in number, where this question is the critical one.

Finally, I suggest that these hearings, to be truly constructive and complete, should consider whether any additional governmental machinery is necessary to round out public action in labor relations and further promote the objective of industrial peace. Few realize today that the splendid work of the United States Conciliation Service in adjusting labor controversies over wages, hours, and working conditions is based on no statutory authorization, except a single phrase in the organic act setting up the ization, except a single phrase in the organic act setting up the Department of Labor more than 25 years ago.

I share the growing opinion among students of our labor prob-I share the growing opinion among students of our labor prob-lems that the time may well be at hand to reconstitute the con-ciliation service, not by putting restrictions on the right to strike, not by confusing its functions with the protection of labor's fundamental rights, but by placing Federal mediation on a firmer statutory basis and making more adequate appropriations for its effective operation. In my own State, the establishment of a mediation agency to complement the work of the State labor board has brought increasingly gratifying benefits to all concerned. In closing, let me say:

has brought increasingly gratifying benefits to all concerned.

In closing, let me say:

First, the Labor Act is the most effective instrument yet devised for substituting the processes of law and the methods of reason in place of the rule of the jungle in dealing with labor disputes. It has brought a more wholesome industrial system to workers, employers, and the public at large. To dull this instrument would be an act of unreason; to discard it would be an act of folly.

Second, the amendments to the act, proposed by labor groups and by labor's friends, deserve the most careful consideration.

Second, the amendments to the act, proposed by labor groups and by labor's friends, deserve the most careful consideration. At the same time, every worker in America should realize that while the friends of the Labor Act's main objectives are weakened by factional strife, the opponents of labor are strong and united.

It is already apparent from these hearings and those in the Senate that while labor has some complaints to make against the Labor Act—and they may be just ones—many of those who are indicting the Labor Act can lay no claims to having ever been the friends of labor. For these reasons, I urge every worker who wants to remain free, to look long and searchingly at each proposal designed

remain free, to look long and searchingly at each proposal designed to change the act that has helped so much to make him free. Third, every fair-minded employer in America should likewise realize that he has long been made the unwilling victim of a reactionary minority which has forced strife upon industry by refusing to accept the principles of honorable industrial peace. I therefore appeal to every employer who wants to remain at peace, to look long and searchingly at every proposal to change the act which has done so much to bring him peace. Fourth, reactionary forces, encouraged by the breach in labor's ranks to make assaults upon the gains won by labor after years of struggle, are now marshaled to destroy the Labor Act. Their high-powered and highly financed campaign failed to prevent its

high-powered and highly financed campaign failed to prevent its passage by Congress; their expensive lawyers failed to prevent its approval by the courts; their misleading propaganda failed to poison the public mind against it. Now, it is once more the responsibility of Congress to make sure that this selfish minority shall again fail in their remorseless and relentless efforts to make

industry once more their feudal estate.

Fifth, it is only those who profit by ceaseless litigation at the expense of others, and only those who have something to gain from confusion in the minds of industry, labor, and the public, who would profit from reckless or unnecessary tampering with the Labor Act. Every change in the act means new lawsuits, new uncertainties, new areas of doubt and dissension and disagreement. While this is no reason for falling to cure real defects, it is surely the strongest kind of reason for making those who want to change the Labor Act carry the burden of proof. Nobody with good intentions will profit by inconsiderate meddling with a sound law.

I am confident this committee is too mature in judgment, too I am confident this committee is too mature in judgment, too ripe in experience, and too courageous and forward looking in its intentions, to be stampeded by mere agitation. Every statute that has made America a more just and decent land in which to live, by removing certain inequities from our social system, has had to run through the same long trials which have beset the Labor Act. It is obvious that only the innocuous statute provokes no opposition. We may be sure that the level-headed judgment of the American people, which has preserved our greatest social gains against the dangers that beset them, will rally to the defense and the preservation in its full strength of the National Labor Relations Act. For the American people know that the act is a foundation-stone of our economic well-being, and a realization of our democratic faith. our democratic faith.

Why I Think the War Referendum Resolution Should Be Adopted

EXTENSION OF REMARKS

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

STATEMENT BY HON. LOUIS LUDLOW, OF INDIANA

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House, I present the address I made on May 18 before the Senate subcommittee during hearings on the resolution for a referendum on foreign wars. It follows:

In the brief time I may properly consume today, I would like to approach the subject before us—the war referendum—from the standpoint of our democracy and what we may do to enlarge it in the public interest.

At the outset I want to confess that I am a follower of Jefferson, devoted to his philosophy and sharing implicitly his belief in the ultimate righteousness of the people's decisions.

So believing, it is my firm conviction that the sooner we decentralize the war-making power, the sooner we remove the making of war from a few individuals—however well-meaning those individuals may be—and vest the authority over participation in foreign or nondefensive wars in the great jury of the people themselves, the sooner we shall reach the objective for which all of us are striving, the answer to the question, "How can we keep America out of war?"

Putting it in another way, we will get rid of war as we build up democracy. We will get rid of war as we unshackle public opinion and give it free opportunity to exercise its power.

The same idea was expressed by Daniel Webster more than 100 years ago when he said in a speech on the Greek Revolution:

"It may be asked, perhaps, what can we do? Are we to go to war? Are we to interfere in the Greek cause, or any other European cause? Are we to endanger our pacific relations? No; certainly not. What then, the question recurs, remains for us? If we will not endanger our own peace; if we will neither furnish armies nor navies to the cause which we think the just one, what

is there within our power?

"Moral causes come into consideration in proportion as the progress of knowledge is advanced, and the public opinion of the world is rapidly gaining an ascendency over mere brutal force. It is already able to oppose the most formidable obstruction to the progress of injustice and oppression, and as it grows more intelligent and more intense, it will be more and more formidable. It may be silenced by military power, but it cannot be conquered. It is elastic, irrepressible, and invulnerable to the weapons of ordinary warfare."

Since those words were uttered the world has passed through

some of the darkest nights of history because public opinion has been too weak and inarticulate to exercise its leavening influence, but it is still a great potential power for peace, and, as Webster said, though it may be silenced temporarily it cannot be conquered. Webster was right when he asserted that as public opinion grows more intelligent and more intense, it will be more and more formidable as an artifacte for war.

midable as an antidote for war.

But we need not go back as far as Webster for testimony to cor-But we need not go back as far as Webster for testimony to corroborate this truth. Woodrow Wilson asserted in many of his speeches that he had known of governments making war on governments, but never in the range of his reading and observation had he known of "peoples making war on peoples"; and the present Chief Executive of the United States, Franklin D. Roosevelt, uttered a sentiment of hope and inspiration to the human race around the world when, in addressing the Woodrow Wilson Foundation on December 28, 1933, he said that "war by governments" must give way to "peace by peoples." With admirable directness the President expressed in one brief phrase the philosophy that has brought this war-referendum peace amendment into existence.

Faith in the people's decision on war was expressed with great

Faith in the people's decision on war was expressed with great earnestness and impressiveness by the Young Democrats of America, that splendid organization of 5,000,000 young men and women who are the coming citizens of our country, when at their national convention held at Indianapolis in August 1937 they passed the

following resolution:

"Resolved, That we favor a Nation-wide referendum before declaration of war, except in case of invasion or internal rebellion."

When James Roosevelt, the chairman of the convention, put the question there was not a single negative vote, and the resolution was adopted unanimously and with stirring emotion. It shows the vision of our young people—the future defenders of the Nation—on this subject.

As President Wilson so well said, it is not the peoples who make As President Wilson so well said, it is not the peoples who make wars. I do not believe that there is anywhere under the shining sun today a people that wants to go to war with any other people, and I think that is as true of the people of Germany, Italy, and Japan as it is of the people of the United States. Unfortunately for those nations they have no free speech and no freedom of action. They are under the thumbs of tyrants and must obey their masters. Fortunately for us, we live in a free country and have authority, if we will exercise it, to settle these great tragic questions by counsel among ourselves.

questions by counsel among ourselves.

I repeat that, in my opinion, the best way for Americans to keep out of war is to exercise the inherent right of decision that belongs to them in a democratic form of government. We should not only insist on that right but we should take the necessary steps to enlarge and perfect the processes of democracy so that it will be possible to exercise that right. The essential change needed is to reconstruct the war-declaring mechanism so that the people shall have a right to a direct vote on participation in foreign wars. The existing war-declaring mechanism is not a democratic mechanism at all. It is an autocratic mechanism. Under its operation 267 Members of Congress, a bare majority of both bodies, subject to all kinds of pressures, and singularly influenced by one other individual, the President of the United States, may plunge America into the most horrible war imaginable. Unfortunately our democracy stops at the water's edge. In its foreign relations our country is not a democracy at all but a pure

eign relations our country is not a democracy at all but a pure autocracy.

It is true that our democracy applies in our domestic concerns but it is singularly absent in our foreign affairs. The citizen may vote on the location of a waterworks or a pesthouse. He may exercise the right of suffrage in choosing a constable or a dog catcher, but he is not allowed to vote on the most tragic and important of all questions where the decision involves the life and death of loved ones, the sundering of family ties, an inexpressible load of grief and woe and debt and the possibility of a change in the form of government which will rob him and his family and posterity of the inestimable franchise of freedom.

The war referendum amendment would broaden the democratic processes so that the American citizen would have the right to

processes so that the American citizen would have the right to processes so that the American citizen would have the right to vote not only on domestic matters but on the international question of war or peace, which affects him more vitally and closely than any domestic question that could possibly be imagined. If we are to concede any potency whatever to democracy, why should it not apply to the greater things of life, as well as to the relatively minor and inconsequential things?

The war referendum principle is based on the philosophy that those who have to do the dying and the suffering and to bear

the unspeakable burdens and griefs of war, should have something to say as to whether war shall be declared. What could be more elementally just than that? What could harmonize more perfectly with the purposes for which this free Government was founded and the traditions of American history?

I am for this referendum on foreign wars, not only because I believe it is a right that belongs to the citizen in a democracy, but because I believe it would be a great stabilizing influence for peace. With the lessons of the past vividly in the public mind, I believe it would keep us out of foreign wars for a hundred years, and, indeed, out of all wars, for I do not believe that there is a nation on earth that has, or ever will have, the remotest thought of attacking us. Without this referendum I would not undertake to forecast how soon we may be dragged into another horrible foreign war. rible foreign war

To show how undependable the existing war mechanism may be as a means of registering the popular will it is only necessary to revert to what happened in the House of Representatives a year ago last January, when the vote was taken on discharging the Committee on the Judiciary from the consideration of my war referendum resolution, which was first introduced in January 1935. referendum resolution, which was first introduced in January 1935, and which the committee consistently and persistently throttled until December 14, 1937, when the two hundred and eighteenth Member of the House signed the discharge petition, which I had filed to bring the resolution before the House for debate and a vote. More Members were waiting to sign, but when 218 had affixed their signatures the petition became automatically effective and was withdrawn. Under the rules the question came up on January 10, 1938, on the motion to discharge the committee, which could be done if a majority of the House so voted.

Let me tell you what happened on that day, not in my own language but in the language of a more facile and entertaining writer, James A. Farley, Postmaster General and chairman of the Democratic National Committee. I quote from Mr. Farley's article on page 134 of the American magazine of November 1938, as follows:

"Time and again, when Congress has been about to vote on an important measure, I have appealed personally to Members of the Senate and House to vote as the administration wanted them to vote. For instance, in the spring of 1938 a resolution in the House of Representatives provided, in effect, that the United States could not go to war outside its own territorial limits unless the Federal Government was first authorized to do so by a national referendum of the record. which the committee consistently and persistently throttled

Government was first authorized to do so by a national referendum of the people. The resolution had many strong points. But it was a different time in the realized particular figure. a difficult time in the realm of national affairs.

a difficult time in the realm of national affairs. "
"I spent an entire day on the telephone asking Democratic Members of the House of Representatives to vote against bringing up the war referendum resolution. Many of them had already voted to discharge the resolution from the committee, the first move in the parliamentary skirmish, thus in effect committing themselves to its passage. Some Members frankly said they were unable to go along with the administration. Others said they would stand by the administration and vote in the negative. This appeal by telephone had an influence in blocking consideration resolution."

As to the truth of the last sentence of Mr. Farley's article, I, being the defeated party, can bear eloquent testimony. As already stated, 218 Members of the House, a majority, had signed the discharge

Many other Members who are opposed to signing petitions had told me that when the resolution came up in the House they would vote for it, and the combined support was so great that I am convinced that if the House had been free to vote without outside pressure the constitutional amendment would have been adopted and sent on its way toward ratification. The best evidence of Mr. Farley's extreme diligence and effective work for the antireferendum cause is the fact that on a show-down the proposal received only 188 votes while 209 Members voted against it and our side lost by the narrow margin of 21 votes.

I have no complaint of the President for throwing the tremendous force of his administration in the scales against my resolution, which in its perfected form as it was read to the House, was in the identical language of the resolution now before the Senate subcommittee. I grant to him the same honesty of purpose I claim for myself. I am sure he follows the dictates of his conscience, just as

I seek to follow the dictates of mine.

In any activities of mine in regard to the war referendum there is no criticism by me, direct or implied, of the present occupant of the White House. It is not the present I have in mind so much as the future. A constitutional amendment such as we are advocating in all probability could not be adopted during the term of cating in all probability could not be adopted during the term of the President now in office. What we are contending for, therefore, has very little bearing upon the immediate present, but it has an enormous bearing upon the interminable future and contemplates the possibility, nay, the certainty, that we shall have all kinds of Presidents in the years to come, some militaristic, dictatorial, and eager to plunge the country into war. A tyrant or dictator who wishes to lead this country into a war of conquest or aggrandizement would find few obstacles in his way. If a President now has such power over Congress that he can prevent a peace measure from even being debated, what chance would there be to avert war if some future dictatorial President should decide to force a decif some future dictatorial President should decide to force a declaration of war? These are matters we should be thinking about, and my mention of them is in no sense a reflection on our present President, for whom I have the highest respect. But there will be many more who will follow him in the long train of years, some of whom will not be as altruistic as he is, some of whom will be tyrannically inclined and bent on making war. The point I am trying to make is that the existing war-making mechanism is grossly defective in that it centralizes too much power in Congress and the White House.

White House.

But you may ask, "If the lodgment of the war power with the people is so essential to the functioning of democracy, why was that not done in the first instance when the Constitution was adopted?" Let me say that no one holds the Constitution in higher reverence than I do as the sheet anchor of our liberties and the arch stone of our public welfare, and I would never be a party to amending it for light or inconsequential causes.

The question referred to is a perfectly legitimate one, just as other questions that have been asked me, such as, "Why did not Washington favor a referendum on war?" and "Why did not Jefferson include it in his cherished Bill of Rights?" Certainly no one doubts the breadth and depths of the altruism of the seers who founded this Republic.

who founded this Republic.

who founded this Republic.

There is one answer to all of these questions and it is the obvious one. Means of communication were so slow when the Constitution was adopted that a referendum on war was not only impracticable, it was unthinkable. A perusal of the debates of the Constitutional Convention shows that there were two schools of thought on war. The delegates of monarchial tendencies wanted to lodge the war power with the President. The liberals wanted it lodged in Congress, which was the closest to the people it could be placed in the conditions then existing, and the liberals, led by Thomas Jefferson, finally won, so that after the action was taken we find this curious observation in a letter written by Thomas Jefferson to James Madison:

"We have already given in example one effectual check to the dogs of war by transferring the power of declaring war from the Executive to the legislative body, from those who have to spend to those who have to pay."

Executive to the legislative body, from those who have to spend to those who have to pay."

In colonial days there were no good roads, and a letter mailed on the Atlantic seaboard was 6 months reaching the uttermost frontiers, if indeed it ever reached there at all. Now it is all different. The fast train roars its way across the country in 100 hours, the airplane in less than 24. The President, sitting before the microphone in Washington, talks to the entire Nation. The automobile, fast trains, airplanes, telephone, telegraph, and radio have annihilated time and space. Modern perfection in the means of communication has made a referendum on war possible.

of communication has made a referendum on war possible.

The war-referendum proposal now pending before both branches of Congress, as embraced in the La Follette resolution in the Senate and my resolution in the House, applies only to participation in foreign wars. If the United States or any other country in the Western Hemisphere is invaded or attacked the referendum would not apply.

the Western Hemisphere is invaded or attacked the referendum would not apply.

It does not interfere in any way, shape, form, or degree with national defense, but only has reference to the mechanism by which war shall be declared. I personally believe that a combination of strong national defense, coupled with a referendum on foreign wars, is the very best peace insurance this country could possibly have. There are defense wars and there are policy wars, and this resolution goes only to the point of determining that when it comes to a decision as to whether our boys shall be sent to die in foreign lands in the settlement of age-old quarrels of alien when it comes to a decision as to whether our boys shall be sent to die in foreign lands in the settlement of age-old quarrels of alien origin over boundary disputes, blood feuds, and the like, the people of America shall have a right to vote on the question, with women having equal voting rights with men. The place to decide that question is in the privacy of the ballot booths where every voter will have the right to register his free and untrammeled opinion, alone with his Maker. In that way we shall have the real verdict of the composite judgment and conscience of the American people on the most important question that can affect our national life. on the most important question that can affect our national life.

Admission of German Refugee Children

EXTENSION OF REMARKS

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, May 18 (legislative day of Monday, May 8), 1939

TELEGRAM FROM THE MINISTERIAL ASSOCIATION OF RALEIGH AND WAKE COUNTY, N. C., AND EDITORIALS FROM VARIOUS NEWSPAPERS

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix a telegram from the Ministerial Association of Raleigh and Wake County, N. C., regarding the admisison of German refugee children, and also editorials from various newspapers.

There being no objection, the telegram and editorials were ordered to be printed in the RECORD, as follows:

RALEIGH, N. C., May 9, 1939.

Senator Robert F. Wagner, Washington, D. C.:

The Ministerial Association of Raleigh and Wake County, N. C., have today, in regular meeting assembled, voted their endorse-ment of your child-refugee bill. We are so informing Senators Bailey and Reynolds and Representative Cooley, of our State.

CLARENCE E. NORMAN, Secretary.

[From the Albuquerque (N. Mex.) Tribune of February 20, 1939] REFUGEE CHILDREN

The most tragic picture painted on the hideous Nazi canvas is that of young children bidding their parents good-bye forever and departing from Germany with 40 cents in their pockets and a tag

on their lapel. That chapter will live long in history.

There is now pending in Congress a resolution introduced by Senator Wagner providing asylum in America for 20,000 of these children. Immigration restrictions would be lifted for a 2-year period during which 10,000 little refugees would be permitted to enter each year.

enter each year.

The children can never become a charge upon American communities because they must be located in homes or institutions before they are permitted to sail. Members of Temple Albert congregation here are planning to adopt some of the children if the

resolution is adopted by Congress.

We hope the resolution is adopted by Congress. It seems to us that the very least America can do in the name of ordinary decency is to help make life happier for these tragic little victims

[From the Sterling (Ill.) Gazette of April 22, 1939] SHOULD 20,000 CHILDREN BE ADMITTED?

Despite the economic hardships of our own citizens, Senator WAGNER'S proposal to admit 20,000 German refugee children into the United States in 1939 and 1940, over and above quota restrictions, has received widespread support. It has been approved by such newspapers as the New York Herald Tribune and the Richmond

such newspapers as the New York Herald Tribune and the Richmond Times-Dispatch, by ex-President Hoover, by Mrs. Calvin Coolidge, who thus breaks her rule of silence toward pending legislation; by Cardinal Mundelein and, in principle by C. I. O. and A. F. of L. The children to be admitted are all under the age of 14 and would thus offer no immediate competition in the labor market. It would be necessary for each to have sponsors—persons willing to receive and support them guaranteeing that they would not become public charges. Mrs. Coolidge for instance is a member of a group of Northampton, Mass., women who wish to take 25 of the refugees. About half of the children are full-blooded Jews; the remaining half are Catholics and Protestants who may have had a non-Arvan grandparent or whose parents have incurred the

the remaining half are Catholics and Protestants who may have had a non-Aryan grandparent or whose parents have incurred the disfavor of ruling authorities in Germany.

Other countries have already acted to provide homes for these unfortunate youngsters. Great Britain waiving the usual entrance regulations has taken 2,800 and has made preparations to take 5,000 more. Holland, Belgium, and France have opened their doors to others. Little Holland alone has accepted 1,700 children and has not yet closed her doors. None of these countries is as well able as our own to makes places for the children.

It is hardly necessary to point out that the condition of the

It is hardly necessary to point out that the condition of the children is tragic in the extreme; the parents of many are in con-centration camps or so reduced in circumstances and so devoid of hope that they are willing to undergo the excruciating experience of breaking up the family to permit the youngsters to have a fair chance in life.

No longer is this country open to the oppressed of all lands, as it was once, and the distress of many of our own people is great. Yet the case of these European children, reduced to poverty and cast adrift through no fault of their own, is a very special one. cast adrift through no fault of their own, is a very special one. Among them there are, no doubt, some who will add luster to their adopted countries; and most of them will become useful citizens, passionately attached to the land which gave them their only chance to lead normal lives.

[From the Meadville (Pa.) Tribune Republic of April 25, 1939] AN APPEAL FOR CHILD REFUGEES

It is natural that mothers should be interested in a proposed congressional resolution which would permit entry to our shores during each of the next 2 calendar years of 10,000 European refugee children under 15 years of age over and above the immigrant quotas, provided that a home of appropriate religious faith is first assured for each child.

Helen Hayes, who went to Washington to plead for the measure,

Helen Hayes, who went to Washington to plead for the measure, may have been presented primarily as an actress, but she reminded a congressional committee that she also is a mother. Her 9-year-old daughter was the famous "Act-of-God Baby," while she and her husband, Charles MacArthur, later adopted a boy.

Maternal yearnings over helpless little ones involve no logic. Doing something for terrified, orphaned, hungry, and still endangered children is an opportunity with which our essential immigrant precautions have little concern. It becomes an issue for hearts rather than cerebral processes.—Philadelphia Inquirer.

[From the Rochester (N. Y.) Times Union of April 22, 1939] WHY NOT?

Favorable reports on the Wagner-Rogers bill to permit entry of 20,000 German refugee children without regard to quota restrictions was urged today by Helen Hayes, Senator Wagner, and others at a hearing before a joint Senate-House immigration subcommittee. The measure would permit entrance of 10,000 children of various faiths this year and the same number in 1940, upon satisfactory assurance that they would be adequately cared for by responsible individuals or private organizations.

Any lowering of immigration restrictions, as a general policy.

Any lowering of immigration restrictions, as a general policy, would be widely opposed. There seems no valid objection, however, to giving these children a haven of refuge under the terms proposed. It assuredly would be a truly humanitarian act, putting some substance behind our expressions of sympathy for the oppressed.

[From the Portsmouth (Va.) Star of April 29, 1939] LITTLE REFUGEES

Helen Hayes, urging Congress to admit 20,000 German refugee children during the next 2 years in addition to regular immigrant quotas, spoke not as actress but as mother. She pleaded:

"I beg of you to let them come in. The real feeling of every American is that there is always room for one more. When I read that England and Holland had opened their doors to them, I prayed that we would do the same. I just can't believe that this country of mine and yours has no room for them. It just isn't like us. These are children, little children, who now turn to us with outstretched hands."

She will take one herself she says "sight unseen." By a striking

with outstretched hands."

She will take one herself, she says, "sight unseen." By a striking coincidence, at the same time that this plea was being made, Adolf Hitler, whose policies are responsible for this pitiful problem of refugees, was shown in newspapers and films in a kindly, fatherly pose, surrounded by children and holding them by the hand.

Never mind that. Cruelty and sentimentality often go together. People who are kindly with both their hearts and their heads will do their best to ease the hard lot of those little refugees.

[From the Aliquippa (Pa.) Gazette of April 29, 1939] AN OPEN DOOR FOR REFUGEE CHILDREN

There are in the United States thousands of homes where adopted children would be welcome. Childless couples seeking children to brighten their lives, strengthen their homes, and bring a measure of happiness and stability for their old age, wealthy couples with small family but able and eager to care for more children; well-to-do widows seeking companionship and a new interest in lives—these are the people who would make almost any sacrifice if a child could be obtained for adoption.

On the records of almost any orphanage the story is told. With-

out exception their waiting lists extend into hundreds of names. Despite the depression and the uncertainty of the future today a legion of American homes would leap at the chance to secure a child

for adoption.

All this helps to explain the logic behind the resolution by All this helps to explain the logic behind the resolution by Senator Wagner, of New York, now in the Committee on Immigration in the Senate, which would permit 10,000 refugee children from Germany or German-controlled territory to enter the United States each year, regardless of immigration restrictions.

Holland and Belgium have taken similar action. Hundreds of such children, refugees, have been given temporary shelter on British soil. A long list of prominent Americans from Herbert Hoover to Helen Hayes have endorsed the idea.

Children present the most pathetic spectacle of the whole Ger-

Children present the most pathetic spectacle of the whole German refugee situation. Helpless, homeless, and hopeless they are shunted back from frontier to frontier. In Senator Wagners, resolution, it would seem, is an opportunity for the United States to do its part in meeting this crisis in a humanitarian way, and at the same time bring happiness to tens of thousands of American

[From the Birmingham (Ala.) News, of April 27, 1939] "SUFFER LITTLE CHILDREN"-AN OPPORTUNITY FOR AMERICA

It was an eloquent, moving plea which Helen Hayes, mother of one child and adopted mother of another, made to the congressional committee considering the enactment of legislation which would permit 10,000 German children to enter this country annually for 2 years.

Miss Hayes, who is in private life Mrs. Charles MacArthur, must have been proved by the update of what would be proved by the country wou

have been moved by thoughts of what would happen to her own children if it ever became necessary for them to seek sanctuary. The tradition that the United States is a haven for the oppressed of the world is deeply imbedded. In this decade there has been a sharp decline in the number of immigrants admitted to this country, and it is probable that never again will there be any considerable number who will find homes here. Our imposes the country and the number of the country and the number who will find homes here. any considerable number who will find homes here. Our immigration gates have been practically shut. Over a period of the last 6 years, more people have left the United States than have entered.

In offering a home to 20,000 children, the United States has an opportunity to accept a "token" quota, which will be little more than a gesture, although it will be a powerful gesture at this time in world history.

From 1921 to 1930, 4,100,000 people entered this country. In the preceding decade, 1911 to 1920, 5,700,000 entered.

From these figures it can be seen that 20,000 is a negligible number. All would be 14 years old or younger—still at an impressionable age, when assimilation would be easy. These children, after their harrowing experiences in Germany, would eagerly adapt themselves to American traditions and American opportunities. Only those would come who are guaranteed homes and support.

Catholics, Protestants, and Jews are included in the number of children refugees. Their parents have become victims of German persecution either because of their race, their religious convictions,

or their political views.

or their political views.

Dean Dudley D. Carroll, of the University of North Carolina, made a point of particular significance to the South in supporting the proposed measure. He cited the fact that this region had not been in "the stream of immigration" and expressed the belief that the South could profit by immigrants of good stock from Europe. The South has the highest percentage of native stock of any section of the Nation, yet those who have come to this region as immigrants consistently have made good citizens.

When it is considered that the number is small (they would

When it is considered that the number is small (they would amount to only 1 to 6,500 of the country's inhabitants), when we think of the circumstances of their present plight, when we take into account the falling birth rate within our own country—when one is conscious of these factors it is difficult to refuse.

Belgium, France, Switzerland, England, and other countries far more crowded than our own, have made sacrifices far out of proportion to what is asked of us.

We have damned dictatorship loudly and long. Can we not make one unselfish gesture to demonstrate our convictions?

[From the Austin (Tex.) American of May 5, 1939] REFUGEE CHILDREN

Senator Wagner, of New York, has introduced in Congress a joint resolution authorizing the admission into the United States of 10,000 German refugee children "of every race and creed" during the calendar years 1939 and 1940.

The proviso is made that "such children will be supported and properly cared for through the voluntary action of responsible citizens or responsible private organizations of the United States, and consequently will not become public charges." This resolution has the endorsement of a numerous body of religious leaders representing Protestant, Catholic, and Jewish organizations.

While the increase in permissible immigration is not large, it should at least offer cooperation with England, Holland, and other

while the increase in permissible immigration is not large, it should at least offer cooperation with England, Holland, and other countries that are extending hospitality to German refugees. If proper safeguards are maintained to insure that children so received shall not become public charges, there would seem no serious objection to the resolution; it would, in fact, be a humane act.

[From the Dayton (Ohio) Journal of May 7, 1939] LET THE CHILDREN COME IN

Among the legislative items credited with having a 50–50 chance of passing at this session of Congress is the Wagner bill to admit 10,000 refugee children a year for 2 years. Why there should be so much opposition to this humanitarian proposal is a mystery. Under the terms of the Wagner proposal, the children to be admitted would be so young that they could not displace American

These children would not become public charges, because a home and a future would be required for each boy or girl before admit-

The young refugees would be selected carefully with a view to physical and mental fitness to become useful American citizens.

The total number permitted to enter the United States under the Wagner proposal, which would temporarily supplement existing quotas, constitutes only a small fraction of those whose future is very dark because of totalitarian persecution. Humanitarian instincts should dictate the passage of this bill.

[From the St. Louis (Mo.) Post-Dispatch of May 7, 1939] ACTION ON THE WAGNER-ROGERS BILL

The Wagner-Rogers bill, permitting entry of 20,000 German refu-The Wagner-Rogers bill, permitting entry of 20,000 German refugee children to this country in the next 2 years, has been approved by the joint subcommittee of the Senate and House Immigration Committees. In connection with the action the point is again emphasized that no child will be admitted unless "satisfactory assurances" are presented that a responsible individual or organiza-

assurances" are presented that a responsible individual or organization will care for it. This is a detail frequently disregarded by critics of the proposal.

Under the Federal law affidavits guaranteeing support of every immigrant are required, together with detailed statements as to the guarantor's property, income, and general responsibility. This means, of course, that the children will not be a charge upon the Government, but will be fully cared for by their sponsors.

The argument also is advanced that the children will aggravate the country's unemployment problem. Were there any basis whatever for this contention, then the Nation's great labor organizations, the A. F. of L. and C. I. O., would certainly be found fighting the proposal. Yet they are among the great number of organizations that approve it. proposal. Yet t

The move is a highly humanitarian one. It means American participation, through private citizens and groups, toward alleviating the distress of youthful persecution victims, and in giving them a chance to lead normal lives in a land of freedom.

[From the Los Angeles (Calif.) Times of May 7, 1939] CHILD REFUGEES

Shall we admit refugee children from Germany to homes in this country? There are 20,000 waifs, victims of Nazi persecution, left without shelter on the doorstep of the world. About 50 percent of them are Catholics and 50 percent Jewish, all of good, strong "rebel" stock. Since the pending legislation to admit them requires that they must be privately cared for, they would not become public charges.

The humaintarian element in our people naturally wishes to be helpful. Pragmatists, with their eyes on the cash register, oppose the refugee bill which would open the American door to admit the child without a country. The question that divides these groups is whether the United States, in the long run, would or would not benefit by absorbing a fair share of these children into our national

No one understands a problem of this nature better than our ex-President, Herbert Hoover. No one has been a better boy's friend or initiated more movements for the benefit of the young. No one has been so intimately connected with relief on a colossal scale as was Herbert Hoover in his postwar activities in Belgium, Poland, and Russia. No one knows better the potential character of these

future men and women.

And he has added his voice to those of the many social and religious spokesmen who sponsor the legislation that would admit these child refugees. "No harm and only good," he said, "can come to a nation by such humane action." And as it concerns children of 14 and under, he is correct in believing they would prove an

asset to the country.

For these children, with grateful hearts for their deliverance, would receive a grounding in what constitutes a good American while they were still in a receptive stage of development. After that they would easily fit into the customs of their adopted country. The majority would become useful citizens and some might develop traits of leadership.

As it is, the older members of the Nation are increasing faster than the younger. These children will reach maturity at an important national crisis when the pension receivers are getting ahead of the pension producers. They would help restore the balance.

Britain, France, Beigium, and the Netherlands have waived their immigration restrictions and are caring for as many of these world

waifs as they can find room for. America cannot afford to be less humanitarian.

[From the New York World-Telegram of May 9, 1939] MAP COMPROMISES ON YOUNG REFUGEES-SPONSORS SEEKING HOUSE APPROVAL

Washington, May 9.—Faced by growing opposition from the South and Middle West, friends of the Wagner-Rogers bill admitting German refugee children into this country today planned two pos-

sible compromises to gain House control.

The bill as it stands, admitting 10,000 refugees under 16 years each year, for 2 years, is believed to have a better chance of passage in the Senate than in the House.

The compromises being discussed include:
Reduction of the number to be admitted to 10,000 for 2 years, or

5,000 each year.

A provision that the children admitted would be counted against

the regular German immigration quota, but only as they become of age in this country.

The latter provision would make it possible to admit the 20,000

children in the next 2 years without slowing down immigration.

Representative Entry Nourse Rocers (Republican, Massachusetts), cosponsor of the bill, indicated she would be willing to accept either one or both of the amendments. Senator Wagner has not indicated whether he would.

[From the Indianapolis (Ind.) News of May 8, 1939] CHILD REFUGEES

A joint Senate and House committee has unanimously approved a bill to admit 20,000 German refugee children to the United States. The plan is to allow 10,000 to enter next year and 10,000 in 1941. Federal consent is necessary to exceed the quota. Further than giving consent, the bill obligates the Government in no way. It does not appropriate a cent for the transportation or care of the children.

If the bill goes through as approved, persons or organizations desiring to afford a refuge for these children will have to have Germany's consent for their departure, and, of course, the approval of their parents or guardians. They will have to satisfy the Department of Labor that the children will be satisfactorily cared for upon arrival in the United States and will not become public charges.

public charges.

About all the bill does, in fact, is provide the legal means by which people in the United States who wish to rescue abused and, in some cases, tortured children from Nazi brutality can do so. In most instances, the children will be taken in by Ameri-

can relatives. The supporters of the bill feel assured that it bestows no benefit on an alien child at the expense of an American

This country has always offered asylum to political refugees, and these children are essentially the victims of political persecution. With most of them it is a case of cellar huddling in Germany or a decent childhood in a decent country.

[From the New York Herald Tribune of May 9, 1939] PEOPLE ARE VALUABLE

PEOPLE ARE VALUABLE

It is rather surprising how much bad but bitter argument has been evoked by the Wagner bill to raise the quota restrictions for 20,000 German refugee children. The possible arrival of 20,000 children (they would come under all the other restrictions as to health, means of support, and so on) is being opposed with as fiercely narrow a sincerity as if they were an invading host; and even the great majority who support the bill support it as an act of humanitarian altruism, as if to receive these children were an unmitigated sacrifice on the part of the United States.

We know now that there can be pressure, if not upon our still almost boundless resources, at any rate upon our mechanisms of developing and distributing them. We know that immigration can be too heavy for assimilation, and that a national community must take thought to adjust its population trends to its economy.

can be too heavy for assimilation, and that a national community must take thought to adjust its population trends to its economy. But in learning this, have we forgotten that it is people who create everything we have as well as consume it? Dr. Clarence Pickett observes that refugees have already started some 25 new industries in the United States and that at least I refugee has made jobs for some 3,000 Americans. People are valuable, even on a direct economic calculation; and even though one points to the relief rolls, it is still a fact that if every relief recipient in the country were suddenly anihilated the first result for the result of us would not be prosperity but a shattering economic dislocation, a destruction of markets, and a downward plunge into worse unemployment than before.

worse unemployment than before.

Nations can no longer hold their doors wide open. There are limits of assimilability and adjustability. But people are valuable; and for Americans to be afraid of 20,000 children is for them to make a singularly craven obeisance to the brute myths of the new nationalistic obsession.

[From the Wichita (Kans.) Beacon of May 11, 1939] TWENTY THOUSAND VICTIMS OF MISFORTUNE

More than 3 centuries ago the Pilgrim Fathers left Europe and journeyed to America to escape the religious and political persecution there and to found a new country based on the right of personal and religious freedom. In the years that followed all down the Atlantic coast men and women settled because they wanted to

escape from the tyranny of Europe.

America has become known as the land of the free, the refuge of those who desired a life unfettered by the religious and political persecutions of the despots of Europe. Of late years it has been necessary to curtail the flow of those seeking entry into the United States to safeguard the economic welfare of those who arrived before them.

before them.

Recent conditions in Europe have left thousands of children, too young to meet the battle of life, orphaned by the persecution of a ruthless government or left to shift for themselves while their parents rest in concentration camps. It is the hope of the Friends Society—Quakers dedicated to the cause of humanity regardless of nationality or religious conviction—to rescue some 20,000 of these young waifs of war and bloodshed.

The Wagner-Rogers bill has been introduced in Congress to raise the German quota so that these 20,000 youngsters, the oldest no

The Wagner-Rogers bill has been introduced in Congress to raise the German quota so that these 20,000 youngsters, the oldest no more than 14, may be brought to this country and given an opportunity to live. Homes are waiting for them. They would be no economic burden on the country. They would deprive no one of a job. They would bring joy to many firesides.

All that is needed to bring this about is a temporary change in the immigration law as provided in the Wagner-Rogers law. If you believe that these small children, victims of misfortune through no

fault of their own, are entitled to a fair chance at life, liberty, and the pursuit of happiness, then write your Congressman and Senator and ask him to vote for this measure.

Imports of Certain Agricultural Products

EXTENSION OF REMARKS

HON. FRANK H. BUCK

OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

Mr. BUCK. Mr. Speaker, there has been so much said recently regarding the imports of certain agricultural products, and so much misleading information published in the CONGRESSIONAL RECORD on this subject that one might be led to believe that such importations are something new in this history of our country.

As a matter of fact, with few exceptions, agricultural imports are very considerably below the 1929 level to which opponents of the agricultural and reciprocal trade agreement programs of the administration like to refer. Figures, when accurate, speak for themselves, and I submit, with the consent of the House, the following table, derived from the Statistical Abstract of the United States, Monthly Summaries of the United States Department of Commerce, Agricultural Situation U. S. D. A., and Foreign Crops and Markets, published by the United States Department of Agriculture. This table, which is self-explanatory and which will convey rather startling information to some of my colleagues in Congress and to some of my agricultural constituents who have been misinformed as to the import situation, compares imports of some agricultural products of 1929 and 1938.

Commodity	Unit	1929	1938
Corn	1,000 bushels	407	404
Wheat	1,000 bushels	714, 582	3, 722
Rye	Bushels.	275	2
Tapioca	1,000 pounds	173, 318	230, 879
Hay	Tons	30, 787	18, 954
Soybean oil cake and oil cake meal.	1,000 pounds	171, 855	26, 270
Cottonseed oil cake and oil-cake meal.	1,000 pounds	43, 770	6, 591
Butter	1,000 pounds	2,773	1,624
Cheese	1,000 pounds		54, 432
Cattle	Number		424, 022
Hogs	1,000 pounds		57
Fresh pork	1,000 pounds		4, 287
Hams, bacon, etc			44, 347
Fresh beef and veal	1,000 pounds		1, 737
Canned beef	1,000 pounds		78, 597
Total, meat products	1,000 pounds	203, 614	148, 250
Eggs in shell	1,000 dozen	308	232
Wool and mohair	1,000 pounds	280, 371	104, 274
Dried and malted milk	1,000 pounds	5, 234	81
Hides	1,000 pounds	515, 659	181, 951
Cotton	1,000 pounds	223, 275	106, 382
Potatoes	1,000 bushels	4, 276	764
agricultural products 2	Commission of the Commission o	\$2, 218, 000, 000	\$955, 637, 000

Includes wheat imported for grinding in bond and reexport.
 Includes tropical products not produced in the United States.

The Dairy Farmer

EXTENSION OF REMARKS

HON. HARRY W. GRISWOLD

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

Mr. GRISWOLD. Mr. Speaker, a great deal has been said in regard to subsidy payments to farmers, and I wish to submit a table in the RECORD showing the total payments in agricultural subsidies for every State since subsidy payments were started in 1933. I also wish to include farm value in each State and the Federal taxes paid by each State. I believe this table will be of great interest not only to every Member of Congress but to various branches of agriculture and the public in general.

From the table it must be clear to every Representative of a dairy State or section that this industry has been particularly discriminated against in every form of subsidy payments. If we are to have a system of subsidy payments, they should apply equally to every kind of agriculture and to every section or district of the country. If parity payments are to be continued, it should be on a basis that would be fair to the dairy farmer.

If the administration is going to refuse to give the dairy farmer a fair share of agricultural payments and insist on trade treaties that take from him his American market, the dairy farmer and the whole dairy industry is facing ruin.

Mr. BERT LORD, the very able Representative from New York, has gone to great pains in assembling the following table. Due to illness he is unable to be present.

Total farm value subsidy payments and tax collected, years 1933-38

State	Total farm value 1	Total subsidy 2	Tax collected from States ³ \$68, 160, 728	
Alabama	\$368,000,000	\$72, 751, 409		
Arizona	133, 000, 000	7, 108, 667	15, 300, 327	
Arkansas	376, 000, 000	79, 613, 675	28, 190, 452	
California	2, 325, 000, 000	35, 612, 497	1, 304, 035, 426	
Colorado	419, 000, 000	33, 877, 177	134, 256, 560	
Connecticut	284, 000, 000	3, 668, 913	339, 402, 188	
Delaware	51, 000, 000	1, 580, 880	275, 719, 126	
	321, 000, 000	7, 775, 989	159, 826, 095	
Florida	430, 000, 000	74, 927, 471	156, 841, 394	
Georgia		22, 575, 084	15, 246, 729	
Idaho	307, 000, 000		2, 008, 755, 669	
Illinois.	2, 203, 000, 000	103, 934, 352		
Indiana	1, 040, 000, 000	65, 435, 424	444, 658, 770	
Iowa	2, 462, 000, 000	178, 338, 535	120, 454, 763	
Kansas	1, 479, 000, 000	159, 253, 517	116, 383, 435	
Kentucky	620, 000, 000	48, 243, 918	578, 036, 110	
Louisiana	295, 000, 000	63, 221, 838	177, 680, 545	
Maine	143, 000, 000	2, 661, 312	56, 938, 093	
Maryland	243, 000, 000	7, 077, 590	546, 380, 886	
Massachusetts	255, 000, 000	2, 482, 649	779, 134, 428	
Michigan	826, 000, 000	27, 171, 795	1, 170, 952, 872	
Minnesota	1, 382, 000, 000	75, 701, 661	318, 719, 197	
Mississippi	371, 000, 000	85, 209, 765	22, 084, 841	
Missouri	1,099,000,000	81, 820, 838	575, 154, 960	
Montana	376, 000, 000	41, 279, 603	29, 248, 229	
Nebraska	1, 563, 000, 090	110, 640, 138	78, 585, 897	
Nevada	43, 000, 000	523, 090	17, 553, 309	
New Hampshire	67, 000, 000	461, 749	35, 688, 176	
New Jersey	234, 000, 000	2, 194, 731	905, 211, 588	
New Mexico	170, 000, 000	11, 742, 479	9, 579, 220	
New York	1, 045, 000, 000	9, 477, 423	5, 007, 551, 014	
North Carolina	623, 000, 000	67, 619, 824	1, 739, 457, 794	
North Dakota	797, 000, 000	88, 844, 563	8, 464, 484	
Ohio.	1, 278, 000, 000	54, 407, 003	1, 273, 696, 498	
Oklahoma	784, 000, 000	107, 552, 070	292, 610, 674	
Oregon	449, 000, 000	15, 811, 455	57, 752, 465	
Pennsylvania	862, 000, 000	11, 731, 619	1, 915, 251, 030	
Rhode Island	35, 000, 000	74,830	128, 233, 759	
South Carolina	285, 000, 000	52, 248, 553	73, 784, 501	
South Dakota	692, 000, 000	76, 884, 950	9, 038, 921	
Tennessee.	556, 000, 000	46, 632, 995	131, 684, 482	
Texas	2, 574, 000, 000	285, 250, 457	542, 534, 964	
		8, 119, 065	32, 413, 479	
Utah	116, 000, 000	1, 299, 423	16, 736, 952	
Vermont		16, 371, 513	953, 732, 259	
Virginia		26, 381, 890	139, 207, 518	
Washington	551, 000, 000 238, 000, 000	3, 227, 200	89, 601, 996	
West Virginia		40, 365, 778	388, 631, 253	
Wisconsin	1, 247, 000, 000		11, 871, 141	
Wyoming		8, 479, 974	53, 646, 018	
Hawaii		18, 837, 990		
Philippine Islands	The second secon	15, 376, 749	2, 328, 332	

From U. S. Department of Agriculture Bulletin No. 18.
 From U. S. Department of Agriculture, Secretary of Agriculture.
 From Bureau of Internal Revenue, total collections all sources.

Anniversary of Arrival of First Permanent English Settlers in America at Jamestown, Va.

EXTENSION OF REMARKS

HON. COLGATE W. DARDEN, JR.

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

ADDRESS BY HON. DAVE E. SATTERFIELD, JR., OF VIRGINIA, MAY 13, 1939

Mr. DARDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable Dave E. Satterfield, Jr., at Jamestown, Va., at services conducted within the Old Church, May 13, 1939, in commemoration of the landing of the first permanent English settlers in America on that spot:

I am deeply grateful to the Board for the Preservation of Virginia Antiquities for its kind and gracious invitation permitting me to attend and to have a small part in these exercises commemorating attend and to have a small part in these exercises commemorating the anniversary of the arrival of the first permanent English settlers in America here on this spot 332 years ago. That event marked the beginning of a miracle. What has been accomplished on this side of the Atlantic since that memorable day has never been matched in all the annals of history. Those who love their country delight to come here and to commune within the ancient borders of this noble shrine.

From that bleak day in December 1606, when the little company set sail from Blackwall, England, to be buffeted by the winds from every quarter, history records a steady advance and progress; please God may it ever be thus. True, this progression was never unruffled. It was beset with famine, disease, and privations untold, but throughout the trail of years the fine line of achievement is unbroken

unbroken.

Out of it all has come a new race of men and women, a race willing to die if needs be for their country and yet a race in no sense aggressive from the military point of view. A race proud of the progress of democracy and knowing its imperfections, ready, willing, and eager to maintain it, no matter what the odds. A Godloving people; a people who know the value and the wisdom of the preachments of the Reverend Robert Hunt of sainted memory; that man of God, who spiritually inspired those who came here for the first time long long ago.

that man of God, who spiritually inspired those who came here for the first time long, long ago.

It is clear that the history of American institutions begins not with those who braved here the dangers and hardships of early colonial life. We turn the mellowed pages of history, if on this occasion it is meet and proper to briefly trace the development of freedom and democracy from seedling to fruition, to a day long ago when the Normans under the leadership of William the Conqueror invaded England to seize the property of the English. William's successors promised to rule justly after the fashion of the Saxon kings. These promises were broken and the English became vassals of the Norman overlords. On a sunny day in June in the year of 1215, when knighthood was in flower and chivalry largely a matter of might, when the singing troubador wended his caroling way along the ancient roads of England. * * * When Robin Hood ranged Sherwood Forest and government of the people and for the along the ancient roads of England. * * * When Robin Hood ranged Sherwood Forest and government of the people and for the people was yet unheard of, a little group of English barons resolved to risk their lives in an effort to break the autocratic power of Norman kings. They assembled in a little place called Runnymede and there they wrested from King John, attested by the King's seal, a great document, Magna Carta, in which he promised among other things that no "Freeman shall be taken or imprisoned or outlewed or benished or any property of the state of th among other things that no "Freeman shall be taken or imprisoned or outlawed or banished or anyways destroyed unless by the legal judgment of his peers, or by the law of the land." Long before these early settlers had begun to till the soil of Virginia their ancestors had curbed the power of kings and planted the germ of

representative government.

They came as one with the blessings of the church and the guid-They came as one with the blessings of the church and the guidance of the most progressive statesmanship of that day. Their purpose was broad, distinct, comprehensive. They came to establish the claim of England to a part in the New World; to establish here upon this spot a unit representative of English law, English Government, religion, and civilization.

About the beginning of the seventeenth century profound economic changes were in progress. There is something strongly reminiscent in the chronicles of that period. The ceaseless flow of goods from the pay Spain had thrown cld price structures of goods.

gold from the new Spain had thrown old price structures of goods and labor into confusion. The transition from feudalism to capitalism and from agriculture to the faint beginnings of incipient industrialism was having very much the same effect upon the long-established conditions of the England of that day as inventive genius has wrought in a later day here in America. There was unrest and unemployment among the laboring people. The gentry of that day found it difficult to adjust themselves to the new order and were losing caste rapidly * * *. Money was gentry of that day found it difficult to adjust themselves to the new order and were losing caste rapidly * * *. Money was plentiful and many taking advantage of that circumstance were making ventures in new trade overseas and were growing rich. Many "companies" were formed and on April 10, 1606, James I granted a charter to two groups of capitalists, one group resident in London, the other in and around Plymouth. This was the Virginia charter in which England definitely claimed rights in certain in London, the other in and around Plymouth. This was the Virginia charter in which England definitely claimed rights in certain parts of North America. The failure of Gilbert and Raleigh to found colonies had not dampened the ardor of Englishmen to successfully colonize these shores. Sir Walter Raleigh never abandoned hope, not even after the new country, America, had proven his undoing, for when near death he said, "I shall yet see it an English nation." English nation.

On a blustering wintry day, the last in the year 1606, this little band boarded at Blackwall on the Thames, a pinoac and two small ships, the Discovery, the Sarah Constant, the Goodspeed. Perseverance and tenacity of purpose was amply evident, for stormy weather confined the little ships to the Downs until the middle of February 1607. Near the end of April three small vessels entered the locally cases of the Chaseneste February mounts affect. tered the lonely capes of the Chesapeake. Four months afloat upon a lonely sea and then "fair meadows and goodly tall trees, fresh waters running through the woods." Listen to one of that

fresh waters running through the woods." Listen to one of that company who possessed the gift of narrative. Capt. John Smith, he of rugged and direct speech, hardihood, and action. In attempting to describe to his countrymen this new country he wrote:

"The cape on the south is called Cape Henry in honor of our most noble prince. The land, white hilly sands, like unto our downes, and all along the shores great plentie of pines and firres. The north cape is called Cape Charles in honor of the worthy Duke of Yorke. Within is a country that may have the prerogative over the most pleasant places known, for large and pleasant navigable rivers. Heaven and earth never agreed better to frame a place for man's habitation, were it inhabited by industrious people."

Familiar episodes, starving time, Bacon's Rebellion, familiar faces, Sir Thomas Gates, Sir Thomas Dale, Yeardly, Berkeley, and all the rest kept pace with the viclositudes of the growing Colony and its confidence in governing itself. By 1625 there were living in Virginia 1,095 people. This foothold had been dearly bought, for more than 4,500 people had perished from starvation, massacre, or disease.

For the first 10 years the colonists had little or no voice in the managing of their own political affairs. Sir George Yeardly brought from London in 1619 instructions as Governor that thereafter the people were to have a share in their own government, and that 22 burgesses were to be elected to form the lower house of the new legislature. At first there were 11 "hundreds" or "plantations," each represented by 2 persons in the lower house. This, with the council of 6 as an upper house, and the Governor, brought the governmental machinery to a type that was to be familiar in its broad outlines throughout America and down to this very day. Thus, on July 30, 1619, the first legislative body ever to assemble in North America was formally inaugurated. Little did they dream that in just 170 years the first meeting of the Congress of the United States, an arm of the infant Republic, would be holding its first session under its newly adopted Constitution in the city of New York, nor did they envisage a nation celebrating a little over a month ago the one hundred and fiftieth anniversary of that memorable session of its National Legislature, nor were they to grasp the majestic sweep of a government destined and dedicated to demon-London in 1619 instructions as Governor that thereafter the majestic sweep of a government destined and dedicated to demonstrate that-

> There is none so high as to be beyond its power, And none so humble as to be beneath its care.

The transition of our colonial government was slow, labored, and beset and encouraged in turn by all the actors, dramatists, clowns, tragedians, and crackpots who make their entrances and exits in a more modern theater. There were demagogues and traitors, tories and patriots. These facts do no violence to the canvas. Our achievements are all the more wonderful. From Magna Carta to achievements are all the more wonderful. From Magna Carta to this very good day we have sought democracy. It is a great ideal, never a reality. It is like happiness, you never altogether catch her. The Constitution does not include a guarantee of happiness, it only grants you the right and privilege to pursue it. It lies always just over the hill, almost in reach but never quite attainable. It is the quest of a golden fleece that brings stability of mind and heart. It is a quality. Someone has said democracy is not a system; it is a bloom and a quality of public character.

The last century brought us through the golden age, the era of good feeling, the Jacksonian period, and ante bellum days. We Americans had come to believe that the idea of democracy would pervade the universe. International recognition of the blessings

Americans had come to believe that the idea of democracy would pervade the universe. International recognition of the blessings of our form of government was meeting with enthusiastic response. France presented the Republic with the Statue of Liberty. Everywhere men were speaking of that liberty which enlighteneth the world. The orators of that day were saying that all the ills and woes with which civilization had been afflicted would be cured and that the benign influence of liberty would alleviate the suffering and banish the problems of the world. But today, with the twentieth century not half spent, this democracy which began here to recompose the great design of human living—a challenge to the world—finds the world a challenge to democracy.

Whatever has been accomplished in this direction is largely due

Whatever has been accomplished in this direction is largely due to the clergy of that early day. The influence of the church was enormous. The advances which democracy has made are largely due to men of sainted memory, and its progress is dedicated to the memory of the colonial clergy of Virginia, who from 1607 established and maintained the church of the motherland and the faith inshed and maintained the church of the motherland and the faith once delivered to the saints. How completely region was a part of the warp and the woof of colonial government is quantly revealed by this language in the charter of Rhode Island:

"And whereas in their humble address they have freely declared that it is much on their hearts to hold forth a lively example that a most flourishing civil state may stand and best be maintained with a full liberty in religious concernment."

That was a mighty propouncement but mark the said to the

That was a mighty pronouncement, but, mark you, not a proclamation of religious liberty only; it was a clear statement that religion was related to government. I think that the President of the United States had some such thought in mind when in his message to the Congress in January he said: "Storms from abroad directly challenge three institutions indispensable to Americans now as always. The first is religion. It is the source of the other two as always. The first is religion. It is the source of the other two

* * democracy and international good faith."

I do not mean for a moment to attempt to make the point that in other days Virginians were saints. I do say that today most of us while believing in the essential principle of the teachings of Jesus Christ we are living cheap, shoddy, down at the heel Christian lives. I dare to say that, because within me I have the conviction that a race of men and women of faith in theory, but not provide are not implementing what they believe but are now viction that a race of men and women of faith in theory, but not in practice, are not implementing what they believe but are proving themselves the Judas to betray and the blind Samsons to pull down the pillars of democracy. Make no mistake the place and influence that religion has occupied and wrought in the development of this Nation is truly colossal. It began as the Reverend Hunt lifted up his voice in thanksgiving at Cape Henry before they had come here, it continued beneath the old sailcloth yonder and later here within these secret wells. and later here within these sacred walls.

I think it can be truly said that our fathers found a deeper meaning in matters of religion than have we. They knew that this world is not the result of chance and the sport of atoms. They found within themselves the wells and springs of deep spiritual resources. They know that life's real meaning was not to be found in the things that served them, but rather in the spiritual causes that they served. No people have ever more closely adhered causes that they served. No people have ever more closely adhered to the principle that the only way to expand their lives and leave behind them a fairer world was to identify themselves with something far greater than themselves.

A little while ago I sat enthralled within the ballroom of the palace at Williamsburg, listening to sixteenth century music rendered by a great artist upon that sweet instrument of antiquity, the harpsichord. Long ago that charming room was lighted with the harpsichord. Long ago that charming room was lighted with candles, and tallow dips guided your feet to the entrance of that great house. Electricity was unknown. Within the last century men relied upon their agility with a quill pen to communicate their thought to others; today I use a microphone and speak to many in distant places. Yesterday the hands of many were the instruments of labor; today inventive ingenuity has laid in the lap of the world the forces of the universe. Is it not an amazing civilization? But it is sadly lacking in one thing. The supplying of gadgets of utility, the machine, the genius of the inventor is not enough. We have been busy in conquering the forces of nature, but we have neglected to conquer ourselves. We have no quarrel with those who assist in man's conquest of nature; we do have a

but we have neglected to conquer ourselves. We have no quarrel with those who assist in man's conquest of nature; we do have a grievance against those who assist in man's conquest of man.

The peoples of all the world may progress, the nations of the earth may advance, but each succeeding generation knows that something greater than science, something deeper than education, something more inclusive than patriotism has always been the mainspring of our endeavors, and to the end of time will be the supreme necessity if we are to save and preserve civilization.

The challenge is to us. How will we answer it? The fashion nowadays is to sound a warning that society as we know it may collapse, that we live in a day fully as hazardous to the constituted order of things as when the Roman Empire fell, when the Rennaissance came, when the Reformation followed. On the one hand, we witness the fact that over and above the violence of all hand, we witness the fact that over and above the violence of all change in the past the great framework of human living has been steadily recomposed. On the other hand, we see the lines of battle forming between dictatorship and democracy. This is a struggle not of our making. We Americans are content to continue our experiments in democracy here in this great experimental laboratory we call America. One dictator boldly declares, "The struggle between the two can permit no compromise. It is either we or they. Either their ideas or ours will triumph." Whether the they. Either their ideas or ours will triumph." Whether the chaos of the moment is but a phase of constant and logical process, or whether as General Smuts, that great soldier and statesman, has said, "The tents have been struck and the great caravan of humanity is once more on the march," is a question the answer to which is to be found in the courses and attitudes of the remaining democracies. Today as Virginians we have a pardonable pride in the knowledge of the fact that here at Jamestown the early beginnings of the great struggle for political equality, freedom of religion, and economic equality of opportunity were had. Shall we easily forget the trials and tribulations of our fathers here? here?

here?

Scarcely established, the Burgesses dissolved by King and Privy Council in 1623. A bitter, uncompromising, unceasing fight to regain this cherished right. The capitulation of Charles I and the restoration of this ancient lawmaking body in 1627 is a familiar and glorious page out of the past. How different the picture today. I believe it was Charles Beard who said that today the people of this country may be divided into three groups, these being, in effect.

(1) The people who are in the driver's seat enacting the measures necessary, in their opinion, to keep the affairs of the Nation in order.

(2) The people directly opposed to the group in power on all

(2) The people directly opposed to the group in power on an matters of policy.

(3) The great mass of the people who move tranquilly about paying little or no attention to the affairs of government for the most part, but now and then stirred to action in this or that direction as a result of propagandizing activities of the first and second groups.

has made this sad state of affairs possible? The answer, What has made this sad state of affairs possible? The answer, as paradoxical as it may seem, is the extraordinary success of the American constitutional system. Its achievements have endangered its own existence. Little by little the citizen has yielded ground to centralized government. Complacency and diffidence are enthroned in places where vigilance and intelligent interest ought to be found. Listlessness will deny us the preservation of democracy, no matter how providently it may have been secured. One hundred and fifty years ago the men who formed and fashioned it, entertained considerable doubt as to its efficacy. General Washington characterized it as "the best thing that could be done." Wise as were the founding fathers, as great a document as the Constitution is, it was the generations of living.

be done." Wise as were the founding fathers, as great a document as the Constitution is, it was the generations of living, pulsing Americans that came after them that invested it with the pulsing Americans that came after them that invested it with the attributes of greatness. The pattern of our Government is the individual. All political power, sovereignty, is lodged in the citizen. He is the source of public authority, and government merely a device by which his efforts can be made more effective. By the same token he will through neglect and the shifting of his constitutional responsibilities to others play his part in its destruction. The slow and erosive practice of delegating through the pressure of the steady march of expanding government, the powers of local and self-government is the surest and swiftest way to transform the system inaugurated here and under which we have become one of the greatest powers in the world.

Men who lived here and those who followed them would have

Men who lived here and those who followed them would have been the last to be ensnared by the delusion and enchantment of the shibboleth that they could gather a harvest without work-ing, or that others would sow in the spring in order that they might reap in the fall.

In April the President stated to the Congress:

"Confident in our Republic's 150 years of successful resistance to all subversive attempts upon it, whether from without or within, nevertheless we must be constantly alert to the importance of keeping the tools of American democracy up to date. It is our responsibility to make sure that the people's Government is in condition to carry out the people's will effectively without waste or lost motion."

waste or lost motion."

This is clearly an objective to be desired, but it is an objective which cannot long be securely held if we are too hasty, move too swiftly in seeking to acquire it. The gait of democracles as distinguished from the totalitarian states is lumbering and shuffling. Democracy moves slowly but it arrives surely, and in good company of the governed. Advance can mean but little under our system unless ample time be given to consolidate advances made. Externe measures are sometimes processory, but the notion; if he is treme measures are sometimes necessary, but the patient, if he is to recover, must earnestly do his best to aid the physician to the end that a return to normal ministrations will render him well again. We in Virginia are keenly aware of this necessity. I think Capt. John Smith correctly described the attitude of Virginians who were to follow him three centuries and more when attempting to describe to Englishmen this new country called Virginia he said, "The chiefe of winter is December, January, February, and halfe March. The cold is extreame sharpe, but here the proverb is true that no extreame long continueth."

The break-down in economic conditions, the growth of debt resulting in demands for a strong government to straighten out

The break-down in economic conditions, the growth of debt resulting in demands for a strong government to straighten out chaos, has created a new problem in America. It is a task for a people politically mature and clear thinking. It demands not only devotion to country, but for all the moderation and clarity of mind that we can command. There are people who say that if we are to retain American liberty we must throw overboard most of the great social advances that have been made in the last 6 years. They say that unless the country abandons these measures we might as well resign ourselves to the loss of all our essential liberties.

This is no less an extreme view than that presented by those who can see no fault in any of the objectives undertaken and won by the present administration, nor any vice in the administrative details incident to the execution of the covering law. Both schools of thought represent the "extreme view." Our common problem is to find a way through reconciliation and harmonization of these excursions in government with our traditional liberties. The centralization of government must be kept within reasonable bounds

tralization of government must be kept within reasonable bounds and its powers reconciled with individual rights if we are to retain the specific rights of mankind assured by the Bill of Rights.

Religion and democracy—men and women everywhere are beginning to ask if, after all, they are not inseparable. The pulpit, the poet, and author long ago defined the relationship, and now the press and the hustings join in the universal question, Is religion the key to all freedom? Let millions who dwell in other lands summon the pagan deities of distant days, let them substitute for spiritual freedom the absolute nationalistic state with its dogmes its rituals. freedom the absolute nationalistic state with its dogmas, its rituals, and its symbols. You and I know that our lives are divided into two sections—the means by which we live and the ends for which we live. Nothing shall disturb that conclusion. We know that the period of cynicism and frustration through which we are passing is transient and that the revolt against irreligion is on in earnest here

in our country.

Let me conclude with the prophetic words of King James I. You will find them on the second page of the printed program:

"Lastly and chiefly the way to prosper and achieve good success is to make yourselves all of one mind, for the good of your country and your own, and to serve and fear God the Giver of all goodness, for every plantation which our Heavenly Father hath not planted shall be rooted out."

Economy

EXTENSION OF REMARKS

HON. CHARLES L. McNARY

IN THE SENATE OF THE UNITED STATES Thursday, May 18 (legislative day of Monday, May 8), 1939

ADDRESS BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE BEFORE NATIONAL ECONOMY LEAGUE

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by the Senator from Delaware [Mr. Townsend] on May 16, 1939, at the seventh annual dinner of the National Economy League of New York.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the National Economy League, ladies, and gentlemen, when I received the kind invitation of the Na-

tional Economy League to address you on this occasion my eye was attracted by that word "economy."

Here we find the National Economy League. of the word "economy" has not been completely forgotten its meaning most certainly must have changed or have become mis-

meaning most certainly must have changed or have become misunderstood. I so reason because at the same time we find a
group called "economic planners"—and the views of that group
and the views of your group seem wide apart, to say the least.

I always thought that economy meant management of expenditures—or, as Adam Smith put it—"the art of managing the
resources of a people and of its government"; that is, careful management, frugality of labor and money. That seems to be the
view of this organization. Consequently, I am left confused by
the term "economic planners," when I see what they are doing.

In view of my own confusion I shall try, in my brief remarks,
to choose words descriptive of what is happening sufficiently oldfashioned to be understood. I shall, however, be compelled to
adopt a relatively new expression, because the subject upon which
I have been invited to speak requires it.

The term "deficit spending" we all know. It is the spending

I have been invited to speak requires it.

The term "deficit spending" we all know. It is the spending of more money each year than we take in. Every man on the street knows that we have been doing this for 9 long years—and he has been deluded into thinking that it is for his present and future benefit. What he has not been told is that this deficit spending has been financed not by taxes, not by loans out of savings, but by a new process which we will call greenback deposits—and that this spells inflation. This fact, and the consequences of inflation, have not been brought to the attention of the people by the economic planners.

back deposits—and that this spells inflation. This fact, and the consequences of inflation, have not been brought to the attention of the people by the economic planners.

It is my firm conviction that we have been pursuing a course leading to the debasement of our currency. Much damage has already been done, but we can escape the type of run-away inflation which European countries experienced after the World War, if steps are taken tending to bring the Budget into balance, eventually to balance the Budget, and to retire the vast debt accumulated in a decade of deficits.

No one can expect governmental expenditures to be covered by receipts in every single year. Under our system of revenue, which relies heavily on taxes on incomes and capital gains, there is a sharp drop in receipts in periods of business depression. Expenditures on the other hand do not automatically decrease with the decline in business and employment, but actually increase.

But the Federal deficits in recent years have not been primarily due to low revenues, nor to the normal expansion of government nor even to the burden of unemployment relief. They have been chiefly due to a deliberate policy of spending in excess of receipts to promote prosperity.

Federal tax receipts fell from a little over \$4,000,000,000 in 1930 to \$2,000,000,000 in 1931 and 1932. Then tax receipts, both because of new and increased taxes and improved business conditions, steadily rose until they reached six and a quarter billions in the fiscal year 1938 which ended June 30, last. In the current fiscal year tax receipts will be about five and a quarter billions. Expenditures, on the other hand, have far outstripped rising

fiscal year tax receipts will be about five and a quarter billions. Expenditures, on the other hand, have far outstripped rising revenues. To put the figures on a comparable basis, bonus payrevenues. To put the figures on a comparable basis, bonus payments and debt-retirement payments should be omitted. In 1931, the first deficit year, expenditures were three and a half billion dollars. In the next 2 years expenditures were about four and a half billions annually because of R. F. C., relief grants, and a modest program of emergency public works.

In the next 3 fiscal years—1934 to 1936—expenditures were about six and three-quarter billion dollars a year. During the current fiscal year we shall spend over nine and one-half billions.

As a result of continued deficits, the public debt, in the last 10 years, has increased by \$24,000,000,000, and by the end of the next fiscal year the total increase will be about \$28,000,000,000.

It is significant that the debt increase resulting from these peace-time deficits is greater than the increase because of our participation

time deficits is greater than the increase because of our participation in the World War.

in the World War.

The amounts are so staggering that our minds can hardly grasp what they really mean in terms of money or of anything else.

But let me tell you that if we were to save \$1 a minute it would take 1,905 years to save \$1,000,000,000.

If we were assured of an attempt to balance the Budget after 1939, and of an eventual balanced Budget, we could relax a bit and 1939, and of an eventual balanced Budget, we could relax a bit and try to figure out how to reduce the national debt of \$41,000,000,000; that is, \$1 a minute for 78,105 years, or \$1 a second for 1,300 years. But we are still going in the opposite direction. Every appropriation bill calls for expenditures to swell the deficit. While a small group, so far inarticulate, begs for efforts toward a balanced Budget, the pressure groups demand and get appropriations which remove any possibility of a balanced Budget. Those in favor of deficit spending as a means of recovery are in control.

To those of us who firmly believe that you cannot spend yourself out of a depression any more than you can lift yourself by your bootstraps, to those of us who believe that economy in government and a balanced Budget are essential, there arise two questions

questions

1. Is it understood clearly by the advocates of continuous deficit spending and by the people just how this continued deficit spending is resulting in real inflation?

2. Do these same people realize the consequences which must follow inflation?

A fact which most people do not seem to recognize is that the Government's deficit is not being financed by the sale of Government bonds to persons having savings to invest. The

practice has been to saddle the bulk of the annual deficits on the

The Reserve banks and the commercial banks, either because of the necessity of protecting their already high investments in Government obligations, or perhaps because the Government owns preferred stock in some 6,000 banks and has an agency in control

of others—have been financing the deficit.

According to the Twentieth Century Fund, our banks and credit institutions have absorbed four-fifths of the new debt, while only one-fifth has been absorbed by individual investors and corpora-

Now, here is the inflationary nature of this deficit financing.

The process is simple.

The Government sells its bonds and notes to the banks. banks in turn create deposit credit to pay the Government for its bonds. This deposit credit the Government checks against to meet its expenses. This process I call "greenback deposits." It cannot be called anything but inflationary, to the full extent to which the banks do not make resales to investors of savings.

If this process is continued at the pace at which we have been going, with paper money and book credit, we can expect in the end an inflation which can wipe out our currency.

The only difference between this sort of book-credit inflation and the inflation in post-war Germany is that the circulating credit there was chiefly in the form of bank notes instead of bank

deposits.

If anyone will explain to me so that I may understand it, what essential difference there is between greenback notes and greenback.

I will gladly listen.

deposits, I will gladly listen.

In each case the book credit is not supported by new values, but rests entirely upon the capacity of the Government to pay its debts at some future time. This practice is just as inflationary as would be the payment of the Government's bills with printing-press money.

The deposits, which have increased by billions in the last few years, are, at least to the extent of one-half, the result of the printing of Government bonds and writing their values in figures in

the banks' ledgers

the banks' ledgers.

From 1930 through 1937 the Federal Government issued \$21,700,000,000 of securities, exclusive of \$7,500,000,000 held by Government agencies and trust funds. Of this total, \$17,600,000,000, or 81 percent, was absorbed by banks and insurance companies. The banks alone absorbed 63 percent. This increased bank deposits and gave a false appearance of prosperity. Professor Spahr has shown that from June 30, 1933, to June 30, 1937, total bank deposits increased by \$18,000,000,000, and that fully half of the increase was due to increased holdings by the banks of \$9,000,000,000 in Government securities.

What about the low-interest rate prevailing on Government issues? The average rate on long-term bonds is less than 2½ percent, and recently the Government sold short-term issues for as little as one one-hundredth of 1 percent. Actually some people bought on a negative yield basis. When the Government can borrow from the banks at these low rates, we are for all practical purposes on a flat-money basis.

purposes on a flat-money basis.

While on the subject of Federal spending and of inflation, I want to call your attention to a type of spending which has nothing to do with the Federal deficit, but which is not for that reason less important. This invisible spending runs into the hundreds of millions of dollars, and yet not one cent of it appears on the red-ink side of the Budget. Perhaps that is why it has been permitted to go on year after year. I refer to the spending of American wealth for silver for silver.

Not long ago a Senate banking and currency subcommittee held public hearings on a bill introduced by me—S. 785—to repeal the Silver Purchase Act of 1934. Responsible witnesses before the committee introduced very impressive evidence of the great waste

involved in this program.

involved in this program.

One witness pointed out that over \$1,000,000,000 of American wealth had been spent for silver by the Federal Government since the beginning of 1934, and that over 80 percent of the silver acquired by the Government has come from abroad.

You may wonder how all this money can be spent and yet not appear on the Budget. It happens through a process of inflation—pure and unadulterated watering of the currency. The Government takes in silver, divides it into two piles, issues silver certificates, which are legal-tender currency, to the sellers of silver, and then puts the metal in two different Government pockets. This is perfectly legal and has congressional sanction.

On the average, since the initiation of the silver program, approximately \$17,700,000 has passed from the American people into the

On the average, since the initiation of the silver program, approximately \$17,700,000 has passed from the American people into the pockets of silver sellers, chiefly foreigners, each and every month. One of the principal beneficiaries of this official share-the-wealth movement has been a country which has been seizing American properties at the very time we have been buying from it at a very fancy price millions of ounces of a metal which Chairman Eccles, of the Federal Reserve System, and other witnesses before the committee, have testified is not only absolutely unneeded by this country, but actually and materially complicates the problem of inflation control by the monetary authorities.

In its last annual report the Federal Reserve System described the tremendous growth in the excess reserves of the commercial banks which constitute its members. Owing to the inflationary gold and silver policies, and to the inflow of foreign capital, the total increase in member bank reserves during the 5 years preceding December 31. 1938, was about \$6,000,000,000.

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During the same period, the Federal Reserve System states, additions to member bank reserves attributable to the issuance of silver certificates was \$1,221,000,000, or one-fifth of the total increase in member bank reserves!

And this is only part of the story. The Treasury today holds over 1,100,000,000 ounces of silver against which it has not yet exercised its prerogative of issuing silver certificates. Moreover, the administration possesses the power to revalue both gold and silver. If it had used all its powers last month, it could have issued \$3,432,000,000 in brand new silver certificates without buying a single additional ounce of silver.

Inasmuch as a prominent mining engineer a few months ago said that the real value of silver is not more than 10 cents or 15 cents an ounce and inasmuch as the Treasury now issues silver certificates at \$1.29 an ounce and through one or another power, the Government is able to issue certificates at \$2.58 an ounce, I see very little difference between this type of inflation and green-backs.

backs.

What it boils down to is that the Government today is buying 10 cents or 15 cents worth of silver for 43 cents, and is then turning around and selling that silver to us at \$1.29 an ounce. The difference is called a seigniorage "profit," and is so recorded in the Budget.

When we think how we stint on some highly important services to the public, the shameful waste of the silver program becomes more apparent. As I stated a moment ago a single month's average expenditure on silver comes to \$17,700,000. This would be enough money to support the important Bureau of Foreign and Domestic Commerce for 6 entire years.

Fermers who have supported our westeful silver program do not

Domestic Commerce for 6 entire years.

Farmers who have supported our wasteful silver program do not realize that 1 month's average expenditure on silver would support the Bureau of Plant Industry for over 3½ years and the Bureau of Dairy Industry for 25 full years.

One month's silver purchases would support the Public Health Service or the Coast Guard for the greater part of a year and would maintain the vital Panama Canal for almost 2 years.

It is a fact that we are now supporting such vital services either through taxation or with borrowed funds, whereas we are supporting the silver sellers through a plain inflationary process. While I am not advocating that we should support vital Government functions by silver or greenback inflation, the distribution of "cigar coupon" money to American Government employees would at least confine the subsidy to American citizens, whereas over three-fourths of the wealth which has been squandered on silver since 1933 has gone directly to foreigners.

But, however ill-advised and wasteful these expenditures have

But, however ill-advised and wasteful these expenditures have been, the damage to the American people that could be caused by the improper use of this metal is many times worse. It is a cause

the improper use of this metal is many times worse. It is a cause for real concern.

I doubt that the public is fully aware of the threat to the value of the dollar, directly resulting from deficit spending and "greenback deposits"—and from the broad powers over the currency, gold and silver, which the administration possesses.

The time may soon come when the banks either cannot or will not safely absorb further Government issues. When that time comes we shall face a real crisis.

Should banks and other credit institutions refuse to have Government.

Should banks and other credit institutions refuse to buy Government bonds, the Government would be forced to extend public control over the financial system. Initially the Federal Reserve banks would provide a first line of defense in absorbing unwanted Government paper. Selling new bonds to the Reserve banks, how-ever, would not be a satisfactory or lasting device. Nationaliza-

ever, would not be a satisfactory or lasting device. Nationalization of the commercial banks might soon follow.

The dangers of Government control of the central banking system are self-apparent. It means that the chief borrower controls the chief lender. Already our Government exercises a powerful influence on the policy of the Federal Reserve System. Any further increase in the Federal Government's voice in purely central banking functions should be deplored. This country needs a clearer monetary and credit policy. This is the main reason why I have introduced Senate Concurrent Resolution No. 11.

If the time ever comes when our Government takes over the banking system to continue deficit financing, we are headed for

If the time ever comes when our Government takes over the banking system to continue deficit financing, we are headed for disastrous inflation. That is exactly the procedure followed in Germany, France, and other countries in the early post-war years. If we add to this the acceleration which would result from devaluation of our metal and the issuing of greenbacks against it, the experience of Europe would soon be paralleled.

The savings of our people would be completely wiped out. The millions of home owners, including those financed by the Government, would lose their homes. The States require trustees, insurance companies, and savings banks to invest in the very securities which would be wiped out by inflation. The surplus income of our insurance companies would be inadequate to meet their obligations if the surplus were not entirely wiped out. The endowments of our colleges and universities, which are variously estimated at of our colleges and universities, which are variously estimated at about one and one-half billion dollars, would be wiped out; or if not, certainly their income would be so inadequate to meet their needs that many would be unable to carry on in any satisfactory manner. Wages will not follow the rising prices, so that even the persons employed would be unable to get many of the necessities of life.

That this is possible can well be seen from the experience in Europe following the war. In France, four-fifths of the savings of the thrifty was wiped out. In Austria and Germany, such savings were entirely wiped out. Unemployment and business fallures were widespread. Intense suffering followed. If and when inflation gathers momentum, the groups who will suffer most will be those on fixed incomes and wage earners.

Nearly 100 years ago, Daniel Webster wrote:

"The very man of all others who has the deepest interest in a sound currency and who suffers most by mischievous legislation in money matters is the man who earns his daily bread by his daily toil."

The economic planners notwithstanding, nothing has since oc-

curred to alter this fact.

curred to alter this fact.

We cannot escape some degree of inflation after 9 years of deficits, but the worst effects still can be avoided by the definite assurance of an attempt to balance the Budget, and reduced expenditures for the future with a balanced Budget eventually. You can all help in that direction. A Nation-wide campaign to bring to the attention of the people the inevitable result of further increases in the debt, the inevitable results of deficit spending financed by greenback deposits, the dangers of inflation from the silver-purchase program and the gold powers—is absospending financed by greenback deposits, the dangers of financial from the silver-purchase program and the gold powers—is absolutely essential. The pressure of the people, fully informed of the dangers and consequences of this inflation, alone can overcome the pressure groups, the planners, and the planless whave misled them into thinking that these Government expenditures and practices are in the interest of the wage earner, the unemployed, and the people generally.

Chain Lobby Lies About Labor

EXTENSION OF REMARKS

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

ARTICLE FROM THE BRICKLAYER, MASON, AND PLASTERER FOR APRIL 1939

Mr. FRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the April issue of the Bricklayer, Mason, and Plasterer:

[From the Bricklayer, Mason, and Plasterer for April 1939] CHAIN LOBBY LIES ABOUT LABOR

Lie is an ugly term

It is the only one, however, that properly describes the attempt of the chain-store lobbyists to make honest trade-unionists, Congress, and the world at large believe that the endorsement of their fight on the Patman bill they sought to buy at the Houston Convention of the American Federation of Labor was delivered.

Undaunted by their failure in Houston, and the subsequent flop

Ordaunted by their failure in Houston, and the subsequent hop of the attempt to dine and wine the executive council into favorable action at Miami, they are now seeking to obtain the assistance of State, central, and local bodies by trying to make it appear they succeeded in Houston, while their masters by making union agreements to cover a few employees and promising to make others deceive decent labor people into believing antiunion devils have become union saints overnight.

Sad to relate, they are meeting with some small degree of success.

Thus, George Googe, southern representative of the American Federation of Labor, addressing the Florida State Federation of Labor convention held in Jacksonville, told that body of great benefits to flow to the building trades through the conversion of the Great Atlantic & Pacific Co.

In an address to the convention, Mr. Googe told the delegates the company had just expreed to unionize its clerks in Florida and

the company had just agreed to unionize its clerks in Florida and Georgia, and extended something stronger than hope that the

building trades would also be favored.

"I am," he said, "happy to announce to the building mechanics that we will in all likelihood execute contracts requiring union conditions, the closed shop, and union wage scale in every locality in Florida."

It is not to question Mr. Googe's good faith to note that over-building in the great "gold rush" days provided the corporations with more than enough buildings in Florida to cover its needs for years to come.

Did he know that as he spoke that the A. & P. was on the unfair list of the Building Trades and Construction Council of New York, where the concern has more work in 6 months than it is likely to have in Florida in Mr. Googe's lifetime?

There is no doubt Mr. Googe meant well.

Possibly he had forgotten the ancient rhyme on promises in our last issue:

"When the devil was sick The devil a monk would be, But when the devil got well, The devil a monk was he."

Neither is there any doubt that as he spoke there were at least one chain-store lobbyist associated with a so-called labor group on the job in Jacksonville to tell delegates to the convention of the good to flow from the conversion of the great enemy of labor who knew that A. S. P. was on the unfair list.

who knew the A. & P. was on the unfair list.

Nor that the few clerks could not have gotten all they got and perhaps more by exercising their rights under the Wagner-

Connery bill.

Comparable efforts are being made by the labor lobbyists of the

chains in other States.

That our members in subordinate, central, and State bodies may have the exact facts with which to confront, not only the men working for the chains, but honest men who may be deceived, the Journal presents these parts of the record of the Houston convention dealing with the subject.

On page 44 of the proceedings of the convention appear two resolutions presented by one whose honesty and good faith is not questioned. They read:

DISAPPROVING PATMAN BILL FOR TAXATION OF CHAIN STORES "Resolution No. 86

"Whereas there has been introduced in Congress a bill (H. R. whereas there has been introduced in Congress a bin (h. k. 9464), Seventy-fifth Congress, third session, otherwise known as the 'Patman bill,' providing for a steeply pyramiding series of license taxes on chain stores, graduated from \$50 per store for chains with 500 or more stores, and further providing that such tax shall be multiplied by the number of States in which such chains operate;

and
"Whereas the intention of reintroducing this bill has been

"Whereas the intention of reintroducing this bill has been announced; and "Whereas the object of this proposed punitive tax is not the raising of revenue but the openly stated destruction of one form of retail distribution for the benefit of other firms; and "Whereas the destruction of chain-store operation which would result from this proposed law would dislocate upward of 1,000,000 wage earners, many, and an increasing number of whom, are members of organized labor, and have an immediate effect on living costs: Therefore, be it "Resolved, That the Fifty-eighth Annual Convention of the American Federation of Labor does go on record as condemning and disapproving the Patman bill and all forms of taxation which prostitute the taxing power of the Government to a weapon for the destruction of worthy enterprises by business rivals." (Referred to committee on legislation.)

(Referred to committee on legislation.)

PROPOSING A. F. OF L. COMMITTEE FOR STUDY OF EQUITABLE DISTRIBUTION OF TAXES

"Resolution No. 87

"Whereas a constantly mounting burden of taxation makes this subject one of the greatest concern to the American people; and

"Whereas the adjustment and even increase of taxation may be required for the purpose of continuing and perfecting the various social and economic objectives of wage earners, not only as workers

social and economic objectives of wage earners, not only as workers but as consumers; and
"Whereas there is a manifest effort upon the part of different branches of industry and business to shift this burden from themselves to others, and particularly to the necessities of life, so that agitation for certain forms of taxation is not bona fide effort for the raising of revenue upon an equitable basis but punitive and discriminatory and confiscatory in form and intent; and
"Whereas inequitable, discriminatory, and punitive taxes frequently have detrimental effect not only upon cost of living, but upon wages, hours, working conditions, and employment: Therefore be it

fore be it "Resolved. "Resolved, That the Fifty-eighth Annual Convention of the American Federation of Labor authorizes and instructs the executive council to establish a committee for the purpose of study and appropriate action concerning the crucial problem of equitable distribution of the tax burden, with especial reference to taxes of discriminatory and punitive character."

(Referred to committee on resolutions.)

The second resolution (87), providing for a study of all taxa-

The second resolution (87), providing for a study of all taxation, was reported on first.

The report, on page 424, of the convention reads:

"Your committee is of the opinion that a careful and complete study should be made of the problem of taxation under the direction of the executive council, and therefore recommends that the resolution be referred to the executive council with the request to take such action as will secure a complete study upon the subject of taxation as referred to in the resolution."

The report was unanimously adopted without debate.

The report was unanimously adopted without debate.

The resolution (86) specifically attacking the Patman bill, and which if adopted would have placed the Federation of Labor squarely against it, reappears on page 570 of the record, where, after reviewing the nature of the bill, the committee reported:

"It (the committee) therefore recommends that the resolution be referred to the executive council for such action as it deems proper in connection with the tax study authorized by the previous resolution (86)."

This report was also accepted without debate or discussion.

The prochain bill is therefore in exactly the position it was when presented in the convention—it has not been adopted and it cannot be pending study of the entire tax question of which it is Its adoption cannot even be moved. It is fast behind the

eight ball.

We have no delusion that publication of this record will stop the efforts of the prochain advocates. It may make them more

careful.

But it will do one thing: It won't make it easy for the boys to pull the wool over the eyes of members of the Bricklayers, Masons, and Plasterers' International Union, and it will make the going

Let's Not Blunder Again

EXTENSION OF REMARKS

HON. FRANK C. OSMERS, Jr.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

RADIO ADDRESS BY HON. FRANK C. OSMERS, JR., OF NEW JERSEY, APRIL 6, 1939

Mr. OSMERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on April 6, 1939:

Twenty-five years ago today—April 6, 1914—America was a happy, prosperous, peaceful nation. The great tide of immigration had brought here the brains and the brawn and a love of liberty and equal opportunity from every corner of the globe. We stood on the threshold of an era unprecedented in the history of the world. Industry and agriculture were coming into their own. Social reform had begun to lighten the load of the worker. Class lines were disappearing. Our Government was financially sound and its cost low

In the next 3 years a change came over our America that can hardly be described. Little by little the rock of our traditional national policy dissolved beneath our feet. Led on by bloody war profits, foreign propagandists, and inept diplomacy, we were sucked into the senseless maeistrom of the first World War.

Into the senseless maelstrom of the first World War.

Tonight we celebrate the twenty-second sad anniversary of that momentous event. Gone and forgotten are those stunning phrases "The war to end war" and "Make the world safe for democracy." The bones of 15,000,000 men lie scattered on the battlefields and at the bottom of the sea. More millions are blind, malmed, and suffering as a result. Hundreds of billions in wealth are gone. With what high hopes did America greet the acceptance by our then ponderous enemies of the 14 points of Woodrow Wilson, with their promise of a just and lasting peace based on understanding and good will, and how sadly those hopes were dashed by the gorging of our fellow allies at the conference table at Versailles. Thoughtful men knew then that contained in that treaty were the seeds of the second world war. We seem now about to reap the terrible harvest of those seeds. harvest of those seeds.

Let everyone ask himself whether the first World War was a war to end war, as we were told, or whether that war made the world safe for democracy? We have learned one bitter lesson as a result of our participation, which, if remembered, would well be worth whatever the war cost us. That lesson is that no international problem can be solved by war. We have learned, too, that while it is impossible for America to dictate a victory in Europe, it is impossible for us to dictate a just peace as a result of a victory

gained through our strength.

gained through our strength.

Patriotic Americans who think of their country's welfare first should make a careful study of the steps that led us to the battle-fields of Europe in 1917. There will be noted an alarming similarity between present conditions and those that maintained between 1914 and 1917, with the exception: America today is much further along the road to war than it was in 1914-15, or even 1916. Again we hear that the internal affairs of other nations are a matter of vital interest to America. The tragic part of most of these pronouncements about foreign governments is that the loudest and most abusive are made by those Americans who have been outstanding failures in the successful administration of their own affairs.

The time has come for us to decide whether we are going to join

The time has come for us to decide whether we are going to join the mad scramble of world-power politics, or whether we are going to remain neutral. The first course will lead us into foreign battlefields, where the flower of our manhood will be destroyed, our wealth dissipated, and our internal economy ruined. On the other hand, the course of strict neutrality offers us an opportunity to

nand, the course of strict heutranty offers us an opportunity to preserve our youth, enjoy our wealth, and keep our economy sound. To reach this latter ideal, we must exert a quality of control not now evident in the United States. There are many shades of opinion on this subject, ranging all the way from those who would send an expeditionary force into every foreign squabble, to those who would erect a wall around our country and live within it. Those advocating that America be the world's policeman, generally expect somebody else's son, husband, or father, to do the policing.

The President's belief is that we should show our feelings by methods stronger than mere words and yet short of war. We tried this method from 1914 until 1917 by supplying one side with money, arms, and materials. The futile results of that course are too well known to be discussed at length here.

Every American who wants his country to remain neutral, is confused by the multitude of suggestions made daily to bring that about, particularly by Members of the Senate and House of Representatives. Many feel, and I am one of them, that America should exert its moral leadership in the world, in one last effort to stem the inevitable tide. On March 22, I addressed a letter to Cordell Hull, Secretary of State, expressing my hope that America might lead in a world discussion of international problems. I quote in part from that letter:

quote in part from that letter:

"As one of America's younger generation, who would be called upon to be the cannon fodder in the next war, and a taxpayer after it to defray its cost, I feel compelled to write you on present

world events.

"While not being elected to serve the interests of youth alone, my age naturally inclines me toward their viewpoint. I can say that the youth of America does not want war, and, in fact, to use the words of the President, 'We hate war.' But hating war, with all its useless devastation, horror, death, and depression, is not enough. The American public has the unhappy habit of studying its foreign relations only when world conditions have reached the crisis stage, such as now.

"Even a casual observer notes the feeling of inevitability that is creeping over our Nation. We are living again those drifting

"Even a casual observer notes the feeling of inevitability that is creeping over our Nation. We are living again those drifting years of 1914 to 1917, when we slowly sank into the morass of European hates and ambitions. This time the pace is much quicker. Paths once traveled are covered faster on the return trip. Again we see the effort to make European interests appear as our own. Again the 'blood-money brigade' is telling America that we can enjoy the profits of war, but not its horrors. We should know better, but the human memory is short. Again we are being invited to join in military collaboration with one set of powers against another. Again we hear that the internal government of other nations is our business. On that basis we would be meddling in the affairs of every nation in the world because of their laws, customs, or treatment of colonies and minorities of which we did not approve. This does not mean that we should cease our humaninot approve. This does not mean that we should cease our humanitarian efforts to remove unwanted minorities to parts of the world

where they may live in peace and security.

"Billions of dollars of debt owed to the American taxpayers by foreign nations as a result of the World War stand defaulted, and the mad rush for more arms in Europe increases daily. We are now reaping the harvest of Versailles—the 20-year armistice is ended. "The empty stomachs in those nations of the world that have

few of the necessary foods and raw materials for modern living are going to cause an explosion that will destroy the world as we know it.

going to cause an explosion that will destroy the world as we know it.

"While I have differed with you on occasion, there is no doubt that your policy of peace achieved through normal commerce with other nations is sound. We are now starting on a contrary course that in my opinion is dangerous.

"In view of these conditions, I respectfully urge you to use the authority vested in you to call together those charged with the foreign affairs of all the other nations of the world, in an effort to save our present civilization. At such a meeting all controversial issues among nations should be discussed: Colonies, raw materials, trade relations, unwanted minorities, frontiers, naval and military disarmament, and any other subject of international conflict.

"No nation but ours is disengaged enough to take such a lead. The United States owes this effort to its youth and to its posterity. Our armament program is not the solution, but merely a small imitation of what we condemn elsewhere in the world.

"It is possible that such an effort will fail of complete or even partial success, but war has proved only a bitter and tragic solution of international dispute. Any effort to avert it, even though it may fall, is better than supine resignation to bloodshed.

"May God bless any efforts you may make to bring peace to the peoples of this troubled world."

Mr. Hull replied, and I quote as follows:

"I am compelled to state, however, that there seems to be at present little basis for hope that such a conference would serve a useful purpose."

While not wishing to unnecessarily prolong our correspondence.

present little basis for hope that such a conference would serve a useful purpose."

While not wishing to unnecessarily prolong our correspondence, I could see no other alternative than to answer that this is the same excuse offered for the refusal to negotiate for peace before and during the World War. What must happen before we will try to exert our influence? When would be a better time than right now? May I point out that each day of the last war cost the lives of approximately 5,000 men. America should make this one supreme effort to halt the destruction of civilization. History shows us that peaceful relations between nations can only be maintained by constant negotiation and arbitration. by constant negotiation and arbitration.

by constant negotiation and arbitration.

It is my hope that this Congress will adopt measures designed to preserve strict neutrality. I believe that we should restrict the exportation of war materials to all belligerents upon the determination by Congress, and not by the President alone, that a state of war exists. This legislation should also apply to the transshipment of war material to warring nations through a neutral country. Further, I believe that the shipment of secondary war materials should be carefully restricted and on a cash-and-carry basis, and only to those belligerents who are not violators of any treaty they may have with the United States. This decision should also be

made by the whole Congress. The same restrictions that apply to the shipment of munitions also apply to financial assistance. American citizens using the vessels of belligerents must do so

American citizens using the vessels of beingerents must do so strictly at their own risk.

I believe that all proposals for a referendum before our entrance into a foreign war, and before the conscription of men to fight such a war, should be given the most careful study. I further believe that all nations buying munitions for cash in this country should pay an equal amount on their debts to us of the last war, if any are in default from them. This may remind them that the American teaching the state of the last war, if the last war. ican taxpayer is standing a good share of their cost of the last war.

It seems to me that our present administration should devote itself to a solution of the pressing domestic problems that have been with us so long. There can be no better answer to abhorrent forms of government than a peaceful, prosperous, democratic America. In that way we can best show the world that democracy is the better form of government.

ica. In that way we can best show the world that deflictacy is the better form of government.

Let us have an end of "war mongering," with its attendant ill effects on business and employment.

I call tonight especially on the youth of America to stand shoulder to shoulder against any attempt to have us pull foreign chestnuts out of the fire of central Europe. Let us fight for democracy not on the eastern front or the western front but right have on the American front. here on the American front.

Thank you.

Presentation of Portrait of Senator Connally to **Texas Senate**

EXTENSION OF REMARKS

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES Thursday, May 18 (legislative day of Monday, May 8), 1939

EXCERPT FROM THE JOURNAL OF THE SENATE OF THE STATE

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the proceedings of the Texas State Senate of Tuesday, May 2, 1939, when a portrait of our distinguished and esteemed friend and colleague the junior Senator from Texas [Mr. Connally] was presented to the Texas Senate by his friends and admirers. It was a deserved and high honor and worthily bestowed.

There being no objection, the proceedings were ordered to be printed in the RECORD, as follows:

[Senate Journal—Forty-sixth legislature—Regular session—Austin, Tex., Tuesday, May 2, 1939]

PROCEEDINGS

PRESENTATION OF PORTRAIT OF HON. TOM CONNALLY TO THE SENATE

At 11 o'clock a. m. the president announced that the hour had arrived for the presentation to the senate of a portrait of Hon. Tom Connally, United States Senator from Texas, in accordance with the provisions of Senate Resolution No. 63, adopted on April 12, 1939.

Accordingly, the courtesies and privileges of the floor were extended the friends of Senator Connally, and Gov. W. Lee O'Daniel, Chief Justice C. M. Cureton, Hon. McDonald Meachum, Hon. Dan Moody, and Hon. W. A. Keeling, by invitation of the president, occupied seats on the president's stand.

The following is a complete transcript of the entire presenta-tion ceremony, which, on motion of Senator Redditt, was ordered printed in the journal:

Lieutenant Governor Stevenson. Members of the senate, and ladies and gentlemen, the second called session of the forty-fifth legislature, by resolution, authorized the placing of a portrait of

legislature, by resolution, authorized the placing of a portrait of Senator Connally in the senate chamber. This session of the legislature, by resolution, has set apart this particular hour for the ceremonies incident to the presentation of that portrait.

I now present to you a man who has had as much to do with this entire ceremony as any other individual in Texas, and perhaps more, and it is entirely fitting that a former member of this body be selected by the friends of Senator Connally as the man to present that portrait. I introduce to you a man who served for 3 years in this senate chamber, and who rendered distinguished service to Texas in that capacity. Perhaps he might not be as distinguished today if he had to engage in competition with the present senate, which in my judgment is the best that ever sat within these walls. [Applause.] Nevertheless, he was distinguished in his day and time, and I now present to you the Honorable McDonald Meachum, who will present the portrait of Senator Connally. [Prolonged applause.] of Senator Connally. [Prolonged applause.]

Mr. Meachum. Mr. President, Governor O'Daniel, Judge Cureton, Mr. Keeling, Governor Moody, gentlemen of the Senate, ladies and gentlemen, looking back through the corridors of time I think I can very well endorse what Governor Stevenson said of this senate. I think the boys you have here now would stack up with any of them. I have many friends here, of whom I am very fond, as you know.

I have just received this telegram from Senator Connally, who is unavoidably detained on pressing business at Washington:

WASHINGTON, D. C. May 2.

WASHINGTON, D. C., May 2.

Hon. McDonald Meachum,

Care of Senate Chamber:

I am inexpressibly grateful to you and other partial friends whose generosity provided the portrait which you today are presenting to the State senate. I am deeply touched by the consideration and kindness of all those having a part in the presentation exercises, and beg to request that you convey to them my deep sense of appreciation.

(Signed) TOM CONNALLY.

In the interest of brevity and accuracy I have departed from my usual custom to speak extemporarily, and will ask your in-dulgence while I read this address.

In the interest of brevity and accuracy I have departed from my usual custom to speak extemporarily, and will ask your indulgence while I read this address.

Mr. President, gentlemen of the Senate, ladies and gentlemen, it is a pleasing experience to me to be present with you at this hour, not alone because this occasion affords us an opportunity to pay a just tribute of respect and esteem to a gifted and distinguished public servant, our beloved Senator Tom Connally, but this brief visit with you revives within me treasured memories of service and associations here, now long past. Include me to say that I can think of no official position where greater opportunity is presented for the exercise of a real and substantial devotion to the welfare of the people of Texas, than as a member of the State senate, and while at times in the adjustments of State policies and its legislative conflicts there may be those who underestimate its value, in the future and when your membership has terminated, you will cherish its memories, its friendships, and its accomplishments, more and more as they ripen with the years.

In grateful appreciation of your recent action in resolving that the portrait of Senator Tom Connally be presented to the State of Texas and to the Sanate of Texas in recognition of his outstanding service to the State and to the Nation, a number of patriotic and public-spirited citizens of Texas, represented by a committee consisting of E. J. Fountain, Esq., of Houston, Tex.; Senator John S. Redditt, of Lufkin, Tex.; Gen. W. A. Keeling, of Austin, Tex.; Mr. E. L. Kurth, of Lufkin, Tex.; and Mr. George S. Heyer, of Houston, Tex., have authorized this presentation to be made. For one to be thus favored is a very great honor, but it is a greater honor to be so deserving of it.

A great southerner once said: "The sturdlest romantic tradition of American public life has been the rise into power and fame of the youth who struggled up to his heights from humble and unlovely beginnings."

The life of Tom Connally is

present desire for their betterment and happiness, as manifested in all of his official acts.

It was inevitable that, with such a background and possessing excellent natural endowments, with his friendliness and faith in his fellow men, his honesty and sincerity of purpose, he should enjoy further promotion as a Representative in Congress for a number of years and then the exalted station of United States Senator from Texas.

When we contamilate his house, it is the property of the prope

When we contemplate his humble beginning, his steady and consistent advancement, his career and achievement, his life and character constitute at once an inspiration of hope, faith, and encouragement to the struggling youth of our land. It all exemplifies what the late Dr. Edward Anderson Alderman, then president of the University of Virginia, so truthfully and beautifully expressed

of the University of Virginia, so truthfully and beautifully expressed in these words:

"The southern boy of this generation has found himself at last in American life and made himself at home at the moment when the Republic has most need of his tempered strength. He is a fine, hopeful figure, this southern boy whom I know so well, of strong political instincts, facing tardily a fierce industrialism and a democracy, with its grandeurs and temptations, his ambitions and dreams moving about them, and yet holding fast, through the conservatism in his blood, to the noble concepts of public probity and scorn of dishonor. And there is a fine justice that this should be true at the climax of the heroic renaissance of his section, so long overborne with burdens and misconceptions and tragedies, but at last unhindered and free to run the course which Jefferson but at last unhindered and free to run the course which Jefferson foresaw and Washington blessed with his transparent integrity and his glorified common sense."

Senator Connally's youthful and steady promptings of heart and mind brought him to an early undiminishing and ever-increasing realization and appreciation of the glorious heritage that is ours in this free America, and which abundantly offers opportunity to every youth in the fact that living under a constitution providing by its organic and fundamental law that no patents of nobility may be conferred, but are expressly inhibited, assures him of reaching the heights in the service of his State and country, if he but

Some months ago it was my privilege to visit the Tower of London, first built by William the Conqueror. I there saw the royal crowns studded with diamonds, emeralds, rubies, pearls, sapphires, and brilliants of great value which had adorned the brow of many of the early Kings and Queens of England. I beheld for the first time the scepters of power, made of gold and precious stones, which royalty had wielded in its hands, and I thought, as history records, of all the misery, suffering, and death which many of these ambitious men and women, born to rule under the so-called "divine right of kings," had caused to their helpless countrymen in the days of old, and I thanked God for our glorious America where every man, however humble he may be, is free to reach the heights of preferment to which his character and ability entitle him under our blessed Government. blessed Government. What a sacred duty it is for us to preserve it in all its constitutional vigor and privileges! So long as we are represented in the American Congress by men like Tom Connally, who inherently believe in its sacred principles as guaranteed to us by its incomparable Constitution, we need have no fear of its destruction. Even in this day and at this moment, what is happening across the waters reminds us of its sacred value and of our solemn duty to preserve it for all time, not only for ourselves and our children but for all mankind. Who, in the light of the recent past compared with the present outlook as it exists on foreign shores, can doubt that it behooves us to be mindful of our free institutions? It was but a little while ago, in December 1914, when that learned clergyman, Dr. Lyman Abbott, used these prophetic words:

"Who, looking across the Atlantic Ocean with those telescopic eyes which the press furnishes us, and listening to the boom of the cannon and the rattle of the infantry, the groans of the dying, and the sobbing of the women and children—who can doubt that there is in this world yet a barbarism that regards might as right and acknowledges no allegiance and no loyalty eyes the force." except force.

In the face of such warning, let us renew our faith by an expression of our appreciation of the loyal and efficient service of those who, standing in high places, have it in their hearts to preserve our America and its glorious concepts in their full force and vigor. Let us also here now appropriately resolve that our boys shall never again suffer and die in a foreign country, except in the defense of and to prevent the invasion of our beloved leads.

Mindful of these noble sentiments, Mr. President and gentlemen Mindful of these noble sentiments, Mr. President and gentlemen of the senate, we present to you and to the people of Texas the portrait of our beloved, courageous, and patriotic Senator, Tom Connally, of Texas. Let it be placed upon the walls of this senate and in the capitol of our great people, that it may be preserved not only for ourselves but to those who shall come after us, as an expression of our appreciation of his faithful service, and as an inspiration to the youth of our State.

Lieutenant Governor Stevenson: The year 1928 was a particularly fortunate one for Texas. That is the year in which Senator Connally was first elected to the Senate. Incidentally, it is the same year in which I was elected to the legislature. [Laughter.]

ter.

When I arrived in Austin we found a man here heroically endetvoring to save the State, trying to save us from the woes and the pitfalls and trial and tribulations which the professional polithe pitfalls and trial and tribulations which the professional politicians had theretofore inflicted on us. [Laughter and applause.] And that man really completed the job, and when the friends of Senator Connally were looking about for someone to make appropriate comments incident to the ceremonies of this morning, they decided to select the man who was Governor of the State at the time Senator Connally began his services in the United States Senate; and so I present to you this morning Governor Moody, who will speak to you on the life and character of Senator Connally. [Prolonged applause.]

Moody, who will speak to you on the life and character of Senator Connally. [Prolonged applause.]

Mr. Moody. Mr. President, Governor O'Daniel, members of the senate, and friends of Senator Connally, the admiration and respect for Senator Connally which prompted the donors to present the portrait and the senate to accept it will meet with the approbation of his hundreds of thousands of friends throughout the State. His friends are many; they are everywhere in Texas; they are people of all ages and of all stations in life. Their number and their personal loyalty to him attest anew that republics appreciate an honest and faithful public officer, and that the most satisfactory reward of the public service, the confidence of the people, is paid in liberal measure to the officer who discharges his trust with fidelity.

Born on a farm in McLennan County, educated in the public schools, at Baylor University and the University of Texas, Senator Connally has proved again that in this country rectitude of conduct, loyalty to principle, courage of conviction, intelligent devotion to duty and faithfulness to trust will win a secure and permanent place in the hearts of the people.

In early youth Senator Connally planned a career in the law, and in preparation for it attended the law school of the University approbation of his hundreds of thousands of friends throughout

of Texas. After being admitted to the bar he entered upon the practice of law in Marlin. I am told by his contemporaries in the practice that he lost no time in demonstrating that he possessed the qualities of the superb advocate; that before he was 30 he had made a record as a trial lawyer and as prosecuting attorney of Falis County, which even today is the goal young men strive to attain. How distinguished and notable a career he would have had in the law, had other fields of service not been more alluring, those who law, had other helds of service hot been more alluring, those who know his character and talents readily testify. Nature endowed him with the intellect, the personality, fine strength of body, and he acquired the habits of self-discipline and developed the character, which inevitably would have placed him in the company of the greatest lawyers this State has produced.

In 1916 he offered for Representative in Congress from the Eleventh District. His opponents were older men from the more populous counties in the district, but the idealism, the force of character, and warm engaging personality of the young men from

populous counties in the district, but the idealism, the force of character, and warm engaging personality of the young man from Falls County captured the imagination of the people of the district and he was elected over all opposition by a substantial majority. That was in 1916, and before the young Congressman had learned his way about Congress, or even the office building, this Nation was at war. His position was one of security so far as war was concerned, but he felt that his country had a greater need for him in other fields than in the Halls of Congress, and, as in 1898, before he was 21 wears of each he enlisted for service in the Spanish

him in other fields than in the Halls of Congress, and, as in 1898, before he was 21 years of age, he enlisted for service in the Spanish-American War, so in the World War he left Congress to enlist as a soldier in the United States Army. He had served his country in time of peace; in time of war he chose the place of danger.

Interrupted only by his service in the Army, he served continuously from the Sixty-fifth Congress through the Seventieth Congress as a Member of the House of Representatives. It was in those days that the people throughout the State began to hear more and more of Tom Connally. His membership on the Committee on Foreign Affairs, his aptness in debate, his willingness to challenge the overwhelming and erring majority that the Republicans held in Congress in that day appealed to the people of Texas; and in 1928, when he offered as a candidate for the United States Senate, his election seemed assured from the day of his announcement. He has now served in the United States Senate one term and a part of a second term.

Let me direct attention to some of his achievements in the way of legislation that are of immediate, lasting, and substantial benefit to the people of Texas. But in cataloging some of his accomplishments for Texas, I would not have it thought that his service has been hampered by the blight of a narrow or purely sectional interest. He has envisioned the needs of the Nation and its proper relation with other nations, and in that respect has been an ideal legislator. Having been born and reared in the Southwest, he went to Congress with knowledge of the evil effects of a tariff policy that offered protection to the manufacturing centers and denied protection to the with knowledge of the evil effects of a tariff policy that offered protection to the manufacturing centers and denied protection to the producing sections; and early in his career he proposed and secured the adoption of an amendment to the Tariff Act which imposed a duty upon cheaply produced foreign cattle. Later he secured the enactment of a law levying a tax upon foreign-produced animal and vegetable oils and fats. These measures were of inestimable value to the two basic industries of Texas, cotton and livestock raising, and for that matter of value to all people of the South and Southwest.

A few years ago the rich reserves of oil in this State, notwith-standing the effort that the State legislature and State officials had standing the effort that the State legislature and State officials had put forward to protect them, were being subjected to a reckless and wanton waste. Texas, the richest of all States in these reserves, was not able to prevent this destructive waste because the channels of interstate commerce were open to the transportation of oil without regard to whether it had been produced in conformity with or in violation of the Texas laws. That fact alone was the basis of the inability of State authority to protect this valuable resource from a waste that amounted to vandalism. The situation was so aggravated and of such national importance that the threat was seriously made that the Federal Government would cross State lines and take control of the production of oil in Texas. Senator Conseriously made that the Federal Government would cross State lines and take control of the production of oil in Texas. Senator Connally put a stop to the evil and averted Federal interference by introducing and securing the passage of an act which barred from transportation in interstate commerce oil that had been produced in violation of State laws. The result of this bill was to make effective State laws and regulations designed to protect this State's natural resources from profligate waste. One cannot state in dollars the value of this State hecause there is no mind that can conceive its ultimate of this State, because there is no mind that can conceive its ultimate good to the people of Texas, and this without regard whether they good to the people of Texas, and this without regard whether they are or are not in the oil business. The Connally Act was recently condemned before some congressional committee as a measure that tended to monoply, but the fair man in the oil business, however small or circumscribed his activity may be, knows better and is ready to testify that the effect of this law has been to preserve his business and the business of all other small operators who had a desire to obey the laws of the State.

These and many other bills that I might mention have had more or less of a local application; but Senator Connally's field of more or less of a local application; but Senator Connally's field of service has not been local, and he is not just a local figure, as is manifest by other parts of his official record. The truth of the statement is attested by the fact that he has devoted his time and talents to those matters that are of national importance, and not to wrangling money out of the Federal Treasury for local uses. While neither afraid or unwilling to spend public money for public use, whether it be for an army and navy, for public improvements, or for relief of the needy, definitely he has not attempted to maintain himself in public favor by procuring the expenditure of public money. That he is not just a local figure is further attested by the fact that he is a member of the Finance Committee, of the Foreign Relations Committee, of the Judiciary Committee, of the Foreign Relations Committee, of the Judiciary Committee, and of the Committee on Privileges and Elections; and that he is the only Member of the United States Senate who holds membership on the three powerful committees—Finance, Foreign Relations, and Judiciary. His activities on these committees reach and touch all items of major legislation that affect the entire control of the committee of the entire country in its internal affairs and in its relation with

the entire country in its internal affairs and in its relation with foreign nations.

A further illustration of the breadth of his interest and vision is found in the fact that on January 24, 1933, he advocated the reduction of the gold content of the dollar and in a series of speeches thereafter explained the plan and analyzed its effect. He followed this by introducing a bill to provide for the adoption of the plan; the bill was enacted and immediately put into operation. It formed the basis and has been the keystone of the entire structure in the recovery program. His active mind and intense interest in national and world affairs would not find satisfaction in his being just a Senator from Texas. The horizon of his interest and service has been further flung. He has been his interest and service has been further flung. He has been and is a Senator of the United States.

There have been many to disagree with Senator Connally, but there have been none to doubt his courage, question his sincerity of purpose, or dispute his abilities. He has not sought controversy, but where he conceived principle or the public good to be versy, but where he conceived principle or the public good to be involved he has shown an utter disinclination to avoid controversy. He has not been one of those time-serving officers who maintained his position by keeping his ear to the ground. His course of conduct as a Member of the United States Senate warrants it being said of him that he has sought to serve the public welfare without regard to considerations of present personal political safety; and this attitude of deference to the public good and indifference to questions of personal political popularity have challenged respect and secured for him in abundant measure public confidence and estern. His course of conduct in this ure public confidence and esteem. His course of conduct in this respect and the resulting political security which it has brought him suggest that the words "whosoever will save his life shall lose it; and whosoever will lose his life * * * shall find it," may be given application to matters which are political as well

as to affairs which are spiritual and personal.

Senator Connally is devoted to the ideals of democratic government. The Constitution is his official touchstone. Confirmed by education, training, and thinking in faithfulness to the Constitution, loyalty to democratic government, and belief in States' rights, he has campaigned for them with the zeal and enthusiasm rights, he has campaigned for them with the zear and enthusiasm of a crusader. He is ever ready to espouse the cause of progressive and liberal government under the Constitution. At this time when alien influences are gnawing at the foundations of civil liberty and constitutional government and attempting to destroy confidence of the people, the world around, in the most progressive, liberal, and beneficent Government on earth, well it together the contraction of the progressive. is that Texas has such a watchman on the tower; and Texans are willing to trust the present and future in his hands.

Texas has had great men in the United States Senate. Portraits of Sam Houston, John H. Reagan, Richard Coke, Charles A. Culbertson, and Joseph Weldon Bailey, Senators from Texas, who added fame and luster to the name of this State, adorn these walls; and the portrait of Tom Connally should have a place in

walls; and the portrait of Tom Connally should have a place in their midst—for that is where the people of Texas would have his portrait. I thank you. [Prolonged applause.]

Lieutenant Governor Stevenson. I am sure it must be apparent to this audience that those who framed the program for today had in mind a particular relevancy to the proprieties of the occasion. One of these framers is General Keeling, a man who formerly served as attorney general of this State, who has been very active, both in bringing you this program and in the events which led to it. In keeping with this relevancy, it is entirely appropriate that this portrait be accepted today by that man among us who enjoys the veneration and respect of every colleague on this floor. I refer to the dean of the senate. It is quite an honor to become the dean of the senate, because it means service in length of years, but when that service has been performed by one who has discharged it with such signal ability and fidelity to the people's interest as the senator from Potter, it becomes a peculiar pleasure to any presiding officer to present him to the people of Texas, and I now present to you the Honorable Clint Small who will accept I now present to you the Honorable Clint Small who will accept this portrait for the Senate of Texas. [Prolonged applause.]

this portrait for the Senate of Texas. [Prolonged applause.] Senator SMALL. Mr. President, Governor O'Daniel, members of the senate, and distinguished visitors, I think my good friend, the Lieutenant Governor, probably overplayed his hand just a little bit with reference to my position as dean of this senate. We came here at the same time, he on one side of the capitol, I on the other. He has been transplanted as the presiding officer of the senate.

and I think that he deserves whatever distinction might come with the position of dean of this senate.

In behalf of the senate I want to say that we are delighted, we are honored to have these distinguished citizens of Texas with us on this mission. We are glad always to have the inspiration that comes from their presence, but we are particularly happy because they have made it possible for this senate at all hours and at all times to have the inspiration that comes from an opportunity to look at the portrait of a distinguished son of the State of Texas, to look at the portrait of the real human being whose heart beats in true unison with the impulses of the people of this State. Every man in this senate has confidence in the wisdom and in the ability of Senator Tom CONNALLY; every man in this senate looks upon him as his friend, as his counselor, and as his servant at Washington. There is something particularly human about this individual, something that ingratiates him into the feeling and friendship and the good fellowship of everybody—a happy big soul that makes you feel good to be in his presence.

Around the walls of this senate we find the portrait of distinguished citizens who have made the State of Texas great. This

tinguished citizens who have made the State of Texas great. morning our guests present to the senate the portrait of one who is going to keep Texas great. We are annotating and bringing down to date a series of select portraits of the individuals who have endeared themselves to the masses of the people of this State, and I am quite sure I voice the sentiments of my colleagues and of the officers of this legislative group when I say that no person in official life could come more nearly filling that niche than Senator

Governor Moody called your attention to the fact that when Tom Connally went to the Congress of the United States he had the courage and the nerve to challenge the position and the errors of the Republican Party. My friends, I don't think it takes any particular amount of nerve and courage to challenge the errors of your adversary; I don't think it takes any particular amount of nerve and courage for a Democrat to challenge the errors of a Republican; but, my friends, the reason I love Tom Connally is because he has the nerve and the courage to challenge the errors and the mistakes of his own political party, and it is along that line that I think Senator Connally has most endeared himself to this generation and has performed the most outstanding service of his career. I consider Tom Connally a conservative. What do I mean by that? I mean that Tom Connally is rational in his conservatism. We have in the Democratic Party a few, and in the Penyublican Party a great many who to my way of thisking are mean by that? I mean that IOM CONNALLY is rational in his conservatism. We have in the Democratic Party a few, and in the Republican Party a great many, who, to my way of thinking, are radical in what they choose to call their conservatism. We have men who want to cling to worn-out tradition; we have men who want to hang on to conditions of the past which do not fit the exigencies of the generation in which we live. Those persons I call radical conservatives. Tom Connally, I believe, is a conservative with a vision, a conservative whose eyes are turned to the future rather than to the past, a conservative who wants to interpret his statesmanship in terms that will be beneficial to a generation of people who are living in the most complex system this world has ever known. I think Tom Connally is a strict adherent to a sane and practical interpretation of the Constitution of these United States. The Constitution of the United States was ordained and created in order to enable the people of this Nation to strive toward some very definite purposes. One of those purposes was to create "a more perfect Union." That was not accomplished by the Declaration of Independence or by the adoption of the Constitution of the United States; that was the beginning of a struggle that has not yet been completed, and there is no one among us that can say that we at this time have a perfect union.

that can say that we at this time have a perfect union.

Another one of the avowed purposes for which the Constitution of the United States was established was to bring about more perfect justice among the people of this country. That purpose has not been accomplished, and you only have to look to the calendar of this Senate to show yourselves that there is a constant effort being made to bring about more uniformity in the administration of justice and to expedite its administration in this country of ours. Another thing for which the Constitution was ordained was to bring about domestic tranquillity, and it is with a great degree of regret that we look about us on every side and see that conditions in this country are not tranquil. side and see that conditions in this country are not tranquil.

Another purpose was the common defense of this Nation, and, sad to relate, in this hour which should be the hour of greatest civilito relate, in this nour which should be the hour of greatest civilization, we feel the need of more defense than ever before in the history of this country. Another thing was to promote the general welfare of the people of this Nation, and we find today a great clamor about that condition, the welfare of the people; and we see efforts being made in the National Congress and in this body and all other legislative bodies, to bring about conditions that will promote the general welfare. We hear about social security and all of those things that are new and novel and that a few short

years ago we heard nothing about.

Now, what I admire about Tom Connally is that with all of these changed conditions, with the need for securing the general welfare of the people of this Nation, with the need for the promotion of domestic tranquillity, with the need to surround this Nation with the defenses that the framers of the Constitution had in mind when they wrote the preamble to that great instrument, Tom Connally is not clinging to conditions that do not fit this day and age, but that he has a vision of legislation that is in step with the aims, the ambitions, the life, the aspirations, and the activities of the people of a growing, changing Nation, and that he is attempting to fit legislation designed according to our own conservative conception of the Constitution, in order that those things that are outlined in the Constitution may be beneficial, not to the past but to the living, breathing present in which he is such a vital factor.

There is another thing that I love Tom Connally for, and that is that he is not a "rubber stamp" United States Senator. He has his own convictions, and he has the courage of those convictions; and once he arrives at a conclusion, the political exigencies of the time do not deter him from carrying out those

My friends, I do not think that we need in the United States My friends, I do not think that we need in the United States Senate, or even in the State Senate of Texas, a "rubber stamp" individual that will blindly follow the lead of any person, regardless of how mighty and how powerful he may be. No person ever contributed anything to modern thought by blindly following a leader. We want somebody who will blaze a new trail, and once he has blazed that trail, to keep it open for the use of the public. Tom Connally is not up there following anybody. He stands on his own feet. He is a United States Senator from Texas who measures up to the stature of a truly great United States Senator.

measures up to the stature of a truly great United States Senator.

So, my friends, it is a happy privilege to be connected with the movement to bring to this Senate the portrait of the exponent of the type of government I have been trying to briefly scan and

sketch

sketch.

We bring a splendid portrait as our good friend. We know him here as a congenial, wholesome individual that refreshes you and inspires you by his presence and the good cheer that emanates from every portion of his being.

We know him as a beloved Texas citizen, respected by the high and by those of low estate. We know him here as a statesman who, in the hour of trial when popular opinion was running one way and when it was easy to follow the mob, had the courage to stand out as a beacon light and as a bulwark against things which the average American citizen does not think would contribute

way and when it was easy to follow the mob, had the courage to stand out as a beacon light and as a bulwark against things which the average American citizen does not think would contribute toward a more perfect justice, as put into the Constitution.

We know him as an individual who stands on his own feet and follows no person. He is not given to the "rubber stamp" tactics of this generation. We bring him here as a statesman who does not think that his greatest achievement is to run his hands into the Federal Treasury and to get out hard-earned tax dollars and to scatter them broadcast in a prolific fashion over this land; for doing things that are beyond the governmental province.

I know every one of you here is happy to have the portrait, and that you will receive inspiration from it; and on behalf of the senate, in which I have had several years of very pleasant service, and on behalf of the State of Texas and on behalf of the many citizens who trail in and out of this senate day in and day out, and who will be glad to find the portrait of their friend, not of days gone by, but of this immediate present, I wish to thank this committee for their thoughtfulness in bringing these flowers to Senator Tom Connally while he is able to enjoy them. I hope that he has an opportunity to visit us and see this portrait, and that this legislative body before it adjourns will have a chance to listen to the sound principles of government, as he believes them, and to interpret the conditions that now exist in the terms of the legislation that is pending at Washington. I thank you. [Prolonged applause.] longed applause.]

Lieutenant Governor Stevenson. The Chair recognizes the sena-

Lieutenant Governor Stevenson. The Chair recognizes the senator from Angelina.

Senator Reddit. I would like to move that the proceedings of the presentation and the acceptance of the portrait of Senator Tom Connally be printed in the senate journal.

Lieutenant Governor Stevenson. The senator from Angelina asks that the proceedings of the presentation and the acceptance of the portrait of Senator Tom Connally be printed in the journal. Is there objection? The Chair hears none, and it is so ordered.

I want to say, in conclusion, to the audience, that we deeply appreciate the presence this morning, not only of these eloquent and distinguished men who have addressed you, but that the Governor

distinguished men who have addressed you, but that the Governor and the chief justice of the Supreme Court of Texas have seen fit to grace this occasion with their presence. [Prolonged applause.]

The Umatilla Dam on Columbia River

EXTENSION OF REMARKS

HON. MARTIN F. SMITH

OF WASHINGTON IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

STATEMENT OF COL. THOMAS M. ROBINS, ENGINEERS FOR RIVERS AND HARBORS BOARD OF

Mr. SMITH of Washington. Mr. Speaker, in view of the interest of some of my constituents in the Umatilla Dam on the Columbia River in Oregon and Washington, I insert as part of my remarks the statement of Col. Thomas M. Robins, member of the Board of Engineers for Rivers and Harbors, made before the Committee on Rivers and Harbors of the House of Representatives during the hearings held on April 17, 1939.

The statement referred to is as follows:

STATEMENT OF COL. THOMAS M. ROBINS, BOARD OF ENGINEERS FOR RIVERS AND HARBORS

Colonel Robins. Mr. Chairman and gentlemen, I came up here today at the direction of the Chief of Engineers, to represent the

War Department, and to do my best to explain to the committee anything they desire to know about this Columbia and Snake Rivers improvement, including the Umatilla Dam.

Mr. Dondero. Right at that point, Colonel, are you a member of

Mr. Dondero. Right at that point, Colonel, are you a member of the Board of Army Engineers?

Colonel Robins. Yes, sir; I am. Before we get down to the Umatilla Dam itself, I would like to outline just briefly the whole situation on the Columbia and Snake Rivers system. The Columbia River, as you all know, rises in Canada and flows first to the north and then turns south and comes down through the State of Washington and flows between the States of Oregon and Washington to

ington and flows between the States of Oregon and Washington to the sea. It is about 1,200 miles long.

The Snake River rises in western Wyoming and flows south and west, and empties into the Columbia at Pasco, Wash. It is shown here on this map. The Snake River is about 1,000 miles long.

The two rivers drain a watershed of about 250,000 square miles, which is one-tenth of the territory of the United States, and larger than France. The country is very rich in agricultural, mineral, and forest products, but only partially developed, and is very sadly in need of cheap transportation as well as water for irrigation and power purposes.

power purposes.

Back in 1927, under the authorization of House Document 308, surveys were started by the War Department on the Columbia and Snake Rivers, and the first plan that was submitted for the comprehensive improvement of the Columbia River, in the joint interest of navigation, flood control, irrigation, and power, called for a series of 10 dams, beginning at Grand Coulee, shown here on the map, the dams running on down till we get to tidewater, the lowest dam being Bonneville. The dam here at Rock Island has already been constructed by a private power company and is in overstion. operation.

In Report No. 308, the Snake River was considered separately from the Columbia, and various schemes for dams for navigation and power were proposed on the Snake, but very largely in accord with this diagram here, which shows the plan recommended in the House document which we have under consideration today, No. 704, Seventy-fifth Congress, third session. The report in that document was submitted to Congress in accordance with several resolutions, and under the authority of the River and Harbor Act of 1936, which authorized continuation of the "308" surveys to keep up with new development.

The report in House Document 704 was made as a review report of all the previous reports, and had in view the formulation of the best plan for the coordinated development of the Columbia and Snake Rivers for navigation, in the light of all the new developments and all the new data that had become available. The plan ments and all the new data that had become available. The plan evolved in that report, House Document 704, is the construction of four dams on the Columbia between Bonneville and the mouth of the Snake, the upper one of these dams being the Umatilla Dam and the lowest one being the one at The Dalles, at the head of the pool of the Bonneville Dam.

On the Snake it is proposed to construct four dams which will drown out the worst rapids and improve the stretches of the river between these dams by open-river methods, thus providing a 6-foot channel on the Snake. On the Columbia, if all the dams were built, we would have a 9-foot channel above The Dalles. At the present time on the Columbia we have open-river improvement from The Dalles to Umatilla, which provides a 7-foot channel, a fairly good 7-foot channel.

On the Snake the existing project calls for a 5-foot channel, but we have never been able to secure that, and the channels are so narrow and tortuous, and the current so swift, that commercial navigation on the Snake today is impossible. It just will not pay, and you cannot get anywhere with it.

It has become evident to everyone that is working on the Columbia and the Snake that you cannot get anywhere with open-river improvement all the way through. You have got to supplement open-river improvement by locks and dams in order to get through commercial navigation from tidewater up to Snake River points, and that is the main objective in the interest of navigation in this and that is the main objective in the interest of navigation in this area, to get through barge navigation to the Snake River points. The Snake River, as you can see, is the logical stream to serve this area shown dotted here on the map, which is the Columbia Basin irrigation project. You cannot serve that area from the Columbia River, which runs up this way, as well as you can from the Snake; neither can you get as close to Spokane, which is a big center of population up there, from the Columbia River as you can from the Snake. It takes many more dams to get up here on the Columbia, and the Columbia does not lend itself to such use. It flows in a deep canyon and it is very difficult to get up and down from the river in this part of the country. It is much easier to handle traffic on the Snake to serve this area than on the Columbia. So that the whole gist of the situation is to treat this part of the Columbia and the Snake as one project, so far as navigation is concerned, and to make such improvements as will secure, as soon as possible, through commercial navigation from Lewiston down the Snake and down the commercial navigation from Lewiston down the Snake and down the Columbia.

Mr. SMITH of Washington. Colonel Robins, the project that is contemplated will serve a vast area, will it not? It will serve that entire region shown there?

Colonel Robins. Yes, sir; it will serve this way over into western Montana and northern Idaho, the territory there that could get joint rail and water rates if through navigation were possible up the Snake.

Mr. SMITH of Washington. There are really four States that would be served by the project, Washington, Oregon, Idaho, and Montana?

Colonel Robins. There are 90 counties that come within the area, so far as getting joint rail and water rates are concerned, spreading all over this territory, practically the whole Columbia River Basin above The Dalles, is what it would amount to.

Mr. Smith of Washington. That has been advocated, I think, for

many years, and now we are finally reaching our goal.

Colonel Robins. We finally have a plan which is the most reasonable and best coordinated, and one that seems possible of execution. able and best coordinated, and one that seems possible of execution. This plan was not gotten up without considering all the different schemes that have been proposed, including one scheme that contemplated a high dam at The Dalles, which would back water clear up to Rock Island. There is quite an element out there in the Northwest that advocated that. It would make an enormous block of power available at The Dalles.

Mr. Smith of Washington. Have you made any estimate of the saving per ton on commerce in freight rates?

Colonel Robins, Yes, the report, Mr. Smith, shows the tabulated

Colonel Robins. Yes; the report, Mr. Smrri, shows the tabulated savings. They vary from 28 cents a ton to 90 cents a ton, depending on the points on the river. The total amounts to about \$2,500,000 annual saving if the whole project were finished.

Mr. Smrri of Washington. That makes the project absolutely economical and feasible and sound?

Colonel Rosins. It does not make it economically sound on the navigation savings. You have got to be able to sell the power that is developed incidentally from the construction of the dam, to make it economically sound.

Mr. Smirh of Washington. It is shown that the power will be

marketed, is it not?

Colonel Robins. As stated in the report, it is possible to market that power in 50 years, but it is not exactly safe to assume now that that can be done until we know more about how soon it will take to dispose of the large blocks of power already provided.

Mr. Smith of Washington. That will be a gradual process over a period of years.

period of years.

Colonel Robins. Yes; but the navigation benefits and irrigation

Colonel Robins. Yes; but the navigation benefits and irrigation benefits—I am speaking about direct benefits now, actual savings that you can figure—will not be sufficient to warrant doing the whole project at this time.

Mr. Smith of Washington. That is, the entire project?

Colonel Robins. The entire project. Nor any part of it, without taking in the power. But the indirect benefits from those savings in transportation costs are very great. You cannot state it in dollars and cents, but it means everything to the development of that whole country to get this navigation now without waiting until you can sell all the power. It is a question of whether Congress in its wisdom would authorize this development to get navigation going without waiting for the development of the power, which would absolutely make the project pay out.

Mr. Smith of Washington. Well, you recommended this project originally as division engineer of that division, did you not, Colonel Robins?

Robins?

Colonel Robins. Well, my recommendation was that it be left to

Colonel Robins. Well, my recommendation was that it be left to the wisdom of Congress whether we should take such a step in advance now as to go ahead with this project without being certain that we can sell the power.

Mr. Smith of Washington. But your report was a favorable report, was it not, on the general merits of the project?

Colonel Robins. I recommended that this plan be adopted as the authorized plan of procedure on the Columbia River, but that the work be undertaken when Congress saw fit to do it. The Board of Engineers made the same recommendation and the Chief of Engineers made the same recommendation. In other Chief of Engineers made the same recommendation and the words, it may very well be that the indirect benefits are more than sufficient to warrant going ahead with the project, giving the people navigation now without having to wait 30 or 40 years until we know that we can sell all the power.

Mr. SMITH of Washington. Well, that is true of any project we undertake, that it is usually some time before we know definitely and positively that there is going to be a demand for all of the

Colonel Robins. Yes; and that is a function of Congress to do that, because, so far as engineering is concerned, we are required to report to Congress just the direct benefits, and the situation here is that the direct benefits without taking in the power will

here is that the direct benefits without taking in the power will not liquidate the project.

Mr. Green. There is about \$2,500,000 commercial savings there, and \$30,000,000 proposed savings. Is that for the entire project or for only the part which you propose to develop now?

Colonel Robins. That is for the entire project, Mr. Green, the \$2,500,000 savings. The saving on the construction of the Umatilla Dam would be only part of that, because Umatilla Dam is only one element in this whole plan.

Mr. Smith of Washington. What would be the cost of Umatilla Dam?

Colonel Robins About \$23,000,000

About \$23,000,000.

Mr. Smith of Washington. And the savings on that would amount to how much?

Colonel Robins. The navigation savings would be about \$250,000 a year.
Mr. SMITH of Washington. And what is the annual maintenance on

that?

Colonel Robins. That is given as \$1,200,000 in the report.

Mr. Smith of Washington. What page is that on?
Mr. Angell. What does that cover?
Colonel Robins. That is for the Umatilla Dam.
Mr. Williams. Is that upkeep and maintenance per year?

Colonel Robins. That is interest, amortization, maintenance, and operation

Mr. Williams. That amortization is figured over a period of how

Mr. WILLIAMS. That amortization is figured over a period of the many years?

Colonel Robins. Fifty years.

Mr. WILLIAMS. I would like to ask you a few questions there,
Colonel. Would this be a paying project, this Umatilla Dam, unless you put electricity on it?

Colonel Robins. Well, it will depend on what you mean by "paying project." It will not pay out on navigation benefits or irrigation

benefits alone.

Mr. WILLIAMS. But they will have to have electrical benefits in order to pay out? Is that right?

Colonel Robins. You will have to include the power benefits; yes. Mr. WILLIAMS. Now, do you recommend, or do the Army engineers recommend, the building of this dam at this time?

Colonel Robins. No, sir; they recommend that the time of building the dam be left to Congress.

Mr. Williams. You do not recommend it, or the Army engineers do not recommed it at this time?

Colonel Robins. Not on a strictly economic basis.

Mr. Williams. I wish I could get a "yes" or "no" answer.

[Laughter.]

Mr. Smith of Washington. Colonel, you have not rendered any adverse report on the project, have you? That is, the project has never been rejected?

Colonel ROBINS. We think that the Umatilla Dam-maybe it would give you the information you wish if I should read the recommendation in this report.

Mr. Williams. Well, you have seen your report, and you know whether the answer is "yes" or "no."

Colonel Robins. Well, it is "no." We recommend that the project

be carried out as soon as possible, but we leave it up to Congress as to when to start, because the only justification for the project at the present time that is possible are the indirect benefits that will

accrue to the people.

Mr. Angell. In that answer you are not taking into consideration, are you, Colonel, the intangible and indirect benefits that you mentioned a moment ago, that are mentioned in the recommendation?

Colonel Robins. We never take that into account, Mr. Angell. Mr. Angell. I notice that Major General Schley, in Document 704, in his recommendations states: "Furthermore, the indirect and intangible benefits, coupled with the tangible benefits, may be found sufficient to warrant construction."

Then he says in the concluding part of this report:
"I therefore recommend that the general plans presented herein for the initial and ultimate development of the Columbia and Snake Rivers between the pool of the Bonneville Dam and Lewiston, Idaho, be accepted by the Congress as a general guide for future develop-ment of the waterways in the combined interests of navigation, irrigation, and the development of hydroelectric power, and that the Congress authorize from time to time such portions of the plans as it wishes to initiate, revised as may be needed at the time to meet

changing conditions."

Mr. Smith of Washington. I think that is right.

Mr. Angell. Is not that what has been done? Taking first
Bonneville Dam and then Grand Coulee, and this as a third step in

that program?

that program?

Colonel Robins. This should be the next step in that program, unquestionably, building the Umatilla Dam. Umatilla is the key to the situation. You cannot get up in the Snake River by openriver methods. The Umatilla Rapids themselves are the biggest obstacle, and then above that there are the Homly Rapids, and it is impossible to improve those rapids by open-river methods at any reasonable cost, and the Umatilla Dam is absolutely essential to any navigation, any through navigation in the Snake River, and it should be the next dam constructed on the Columbia River, unquestionably. unquestionably.

Mr. Green. If this is constructed, how far up will that take navi-

gation up the river?
Colonel Robins. It will take it up to Pasco, the mouth of the

Snake River. Mr. Green. And from Pasco over to Lewiston is approximately how many miles?

Colonel Robins. About 140 miles.

Mr. GREEN. If I interpret this chart correctly, there are three further dams to construct in order to get up to Lewiston?

Colonel Robins. Four dams. Mr. Green. Yes; four dams.

How does the construction of those additional dams compare with the cost of the one at Umatilla?

Colonel Robins. All four of those dams will cost \$30,000,000. Mr. Green. And the one at Umatilla will cost about \$23,000,000?

Colonel Robins. About \$23,000,000.

Mr. Green. The others will be minor dams, each of them, compared to Umatilla?

Colonel Robins. Yes, sir; they are nowhere near the size of the

Umatilla Dam.

Mr. Green. Then, with these four additional small dams, you would have navigation on up to Lewiston?

Colonel Rosins. For \$53,000,000 you can get navigation from tide-

water right through up to Lewiston.

Mr. Green. And that would give you 8 or 9 feet?

Colonel Robins. Seven feet on the Columbia. We have a project now from The Dalles to Umatilla for a 7-foot depth, and with these four dams on the Snake and open-river improvement as called for in the report under consideration, we would have 6 feet on the

Mr. Green. And that would take care of your wheat barges and such traffic?

Colonel Robins. Wheat and petroleum products would be the

main cargo.

Mr. Green. What is the approximate distance across from Riparia
Dam or Lewiston up to Spokane?

Colonel Rosins. It is about 100 miles from Riparia to Spokane.

Mr. Green. That would bring into development the area between the Snake River from Lewiston up to Spokane and back to the Columbia River? Is that right?

Columbia River? Is that right?

Colonel Robins. Yes, sir.

Mr. Green. That is quite an area.

Colonel Robins. It is quite an area. At the present time they are towing gasoline in barges up through the Umatilla Rapids, but they cannot get through the Homly Rapids. They stop and haul the gasoline by truck into Spokane.

Mr. Green. Are the lands in that project capable of being cultivated?

Colonel Robins. The data of the spokane.

vated?
Colonel Robins. This dotted area here on the map is the Columbia Basin irrigation project, which will come under water from the Grand Coulee Dam. Down here, this other area, is an area that can be irrigated from the Umatilla and Arlington Dams. This area down here, right at the mouth of the Snake, can be irrigated from the Five Mile Dam on the Snake, and in all that country the irrigation and the development of farming is tied up with cheap water transportation. There is no question about that.

Mr. Green. It probably would restore the 10-cents-per-bushel rate that Governor Pierce spoke about.

Colonel Robins. Of course, there would be a big effect on freight rates that would affect a lot of traffic that would not move by the river, but we do not take that into account. That is part of the indirect benefits that you might consider.

indirect benefits that you might consider.

Mr. Smith of Washingon. Mr. Chairman, I find a very significant statement by Colonel Robins in his report, which I would like to read for the record. I think it clarifies his own position and would

be informative to the committee:

"Provision of low-cost water transportation between tidewater and the interior will promote the economic security and future development of agriculture and industry in the Pacific Northwest, and is more or less essential to the success of the Federal projects already undertaken with a view to construction and utilization of already undertaken with a view to construction and utilization of water resources in the Columbia Basin. The indirect benefits to be expected from the improvements proposed in this report are, therefore, very material and may well be sufficient to warrant starting construction work at this time without waiting for further development of the power market. Whether such a step in advance should be taken appears to be a question which must be left to the wisdom of Congress."

Mr. Green. Well, that is a recommendation.

Colonel ROBINS. Yes; that is what I wanted to read a few moments

ago.

Mr. Dondero. Colonel Robins, if you divorce power from this

Colonel Robins. Well, you are investing \$23,000,000 in the case of the Umatilla Dam, to get navigation with a fair chance that in due course the power can be put in and will eventually pay out, but you have no assurance of that.

Mr. Dondero. There is no market there for the power now? Colonel Robins. No, sir; not until the Bonneville power and Grand Coulee power is disposed of.

Mr. Dondero. How much of this \$23,000,000 is allocated for the generation of power? Colonel Robins. None. There will be just the foundation for the

powerhouse. Mr. DONDERO. Is it all for irrigation and navigation?

Colonel Robins. Well, it is proposed to furnish water in the future for irrigation purposes, but there is no investment in the dam that could be consistently charged to irrigation.

Mr. Dondero. I understand you to say that if you permit this \$23,000,000 to stand alone for navigation, it cannot be economi-

cally justified?

Colonel Robins. No, sir; it cannot.

Mr. Dondero. You have got to depend on some time in the future with some income from power to amortize it or to pay the

future with some income from power to amortize it or to pay the carrying charges?

Colonel Robins. That is right. Of course, you have plenty of power to do that, providing you can sell it.

Mr. Dondero. That potential power has been there for all the time that the Nation has been in existence, but nobody has seen fit to go in and develop it. Is not that true?

Colonel Robins. That is true; yes, sir.

Mr. Dondero. And undoubtedly on the ground that there was no economical justification for it, in other words, no market for it?

Colonel Robins. Well, there might have been a market for it if it had been developed ahead of Bonneville or Grand Coulee.

Mr. Dondero. In other words, if it was established and then wait until beenle came and settled in that region to demand that

wait until people came and settled in that region to demand that power, that would create the demand? That is your position?

Colonel Robins. Yes, sir.

Mr. Dondero. I have been interested in your testimony, but I notice on page 43, over your signature, Colonel, this significant statement:

"It is recommended that the coordinated plan outlined in this report for further improvement of the Columbia River between The Dalles and the mouth of the Snake River, and of the Snake

River below Lewiston, Idaho, be approved as a basis for modification of the existing projects for these waterways when such action appears to be justified, but that no modification in the existing projects be made at this time."

Colonel Robins. Yes; that is my official recommendation to Congress, leaving out any question of indirect benefits or anything of

Mr. Dondero. Well, this is the point I am coming to: It is your judgment, Colonel Robins, that when this step is taken, Congress should take the step and the Board of Army Engineers is not willing to say now whether or not they should do so? Is that your position?

Colonel Robins. Well, we could not. That is a function of Con-ress. That is for Congress to decide, not for the Board of Army

Mr. Dondero. On page 13, over General Tyler's signature, appears practically the same statement, and on page 3, over General Schley's signature, appears practically the same statement in para-

graph 6, in which he says:

"I therefore recommend that the general plans presented herein for the initial and ultimate development of the Columbia and Snake Rivers between the pool of the Bonneville Dam and Lewiston, Idaho, be accepted by the Congress as a general guide for future development of the waterway in the combined interests of navigation, irrigation, and the development of hydroelectric power, and that the Congress authorize from time to time such portions of the plan as it wishes to initiate registed as may be needed at

of the plan as it wishes to initiate, revised as may be needed at the time to meet changing conditions."

In paragraph 3, however, on that same page, he says:
"For this reason I am unable to recommend the adoption now of this project by Congress in the sense that appropriations will thereafter be at once justified to commence the development."

In other words, he does not recommend it. Colonel Robins. That is right.

Mr. Dondero. In other words, Colonel Robins, we are faced in this committee with this proposition: The engineers think this is a good plan, that it will pay out if we can sell the power, but the Board of Army Engineers does not say that there is any market for power at the present time. Is not that the situation in a nutshell?

in a nutshell?

Colonel ROBINS. Yes, sir; that is it.

Mr. ANGELL. May I suggest that those recommendations to which you refer are for projects entailing an expense of \$180,000,000, not this one dam that we are talking about today. We are only talking about taking up one step of the whole project that was recommended by the Board of Engineers that Congress provide for from time to time. The whole project amounts to \$180,000,000; this one dam costs \$23,700,000.

Mr. GUERN, And this \$23,700,000 dam is specifically recom-

GREEN. And this \$23,700,000 dam is specifically recom-

mended?

mended?

Mr. Dondero. Just one second. I think I understand the English language, and I cannot determine from Colonel Robins' testimony that it is specifically recommended unless we have a market there to sell this power; that it is not economically justified until that sale is apparent. It is not yet apparent that it is there. Colonel Robins. That is true. All the reports arrive at the same conclusion, that you cannot justify on direct benefits any part of the project or all of the project without selling power, and you have got to have your receipts from the power to make the thing pay out.

Mr. Dondero. And is it not substantially a power project?
Colonel Robins. Well, it is transportation that we are after, trying to get cheap water transportation and trying to get it started ahead of the power, although in the last analysis it has got to be receipts from power that will justify the construction of these big dams.

Mr. Dondero. Colonel Robins, it has been the policy of this Government to generate power only as an incident to water transpor-

Colonel Robins. That is correct.

Mr. Dondero. But in this project we have that policy reversed.

It is power that has got to sustain the navigation and not navigation that is to sustain the power.

Colonel Robins. Well, there is a joint purpose there.

Mr. Dondero. Which of the two is the larger portion, power or navigation?

Colonel Rosins. You mean in cost?

Mr. Dondero. Yes; in this plan. Colonel Robins. Well, the power will have to pay a larger proportion of the cost.

Mr. Dondero. What proportion would you say, Colonel? To simplify the question, what portion is power and what portion is navigation?

Colonel Robins. Well, take the project as a whole, the navigation benefits, as I stated before, are about \$2,500,000, and power would have to carry \$10,000,000.

Mr. Dondero. That is about 5 to 1?

Mr. Angell. That is the whole project, is it not?

Colonel Robins. That is on the whole project. But, of course, irrigation would carry some part of it—about half a million a year. Mr. Dondero. About how much?

Colonel Robins. About half a million.

Mr. DONDERO. That is rather insignificant.

Colonel Robins. Yes; it is not a controlling factor in the economic income.

Mr. Dondero. To reduce it to percentages, navigation is about 20 percent of the project and power is about 80 percent?

Colonel Robins. On the economic side; yes, sir.

Mr. Green. Would that ratio apply to the dam in question, or

Colonel Robins. Yes; about the same ratio.

Mr. Seger. Colonel, I was not here at the opening of this hear-ng. Are the dams at Arlington and The Dalles now operating, or ing. Are the dams at Arinigton and the Damare they building?
Colonel Robins. No, sir.
Mr. Seger. They are not building them?
Colonel Robins. The dam at Grand Coulee is under construction.
Bonneville Dam is built and Rock Island Dam is built.
Mr. Seger. And you plan now to go from The Dalles Dam right

up to Umatilla?

Colonel Robins. Well, we have set up a plan which proposes to build those four dams on the Columbia between The Dalles and

build those four dams on the Columbia between The Dalles and the mouth of the Snake.

Mr. Seger. That will take you to Lewiston, will it not?

Colonel Robins. It would, plus four dams on the Snake. The Umatilla Dam—the series there of The Dalles, Arlington, and Umatilla only takes you to the mouth of the Snake. Then to get on up the Snake to Lewiston you have to have four more dams and openriver improvement in between.

Mr. Seger. What will be the economic value of building just one or two of these dams now, say, The Dalles and Arlington, that have not been built?

not been built?

Colonel Robins. We have at the present time a fairly adequate 7-foot channel from The Dalles up the Umatilla, and the Umatilla Dam, which we are considering as the first step in this development—it is not proposed to do all of this at once; it is just a coordinated plan for step-by-step development, and to Umatilla Dam would enable navigation to get from the foot of Umatilla Rapids up to the mouth of the Snake and up to Pasco.

Mr. Griswold. How much depth will that give you?

Colonel ROBINS. Nine feet up to Pasco.

Mr. Griswold. If the Umatilla Dam is built, how much depth will that give you up to the mouth of the Snake?

Colonel ROBINS. About 9 feet.

Mr. GRISWOLD. How many miles is that?

Colonel Robins. About 34 or 35 miles, I think.

Mr. Griswold. We will be spending \$30,000,000 to make a 30-mile 9-foot channel? Is that right?

Colonel ROBINS. From a navigation standpoint; yes.

Mr. Dondero. Colonel Robins, there is one question I neglected to ask you. You said the total of these dams was \$53,000,000. Would that be in addition to the \$23,000,000, or would that include the \$23,000,000 for the Umatilla Dam?

Colonel Rosins. That would include \$53,000,000 for the first step, which would provide through barge navigation clear up to Lew-

iston.

Mr. DONDERO. I observe one virtue in this project which is not present in some others that have been presented; this plan at least does not contemplate displacing any other power that is now established by private money or private investment, because it is not there

Colonel ROBINS. It is not contemplated to install any power at all until there is a market for it.

Mr. Smith of Washington. I think the figures which appear on page 40 of the report answer some of the questions of the gentleman from Michigan. The estimate of transportation savings on the improvement of Umatilla are \$1,280,105. That is based on a potential tonnage of 1,855,225 tons. If you include The Dalles, with a potential tonnage of 1,158,330, that saving will be \$324,332. So the total savings in transportation costs will be over \$1,500,000. Now, if you figure the total cost of the two dams to be—you said, Colonel Robins, \$53,000,000, which compares favorably in ratio of savings to cost of many projects that come before this committee; is not that true? That is quite a substantial saving on the cost of transportation alone, not to say anything about the power feature.

Mr. Dondero. I think Colonel Robins' testimony justifies the statement on page 10 of the report, which shows that 80 percent power and 20 percent navigation is correct, because you will find the amount charged to power is \$7,835,000, and his testimony has confirmed that. Mr. Smith of Washington. I think the figures which appear on

confirmed that.

Colonel Robins. The great need for the project is for navigation

and not for power.

Mr. ANGELL. There is no power involved in this proposal before the committee now, is there, Colonel Robins?
Colonel Robins. No, sir; not a bit.
Mr. Angell. It is purely navigation.

Colonel Rosins. The estimate of \$23,000,000 for constructing the Umatilla Dam is entirely aside from power facilities, except the foundations for the powerhouse, which really form part of the dam.

Mr. Dondero. Economically, navigation is not justified unless we can look to some day in the future and see the benefits from power that might be developed? That is the way to reconcile this statement, is it not?

Colonel Robins. That is the only way the Government can get back its money on the investment, is to ultimately install power and sell it.

Mr. ANGELL. Is not that true of every improvement made under river and harbor legislation?

Mr. Angell. Is not that true of every improvement made under river and harbor legislation?

Colonel Robins. It is true of Grand Coulee and Bonneville Dams. Mr. Angell. And from many others the Government does not get back a penny.

Mr. Smith of Washington. I think that in some respects this project is superior to many projects which come before the committee, because you have the added feature of income derived from irrigation and the distribution and sale of electric power, which contributes to the amortization of the project, which you do not have on many purely navigation projects. So in that respect it is superior to many projects which are only navigation projects.

Mr. Dondero. The eloquence of my good friend from the State of Washington is most convincing with me, and I have such high regard for him that if I thought he was really serious about it I would accept everything he says; but this project, Colonel Robins, is nothing more or less than putting the Government deeper into the power business. That is all. Is not that true?

Colonel Robins. Well, it depends on how it is handled.

Mr. Smith of Washington. Colonel Robins, is it not—

Mr. Dondero (interposing). Let Colonel Robins answer it. I think his judgment on the matter is the best, both orally and in

think his judgment on the matter is the best, both orally and in

writing.

Colonel Robins. Well, that is true; but the Government is already in the power business on the Columbia River. I do not see how you are going to back out of it now.

Mr. Dondero. I concede that. We are in it.

Colonel Robins. We are in it, and if we are ever going to get navigation into that country, which is certainly very badly needed, we have got to rely on getting money from the sale of power in order to get the navigation in. And you have got to have navigation, and you have got to get power, too.

Mr. Griswold. You state the plans provide for laying the foundation for the power plant there. What will it cost then to put in the power plant? If we have electricity, how much additional expense will we have to go to then to provide the electricity?

Colonel Robins. You will have to go to considerable expense. I can give you the figures.

can give you the figures.

can give you the figures.

Mr. Griswold. How many millions will that cost? You say it will cost \$53,000,000 to get navigation up to Lewiston, but there is no power involved. There is the possibility of power. Now, suppose we want to put in power, how many more millions is that going to take to put the power in?

Colonel Robins. I am trying to find that for you here.

Mr. Griswold. Is that covered on page 41?

Colonel Robins. Page 37.

Mr. Angell. On page 37 it shows that the power plant at Umatilla will cost \$27,900,000. That is at the top of the page there.

Mr. Griswold. In other words, the power plant will cost more than the dam?

the dam?

Mr. ANGELL, Yes.

Mr. SMITH of Washington. Is it not also true that if you had the power development and in addition to the natural increase in tonnage, the commerce, which on page 40 it is estimated will double over a period of 50 years—if in addition to that you had the industrial development which would result from the generation and sale of power, it is altogether reasonable to assume that you would have a further increase in commercial tonnage which would make the project more profitable?

Mr. Greenen, You would have the project in the contract of the project in the contract of th Mr. SMITH of Washington. Is it not also true that if you had the

Mr. Griswold. You would have to put in another investment of \$27,000,000 before you could have any power at all.

Mr. Smith of Washington. You would have it if you had an invest-

Mr. Smrra of Washington. You would have it if you had an investment of \$53,000,000, would you not, Colonel?
Colonel Roeins, \$53,000,000 is for Umatilla Dam and four dams on the Snake River and the open river improvement on the Snake, with no power facilities whatever. The Umatilla Dam with the powerhouse will cost about the same as Bonneville Dam—about \$50,000,000. Leaving the powerhouse out, you can build it for \$23,000,000; leaving out the power machinery, too.

Mr. Seger. Colonel, would this project be justified as a navigation project only if we did not consider power?

Colonel Roeins. Not on the direct benefits; no. It has a lot of intangible values that are pretty hard to evaluate in dollars and cents. The people up there are in great need of cheap transportation.

cents. The

Mr. Angell. It would act as a yardstick, would it not, for that

whole inland empire?

Colonel Robins. It would. It would have a big effect on the freight rates throughout the whole territory.

Mr. Griswold. Would it not be cheaper for the Government to subsidize transportation, in order to bring the rate down, than it

would to build the dams provided here?

Colonel ROBINS. Well, I would not be prepared to answer that

question, Judge.

Mr. Griswold. I think it is pretty easy to answer. You j show the benefits and the cost of one compared with the other.

show the benefits and the cost of one compared with the other.

Mr. Smith of Washington. Colonel Robins, for purposes of transportation only, and purely as a navigation project, how much money would we have to spend at Umatilla?

Colonel Robins. \$23,000,000.

Mr. Smith of Washington. That is all we would have to spend for navigation, and, based on the present tonnage, that would result in a saving of \$1,280,105 a year, according to the reports, page 40, and if it is reasonable to assume that this tonnage would

double over a period of 50 years, as is also stated in the report, is not this a meritorious navigation project, if you confine it at this time, which I understand is being done, to the Umatilla Dam alone, and not take into account the rest of the dams and the power

Colonel Robins. Mr. Smith, that saving of \$1,000,000 there is not applicable to the Umatilla Dam alone. It takes in this whole stretch of river all the way up to Umatilla. The Umatilla Dam only effects a saving in the 35- or 45-mile stretch from Umatilla to

Pasca.

Mr. Dondero. That is above the dam, is it not?

Colonel Robins. Yes. You cannot apply those cumulated savings to one dam; you have got to apply them to all of them.

Mr. Smrri of Washington. That is the way I interpret this summary on page 40, because it reads "improvement to Umatilla."

Colonel Robins. That is this whole stretch of the river showing all these dams all the way up to here. You make that first saving; then you have the Umatilla Dam, and you make an additional saving, but the Umatilla Dam is only credited with the increment, in other words, the saving for improvement to Pasco. You subtract from that the saving for improvement to Umatilla, and you get what the benefit is for the Umatilla Dam alone.

what the saving for improvement to official, and you get what the benefit is for the Umatilla Dam alone.

Mr. Smith of Washington. The increment savings, then would be \$955,773? Is that right? That would make it approximately \$1,000,000 on an investment of \$23,000,000.

Colonel Robins, It would be the difference between \$1,540,000.

and \$1,280,000. The total savings for the improvement to Pasco are \$1,500,000. The savings for improvement to Umatilla are \$1,280,000, so that the Umatilla Dam would get credit for the difference between those two figures.

Mr. DONDERO. About how much is that?

Colonel Robins. About \$260,000. Mr. DONDERO. That is correct.

Mr. Dondero. That is correct.

Mr. Smrth of Washington (presiding). Thank you for your very clear and complete statement, Colonel Robins.

Mr. Angell. Mr. Chairman, we have a few other gentlemen to be heard. I would like to have you hear Mr. West at this time.

Mr. Smrth of Washington. We will be very glad to hear Mr. West. (Mr. Herbert G. West, executive vice president, Inland Empire Waterways Association, Walla Walla, Wash., testified.)

Freight-Rate Discriminations in Transportation of Gasoline and Kerosene

EXTENSION OF REMARKS

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

Mr. KITCHENS. Mr. Speaker, there are five zones for railroad rate-making purposes in the United States. Arkansas is in what is known as the southwestern zone. It has the highest freight rate, mile for mile, especially for processed goods, of any zone in the Nation. There is method in this rate business. Selfish interests exhaust a State of its natural resources, raw materials such as oil, gas, coal, timber, and minerals, by removing by rail and processing those raw materials in other distant sections for the present financial benefit of themselves regardless of the present or future welfare in general of the people. The creation of needless hauls so as to increase income seems unjustified, and certainly is uneconomic.

My congressional district for years has produced some of the finest pine, oak, hickory, gum, cypress, and other timbers of any district in the United States, but today these timbers are practically exhausted. Today it is developing into one of the greatest oil- and gas-producing districts in the United States. Our Creator is giving us another opportunity. It is reliably estimated by experienced oil experts that the new fields discovered last year in my county alone, and within 10 miles of my home town, will produce more than 160,000,000 barrels of oil. The adjoining counties of Lafayette, Nevada, Ouachita, and Union have been and are now producing great quantities of oil and gas with forecasts of almost unlimited production. The other counties in the district are potentially oil and gas producing.

Mr. Speaker, my people are vitally concerned today with that oil, its production, protection from waste, refining, transportation, and marketing. We have had heretofore in the area mentioned 14 small oil refineries, but all of them have perished unnaturally with the exception of two at El Dorado, Union County, Ark., and a small refinery at Stephens, Ark. This destruction was due almost wholly to advantages in freight rates possessed by other sections in the marketing and transportation of refined products of oil.

I shall not discuss other discriminations in freight rates at this time, but wish to call the attention of the Congress to the fact that an effort is now being made to further divert the oil and unfairly penalize the transportation of gasoline from the refineries now operating there, to other sections, and in favor of other sections. The purpose is to cripple, if not destroy, the refineries of my district by preventing fair competition through further discrimination in freight

rates on gasoline and kerosene.

The points of destination in several States for gasoline, for example, shipped from New Orleans and other coastal cities are the same as for the refineries at El Dorado, Ark., in my congressional district. The only difference is that the refineries at El Dorado, Ark., are much nearer the markets in certain States, such as Mississippi, Tennessee, Georgia, and Alabama. Yet it is now proposed to give, for example, the oil and refining interests at New Orleans and other coastal cities a cheaper rate, mile for mile, for transportation of gasoline a much longer distance to the markets in the States mentioned than the rates for a shorter distance from the refineries at El Dorado, Ark.

Mr. Speaker, if cheaper rail rates be given New Orleans, for example, to markets for gasoline than are given to the refineries of my district, then those refineries will not only suffer but the railroads and all the people in my section will suffer. The landowners, lease and royalty owners, oil interests, merchants, farmers, bankers, and laborers in my district will lose the benefit and have to bear the burden of the differential of this discrimination. The local refineries will be placed at a great competitive disadvantage if such be permitted, and certainly the intention of Congress will be ignored and the spirit of the Commerce Act will be defied and

My congressional district has two navigable rivers—the Mississippi and Ouachita-and the Red River potentially is navigable. The refineries of my district are using in part the Ouachita River, a tributary of the Mississippi, and which is navigable to Camden, Ark., and New Orleans, La. Two of these refineries have a pipe line that connects them with the barge lines at Calion on the Ouachita River. This connection was made at very great expense in a desperate attempt to compete in a small way with New Orleans, Baton Rouge, and the coastal cities of the United States.

El Dorado, Ark., the location of two of the refineries, is closer to Memphis, Tenn., by 140 miles than is New Orleans, La., yet the rail rate for 100 pounds of gasoline from El Dorado to Memphis is 33 cents per hundred pounds while the rail rate from New Orleans to Memphis is 15 cents per hundred pounds.

There is now proposed and published, I learn, a drastic reduction of the rail rate from New Orleans to other marketing points to where the rate will be even more discriminatory for the refineries of my district than the present rail rates to Memphis. We do not object to a reduction of rail rates from a certain point providing equidistant or nearer points be fairly protected.

Mr. Speaker, the publication by the railroads of a cheaper rail rate from New Orleans and Baton Rouge to Alabama. Mississippi, Georgia, and Tennessee for gasoline and kerosene than for the shipment of gasoline and kerosene from El Dorado, Ark., is a glaring discrimination which should be condemned. It is being established, no doubt, as stated, for the very purpose of injuring, if not destroying, the remaining refining industries in Arkansas, the destruction of private barge lines, and our river transportation.

I am not personally interested in the refining of oil nor in any oil company, nor railroad, nor in any barge line, but I can see that such action as proposed will deprive the railroads of my section of traffic and income to which they are entitled and in need. This reduction of traffic and income of the railroads in my section will be used as an argument and further handicap the equalization of freight rates by increasing the average cost per mile in the zone in which my State is located. The inevitable reduction of such traffic will mean the laboring men will be deprived of work, our refineries unjustly penalized, private barge lines destroyed, and the public will have to bear the burden of the extra cost in transportation of oil and gasoline. We are weary paying the freight on our material, both going and coming, and suffering an exhaustion of our natural resources, and leaving nothing for ourselves or for future generations.

It occurs to me that no sooner than we secure a little industry for our State and section-and this is true in some other States—there begins a maneuvering to destroy that industry so as to use the region merely as a province from which to obtain raw material for processing and for the benefit and building up of other interests. Railroads in desperation or not should consider carefully the present and future effect of their schedules of rates. They have a mighty

power for damage as well as for good.

Mr. Speaker, I do not believe in monopoly, much less in the creation of monopoly, but discrimination in freight rates will have that effect, and will centralize industry and population in one section and impoverish the other. It is the policy of this administration to prevent unjust discriminations or the giving of advantages in transportation charges. It seeks to insure the development and preservation of a national transportation system, adequate at all times to meet most economically and efficiently the full needs of commerce of the entire and every part of the Nation.

In Arkansas, a State of 2,000,000 fine justice-loving people, we are not idle. We are thinking, preparing, cooperating, working, planning, protesting, and will fight peaceably for fair treatment for all. We have a commission of agriculture and industry, a State planning board, a flood-control commission, and a corporation commission, and these commissions, with many other civic organizations, are diligently doing what they can to eliminate, so far as possible, all obstructions to State and interstate commerce and discriminations of every kind and character so that our people may have a fair and equal chance in the Nation.

In this connection, Mr. Speaker, I ask that a report, dated April 24, 1939, by the commissions mentioned, to the Governor of our State, be made at this point a part of my remarks.

The undersigned organizations are of the opinion that there should be no Federal regulation of water transportation enacted into law at this time, for the following reasons:

1. There is no necessity for regulation unless the rights of some

citizens are being violated. There has been no evidence presented in proof of such violations. The only evidence favoring regulation has been presented by railroad officials and employees' representatives who are naturally prejudiced against any mode of transportation other than rail.

General Ashburn, as operating head of the Inland Waterways Corporation, favors regulation, apparently because he believes regulation of contract carriers will divert business to common carriers, including his lines. Regulation could not adversely affect the operations of the Inland Waterways Corporation to the extent it would other contract and common carriers because the Inland Waterways Corporation is a corporation created by Federal statute and provided with public funds for operation regardless of what deficit may be incurred.

2. There has been sufficient experience in transportation upon inland waterways to reflect great benefit in the development of the Mississippi Valley area, which includes Arkansas, and these benefits should be permitted to accrue without regulation unless and until

the public is adversely affected.

3. The southwestern territory, including the States of Arkansas, Oklahoma, Louisiana (west of the Mississippi River), Texas, and southern portions of Kansas and Missouri, pay via rail the highest transportation charges in the United States, and this applies to transportation within, to, and from that territory. These rates are largely prescribed by the Interstate Commerce Commission as "maximum reasonable" rates, and the rail lines, wherever possible, essess the maximum rates. assess the maximum rates.

This basis of rates has retarded development, and if the competitive means of transportation, viz, water and highway, are to be regulated in such manner as to maintain via all modes of transportation the same or the approximate of the rail rates, which may

be done under this bill, the southwestern territory not only will fail to develop but such development as it has may disintegrate, especially where such development is not located at tidewater.

4. The conclusion that the Interstate Commerce Commission in

4. The conclusion that the Interstate Commerce Commission in regulating water transportation may fix transportation costs so related to the rail rates that transportation on the inland streams may disappear is fully warranted, proof of which will be found in hundreds of decisions and orders of the Interstate Commerce Commission wherein it has granted the railroads relief from the fourth section of the present act to meet not only existing water competition but probable water competition. Citations follow:

194 I. C. C. 31, Petroleum Products, New Orleans, La., group to Memphis, Tenn., and Ohio River points: This was a case where the railroads sought permission to meet water rates. They were granted this permission. At pages 44, 46 of the report, Commissioner Eastman registered his concurrence but indicated that the action of the Commission in permitting this meeting of water rates promised to be the beginning of a return of the policy of railroad rate making which would drive waterway transportation from our streams and the dry-land points would pay the cost incurred by the railroads in the elimination of this competition. The fact remains the railroads were permitted by the Commission The fact remains the railroads were permitted by the Commission to readjust their rates.

In Fourth Section Application No. 16066, Gasoline and Kerosene to River Points in Alabama, 229 I. C. C. 509, the railroads had contended that it was necessary to reduce rates from the New Orleans-Baton Rouge group and from Mobile, Ala., to Birmingham, Tulscaloosa, Montgomery, and Selma, Ala., in order to meet water competition. The Commission's order permitted a reduction in the rail rates and one alarming feature of its order is the following, appearing at page 513 of the report:

"While it does not appear that gasoline has moved by water from the New Orleans-Baton Rouge group to Montgomery and Selma the feetilities for the beautiful or the feetilities for the progression of the second or the

Selma, the facilities for such movements are available."

This indicates the rail lines were permitted to meet water com-

This indicates the rail lines were permitted to meet water competition before the actual competition even existed.

To show the adverse effect upon the dry-land producing points, there will be found at page 516 of the above report provision that the relationship in the rates, southwestern-origin groups to the New Orleans-Baton Rouge group, previously prescribed by the Interstate Commerce Commission would not have to be maintained, the Commission stating that the reduced rates could be established from the New Orleans-Baton Rouge group "without rendering necessary any changes in the rates from the southwestern-origin groups to the same destinations."

Another case is Fourth Section Application No. 17161, gravel from Montgomery, Ala. (231 I. C. C. 455), where the rail lines were permitted to reduce the prescribed rates of the Interstate Commerce Commission from Montgomery, Ala., to Fernandina, Fla., to meet water competition from the Delaware River near Philadelphia, Pa. In the many instances where the fourth-section relief is granted, it must be recognized that this permits the charging of higher rates

In the many instances where the fourth-section relief is granted, it must be recognized that this permits the charging of higher rates at intermediate dry-land points. The railroads meet the water competition on basis of what they term "out-of-pocket costs," meaning the actual cost of transportation without any relation to interest on investment or any other overhead charges.

Arkansa has been materially affected by this character of rate adjustment. The rate from the New Orleans-Baton Rouge group to Memphis was reduced by the railroads to meet water competition to a basis of 15 cents per 100 pounds. The rate from the El Dorado, Ark., field to Memphis is 33 cents. The rail distance from Baton Rouge to Memphis is 366 miles; from El Dorado to Memphis 226 miles. This rate applies to petroleum products.

Many other citations could be given, but these are sufficient to show the trend of the orders of the Interstate Commerce Commission in protection of the rail carriers to the detriment of the development of water transportation.

5. The preponderance of the tonnage carried on the interior

development of water transportation.

5. The preponderance of the tonnage carried on the interior streams is by private carrier, the lading being owned by the operator of the tow. The proposed bill does not apply to private carriers, and if common carriers are to be regulated with prescribed rates approaching the rail basis and not related to cost plus a reasonable profit, the small shipper will find his market absorbed by the larger shipper who is adequately financed to provide his own transportation.

6. We are opposed to regulation of water carriers at this time, except insofar as concerns hours of service and safety.

The conclusions reached by the undersigned organizations are the result of intense study of the effect upon the State of Arkansas and its agricultural and industrial interests, together with very careful consideration of past experience.

with very careful consideration of past experience.

It is the recommendation of the undersigned that these conclusions be submitted to the chairman of the Committee on Interstate and Foreign Commerce of the United States Senate, now giving consideration to this bill, and to the Arkansas delegation in both Houses of the Congress.

Respectfully submitted

Respectfully submitted.

ARKANSAS AGRICULTURAL AND INDUSTRIAL COMMISSION,
By HENRY H. TUCKER, Chairman.

ARKANSAS STATE PLANNING BOARD,

By Chas. L. Thompson, Chairman.
ARKANSAS STATE FLOOD CONTROL COMMISSION.

By R. E. OVERMAN, Chairman.

ARKANSAS CORPORATION COMMISSION, By JNO. H. PAGE, Chairman.

Why Quit Our Own?

EXTENSION OF REMARKS

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

EXCERPTS FROM BOOK BY GEORGE N. PEEK WITH SAMUEL CROWTHER

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following excerpt from a book entitled "Why Quit Our Own?" by George N. Peek with Samuel Crowther:

[From Why Quit Our Own? by George N. Peek with Samuel Crowther]

CUBA

The Cuban agreement was made hastily in order to "do something The Cuban agreement was made hastily in order to "do something for Cuba." On its face the agreement is a good one and it differs from all the other agreements in that it is purely bilateral. Our country has a special arrangement with Cuba, and hence any advantages given to Cuba did not have to be generalized to the advantage of all other countries with whom we have most-favored-nation treaties. The agreement possessed possibilities, but so many considerations other than trade entered into its making that, instead of a trade agreement to further American trade, it turned out to be a subsidy to Cuban sugar-plantation owners.

stead of a trade agreement to further American trade, it turned out to be a subsidy to Cuban sugar-plantation owners.

The agreement standing alone might well be a model—and I have publicly said so. But Secretary Wallace, under the sugar-quota system of the Jones-Costigan Act, turned the thing into an expensive farce. The duty on sugar was lowered, but Cuba, being given a monopoly on the supply of a certain portion of the sugar for the American market, raised the price and got the benefit both of the duty cut and the higher price. The quotas of American producers were cut and an attempt was made to make up the difference in output and price through benefit payments by the A. A. Thus the American consumer was levied on in two directions for the benefit of Cuba. The increase in trade to Cuba has A. A. A. Thus the American consumer was levied on in two directions for the benefit of Cuba. The increase in trade to Cuba has been negligible as compared to the subsidy granted. All of which goes to show the dangers of mixing diplomacy and trade without

goes to show the dangers of mixing diplomacy and trade without adding the priceless ingredient of common sense.

Cuban conditions in 1934 were grave. The island's peace and prosperity rises and falls with the price of sugar. Many great centrals owned by Americans through the large American banks and by British subjects through the Royal Bank of Canada were on the point of failure. The American bank loans to the Cuban Government were uncollectible. Upward of \$300,000,000 in Cuban securities were outstanding as a result of American flotations, and an unknown number of these was held in the United States. These issues were largely in default.

The basic sugar tariff under the 1930 act is 2.50 cents a pound for 96 degrees (degree test sugar). Under the reciprocity treaty of 1902, Cuba got a 20-percent reduction below other countries, bringing her rate to 2 cents. On May 9, 1934, President Roosevelt further reduced the rate, giving to Cuba a duty of 1.50 cents. The Tariff Commission had recommended this rate. In the agreement as proclaimed on September 3, 1934, the rate was cut to 0.90 cent—without explanation. The agreement gave certain concessions to

as proclaimed on September 3, 1934, the rate was cut to 0.90 cent—without explanation. The agreement gave certain concessions to the United States on both agricultural and industrial products. Now let us see what happened. We are the largest buyers of Cuban sugar and have had special trade arrangements of sorts ever since we set up the island as an independent state. In 1932 we sold goods to Cuba in the amount of \$23,755,000. In 1933 we sold \$25,093,000, in 1934 we sold \$45,323,374, and in 1935 we sold \$60,152,732. Of the 1934 exports, \$17,614,000 were accounted for in the September-December period after the execution of the agreement—therefore apparently proving that the reciprocal-trade agreement was a success. agreement was a succes

The Cuban agreement in no way involves the most-favored-nation clause, yet it has been exhibited as the star example of what we may expect to gain through reciprocal-trade agreements. The State Department took the extraordinary course of issuing a press release of Cuban opinion to show what a great success the agreement was from the Cuban viewpoint. But apparently the American effects

were not important.

After the Cuban agreement went into effect, duty was paid on about 1,100,000 tons of raw sugar and about 200,000 tons of refined. The loss in duties to the United States between the trade-agreement rates and the old tariff rates amounted to \$32,323,000.

rates and the old tariff rates amounted to \$32,323,000.

Under the quota system for sugar as fixed by the A. A. A., the Cubans had a practical monopoly of sugar shipments for the balance of 1934. Our insular possessions had sugar, but they had exhausted their quotas. The Cubans demanded a fancy price for sugar shipped to the United States. This price was brought down by negotiations to an average of 1.97 cents per pound (f. o. b. Cuba), although at the same time Cuba was selling to the world other than the United

States at an average of 0.80 cent. The result was that the American consumers of sugar, because of the coincidence of the trade agreement and the A. A. A. quota system, paid for about 500,000 tons of their sugar the sum of about \$15,000,000 over and above what they would have paid had our Government not intervened ostensibly to

help American trade.

Taking the loss of duty, which went into the pockets of the Cuban Taking the loss of duty, which went into the pockets of the Cuban producers and which was not reflected in the retail prices, and the additional sum exacted by the Cuban producers owing to their fortunate situation under the quota, the American people paid a total of about \$47,000,000 in order to sell \$45,323,374 in goods.

Since these total sales were only \$20,000,000 in excess of the low sales of 1933—which minimum of sales would likely have been made anyway—the American people as a whole paid over \$2 to promote each dollar's worth of gross sales to Cuba.

To summarize: Our sales to Cuba in 1934 amounted to \$45,323,-374. To obtain this amount of business we granted a subsidy of \$47,000,000.

To summarize: Our sales to Cuba in 1934 amounted to \$45,323,-374. To obtain this amount of business we granted a subsidy of \$47,000,000.

This, however, is not all. For the year 1935 the Cuban sugar quota was 1,658,055 tons. On this amount, at the new duties, we lost the sum of \$40,726,000. The Cuban price to the United States for sugar averaged about 1.19 cents a pound above the world price. We paid about \$43,000,000 extra on our sugar for the exclusive benefit of Cuba. Adding the loss of duties, the new tax amounts to over \$83,000,000.

Thus for \$60,000,000 of exports to Cuba in 1935 we paid a subsidy of around \$83,000,000. At the same time the A. A. A. was paying American beet- and cane-sugar producers not to produce. The average tax on Cuban sugar land is 29 cents an acre. The average tax on American beet-sugar land is \$2.59 an acre. The retail price of sugar in the United States as of December 31, 1932, was 5.10 cents per pound; in 1933 the price rose to 5.50 cents and stayed at that figure through 1934, rising to 5.80 cents in 1935.

From these figures the cost of the agreement to American citizens may be estimated. Instead of promoting trade with Cuba through Government action of this sort, it would be cheaper for us to take a census of everyone who wants to sell anything to Cuba, have him set the largest profit he can think of on his sales, and then pay him the profits directly on the promise that he will stay out of business.

Our general imports from Cuba were \$78,928,916 in 1934 and \$104,-

Our general imports from Cuba were \$78,928,916 in 1934 and \$104,-638,523 in 1935—an increase of \$25,709,607. Our exports to Cuba were \$45,323,374 in 1934 and \$60,152,732 in 1935—an increase of \$14,829,358, or about \$5,000,000 less than the increase of 1934 over 1933. We are steadly importing more from Cuba and exporting

1933. We are steadily importing more from Cuba and exporting proportionately less.

What is Cuba doing with the great balance to her credit in the United States over and above what she buys from us? Paying debts? Not at all. The American bondholders were not provided for in the agreement. They are still unpaid. In the absence of a comprehensive accounting of our trade and money relations with Cuba it is not possible to say exactly what Cuba is doing with the Cuba, it is not possible to say exactly what Cuba is doing with the money

Taking the dollar value of Cuban imports as a whole, they show an increase for 1934 over 1933 of \$31,026,000, or less than the amount of our subsidy. Of this increase, the United States obtained a slice amounting to \$18,551,000 (Cuban figures), while all other nations together obtained \$12,475,000. We did all the subsidizing but got only a part of the new trade. During the years 1931-33, without subsidy we supplied 57.4 percent, 54.2 percent, and 53.5 percent of the Cuban imports. In 1934, with the subsidy, we supplied 56.2 percent. In 1934 Cuban imports from the United States increased 82 percent over 1933, but at the same time Cuba increased her purchases from Japan by 265 percent over 1933.

The current figures are not now available to me, but it would appear that we are providing a subsidized purchasing power for Cuba which is being used only in part in the United States. We are subsidizing Cuban trade with Japan and Germany.

Cuba has been faced with two great problems—the overproduction of sugar and the overproduction of debt. Our contribution seems to have been the augmenting of both kinds of overproduction. And the country has been put in a position where a change in our sugar arrangements will cause great hardship and possibly another revolution in Cuba. Taking the dollar value of Cuban imports as a whole, they show

another revolution in Cuba.

Mother's Day

EXTENSION OF REMARKS

HON. FRED C. GARTNER OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

STATEMENT BY HON. ARTHUR H. JAMES, GOVERNOR OF PENNSYLVANIA

Mr. GARTNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by the Honorable Arthur H. James, Governor of Pennsylvania, for Mother's Day, May 14, 1939:

Mother's Day, in accordance with the splendid custom of setting aside the second Sunday in May, will be observed on May 14 throughout Pennsylvania, the United States, and many parts of

throughout Pennsylvania, the United States, and many parts of the world.

It is heart-warming to recall that this observance originated in Pennsylvania, and that the woman who founded the day is a Pennsylvanian, Miss Anna Jarvis, of Philadelphia.

Mother's other 364 days in the year have been very trying of late, and her burdens have been many. She has had to save and conserve to properly feed her children and keep them in warm clothing. On Mother's Day let's remind her that we are truly appreciative of the struggle and sacrifices she has made and is making preciative of the struggle and sacrifices she has made and is making in our behalf.

When we look around us, we can see that our mothers have been doing a mighty fine job, because they have been getting us educated, giving us a little nest egg to start out in life, where possible, and instilling into us as we grow to adulthood the fine principles of manhood and womanhood. Our mothers' lives have made us men and women.

We are trying to apply those principles to the operation of State government, just as they applied them to their households and to us. Mothers' teachings should never be allowed to become old-

fashioned.

ARTHUR H. JAMES.

Should the Air Corps Be a Separate Unit?

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 17, 1939

RADIO ADDRESS BY MAJ. GEN. WILLIAM C. RIVERS, UNITED STATES ARMY, RETIRED, JANUARY 27, 1939

Mr. VOORHIS of California. Mr. Speaker, especially since it amounts practically to an argument in favor of my own bill, I am pleased to include in my remarks the following radio address by Maj. Gen. William C. Rivers:

Should our Air Corps be a separate unit? We have at the present time, and we have always had, distinct and separate Air Corps for the Navy and for the Army. Also, other departments of the Government have air forces—the Commerce Department, Post Office

Department, the Coast Guard, and so on.

Department, the Coast Guard, and so on.

Such discussions as ours tonight are concerned, however, with the national defense. These discussions refer to the air forces of our Army and of our Navy. Shall we continue these as they are at present, or shall we combine the air forces of the Army and of the Navy into one Air Corps? That would provide us with three armed defense services—Navy, Air, and Army. All the important nations except the United States have such a plan; they all have just one air corps. Nineteen countries have adopted this plan.

Of course, we ought to have only one Air Corps for defense purposes. In the interest of efficiency and economy, Congress should pass a law providing for the creation of a powerful, homogeneous Air Corps. The Air Corps ought to have its own laws for promotion, pay, and retirement. It should form one of the three coequal armed branches in the department of national defense. The part of the Air Corps which is to go to war under Navy command would, of course, be under Navy command in peace. It would thus be trained by the Navy.

trained by the Navy.

The contingent of the Air Corps which is to go to war with the Army would be under Army command in peace. It would therefore be trained by the Army. The Chief of this separate Air Corps would direct procurement, supply, and the preliminary training at the several land aviation schools and depots. The Chief of the Air Corps would also control a reserve of the air force subject to

the orders of the secretary of national defense.

The secretary of national defense.

The secretary of national defense would be a member of the President's Cabinet. He should be a man of good ordinary ability and experience. The secretary of national defense would inspect the work and progress of the Navy and of the Army and the Air Corps. He would represent them with Congress—one agent instead of three dealing with the Congress. The secretary of nation defense would control, not simply coordinate, the operations and the training of all three of the armed services.

Many able officers of our Navy and Army object to giving up the

Many able officers of our Navy and Army object to giving up the control of their present Air Corps to having one Air Corps coequal in rank with the older services. In my judgment, we have tried out the present plan well; my conviction is that we shall never get the best air force for our national defense until we take steps to have an Air Corps equal in rank and prestige with the Army and

the Navy.

Our Navy and Army officers are not disposed to be particularly solicitous about their own privileges. Many, however, fear the loss of prestige by the older services—if we combine the Air Corps and have a Cabinet officer of defense who will control the Army and the Navy. I do not fear this. The older services would not be consolidated. Each would retain its tradition and have its tactical unity of command, as at present.

There is much competition and duplication of effort on the part of the Navy and Army as matters are now. The Navy takes to

of the Navy and Army, as matters are now. The Navy takes to sea on its plane carriers and its warships about 1,000 of its 3,000 airplanes. That leaves a great many airplanes which the Navy operates from land bases, in addition to the large number of airplanes the Navy uses for training its pilots. All the Army air-planes operate from land bases. Both Navy and Army are at pres-ent seeking sites for new air bases in the Southeast of the United States, in the Northeast, and in the Alaska regions, in Puerto Rico, and elsewhere. Who is to coordinate these efforts? Who is to

prevent duplication and overlapping?

Control and coordination are much needed, especially in the fields of procurement and of administration. Air Corps general officers ought to have permanent tenure of rank, such as generals and admirals in the line of the Army and Navy now possess. At present the head of the Army, or of the Navy, has the authority to demote the high-ranking officials who are on duty with the air

forces.

It is true, as we are often told, that we have had many boards about aviation. We are not told, however, that practically all of these boards—the Baker Board, the Morrow Board, Drum Board, and so on—were appointed administratively by the Secretary of Warr, or in one case by the President, and that all these boards had Army general officers among the members.

Congress has authorized but one aviation board. That was the

Federal Aviation Commission in 1934. All the members were civilians and Congress allotted about \$60,000 for the investigation.

The 250-page report of this Federal Aviation Commission, in 1935, had fully 36 recommendations about coordinating the procurement, the research, the budgets, and many other phases of Army and New aviation. and Navy aviation.

and Navy aviation.

However, note the following striking and unusual character of the final comments of the Federal Aviation Commission about the present organization of Army and Navy aviation. The Federal Aviation Commission had authority, under the law authorizing the commission, to study only aviation matters. Here follow the final remarks of the Federal Aviation Commission:

"Intense study and prompt remedy should be given to the interrelationship of the national-defense services.

"While this matter lay beyond our own scope we have con-

"While this matter lay beyond our own scope, we have con-sidered it so serious that we recommend that the whole problem of military organization and of interservice relationships be made the subject of extended examination by some appropriate agency in the near future.

"The question of air force organization and utilization in their broadest aspects become questions of general national-defense organization and policy, and particularly involve the relations

organization and policy, and particularly involve the relations among the armed services.

"Though we appreciate the efforts now made for coordination, we are left with the feeling that the present degree of mutual understanding between the Army and Navy is less than might be desired; that the machinery for settling differences in matters of detail lacks something in effectiveness; and that the arrangements for keeping commanders in the field notified of their respective responsibilities in joint operations with neighboring units of the sister service are strikingly inadequate." sister service are strikingly inadequate."

America Should Clean Up Its Own Back Yard

EXTENSION OF REMARKS

HON. JAMES C. OLIVER OF MAINE

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE

Mr. OLIVER. Mr. Speaker, under permission granted to me today by unanimous consent, I am pleased to incorporate in the Congressional Record herewith a copy of a radio broadcast recently delivered over station WCSH in Portland,

Citizens of the First District, in my broadcast of 2 weeks ago I called attention to the fact that New Dealism had stepped from its domestic and national role of planned economy into the foreign and international maelstrom of planned chaos, turning its face toward Europe and pretending to the mantle of the great international intermediary.

Tonight, ladies and gentlemen, the perilous folly of such foreign meddling must be painfully apparent to every thinking American. The obvious, the wholly to be expected, the inevitable, yet none-theless bitter fruit of that meddling has been the granting of opportunity for democracy's archenemy to express his scorn of up to the contract of the cont all and to insult and ridicule our President, rebuffing Mr. Roosevelt's appeal for peace by suggesting he clean up his own back yard and relieve the distress of his own people before presuming

yard and relieve the distress of his own people before presuming to police the rest of the world.

Coming from any source, such pills are bitter. Coming from the one man in all the world most detested and abhorred by all true lovers of liberty, the pill is bitter indeed, bitter because unpalatable truths are always bitter. Praise as we may the President's sincere craving for world peace, can we deny that this administration, by such intrusion into the affairs of others, by such unintered the statement of the st wited and senseless appeal to reason where there is no reason, has granted such opportunity for the exercise of Hitler's gall, for such further inflation of the little man's insane ego as may but

such further inflation of the little man's insane ego as may but spur him on to that very war from which President Roosevelt's appeal sought to swerve him?

Drunk with power, inflated by the attention showered upon him by the great leaders of the world, Hitler is brazenly contemptuous of all gods but the god of might. To grant him opportunity to couch his attacks upon democracy in the veil of right, to invite his criticism of our own national conduct, to permit him to hold up our own national distress and our mistakes of leadership as horrible examples of the failure of democracy—these are grave mistakes indeed. Greatly as we detest Hitler and his are grave mistakes, indeed. Greatly as we detest Hitler and his works, have we, after all, any legitimate right to butt into his affairs so long as they do not openly and directly threaten the United States of America? I, for one, do not believe we have. What is more, I believe that such unwarranted intrusion upon the part of this administration benders. the part of this administration borders upon the acutely perlious, borders upon an invitation to trouble in which we have no business.

The notes of Woodrow Wilson heralded our being sucked into the World War. Faces waxed red then, as some faces wax red now at this reply of Hitler's. Men's minds turned savage at the rebuff of Wilson's notes as even now, the minds of some know perilous resentment at Hitler's rebuff to President Roosevelt. Is history but repeating itself, or has the American people developed a degree of commonsense sturdy enough to turn aside the assault of such irritation, such appeal to passion, such fore-whisperer of war? That is the question, my fellow citizens.

such irritation, such appeal to passion, such fore-whisperer of war? That is the question, my fellow citizens.

Let us hope and pray that Hitler's reply suffices to turn the thoughts and the efforts and the energies of the administration back to its own rightful problem—its only real problem—the battle against unemployment, destitution, poverty, and all the other economic ills with which America is cursed. When these are cleaned up, when there no longer exists opportunity for foreign enemies of democracy to point in derision at our own back yard, then and then only may the administration have business elsewhere. Today and tomorrow and for many a day to come there's plenty to strain all powers of salvation here at home.

During the past 2 weeks a veritable deluge of correspondence in approval of my last broadcast has poured into my office from every part of the Union, a deluge that leaves no vestige of doubt of the American people's wholehearted condemnation of any administration activity tending to embroil us in the European muddle. Definitely, our people have no desire to see Uncle Sam become again the prize sucker that he was in 1917. Definitely, our people want to have nothing to do with the schemers and war profiteers and the putrid mess of hates these wily gentlemen have brewed across the sea. Definitely, the youth of America has no desire to become cannon fodder for the enrichment of foreign soil, of foreign or domestic schemers, of foreign or domestic munitions makers, those economic royalists against whom, but yesteryear, was raised the song of hate of these very New Dealers whose blunderings into the foreign field could so readily, so easily, so year, was raised the song of hate of these very New Dealers whose blunderings into the foreign field could so readily, so easily, so quickly embroil this Nation in a war from which the economic royalists alone might reap a profit.

royalists alone might reap a profit.

Is it not strange that today we hear no cry, no faintest peep of fear that these once so hated enemies of the New Deal now selling munitions to embattled peoples may embroil America in war? Is it not strange that we hear no demand from a peace-preaching administration, no insistence that the Congress ban exportation of any and all materials of war to any and every land without exception? What logic—what strange logic—impels perilous intervention in the name of peace while day in and day out ships sail from our shores laden with the very things destined to assure the continuance of war and aggression?

Are we not like England, permitting our own people to go on

Are we not, like England, permitting our own people to go on garnering profits from the supplying of the very things destined perchance one day to maim and destroy our own people? Are we not flinging away, for gold, our own protection, our own defense, in a world wherein stalk aggressors so frightening as to cause our President to cry forth warnings of meeting force with force? Are President to cry forth warnings of meeting force with force? Are we, as a people, profiting from such enterprise? Or are we, even now, impelled by folly as in the years before 1917, building here in America the guns, the shells, collecting the very scrap metal destined to be shot back at our own sons when, beguiled at last into the fray, we purchase the profits of munitions makers and money changers at the horrible price we did in World War days?

Ask yourselves, ladies and gentlemen, if we are being led, deliberately or by folly, into the sucker role we played in 1917. Is this administration seeking to distract attention from the muddle of

things at home, seeking to drown out the ever-mounting cries for salvation of its own people by shouting of the need of peace in Europe? Are not American millionaires, American munitions makers, American money changers, now, as before and during the World War, gleaning gold from the very strife and the preparations for strife this very administration so loudly condemns? Is this the

fruit of sound logic my friends or what?

Two weeks ago I invited your attention to this perilous med-dling in foreign affairs. Since then the fruit of that meddling has been made known to all. Is it not time to call a halt to such folly? Have we not occasion to feel ashamed that Hitler was granted opportunity to call attention to the need for cleaning our granted opportunity to call attention to the need for cleaning our own back yard—a privilege accorded to Americans and to them alone? Have we reached such a pass that truth must be told to our President only through the mouths of the enemies of democracy? I refuse to believe such can be true. It being the duty of Americans, I have faith that it will be done by Americans; that the administration will be told in no uncertain terms of America's desire to mind its own business and get busy on its own back

yard.

The past 2 weeks have brought to the Congress the President's plans for the reorganization of certain bureaus of the Government—chiefly those devoted to the dispensing of relief, social security, and loans. Such reorganization is recommended upon the ground that economies may be effected and confusion of effort be eliminated. But these realinements of bureaus in no way promise to put an end to the obvious faults of the existing system and their approval by the Congress can mean but the addition of many more high-salaried employees to the Government's roll. Economy. their approval by the Congress can mean but the addition of many more high-salaried employees to the Government's roll. Economy, if such there be, would have to come from the bottom of the pyramid, from the casting off of the helplessly dependent, and to any so-called economy effected at the expense of the unfortunate victims of poverty and economic mismanagement I am unalterably opposed. In a land where one of every three citizens is being fed from the public purse, I for one refuse to see betterment in any scheme designed to add \$10,000 figureheads to the pay roll and five a lot of starvation-wage earners in the name of economy. If fire a lot of starvation-wage earners in the name of economy. If that be economy, the less our suffering America is subjected to it

the better.

Also, during the past 2 weeks, the President has sent to the Congress a request for \$1,477,000,000 with which to run the W. P. A. during the fiscal year beginning on July 1, 1939. The President states that this amount would provide for 2,000,000 jobs instead of the 3,000,000 provided during the past year. Logically this presupposes the dropping of 1,000,000 persons from the present rolls. But since the President himself has estimated that—in periods of reemployment W. P. A. workers get only one job out of four—this proposed reduction of 1,000,000 workers would imply that Mr. Roosevelt expects at least 4,000,000 persons to be taken back into private employment. This makes no provision for the \$50,000 perprivate employment. This makes no provision for the 850,000 persons now certified as in need and waiting for W. P. A. placement, whose absorption by private industry would require, on the 1-to-4 basis, additional employment of some 2,550,000 persons, nor does it provide for the 500,000 young people annually added to the

ranks of those seeking employment

The employment by private industry of some 7,000,000 persons would be a miracle indeed. The obvious question is: By what would be a miracle indeed. The obvious question is: By what private industry? What sudden demand for production could require 7,000,000 new workers? Or five or even one million, for that matter? None in time of peace, my friends. And so I fear we must consign that dream to the realm whence have flown so many, many other dreams of the new dealers. This initial appropriation request, this call for \$1.477,000,000 for relief during the coning year is—as might say Captain Henry, of Show Boat fame, "Only the beginning, folks; only the beginning." Let us not delude ourselves that any living man knows how many millions will be destitute and dependent upon W. P. A. during the course of the coming year. We of the Congress have no doubts concerning the probability of further demands for duns when we meet next January. The ways of the New Dealers have become an old, old story, yet ever an increasingly saddening one.

increasingly saddening one.

Isn't it time, friends, to admit honestly that it isn't relief at all; that it's nothing more than craven procrastination, craven evasion? that it's nothing more than craven procrastination, craven evasion? Isn't it time common sense reasserted itself to make us abandon buck passing and pretense and call a spade a spade, a cancer a cancer? Ten billions of dollars—ten billions and more have been spent in this New Deal pretense that the unemployed are charity's children and belong on charity's doorstep. Is it not time to confess the falsity of that pretense and to admit that unemployment was born, not of charity but of faith and hope—the faith and hope incessantly impelling mankind to devise quicker, better methods of reproducing things known; to constantly seek things new with which to improve this business of living?

Why longer delude ourselves that lack of work is but a transitory economic rash or excite ourselves in efforts to attribute its existence to evil fortune? Why not place responsibility where it belongs—on an outworn, outmoded, misdirected, mismanaged distribution system and a fallacious monetary system which we have stubbornly persisted in perpetuating long after it was dead? Why

stubbornly persisted in perpetuating long after it was dead? Why not give support where support should rightfully be given, not to employables but to the old deserving of their time and rest from labor, to the blind and the lame and the halt, to dependent children, to the truly deserving dependent, the proper responsibility of

Give the able real work opportunities—not the poverty of niggardly existence wages; not destitution; not a sentence to an existence wherein lies no hope of betterment. That, friends, is

the cry of thoughtful Americans everywhere, the cry of an America heart-weary and soulsick of New Deal experiments and stopgaps, heart-weary and soulsick of New Deal experiments and stopgaps, of an unemployment situation waxing more hopeless, more desperate with every passing hour of every passing day. Can we wonder that Hitler, knowing, as must all the world, what a mess is here, what a debt we have amassed, how desperate is the plight of America today, can we wonder that Hitler sneers at us as a plutocracy and bids our President police his own country, clean up his own back yard, before pretending to the right to police European nations?

When America has solved its own pressing problems, when

European nations?

When America has solved its own pressing problems, when America summons the courage to rectify its own distribution and monetary systems to conform to the dictates of reason, when America can boast that it adequately cares for its own people, provides work opportunities for all the willing and proper care for its aged and its helpless, then and then only, my friends, may we look to the yards of our neighbors. Until that great day comes, red though our faces be at the insults heaped upon us by the enemies of democracy, let us refrain from throwing stones at other nations. For, friends, far better that our faces be red with a passing anger than that the battlefields of Europe be red again with the blood of the flower of American manhood, squandered in a senseless cause. We can redeem our dignity as we redeem America, but blood once spilled lies beyond redemption.

Please accept my sincerest thanks for your fine response to

Please accept my sincerest thanks for your fine response to these talks of mine and my assurance that requests for copies will be met as rapidly as possible. Until 2 weeks from tonight, my friends, good wishes and goodnight.

Crude Oil and Gasoline Movements

EXTENSION OF REMARKS

HON, GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following table from the Department of the Interior on the movement of oil by the different methods of transportation in this country:

Crude oil and gasoline movements, 1937

RAILROADS, CLASS I	
Originated on line:	Barrels
Petroleum, crude	
Refined oil and gasolines	295, 804, 716
Total	322, 303, 943
Total carried:	
Petroleum, crude	42, 541, 87
Refined oils and gasolines	529, 019, 843
Total	571, 561, 718
Tonnage converted into barrels by use of following tors: 6.4 barrels crude equals 1 short ton; 7.7 bar equals 1 short ton. The above does not include all petroleum products lubricating oils, etc., carried by railroads. Source: I. C. C. Freight Commodity Statistics, 1937.	rels gasoline , as fuel oil
PIPE LINES REPORTING TO INTERSTATE COMMERCE CO	MMISSION
Oil originating on lines:	Barrels
On originating on lines:	885, 370, 11
Refined	62, 978, 25
Total	948, 348, 36
Source: I. C. C. Pipe Line Statistics, 1937.	
WATERWAYS	
Gulf coastwise shipments, 1937:	Barrels
Crude oil	179, 633, 25
Gasoline	100, 374, 72
Total	280, 007, 97
Source: Data compiled by Corps of Engineers.	200, 001, 01
Intercoastal, Panama Canal, 1937:	
Crude oil	
Gasoline	4, 094, 13
Total	4, 241, 90
Source: Panama Canal reports.	980000000000
Pacific coastwise, 1937:	
Crude oil	
Gasoline	49,091,63
Total	98, 705, 15
Source: Corps of Engineers.	
Total water movement, 1937, 382,955,029 barrels.	

H. R. 5435. To Amend the Fair Labor Standards Act

EXTENSION OF REMARKS

HON. MARY T. NORTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

LETTER FROM CERTAIN FARM ORGANIZATIONS AND REPLY THERETO

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and my reply thereto:

WASHINGTON, D. C., May 13, 1939.

To Members of the House of Representatives:
The chairman of the House Labor Committee has announced her intention of calling up H. R. 5435 under suspension of the rules on Monday, May 15. This announcement calls for a reassertion of the Monday, May 15. This announcement calls for a reassertion of the position of the undersigned farm groups toward the Norton bill. We object to the Norton bill for the following specific reasons:

(1) It nullifies most of the agricultural exemptions accorded under the present law.
(2) By conceding some new exemptions to a few agricultural groups, it seeks to split the forces of agriculture by giving some commodity groups "half a loaf," while depriving the major part of agriculture of exemptions contained in the existing law to protect the formers exempts forces by agriculture of exemptions contained in the existing law to protect

(3) If passed it will bring the great bulk of agriculture under the law both as to wages and hours.

(4) It is loaded with such vagueness that no one knows what it means and members of the committee themselves disagree as to the intent of the language.

to the intent of the language.

As the Members of Congress well know, agriculture has been working for parity. The Norton bill makes for disparity. The passage of the bill will greatly intensify the present hardships confronting agriculture. It will increase costs of preparing farm products for market—costs that come out of the farmer's pocket.

Since the Norton bill was reported out by the committee, there has been a concerted effort to lull Congress into the belief that it exempts agriculture. The Members of Congress should not be misled by such representations. The fact is that the bill, prepared by its backers at the behest of the Wage-Hour Administrator, would place agriculture in a strait jacket and leave it helpless. place agriculture in a strait jacket and leave it helpless.

At no time was the farmer given an opportunity to express his views before the committee. This despite repeated requests for public hearings. Yet all the while sessions were held with the Administrator, who, by reason of the issuance of an ill-advised and utterly illogical concept and definition of the term "area of producis largely responsible for the need which exists for amend-

ments to the wage-hour law.

If the move to have the Norton bill called up under suspension If the move to have the Norton bill called up under suspension of the rules succeeds, there will be no possibility for anyone to offer amendments. The effort to pass this ill-conceived measure under such conditions, where farmers were given no opportunity to appear before the committee to state their views, is entirely contrary to the concept of democratic principles and government. Under suspension of the rules, the House itself will be deprived of any opportunity to amend or modify the Norton bill or to preserve exemptions agriculture now has.

Believing in justice as we do, we desire to see all workers properly

exemptions agriculture now has.

Believing in justice as we do, we desire to see all workers properly compensated for their labor. But it must not be forgotten that those who are engaged in agriculture are also workers, and they are among the poorest paid in the entire country. The burden of shorter hours and minimum wages resulting from the Norton bill cannot fail to place agriculture at a greater disadvantage than that under which it now labors, making it increasingly difficult for those who are engaged in agriculture and for those engaged in industry to exchange their products on a workable basis, thus injuring the entire country.

to exchange their products on a workable basis, thus injuring the entire country.

A vote for suspension of the rules would be a vote against the farmer and of all the business and industrial groups that depend upon aggriculture. The Norton bill should be decisively defeated. The amendments on which the farm groups have agreed as necessary are embodied in the Barden bill, H. R. 5374.

Respectfully yours,

American Farm Bureau Federation, Edward A. O'Neal, president; National Grange, Fred Brenckman, Washington representative; National Cooperative Milk Producers' Federation, Charles W. Holman, secretary; National Cooperative Council, Ezra T. Benson, secretary; Agricultural Producers Labor Committee, Ivan G. McDaniel.

The American Farm Bureau Federation.
The National Grange.
The National Cooperative Milk Producers Federation.

The National Cooperative Council.

The Agricultural Producers Labor Committee.

Gentlemen: As chairman of the House Labor Committee, I feel it my duty to take cognizance of your letter of May 13, addressed to the Members of the House of Representatives in opposition to H. R. 5435, a bill to amend the Fair Labor Standards Act of 1938.

H. R. 5435, a bill to amend the Fair Labor Standards Act of 1938. You purport to speak for American agriculture. In an attempt to influence the action of the Congress, you make several charges as to the harmful effects which this bill will have upon agriculture. You even imply bad faith to the supporters of the bill. I feel impelled, therefore, in a public letter to show by an analysis of the present law and proposed amendments that your charges are not and cannot be substantiated. The following statements are not generalities; they are based on a comparison of the previous of the present law and the proposed amendments, and can be verified by anyone who takes the time to make such a comparison:

comparison:

(1) This bill does not affect any person who is employed on a farm or any person who is employed by a farmer. Such workers are exempt under the law at present and would continue to be exempt under the proposed amendments.

(2) What you term "agriculture" or "agricultural exemptions" does not refer to employees of the farmers but rather to employees of canners, packers, other industrial processors, etc.

(3) You state that most of the "agricultural exemptions" (you refer to exemptions for the employees of the canners, packers, etc.) accorded under the present law are being nullified by this bill. To use a familiar phrase, "let's take a look at the record" to see whether this statement is true. There follows a comparison of the exemptions contained in the present law with those proposed in the bill as they relate to the handling and processing of the principal agricultural commodities.

Under the present law, ginning is completely exempt from the hours provisions and is also exempt from the wage provisions where the operation is performed in the "area of production."

Under the proposed changes this operation would be completely exempt from both the wage and hour provisions wherever performed, irrespective of "area of production."

Under the present law storing has no hours exemption unless performed within the "area of production."

Under the proposed changes storing would be completely exempt from the hours provision for 14 workweeks a year and up to 60 hours a week for the remainder of the year wherever the opera-

hours a week for the remainder of the year wherever the operation is performed.

Under the present law compressing has a complete exemption from the hours provisions and an exemption from the wage pro-visions where the operation is performed within the "area of pro-

Under the proposed changes the exemption would be the same as

for storing.

TOBACCO

Under the present law it is doubtful whether any operation on tobacco after it has left the farm is exempt from the minimum-wage provisions. However, there is a 14 workweeks' exemption from the hour provisions for the first processing operations upon tobacco when performed within the "area of production."

Under the proposed changes the operations of handling, tying, drying, stripping, grading, redrying, fermenting, stemming, packing (when those operations are performed prior to storage), and storing of leaf tobacco would be completely exempt from both the wage and hour provisions

wage and hour provisions.

LIVESTOCK

Under the present law no exemption is granted from the wage provisions for slaughtering and dressing livestock. Such operations are exempt from the hours provisions for a limited period and for the balance of the year the 44-hour

workweek is applicable.
Under the proposed changes the handling, grading, loading, slaughtering or dressing of livestock would be completely exempt from the hour provisions for 14 workweeks, and exempt up to 60 hours a week during the remainder of the year, wherever the operations are performed.

POULTRY

Under the present law no exemption is granted from the wage provisions for slaughtering, dressing, and storing poultry. Such operations are exempt from the hour provisions for only 14 workweeks, and for the balance of the year the 44-hour workweek is

weeks, and for the balance of the year the 42-hour workweek is applicable.

Under the proposed changes the handling, storing, grading, slaughtering, refrigerating, picking, dressing, or packing of poultry would be completely exempt from the hour provisions for 14 workweeks, and exempt up to 60 hours a week for the remainder

GRAIN

Under the present law there is an exemption from both wages and hours for handling, cleaning, handpicking, drying, and storing grains, but only when these operations are performed within the "area of production." Further, there is an exemption from the hour provisions for 14 workweeks for the first processing of grains, but only when this is done within the "area of production."

Under the proposed changes handling, grading, cleaning, polishing, handpicking, hulling, delinting, fumigating, drying, and storing of grains would be completely exempt from the hour provisions for 14 workweeks and up to 60 hours a week during the remainder of the year.

of the year.

SUGAR

Under the present law there is no wage exemption for the processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap LXXXIV—App——131

into sugar, molasses, or sirup, but there is an hours exemption

for such processing.

Under the proposed changes there would be an exemption from the hour provisions for 14 workweeks for such operations, and this change in the proposed changes the remainder. exemption would apply up to 60 hours a week during the remainder of the year.

DAIRY PRODUCTS

Under the present law there is an exemption from both wages and hours for the making of dairy products, but only within the "area of production." Further, there is an exemption from the hour provisions for the first processing of milk, cream, whey, or skimmed milk into dairy products.

Under the proposed changes the making of dairy products (except ice-cream mix, ice cream, malted milk, and processed cheese), including the cooling, pasteurizing, printing, or packing thereof would be completely exempt from the hour provisions for 14 work-weeks and up to 60 hours during the remainder of the year.

LUMBER

Under the proposed changes the felling of trees and logging lumbering operations except when performed by farmers. Under the proposed changes the felling of trees and logging operations performed prior to delivery of logs to a sawmill would be completely exempt from the hour provisions for 14 workweeks and up to 60 hours a week during the remainder of the year.

FRESH FRUITS AND VEGETABLES

Under the present law there is an exemption from both wages and hours for preparing, packing, and canning fresh fruits and vegetables, but only if those operations are performed within the "area of production"—"area of production" has been defined by the administrator for fresh fruits and vegetables as being a radius of 10 miles from the processing establishment, with the requirement the establishment be in a town of less than 2,500. There is also an exemption from the hour provisions for 14 workweeks for packing and capping fresh fruits and vegetables.

exemption from the hour provisions for 14 workweeks for packing and canning fresh fruits and vegetables.

Under the proposed changes the preparing, cleaning, grading, packing, drying, refrigerating, freezing, preserving, peeling, shelling, storing, or canning fresh or dried fruits and vegetables would be completely exempted from the hour provisions for 14 workweeks and for 60 hours a week during the remainder of the year. Further, there would be an exemption from both the wage and hour provisions for cleaning, packing, grading, or preparing fresh fruits and vegetables in their raw or natural state when such operations are performed immediately off the farm. This wage exemption is limited to the small packing operation conducted in the immediate limited to the small packing operation conducted in the immediate

limited to the small packing operation conducted in the immediate community where the produce is grown.

It should be noted that under the proposed changes the exemptions from the hour provisions, which would be granted to the handlers and processors of fresh fruits and vegetables, poultry, eggs, and grain, would not be granted to such handlers and processors if they constituted "terminal establishments." H. R. 5435 contains the commonly understood definition of the term "terminal establishment".

To summarize briefly, cotton processors are being given a broader hour exemption by these amendments than they now have under the present act; tobacco processors are being given a broader hour the present act; tobacco processors are being given a broader hour exemption; slaughterers of livestock and poultry are being given a broader hour exemption; grain elevators are being given a broader hour exemption; fresh fruit and vegetable packers and canners are being given a broader hour exemption; fresh fruit and vegetable packers and canners are being given a broader hour exemption; sugar processors are being given substantially the same hour exemption they now enjoy; and loggers are being given a broad hour exemption, although they do not have any hour exemption in the present law.

The primary need in the handling and processing of agricultural commodities is for flexibility in hours. It will be seen from the foregoing that the burdens of the hour provisions as applied to employees engaged in such handling and processing have been substantially eased.

It is true that an exemption from both the wage and hour pro-

It is true that an exemption from both the wage and hour provisions is granted by the statute to certain limited operations in the "area of production." The bill proposes to repeal these wage exemptions except as to the ginning of cotton and the packing of fruits and vegetables immediately off the farm. There is little indication that the application of the wage provisions to employees engaged in the processing and handling of agricultural commodities has been burdensome.

It is apparent to me that your fight against the proposed amend-

It is apparent to me that your fight against the proposed amendments has been induced by canners and packers of fresh fruits and vegetables. Such processors have made it clear that they will not be satisfied with anything less than a complete exemption of their employees from both the wage and hour provisions. An examination of the facts will clearly demonstrate that these demands are unjustified. For example, the State of California, from which your most active lobbyist comes, has a law which establishes a minimum wage of \$16 for a normal workweek for women engaged in canning and packing plants. Minimum wages which are equivalent to those fixed packing plants. Minimum wages which are equivalent to those fixed by the Federal law, or higher, are also required to be paid to women by the Federal raw, or higher, are also required to be paid to worker engaged in canning in many other States. It cannot be shown that the fresh fruit and vegetable industries have been handicapped in the States where such wage legislation exists. In view of the fact that all these commodities are competing in a national market, it is unjust and unfair for the Federal Government to exempt the employees in these industries from a national wage and hour law when such exemption will result in discriminatory production costs and cause a general depression of wage levels in such industries. Many canneries have been employing thousands of workers at wages which

are insufficient to maintain them in health and decency. Minimum wage legislation is needed in the canning and packing industry as much as or more than in any other industry in the United States.

I cannot help but feel that if American agriculture were apprised of the provisions of this bill with its broader hour exemption they would prefer it to the present law. I am advised by the Wage and Hour Division that most requests in connection with the coverage of employees engaged in canning and packing of fresh fruits and vegetables have been for longer hours rather than for exemption from wages. Particularly is this true with reference to the larger fresh fruit and vegetable producing States of California, Washington, Oregon, Florida, New Jersey, and Mississippi.

You state in your letter that the amendments will nullify most of the exemptions granted to the handlers and processors of agricultural commodities. It has already been shown that this is not

of the exemptions granted to the handlers and processors of agricultural commodities. It has already been shown that this is not true, and that, in fact, the amendments will considerably broaden these exemptions. Your real objection seems to be that the amendments stop short of complete exemption for these handlers and processors. I cannot but feel, therefore, that your opposition is part of an attempt to exclude from the benefits of the act the million employees or more who are engaged in the processing and handling of agricultural commodities. In fact, this is precisely what you are asking by recommending H. R. 5374, the Barden bill.

To me such a recommendation comes in bad grace from a group of farm organizations to a Congress which is asked by the same group to appropriate more than one and one-quarter billion dollars to agriculture. It would seem in all fairness that the workers engaged in these industries are entitled to the same minimumwage protection as other workers and, further, that the farm organizations should not attempt to better their economic position by depressing the lot of another economic group.

tion by depressing the lot of another economic group.

However, inasmuch as you who purport to speak for organized agriculture have raised objections to the changes in the act, ized agriculture have raised objections to the changes in the act, which the Labor Committee has proposed for the handling and processing of agricultural commodities, and have expressed a preference for the present act, I feel that I should not insist upon the retention in the legislation of those changes that you find objectionable. I am therefore introducing a bill today which contains all of the provisions of H. R. 5435 with the exception of the so-called agricultural exemptions.

Very truly yours,

MARY T. NORTON.

Importations of Pulp and Paper Products

EXTENSION OF REMARKS

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

LETTER FROM SECRETARY OF MARATHON LOCAL, NO. 319, OF ROTHSCHILD, WIS.

Mr. MURRAY. Mr. Speaker, the importance of the American market for the American laborer is evidenced in connection with the paper industry. I wish to call your attention to the fact that, according to the Monthly Summary of the United States Department of Commerce, in 1938 we exported \$11,654,690 worth of paper base stocks, which included pulpwood in cords, wood pulp, rags, and other paper stocks. During 1938 we imported \$86,354,332 worth of paper base stocks, including the same raw materials as those that were exported. In 1938 we exported \$25,913,334 worth of paper and manufactures and in the same year we imported \$112,878,458 worth of the same paper and manufactures.

The American laborer is beginning to realize that foreign importations result in a loss of our own labor; and with the number of unemployed that we have, this fact is beginning to be more evident to the people who are interested in the labor movement.

I ask unanimous consent to insert in the RECORD at this time a letter which I received from Mr. Tony Martin, secretary of the International Brotherhood of Paper Makers, Marathon Local No. 319, of Rothschild, Wis., together with copy of resolutions adopted by their labor union, as follows:

ROTHSCHILD, WIS., May 10, 1939.

Honorable Mr. MURRAY, Washington, D. C.

YOUR HONOR: For the past several years the importation of for-eign pulp and paper products into the United States has been steadily increasing, until it has become a very serious problem in the United States, and particularly in the Pacific Northwest.

The fact that foreign pulp and newsprint paper has been allowed to be imported into the United States duty-free ever since the year 1913 has had a tremendous effect on the pulp and newsprint mills in the United States, as none of them have worked at the capacity of which they are capable for the past 2 years

Obviously, when we import products that we can produce at home, we are exporting jobs; and with so many people out of work

home, we are exporting jobs; and with so many people out of work at this time in this country, it doesn't take much of a student of economics to know that we are exporting the thing we need most. This curtailment has affected some 100,000 people on the Pacific coast alone. This is taken on the basis that 13,000 people are directly employed in pulp mills on the coast, and the average family consists of 4, and those working in the woods would easily bring the figure to 100,000 people on the coast dependent upon the pulp and paper industry for a livelihood.

It is hard to understand why our Government allows duty-free pulp and paper products imported into the United States while mills in this country are forced to close down and place their employees on direct relief or W. P. A.; and in turn this causes a rising tax burden on both employer and employee to take care of the ever-increasing relief rolls.

ever-increasing relief rolls.

Sincerely and fraternally yours,
MARATHON LOCAL, NO. 319, I. B. P. M.,
TONY MARTIN, Secretary.

Whereas the imports of foreign pulp and newsprint is in excess of the pulp and newsprint paper manufactured in the United

Whereas the pulp and newsprint paper manufacturers, with millions of capital invested, have been idle or curtailed for the past 2 years, thereby suffering a great loss in the lapse of operating industry due to the importation of foreign pulp and newsprint paper; and

whereas this country enacted the wage and hour law, which set a minimum wage at 25 cents per hour and a maximum workweek of 44 hours so as to protect the American laboring people, and when we allow paper products manufactured by low-paid foreign labor to be imported into this country duty-free we are penalizing the American employer, who is forced by law to pay a decent wage or close down his plant; and

Whereas better than 25 percent of the pulp and approximately 78 percent of the newsprint paper used is imported into this country;

Whereas our imports of pulp and paper products are in value the largest single imports into this country in the past year, exceeding the imports of such commodities as rubber, sugar, coffee, and silk;

Whereas we can with exceedingly small exception produce all of the pulp and paper products necessary right in this country or in Alaska: Now, therefore, be it

Resolved, That our Congressmen and Senators be requested to use every means possible to obtain a quota of not less than 40 percent on the excessive importation of pulp and newsprint paper into the United States; and be it further

Resolved, That we request the International Brotherhood of Paper Makers Union and the International Brotherhood of Pulp Sulphite and Paper Mill Wokers Union use all measures possible to see that this resolution is carried out.

Submitted by Marathon Local, No. 319, International Brotherhood of Paper Makers.

TONY MARTIN, Secretary.

Slum Clearance and Low-Rent Housing

EXTENSION OF REMARKS

HON, ROBERT J. CORBETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

LETTER FROM B. J. HOVDE, ADMINISTRATOR OF HOUSING AUTHORITY OF THE CITY OF PITTSBURGH, PA.

Mr. CORBETT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written to me recently by the administrator of housing authority of the city of Pittsburgh.

PITTSBURGH, May 6, 1939.

Congressman Robert J. Corbett,
House of Representatives, Washington, D. C.
Dear Congressman Corbett: I am again writing you regarding
House bill 2888 providing for \$800,000,000 additional loan authorization and \$45,000,000 additional annual contributions for slum clearance and low-rent housing. In anticipation of the time when the bill is reported from the Banking and Currency Committee to the floor of the House for discussion, I am anxious to point out

certain significant facts concerning our program for your informa-

certain significant facts concerning our projects.

1. In the city of Pittsburgh we have a total of 64,000 families living in substandard housing conditions. Up to this time we have received loans from the United States Housing Authority which will develop 3,000 dwelling units. In other words, in this locality we will be able to accommodate under the present building program about 5 percent of our total slum population. The condition in Pittsburgh, we feel, is representative of the condition in practically every leading American city.

in Pittsburgh, we feel, is representative of the condition in practically every leading American city.

2. There has been a total of \$16,623,000 in loan contracts entered into between the housing authority of the city of Pittsburgh and the United States Housing Authority for the first three projects. On October 10, 1938, this authority applied for an additional earmarking of \$10,000,000 to cover the cost of additional projects on the north and south sides, which have been planned by us. These projects would accommodate approximately 1,750 additional slum families. This earmarking was denied by the United States Housing Authority on the ground that no additional funds were available at that time, although the United States Housing Authority ing Authority on the ground that no additional funds were available at that time, although the United States Housing Authority assured us that when and as additional money was available by the Federal Congress our request would be given immediate consideration. We have had indication to believe that the United States Housing Authority is well satisfied with the progress made by our authority thus far on our three initial developments, and that approval of further earmarkings would be immediately forthcoming after the Congress passes further loan authorizations. The entire population of both north and south sides has shown extreme interest in the extension of the slum-clearance program to their neighborhoods, and I know that they are anxious in their desire for this borhoods, and I know that they are anxious in their desire for this extension.

3. Under the present program contemplated for our city over 5,000 men will receive employment, and the stimulation which will be supplied to business and labor alike has received the enthusiastic endorsement of almost every Pittsburgh labor organization and business trade association. The population of the city at large approves our program because of the social benefits as well as the civic reclamation which is undertaken by the public housing

projects.

The Pittsburgh housing authority has estimated rentals on its three initial housing projects of less than \$4.50 per room per month for shelter. These rentals will satisfactorily allow families with annual incomes of \$700 to \$1,100 to live in the local project

homes.

5. It is important to note that in our city construction costs for this development of the public-housing projects will be extremely low for this locality. Estimates show that costs in this locality will average about \$3,400 per dwelling unit, including the general construction, plumbing, heating, and electrical work. This is materially less than the statutory limitations of the United States Housing Act. We hope to achieve an over-all cost, including the cost of land acquisition, construction, grading and site improvements, of less than \$6,000 on all of our projects.

6. According to the figures of the building inspection bureau of the city of Pittsburgh, the private construction average cost per dwelling unit for the first 8 months of 1938 amounted to \$4,587. The figures of the building inspection bureau, computed from the dwelling-unit permits issued by that bureau are usually representative of a cost about 10 percent lower than the actual construction cost. Speaking conservatively, if this figure is compared with the estimated construction cost per dwelling unit for our three initial projects, it will be immediately seen that the public-housing dwellings are being developed at a cost of over \$1,000 per unit less than private construction figures.

7. Under the Pittsburgh program there will be 3,000 slum dwell-

7. Under the Pittsburgh program there will be 3,000 slum dwell-7. Under the Pittsburgh program there will be 3,000 slum dwellings eliminated to compensate for the 3,000 new dwellings as required under the Federal statute. We are tearing down 700 dwelling units to make way for our first 3 projects, and the additional elimination will take place with the cooperation of the city building inspection bureau after the projects are completed. 8. The effects of the housing program in Pittsburgh on private industry are significant. There has been an upturn in business construction charts during the past several months, according to the Bureau of Business Research of the University of Pittsburgh. This bureau reveals that there has been an increase in construc-

the Bureau of Business Research of the University of Pittsburgh. This bureau reveals that there has been an increase in construction contracts amounting to 30 percent and upward during the days of the first several months of this year, compared with a year ago. We are confident that this upturn will continue.

9. We wish to point out that although actual figures are not readily available, the slum sections of our city receive by far the greatest amount of tax expenditures which are allocated to fire and police protection, city hospitals, juvenile-delinquency homes, and similar social institutions. At the same time the slum areas of this city provide a very small percentage of the total tax revenues. For example, our first three projects, located near the heart of the city of Pittsburgh, had total annual tax levies amounting to less than \$40,000. A very major percentage of these tax revenues are not collectible, and general delinquency among this type of tax-payer has been well known for a number of years.

It should be stated that a great amount of money in back taxes is paid to the municipality through the purchase of the site areas by the local authority. In each case when purchasing a large number of parcels for our first three developments we have discovered that thousands of dollars in delinquent taxes have been accumulated, and these taxes have been paid immediately at the time of settlement to the city government. They represent, I am certain, tax

revenues that the city would not otherwise have gotten for a very long time in the future, if ever.

10. We are proud of the fact that the city of Pittsburgh has gen-

10. We are proud of the fact that the city of Pittsburgh has generally acclaimed the slum-clearance and low-rent housing program perhaps the best public improvement project which has been undertaken here in recent years. All cross sections of the population, representing organized groups of workmen, businessmen, religious and educational leaders, racial and civic groups, have overwhelmingly supported this program. The chamber of commerce president, Mr. Frank Duggan, in several public addresses during the past year, here effects in the commerce president, which the chamber of commerce when the past year. has stated: "This is one Government expenditure which the chamber can unhesitatingly endorse."

11. You are well aware, I know, of the fact that private construc-

tion has never adequately taken care of the low-income population. It is unprofitable for them to do so. For this reason there has been a shortage of houses in the city of Pittsburgh for members of this group, and it is imperative that an extension of the public housing program be promulgated in order to alleviate this long-extant

shortage.
Very sincerely yours,

B. J. HOVDE. Administrator.

Toil and Taxes

EXTENSION OF REMARKS

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

RADIO ADDRESS BY HON. FRANK C. OSMERS, OF NEW JERSEY, ON MAY 10, 1939

Mr. OSMERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on May 10, 1939:

"Taxes are paid by the sweat of every man who labors, because they are a burden on production and can be paid only by produc-

These are not my words, but the words of President Roosevelt when he was seeking election back in 1932; and so tonight, instead of addressing myself to businessmen, small or large, corporation executives, or others involved in the actual payment of business taxes to the Federal Government, I will address myself solely to those men and women whose labors produce the wherewithal to pay the taxes now exacted by the Federal Government.

I wish also to speak to those who wish to work, but through no fault of their own cannot find employment. For the last few years we have been told that if we will but "soak the rich," the rest of us will benefit. Well, your Government has soaked the rich beyond the point of endurance, and times are worse than ever.

Many Americans are fond of saying, "Why doesn't the Government do something to bring back better times?" There is a great deal that your Government can do, and it is about one of the most important of these that I wish to speak tonight. The revision of taxes upon business and individuals is the greatest single step toward recovery and reemployment that our Government can undertake at this time.

take at this time.

Each year in the last six we have heard that the curb rein was going to be relaxed. This year started no differently. The President indicated that appeasement was just around the corner. Secretary Morgenthau bedecked his desk with pretty slogans, while Secretary Hopkins flapped his new wings and soared benignly over business. It now appears that these indications must take their place with other high-sounding talk and broken promises which the American workers and unemployed have been these leaves the American workers and unemployed have heard these 6 long

How long will 13,000,000 American citizens be willing to accept a pittance of support from their Government without expecting real action on the part of their Government to set the wheels of progress in action once again? How long will the workers of America be able to stand the strain now imposed upon them by a wasteful administration that sits idly by and makes no move to release the great creative energy that is America?

The per capital expenditures now stand at an all-time high and

the great creative energy that is America?

The per capita expenditures now stand at an all-time high, and a family of four starts each year \$520 in the red. In other words, a man making \$25 a week and supporting a family of four spends nearly half his working days for the benefit of the Government. It used to be said that there are two things in the world from which there was no escape—death and taxes. Now we face death by taxes.

It is interesting to note that in the 10 years between 1919 and 1929 there was an annual average investment of private capital in industry of \$19,000,000,000. Between 1932 and 1935 this average dropped to about four and one-half billions a year. Everyone who reads the newspapers today or that has any dealings with the banks is aware of the fact that billions in money are unemployed, just as millions of individuals are unemployed; and that until we

can make the investment of capital attractive and profitable we cannot have reemployment on a large scale.

Briefly, let me outline the taxes that are holding back business and point to several ways in which they can be modified, so that we will again have at least a chance of prosperity in these United

States.

At the present time the main taxes which are preventing the investment of capital are the corporation income and undistributed-profits taxes, the increasing social-security taxes, and capital-stock and excess-profits taxes. The rates of taxation have been so increased and complicated by the New Deal that the profitable investment of new money in business and industry is well-nigh impossible. There are some in our country so foolish as to believe that prosperity is deliberately being held back because certain large interests do not like or approve of the present administration. In all my travels I have never met a single American who would turn down the chance of a reasonable profit, no matter who the administration might happen to be. The facts of the matter are that those owning or controlling large wealth can sit down with a pencil and paper and point out in 5 minutes why the return under existing tax laws would not warrant the risk of new investment. Whether we realize it or not, it is the investment of many under existing tax laws would not warrant the risk of new investment. Whether we realize it or not, it is the investment of many billions of private capital in sound, productive American enterprise that will bring recovery and not the spending of a few billions each year by the Government in this ridiculous pump priming. The unbalanced Federal Budget and accumulating huge debt as a result of this pump priming are merely helping to prevent the investment of private capital.

The present corporation income taxes are 50 percent higher than they were in 1929 and all credits to small corporations have been

Investment of private capital.

The present corporation income taxes are 50 percent higher than they were in 1929, and all credits to small corporations have been abolished, while the Government insists on taxing annual capital gains and restricting greatly or forbidding the credit for capital losses. It should be possible for corporations to deduct their losses in any 1 year from the income of at least the next 2 years. Small corporations, which form the backbone of American business, should be allowed an exemption of \$3,000 if their incomes are under \$25,000 a year. This was formerly done. The bulk of taxes from corporations should come from a flat rate on their net profit.

The present undistributed-profits tax should be thrown out of the window entirely, and I have introduced a bill to accomplish that purpose. This is the tax which prevents a corporation from accumulating a surplus for the expansion of its business, so necessary at this time, and from saving for a rainy day. It is this tax, more than any other, which has been responsible for lost opportunities to the jobless. Like a lot of other things done by this administration, it sounded well on the radio, but that is all.

The social-security tax now at 1 percent for the employee and 1 percent for the employee should certainly not be increased, as the present law provides, to the point where 3 percent will be exacted from the employee and a like amount from the employer. I have introduced a bill to keep these taxes at 1 percent. After all, this tax is merely an income tax on the workers of America. The establishment of the \$47,000,000,000 reserve fund has been so discredited that even the administration has indicated a willingness to repeal that part of it. At first, it was supposed that these contributions paid under the social-security law would be used to

ness to repeal that part of it. At first, it was supposed that these contributions paid under the social-security law would be used to buy existing Government securities and thereby not increase the Federal debt, but because of the provision requiring a 3-percent return on the funds, the Government has been giving 3 percent I O U's in exchange for our social-security cash. The money so I O U's in exchange for our social-security cash. The money so obtained is then thrown in the cash drawer and used to finance the current expenses of the Government. The result is that the worker, who is America's only real taxpayer, pays a special tax on his income for social security and then will be required to pay additional taxes to replace the funds to which he has already once contributed. In other words, it is double taxation, plus 3 percent interest. The sooner social security is placed upon a pay-as-you-go basis with a modest reserve fund, the better we will be. The social-security law should be changed to permit the funds to be invested in current Government obligations, regardless of the interest rate, thereby making unnecessary any mandatory increase terest rate, thereby making unnecessary any mandatory increase in the national debt. It is not important for the Treasury to abuse these funds in making its statement, terrible as it is, a little prettier. Workers want security, not artistic Treasury statements. The present capital stock and excess-profits taxes which have

ne present capital stock and excess-pronts taxes which have contributed so much to our economic troubles and so little to our National Treasury should be eliminated entirely. They have brought in only \$175,000,000 a year and they are not based upon the ability to pay, which is the only sound taxation formula.

The personal-income tax has done its share toward preventing the creation of new jobs and should be radically changed. Ridicu-lously high rates in higher brackets should be substantially re-They produce nothing in proportion to the harm they do. duced. They produce nothing in proportion to the harm they do. Large private capital has been driven into public tax-exempt securities and will stay there until given some incentive to return to private fields. One might argue that if we eliminated the tax-exemption privileges on existing public securities, it would automatically have that effect. It probably would. But in so doing it would also cause a rush of capital from tax-exempt securities. The resulting drop in the price of such securities would jeopardize the solvency of our banks and insurance companies which are large holders of these public obligations. If there is a chapter of reasonable return through tax revision applies there is a chance of reasonable return through tax revision, ample funds will be available for the creation of new jobs, whether tax-exemption privileges are removed or not.

Small-business men, especially those not employing accountants and attorneys, have found that an increasingly large part of their

time, which should be spent in productive work, is used to fathom Federal tax laws which defy comprehension. If the present trend in complicated tax laws continues, many small-business men will have to give up any thought of improving their business and devote their entire time and energy to filling out the multitude of forms required by present Federal legislation. Even where the amount of taxes involved is unimportant, the cost of filling out the forms in some cases exceeds the amount of taxes payable. Some businessmen are wondering whether they are still in business, or whether they have become Government clerks at no salary.

ness, or whether they have become Government clerks at no salary.

The whole problem of tax revision needs attention at this session of Congress. It must be simplified and based primarily upon actual income. If Congress will concentrate upon recovery, rather than upon reelection, we will again start the flow of capital, the lifeblood of any economy, back to its proper channels of private enterprise. Let us not kill private initiative, which for 150 years has been the goose that has laid America's golden eggs. Why should all American business suffer for the crimes of a few?

It has been said that some of the suggestions contained in my remarks may have the effect of lowering the revenue from these taxes. That is not true. With encouragement and proper tax laws, business would show immediate improvement, and, consequently, even at lower rates, returns would be much greater. The fight for tax revision should be no political football, because every American, employed or not, has a vital stake in it. This is the time for the forgotten man to rise in his wrath and make his wants known. can, employed or not, has a vital stake in it. This is the time for the forgotten man to rise in his wrath and make his wants known. This administration has been derelict in performing its proper function of assisting in the general welfare of all. Our tax system will determine whether we are to become again a nation of free and independent working men and women.

Though the President has forgotten, let everyone remember his great words, "Taxes are paid by the sweat of every man who labors."

Thank you.

National Debt Policy

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, May 18, 1939

REPORT OF THE REPUBLICAN CONFERENCE COMMITTEE ON NATIONAL DEBT POLICY

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD I include the report of the Republican Conference Committee on National Debt Policy, which was unanimously approved by the Republican conference of the House of Representatives on Tuesday, May 16, 1939:

During the 6 years of the New Deal the public debt of the United States has more than doubled. The revenue of the Federal Government increased from \$3,115,554,000 in 1934 to an estimated \$5,669,ment increased from \$3,115,054,000 in 1934 to an estimated \$5,669,-000,000 in 1939. During the same period expenditures of the Federal Government increased from \$7,105,050,000 in 1934 to an estimated \$8,995,000,000 in 1939. The annual deficits have resulted in a total deficit of \$20,889,000,000 during the 6 years and a corresponding increase in the public debt. It is therefore not surprising that the per capita public debt of the United States has more than doubled during the course of 8 years, increasing from \$131 in 1931 to \$305 in 1939.

Despite this tremendous increase in the public debt, each year a larger and larger proportion of the total national income is being devoted to paying the cost of government. In 1913 only 6.4 percent of the total national income went for Federal, State, and local taxes. In 1930, 14.2 percent went for the payment of such taxes, and in 1938, 23.6 percent of the total income of the American people was turned over to tax collectors. The share of the national income taken by the Federal Government has been increasing more rapidly than the share taken by the States and their political subdivisions. In 1913 only 1.9 percent of the total national income went for Federal taxes. In 1930, 4.8 percent was devoted to the payment of Federal taxes, and by 1933 it had increased to 10.9 percent. State and local taxes in 1913 took 4.5 percent of the total national income, 9.5 percent in 1930, and 12.7 percent in 1938.

9.5 percent in 1930, and 12.7 percent in 1938.

The increase of the Federal public debt from \$20,937,000,000 on March 4, 1933, to approximately \$41,000,000,000 as of June 30, 1939, does not reveal the total increase of the Federal debt. A number of Government-owned corporations have the capacity to issue bonds that are fully guaranteed by the Federal Government both as to principal and interest. In addition to this increase in the direct public debt of the United States, the contingent liabilities of the Federal Government have increased by more than \$5,416,000,000. When the New Deal commenced there were no contingent liabilities of the Federal Government in the hands of the public. As of February 1930, and 1930, and

ruary 15, 1939, the total contingent liabilities of the Federal Government guaranteed by it both as to principal and interest and in the hands of the public were as follows:

Outstanding Feb. 15, 1939

Reconstruction Finance Corporation	\$819, 100, 000
Commodity Credit Corporation	206, 200, 000
Federal Farm Mortgage Corporation	1, 387, 800, 000
Federal Housing Administration	1,700,000
Home Owners' Loan Corporation	2,887,600,000
U. S. Housing Authority	114, 150, 000

5, 416, 600, 000 Total ____

Thus, by June 30, 1939, the total debt of the United States, including these contingent liabilities, will be in excess of \$46,000,000,000. The present debt limit of the United States (not including contingent liabilities) was set by Congress in 1935 at \$45,000,000,000. Of this amount, not more than \$30,000,000,000 can be in bonds, and the remainder must be in short term notes and certificates. The the remainder must be in short-term notes and certificates. The bill now before the House of Representatives would permit the entire \$45,000,000,000 of the direct public debt of the United States to be in the form of long-term bonds. Before this statutory limitation is reached another \$4,000,000,000,000 of direct indebtedness can be incurred after June 30, 1939.

curred after June 30, 1939.

It should also be remembered that a number of Government-owned corporations can, under existing authorization from Congress, issue additional bonds that will be fully guaranteed both as to principal and interest by the Federal Government, and that these bonds are not included in the above debt limitation. Inasmuch as a number of these Government corporations are not subject to audit by the General Accounting Office in the case of their non-administrative expenditures, it is always possible that some of the money raised through the issuance of bonds by them could be used for purposes not contemplated by Congress. These corporations have the power, as yet unexercised, to issue more than \$9,483,000,000 of such guaranteed obligations. Such authorizations and the unused balances are as follows:

	Total authorized	Authorized but unissued
Reconstruction Finance Corporation. Commodities Credit Corporation Federal Farm Mortgage Corporation Federal Housing Administration Home Owners' Loan Corporation U. S. Housing Authority Tennessee Valley Authority	\$3, 750, 000, 000 500, 000, 000 2, 000, 000, 000 3, 000, 000, 000 4, 750, 000, 000 800, 000, 000 100, 000, 000	\$2, 930, 400, 000 293, 800, 000 612, 200, 000 2, 998, 300, 000 1, 862, 400, 000 685, 850, 000 100, 000, 000
Total	14, 900, 000, 000	9, 483, 400, 000

Furthermore, in 1934 Congress set up an exchange stabilization fund of \$2,000,000,000, and the money in this fund can be expended by the President as he sees fit without audit by the General Accounting Office. The President could utilize the money in this fund to meet the current expenses of the Federal Government if Congress should not authorize an increase in the debt limit.

In addition, and with even more dangerous potentialities, the President has been vested by Congress with authority to resort to various inflationary devices whereby he can issue flat money that can be used to meet the day-to-day expenditures of the Government if Congress should not authorize any additional increase in the debt. Under the Thomas amendment to the Agricultural Adjustment Act of May 12, 1933, the President can issue at any time \$3,000,000,000 of United States notes secured only by the promise of the Federal Government to pay. It also authorized the Federal Reserve banks, at the request of the President, to purchase up to \$3,000,000,000 of Treasury bills. Thus, in reality, the President can issue \$6,000,000,000 of printing-press money that could be used by the Government to meet its day-to-day obligations if Congress should not increase the debt limit. If the Government should resort to the issuance of such paper money, widespread and devastating inflation would be the consequence.

Congress has vested in the President certain monetary powers relative to gold and silver which can be exercised in such a way as to result in a profit to the Government out of which the day-to-day defects of the Government could be met. For example, if the

to result in a profit to the Government out of which the day-to-day deficits of the Government could be met. For example, if the

day deficits of the Government could be met. For example, if the President should exercise his power to devalue the dollar to 50 percent of its previous value or by the full amount authorized by statute, the profit on the increased gold stocks would be \$2,762,-000,000 in addition to the profit already realized in 1934.

Relative to silver the President is given the power to monetize our present silver stocks at \$1.29 an ounce. If this should be done on our present holdings of over two and one-half billion cunces, the profits over the purchase price would be \$1,612,000,000. Of course the President can also devalue the silver dollar to the same extent that he devalues the gold dollar. If he should devalue course the President can also devalue the silver dollar to the same extent that he devalues the gold dollar. If he should devalue silver to 59 percent and then monetize it, a profit of \$2,394,000,000 would result. The Silver Purchase Act of June 19, 1934, directs the President to purchase silver, both domestic and foreign, until the silver stocks shall equal one-fourth of the total monetary value of both the silver and gold stock of the country. If we should ever completely comply with this law, our total silver stock would amount to three and three-fourth billion ounces. Then, if the silver dollars were devalued to 50 percent of its present value and the entire silver stock thus acquired were monetized at \$2.58 an ounce, this would result in an issuance of \$9,600,000,000 of silver certificates which would be a clear profit to the Treasury at the ultimate expense of the people. Thus it appears that out of silver the Government can make a profit varying from \$1,612,000,000 to \$9,600,000,000, depending upon the circumstances and the extent of devaluation, and there is no question that the inflationary effects of this would be ruinous.

In summary, through direct inflationary means, the President has the following potential sources of funds which could be used to meet current expenditures of the Government: (1) \$3,000,000,000 of greenbacks; (2) \$3,000,000,000 of Treasury bills secured only by Government bonds; (3) a profit of \$2,762,000,000 that could result from the further devaluation of the gold dollar; and (4) a profit of not less than \$1,612,000,000 that could result from the monetization of the present silver stocks of the Government without devaluation.

The public-debt problem outlined above has resulted from The public-debt problem outlined above has resulted from varied New Deal attempts to promote a quick recovery by spending billions of borrowed money. In fact "spending," whether it is known as "priming the pump," "compensatory spending," or "investment for the future," has been the center of New Deal thought and action ever since June 16, 1933. On that date the President approved the National Industrial Recovery Act, title II of which provided for the appropriation of \$3,300,000,000 for a number of the program.

of which provided for the appropriation of \$3,300,000,000 for a pump-priming program.

While this was the beginning of the world's greatest spending spree, the date has additional significance. It was also the date on which President Roosevelt repudiated his party's campaign pledge "to accomplish a saving of not less than 25 percent in the cost of Federal Government" and the date on which he washed his hands of his own solemn "pledge and promise" to stop the deficits and to force "a stern and unremitting administration policy of living within our income."

Why he charged his views no one knows but this much is

Why he changed his views no one knows, but this much is certain: When President Roosevelt believed in a balanced Budget he had faith in the future of American enterprise, but when he became a spender, he accepted the collectivist attitude that our economic system could no longer expand along former lines, and that unemployment and relief were permanent problems. To this he added the belief that future progress would come only through governmental exting

this he added the belief that future progress would come only through governmental action.

We have now had 6 years' experience with the New Deal pumppriming or spending theory. We believe that this is sufficient time to test any theory, especially a theory the validity of which has always been questioned, and which, if invalid, can result in economic disaster. As a result of a careful and thorough study of all factors we reach the conclusion that a spending program, as such, has no place in a well-grounded and general recovery plan. Our condemnation is complete and emphatic. condemnation is complete and emphatic.

condemnation is complete and emphatic.

The best proof that spending has failed to promote recovery is the fact that eleven to twelve million unemployed American workers are looking for jobs. In the face of this alone it is folly to contend that spending has worked, for in the words of the President, "to put people back to work" was the one purpose of the first spending bill as well as every bill that has since been passed.

It is equally evident that the stimulation of consumption goods spending has not led to a revival of capital-goods spending. While there is no doubt that some stimulation of capital expenditures may be accomplished in this way, whatever amount has occurred has not been sufficient to promote a sustained recovery. Statistics contained in a study published recently by the National Bureau of Economic Research indicate that while total expenditures for durable goods and for private construction dropped from about \$14,500,000,000 in 1929 to \$3,300,000,000 in 1933, that they increased to only \$6,000,000,000 by 1935, after 2 years of heavy spending. The figures in this study only go through 1935, but if one allows for a further increase of capital-goods spending from 1936 to 1938, it is clear that the total still remains far short of the amount spent before the depression. amount spent before the depression.

In this connection it must be remembered that consumer spend-

In this connection it must be remembered that consumer spending has not always provided the original impetus for great periods of industrial expansion. For example, the railroads, automobiles, the telegraph and telephone, motion pictures, and radio, among countless other new products and facilities, were not the result of current spending. They happened because, as one economist has stated, "bold and enterprising men have had faith that future repeding could be stimulated and that profits could be stimulated and that profits could be derived. spending could be stimulated and that profits could be derived from such expansion."

from such expansion."

The New Deal administration claims that the depression beginning in 1937 resulted from a curtailment in public spending, and that the soundness of the spending theory was thus proven.

The contrary is the fact. There is no better proof than the depression which began in 1937 that the spending theory is unsound because after 3½ years of spending the only result was a lopsided recovery. It was dependent on consumption-goods buying and lacked the support of capital-goods buying, without which a full and sustained recovery cannot be achieved.

Our examination reveals weaknesses in the theory itself as well as

and sustained recovery cannot be achieved.

Our examination reveals weaknesses in the theory itself as well as practical reasons explaining the fallure of spending to produce the desired results. An analysis of the 6 years' experience reveals one bold, stark fact—that it is impossible to put men to work on public-works jobs with sufficient speed to maximize the effectiveness of a given amount of expenditure. Another administrative difficulty involves the determination of when to spend. Since the spending theory assumes that public spending will be increased when private spending falls off, it is necessary to know accurately whether any

given decline in private spending is temporary or whether the decline is to be prolonged and pronounced. It is questionable whether the art of economic forecasting has reached this highly developed stage. Furthermore, just as the spending theory involves the determination of when to spend, equally important is the determination of when to stop. Public spending, according to the theory, should be reduced when private spending is resumed. Work on large construction prefer heaven, according to the theory of the stage of th

be reduced when private spending is resumed. Work on large construction projects, however, cannot be stopped at will.

In addition to the above there are economic reasons why the theory failed. To a great extent these are psychological, but real, nonetheless. When the Federal Government set out to spend it fostered the rise of pressure groups, which in time have become imbued with the single objective of obtaining more and more aid.

The claims of one group, if satisfied are interprets for the claims. The claims of one group, if satisfied, are incitements for the claims

of other groups.

As a result Federal expenditures have increased year after year; and, since tax revenues failed to make up for the ever-increasing expenditures, the Budget has remained continually out of balance.

expenditures, the Budget has remained continually out of balance. Continuing deficits have made businessmen and others, especially those with funds to invest, distrustful of the future. As private spenders became fearful of the future they refused to invest, and the effectiveness of additional public spending was thereby reduced. There were other so-called "depressants" to a resumption in public or business spending. As spending and the deficits increased, the attempt was made to lessen the size of the deficits by increasing revenues from taxation. As businessmen and others felt the increased burden of those taxes, their attention was fixed felt the increased burden of those taxes, their attention was fixed not only upon the present burden but also upon the ultimate burden of taxation as well. No one can view this situation with anything short of alarm, for business stagnates in an atmosphere of uncertainty and governmental competition and oppression.

Equally important but more difficult to overlook is the fact that other New Deal activities reduced any positive results that might

other New Deal activities reduced any positive results that might have flowed from spending as such. While the plan assumed that capital expansion would follow, other New Deal policies and acts have prevented this from occurring. For example, the New Deal enacted many tax measures which took money out of the worker's enacted many tax measures which took money out of the workers pocket and thus decreased his power to buy, even though the objective in the first instance was to increase consumer purchasing power. For these and other reasons we find it difficult to appraise the spending program apart from New Deal policy as a whole. We stress this fact in our report to you.

So far we have discussed the program only from the standpoint of how it worked and why, and have left until last our discussion of the long-term effects that will inevitably follow if we continue to spend more than we collect in taxes. We approach this particular phase with a deep sense of its seriousness, for we believe that the future of the Nation depends upon a clear understanding of these vital facts by every man and woman in this country.

We refer here to the threat of inflation. The administration earnestly professes to promote the welfare of all, but at the same time adopts a program which has always, without fail, led to enslavement and to moral and financial bankruptcy. Our study convinces us that there is no essential difference in our current financial situation and that which finally led to run-away inflation in post-war Europe. Inflation in every instance that we have exin post-war Europe. Inflation in every instance that we have examined has been the result of a government spending more than it collected in taxes, and this is true whether the inflation was generated by a currency or credit expansion.

Inherent in the very nature of inflation is its irresistible tendency to burst the bounds of all control through public panic.

Inherent in the very hattire of inhation is its irresistible tendency to burst the bounds of all control through public panic.

We are further convinced that there are no greater hardships to be suffered by a people than those induced by such inflation. If we continue following the line of least resistance, we shall reach the limit of our credit. When this happens, all will fall before us. Savings, big and little, will lose most of their value. Insurance companies and banks will go to the wall. The endowments of our charitable, fraternal, social, religious, and educational institutions, endowments which have taken years to create, will be reduced to a mere pittance. The increase in the cost of living will put even the essentials of life—adequate food, clothing, and shelter—beyond the reach of a majority of the population. Even those yet unborn will pay the price for our folly.

No person or group of persons will escape. Wage earners will see the purchasing power of their pay envelopes shrink as inflation brings a ruinous rise in prices. As a result, the worker's standard of living will be reduced to the barest subsistence level. Salary workers will be hit even more quickly, for salaries are relatively fixed and adjustments are not made as rapidly. Those who live on pensions, annuities, or interest from lifetime savings will meet a like fate. Farmers will suffer even more than other groups, for though they might seem to gain temporarily while

will meet a like late. Farmers will stiller even more than other groups, for though they might seem to gain temporarily while prices are moving up, this in the end will be an illusive gain. Recall that the source of present farm problems lies in war inflation. Should we embark upon a similar inflation, the farmer can look forward to only more of the same troubles he has been fighting for 20 years.

fighting for 20 years.

Furthermore it is doubtful if our system of free government and free private enterprise could withstand this shock. In this respect we call your attention to the fact that dictators now rule the peoples in Europe where government spending and inflation first ran their course. As President Roosevelt recognized in his economy message to Congress in March 1933, "Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy." The profound truth is that a government cannot

endure if through unsound financial policies and legislation it brings the nation to economic ruin. Such a condition produces all too often a man or group of men to whom the people in their despair may be persuaded to turn on the promise that economic security will be provided in exchange for their liberties.

security will be provided in exchange for their liberties.

Our present financial situation is serious. No one knows what
the limit of Government credit is or when this limit will be reached.
There is no exact figure for the limit depends upon circumstances and varies with conditions. Ultimately Government credit
rests solely on the confidence of lenders in the taxing power and
policies of the Government. There is no way to measure public
confidence. confidence.

While the New Deal has been able to finance its spending at low-interest rates and without apparent difficulties to date such excessively low-interest rates are not a sign of financial stability

excessively low-interest rates are not a sign of financial stability but the sign of economic ill health.

Furthermore, the New Deal deficits have been covered principally by borrowing in the financial markets, by the process of selling bonds and short-term Treasury obligations to the banks. The process of financing deficits by the creation of new deposit credits is potentially inflationary. The fact that this process has not resulted in actual inflation is no guarantee that it will not, or that it can be controlled once it comes. Regardless of this, the New Deal has created approximately \$9,000,000,000 of credit for the purchase of Government obligations and the financing of its deficits. The very fact that the banks have absorbed so large a proportion of the increased public debt has put them on a tread-

deficits. The very fact that the banks have absorbed so large a proportion of the increased public debt has put them on a treadmill, for they must continue buying to support the market, and the more they buy the more vulnerable they become.

Also of vital importance is the question of financial preparedness, in event of emergency. The spending plan assumes that public indebtedness will be reduced during the period of prosperity that follows spending, but what happens if prosperity does not follow? In that event, or if a sufficient period of prosperity does not ensue during which the debt can be appreciably reduced, we will enter the next emergency, perhaps war, with the odds heavily against us. Wars are costly, and should we enter a great war with an impaired credit, there would be the threat of inflation to contend with from the very start. Thus a sound fiscal policy is necessary for an adequate national defense.

Unless spending is reduced our only hope is that national income with which to balance the Budget. But this in itself is an utterly futile hope because under the New Deal we are relying upon spending to produce an increase in national income and spending

terly futile hope because under the New Deal we are relying upon spending to produce an increase in national income and spending has not worked that way, nor will it; it served only to make matters worse. It is for this reason that the monetary powers discussed earlier assume great importance, for as, if, and when it becomes impossible to force more Government securities into the banking system, currency inflation will follow. Thus, it becomes evident that sound policy involves not only a balanced Budget but revocation of the monetary powers of the President.

IV

If we are to prevent the disastrous conditions that may de-If we are to prevent the disastrous conditions that may develop as a consequence of spending more than we collect in taxes, it is imperative that Congress adopt a well-rounded program of Government action along the lines set forth below. A piecemeal program will not solve the problem. To have a maximum effect on the national welfare, all the elements herein suggested must be adopted. Above all the Budget must be balanced balanced.

(1) To accomplish this, Congress and the Government must adopt every possible means to increase the real national income. If the real income of the Nation increases, Government revenue will also increase and at the same time the alleged need for Government spending will disappear. The hindrances to production resulting from Government regulation, burdensome taxation and fear for the future have all contributed to hindering the increase in the real income of the American people.

A recent publication of the Brookings Institution has observed: "The vital problem is to secure a great increase in national production and income. The central issue, with respect to public finance, is whether such an expansion of production can best be stimulated by extravagant Federal expenditures, increasing deficits, and heavier taxes, or by some modifications of taxes and a reduction of Federal expenditures—within the limits set by essential requirements. * *

"Unless we can promptly secure a substantial increase in the national income it will be necessary to conclude that the United States has already reached the danger point in the growth of public indebtedness." (Taxation and Capital Investment, pp. 19 and 21.)

Real recovery in the United States will solve the problem of the

public debt, but real recovery in practically every way depends upon sound Government policies.

sound Government policies.

(2) In addition, it is highly desirable that a thoroughgoing and intensive study of how the National Budget can be balanced should be undertaken immediately. The Budget cannot be balanced by a mere pruning of expenditures here and there. To accomplish real reductions in Government expenditures it is necessary to evaluate the functions now being performed by the Federal Government and to determine how those functions which are desirable can be most advantageously performed at the most reasonable cost. Some present functions could probably be eliminated, and other functions could be performed in a much less expensive manner.

(3) As previously pointed out, the President has been vested by Congress with the power through various inflationary devices

to secure added funds to meet with the ordinary expenditures of the Government without incurring additional debt. The results of the use of such inflationary devices would be disastrous to the

national well-being.

Lump sum debt limit increases are as vicious in principle as

lump-sum appropriations and blank checks.

Lump-sum debt increases offer the temptation to a gigantic

Lump-sum debt increases offer the temptation to a gigantic political bureaucracy to spend up to the limit and ask for more. Submitted unanimously by the Republican Conference Committee on National Debt Policy.

Daniel A. Reed, New York, chairman; Dewey Short, Missouri, Edward H. Rees, Kansas, Albert E. Carter, California, Albert J. Engel, Michigan, Albert G. Rutherford, Pennsylvania, Albert E. Austin, Connecticut, Albert L. Vreeland, New Jersey, L. L. Marshall, Ohio, Frank O. Horton, Wyoming, Charles Hawks, Jr., Wisconsin.

Celebration of Golden Jubilee of the Corporation des Membres de l'Association Catholique

EXTENSION OF REMARKS

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

ADDRESS BY HON. EDITH NOURSE ROGERS, OF MASSA-CHUSETTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me last Sunday night before the Corporation des Membres de l'Association Catholique:

Your inviting me to address you today is a great honor. It is a great honor for several reasons. The Corporation des Membres de l'Association Catholique is one of the oldest and most eminent French-American fraternal and benefit organizations in America. This is a celebrated day in your wonderful history-your golden

jubilee.

I have known this organization a long time. I know personally many of the members. We are friends of long standing, and old friendships are fine and dependable. We know each other well. I know much about the activities and accomplishments of your C. M. A. C. I am proud of this fine American organization. I am proud of the fact that you are a part of Lowell and the Commonwealth of Massachusetts. I am proud to represent you in the Congress of the United States. I am proud of you, your character, your accomplishments, and all that you stand for.

Twenty-five years ago another great occasion in your history was celebrated. It was your silver jubilee. I remember that day very well, for on that eventful day you honored your then Representative in Congress by inviting him to speak to you. He was my predecessor in this high position of public service. He was my honorable and late husband, John Jacob Rogers. jubilee.

predecessor in this high position of public service. He was my honorable and late husband, John Jacob Rogers.

You invited him then to respond to the "toast" to "The United States." At that time he was serving his second term as your Member of Congress, and I know so well how deeply grateful he was for the honor you had given him. Today, 25 years after—a whole quarter of a century, a long and tragic period in the history of our country and of the rest of the world—you are meeting again in the celebration of your golden anniversary. This eventful day you have honored me by inviting me to respond to the "toast" to "The United States." I want all of you to know I am deeply grateful. grateful.

grateful.

On May 17, 1914, at the celebration of your silver jubilee, in responding to the "toast" to "The United States." your Member of Congress, John Rogers, described to you a significant scene. He said, "In the Hall of the House of Representatives at Washington hang two life-size portraits, one on either side of the Speaker's stand. That to his right, as we should expect, is a splendid painting of George Washington; that to his left is Lafayette, the Chevalier of France, who, like his forerunner, was 'Sans peur et sans reproche,' and who, in the darkest hours of the Revolution, was the inspiration of Washington and of his exhausted troops."

Today, in responding to the "toast" to "The United States" I went to reimpress in your minds this scene. During the vears of

want to reimpress in your minds this scene. During the years of my service in Congress I have noticed this scene so many times. I have looked at it from all angles on the floor of the House of Representatives. Many times I have sat in the House and thought of its significance, all that it portrays, all that it means. General Washington to the right of the Speaker, and General Lafayette on the left

These two great men gave much of their lives to establish a free country where men and women could think, act, and worship God in their own way, free from the bonds of autocratic injustice,

free from the constant violation of human rights, free from the tragedy of a static life. Those two great strong men made it possible to set up a new democratic system of government, in a new country, in which the citizens held the power and not some eccentric autocratic king or dictator. This newly created way of life was very popular because it was very right. This democratic government and the new country grew and expanded until today it stands as the United States of America—the greatest and most powerful country in the world. Every aggressor nation must clearly understand this fact.

Again, as I think of those paintings in the House of Representa-

Again, as I think of those paintings in the House of Representa-tives, I wonder how it is possible for any person, who has experi-enced all that this great country stands for, all of the opportunities, rights, and privileges, can try to destroy it with vicious propaganda of all kinds. Any person guilty of such a crime should be forced to give up his citizenship and his freedom. There is no

room in a free country for traitors.

Often, as I look at the faces of General Washington and General Lafayette, as portrayed in those wonderful paintings, I think of their tremendous courage and their great strength of character. I think of the enormous difficulties and problems they had to meet and solve. Possessing such character and such courage, failure was impossible. Truly, they were men of power.

Turning from these distinguished heroes of ours and all of their

Turning from these distinguished heroes of ours and all of their great accomplishments to the many difficulties we have faced during these last 25 years, I have reason to be proud of you. On many occasions you have shown the same strength of character, the same courage, the same determination that was shown by General Lafayette and his men. Twenty-five years ago our country was engaged in a conflict with Mexico. In July of 1914 the Great War started and in less than 3 years the United States was engaged in this conflict. In both of these conflicts the French distinguished themselves. Many boys from Lowell went to war some of whom themselves. Many boys from Lowell went to war some of whom were members of the C. M. A. C. Some of them did not return. Those who did come back know something of the courage and determination that was required of them. During these last 20 years we have been trying to readjust ourselves as well as recover from the tremendous shock caused by the war. It is a long, difficult read cult road.

This evening, in responding to the "toast" to the United States on this memorable occasion of your golden jubilee, I shall mention a few problems that concern vitally the whole country. They do not concern one part of the country and not another part. They do not concern New England alone, but also the entire East, and the people in the West and South as well. They are national in

scope.

Our country is made up of many different people. Our citizenry is composed of people of every nationality, of all the races, possessing many different beliefs regarding religion, as well as politics, government, social, and economic affairs. On the whole, our people are very courageous. In the beginning they came to America because America was a free country, wherein they could be free to conduct their own affairs as they wanted to, without any interference from government, except in the maintaining of law and order. They came because the United States offered an opportunity of a larger and a higher standard of living. They came because in this great land of freedom there was the opportunity to progress, to begin on the bottom and advance upward to a point of independent and happy living never before known in the history of the world. I say our people are courageous and industrious, energetic, and determined to progress. These are the very qualities which forced them to break old ways of life and old friendships in order to obtain a better way of life.

The Americans of French extraction are so outstanding for these

The Americans of French extraction are so outstanding for these qualities. From the very beginning, years before the coming of General Lafayette, the French people were here. They did much in founding America. Dr. John Finley has described beautifully the fortitude of the early French settlers in his book, The French in the Heart of America. They have worked long and hard in the development of the United States. They possess the old pioneer spirit that seems to be lacking in some of our people today. They still believe that the way of progress is the way of work. The Americans of French descent still hold fast to the one great ideal of our forefathers. They believe that in spite of any fact or condition, America, their country, comes first and the individual second. They never place any person above the country. The welfare of the country is first. Just as General Lafayette and his men were willing to give their lives that the country might be established, the Americans of French descent, I know, are willing to make the supreme sacrifice that their country shall The Americans of French extraction are so outstanding for these are willing to make the supreme sacrifice that their country shall never perish. The American fiag never must be lowered because of defeat. It is safe in the protective hands of such courageous and patriotic people as you members and friends of the C. M. A. C. Whenever the occasion has occurred you have responded willingly. That is the way it should be.

The fact that the American people are composed of many different nationalities and temperaments is one of our great problems. That problem is the necessity for an unqualified national spirit. I mean the necessity for every individual in the country, regardless of his nationality, regardless of the length of time his home has been the United States, regardless of the feeling he may possess for the so-called mother country, to not only realize that he has an obligation to the United States but that he has a duty to the United States that must always be first and that he is proud of the fact that he has this duty.

Whenever a question arises regarding the welfare of the United States every individual in the country accepting the benefits this great land offers should be proud to meet any sacrifice required. As has been always the case with the Americans of French na-tionality, the United States and its welfare should be forever first in the hearts of all the people. There must be complete national in the hearts of all the people. There must be complete national unity. There can be no progress without national security. And it is a fact that no country is secure that is diseased with disunity. A spirit of national unity is possible only if it is possessed by every person in the land. An Americanism supported by the unity of spirit of all the people is an important objective that must be obtained as soon as possible. I know members of the C. M. A. C. will work to obtain this objective.

The United States is a large country both in population and in territory. Because of this size the various sections or divisions of the country are occupied with different activities and occupations. Although human nature is very largely the same throughout America, the methods and ways of life are different. Some sec-

America, the methods and ways of life are different. Some sections of the country are devoted to industry, other sections to agriculture, some sections to mining, some to shipping, others to fishing, while existing over the whole country is a network of business and professional activity.

ness and professional activity.

These sectional occupations did not just occur. They became more or less sectionalized because of the particular advantages geographically to certain activities together with helpful qualities of climate and a general desire on the part of some people to live in a certain locality. Having developed and progressed in this way the people of these particular areas are primarily concerned with factors that will benefit the occupation in which concerned with factors that will benefit the occupation in which they are engaged and upon which they depend for their living. If they happen to be engaged in agriculture they have been not concerned with the problems of industry and those sections devoted to it. They have been concerned only with their own areas. On the other hand this is true of the people in the industrial sections in regard to the agricultural districts. In other words our people believed their only concern was their own immediate affairs. From the beginning of our country until 1925, this point of view seemed to work all right for the development of the particular sections throughout the United States. Whether right or wrong during this period of development, this method of of the particular sections throughout the United States. Whether right or wrong during this period of development, this method of sectional independence cannot be followed today. As a matured Nation, we cannot afford to benefit one section of the country, if in doing so we cause a detriment to others. We cannot at the same time enrich one district and pauperize another. We do not exist today as parts of a nation, which added together make the whole. We have passed that period. Today, the United States is one complete unit, politically, economically, and socially. The problem of sectionalism with all of its economic disorganization must be solved before our country again can be prosperous.

prosperous.

Economic disorganization encourages as well as breeds national disunity. A country that is in a state of economic disorganization lacks national security. When national security is lacking, we cannot be certain of our prosperity, our homes, our institutions, or our freedom. This cancer of our national life must be cured. Laws, legislation, methods of procedure, ways of doing things, which are beneficial to one group of our people while causing another group to suffer must be constantly opposed and those in operation now should be amended or repealed. Industry and business cannot offer steady jobs while there are laws already in existence, together with proposed new ones, that make it almost impossible for our institutions to operate. You cannot place a noose around the neck of business constantly threatening to hang it, and at the same time expect it to develop, go forward, and plan for the future. We must make the future certain if we want business and industry to progress and provide jobs for the millions of fine men and women unemployed at this very moment in our country. I know you members of the C. M. A. C. will agree with me regarding this objective. I know you will do all you can to urge upon those in authority and those who represent you in the affairs of Government to work for the abolition of sectionalism and disorganization within our country. All that I mean is, that we must work from now on for the best interest of the country as a unit rather than any particular section, in regard to matters that have a bearing on the welfare of the country as a whole.

Since that celebrated day of May 17, 1914, your Silver Jubilee, a quarter of a century as of the United States has engaged in a Economic disorganization encourages as well as breeds national

the country as a whole.

Since that celebrated day of May 17, 1914, your Silver Jubilee, a quarter of a century ago, the United States has engaged in a great World War, losing thousands of our splendid young men, permanently injuring thousands more, wrecking thousands of happy homes, losing billions of dollars, and suffering great losses during the period of readjustment, in addition to experiencing the greatest economic depression in the history of the world. Nothing was gained for the United States from that war. Instead it has forever crippled the present generation. When the war began in July 1914 we thought we could avoid it and remain neutral and attend to our own affairs. By economic forces, political maneuver-July 1914 we thought we could avoid it and remain neutral and attend to our own affairs. By economic forces, political maneuvering, victous lies, and propaganda we were pulled into it. America went in with a noble idea, "To make the world safe for democracy," while at the very moment we were allied side by side with one of the great autocracies of the world. Propaganda, greed, jealousy are the victous factors that forced this great Nation to marshall its strength and send an army to a foreign battlefield 3,500 miles away were streamed to come the common who across the ocean. We did it, and in honor of our brave men who gave everything in the cause, some of whom were members of this eminent organization of the C. M. A. C., let us say we did the job well, and we are glad our efforts brought victory. We are glad our

boys, with General Pershing and Colonel Stanton, were able to march to the tomb of General Lafayette in Picpus Cemetery, and, in the words of Colonel Stanton, proclaim, "Lafayette, we are here." That is all behind us now. That was 20 years ago. Let us profit by our experience, however, as we turn our eyes and thoughts to the problem of maintaining our peace in the troubled world of today. today

As your Representative in Congress, I have the honor to be a member of the great Committee on Foreign Affairs. This committee has part of the job of striving to keep the peace and to avoid war. Every Representative on that committee wants to constantly maintain the peace of this country with other nations. Every member is unqualifiedly opposed to war except in defense of our own country and our commitments regarding the Western Hemisphere. The question is, How can we do it? We have spent many hours together, as well as in private study, in trying to reach a satisfactory solution to this problem. We have not reached it yet, but we are not going to give up. Some of us know first hand much about the tragedy of modern warfare and we intend to save the people of our country from ever experiencing it again if it is the people of our country from ever experiencing it again if it is possible.

we know that the greatest accomplishment our Government could achieve in any way would be the finding of the way to save our young men and the Nation as a whole from becoming involved in the tragic fate which seems almost ready to break over the world today. Although it may cost to keep out, that cost will be insignificant compared to the cost of another world conflict. The members of the Foreign Affairs Committee, however, cannot control all forces that might lead us into war. Much of that responsibility is on you and the rest of the people of the country. First of all as a people we must be constantly alert to recognize the vicious propaganda that is spread over the country for the purpose of exciting passions and tempers into a war fever against some country that has become an enemy in the minds of the propagandists.

It is the job of every publisher in this country to constantly strive to obtain true facts before he publishes them. Otherwise the publication becomes a medium of spreading propaganda. As a people we must be willing to make certain sacrifices to stay out of war. As a government we must be willing to make certain sacrifices to stay out of

people we must be willing to make certain sacrifices to stay out of war. As a government we must be willing to make certain sacrifices. All of the sacrifices we make, however, will be far less than those we would be forced to make if we were engaged in war. I appeal to you to consider all that a war might mean to you personally and to your country. Do not permit propaganda to influence decisions. Seek out the truth and make the truth known. We must never again send our fine young men to slaughter on the altar of greed and jealousy. We must never again send them to their doom on the battlefields of Europe.

I appeal to you, therefore, in my response to the "toast" to "the United States" on this great occasion of your golden jubilee, to place your country first, and, in the spirit of General Washington and General Lafayette, try to influence others to do the same. As we look into the next quarter of a century, we must not only strive for but we must obtain a strong national unity. We must organize our resources and economic life. We must abolish as much as possible waste and disorganization. We must weld the various sections of our country together. We must work for the benefit of the whole instead of the part. We must put our national house in order and keep it that way.

Above all, I appeal to you and to your great C. M. A. C. to constants structs to keep war war of the service wat to keep the service was to service to keep war and to some service and to some service to keep war and to some services and services

Above all, I appeal to you and to your great C. M. A. C. to constantly strive to keep war out of America and to keep America

out of war.

In May of 1964, 25 years from now, when you celebrate your diamond jubilee, I hope all of you will be there, and you will look back over the years and be able to say, honestly, "We have made our country a happier and a more united place in which to live."

Comments and Criticisms, Questions and Answers, on Constitutional Money and Government Monetary Control

EXTENSION OF REMARKS

HON. R. T. BUCKLER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

RADIO DISCUSSION OF THE MONETARY PROBLEM AND LETTER

Mr. BUCKLER of Minnesota. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein the twelfth radio discussion over station WOL in a series of congressional breakfast talks conducted by Mr. Charles G. Binderup, former Congressman from Nebraska; also a brief letter which preceded this talk through the mail to 600 of the Nation's lawmakers calling attention to this breakfast talk on Constitutional Money and Government Monetary Control,

I believe the Congress and the Nation in general are becoming awakened to the danger of monetary control by Wall Street and that the advice of Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Daniel Webster, James A. Garfield, W. J. Bryan, and other great statesmen who knew the real meaning of democracy, is being regarded more seriously today than any other time.

The letter and radio discussion are as follows:

UNROBING THE WALL STREET GHOSTS

(1) Fifty-cent dollars; (2) printing-press money; (3) flat money;

(4) inflation.

It was Nero, of Rome, who taught the international bankers the In building for himself fortification against any accusations, way. In building for himself fortification against any accusations, he created a poison called prejudice around the honorable name "Christian," and when the term was thoroughly steeped in the poison of gossip and prejudice he pointed to it as something combined with everything horrible. An uninformed public aped him, as they always ape those in power. Thus fortified—accused and guilty—he pointed and whispered, "The Christians." And blind and prejudiced humanity burned them at the stake.

And so today the international bankers point to the four Wall Street ghosts—50-cent dollars, printing-press money, flat money, and inflation—and whisper, "Horrible! Terrible! Look out, or those ghostly bogey men will get you!" And in Congress and out of Congress the uninformed, trembling, and frightened echo the

ory.

In previous letters we have unrobed their first ghost, 50-cent dollars, and their second ghost, printing-press money, so today we will unrobe the third ghost, fiat money.

Webster's Dictionary defines "fiat" as follows: "A mystical value obscure to human observation, a value created by law."

All money is flat money. It would not be legal-tender money

un'ess it was flat.

un'ess it was fiat.

All money is made by law. Gold is fiat money, because its value was created by law. Remove the fiat from gold, or demonetize gold and its value would be so small that you would be ashamed to wear a gold ring, or even to have the gold show in your teeth. In 1933 we increased the price of gold from \$20.67 an ounce to \$35—that is, we added another \$14 fiat to an ounce of gold, or we added to our gold holdings \$2,700,000,000 fiat on top of all the other fiat we already had in the gold.

Since all money is fiat money, then why all this continuous

Since all money is flat money, then why all this continuous alarm in the press and on the platform, in Congress and out of Congress, about flat money?

Sincerely yours,

C. G. BINDERUP.

CONGRESSIONAL BREAKFAST TALK, MAY 16, 1939

Announces. It is now 8:15 o'clock and we bring to you once more our regular Tuesday morning congressional breakfast talk by Members of the Senate and House under the direction of Hon Charles G. Binderup, former Congressman from Nebraska. Mr Binderup.

Mr. BINDERUP. We bid good morning to everybody in behalf of the Constitutional Money League of America, and with a feeling of gratitude we wish to again thank this broadcasting station, WoL, Washington, D. C., for the privilege they have granted us in featuring these congressional breakfast talks over their station. May we greet once more our President Roosevelt, his Cabinet, members of the Federal Reserve Board, and Members of the Senate and House.

It certainly is a great pleasure to introduce our guest speakers this morning, men whom we have invited because we knew their heart was in the right place—Congressman Pierce of Oregon and Congressman Harrington, of Iowa. Congressman Pierce, may I ask you, What is your opinion as to the importance of the money question?

Mr. Pierce. In my judgment, the money question is the funda-mental problem before the American people today, and until this is settled and settled right nothing can be done.

Mr. BINDERUP. Congressman HARRINGTON, we would like to have

an expression of your views.

Mr. Harrington. I think you are doing a wonderful work with your Constitutional Money League of America in striving to educate the public on this most important question. We all recognize that education is the foundation of democracy and that this great Nation cannot live, and civilization cannot endure, unless the reasonable wants of humanity are satisfied. We must have a consuming and purchasing power among the lower-income groups before we can have prosperity and before the factories can run. It is not control of production we need so much as it is control of distribution, and this cannot be accomplished without a sufficient supply of money to distribute commodities from the producer to the consumer.

Mr. Binderup. Our last congressional breakfast talk entitled "Paying the National Debt with a Fountain Pen," seems to have brought forth a great deal of comment. I believe I stated in the beginning of last Tuesday's broadcast that this subject would be a most difficult part of our plan for people to understand. Congressman Harsington, you are quite familiar with our plan for Government monetary control and constitutional money. Perhaps you can answer these questions in a clearer manner than we did in our last Tuesday's broadcast.

Mr. Harrington. I have always realized, and I speak with due respect to everyone, that if you want to get into a real fight, just try to pry the people out of an old mental rut, and, Mr. Binderup, that is just what you have been trying to do. I do not think it is difficult to understand this subject as explained in your last broadcast, and I believe the explanation as given by Congressman Massingale, who took the part of Uncle Sam, is quite plain. I know, however, that the thought is so new to most people that they cannot realize that the Government debt can be discharged so easily. To them it has become a nightmare, and it is not easy so easily. To them it has become a nightmare, and it is not easy for them to realize that there is nothing real about their fright. I think Congressman Massingale made it very plain in his example that if I owe you a dollar and you owe me a dollar, we can cancel the two debts with a fountain pen and a scrap of paper. Then if the people owe the banks \$20,000,000 in bonds and the banks owe the people \$20,000,000 in deposits, why not the same principle? The people owe the banks and the banks owe the people, so a fountain pen will do the work. We have had no less than 27 money panics wherein the people have lost their deposits, so this surely should teach us something. To me it seems only just and fair, and I think it does to everyone, that Uncle Sam should hold the bonds purchased by the bank for the people's money and in return be responsible to the people for all their deposits. This would relieve the banks as well as the Nation of further monetary catastrophes.

their deposits. This would relieve the banks as well as the Nation of further monetary catastrophes.

Mr. Pierce. I believe this is one of the very fundamental principles of your plan for constitutional money which provides for 100 percent reserves back of demand deposits in bonds and cash.

This prevents the banks from creating and destroying the people's money, and I think it is most necessary.

Mr. Binderup. Another comment which I received from another Congressman was in regard to the statement we had made in the last broadcast, that the demand deposits in banks belonged to the people. He claimed the people's deposits belonged to the banks and that they could use this money for anything they wanted to. Congressman Pierce, you have a splendid knowledge of money and banking. May I ask you for your opinion about this? If the people deposit their money in the banks and pay the banks a monthly charge and a fee on each check they handle, don't you think the demand deposits always and at all times belong to the people?

people?

Mr. Pierce. Well, if I place money in a trust fund and pay the trustees to take care of the funds and they invest it for me, the profits from the investment certainly belong to me, and the title and ownership does not shift. Demand deposits are a trust fund held by the banks for which service the people should pay them. Certainly they, the people, never surrender title or ownership. If we pay our county treasurer to take care of the county's money and he uses the money for his own profit, it becomes a criminal offense. Well, the people's demand deposits in a bank are no different provided the banker is being paid for his services. However, we must recognize that unless provided for by law, custom makes law. Strictly speaking, it would be embezzlement for the banker to use your demand deposits for which you pay him as a custodian, but if you deposit your money, knowing that he is using it, of course, you couldn't object. However, I say there can never be any question about the ownership of these demand deposits. deposits.

Mr. BINDERUP. Another comment on our plan for Government Mr. Binderte. Another comment on our plan for Government monetary control by another Congressman was "where would the bankers make any money if they could not lend their demand deposits or invest them in Government bonds?" Congressman Hargengrow, can you explain the potential profits to the banks under our plan, without their use of the depositors' demand deposits?

deposits?

Mr. Harrington. Well, in my judgment, this would be somewhat difficult to figure out and must remain a banker's own problem. We are not necessarily legislating a profit for the banker or for any other group, but in the interest of the people as a whole. We do, however, know this much: We know there are 61,392,000 accounts in the 15,000 banks in the United States. This figure, however, does not include some 1,100 banks outside of the Federal Deposit Insurance Corporation. We also know that in ordinary times over half of the bank accounts are demand-deposit accounts, and if the banks charged a dollar a month for keeping these accounts, which half of the bank accounts are demand-deposit accounts, and it the banks charged a dollar a month for keeping these accounts, which most of our bankers do, it would be very safe to estimate a profit of \$25,000 to each one of the banks on an average annually.

Mr PIERCE But isn't it also a fact, Congressman HARRINGTON,

Mr. Pierce. But isn't it also a fact, Congressman Harrington, that most of our banks now charge a fee on each individual check varying from 3 to 5 cents? Can you give us an estimate on about

what that would amount to?

Mr. HARRINGTON. Well, in this case also the result must be estimated. We do know, however, that in 1938 the checks that were cleared through the banks' clearing houses amounted to \$650,000,000,000. (This was just half as many dollars in checks as was cleared through the banks in 1929, meaning that we had approximately half as much money in circulation in 1938 as we had in But to get back to our problem again, I believe that it is 1929.) But to get back to our problem again, I believe that it is generally claimed that the average-size check is about \$7, but suppose we would call it \$10. Suppose the bankers only charged a penny a check. The income to the banks would be \$650,000,000 annually, or about \$43,000 to each bank. Add this \$43,000 to the \$25,000, and it would make a total of \$68,000 average income to each of the 15,000 banks per year on demand deposits alone. Of course, this may sound to the small banks in the rural community as big money, but to the large banks this would sound like pin money, but I say this figure is an average income. Now, of course, I do not claim that this is positive or definite, but it gives a general picture of the least that the banks would make if the above charges were made, which isn't a bad profit since it is on demand deposits alone

Mr. BINDERUP. Another comment suggests that we were wrong in our statement which we made last Tuesday morning, when we said that the banks would all go broke if the Government bonds should that the banks would all go broke if the Government bonds should fall 20 percent, and he added, "Don't you know, Mr. Binderup, that the banks can borrow the face value on all Government bonds from the Federal Reserve banks?" I would like to meet this argument myself and explain that while it is true at this time that the member banks can borrow 100 percent on their Government bonds at a rate of 1½ percent interest from the Federal Reserve banks, but this is only for 15 days.

Let no small commercial banker ever believe that the Federal Reserve Banking System will work different now than it did in 1920 and 1929 when the Federal Reserve bank let every small bank crash without consideration. And let no one think that the Federal Reserve banks will lend 100 percent to the small banker when the market price of Government bonds goes down to 80 percent of their face value. And let no small commercial banker ever believe that the Federal Reserve Banking System is a friend of his. Why this huge Frankenstein is just waiting to devour the balance of the smaller banks, just as he did in the twenties, when he ate up no less than 16,000 commercial banks. Just one more feast like this by this Wall Street Frankenstein and you will see another facely of the properties benefits a legal to the street of the second street of the s

like this by this Wall Street Frankenstein and you will see another flock of commercial banking skeletons, empty bank buildings rattling in every city, town, and hamlet over the Nation.

Mr. Pierce. But suppose, for argument's sake, it were true what the Congressman said, and that the member banks really could borrow the full amount on their bonds indefinitely. If prosperity should start back, everyone would be cashing their bonds through their banks and through the Federal Reserve banks. It would mean that the Federal Reserve banks would be called upon to virtually cash over \$37,000,000,000 worth of Government bonds, for with prosperity everyone would throw their bonds on the market with prosperity everyone would throw their bonds on the market to buy the much more profitable industrial bonds and commodities which would be going up by leaps and bounds. We would have an inflation that would make the inflation of the French assignats and the continentals and the German marks look microscopic.

Mr. Binderup. But don't you think the big bankers will let this happen, and don't you think they will lend 100 percent on bonds to the smaller banks? Mr. Eccles and the Federal Reserve bankers will just create another depression, and once more, for the twentyeighth time, the people will be sacrificed to save the big bankers. Yes; it is just as was remarked in our last congressional breakfast talk. It's damned if you do and damned if you don't under our ambiguous and corrupt money and banking system. How long will the people stand by in utter darkness and ignorance of this treacherous, damnable money and banking system that is destroying our people and our Nation? ing our people and our Nation?

Mr. Harrington. It looks to me as though the time has about arrived that Abraham Lincoln prophesied when he said: "The money power of the country wil endeavor to prolong its reign by working upon the prejudice of the people until all wealth is aggregated in a few hands and the Republic destroyed. I feel at this moment more anxiety for the safety of our country than ever before, even in the midst of war. God grant that my forebodings

may be groundless."

Mr. Pierce. But surely the welfare of the people is more to be considered than are these pirates of finance—Wall Street and the international bankers. And some day I believe public sentiment will be aroused and the people in their might will arise against this monster. I believe I read recently of a country over in Europe that found it necessary to put a Rothschild in jail. Well, I hope we will not have to go that far, but as for me, the welfare of the people is supreme to anything else.

Mr. BINDERUP. Another Congressman offered this correction: "You have forgotten, Mr. Binderup, that the depositors' accounts are now guaranteed by the Federal Deposit Insurance Corporation." Congressman PIERCE, will you explain this?

Mr. Pierce. Well, I have always been very much in favor of demand-deposit insurance. In fact, I campaigned for this during the Bryan campaign of 1908 and while Governor of Oregon I took an active part in promoting demand-deposit insurance. When I came to Congress and found it on the calendar I was really happy. Now, Mr. Binderup, you have made a greater study of just what our Federal deposit insurance is, and I would just

a little bit rather that you would explain this.

Mr. Binderup. Well, Congressman Pierce, I am sure we can all agree with you that demand-deposit insurance is most essential. We can never have a safe and sound money system until this part of the program is settled. The people must know that their deposits are safe in the banks, and after the 27 money panics, depressions, recessions, and collapses we have endured, it is no depressions, recessions, and collapses we have endured, it is no wonder they prefer a tin can, or a sock, or a safety-deposit box, or anything safer than the banks. There is no private institution, corporation, or combination of corporations that has the means for guaranteeing \$53,000,000,000 of the people's deposits. Only the Government can do that, and without cost to the banks or the Government, under our monetary plan, as earlier explained in our book, Uncle Sam's Hospital Chart, as well as in these congressional breakfast talks wherein the plan is given these congressional breakfast talks, wherein the plan is given with explanations. Our Federal deposit insurance is in my judgment not very substantial or sound, but let everyone be his own judge.

The surplus and capital stock of the Federal Deposit Insurance Corporation amounts today to \$420,000,000 (which constitutes their reserve fund), but the deposits amount to approximately \$53,000,000,000. However, the \$5,000 limitation for each individual depositor reduces the amount for which the Federal Deposit Insurance Corporation is liable, so actually their liabilities are \$43,000,000,000. In other words, each dollar insured is backed by less than 1 cent. How would you like to insure your house with an insurance company whose liabilities are 100 times greater than its assets? Well, that is exactly the kind of insurance you have on your demand deposits in your banks. Call it insurance if you like, but know the truth.

Mr. Pierce. I notice in a recent issue of the Congressional Record

Mr. Pierce. I notice in a recent issue of the Congressional Record an article purporting to have been written by Congressman Williams of Missouri, who is a member of the Banking and Currency Committee, wherein he says that the Governors of the Federal Reserve Board represent the people's interest and not the interests of the banks. Mr. Binderup, what is your opinion about this?

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Mr. Binderup, what is your opinion about this?

Mr. Binderup, in order to establish just who the Federal Reserve Board of Governors represents, suppose we ask them a few questions. First, "Are you in favor of the people issuing their own money?" They will answer "No." They have already said they are not in favor of this. Second, "Are you in favor of continuing the present money and banking system whereby the banks mint and unmint the people's money at their pleasure?" And they will reply, "Yes." They have already said they are. Third, "Are you in favor of 100-percent reserves back of demand deposits to you in favor of 100-percent reserves back of demand deposits to protect the people's savings?" And they will say, "No." They have already said they were not in favor of this. Fourth, "Are you in

favor of continuing under the present plan with a money panic and a depression once every 6 years?" And they will say, "Yes." They have already said so. They said it just couldn't be helped. Mr. HARRINGTON. And isn't it a fact that whenever there is a threatened money panic, the Board of Governors call in all the big bankers for consultation and never call the people nor the people's Congress, nor the Committees on Banking in the House people's Congress, nor the Committees on Banking in the House

or Senate?

Mr. Pierce. Well, that, it seems to me, is pretty good evidence as to who the Federal Reserve Board represents. And isn't it also a fact that the salaries of the Federal Reserve Board are paid by the bankers?

Mr. BINDERUP. Most people do not know this, but it is true, they are.

Submerged Ocean Lands

EXTENSION OF REMARKS OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES Friday, May 19, 1939

STATEMENT BY HON. MORRIS SHEPPARD, OF TEXAS, BEFORE THE COMMITTEE ON PUBLIC LANDS AND SURVEYS, MARCH

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix a statement made by me on March 27, 1939, before the Committee on Public Lands and Surveys on the question of submerged ocean lands.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senator Sheppard. The resolutions before the committee set up a claim on the part of the Government of the United States to the ownership of the petroleum deposits underlying submerged lands adjacent to and along the coast of the State of California below low-water mark and under the so-called territorial waters of the United States of America

It provides further that neither "this joint resolution nor anything It provides further that neither "this joint resolution nor anything herein contained, nor any inference or deduction which may be drawn herefrom or from any part hereof, shall be construed as releasing, waiving, abandoning, disclaiming, or affecting in any way whatsoever any right, title, claim, or interest which the United States of America has, or would otherwise have, to other petroleum deposits and submerged lands or the right to set aside other petroleum deposits and submerged lands elswhere as naval petroleum reserves or for other purposes." for other purposes.

The resolutions thus challenge the rights of all the other coastal States, as well as California, to the petroleum deposits in the submerged lands adjoining their coasts below low-water mark and under their adjoining sea waters.

I shall endeavor to show that these resolutions overthrow a basic

I shall endeavor to show that these resolutions overthrow a basic principle of the American form of government.

At the time the Original Thirteen Colonies secured their independence from Great Britain they became separate and independent sovereignties, their territorial jurisdiction extending into the open sea adjoining their respective coasts as far as it had extended from such coasts under the English Crown.

Regarding Great Britain, the Territorial Waters Jurisdiction Act, passed by Parliament in 1878, established the extent of the terri-torial maritime belt of Great Britain as 3 miles seaward, or 1 marine league seaward, from the low-water mark of the coast (Oppen-

rine league seaward, from the low-water mark of the coast (Oppenheim's International Law, McNair, vol. 1, Peace 397).

Regarding nations in general, Oppenheim, a well-recognized authority on international law, says:

"If the municipal law of a State does not by a statute extend its jurisdiction over its maritime belt, its courts ought to presume that, since by the law of nations the jurisdiction of a State does extend over its maritime belt, their sovereign has tacitly consented to that wider range of its jurisdiction (Oppenheim's International Law McNair, vol. 1, Peace, 35)."

Law, McNair, vol. 1, Peace, 35)."

In the instrument by which the new sovereign American States created the present Government of the United States of America and defined its powers—that is, the Federal Constitution—it is stated in amendment 10 as follows:

stated in amendment 10 as follows:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The Constitution will be searched in vain for any language showing a delegation to the Federal Government of the ownership of the submerged lands under the ocean waters of the States or the minerals in and under such lands, or the power of the Federal Government to acquire such lands or minerals without compensation. This the present resolution proposes to do. The powers and Government to acquire such lands or minerals without compensa-tion. This the present resolution proposes to do. The powers and rights of the States in this matter have been defined and estab-lished by a long line of decisions of the Supreme Court of the United States, and a few of these decisions are presented herewith. In Martin v. Waddell (11 L. Ed. 997, 16 Peters, 367), Mr. Chief Justice Taney said:

"For when the Revolution took place the people of each State became themselves sovereign, and in that character hold the absolute right to all their navigable waters and the soils under them for their own common use, subject only to the rights since surrendered by the Constitution to the General Government.

rendered by the Constitution to the General Government.

After discussing the history of the proprietors of New Jersey (the State involved in this case), Mr. Justice Taney said further:

"When the people of New Jersey took possession of the reins of government and took into their own hands the powers of sovereignty, the prerogatives and regalities which before belonged to the Crown or the Parliament became immediately and rightfully vested in the State."

vested in the State."

The jurisdiction of the British Crown in this respect extended from the shore for a distance of 3 miles seaward.

In the case of the *United States* v. *Mission Rock Co.* (189 U. S. 391) it was held that "the State of California upon its admission into 391) it was held that "the State of California upon its admission into the Union acquired absolute property in, and dominion and sovereignty over, all soils under the tidewaters within her limits, with the consequent right to dispose of the title to any part of said soils in such manner as she might deem proper, subject to the paramount right of navigation over the waters, so far as such navigation might be required for the necessities of commerce with foreign nations or among the several States, the regulation of which is vested in the General Government."

Other Federal rights or easements, such as national defense and

Other Federal rights or easements, such as national defense and commerce, belong to the United States Government, but, of course, do not include title in said Government to the lands under

the territorial waters of the States.

In the Mission Rock case Mr. Justice McKenna, delivering the opinion of the Court and referring, among other cases, the Weber v. Commissioners (18 Wall.), quoted from the latter as follows:

"Although the title to the soil under the tidewaters of the bay

"Although the title to the soil under the tidewaters of the bay was acquired by the United States by cession from Mexico, equally with the title to the upland, they held it only in trust for the future State. Upon the admission of California into the Union upon equal footing with the original States, absolute property and dominion and sovereignty over, all soils under the tidewaters within her limits passed to the State, with the consequent right to dispose of the title to any part of said soils in such manner as she might deem proper, subject only to the paramount right of navigation over the waters, so far as such navigation might be as she hight deem proper, subject only to the paramount right of navigation over the waters, so far as such navigation might be required by the necessities of commerce with foreign nations or among the several States, the regulation of which was vested in the General Government."

among the several States, the regulation of which was vested in the General Government."

In the same case, Mr. Justice McKenna, referring to the case of Shively against Bowlby, quoted Mr. Justice Gray, who rendered the opinion of the Court in the Shively case as follows:

"Each State has dealt with the lands under the tidewaters within its borders according to its own views of justice and policy, reserving its own control over such lands, or granting rights therein to individuals or corporations, whether owners of the adjoining upland or not, as it considered for the best interests of the public.

"This right," said Mr. Justice McKenna in the Mission Rock Co. case, "is an attribute of the sovereignty of the State, and it follows that in the exercise of the right (quoting Mr. Justice Gray), the State may dispose of its tidelands free from any easement of the upland proprietor."

In Shively v. Bowlby (152 U. S. 1), Mr. Justice Gray, delivering the opinion of the Court, said:

"By common law both the title and the dominion of the sea, and of the rivers and arms of the sea, where the tide ebbs and flows, and of all the lands below high-water mark, within the jurisdiction of the Crown of England, are in the King. Such waters and the lands which they cover either at all times, or at least when the tide is in, are incapable of ordinary and private occupa-

tion, cultivation, and improvement. Their natural and private uses are public in nature, for highways of navigation and com-merce, domestic and foreign, and for the purpose of fishing by all the King's subjects. Therefore the title * * * in such lands merce, domestic and foreign, and for the purpose of fishing by all the King's subjects. Therefore the title * * * in such lands * * * belongs to the King * * * and the dominion thereof * * is vested in him as representative of the Nation and for the public benefit. * * * The various charters granted by different monarchs of the Stuart dynasty for large tracts of territory on the Atlantic coast conveyed to the grantees * * * the property and the dominion of lands under tidewaters. And upon the American Revolution all the rights of the Crown and of Parliament, vested in the several States subject to the rights surrenger. ment vested in the several States, subject to the rights surrendered to the National Government by the Constitution of the United States."

In Hardin v. Jordan (140 U. S. 331), Mr. Justice Bradley, delivering the opinion of the Court, said:
"Such title to the shorelands under water is regarded as incidental to the sovereignty of the State * * * and cannot be retained or granted out to individuals by the United States. Such title being in the State the lands are subject to State regulation and being in the State the lands are subject to State regulation and control, under the condition, however, of not interfering with regulations which may be made by Congress with regard to public navigation and commerce. The State may even dispose of the usufruct of such lands, as is frequently done by leasing oyster beds in them, and granting fisheries in particular localities; also, by the reclamation of submerged flats, and the erection of wharves and piers, etc.; * * State control and ownership therein being supreme, subject only to the paramount authority of Congress in making regulations of commerce. * * The right of the State to regulate and control the shores of tidewaters and the land under them is the same as that which is experised by the

the State to regulate and control the shores of tidewaters and the land under them is the same as that which is exercised by the Crown in England. * * * it depends on the law of each State to what waters and to what extent this prerogative of the State over the lands under water shall be exercised."

Again, in Shively against Bowlby, Mr. Justice Gray said:
"The Congress of the United States, in disposing of the public lands, has constantly acted upon the theory that those lands, whether in the interior or on the coast, above high-water mark, may be taken up by actual occupants in order to encourage the settlement of the country; but that the payigable waters and the settlement of the country; but that the navigable waters and the soils under them, whether within or above the ebb and flow of the tide, shall be and remain public highways; and, being chiefly valuable for the public purposes of commerce, navigation, and fishery, and for the improvements necessary to secure and promote those purposes shall not be granted away during the period of Territorial government; but * * * shall be held by the United States in trust for the future States, and shall vest in the several

States in trust for the future States, and shall vest in the several States when organized and admitted into the Union; in short, shall not be disposed of piecemeal to individuals as private property, but shall be held as a whole for the purpose of being ultimately administered and dealt with for the public benefit of the State, after it shall have become a completely organized community."

Further, Mr. Justice Gray, quoting with approval from the Supreme Court of Oregon in this case, said:

"From all this it appears that when the State of Oregon was admitted into the Union, the tidelands became its property and subject to its jurisdiction and disposal; that in the absence of legislation or usage, the common-law rule would govern the rights of the upland proprietor, and by that law the title to them is in the State; that the State has the right to dispose of them in such manner as she might deem proper, as is frequently done in various manner as she might deem proper, as is frequently done in various ways, and whereby sometimes large areas are reclaimed and occupied by cities, and are put to public uses, State control and owner-

pied by cities, and are put to public uses, State control and ownership being therein supreme, subject only to the paramount right of navigation and commerce. The whole question is for the State to determine for itself; it can say to what extent it will preserve its rights of ownership in them or confer them on others.

"Our State has done that by the legislation already referred to; and our courts have declared its absolute property in and dominion over the tidelands, and its right to dispose of its title in such manner as it might deem best, unaffected by any 'legal obligation to recognize the rights of either the riparian owners, or those who had occupied such tidelands,' other than it chose to resign to them, whitest only to the paramount right, of payigation and uses of subject only to the paramount right of navigation and uses

commerce.

Again, in Shirley v. Bowlby, Mr. Justice Gray, summing up the great mass of authorities which had been cited, said:
"At common law, the title and the dominion in lands flowed by the tide were in the King for the benefit of the nation. Upon the settlement of the Colonies, like rights passed to the grantees in the royal charters, in trust for the communities to be established. Upon the American Revolution, these rights, charged with a like trust, were vested in the original States within their respective borders, subject to the rights surrendered by the Constitution to the United

States.

"Upon the acquisition of a Territory by the United States, * * * the same title and dominion passed to the United States, for the benefit of the whole people, and in trust for the several States to be ultimately created out of the Territory.

"The new States admitted into the Union since the adoption of the Constitution have the same rights as the original States in the tidewaters, and in the lands under them, within their respective jurisdiction. The title and rights of riparian or littoral proprietors in the soil below high-water mark, therefore, are governed by the laws of the several States, subject to the rights granted to the United States by the Constitution.

"The United States, while they hold the country as a Territory, having all the powers both of national and of municipal government, may grant, for appropriate purposes, titles, or rights in the soil below high-water mark of tidewaters. But they have never done so by general laws; and, unless in some case of international duty or public exigency, have acted upon the policy, as most in accordance with the interest of the people and with the object for which the Territories were acquired, of leaving the administration and disposition of the sovereign rights in navigable waters, and in the soil under them, to the control of the States, respectively, when organized and admitted into the Union.

"Grants by Congress of portions of the public lands within a Territory to settlers thereon, though bordering on or bounded by navigable waters, convey, of their own force, no title and dominion of the future State when created; but leave the question of the use of the shores by the owners of uplands to the sovereign control of each State, subject only to the rights vested by the Constitution in the United States."

Many more cases could be cited in support of this thoroughly extelliged destribes

established doctrine.

Many more cases could be cited in support of this thoroughly established doctrine.

Not only does this resolution call for the violation under the Constitution, of the sovereignty, and for the confiscation of property, of the State of California, but it involves possible similar action with respect to the submerged ocean lands of all the other coastal States. It clouds titles to hundreds of millions of dollars' worth of petroleum properties already sold by certain States to private owners and, in the case of the State of Texas, to submerged lands the proceeds from which already have been dedicated to the use of the public schools of the State. Texas possesses petroleum properties under its submerged lands equal at least in value to those of all the other coastal States combined. In addition, the resolution through its challenge to ownership by the States of their submerged lands under their adjoining ocean waters, clouds titles by which these States have conveyed such submerged lands for the erection of wharves, docks, warehouses, and other facilities of commerce.

Turning now to the special example of the State of Texas, let it be said that upon admission to the Union, Texas, together with such other coastal States as were not among the Original Colonies succeeded to the rights of the Original Thirteen Colonies in respect to its adjacent ocean waters and submerged lands thereared.

Colonies succeeded to the rights of the Original Thirteen Colonies in respect to its adjacent ocean waters and submerged lands thereunder. It also succeeded in this regard to all the rights which it already had possessed as a republic. These rights were further confirmed and safeguarded by the resolution of the Congress of the United States by which Texas was admitted into the Union. After winning its independence from Mexico, the Republic of Texas defined its sea boundary as "beginning at the mouth of the Sabine River and running west along the Gulf of Mexico three leagues (that is, 10.56 miles) from land to the mouth of the Rio Grande." (Gammel's Laws 1193, vol. 1; Sales' Early Laws of Texas, art. 257.)

During the existence of the Republic of Texas the United

During the existence of the Republic of Texas the United States and numerous other nations recognized the independence of Texas and its membership in the family of nations with its

sea boundary as stated above.

The resolution by Congress admitting Texas to the Union provided among other things that Texas "shall also retain all the vacant and unappropriated lands lying within its limits to be applied to the payments of the debts and liabilities of the said Republic, and the residue of said lands, after discharging said debts and liabilities, to be disposed of as said State may direct."

Thus the State of Texas retained jurisdiction over the sub-merged lands lying under its sea or Gulf waters for a distance of about 10 miles from its eastern shore, together with all its other lands within its boundaries as defined by the Republic of Texas lands within its boundaries as defined by the Republic of Texas and as recognized by the United States, a jurisdiction which it still retains today. It seems especially preposterous that the Congress should consider with any degree of favor at this late day any proposal questioning the right of Texas to its submerged lands and the minerals inseparably a part thereof; and this is said without modifying in any way what has been said herein in defense of the rights of California and the other coastal States to their submerged lands and petroleum holdings thereunder. Upon these considerations, we believe that the resolution should not be seriously entertained by the committee, and we respectfully ask that the committee render an adverse report thereon. The Charman. Senator Sheppard, may I make this inquiry of you, perhaps based on my own ignorance as I do not happen to be in a State affected by tidal waters: In the decisions which you read there was reference to tidal lands. Is there a distinction between tidal lands and lands beyond low-water mark?

between tidal lands and lands beyond low-water mark?

Senator SHEPPARD. Yes.

The Chairman. Am I correct in assuming that what you speak as "tidal lands" are those which are bare at low tide? Senator Sheppard. Yes. of as

The CHAIRMAN. There may be a different rule as to that mat-

Senator Sheppard. Tidal lands are lands periodically exposed by the tides. Submerged lands are lands which the territorial waters do not reveal because they lie between low-water mark of the tide and the outward extent of what is known as territorial waters tributary to a State.

The Chareman. As I understand it Texas in her declaration asserted a 10-mile jurisdiction, roughly speaking.

Senator Sheppard. Yes; specifically defined it as 10 miles plus. The Charman. Let me ask right there: Could Texas just as well have asserted jurisdiction for a distance of 20 miles or 100 miles?

Senator Sheppard. Texas was a republic before entering the Union and her maritime jurisdiction may well have been that of the antecedent countries of Mexico and Spain.

the antecedent countries of Mexico and Spain.

The Charrman. Is there any basis other than the assertion?
Senator Sheppard. Yes; to the extent I have indicated and probably in other respects as well.

The Charrman. For instance, we had a 3-mile limit, being the distance that an ordinary cannon could then shoot.

Senator Sheppard. Yes. Great Britain confirmed in 1878 by the statute I have referred to the maritime jurisdiction she claimed and to which we succeeded. The 10-mile jurisdiction claimed by Texas rested on another foundation—that is, the sea boundary claimed by Mexico and Spain. Mexico and Spain.

Mexico and Spain.

The CHARMAN. Did not the United States make some claim beyond the 3-mile limit as to enforcement of prohibition?

Senator Sheppard. Yes. That was a matter of treaty between the United States and other countries in connection with rum runners coming within, I believe, a 10-mile limit or a 12-mile limit. So far as they were concerned, when they reached a 10-mile or a 12-mile distance from the shores of the United States they were in the territory of the United States so far as enforcement of the national prohibition law was concerned.

The CHARMAN. But do I understand you to draw the distinction that the United States would have control over navigable waters as a highway but not of lands underlying them?

a highway but not of lands underlying them?

Senator Sheppard. That is the point exactly. I thank you for this opportunity of appearing before you.

Address to Maryland Congressional Delegation

EXTENSION OF REMARKS

HON. GEORGE L. RADCLIFFE OF MARYLAND

IN THE SENATE OF THE UNITED STATES Friday, May 19, 1939

ADDRESS BY DR. ARTHUR O. LOVEJOY

Mr. RADCLIFFE. Mr. President, I ask to have printed in the Appendix of the RECORD an address delivered by Prof. Arthur O. Lovejoy on May 9 at a hearing before the Maryland delegation in Congress.

Dr. Lovejoy is professor of philosophy at Johns Hopkins University, and is regarded as one of the outstanding men in his profession.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Gentlemen, speaking on behalf of 33 organizations and many individual citizens of Maryland, I beg to lay before you three propositions. The first is simply a summary statement of fact as to what is going on in the world outside of this continent; the others relate to the questions whether this fact is of any concern to the United States; and if so what should be done about it United States; and if so, what should be done about it.

First, A formidable coalition of autocratic governments is now plainly engaged in a determined, untiring, astute endeavor to dominate the greater part of Europe and vast regions of Asia, along with much of Africa, and to impose, by force or threats of force, upon other states in those continents the system which these governments represent. What that system is everyone knows. Its aim is the suppression of all the liberties for which western mankind has struggled for more than 3 centuries. Its methods are: The has struggled for more than 3 centuries. Its methods are: The extinction of representative government; the denial of religious and political freedom, of liberty of opinion, of speech, and of the press; the rejection of the allegedly out-dated notion that a human being as such, or a weaker people, however civilized, has any rights which a dictator is bound to respect; the consequent ruthless persecution of all individuals or groups to whom the autocrats or oligarchies in power are for any reason inimical; the sedulous cultivation of hatred between men of differing beliefs or descent; and the repudiation of the very idea of the establishment of an international order based upon the equality of nations, the rule of law, the peaceful adjudication of differences, and respect for the obligation of treaties. If these governments succeed in what they are seeking to accom-plish, a great part of what we call the civilized world will be ruled,

plish, a great part of what we call the civilized world will be ruled, directly or indirectly, by three or four men, or irresponsible coteries of men, exercising their control chiefly through the method of terrorism aided by ubiquitous espionage; and these rulers will be men who are implacably hostile to democratic ideas and institutions wherever they exist—since their own claims to power rest upon the thesis that those ideas are false and those institutions a failure.

a failure.

That, gentlemen, is the situation which now faces us. ond proposition is that the traditions, the principles, and the interests of the American people demand that our foreign policy shall not be such as to give present encouragement to the dictators in their designs, or to make easier and more probable their success in the event of armed conflict. This is a proposition which, surely, needs little argument; and upon it a large majority of our citizens are already agreed, if Mr. Gallup's polls are any evidence. There have, it is true, appeared before congressional committees some distinguished persons who seem to view with practical equanimity the possibility of the indefinite extension, through violence, of the system I have outlined—and even the complicity of the United States in its extension.

Of this pitiful combination of moral indifferentism with political short-sightedness most of our people are incapable. They are averse to war, they are equally averse to aiding the enemies of our political ideals and of international law and order to attain a dominant position in this small planet, which almost daily grows practically smaller; and even upon the narrowest calculation of self-interest smaller; and even upon the narrowest calculation of self-interest they see that as we in this hemisphere are now secure against attack, we should seek to remain secure—which we should have no assurance of being if the dictatorial powers were once masters of the other continents and of the seas. Already their intrigues are at work in Argentina, in Brazil, and in other American countries. Shall we help them to supremacy in Europe and Asia in the naive hope that their ambitions will be diminished by success and their machinations amongst and against our American neighbors will cease?

cease?

Our third proposition is that the present Neutrality Act already tends to encourage the totalitarian powers in their designs, and would, in the event of war, make easier and more probable their victory. Nominally providing for equal treatment of all belligerents, it would in practice assist the aggressor. For governments do not start upon aggression until they think they are fully equipped for it; but the victims of aggression are less likely to be adequately prepared to resist it. The principal effect of the present law would be to deny to law-abiding and peace-desiring nations the opportunity to purchase in the United States means of defending their liberties, independence, and territorial integrity; and to deny them this opportunity—upon which, in some cases, the issue of the struggle may depend—is to increase the possibility of the eventual triumph of the enemies of human freedom and to promote the success of the method of the hold-up man in international affairs. It is much as if, in a frontier community infested with well-armed bandits, and without a police force, peaceful citizens were debarred from pro-

as if, in a frontier community infested with well-armed bandits, and without a police force, peaceful citizens were debarred from procuring weapons for self-defense.

Holding these propositions to be true, we ask the support of the Maryland Members of both Houses of Congress for the essential provisions of the amendment to the Neutrality Act introduced in the Senate by Mr. Thomas and in the House of Representatives by Mr. Geyer. The provisions to which we refer are those which declare that when the Executive and the Congress jointly find that any State is engaged in a war of aggression in violation of any treaty to which the United States is a party no munitions of war and no any State is engaged in a war of aggression in violation of any treaty to which the United States is a party no munitions of war and no economic or financial resources shall be available to the aggressor from the United States; and that, on the other hand, no impediment shall be placed upon our trade with nations resisting such aggression which would tend to prevent them from supplementing their means of self-defense from American sources. We urge no military participation in wars overseas. But we perceive that in our legislation with respect to foreign commerce in time of war, real, as distinct from nominal, neutrality is intrinsically impossible. Whether you wish it to be so or not, and whatever course you choose, that legislation will in its actual effect be more favorable to one side or to the other. It is a condition, and not a theory, that confronts us. We ask you, then, in this most critical and ominous juncture in modern history that the action of the Congress on this matter shall not be such that it will contribute to the triumph of international lawlessness and violence and to the defeat of those political ideals, and those hopes of a freer, more secure, and more just ordering of human life for which this Republic, despite all its shortcomings, has always stood.

Mother's Day Address

EXTENSION OF REMARKS

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES Friday, May 19, 1939

ADDRESS BY HON. MATTHEW M. NEELY, OF WEST VIRGINIA, IN THE UNITED STATES SENATE, MAY 12, 1928

Mr. ASHURST. Mr. President, in 1928, the Senator from West Virginia [Mr. NEELY] delivered a Mother's Day address in the United States Senate, which address was later broadcast over a Nation-wide radio network. On May 17, this year, Senator Neely delivered the substance of this address at the Mayflower Hotel, under the auspices of the Lions Club of Washington. This Mother's Day address by Senator NEELY, for tenderness of sentiment, for beauty, and majesty of expression, has never been excelled. In order that it may be available to the public, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, for more than 19 centuries mankind has had three unfailing sources of inspiration to heroic efforts, great accomplishments, and sublime achievements. For more than nine-teen hundred years the three words that represent these ever-flowing fountains of inspiration have charmed the ears, brightened the hopes, and thrilled the hearts of all the children of men. They have related the register that the propert excellent. the nopes, and thrilled the hearts of all the children of men. They have incited the genius that has produced the most exquisite pictures ever painted, the most beautiful poems ever written, the most melodious songs ever sung—songs, poems, and pictures that have given us sunshine for our shadows, joy for our sorrows, smiles for our tears, and intimated to us the endless bliss of immortality in that "realm where the rainbow never fades," where no one ever grows old, where friends never part and loved ones pear never die. ones never, never die.

These three mighty, magic, and inspiring words are "Jesus," "Home," and "Mother."

The first of them inspired Charles Wesley to write:

"Jesus, lover of my soul. Let me to Thy bosom fly; While the nearer waters roll, While the tempest still is high.

"All my trust on Thee is stayed;
All my help from Thee I bring;
Cover my defenseless head
With the shadow of Thy wing.

"Hide me, O my Saviour, hide, Till the storm of life is past; Safe into the haven guide, O receive my soul at last."

What unspeakable consolation born of boundless faith in the everlasting Father's imperishable love for His erring children is revealed in this beautiful hymn. Its music, "like a sea of glory,

has spread from pole to pole."

The second of our magic words prompted John Howard Payne to compose that deathless song that has been sung and played around the world. Millions of weary wanderers on foreign strands have been transported upon the wings of imagination back to the romantic scenes of their childhood, to the picturesque paths which their infancy knew, to the happy days of the long ago by that soothing symphony of sublime sentiment:

"'Mid pleasures and palaces
Though we may roam Be it ever so humble There's no place like home; A charm from the skies Seems to hallow us there, Which, seek through the world, Is ne'er met with elsewhere.

"Home, home, Sweet, sweet home, Be it ever so humble, There's no place like home."

And the last of this tranquilizing trinity of wondrous words, with the stirring force of the celestial muse of Isaiah, impelled Elizabeth Akers Allen to write the following pathetic, appealing, and rapturous poem that is destined to live until the everlasting hills, "the vales stretching in pensive quietness between," and "old oceans gray and melancholy waste," shall be no more:

"Backward, turn backward, O Time, in your flight, Make me a child again just for tonight! Mother, come back from the echoless shore, Take me again to your heart, as of yore; Kiss from my forehead the furrows of care, Smooth the few silver threads out of my hair; Over my slumber your loving watch keep, Rock me to sleep, Mother, rock me to sleep.

"Backward, flow backward, O tide of the years! Backward, flow backward, O tide of the years I am so weary of toil and of tears—
Toil without recompense, tears all in vain, Take them and give me my childhood again! I have grown weary of dust and decay, Weary of flinging my soul-wealth away; Weary of sowing for others to reap; Rock me to sleep, Mother, rock me to sleep.

"Mother, dear mother, the years have been long Since I last hushed to your lullaby song. Sing then, and unto my soul it shall seem Manhood's years have been only a dream. Clasped to your breast in a loving embrace, With your light lashes just sweeping my face, Never hereafter to wake or to weep—Rock me to sleep, Mother, rock me to sleep."

Kings and potentates and parliaments have proclaimed holi-days, thanksgiving days, and emancipation days for observance by the people of various kingdoms and countries and states. But Miss Anna M. Jarvis, a distinguished woman of West Virginia, has established Mothers' Day in the love, in the devotion, and in the

throbbing heart of the humanity of all the world.

Today we venerate the sacred name and memory of mother. We laud the virtue, extol the spirit of self-sacrifice, and eulogize the loving kindness of every mother living; and in imagination, with bowed heads, grateful hearts, and generous hands lay new wreaths of the freshest, the fairest, and the most fragrant flowers upon the of the freshest, the larest, and the most fragrant howers upon the graves of all the mothers who have gone from the fitful land of the living into the silent land of the dead. In this hour of sober and serious reflection we realize that everyone who treads the globe owes his birth to the unspeakable agony of a mother. From mother's breast the baby first was fed. In mother's arms the baby first was lulled to sleep. Mother, in the twilight hour of baby's existence, breathed the fervent prayer:

"That He who stills the raven's clamorous nest,
And decks the lily fair in flowery pride,
Would, in the way His wisdom sees the best,
For her darling child provide; but chiefly
In her loved one's heart, with grace divine preside."

Then, as the days grew into the months and the months lengthened into the years, mother's life became a continuous round of solicitude, service, and sacrifice for her child.

Mother's hands made the first dress that baby ever wore.

Mother's deft fingers made playthings for the little one that filled his eyes with wonder and his heart with joy.

A splinter in baby's finger, a briar in baby's foot, or a bruise on baby's toe became an affliction of such momentous consequence that only mother could heal it; only mother could banish its ache; only mother could exile its pain: only mother could smile away the

only mother could heal it; only mother could banish its ache; only mother could exile its pain; only mother could smile away the tears it caused to flow down baby's cheeks.

And a little later mother, like an inexhaustible encyclopedia of universal knowledge, informed her baby about the birds and the beasts and the flowers and the trees. She discussed with him the cause of day and night; of winter's storm and summer's calm; the mysteries of the earth and sea and sky. She explained as best she could the marvels of the sun and moon

and stars and the grandeur of the far-off Milky Way.

And the little one at night upon his knees, at mother's side, with mother's hand upon his head, learned to say in the lisping

accents of childhood:

"Now I lay me down to sleep,
I pray the Lord my soul to keep,
If I should die before I wake,
I pray the Lord my soul to take,
And this I ask for Jesus' sake.

Thus from the day of the birth of her babe, "toiling, sorrowing, rejoicing, onward through life mother goes," generously giving the best of her thought and energy and effort and life to make of her child a successful, useful, and righteous woman or man.

But until-

'The stars are old, And the sun grows cold, And the leaves of the judgment book unfold—"

no one will ever know the full measure of service the mothers of earth have constantly rendered their children. The following touching story illustrates the fact that the average

mother is ever ready to sacrifice as sublimely for her children as the mother pelican is said to sacrifice for her young by feeding them the lifeblood from her breast:

them the lifeblood from her breast:

"A poverty-stricken Italian woman was by the death of her husband compelled to work hard in a 'sweatshop' to support her three little children. A humane organization learned that this unfortunate woman was in the last stage of consumption and endeavored to take her from her task. But she resisted and continued to work until she died of a hemorrhage. During this martyr's last moments someone inquired of her why she had worked so hard and so long. And she gasped, 'I had to work to get the grub for the kids.'"

Greater love than this has no woman shown. She laid down her life for her children.

Just such love as this poor, dving Italian woman had for her

Just such love as this poor, dying Italian woman had for her

children every other mother has for her own.

In token of our appreciation of the great boon of maternal devotion which we all enjoy, or have enjoyed in the days gone by, let us habitually exalt the name, commemorate the memory, and sing the praises of our mothers, and let us devoutly beseech our Heavenly Father to love them and keep them, and shower His richest blessings upon them forever and forever.

'O mother, thou wert ever one with nature, All things fair spoke to my soul of thee;
The azure depths of air,
Sunrise and starbeam, and the moonlight rare,
Splendors of summer, winter's frost and snow,
Autumn's rich glow, bird, river, flower, and tree.

"Mother, thou wert in love's first whisper, And the slow thrill of its dying kiss;

In the strong ebb and flow of the resistless tides of joy and woe; In life's supremest hour thou hadst a share, Its stress of prayer, its rapturous trance of bliss.

"Mother, leave me not now when the long shadows fall athwart the

Hold thou my soul in thrall till it shall answer to a mightier call, Remain thou with me till the holy night puts out the light, And kindles all the stars."

Annual Convention of the Iowa Chapter of the National Association of Postmasters

EXTENSION OF REMARKS

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES Friday, May 19, 1939

ADDRESS BY HON. JAMES A. FARLEY AT DES MOINES, IOWA, MAY 13, 1939

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Iowa Chapter of the National Association of Postmasters, held at Des Moines, Iowa, May

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am delighted to be back again in the Hawkeye State; a State identified throughout the Nation by its culture and its agriculture. Iowa excels in many things, but I dare say that few of you realize the important place it holds in the Postal Service, particularly its rank insofar as rural delivery is concerned. It is a fact that Iowa is among the first four States of the Union in the number of rural routes established and in mileage traveled by rural carriers. Ordinarily when we talk about the Post Office Department we naturally turn to those features relating to the handling of mail matter, for after all the post offices were established and post routes inaugurated with the sole idea of collecting, distributing, and delivering letters, papers, and parcels. The handling of this part of the business is quite a task for the postmasters and postal employees, as well as for the Department itself. However, on acpart of the business is quite a task for the postmasters and postal employees, as well as for the Department itself. However, on account of its intimate relation with business and with every man, woman, and child in America, the service has been selected by the Congress as the governmental agency to perform many other functions. To illustrate:

On June 30, 1938, our postal-savings bank had on hand more than \$1,200,000,000 to the credit of depositors. We had more than 8,000 saving depositories in operation and were serving more than 2,700,000 depositors. During the fiscal year ended June 30, 1938.

2.700,000 depositors. During the fiscal year ended June 30, 1933, the sales of United States saving bonds in post offices amounted to more than \$416,000,000, an average of more than \$34,000,000 per month. Domestic money orders in the amount of \$2,146,000,000 were issued during the last fiscal year, with payments slightly

exceeding that amount.

The postmasters also issued more than \$33,000,000 in international money orders, with slightly in excess of half that amount paid. Other features of our strictly business and banking operations could be enumerated, but these are sufficient to indicate the importance of this Department in the daily routine of industry and correspond to the control of dustry and commerce.

The postmasters of America are to be commended on the manner in which they carry on not only the mail service but the financial operations of our post offices. While it is true that the Department, particularly under this administration, has improved its accounting methods, enabling it to have better control and up-to-date information on the service, yet the accounts in the individual post offices are the postmasters' personal responsibility, and the promptness with which you have performed this most important function is a credit to all of you.

Postmasters have also responded in an enthusiastic manner to

Postmasters have also responded in an enthusiastic manner to every appeal that has been made to them by the Department. You have given freely of your time, and in some instances have been out of pocket personally in carrying on campaigns for greater use of postal facilities and in conducting other governmental activities which were nonpostal.

Your work in connection with Air Mail Week will be of lasting benefit to the Department. This campaign was carried on almost a year ago and we continue to notice the effect of increased airmail poundage. A great deal has been done to publicize this feature of the service, but there is much more to be done. There are still many people who do not fully understand the very fast schedules in effect throughout the country in our air-mail system.

Similarly, there are many businessmen who are not fully aware of the other advantages offered.

of the other advantages offered.

Last year the Department inaugurated a program of activity publicizing the postal services, and it has proven beyond doubt to be not only an effective method for increasing the use of postal facilities but has created good will. During the month of September we stressed the use of first-class mail, followed by National Letter Writing Week. These activities produced results beyond our expectations. In November there was inaugurated a vigorous campaign for the greater use of parcel post. Reports from all parts of the country have disclosed that in many instances firms who were interested as the result of the campaign and availed themselves of the service offered have had a substantial increase in business. increase in business.

All around us there are signs of better business conditions and we should do our part in helping this condition along. I have no idea that we should enter into active competition with private business. In fact, I am unalterably opposed to that procedure. Everything we do should be calculated to assist and encourage

private enterprise.

We have a service with so many facilities that are not clearly understood by many businessmen and many private citizens that it seems to me to be our duty to make known these things and their advantages to those who might profit by their use. In this connection I want to urge postmasters and postal employees to bear in mind always that in conducting campaigns for increasing the use of postal facilities it is their duty to point out to the businessmen and women in their communities not one, but all, of the services available, and always be sure to bring to their attention the most economical—that is, the service that can be provided to meet their needs at the cheapest available rate. Business organizations and business people generally know from experience the unsatisfactory results that come from attempting to sell a customer something he does not want or does not need, and you will make a most unfavorable impression if you try that.

To sum up this situation, I feel I should admonish postmasters that in their efforts to publicize the service they should not place themselves in the position of actually soliciting business, and certainly they must confine their activities to the area included within their own local postal district. We have a service with so many facilities that are not clearly

their own local postal district.

Your first duty, of course, is to safeguard the interest of the public by properly managing the service under your control so as to insure the prompt and efficient handling of the existing postal business in your city. If you are courteous, industrious, and faithful in this, I am quite sure your activities along other lines will be properly.

will be proper.

Undoubtedly many of the postmasters will continue to serve for a long time to come. It may be that many of them feel that this country has progressed so rapidly that in our public services, transportation, and public utilities of all kinds, we have about reached the height of perfection. I make no claim as a prophet, but I am convinced from observation, and this, of course, is only my personal opinion, that we are only on the threshold of the real development of America. Within the past 30 years we have made greater strides in transportation, in the use of the telephone, telegraph, and radio than were made in all of the centuries preceding. It is an American trait to want to live better, to live faster, and get where we are going quicker than our fathers did. Our scientists and our engineers every year are developing something new to add to the comfort and convenience of our people. Many new things, such as television, are simply awaiting mass production to make them available for the everyday use of everyone.

The Postal Service will progress with the Nation's progress and we must be ready to meet those conditions as they develop. Just a few days ago we fixed the rate of postage for carrying mall to Europe by airplane, and the new trans-Atlantic air-mail service, which we are now inaugurating, will soon be operating on a regular schedule. The rate of postage for this service will be 30 cents for one-half ounce to any point in Europe. I dare say there is not a man or woman in this room who would have believed such a thing to be possible if someone had suggested it even 10 years ago.

We are living in a great age with many opportunities absed of us Undoubtedly many of the postmasters will continue to serve for

to be possible if someone had suggested it even 10 years ago. We are living in a great age with many opportunities ahead of us. We have much to be thankful for and a great deal to look forward

to in America.

As I have said before, business is good. We know that when as I have said before, business is good. We know that when postal receipts are breaking all previous records as they have been during the past 3 years, there is plenty of business activity in America. Some of our economic problems are difficult to solve, but that condition is world-wide. We in the United States are so much better off than the people in any other country in the world that it seems to me we should be very happy that here in this feet lead we may like our sum likes in sum to be some the said that here in this

that it seems to me we should be very happy that here in this fair land we may live our own lives in our own way.

The people in the Postal Service are particularly fortunate. They have regular employment, good working conditions, and good pay. That is as it should be, for the Postal Service must take the lead in setting labor standards, not only for other Government departments but for private business as well. I think all postmasters and all postal employees understand that the Roosevelt administration has maintained a most liberal attitude toward the Postal Service and postal people.

has maintained a most liberal attitude toward the Postal Service and postal people.

I am glad to have had the opportunity to do my part in adjusting working conditions, particularly in providing the shorter workweek, which made jobs for thousands of men who were on our substitute rolls, and in many cities provided new jobs for those who were listed on eligible registers awaiting appointments. It is a pleasure also to say to you that we have overcome, by increased efficiency on the part of our personnel, and by increased

business that has come to us, the additional cost of this shorter

workweek.
In 4 of the 5 full years that I have served as Postmaster General we have balanced our budget for that part of our services which we have rendered to the public for hire. Under this administration we have adopted sane, sensible business principles. We have improved the service to the public; we have improved the condition of the workers; and we have improved the fiscal condition of the Department. In saying "we" I do not mean to leave the improved that I arrespondituded the graduate of the responditude of the condition of the proposed of the condition of the services that I arresponditude the graduate the graduate of the services are the services as the services are the services and the services are the servi the Department. In saying "we" I do not mean to leave the impression that I personally claim the credit nor do I give the sole credit to the departmental staff in Washington. I do say that under our leadership and under the policies we have adopted in Washington, with the cooperation of postmasters and postal employees, we have revitalized a great public service. For that everyone connected with the Service has a right to be very proud indeed. I want all of the postmasters and employees in the State of Iowa, to know that I am deeply appreciative of the fine work they are doing:

know that I am deeply appreciative of the fine work they are doing; and I want to urge them to keep up their confidence, to be happy and cheerful in their work, and to prepare themselves for the bigger opportunities and greater responsibilities that the future holds for them.

Mother's Day Addresses

EXTENSION OF REMARKS

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, May 19, 1939

RADIO ADDRESS BY W. J. CAMERON AND ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on the Ford Sunday Evening Hour by Mr. W. J. Cameron, May 14, 1939, entitled "The Mother's Dream," together with a brief address of my own on the same subject delivered the same day to the Women of the Moose at Philadelphia.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

RADIO ADDRESS BY W. J. CAMERON, MAY 14, 1939

In honor of Mother's Day, students of the Edison Institute and the Greenfield Village schools are giving on this program tonight an extended version of the school-day morning exercises in Martha-Mary Chapel. Colonial in style, this chapel, with its old brick walls, its Christopher Wren spire, and its bell that was cast by Paul Revere's son, is known to all that visit Greenfield Village. The chapel's presence there may be taken to say that an instructed mind, trained initiating and indementary are not enough to be seen and a trained initiative, and judgment are not enough; to choose and serve the right, so far as it is given us to know the right, requires also an enlightened conscience. Early American philosophers said that to be is better than to do; at Greenfield Village it is held that to be and to do is better still.

Mother's Day began to be observed about 31 years ago, and was established by Presidential proclamation in 1914. Someone had discerned what seemed to be a lack of appreciation of their parents on the part of sons and daughters. The expansion of this country and a consequent separation of families were in part responsible for this, and in part the desire of parents to be as independent of their children as their children desired to be of them was responsible.

sible. But mostly the seeming indifference of the younger generation was just the slowness we all experience in getting our eyes open. In youth we accept our parents as we accept the trees, the clouds, and the sun; they are part of the world scene; they serve us. Often, long years after, when we have children of our own, and when perhaps the old loved faces have vanished, we begin to realize the detection, that shielded our inforce and endured the themselves. devotion that shielded our infancy and endured the thoughtless exuberance of our youth. Hence it is that the real celebrants of this day are those who, having reached maturity, look back and clearly see the things to which then their eyes were holden. That is the true Mother's Day, when soon or late there dawns on us the sense of what a mother was in our unknowing years. But it is competitive, rether bitter, representing our billiness and the sense of what a mother was in our unknowing years.

sense of what a mother was in our unknowing years. But it is sometimes rather bitter remembering our blindness, unless we know—and of it we may be quite sure—that mother understood this also and was content to wait the verdict of our later years. So today has been celebrated in a multitude of different ways and moods according to the insight we have attained. But what do mothers themselves think of this day? Certainly it was not they who put it in the calendar. There are many things for which they gladly would forego the set observance and its offerings. Indeed, would mothers place themselves in the center of the picture at all; would they not rather their children were there? All the pleasant would they not rather their children were there? All the pleasant

things that Mother's Day evokes—the sweets and flowers, the long-delayed letter, or the long-awaited visit—let not one of them be diminished; but what gift would she prefer had she the choice?

She would choose that her sons and daughters should be individuals, intelligent, honorable, and independent. Not tawdry copies of cheap and perishable fashion. If you talk what everyone is talking; if your opinions come of hearsay rather than of thought; if you chew what everyone is chewing, and sing what everyone is singing, and drink what everyone is drinking, and wear what everyone is wearing; if you read what everyone is reading and slang what singing, and drink what everyone is drinking, and wear what everyone is wearing; if you read what everyone is reading and slang what everyone is slanging—without having your own reasons for doing so—for lack of courage not to do so if you don't want to, then you hardly can be said to be an individual. You don't need a mind. You will just be moved along with 20,000,000 other robots, and in a few years you will be wondering what's wrong with the world. Be individual! Have a reason for what you do! Don't paint your mind with every intellectual cosmetic that appears, like those complexions that flare at us in different tints from week to week; give plexions that flare at us in different tints from week to week; give your own tastes and intelligence a chance. Without the better qualities a mother still will love you, but with them the pain of love

qualities a mother still will love you, but with them the pain of love will be lightened by a genuine pride.

And having made yourself what you were meant to be, a mother would choose as a way to honor her that you should begin to make the world what it was meant to be. There was a Teacher of whom your mother may have told you in childhood, a Teacher who once placed a child in the midst of his grown-up followers, as if to say, the world is to be judged by the child, and were anyone to make life impossible for the child, it were better for him that a mill-stone were hanged about his neck and he were drowned in the make life impossible for the child, it were better for him that a millstone were hanged about his neck and he were drowned in the
depth of the sea. A mother thinks very much the same way. To
her a fair path for the child—not a path that eases effort, but a
path where no enfranchised evil lurks—is of more importance than
all the pomp and glory of the world. She would ask as a gift on
Mother's Day a society made fit for the child, that we may have a
world fit for the man and woman. A world that is healthful, a sane
world, a world that knows the power of moral principle as the
strongest force that man can wield. A warless world, wise in the art
of living, where self-defeating selfishness is healed of its blindness.

This is the mother dream. And the dreams that mothers dream
come true. Their eyes have caught a glimpse of the Delectable
Mountains.

Mountains.

ADDRESS BY SENATOR JAMES J. DAVIS, MAY 14, 1939

No sentiment is more deeply felt than our reverence for motherhood. Our mothers hold a place in our hearts that no one else can fill. Mother's Day gives a natural opportunity for the expression of this sincere feeling. Anne Jarvis will always be remembered with respect and gratitude for the institution of this day. Fortunately this day has come to mean that we should bring honor and the tribute of praise increasingly to the mothers of America while we have them with us rather than wait until they are dead. I am glad to pay tribute to my own mother on this day.

when I think of mother my thought goes back to my boyhood days. I remember my mother as she was then. I remember the light of love on her face, the sweet music of her voice, the hard work in the home she did for all of us, and the uncomplaining fortitude which kept her faithful and true to the very end of her days. Nothing that I can say now will add to the beautiful way in which she lived. Nothing that I can do now will add to the sacred memory of those days. It is enough to know that the inspiration and the purity of that love-filled life has always been near to guide me. When I have known success it has been because I fulfilled my mother's purpose for my life; when I have known fallure and defeat it has been a lost contact with her ideals. ideals.

The qualities of life that we prize in the true mother are virtues wherever they are found in human life. The mother's thought for her children is the spirit of the pioneer. That spirit of provision, watchcare, forward-looking vision is essentially the quickening impulse of creation and genius. The mother has this gift for taking infant helplessness and turning it into masterful strength. The mother takes weakness and makes it strong. Like a pioneer the true mother explores the difficult unknown places of life and reaches out to discover something new and unique. Her children mark new frontiers in the realm of human love and

the mother spirit.

The mother spirit is represented in some of our noblest institutions of government. The Red Cross and many of the newer governmental agencies have been set up with the thought of sympathetic human provision to care for times of special human need. The purpose back of these organizations based in benevolence and The purpose back of these organizations based in benevolence and good will has the wholehearted support of all of us. And even when the provision made has been inadequate or one-sided, the guiding purpose of fundamental human sympathy has not been forgotten. Despite the mistakes of this distressing time in American life, all of us are glad we live in a land where mass starvation is not tolerated and where the liberty of good will still prevails. This is grand mother spirit of America.

Mothers have a natural inclination for the abundant life. Mothers are naturally generous. They want some extra cookies in the cooky jar, a second cut of pie, and surpluses all around. The mother does not expect these bounties to come without work. Nobody works any more than mothers. They know that if there are to be abundant resources for the family there must be abundant work by the family providers. This mother spirit of abundance is needed in America today. We have become afraid of our sur-

pluses and our fear has reduced us to poverty. We need the strong, brave spirit of motherhood that will encourage us to produce bountifully and make provision for all our human needs, not just a fraction of them. The mother spirit of America should be ashamed of the timidity, scarcity, want, waste, and loss of these days. The mother spirit has the far-away look. Mothers look to the future and make provision accordingly. The difficulties and perplexities of the present hour are not igno:ed, but they are not allowed to obscure the vision of better days to come. Mothers are always found enlisted under the banners of optimism, courage, and faith in the future. Only thus can they walk triumphantly through the valley of the shadow of death. The mothers of America set the standards of faith and ultimate victory for all of us. They have set in us forever the will to win.

us. They have set in us forever the will to win.

Every day I receive hundreds of letters urging that I do my utmost to keep America out of war. I have pledged to do my very best for the cause of peace. I do not know any self-respecting American citizen who wants America to fight on foreign soil. Most of the letters in behalf of peace come from mothers. They tell me of their cause of their distress less they he called to fight and die on foreign sons and their distress lest they be called to fight and die on foreign battlegrounds. I have yet to receive a letter from any mother saying that they are unwilling to have their sons defend our own shores and hearth fires. I am convinced that the mothers of America are a great moral force for peace, and if they could have their way in the world there would be no war.

the world there would be no war.

Mothers of America are on the march today, not to war, not to the carnage of battle, but to enlarged personal responsibility for the conditions of peace, production, and plenty that constitute our great American heritage. The enterprises begun by our forefathers are to be undertaken anew. We have hope that they shall have a better chance for fulfillment. The best tribute of praise we can give to the mothers of yesterday is to make more tolerable the living conditions of the mothers of today and the prospective mothers of tomorrow. This we hope to do, not by force of arms but through the will to peace and the blessings of a natural abundance.

Appropriations for Relief

EXTENSION OF REMARKS OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. MURRAY. Mr. Speaker, I ask leave at this time to incorporate in the RECORD information from Col. F. C. Harrington, Administrator of the Works Progress Administration, showing the total Federal funds used for direct and work relief from 1933 through December 31, 1938. Also information from the United States Department of Commerce. showing the assessed value of property subject to general property tax by States, and the estimated population of the States from the Census Bureau.

The matter referred to is as follows:

	Estimated population, July 1, 1937	Assessed val- uation of States	Total direct and work relief received by each State
Alabama	2, 895, 000	\$924, 790, 574	\$120, 298, 000
Arizona	412,000	359, 991, 270	42, 376, 000
Arkansas	2, 048, 000	427, 173, 085	102, 639, 000
California.	6, 154, 000	1 7, 249, 522, 232	489, 769, 000
Colorado	1, 071, 000	1, 103, 563, 605	110, 053, 000
Connecticut	1, 741, 000	2, 987, 739, 711	95, 432, 00
Delaware	261, 000	1 306, 691, 902	8, 578, 00
District of Columbia	627,000	1, 780, 268, 924	40, 000, 00
Florida	1, 670, 000	601, 953, 681	114, 800, 00
Georgia	3, 085, 000	1,060, 314, 247	122, 984, 00
Idaho	493, 000	381, 047, 373	37, 360, 00
Illinois	7, 878, 000	1 5, 153, 117, 918	703, 379, 00
Indiana	3, 474, 000	5, 066, 063, 791	249, 611, 00
Iowa	2, 552, 000	1 3, 242, 805, 954	95, 973, 00
Kansas	1, 864, 000	2, 716, 560, 079	122, 685, 00
Kentucky	2, 920, 000	2, 449, 220, 234	127, 871, 00
Louisiana	2, 132, 000	1, 338, 882, 600	132, 046, 00
Maine	856, 000	663, 532, 161	33, 374, 00
Maryland	1, 679, 000	2, 650, 729, 847	75, 398, 00
Massachusetts	4, 425, 000	6, 269, 392, 924	412, 971, 00
Michigan	4, 830, 000	1 6, 250, 022, 271	402, 523, 00
Minnesota	2, 652, 000	2, 042, 102, 314	222, 369, 00
Mississippi	2, 023, 000	442, 508, 137	85, 725, 00
Missouri	3, 989, 000	3, 797, 473, 075	245, 640, 00
Montana	539,000	1 334, 014, 887	66, 649, 00
Nebraska	1, 364, 000	2, 174, 013, 251	79, 261, 00
Nevada	101,000	181, 773, 153	11, 617, 00
New Hampshire	510,000	585, 627, 958	27, 499, 00
New Jersey	4, 343, 000	6, 249, 659, 172	340, 936, 00
New Mexico	422,000	1 288, 388, 870	39, 420, 00

	Estimated population, July 1, 1937	Assessed val- uation of States	Total direct and work relief received by each State
New York	12, 959, 000	\$25, 667, 925, 760	\$1,384,011,000
North Carolina	3, 492, 000	1 2, 199, 517, 988	97,300,000
North Dakota	706, 000	1 487, 266, 477	64,301,000
OhioOklahomaOregon	6, 733, 000 2, 548, 000 1, 027, 000	2 13,452, 947, 000 1, 221, 659, 918 892, 807, 998 1 12,354, 042, 688	255, 456, 000 156, 476, 000 68, 302, 000 972, 082, 000
Pennsylvania Rhode Island South Carolina South Dakota	10, 176, 000 681, 000 1, 875, 000 692, 000	1, 357, 303, 520 363, 333, 058 1, 034, 664, 289	43, 109, 000 88, 716, 000 77, 048, 000
Tennessee	2,893,000	1, 474, 957, 956	100, 908, 000
	6,172,000	3, 247, 532, 305	229, 563, 000
	519,000	524, 417, 178	47, 266, 000
Vermont	383, 000	322, 311, 977	14, 426, 000
	2, 706, 000	1 2, 080, 389, 587	75, 200, 000
	1, 658, 000	1, 083, 329, 750	137, 663, 000
West Virginia	1, 865, 000	1, 737, 625, 670	144, 512, 000
	2, 926, 000	4, 816, 473, 651	258, 808, 000
	235, 000	285, 139, 656	18, 684, 000
Total	129, 257, 000	143, 673, 591, 218	9, 456, 755, 000

Figures Show Farmer's Income Increases Under Roosevelt Administration and Fell During Period of Administrations of Three Republican Presidents—Harding, Coolidge, and Hoover

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

Mr. COCHRAN. Mr. Speaker, the gentleman from Wisconsin [Mr. Murray] today made a speech in reference to the Wisconsin cheese interests, and during the course of his remarks he referred to the reciprocal treaties. In support of his argument he produced two charts. I did not have time to examine both charts but I noticed in one column of one chart he had figures relative to the percentage of national income enjoyed by the farmer.

It is my purpose to refer to the gentleman's speech, using his own figures and to make a few observations of my own. Be it remembered I use the figures on the chart of the

gentleman from Wisconsin [Mr. MURRAY].

Under the column, percentage of national income, it shows the percentage in 1932, the last year of the Hoover administration, 6.23. You see by the chart there was a drop year by year from 1920 when the percentage was 15.44, during which period the Republican Party was in control.

Here is what the gentleman's own figures show during the Roosevelt administration:

1932	6.23
1933	8.43
1934	9.04
1935	9.80
1936	9.77
1937	9.73

By the gentleman's own chart it is shown an increase of 2.20 in 1933, the first year of the administration of Mr. Roosevelt, over the last year of the Hoover administration. The gentleman from Washington [Mr. Leavy] calls my

The gentleman from Washington [Mr. Leavy] calls my attention to another matter, the official wheat closings on the Minneapolis and Winnipeg exchanges as of May 16. The official figures follow:

Minneapolis	
MayJuly September	77½ 78½ 78
Winnipeg	
May	63 % 64 % 66

This shows an average of about 13 cents on each quotation in favor of the American wheat grower.

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I have repeatedly stated on this floor that no matter what you do for the American farmer by legislation you are not going to cure his ills until you find a way to get to the farmer's pockets some reasonable part of the spread between what he receives for his products on the farm and what we pay to place the same products on our table. Get him 50 percent or even 25 or 15 percent of that spread and you will find agriculture prosperous and happy and when agriculture is prosperous and happy the great industries in the cities will be prosperous and happy for the farmer will then be able to buy what we manufacture in our factories.

Our Republican friends made a great deal of noise here the other day when the President ordered the Navy to buy Argentine canned corned beef. They are going to find they talked a little too fast. The truth of the matter is we do not have first-class corned beef in this country in sufficient quantities and of sufficient quality to meet Navy and Army specifications for canned corned beef. Why? It is, as I showed the other day, because our packers can make more money using the beef that was formerly used for canned corned beef in manufacturing hot dogs and hamburger. The hundreds of thousands of hot-dog and hamburger stands throughout the country pay a higher price for this beef, formerly used by the packers in making canned corned beef, than the packers can sell their canned corned beef for and, as a result, the packers, as usual, go after this money.

Not a farmer or stock raiser in the United States, nor a packer, was hurt in the least by the purchase of the Argentine canned corned beef, but on the contrary, the packers used their products to increase their income by using it for hot dogs and hamburger rather than making canned beef. If we tried to make the packers use this class of beef for canned corned beef, then you would hear the cry "Keep the Government out of our business."

Markets-The People's Price Forum

EXTENSION OF REMARKS

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

ADDRESS BY HON. FRED L. CRAWFORD, OF MICHIGAN, BEFORE THE COMMODITY CLUB, OF NEW YORK, MAY 18, 1939

Mr. CRAWFORD. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address delivered by me last night before the Commodity Club, of New York City, and broadcast over the network of the Mutual Broadcasting System:

In going up a lonely foot trail thousands of feet above sea level in a mountain Province of the Philippine Islands about 3 years ago, I passed a half-civilized Igorrote walking down the slope with a rooster under his arm. My companion was a man learned in the ways of the natives, and I asked him where the native was going. My friend replied, "He is on his way to market." This reply aroused my curiosity still more, and these questions passed through my mind: Where was the market? What kind of a deal would the native make? On what basis would he bargain, and for what, when he reached the market?

Before all these questions could be answered by my friend, we met other Igorrotes returning from market. I noticed some of them carrying bottled soda pop and chewing gum. I learned that they would walk miles and miles over foot trails, up and down the mountain sides, through rain and heat, for what? Merely to trade

mountain sides, through rain and heat, for what? Merely to trade a rooster for a package of gum and a bottle or two of pop.

These half-civilized natives knew nothing of the mechanism of markets, the system which brought chewing gum and pop to the little shop at the seaside and would take their fowls in exchange.

This incident gives you a primitive illustration of how markets function, providing the agency through which people all over the world exchange what they produce for something they want and can use.

Of course, the economist might insist that the Igorrote should have traded his rooster for a shirt or some other article classed

as a necessity, but the native preferred chewing gum and soda pop. He made his own free choice and it is just such transactions that keep the world going. The Igorrote by thus exchanging his rooster aided in giving employment to those who produced chewing gum and soda pop and who, by their wages, could buy the things they also wanted.

I doubt if I could give you a better illustration of the theme I have chosen for my talk to you tonight—"Markets: The People's Price Forum." Markets, indeed, belong to the people. The people possess them by inalienable right, for it is the people who produce, who consume, and who, whether we like it or not, will exercise their own judgment in buying and selling.

It was just from such simple beginnings as I have described that mankind over the centuries has built the mechanism that operates

It was just from such simple beginnings as I have described that mankind over the centuries has built the mechanism that operates today throughout the entire civilized world. This mechanism is the commodity market. It has required centuries of toil and study to bring about the degree of market perfection we have witnessed in recent generations. The machinery of the commodity markets today functions so continuously that too many of our people are inclined to assume that the problems involved in the exchange of goods never existed. Others, however, misconstrue those problems and hold that government, instead of tending to its own business in the field of a properly planned money system, must regulate, if not actually operate, the commodity markets.

Now, the industrial revolution has multiplied immeasurably the variety of goods and services which we today accept as mere com-

Now, the industrial revolution has multiplied immeasurably the variety of goods and services which we today accept as mere commonplaces. The list of necessities and luxuries has expanded by leaps and bounds. Thousands of new occupations have been created. Millions of workers throughout the world today do not use the things they produce in mines and mills and factories. They trade their production for money wages and in turn their wages for things they want. In order to do this they must have

a free market.

When you come right down to it, the market is merely the link between the producer and the consumer. It is the mechanism or instrument of exchange, and is just as important as the medium of exchange through which it functions. In spite of its far-flung ramifications, reaching out into every country on the globe, it is a delicate piece of machinery, and any attempt to control its operation or to divert it from its true purpose will prove just as destructive as tossing a monkey wrench into an intricate piece of

operating machinery.

In our specialized productive economy today, with its vast multi-tude of goods and services seeking a market, we have come to registering our opinion of value, of the desirability of consummating an exchange, through the price system.

Ing an exchange, through the price system.

Price is the vox populi of world economic life. It is the people's ballot box, perhaps the only true democracy in the world today. It will tolerate no despot, no autocrat. Price should tell the farmer whether he ought to produce more wheat or cotton or curtail his production. Price tells the consumer whether he can or should buy. It is automatic in its operation. It is the subconscious response of hundreds of millions of people from London to Shanghai, from New York to Singapore.

All of us, whether we be farmers, miners, manufacturers, merchants, or housewives, all have varying and even conflicting ideas of prices, as to whether they are too low or too high. All these groups are influenced by their own economic self-interest.

But when the final consummation is reached, these antagonisms should normally cancel out, so that the price system that weights

should normally cancel out, so that the price system that weights all these interests gives paramount place to the general welfare and represents the highest social and economic objective. It is the and represents the highest social and economic objective. It is the free-functioning price system that passes goods and services into the channels of trade so that goods may be freely consumed and labor may be fully employed. Nor has civilized man ever been able to attain these objectives except through such a system of free

enterprise.

Now, if what I have said appeals to your common sense, it probably is time to ask why we have governments trying to regulate prices and markets through the exercise of a central authority. Why has what we call "planned economy" stepped into the picture? I think the answer is perfectly clear, and I might say, also, that the intentions and objectives should not be harshly criticized. As I have pointed out, we have a multitude of conflicting interests in our economic life, and particularly when it comes to the question of price. Producers all want higher prices. Why shouldn't they? Higher prices mean more buying power, and for the manufacturer they usually mean larger profits. On the other hand, we have the ultimate consumer, and in between the producer and the final consumer we have the merchant, the middleman, the go-between, who wonders when he buys at a high price whether he can pass this increase on to his buyer. enterprise increase on to his buyer.

Then it is easy enough to see why Government takes a hand, particularly in a country where the laws, with regulations proceeding from these statutes, are made by elected representatives. To put it more bluntly, politics is injected into our economic life. Don't draw any hasty conclusions. There is no question that this legislation, these regulations dealing with prices and markets are actuated by the best of motives.

actuated by the best of motives.

However, in the search of solutions for troublesome problems of this character, we wind up finding that we are offered about 57 varieties of remedies. You are familiar with most of them, and they carry some appealing names. What could look more fair than cost of production for farm products?

But whose cost of production is "fair"? Aren't unit costs obviously dependent upon yield per acre? And do not fertility and the weather gods control yields? You can figure out the cost of culti-

vating an acre, but the exact unit cost of production will remain an unknown quantity. It may be true that costs as well as prices control production. But it is the marginal farm, and not the average farm, that functions in this capacity in a free market.

Then we have "parity price." This is an ideal, with its conclusions based on the return to the farmer compared with the price he pays for what he buys. This problem is so interwoven with tariff duties, industrial labor costs, and other elements that the complexities are utterly baffling to the most astute legislative mind. Attempts to bring about an equilibrium between agricultural and industrial prices have forced a resort to subsidies and processing taxes, arous-

prices have forced a resort to subsidies and processing taxes, arousing endless protests from consumers and taxpayers.

And don't overlook the pressure groups. No matter what program is advocated, one organization or another, claiming prodigious voting power, will demand some panacea or nostrum that

will receive sponsorship from the complacent legislator.

Government after government, including our own, has tried price fixing, regimentation of production, attempts at marketing control, promulgating quotas, and what not. Yet, in spite of all these strivings, the desired equilibrium between agricultural and industrial prices evades us like the pot of gold at the end of the

rainbow.

It hardly is necessary for me to go into detail about the classic example of price control and market regulation furnished by our neighbor republic, Brazil. What tragedy could have been more colossal? In the 10 years, or thereabouts, over which Brazil tried to control supply by the burning of her coffee, almost 66,000,000 bags have been destroyed. This is equivalent to two and a half years of world consumption, with some countries finding coffee too costly a luxury for general consumption. Yet it is estimated that if Brazil had sold these millions of bags at a price the world would have paid, she could have discharged her external debt.

Another will-o'-the-wisp chased by Government is "price stability." This concept also had behind it an appealing motive, Sometimes when markets fluctuate violently, we think we would like to be relieved from these disturbing movements up and down, We feel that it would be a great thing if stability could be ob-

like to be relieved from these disturbing movements up and down. We feel that it would be a great thing if stability could be obtained through Government decree.

We forget that prices change for two major reasons—first, because of the activity of the people who produce more or less or consume more or less; and, second, because money is not of constant purchasing power. We struggle with the problem of finding a way to eliminate this disturbing monetary influence; but that way is not the way of governmental pegging of prices or meddling with markets. When we get that kind of price stability we find that what we have attained is not a desirable equilibrium, but paralysis. The very hour we begin to fear the mechanics of the market, at that moment the blood stream of trade circulation begins to clog.

begins to clog.

Whatever methods may be considered in maintaining free, healthy markets on either the commodity or monetary side, let us weigh well the principle enunciated by our distinguished Under Secretary of State, Dr. Adolph Berle, Jr., when he addressed some suggestions to our temporary economic committee last summer, see follows:

"Regulation is always inherently dangerous. Finally there is always the certainty that * * * the regulations will be used for purposes which are either corrupt, political, or doctrinaire. Any of these three may produce violent and extremely unhealthy results."

Government intervention in markets and prices calls forth end-

Government intervention in markets and prices calls forth end-Government intervention in markets and prices calls forth endless regulations and restrictions. I have before me a copy of the Federal Register, the issue of May 2, 1939. In page after page it lists the regulations pertaining to the cotton marketing quotas for the current season. If you will look over this puzzling exhibit, you will wonder how the farmer can have the time to answer the questionnaire and conform to the regulations and still produce a cotton crop. Yet, no doubt, if we are to have supervision over markets and prices, we shall have attempts to control farm production and marketing—all of which will continue to prove utterly futile. utterly futile.

If and when legislators favorably act on measures giving a ning board the power to fix quotas, set prices, and fiddle with the market, these same legislators will later press the planning board to reduce quotas in order to increase prices or increase quotas to effect prices downward. For factual support to this statement, I cite recent developments in some of our control systems. No capital structure of proprietor, partnership, or privately owned cor-poration can survive the constant jiggling of quotas and prices operated in slide-rule fashion by an administrator or a planning Producers and sellers, consumers and purchasers are too

owners and operators of private property should not be compelled to go groping along in a maze of uncertainty, with a feeling that a planning board is lurking behind every rock and tree, ready, on and in response to impulse, however generated, to put prices up or down to their disadvantage.

or down to their disadvantage.

The ownership and operation of private property is our greatest institution. It is the very basis of our system of taxation. It is the financial source of Federal and State sovereignty. Its successful operation is the reason for our people enjoying the highest standard of living attained by any race on earth.

To maintain this institution of private property, we must have buyers who will buy, sellers who will sell, lenders who will lend. They must not be afraid.

There must be confidence. I go to my attorney and he tells me what is the law. When the Administrator or the Planning Board

is authorized by law to jiggle the price and the quotas, the law becomes inconsequential. What the people then want to know is what will the administration do? Not knowing what will be the

what will the administration do? Not knowing what will be the next impulse of the jiggler, the market becomes a mere gambling den. Finally the would-be buyer withdraws from the scene, the equation is broken, goods cease to move, and paralysis prevails.

Through the free market and its mechanisms the products of specialized labor and capital are given values of time and place which could not otherwise exist. Without such creation of values through unhampered trading industry finds itself subject to creeping paralysis and cannot fully employ all of our manpower and capital.

In case of war, when the life of the Nation is at stake, and freedom faces catastrophe, anyway, government probably is justified in
exercising a certain amount of control over prices and markets.
In normal times, when the free flow of goods into the channels of
trade is vital to the general welfare, such exercise of authority not
only is unnecessary and restrictive but scheduled for failure.

If you want to know why, here is my answer: Government planners who issue regulations and control decrees make the mistake
of believing they are dealing with things. They are not. They

of believing they are dealing with things. They are not. They are dealing with human beings, and those human beings are dealing with the stern realities of their existence and their environment. Those realities are planned, not by men but by infinite Nature herself in ways which, however mysterious, cannot be changed by majority mandates or by bureaucrats.

changed by majority mandates or by bureaucrats.

Market prices are not governed solely by the statistics of supply and demand. After all, what is supply and what is demand, except the reaction of the people themselves to the conditions of their existence? Human behaviorism is the deciding factor. The market belongs to the people. It is in the market place that they express their judgment on values. The market degenerates into a mere "Charlie McCarthy" when it gets into the hands of government. Its imperative requirement is freedom. Nowhere else is liberty more precious. The people will submit to conscription of their youth for war, to taxes amounting to confiscation, but they will take a final stand on their judgment of prices, for when they speak it is not as individuals, but as the people—all the people over the whole of our mechanized, monetary world of trade.

Shall Relief Be Returned to the States?

EXTENSION OF REMARKS

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

ADDRESS BY HOWARD O. HUNTER, DEPUTY ADMINISTRATOR OF THE WORKS PROGRESS ADMINISTRATION

Mr. VOORHIS of California. Mr. Speaker, in order to bring before the House in fair manner all sides of the pressing question of the future of the Government work program, I am pleased to include in the RECORD the following speech by Mr. Howard O. Hunter, Deputy Administrator of the Works Progress Administration:

When we wash up the exaggerations of partisan attacks on the W. P. A. and discount fishing expeditions and witch huntnig, there remains a really major issue in this country on unemployment relief. This issue is, Who should administer and pay for relief for the unemployed, and how should such relief be given? It is a question of whether the present Federal work program for the unemployed should be continued, or whether the Federal Government should return to a system of grants-in-aid to States, with the States and local governments administering unemployment relief.

I have participated in every form of relief since 1929, from private charity—through Hooverism—up to the W. P. A.
Out of close experience with unemployment relief I have reached

some very definite personal convictions.

The first of these convictions is that unemployment today is a national problem and not a local one. There is no local community in America today which can do anything about unemployment. The complexity of our system of industrial enterprise is such that what happens in one part of the country may severely affect employment at a far-distant point. And unemployment never hits evenly in all localities.

The second conviction I have is that unemployment in private enterprise is no longer an emergency matter. The increased productivity of labor through mechanization of industry and agriculture and increased efficiency of management has made it possible for a vastly increased production of all kinds of goods, with a decreasing manpower. This means that private enterprise in this country cannot for many years to come absorb all of the unemployed, no matter what government does or does not do. Government spending and stopping the W. P. A. will only increase the number of unemployed.

And the fact that our business and industrial system cannot absorb all of our unemployed is not an indictment of the system. I would not advocate the abolition of any labor-saving device or any mechanical improvement. I would advocate an honest recognition of the fact that there is no way conceivable of reemploying all of the able-bodied unemployed, in any short period of time in private industry. And I would advocate a spirit of intelligent cooperation on the part of business in meeting this problem of

democracy.

And this leads up to my third conviction, that a program of public work for a considerable number of the unemployed is an essential factor in the continuation of a decent democratic government of the program of the program of the program of private ernment and in the preservation of our economic system of private

Now, this issue of Federal versus local administration of relief is by no means a new issue. Previous to 1933 there wasn't anything but local financing and administration of relief, and there was

precious little of it.

As for grants-in-aid to the States for relief, the present administration for 2½ years practiced that system. And it simply did not work well. It worked badly because of the wide variety of standards of relief and administration. In too many parts of the country there was no recognition given to the fact that these newly unemployed people, that had grown in numbers from a handful to millions, were a new kind of poor people. They were not the same old paupers who had been handled under the archaic poor laws in most of our States. They were able-bodied unemployed citizens—a cross-section of America.

The New Peal in 1925 heldin newtoned by the same content of the same content

The New Deal, in 1935, boldly ventured into a great democratic program of providing real work on useful public projects for these unemployed citizens. This program has been administered and largely financed by the Federal Government with, however, a great degree of decentralization and local authority on many important

degree of decentralization and local authority on many important fronts.

It is now being proposed that this system of a Federal program of work for the unemployed be abandoned and that the Federal Government go back to a discredited system of giving grants-in-aid to States and localities for relief.

I do not mean by this that the principle of Federal grants-in-aid to States is either discredited or unsound in other directions. For instance, the grant-in-aid system for public highways has worked well for many years. But the unemployed are not highways and you can't talk with engineering accuracy about the unemployment problem in any State or locality as you can about a highway. No grant-in-aid scheme can be made flexible enough, or be made to work fast enough, to take care of the relief of the unemployed.

I want to discuss this proposal on its merits. Of course, I know, and you know, that those people who propose a return of relief to the States are members of the group in opposition to this administration, and that they have themselves made this a political issue.

* * But let us examine their arguments. I know of no better exponent of these arguments than Senator TAFT, of Ohio, who is a spokesman for this plan, and who is recognized as one of the important leaders in proposing this change. Senator of the important leaders in proposing this change. Senator TAFT's noted and respected brother, Mr. Charles Taft, has also long been an advocate of the abandonment of the Federal work program by substituting a grant-in-aid system for direct relief, which he proposed 2 years ago as chairman of the National Community Chest Association.

The first argument is that local people know best who is in need of relief and can best determine who should get relief, and if there are to be any work projects, these local people also know what projects will be most beneficial.

there are to be any work projects, these local people also know what projects will be most beneficial.

As to this argument, I agree. And let it be said emphatically that in the operation of the present Federal work program through the W. P. A., no one except these same local people does determine who is in need and who should get W. P. A. jobs, and it is local public officials in these same local communities who initiate and sponsor work projects for the W. P. A. On these two essential points the Federal W. P. A. is and has been effectively decentralized. So, obviously, there is no point to this argument.

The second argument raised is the one of States' rights. I am not sure that I can get through my head what States' rights have to do with a great national problem like unemployment. But I assume from the arguments that it means that the States should determine standards of relief and standards of work, as well as administration. Now, experience has shown that when the States had control of the administration of Federal relief funds, there were 48 standards of relief. In fact there were thousands of standards, because in general the States passed the job on to the counties and townships. Relief under this system ranged from nothing to \$3 a month in many States, on up to about \$35 a month in a very few others. on up to about \$35 a month in a very few others.

Senator Taft says that work would be given to the unemployed under a grant-in-aid system and cites the fact that it was given before the Federal W. P. A. It is true that in a few places work was given—but how? No wage standards, work for grocery orders, and not real work at that, but largely "made work."

Since the Senator is a spokesman for this proposed change, let us use his own State of Ohio, as an example. In fact he uses it himself as an example, and says that even today the local government in his own town of Cincinnati provides a

work program for its own relief clients. Yes; and what kind of a work program is it? The report of Cincinnati's own public welfare department says that the work consists of projects for maintenance of normal city enterprise—which obviously decreases regular employment—and that the pay on these projects is 25 cents an hour. But wait a minute—the people do not even get the 25 cents. They actually get 12½ cents and the other 12½ cents is dished out in grocery orders and they work up to 6 days a month. Here we uncover an essential fact behind the proposal to abandon the Federal work program, which is that the opposition doesn't want a real work program, opposition doesn't want a real work program.

proposal to abandon the Federal work program, which is that the opposition doesn't want a real work program.

A third argument which is put up in favor of the State administration scheme is that administrative costs will be greatly reduced. On this point facts show the contrary. The administrative expense of relief under State administration never got below 10 percent of the total, and today the average administrative expense of State relief administrations is about 16 percent. Compared with this, the administrative expense of the W. P. A., which is limited by law to 5 percent, actually averages less than 3½ percent. The fourth argument—and I am sure that the proponents of this plan must have their tongues in their cheeks when they propose this one—is that if relief is returned to the States, it will thereby eliminate politics in relief. I just don't believe that any person who has the least realism about American politics will take this argument seriously. With a return of Federal relief to local administration, whatever politics there may be in it now will be multiplied by some 3,000 counties and 12,000 townships. Let us not forget that local politics got so bad under the Federal grants-inaid system that in six States, including the State of Ohio, the Federal Government had to completely take over relief administration on account of local political manipulation. account of local political manipulation.

The fifth argument, and this is the one the boys really go to town on, is that the total cost of relief will be much less if it is handed back to the States for administration. And on this argument I am in perfect agreement. And let me tell you why it will be cheaper. It will be cheaper simply because the work program will be abandoned and able-bodied American citizens who are unemployed will be put back on a dole or nothing. There is not any substantial way to decrease the cost of relief except by taking it directly out of the pockets of the unemployed.

In large and relatively rich States like New York and Illinois.

taking it directly out of the pockets of the unemployed.

In large and relatively rich States like New York and Illinois, under a direct-relief plan, the unemployed might get up to \$23 or \$30 a month per family on an average, whereas they get from \$55 to \$60 a month average per family on a Federal-work program. In most States, according to present State relief standards, they would only get from nothing to \$10 a month. These savings would be made at the expense of the health and decent living of the unemployed.

In the State of Ohio, however, they might not get anything at all if Federal grants-in-aid were dependent on any State contribution. I vividly remember the winter of 1937 and 1938 in the State of Ohio, when State relief broke down completely. The W. P. A. was able to give useful work to 260,000 heads of families in Ohio—which could not have been done under Senator Taft's plan. The great mayor of the great city of Cleveland, a Republican but non-partisan in relief, has stated that the system of Federal work relief for the unemployed had saved his city from disaster, and that if this was turned back to the States for administration it would be a deplorable backward step. a deplorable backward step.

Many of those, though not all, who propose a return of relief to the States do not come right out and say that they prefer a dole to work, but they imply this in every argument they raise. It is clear that many people who propose to abandon the W. P. A. for a system of grants-in-aid to States do not really want the unemployed to work at real wages on useful public projects. What they want is an idle labor pool, given a charity pittance. They do not like a program of work which enables these temporarily unemployed people to maintain their self-respect, bargaining power, and rights of citizenship. of citizenship.

We propose a continuance of work as against a dole, first, because it is the only decent American and democratic way to treat our citizens who are involuntarily unemployed; second, for the reason that it puts money into the hands of these people which is spent quickly in the normal channels of trade and continues to preserve our whole economic system; and, third, because the work these people do for the public is useful work and materially increases the retioned weelth.

And we believe from experience that this can only be done through the flexible resources and administration of the Federal Govern-ment, with local cooperation such as we have today.

There still is much work to be done for the public good in this There still is much work to be done for the public good in this country. We have hardly touched the work that needs to be done on conservation, public-health facilities, recreational facilities, housing, and hundreds of other public improvements. In my opinion, the W. P. A. has been the greatest single expression of democracy that we have ever known in this country. As long as our Government meets its responsibilities for its unemployed citizens in this constructive and democratic way rather than in the destructive way of dictator nations, then these millions of unemployed will continue to believe in democracy and will eagerly say to us: "Give us a chance and we will build you a real America." George Washington's Advice For These Times

EXTENSION OF REMARKS

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

RADIO ADDRESS BY HON. FRANCIS H. CASE, OF SOUTH DAKOTA, FEBRUARY 23, 1939

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

address which I delivered recently over the radio:

Advice is cheap. My grandfather used to say that it was the one thing on which the price did not go up during the war. Probably no one wants advice, and indeed, one may observe the headlong rush to arms these days, and readily conclude that words are futile things and that any reference to the words of a man who lived before the days of the steam engine, electricity, and airplanes is utterly foolish.

The Senate of the United States, however, and the House of Representatives still think it worth while to set aside time on each 22nd of February to have the Farewell Address of George Washington read by one of their Members. This year it was read in the House by the Honorable Farrz Lanham, of Texas. When he finished, the House rose, as is its custom, and paid a rising tribute both to the message and its reading. I heard a Member from Michigan, seated behind me, say, "That was a great message."

I wish that all Americans would take time to read that message, Nothing, I am convinced, would do more to help America sensibly and effectively to meet the decisions before us.

Nothing, I am convinced, would do more to help America sensibly and effectively to meet the decisions before us.

The Farewell Address of George Washington was written out of the richness of a patriot's personal experience—the experience of a man who is justly acclaimed as the Father of his Country. Congressman Shanley, of Connecticut, one of the best students of history in the House, says, "No man had greater experiences with foreign governments, emissaries, duplicity, and propaganda than he."

WAR IS NOT INEVITABLE

Today there seems to be a fatalism in which war is taken for granted; a feeling that war will come and that we shall be entangled whether we wish it or not. Into that fatalism, I want to throw some of the words of Washington with as much emphasis as I can.

to throw some of the words of Washington with as much emphasis as I can.

I presume that I am speaking primarily to residents of cities on this intercity hook-up. The terrible thing about modern warfare is the way it destroys cities and wipes out civilian populations. New types of bombs dropped from the air destroy buildings and kill people by concussion without a fragment of steel ever hitting one of the victims. The bombers do not have to hit a target. They only need to come close. Such bombing will stop ships. There will be no more mass invasions of troops on land or sea—not where such explosives are used. These bombs will crush structures and wipe out people as a cyclone wrecks a building and flings timbers and people here and there. Hot, searing flashes of flame will consume city blocks as the giant Zeppelin, the Hindenburg, was consumed in one roar of flashing gas. America would probably survive a war, because defensive measures could stop an invasion, but centers of population will hardly escape tragic punishment. I mention these things because I want to bring home the importance of George Washington's words today, if we would avoid war.

Washington said, "Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest * *; constantly keeping in view, that it is folly in one nation to look for disinterested favors in another; that it must pay with a portion of its independence for whatever it may accept of that character." "There can be no greater error," he said, "than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard."

LEFT HOLDING THE SACK

We are getting that experience. When Woodrow Wilson sat in with the powers at Versailles, what price did they demand for his League of Nations dream? Support for the carving of Europe, Support for mandating islands. Support for transferring colonies, Support for reparations. Support for the terms of retribution and revenge which have made central Europe a spot of turmoil from that day to this.

In more recent times, an administration played with the idea of applying economic sanctions, of quarantining aggressor nations.

Before the idea was cold in the day's press, the expected allies discovered other fish in the Mediterranean that called for their attention and America was left holding the sack to catch the

venom of an antagonized foreign press

venom of an antagonized foreign press.

A few days ago, a morning paper, published in Washington, carried an article written by an ace foreign correspondent, telling how England could not afford to let Franco and his Italian allies get control of a certain island off the coast of Spain. Before that article could be read, because it was on an inside page, the front page carried a dispatch stating that an English boat had helped Franco to occupy the island.

EUROPE HAS HER OWN INTERESTS

I am not criticizing what England and Franco may do in these matters. They know their business and we do not. As Washington said, "Europe has a set of primary interests, which to us have no, or a very remote, relation. Hence, * * * it must be unwise in us to implicate ourselves in the ordinary vicissitudes of her politics, or the ordinary collisions of her friendships or enmities."

There are proper things for America to do in such times as these. We can properly put our own house in order. George Washington said, "As a very important source of strength and security, cherish public credit."

It is difficult to reconcile that advice with the philosophy of spending borrowed money to achieve national prosperity and se-

GOOD CREDIT IS GOOD DEFENSE

"One method of preserving the public credit", he said, "is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also that timely disbursements to prepare for danger frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense but by vigorous exertions in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burdens which we ourselves ought to bear."

I have read the entire address carefully. I have been unable to

find in it anywhere any admonition to accumulate national deficits as a means to prosperity and security. I am unable to find in it anywhere a suggestion that we can borrow enough money to get out of debt. It is said that we should aim for \$80,000,000,000; we are headed toward \$80,000,000,000 all right, but it is an \$80,000,-

000,000 debt, not income.

000,000 debt, not income.

George Washington believed in preparedness—defensive preparedness, but neither entangling alliances, nor blusters of defiance. He said, "It is our true policy to steer clear of permanent alliance with any portion of the foreign world * * * taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies."

These are days of confused thinking. Our people see an open door demanded in China, a closed door demanded in South America, and they see some leaders demanding that we apply for the position of doorkeeper in Europe.

MIXING POLITICS AND TRADE

Washington had a clear thought for these times. "The great rule of conduct, for us," he said, "in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connections as possible." In official printings of the Farewell Address, that word "political" is in italics. "In extending our commercial relations, have with them as little political connection as possible."

Today, as one witnesses the transfer of trade extension from the Department of Commerce to the policy halls of the State Department, one is forced to ask whether our commercial relations with foreign nations are divorced from political considerations; indeed, one must ask if our foreign commerce has not been made an instrument of foreign policy contrary to Washington's

advice?

Another passage seems particularly appropriate for our day.

"Against the insidious wiles of foreign influence—I conjure you to believe me, fellow citizens," Washington said—"against foreign influence the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it.

Evenssive partiality for one foreign nation and excessive dislike for Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people to surrender their interests."

NEUTRALITY MUST BE IMPARTIAL

Everyone who reads those words today can, if he wishes, supply illustrations from the day's news on the importance of that advice. Under the spell of a foreign hate, we are urged by some to maintain the free air of America by an intolerance of speech and assembly which of itself would deny the very freedom we boast. Under the spell of a foreign love some people would keep in America aliens who have forfeited every right of residence by knowingly violating recognized laws of the land.

We need today the freedom from foreign influence, the impartiality in foreign attitudes for which Washington pleaded.

We are living in troubled times, but I am sure that I speak the spirit of George Washington's Farewell Address when I urge you to help keep the mind of America clear, so that if we should ever be called upon to defend our frontiers those frontiers will be determined, not in the web of alien intrigue nor in the pawnshops of foreign politics but in the forum of free speech by a clear-thinking America.

Relief Expenditures

EXTENSION OF REMARKS

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. MURRAY. Mr. Speaker, I wish to ask leave at this time to extend my remarks in the RECORD and include therein a report that I received on May 9, 1939, from Col. F. C. Harrington, Administrator of the Works Progress Administration.

I am asking at this time to incorporate the figures I received, showing the total amount of moneys that have been expended by the Federal Emergency Relief Administration from 1933 to December 31, 1938, on C. W. A., W. P. A., and for direct relief.

The matter referred to is as follows:

State	Federalfunds used on Civil Works Ad- ministration program	Federal funds used on Works Progress Ad- ministration program, July 1935 through December 1938	Federal funds used on Federal Emergency Relief program through De- cember 1938
Alabama	\$16, 110, 000	\$59, 013, 000	\$45, 175, 000
Arizona	4, 786, 000	21, 009, 000	16, 581, 000
Arkansas	12, 220, 000	49, 586, 000	40, 833, 000
California	41, 469, 000	288, 580, 000	159, 720, 000
Colorado	7, 433, 000	63, 188, 000	39, 432, 000
Connecticut.	9, 884, 000	61, 385, 000	24, 163, 000
Delaware	580,000	5,777 000	2, 221, 000
Districtof Columbia	5, 604, 000	19, 073, 000	15, 323, 000
Florida	16, 838, 000	56, 198, 000	41, 764, 000
Georgia	14, 092, 000	62, 851, 000	46, 041, 000
Idaho	5, 440, 000	18, 343, 000	13, 577, 000
Illinois	57, 601, 000	411, 803, 000	233, 975, 000
Indiana	23, 056, 000	173, 311, 000	53, 244, 000
Iowa	14, 712, 000	56, 149, 000	25, 112, 000
Kansas	12, 247, 000	70, 288, 000	40, 150, 000
Kentucky	10, 087, 000	78, 626, 000	39, 158, 000
Louisiana	13, 293, 000	66, 679, 000	52, 164, 000
Maine	4, 648, 000	16, 885, 000	11, 841, 000
Maryland	9, 043, 000	32, 946, 000	33, 409, 000
Massachusetts	29, 699, 000	267, 325, 000	115, 947, 000
Michigan	44, 417, 000	230, 537, 000	127, 569, 000
Minnesota Mississippi	19, 547, 000	134, 158, 000	68, 664, 000
Missassippi	9, 799, 000 19, 983, 000	44, 733, 000	31, 193, 000
Missouri Montana	6, 309, 000	160, 118, 000 37, 794, 000	65, 539, 000
Nebraska	6, 179, 000	50, 285, 000	22, 546, 000 22, 797, 000
Nevada	1, 300, 000	5, 092, 000	5, 225, 000
New Hampshire	3, 028, 000	17, 415, 000	7, 056, 000
New Jersey	27, 732, 000	223, 069, 000	90, 135, 000
New Mexico	2, 352, 000	21, 999, 000	15, 069, 000
New York	86, 835, 000	899, 330, 000	397, 846, 000
North Carolina	12, 942, 000	45, 613, 000	38, 745, 000
North Dakota	5, 102, 000	32, 956, 000	26, 243, 000
Ohio	58, 434, 000	421, 947, 000	175, 075, 000
Oklahoma	17, 820, 000	93, 117, 000	45, 539, 000
Oregon	6, 501, 000	39, 447, 000	22, 354, 000
Pennsylvania	46, 242, 000	603, 002, 000	322, 838, 000
Rhode Island	3, 823, 000	31, 477, 000	7, 809, 000
South Carolina	10, 349, 000	41, 460, 000	36, 907, 000
South Dakota	6, 843, 000	37, 764, 000	34, 441, 000
Tennessee	13, 226, 000	52, 332, 000	35, 350, 000
Texas	33, 706, 000	117, 426, 000	78, 431, 000
Utah	4, 524, 000	24, 138, 000	18, 604, 000
Vermont Virginia	1, 778, 000	9, 069, 000	3, 579, 000
	12, 155, 000 13, 557, 000	38, 734, 000 83, 819, 000	24, 311, 000 40, 287, 000
Washington West Virginia	13, 014, 000	80, 599, 000	50, 899, 000
Wisconsin	34, 489, 000	143, 294, 000	
Wyoming	2, 461, 000	9, 079, 000	81, 025, 000 7, 144, 000
Territories and items not distrib-	2, 101, 000	0,010,000	1, 111, 000
uted by States	10, 868, 000	41, 463, 000	11, 357, 000
Total	844, 067, 000	5, 650, 281, 000	2, 962, 407, 000

Grand total of Federal funds used for direct and work relief from 1933 through December 1938, \$9,456,755,000.

What Has Congress Done?

EXTENSION OF REMARKS

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1939

Mr. BURDICK. Mr. Speaker, this Congress has continued in session since January 3, and I believe no Congress was ever faced with more difficult problems to solve. Millions of unemployed—running close to 14,000,000; with farm-mortgage and city-mortgage foreclosures proceeding without interruption, and the occupants turned out into the public highways and streets; with our national debt approaching \$46,000,000,000; with an annual interest burden, public and private, of \$15,500,000,000; with taxes of all descriptions enmeshing businessmen to the point of bankruptcy, we can well say that we are faced with grave problems.

I do not allude to the so-called war scare, for, in my opinion, there has been nothing to justify that fear. We are in no danger of war from foreign quarters, and propaganda to the contrary is hand-made. We could get ourselves involved in any war if we wanted to, but we will get entangled in no foreign war if we pursue the course laid down by the Father of his Country, George Washington. If we are to be the errand boy for Great Britain and loan her more billions and place the lives of our young men and women at her service, we might well feel alarmed. Let England run her own business and let us run ours. We would not neighbor long with one who was always asking for something and never paying it back. I do not think this country ever has demanded an inch of British territory; they have nothing we want, and since we are willing to carry on international trade with Great Britain, we have a right to demand fair treatment or cease business. If England can defend her vast territory, well and good, but she has no moral right to ask us for assistance in view of her past record.

I might add this meager suggestion—that if England would spend less on flowers and water bottles for the King, and pay us some of that money on her debt to us, we might feel more like sympathizing with our mother country.

Has this Congress met the great responsibility resting upon it? What measures have we passed that will even tend to correct the glazing evils that exist all around us? I answer that this Congress, so far, has utterly failed to pass a single act that will in the slightest degree alleviate the conditions of the American people. I make that charge and will attempt to prove it.

The private money monopoly still controls the credit of the Government and regulates the value of all trade transactions and the price of commodities. No change in the money system is on the calendar for action by the administration. We still permit a private banking institution to issue our money and regulate the value thereof. The interest system is in full swing. Thirty-four cents of every dollar we spend goes to interest. Interest annually in the United States exceeds \$15,000,000,000, and the point has been reached where the people cannot bear this burden longer.

Our relief program has been a failure, largely because we have not understood what the problems are and will be in this country. The administration has been criticized for planning and executing much useless work and extravagance, and sometimes corruption has been indulged in by those handling the work. Could we expect anything else when our policy has been that relief is a temporary matter? Our slogan has been, "Put men to work at anything until our prosperity returns." Nothing was planned in advance. Our employment has been from day to day, at least not longer than a few months. Who can plan national employment in a few days or a few months? No one could avoid

extravagance under such a policy. This Congress should soon realize that Government employment is a permanent thing in the United States and plan accordingly. The problem is here now—it has been here since 1932—it will be here in 1942. I have repeatedly, at almost the expense of being called queer, called this matter to the attention of Congress, but the great majority of this body has not yet consented to treat the unemployment situation as a permanent thing.

What a different story about relief would have been written had Congress recognized in 1934 that the question of relief work was a permanent thing. Long-range programs could have been planned under the advice and direction of the United States Army engineers; every department of the Government could have contributed to a permanent work program, and the money thus expended would have added permanent wealth to the Nation. The conservation of water in the Great Plains area, the prevention of floods in other areas, the protection and development of our forests; and the conservation of our soil challenge the best-planned program of which our best minds are capable. Compare, therefore, expenditures under this planned objective with temporary work offered overnight by the Works Progress Administration. If much of the work under the W. P. A. was of little permanent value, it was not because of the failure of the W. P. A. machinery, but because Congress refused to recognize unemployment as a permanent thing in a field of effort entirely operated by private interests. We were in a haze then and we are in one now. Our ideas on the question of employment of the idle millions are as clear as mud. Just the moment Congress wakes up and admits that the unemployment situation is a matter of Government concern, we will begin to plan work that is not only desirable but essential to the welfare of the people of the United States.

Have we done anything to force money into circulation? We have not. Many Members of this Congress were elected on such a platform—the Townsend recovery program. This is especially true of many new Republicans. Where is the Townsend bill? Will it come out of the Committee on Ways and Means? I think it will. It will because of the political influence of the program itself. This bill forces money into circulation and keeps it there. It is not a measure to assist the aged alone, but to assist everyone who measures his brain and muscular energy by wages and payments in money to be spent for the things he needs, produced by someone else.

The Democrats have, as an administration, taken a stand against the Townsend bill. The Republicans have not, yet the percentage of Republicans against the measure is as great as the Democratic percentage. Many Republicans hope they will not have to vote on this bill. If the Democrats force the bill on the floor, the sheep will be separated from the goats. The people will know who is for them and who is against. The last election was not a swing back to reaction as much as it was a swing against the Democrats for failing to give this bill a chance. If the Democrats, therefore, force the bill out, the Republicans will be unmasked. Many will then vote for the bill which they privately pray now will not come up for a vote. It will be an interesting performance to watch the Republicans vote for a bill they do not believe in, but of which they are afraid. On this question the Republicans could walk away with the next election if they would come out in the open now and vote to put money back in circulation and keep it there. No chance can be taken, because what we have done has not improved our condition but made matters worse. What chance is there in trying something else-anything that might better our condition. I submit we cannot make matters worse.

Some day, within my lifetime, some President and some administration will be elected by the people of the United States that will take back to the Government itself the exclusive power to control our flow of money and regulate the value thereof. On this issue at the present time there is not the slightest difference between the two major parties. The Republican Party maintained the system for half

APPENDIX TO THE CONGRESSIONAL RECORD

a century and the Democrats have perpetuated it. Should the Republican Party be again entrusted with the administration, it is my judgment that the present system of private control of the people's money would be maintained. A careful canvass of the present Republican membership shows that the great majority of the Republicans want no change in the system except to strengthen it for the private operators of the Nation's money.

In this situation the people are quite helpless as none other than the historical parties seem to ever receive the support of the people. Finally one of the major parties will come out for the people on this issue or both parties will go down to defeat and oblivion. It only remains for the voters to suffer enough before they will throw the shackles of party regularity to the winds and stands up like free men and vote their convictions. I will predict that this uprising is not far distant.

Have we passed any remedial legislation for the farmers? We have not. The test of what we have done in the past 5 years can be determined by the present condition of the farmers. More foreclosures and more evictions-more unpaid taxes and debts. As fast as we force them out of their homes the more we have on relief and this Congress evidently prefers to feed the farmers that way than to let the farmers feed themselves. On this farm situation, it is exactly like the money question. Those who want to revise the law cannot agree. One group pulls one way and the others in the opposite direction. Because of this lack of unity of action nothing is done.

The farmers of the Nation have prayed for an investigation of the exchanges of the country that handle our crops and the market places. These farmers have proven to Congress that at one market alone, Chicago, every actual bushel of wheat delivered there is sold on the futures market 719 times. Those who sell these futures contracts receive oneeighth of 1 cent per bushel, and one-eighth cent times 719 equals about 90 cents. The operators of wind sales get 90 cents for every bushel delivered while the farmer gets half of that at his market place, with the price he received set by the grain gamblers. I have asked for this investigation with the moderate expense of \$10,000, but this Congress will not permit such an investigation. My resolution on this subject is locked up in the Committee on Rules and there it will remain, I presume, until this Congress adjourns.

We have done very little so far except to appropriate two and one-fourth billion dollars for our national defense, when there is no evidence at all that we are in danger of attack from any quarter of the globe. How will our action be received by the people if we do not act upon the supremely important matters of legislation?

How will the people receive our war program of spending billions while the millions are jobless?

The General Welfare Act (H. R. 5620)—Amended H. R. 11)

EXTENSION OF REMARKS

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

Mr. HENDRICKS. Mr. Speaker, I wish to call the attention of the Congress to the fact that I have received three petitions asking for early consideration of the amended H. R. 11. The first petition was presented by A. L. Junegan, Orange City, Fla., and contains 59 names. The second was presented by J. Joseph Goldenberg, Daytona Beach, Fla., and includes 29 names. The third was presented by Kenneth R. Hunter, Daytona Beach, Fla., and includes 59 names.

Great Lakes-St. Lawrence Seaway

EXTENSION OF REMARKS OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1939

ADDRESS BY HON. JOHN C. BEUKEMA, CHAIRMAN OF THE EXECUTIVE COMMITTEE OF THE NATIONAL SEAWAY COUN-CIL, BEFORE A JOINT MEETING OF THE HARBOR COMMISSION. KIWANIS CLUB, AND ROTARY CLUB OF MANISTEE, MICH., MAY 16, 1939

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address made on May 16, 1939, in my district, the Ninth Michigan Congressional District, at Manistee, Mich., upon the subject of waterway navigation. The address is as follows:

On Saturday and Sunday, May 13 and 14, 1939, the people of west Michigan welcomed at Muskegon the first vessel of Dutch registry making a continuous voyage from Rotterdam, Netherlands, to the Port of Muskegon. Although the vessel did not enter our harbor until 9:30 p. m. Saturday, it was instantly taken over by a shouting, cheering mob that kept almost continuous possession of it until sailing time Sunday at 3 p. m.—so much so that the master had to call for a squad of police to enable him to get on board his own ship Sunday afternoon prior to sailing. It is estimated that from 10,000 to 15,000 people visited the ship during the few brief hours it was in port. They came from communities as far as 100 miles away.

At Cleveland, Capt, Albert Helsingden tells me, he was accorded

At Cleveland, Capt. Albert Helsingden tells me, he was accorded similar reception.

What was the reason for this spontaneous and entirely unantici-

What was the reason for this spontaneous and entirely unanticipated public demonstration and welcome?

Merely the realization, Mr. Chairman, that Muskegon's long-cherished hope of becoming a world port was a reality.

Other ships flying foreign flags have been entering our lake ports, including Muskegon, for the past 4 or 5 years. Apparently they were regarded as venturesome pioneers. It took a newspaper announcement to the effect that a Dutch line with a fleet of four ships had been organized for the express purpose of giving service between British and Dutch ports and Great Lakes ports to dramatize the situation and to convince a skeptical public that

service between British and Dutch ports and Great Lakes ports to dramatize the situation and to convince a skeptical public that the ships would not only come, but were actually here.

The steady stream of people that visited the boat Sunday morning and early afternoon had only one theme of conversation—a way had been opened to the sea. The fact that the United States had not yet consummated an agreement with Canada for the construction of the St. Lawrence Waterway apparently did not enter their consciousness. The further fact that not one shovel full of earth has been dug or can be dug to modernize the present 14-foot channels between Ogdensburg, N. Y., and Montreal was a matter of perfect indifference to them. was a matter of perfect indifference to them.

SEEING IS BELIEVING

The ship itself, with its Dutch flag and its Dutch name, Prins Willem Van Oranje, and with the home port, Rotterdam, stenciled on the stern, was a vivid, living reality to them. It convinced them that a way had been opened. Muskegon was no longer a marooned, interior city. It had a life-giving contact with the sea. Out of that contact they firmly believe new commerce and industry will arise.

The incident is significant only because foes of the seaway are widely representing that there is no current interest in the Midwest in the St. Lawrence project. To my mind the reception acwest in the St. Lawrence project. To my mind the reception accorded this ship is a complete and effective reply, for no public celebration had been planned or arranged. In fact, the hour of the ship's arrival was unknown. A small committee of public officials and businessmen had been delegated to do the honors. But in spite of the fact that it was 9:30 p. m. Saturday when the ship arrived, the people of Muskegon and western Michigan took the matter of welcoming this vessel into their own hands and made a holiday of it.

Why does Muskegon and all Michigan, in fact, look forward to the opening of the St. Lawrence waterway?

We look to the sea, Mr. Chairman, for the same reason that men from time immemorial have looked to the sea. Our people know the lesson of history, that the great and powerful peoples of this globe and the rich and thriving municipalities have almost uniformly been those who had access to the sea and free use of its oceans.

They do not need the agony of a Poland, threatened with the loss of its seaport—Danzig—to dramatize this fact. And, furthermore, Mr. Chairman, they realize there are other barriers quite as destructive to the commerce and industry of a community as high tariff

barriers; such barriers, for instance, as excessive transportation costs to world markets and our own coastal markets. They ex-

pressed themselves accordingly.

The Midwest wants the seaway today as keenly as it did when

The Midwest wants the seaway today as keenly as it did when the project was first launched 20 years ago and 23 States petitioned Congress for action. It desires the seaway as keenly as it did 4 years ago when 50 lake-port mayors visited Washington and asked for approval of the 1934 treaty.

Midwesterners may not have been so vociferous in their demands in recent years, owing to the apparent inactivity, "for a hope long deferred maketh the heart sick." But the yearning is there. It will never be satisfied until the seaway is built.

There are 45,000,000 residents of the Midwest who eagerly look forward to the conclusion of negotiations with Canada that will give them access to the sea. To this one-third of our population completion of the St. Lawrence Waterway means more than any other project, public or private, now on the national horizon. It implies release from transportation handicaps which are definitely retarding the further growth and development of this vast section of the country, barring its farmers and manufacturers from foreign markets, and handicapping their trade with our own coastwise States.

coastwise States.

Pacific coast residents pay \$50 to \$100 more for their automobiles than they would if there was an all-water route from Detroit

to Los Angeles and San Francisco.

Tropical fruits processed in Florida, Texas, and California find a limited market in the Great Lakes basin, because excessive transportation costs make it impossible for the factory workers of transportation costs make it impossible for the factory workers of Cleveland, Detroit, Milwaukee, and Minneapolis to include them in their diet. Oregon lumber mills lie idle and badly needed housing in the Great Lakes basin languishes because of prohibitive freights on lumber and other raw materials. The tankers that sail from Houston, Tex., touch no Great Lakes ports—where gasoline consumption is relatively the heaviest—because of the rock barrier that exists in the International Rapids section of the St. Lawrence.

WHAT SEAWAY MEANS TO MICHIGAN

What does the seaway mean to Michigan? Let me give you what does the seaway mean to minigan? Let me give you six reasons why the people of our State desire it.

(1) It will bring the ocean 2,300 miles inland and give the United States a new northern coast line.

(2) It will convert Michigan's 1,624 miles of lake shore into

seacoast and make our principal ports accessible to 70 percent of the world's shipping.

(3) It will restore the economic parity between Michigan and Atlantic seaboard States that existed prior to the building of the Panama Canal. In other words, construction of the seaway is only a simple act of justice to Michigan and other Lake States whose competitive relationship with the Atlantic seaboard in respect to world markets and our own Pacific coast market was maladjusted by the building of the Panama Canal and the subsequent

increases in freight rates.

(4) The transportation savings achieved by water carriage will

enable Michigan industry and agriculture to broaden their markets.

(5) Opening of the seaway will bring to us industries now confined to the seaboard by reason of their dependence on foreign

(6) This industrial development will fill our idle plants, give work to our unemployed, and restore millions of dollars of urban real-estate values that have vanished since the 1929 crash.

real-estate values that have vanished since the 1929 crash.

A century and a quarter ago the territories west of the Alleghenies faced a similar problem. The fertile acres and infant cities of the Great Lakes Basin spelled opportunity to the adventurous souls dwelling on our Atlantic coastal plains. But the cost of transporting even the most meager household equipment and farm tools over the mountains was prohibitive. Hence, immigration was retarded until the Eric Canal was opened in 1825. Within the space of a very few years freights toppled from \$100 per ton to \$8 per ton. Hundreds of thousands of settlers followed the canal route to the Lakes. In rapid succession new States were added to the Union to create the modern Midwest.

Opening of the St. Lawrence will accomplish a similar resurgence of trade and industry. The benefits of this recovery will extend to every nook and corner of the Nation.

What the Baltic Sea and its several arms mean to the peoples of

What the Baltic Sea and its several arms mean to the peoples of north Europe, and what the Mediterranean means to Spain, France, north Europe, and what the Mediterranean means to Spain, France, Italy, and the Levant, that the St. Lawrence Seaway means to our North Central States. Closing of either the Baltic or Mediterranean would destroy the economic life of the peoples occupying their littorals. Any power attempting to bar world commerce from these seas would inevitably be involved in war. Yet millions of Americans who are tremendously agitated at the prospect of such a European cataclysm are supremely indifferent to the fact that a group of selfish domestic interests persist in blocking removal of the last rock harrier separating the Great Lakes Basin from the sea. the last rock barrier separating the Great Lakes Basin from the sea.

Is it possible that in any other country of the world a great water highway 2,300 miles in length—capable of being navigated every foot of the way with the exception of a short 48-mile stretch—by over 80 percent of the world's merchant ships, should be left unimproved on the specious plea that other transportation interests and ports would suffer?

Yet these selfish interests-shipping and import groups in our Atlantic seaboard cities, railroads, certain utilities, and organization of river contractors on the Mississippi, and certain ship operators on the Great Lakes-defiantly assert that the people of the Midwest shall not be accorded the elemental justice of permitting their products to enter world markets and our own coastal markets on a parity with those of other sections of the country. Taking advantage of the constitutional requirement that a treaty must have the approval of two-thirds of the United States Senate, present and voting, they defeated an agreement with Canada in 1934. To-day they are likewise employing every artifice and misrepresentation day they are likewise employing every artifice and misrepresentation to defeat a new agreement submitted that country last May by Secretary of State Cordell Hull.

There is an old story about a young lawyer who went to a renowned barrister for advice. "Judge," he asked, "what would you do in a certain case if the facts were against you."

"Simple, my boy," the judge replied, "I'd talk about the law."

"But what if the law were against you?"

"Then I'd talk about the facts."

"But what if both the law and facts were against you?"

"But what if both the law and facts were against you?"
"Then, my boy," the judge solemnly replied, "I'd holler like everything."

TACTICS OF SELFISH OPPOSITION

The latter is the method being employed by these opponents of The latter is the method being employed by these opponents of the seaway. Representing, as they do, many of the largest financial interests in the Nation, together with rich and populous ports, they are in a position to confuse the issue by flooding the country and Congress with propaganda and misrepresentation. These tactics, so familiar to us who fought the battle in 1934, are being repeated today. It is a little amusing to see sturdy politicos in New York and New Orleans beating their breasts and loudly protesting that the British Government shall never acquire sovereignty over the waters of Lake Michigan. As if the Representatives in

testing that the British Government shall never acquire sovereignty over the waters of Lake Michigan. As if the Representatives in Congress of Michigan and our neighbor State of Wisconsin are not fully competent to protect our interests in the matter!

The fact is that the United States is surrendering nothing in the way of sovereignty over Lake Michigan waters. The proposed treaty is perfectly clear in this respect, as was the former treaty of 1933. The point was adequately debated when the previous treaty was up for consideration in the United States Senate, and the Senate's best constitutional lawyers were in unanimous accord that our sovereignty over these waters was fully protected.

There is nothing, however, to match the persistence of a false-

There is nothing, however, to match the persistence of a false-hood, as a great philosopher has pointed out. Hence we hear this ridiculous claim once more reasserted by those who have not the slightest concern in the sovereignty issue but do have a selfish interest in not permitting Great Lakes commerce to reach the

sea without paying excessive tolls.

Enemies of the project would further have you believe that the seaway will not be used. They overlook the fact that even today smaller ocean-going vessels, capable of navigating the present 14-foot St. Lawrence canals, are making voyages on regular schedules into the upper lakes. One line, of Norwegian registry, which started with 3 ships in 1934, operated 17 ships in 1937. Belgian and Finnish tramps are today in the Lakes.

The new Dutch line, with four ships, inaugurated service this year. Last year 65 ships of foreign registry navigated the St. Lawrence and the Lakes. The history of world merchant marine shows that ships will go wherever cargo is offered, and there is sufficient water under their keels. Shoals of the Yangtze-kiang, the Amazon, and the River Plate have never been a barrier.

One of the most amazing port developments in this country is that of Houston, Tex. The miraculous growth of that city during the past 20 years is largely attributable to its artificial harbor. Houston is 50 miles inland, but the building of the Houston Ship Canal almost instantly attracted to it the commerce of the world and made it the Lone Star State's principal entrepot.

Manchester, England, had a similar renaissance following the building of the Manchester Ship Canal. The Manchester Chamber of Commerce Handbook makes the following statement on the benefits which that great improvement brought to the city of Manchester and Lancashire.

"Toward the close of the nineteenth century Manchester realized that direct maritime contact with the world was imperative if its industries were to prosper; a ship canal must be dug. Parliament was sued for close upon 3 years; the royal assent being given in August 1885.

August 1885.

"The great waterway, 35 miles long, took 6 years to make and was opened from end to end on the 1st of January 1894. The enterprise has brought its rewards; languishing industries revived, new ones gathered round the port, and Manchester, an inland city, is today one of the foremost ports in the Kingdom, with an annual trade valued at about 100,000,000 pounds.

"The development of industrial Lancashire during the last 30 tracks which has the ability with his carefully hims disparent."

years owes much to the ship canal which, by establishing direct maritime connections between Manchester and the principal ports of the world has not only assisted the growth of existing indus-tries but has directly encouraged the establishment of new ones."

Is it not reasonable to assume that the same benefits which accrued to Manchester by obtaining access to the sea will not accrue to Cleveland, Toledo, Detroit, Muskegon, Milwaukee, Chicago, Green Bay, Duluth, and many another lake port?

SEAWAY WILL NOT INJURE RAILROADS

The principal objection that has been leveled against the seaway, however, is that it will jeopardize the future of our rail-roads. If this assertion is correct the wisdom of opening the St. Lawrence may indeed be questioned by thoughtful men. But it rests on a series of assumptions, none of which can be justified. The first of these is that the seaway will take freight from the railroads; that is, it will reduce the aggregate amount of freight

railroads; that is, it will reduce the aggregate amount of freight haul of our eastern roads.

It is our considered opinion that the seaway will supply the railroads with far more new tonnage than it takes away. This has been the conclusion of every governmental agency which has studied the subject. These agencies include (1) two joint boards of engineers, representative of Canada and the United States, who made most painstaking studies and prepared detailed plans of the seaway; and (2) International Joint Commission and the Interdepartmental Board, which studied the subject in 1933.

Opening of a new northern coastline for the United States extending 2,300 miles inland to the head of navigation on the Great Lakes, together with the development of additional cheap hydroelectric power, will inevitably create a tremendous industrial

Great Lakes, together with the development of additional cheap hydroelectric power, will inevitably create a tremendous industrial expansion and revival of employment throughout this basin. New industries will spring up, many of them branch plants of industries now confined to the Atlantic seaboard by reason of their dependence on foreign raws. Lower transportation costs in reaching Midwest markets will stimulate the sale of the products of these industries. Fresh employment will be created, attracting new settlers. The construction of new plants, new homes, municipal facilities, et al., will create a tremendous volume of new traffic. It is a well-known fact that periods of railroad prosperity have always coincided with shifts of population and industry as new regions were developed and a wider market for the products of their industries created.

Ships are major originators of rail traffic. Rail lines and sea

products of their industries created.

Ships are major originators of rail traffic. Rail lines and sea lanes are complementary, not competitive. It is shortsighted, therefore, to assume that in opening the seaway the 23,000,000 tons per annum, which the United States engineers estimate will be carried on its waters, will be taken from the rails. On the contrary, it is more logical to assume that this is additional business. A large volume of this traffic will be in the form of raw materials for conversion, which the rails will ultimately move to interior markets. The processing of these materials will require the construction of plants, installation of equipment and machinery, housing development, et al., which, in turn, will produce other and additional rail tonnage, so that ultimately the rails will gain far more than they lose.

As Vice Chairman Paul Shoup, of the Southern Pacific Railroad, once so cogently pointed out in an address at San Francisco: "Two

As Vice Chairman Paul Shoup, of the Southern Pacific Railroad, once so cogently pointed out in an address at San Francisco: "Two hundred years ago the only known means of transportation along the Pacific coast was that of canoes. Yet I venture to say there is more money being made in the canoe business today than there was when canoes were the only means of transportation."

The printing industry is a striking illustration of what happens when you cheapen the cost of a product and the transportation thereof. Fifty years ago the printers of America feared the prospective dying out of their craft due to the invention of the linotype machine. Yet today printing costs are only a mere fraction of what they were in the eighties. Employment in the industry is tenfold what it was then and every businessman's desk is piled high each morning with a fresh batch of printed matter coming to him through the mails.

Lowering transportation costs via the seaway will not put the

Lowering transportation costs via the seaway will not put the railroads cut of business, it will create new business for them.

Possibly there will be temporary disturbances, but in the long run the probable effects are these:

(1) Water carriers will carry a higher percentage of foreign raws

thound, much of which would not have moved to interior points except for continuous water haul.

(2) Railroads will carry a higher percentage of the more lucrative traffic in fabricated products.

(3) The public will benefit from lower freight costs.

PRESENT ABILITY OF RAILROADS TO HANDLE ANY TONNAGE OFFERED

Recently a series of resolutions bearing on this question of loss of tonnage by the rails and the present ability of railroads to handle any tonnage that might be offered were adopted by a lake port chamber of commerce at the instance of its railroad members and over the protests of manufacturers and exporters. The reso-

lutions say in part:
"This project originally found enthusiastic support because of the complete inadequacy of the railroads in the years immediately subsequent to the World War in handling the Nation's tonnage and

subsequent to the World War in handling the Nation's tonnage and in the added fact that we were a heavy grain-exporting nation.

"Tremendous improvement of the rail transportation system, along with the development of other agencies of transport, have completely eliminated this most valid reason for the construction

of the seaway."

The resolutions allege that our rail transportation system broke The resolutions allege that our rail transportation system broke down under war demands. The statement is not disputed. Virtually everyone engaged in business during the war years and immediate postwar years recalls the congestion at our eastern ports—cars backed up from New York to Philadelphia, every yard full, with manufacturers east and west, north and south, clamoring for equipment to move their product, and chafing at delay in the delivery of raw materials. Every available piece of equipment on the Great Lakes and barge canal was requisitioned to ease the situation. situation.

The assumption is made, however, that this could not happen again. "Tremendous improvement" in rail transport facilities, together with the development of other agencies of transportation, "completely eliminates" the possibility of a recurrence of this situation and thus makes the seaway unnecessary, it is alleged.

Obviously the first question to be raised is. To what extent has our rail transportation system improved?" What additions have railroads made to their equipment, what miles of track have been added, and to what extent have operating efficiencies been instituted to guarantee the ability of our rail carriers to handle any and all traffic that may be offered in the event of another national emergency?
Railroads in the United States reached their peak mileage in

1916. Since then main-track railroad mileage has declined. Rail mileage operated in 1916 aggregated 259,705 miles and in 1936 251,542 miles—a decline of 8,163 miles. (United States Statistical

The great bulk of the freight moved by our railroads is in freight trains, the express movement being relatively negligible, from a tonnage standpoint. The question arises, therefore: To what extent have the railroads increased their freight-train equipment?

United States Statistical Abstract for 1937 (p. 374) gives the

following data:

Railway equipment in service

Year ending—	Freight-train cars			Locomotives	
	Total number	Aggregate capacity	Average capacity	Num- ber	Tractive effort
Dec. 31, 1916	2, 329, 475 2, 388, 424 2, 403, 967 2, 322, 267 1, 867, 381	Tons 94, 441, 000 98, 343, 000 105, 953, 000 106, 180, 000 88, 677, 000	Tons 40, 8 42, 4 45, 1 46, 6 48, 3	65, 595 68, 942 66, 816 60, 189 49, 541	Pounds 2, 066, 166, 000 2, 340, 761, 000 2, 611, 238, 600 2, 526, 940, 000 2, 206, 261, 000

These figures show a decline in the number of freight cars available to handle freight from 1916 to 1935 of 462.094 cars, or 20 percent. They also show a decline in aggregate capacity of these cars during this same period of 5,764,000 tons, or 6.1 percent. An increase in average capacity per car makes up the difference between the two percentages.

The figures further show a decline in the number of locomotives

The figures further show a decline in the number of locomotives available of from 65,595 to 49,541, or 16,054, equivalent to 24 percent. But the increased efficiency of the modern locomotive gives us an increase of approximately 10 percent in tractive effort.

Certainly there is nothing in these figures to encourage the belief that the conditions which existed in 1917 to 1920 would not be duplicated in the event of another national emergency. Accepting the United States Census estimate of an increase in population since 1920 of approximately 20 percent, is there any reason for assuming that our railroads are more adequately equipped today to handle the freight of the country in the event of a war than they were 20 years ago?

Further, there is no reason for assuming that railroad plant today is relatively more efficient than it was in 1917. The railroads' own showing, in their repeated appeals to Congress for financial relief, in which they recite conditions of deferred maintenance and inability to renew equipment, negatives any such a supposition.

supposition.

OTHER TRANSPORTATION FACILITIES DO NOT FILL CAPACITY

The resolutions further assume that "development of other means of transport," makes the completion of the seaway unnecessary. Let us inquire into the validity of this assumption. By "other means of transport" undoubtedly is meant the establishment of intercity trucking facilities, pipe lines, airways, and barge canals, or so-called inland waterways, as distinguished from the Great Lakes St. Lawrence, system

the Great Lakes-St. Lawrence system.

The President's committee, composed of representatives of rail presidents and rail brotherhood executives, submits the following "estimated percentage distribution of commercial freight ton-miles, 1926 and 1937":

	Percent o ton-miles	f freight handled
Service and the service of the servi	1926	1937
1. Steam railways 2. Intercity trucks 3. Great Lakes 4. Other inland waterways 5. Pipe lines 6. Electric railways 7. Airways	75. 4 3. 9 15. 2 1. 6 3. 7	64. 6 7. 7 36. 6 3. 0 8. 0
	100.0	100. 0

The report continues as follows:

"The proportion of freight business handled by steam railways declined between 1926 and 1937 from more than three-fourths of the total to less than two-thirds, a loss of more than 10 percentage points. On the other hand, the growth of pipe-line, inland-water-way, and motortruck traffic is apparent, their combined gains equal-ing more than 10 percentage points. "The following table shows, in amounts and percentages, the changes in freight ton-miles handled by the several agencies of transportation, 1937 compared with 1926:

Change in freight ton-miles handled, 1937 compared with 1926 [Decrease (-) or increase (+)]

	Amount	Percent
1. Steam railways. 2. Intercity trucks 3. Great Lakes. 4. Other inland waterways. 5. P pe lines. 6. Electric railways. 7. Airways.	-84, 628, 245, 000 +19, 850, 000, 000 +3, 206, 167, 000 +7, 340, 066, 000 +23, 093, 161, 000 -615, 262, 000 +2, 156, 000	-18.9 +84.4 +3.6 +76.9 +106.4 -46.9 +100.0
Total	-31, 751, 957, 000	-5.3

"If the Great Lakes be excluded from this comparison as being a

"If the Great Lakes be excluded from this comparison as being a natural waterway, the railway proportion of the total so adjusted changes from 75.4 percent to 88.9 percent in 1926, and from 64.6 percent to 77.4 percent in 1937. On this basis of calculation, the rail proportion of total freight traffic shows a decline of 11.5 percentage points between 1926 and 1937."

Accepting these findings, "other means of transport," have absorbed 11.5 percent of available traffic (excluding Great Lakes) since 1926, the railroad's peak year. This is approximately the same as the population gain since that date (11 percent). It must be remembered that a substantial part of this traffic, if handled by rail, would have to be moved in special equipment; viz, petroleum and petroleum products, etc.

Again there is no reason for assuming that the railroads have been so relieved by the development of these agencies as to assure

been so relieved by the development of these agencies as to assure their ability to handle the peak traffic of a national emergency.

IS RAIL TRANSPORTATION MOST ECONOMICAL?

Another question that arises is: Do the rails offer the most economical form of transportation? Corollary to this: If not, should not the country get the benefit of any cheaper form?

If it be true, as our economists would have us believe, that national prosperity depends on a constantly increasing production of goods available to the public at steadily lowering prices, then any economies that may be achieved in transportation costs are of vital concern to every American.

vital concern to every American.

In a previous period of our history, it was precisely such ecomies in the production and distribution of goods that made recovery from a serious depression possible, as James Truslow Adams, in his History of the United States, points out (vol. II, p. 194):

"By * * 1860, in spite of the panic of 1857, the number of wage earners in manufacturing had risen to 1,311,000 and the value of manufactured products to \$1,836,000,000. Such a huge development would not have been possible except for the purchasing power on the part of the people and such improved means of transportation as would permit of a circulation of goods at freight rates less prohibitive than those called for by the cld system.

* * * Canals, followed by railroads, provided the transportation. The opening of Erie Canal had caused an immediate drop in freight rates between Buffalo and New York from \$100 per ton of merchandise to less than \$8, making possible a heavy interchange of manufactured products of the East for farm produce of the West, and giving New York an incomparable advantage over every other and giving New York an incomparable advantage over every other Atlantic seaport. * * * * "Steamboats had also come to our great rivers, and as early as

"Steamboats had also come to our great rivers, and as early as 1830 Cincinnati and Pittsburgh factories were beginning to supply the Southwest with machinery, furniture, and other factory goods at less than had been the cost of such goods in New York or Philadelphia a decade earlier. One of the marked features of the period was this decreased cost with a consequent widening of markets, due both to machinery and an almost 90-percent reduction in transportation charges."

As a general principle water transportation costs in deep-draft vessels are approximately one-eighth the corresponding rail costs for a like distance. This is true of not only ocean freights, but equally true on the Great Lakes, where bulk cargo is carried on ships specially built for the trade at the lowest known rates of

transportation in the world.

To illustrate (data from 1936 annual report of Lake Carriers

Association):
Iron ore is carried from the head of Lake Superior to Ohio ports, a distance of 833 miles, at a cost of 70 cents per gross ton, or an average of \$0.00084 per gross ton-mile. Average revenue per ton-mile on the rails in 1936 was \$0.00974, or nearly eleven times the

water rate on iron ore.

Coal is carried from Ohio ports to the head of Lake Superior at 40 cents per net ton, or an average of \$0.00048 per ton-mile. This is one-twentieth the average revenue per ton-mile on the rails.

one-twentieth the average revenue per ton-mile on the rails.

Grain is carried from Duluth, Superior, to Buffalo, a distance of 986 miles, at varying rates, some running as low as 1½ cents per bushel of 60 pounds, or \$0.0291 per hundred pounds.

The rail rate on wheat from Miles City, Mont., to Duluth, a distance of 753 miles, is \$0.216; the water rate, Duluth to Liverpool, 3,946 miles, is \$0.1825. This includes elevation at Duluth, transshipment at Montreal, and insurance. Herewith comparative figure that the control of the ures per bushel on a shipment of wheat from Miles City, Mont., to Liverpool; also comparative mileages:

	Rate	Mileage
Rail rate to Duluth.	\$0. 216 , 01	753
Freight rate Duluth to Montreal.	. 0625	1, 337
Transshipment Ocean freight Insurance	. 01 . 095 . 005	2,609
	. 3985	4, 699

Summarizing these figures, it costs \$28.70 per train-mile to ship 100,000 pounds of wheat from Miles City, Mont., to Duluth by rail; but it costs only \$3.64 per boat-mile to ship the same 100,000 pounds from Montreal to Liverpool; and only \$4.67 per boat-mile from Duluth to Montreal.

The fact of the matter is that the railroads themselves are the

first to acknowledge the tremendous economy of water transportation on the Great Lakes. In their comparison of costs between the rails and inland waterways, spokesmen for the railroads invariably exclude the Great Lakes. In a recent address, R. V. Fletcher, vice president and general counsel of Association of American Railroads, made an exhaustive comparison between costs of operation on pland waterways and the rails (Institute of Ethermone). of operation on inland waterways and the rails (Institute of Public Affairs, University of Virginia, July 6, 1938). Concluding his comparison, he stated:

"No reference is made here to transportation on the Great Lakes or on the high seas. Those, of course, are natural water-ways, where no great sums must be expended, outside of harbor improvements, in making them navigable. They have always been used and obviously always will be used as important agencies of transportation."

COMPARATIVE TONNAGES HANDLED

Carrying our inquiry a bit further, we might ascertain the comparative service rendered by the railroads to the American shipper, as measured by the volume of freight handled.

United States Statistical Abstract for 1937 (p. 380) gives us the following record for consecutive 5-year periods.

Freight traffic, tonnage and revenue

	Tons revenue freight carried		Tons carried	Revenue ton-miles
Annual average	Originated	Total	1 mile	per mile of road
1916–20	1, 325, 772, 000 1, 231, 193, 000 1, 364, 607, 000 798, 205, 000	2, 378, 164, 000 2, 216, 318, 000 2, 481, 018, 000 1 437, 728, 000	390, 815, 000, 000 375, 468, 000, 000 430, 310, 000, 000 270, 192, 000, 000	1, 510, 297 1, 455, 688 1, 657, 292 1, 051, 083

The table further reveals that the average freight revenue per ton-mile increased from 0.875 cent for the 1916-20 period to 1.023 cents for the 1931-35 period. In 1916 it was 0.717 cent per ton-mile. In 1938, according to the report of the President's committee submitted December 23, 1938, it was 0.982 cent per ton-

mile, and in 1937, 0.938 cent.
Freight revenues per loaded car-mile were 16.3 cents in 1916, 27 cents in 1926, and 23.2 cents in 1935.

Revenue ton-miles in 1916, according to the President's committee report, aggregated 362,444,397,000, and in 1937, 360,620,-269,000, or approximately the same. Peak year was 1929, with 447,000,000,000 ton-miles. Low year was 1932, with 233,000,000,000

ton-miles.

The figures indicate: (1) That the railroads are carrying less freight than they did 20 years ago; (2) that they are charging a higher price by approximately 30 percent for what freight they do carry. Undoubtedly there are sound reasons for this, viz, increased cost of materials and supplies, increased wages, taxes, etc., but the fact remains, freight costs are materially higher.

The St. Lawrence seaway movement was born out of a demand for lower freight costs to world markets. This demand came principally from the farmers and manufacturers of the Midwest. Is there any reason for assuming that Midwest farmers and manufacturers accept with equanimity these higher freight costs, when lower freight costs could be made available to them? Certainly they are sympathetic to the plight of the railroads, but not to the extent of stifling all self-interest.

In conclusion may we point out that the farmer, too, has his problem. He ekes out an existence today only by the help of Government controls and subventions. The opening up of a new avenue of transportation, that will slice even a cent off his transportation costs to world markets, means more to him today than a saving of 11 cents per bushel in the days when the seaway movement was launched and wheat brought \$2.50 per bushel.

SHOULD THE FEDERAL GOVERNMENT GUARANTEE RAIL INVESTMENTS? The claim has been advanced that the diminution of rail traffic due to losses to other forms of transportation, the general busi-ness decline, and other causes entitle the rails to protection on existing traffic. Proponents of this idea point to the importance of the rails as taxpaying agencies; and the substantial investments made by insurance companies, endowed institutions, and investors in general in rail securities, et al., as reasons why the rails should be safeguarded from what is alleged to be destructive competition through other and cheaper forms of transpor-

tation.

We need only point out that if this principle is accepted, i. e., the principle of Government guaranty of investment in existing facilities against the competition of a new, more economical, and more efficient form of enterprise, progress ceases in America.

This is the principle on which China stagnated for 4,000 years, or until western civilization knocked at its doors. It is the precise opposite of the principle on which the country has been built and on which it has risen to its present greatness.

Acceptance of this principle would imply abandonment of all the hydroelectric projects on which the Government, as well as private industry, is presently engaged in the hope of giving people cheaper power. It would imply abandonment of our program for highway development and domestic aviation service. It would stifle invention and the development of new processes in industry. We call attention to the conclusions contained in the report of the interdepartmental board on the Great Lakes-St. Lawrence proj-

We call attention to the conclusions contained in the report of the interdepartmental board on the Great Lakes-St. Lawrence project by President Roosevelt, under date of January 23, 1934, and based on Interstate Commerce Commission data, which are still applicable. These conclusions are (p. 261):

"In connection with this board attempt to determine the opening of the Great Lakes-St. Lawrence seaway, there are certain general considerations of great importance.

"(1) The first is that the country's general welfare would not be served by permitting the existing investment in one form of transportation to stand in the way of investment in an alternative method proved more economical for certain purposes.

"(2) The second is corollary to the effect that expansion in transportation facilities to meet an assured increase in traffic should be along the lines of most economical investment and development. To permit the vested interest in the railroads to monopolize the entire increase at the expense of a large section of the country seeking a cheaper outlet to markets and inlet to products of other areas would certainly not be good national economics."

III. THE GRAIN MOVEMENT

III. THE GRAIN MOVEMENT

Another criticism frequently directed against the seaway is that although it may have originally been justified as an outlet for western grain, it is no longer needed today for this purpose since

western grain, it is no longer needed today for this purpose since we have lost our foreign markets.

It is assumed that the present low rate of export of American grain and grain products will be maintained indefinitely, that the American farmer has permanently lost his quondam foreign market, and that there is no prospect of recovery of these markets and a resumption of heavy bulk movement of grain to European ports.

We cannot accept these conclusions.

United States exports of wheat and wheat products have steadily declined since the war years. Our exports of wheat and flour in

declined since the war years. Our exports of wheat and flour in 1920 aggregated 369,313,000 bushels; in 1929, 153,245,000 bushels; and in 1936, 21,584,000 bushels. The loss of our foreign markets may be attributed to three primary factors:

(1) Reduced world consumption of wheat. Efforts of importing

(1) Reduced world consumption of wheat. Efforts of importing nations to become self-contained in respect to their food supplies. Principal importing countries reduced their imports in the 7 years 1929 to 1936 from 754,250,000 bushels to 465,991,000 bushels. Germany, Italy, China, Egypt, Czechoslovakia, Sweden, Cuba, and Spain—all substantial customers—virtually ceased, in many instances, importing wheat from any source.

(2) Disruption of world trade, economic distress in Europe and Asia, were and rumors of wars.

(3) Imposition of artificial barriers to trade. The Ottawa agree-

(3) Imposition of artificial barriers to trade. The Ottawa agreement of 1932, giving Canadian growers 6 cents per bushel preference, destroyed our largest single market—Great Britain.

ence, destroyed our largest single market—Great Britain.

To assume that barriers of this character are permanent and will never be removed is to fly in the face of history. Economic law is bound to assert itself over a span of years in spite of international politics. Since it will take several years to build the seaway, we feel that now is the logical time to anticipate the inevitable swing of the cycle. Opening up of a new all-water trade route into our great grain-growing section should be a helpful factor in removing trade barriers and stimulating purchases by overpopulated and highly urbanized countries who must continue to depend on other countries like ours for necessary food supplies. Opponents of the seaway point out that grain moves from the head of the Lakes to Atlantic ports at rates "not in excess of 6 cents per bushel." They fail to point out that grain has moved under charter from the head of the Lakes to north European ports at rates only a fraction higher than rates applying concurrently from Atlantic ports. Movement referred to is a continuous waterborne movement from port of origin at head of Lakes to United Kingdom and Baltic ports in the same bottom and without interchange at Montreal.

terchange at Montreal.

In 1936 Scandinavian tramps handled 24 such cargoes from Fort

william and Port Arthur, the total movement being 1,143,829 bushels of wheat. Steamer *Trolla* carried cargo of 1,856 net tons to Wasa, Gulf of Finland, at a rate of 14.1 cents per bushel. Rates to British and Scandinavian ports averaged 12.5 to 13 cents per

Comparative rates on Montreal transfer were:

Fort William to Montreal Transshipment	(average rate during season)	4.5
Ocean rate		10.0
Total		15 5

The impression has gone forth that reduction of world consumption of wheat and the loss of substantial foreign markets has virtually eliminated wheat movement through the St. Lawrence canals. This is not so. Total volume through these canals in 1936, as shown by the annual report of Lake Carriers Association, was 2,951,460 net tons (grain and grain products). through the canals that year aggregated 10,405. Vessel transits

In 1937 this commerce reached a new high. Total freight movement through the St. Lawrence canals that year aggregated 9,195,439 tons, which was 783,797 tons ahead of the previous high registered in 1928. Freight from Gulf ports, maritime provinces, American ports and European ports coming up from transfer at Montreal and other river points, was 364,287 tons, and the down-river freight to these ports was 96,663 tons. This tonnage was carried in 65 ships, 40 of them of Norwegian registry.

In 1936 the Ottawa Agreement of 1932, allowing a preference of for the Ottawa Agreement of 1932, anowing a preference of cents per bushel on Canadian wheat shipped to Great Britain, was modified so that wheat could be moved through United States ports and remain eligible for the preference—thus restoring the normal movement through Buffalo to our Atlantic seaboard. It is noteworthy that the St. Lawrence movement continued in volume despite this arrangement.

IV. COST OF PROJECT MISREPRESENTED

One of the most frequent misrepresentations is that in respect to the cost of the project. It is alleged, for instance, that the cost will run as high as \$500,000,000; that untold millions must be added to this sum to deepen harbors on the Great Lakes to equip them to handle oceangoing ships, and that no study has been made to ascertain these costs.

The facts of the matter are that the costs of the project have States engineers in collaboration with their Canadian conferees. It is not two hundred and fifty to five hundred million dollars, as alleged, but a net of \$183,000,000. A message from the President of the United States to Congress, under date of January 11, 1934, makes the following statement:

"The total United States share of the cost of completing this waterway to open the Great Lakes to ocean-going commerce under the treaty is estimated at \$272,453,000, including the development of 1,100,000 horsepower on the United States side of the international rapids. Of this it is proposed, under the terms of the joint resolution which has already passed the House of Representatives, that \$89,726,750 be assumed by the State of New York as representing the cost which may fairly be allocated to the power project. This would place the total net cost to the United States for the entire project, under the treaty, at \$182,726,250.

"The annual cost of the seaway to the United States, including interest at 4 percent, amortization of 50 years, operation and maintenance, is estimated by the Corps of Engineers at \$9,300,-000. This amounts to an annual cost of 7.4 cents per capita for the population of the United States and 23.2 cents per capita for the seaway area." for the seaway area.

The estimates of the United States engineers may be accepted as fact. They built and completed the Panama Canal well within the estimates for that project. In fact, their consistent record over a long span of years—a record that few, if any, private firms can duplicate—is that of building all projects under their supervision within the estimates.

As to the charge that no study has been made of the cost of deepening harbors, may we point out that United States engineers have made such a study. Their report recommends that 11 Great Lakes ports be ultimately improved to admit ocean-going vessels. The total cost of improving these ports to a minimum depth of 30 feet, in order to accommodate this traffic, according to the engineers it as \$500.000. neers, is \$9,500,000.

LAKE-CARRIERS TRAFFIC

The final argument of interests opposed to the seaway is that Lake carriers would lose a certain amount of traffic, particularly in grain, to foreign-fiag ships, and that such diversion "would completely upset what is considered one of the most balanced traffic movements in the world—that of down-bound grain and ore on the Great Lakes and up-bound coal."

In view of the fact that opponents allege the almost total extinc-In view of the fact that opponents alrege the almost total extinction of our export grain movement, the statement is somewhat contradictory. Certainly, if there is no export grain movement there could be no substantial diversion of same to foreign-flag ships, as is alleged. The fact of the matter is that the grain movement, although greatly reduced, is still substantial. It should be pointed out, however, that that portion of the American grain movement destined to our eastern seaboard, i. e., New England and Atlantic States, will not be disturbed.

Under our maritime acts water-borne commerce between two American ports is confined solely to ships of American registry and flying the American flag. Foreign ships cannot enter this trade. This represents the great bulk of the Great Lakes carriers' grain commerce. Canadian grain taking either Montreal or Buffalo transfer and shipped through the Fort William-Port Arthur gateway is largely handled in Canadian ships. In 1936, according to report of Lake Carriers Association (p. 13):

"Vessels of United States registry had only 51 of the 1,134 cargoes and only 141/3 million bushels of grain that moved from Canadian head of Lake Superior in 1936."

The same report shows the following tonnages handled by Great Lakes bulk carriers:

Iron ore, 44.822,023 gross tons, or	Net tons 50, 200, 666
Bituminous coal	44, 010, 585
Anthracite	688, 858
Grain	7, 433, 967
Limestone	12, 080, 672

114, 414, 748 Total -

Grain tonnage, therefore, is only 6.5 percent of total movement. We cannot agree, therefore, that construction of the seaway "would completely upset what is considered one of the most balanced traffic movements in the world—that of down-bound grain and ore of the Great Lakes and up-bound coal."

VI. CONCLUSIONS

Analysis of the resolutions, therefore, indicates the following:
(1) Objections advanced are expressive of the opinions of the rame selfish interests that have fought the St. Lawrence Seaway consistently since the inception of this great project. These interests are (1) certain railroads, (2) certain utilities, (3) shipping and import groups in our Atlantic seaboard cities, (4) an organization of river contractors on the Mississippi, and (5) certain ship operators on the Great Lakes.

operators on the Great Lakes.

Their arguments have been effectively disproved time after time by every governmental agency which has studied the subject during the past 20 years, including the United States Corps of Engineers, United States Department of Commerce, Interstate Commerce Commission, Federal Power Commission, United States Department of Agriculture, International Joint Commission, etc.

(2) These interests do not take into consideration that the area to be benefited by the seway has a population of over 45000000.

to be benefited by the seaway has a population of over 45,000,000, who cannot reach world markets today with their products because of excessive transportation costs, and who desire cheaper power costs. They do not take into consideration the fact that more than 40 percent of the Nation's industries are located in this area and eagerly look forward to the opportunity of engaging in foreign and eagerly look forward to the opportunity of engaging in foreign trade. They do not give consideration to the fact that a city like Detroit, although nearly 1,000 miles inland, is one of America's largest export points. They do not take into consideration the fact that each year sees an increasing number of small ships, capable of navigating the 14-foot-depth St. Lawrence canals entering the Lakes and building a new and profitable foreign commerce. They do not take into consideration the need of the seaway for national defense purposes. They do not take into consideration the needs of the American farmer.

(3) Finally, these interests refuse to recognize that a new northern coast line stretching one-third of the way into the interior of the continent can mean as much to the Midwest as the Gulf coast does to the South, and the two oceans do to our east and west coasts.

west coasts.

Nothing on the horizon, therefore, promises so much to restore American prosperity as the St. Lawrence seaway.

The Green Tree Manor Scandal—How Many More?

EXTENSION OF REMARKS

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. ROBSION of Kentucky. Mr. Speaker and Members of the House, most of us know that the Courier-Journal and Louisville Times are the two outstanding daily Democratic newspapers of Kentucky. I know of no newspaper in the Nation that has so consistently and wholeheartedly supported the President and his administration since March 4, 1933, up to the present time, as have the Courier-Journal and Louisville Times.

LAND VALUE SOARS \$60,000 IN 24 HOURS

This headline appeared in the Courier-Journal on April 24, 1939. Excerpts from this article are as follows:

Green Tree Manor, the multi-unit apartment development on Frankfort Avenue, just outside city limits, was built on 25 acres of land whose value soared in 24 hours from about \$40,000 to

about \$100,000 on July 31, 1937.

This increment in value was revealed from courthouse records Thursday. It was revealed from Washington that the Federal Housing Administration (F. H. A.) accepted the land on which Green Tree Manor was built at a valuation of \$100,000, which, together with the value of the projected improvements, was made the basis of a \$1,000,000 loan by the New York Life Insurance Co. dated August 2, 1937.

Prior to this loan on July 31, 1937, deed books at the court-house showed that the Green Tree Manor site changed hands twice on the same day.

The property was sold by John C. and Elizabeth L. Fenley to the Walter Butler Building Co., a Delaware corporation. On the same date the Walter Butler Co. sold the property to

the Kentucky Development Corporation, another Delaware chartered outfit.

It further appears in this article that the Walter Butler Building Co. of Minneapolis, Minn., bought these 25 acres of land for \$39,685, on July 31, 1937. On the same day it transferred this property to the Kentucky Development Corporation for \$100,000. The Kentucky Development Corporation, while incorporated under the laws of Delaware, was an affiliate of the Walter Butler Construction Co. It was organized and controlled by the Butlers of Minneapolis, Minn. The Kentucky Development Corporation built the Green Tree Manor, the multiunit apartment, and then made claim to the Federal Housing Administration that the land and improvements had cost \$1,397,000, and executed a mortgage to the New York Life Insurance Co. for a loan of \$1,000,000, and requested the F. H. A to guarantee the loan on the alleged value of the property fixed at \$1,397,000.

LOUISVILLE REAL ESTATE BOARD PROTESTS VIGOROUSLY

This Courier-Journal article further states:

It was revealed that the Louisville Real Estate Board protested vigorously against the Green Tree Manor deal on December 21, 1937, in a letter sent to the White House, to both Kentucky Senators, and numerous other highly placed officials.

Members of the board said that nothing ever came of this protest except a letter from James Roosevelt, son and at that time

confidential secretary to the President, saying that he would call

confidential secretary to the President, saying that he would call the matter to the attention of his father.

In this formal complaint, the local real-estate board asserted that the total over-all value of the completed project could not possibly exceed \$752,285, including land, against the \$1,397,000 valuation accepted by F. H. A.

At that time the real-estate board called attention to the write-up in land valuation and asserted that the actual purchase price paid to the Fenleys was \$39,685.

The real-estate board also asserted in its letter that the Walter

The real-estate board also asserted in its letter that the Walter Butler Construction Co. was a St. Paul, Minn., concern, and that the Kentucky Development Corporation was organized and controlled by the Butlers.

This mortgage requires the payment of \$15,000 annually begin-

ning November 2, 1938, and continuing through May 2, 1962.

This arrangement would leave a final payment of \$643,750, due August 2, 1962, at which time the project would be nearly a quarter-century old.

ASSESSED AT \$16,950

The Louisville Times of April 14, 1939, states:

The ground on which the F. H. A. accepted the valuation of \$100,000 is assessed on city and county tax books at \$16,950.

As to a report that Kesselring-Netherton Co. received a \$10,000 fee, both Mr. Kesselring and W. J. Netherton, firm heads, declined discussion. "That was our own private business," said Mr. Kesselring.

It is claimed that this firm received a fee of \$10,000 or more in connection with furnishing some data. Mr. Kesselring said:

My connection with the transaction was simply to furnish the lending company with some data on industrial employment, which I obtained from the Board of Trade.

Of course, this \$10,000 fee or more, no doubt, was included in the write-up of the value of \$1,397,000, the valuation accepted by the F. H. A.

LET'S HAVE THE FACTS

The Courier-Journal on April 16, 1939, in an editorial under the caption "Let's have the facts," lays bare this fraud upon the taxpayers of the Nation in the following revealing and courageous language:

[From the Louisville Courier-Journal of April 16, 1939] LET'S HAVE THE FACTS

Such financial gyrations as those involved in the construction of the Green Tree Manor apartments are mysterious to the ordinary man, who knows that the F. H. A. would laugh at him should he propose any such deal as that engineered by a group of St. Paul builders. * * *

At this late date, little or nothing can be done about upsetting this particular applecart, but a searching investigation should be undertaken to ascertain how much Federal money has

been hazarded in enterprises of this nature.

In the Green Tree Manor transaction the F. H. A. guaranteed a loan for \$1,000,000, the principal of which was to be repaid in installments of only \$15,000 annually up to and including May 2, 1962. On August 2, 1962, a balance of some \$685,000 becomes due. This type of loan, incidentally, is no longer legally possible. All mortgages bearing F. H. A. guaranties must now be fully constituted in security and contractions. fully amortized in equal payments spread over a term not ex-

ceeding 26 years.

But the arrangement was possible in 1937, and it becomes a matter of importance, therefore, to know precisely what this development actually represented in dollars-and-cents investment.

The fact that the acreage upon which the apartments were constructed received in artificial "write-up" in value from about \$40,000 to about \$100,000 within a single day would seem to reflect

effrontery; but it was agreed to by the F. H. A.

The F. H. A. also agreed to an over-all valuation on the completed project of \$1,397,000, although the Louisville real estate board asserts it could have been constructed in its entirety for about \$750,000.

the real estate board's valuation is accurate, it is proper to ask what happened to the extra quarter million borrowed from the New York Life Insurance Co. And city assessor John Kesselring should not refuse to tell the public what, if anything, his company

received as a financing fee—and why.

This property will be 24 years old when the \$685,000, guaranteed with public funds, falls due. That, therefore, is the stake of every taxpayer in Green Tree Manor.

If the property was worth only \$750,000 in actual, hard cash to begin with, it is certainly conceivable that the Government—which is to say the people—will be holding the bag for \$685,000, 23 years from next August 2.

I wish to commend the Courier-Journal and the Louisville Times and their editors and managers in bringing to light the facts in connection with the Green Tree Manor development project. They have rendered a distinct public service. There have been other disclosures in other sections of the country involving write-up values in larger amounts than the Green Tree Manor. These disclosures should be a warning to the administration of the possibilities of graft and inefficiency in the handling of these billions of dollars by the F. H. A., and as pointed out by the Courier-Journal editorial-

A searching investigation should be undertaken to ascertain how much Federal money has been hazarded in enterprises of this nature.

FOUR BILLION DOLLARS INVOLVED

Under a bill recently passed by the House the F. H. A. is authorized to insure and guarantee up to \$4,000,000,000 mortgage loans in the F. H. A. building program, and to guarantee and insure 90 percent of the face value of the loans, to mature in 26 years. The present law limits the guaranty to 80 percent of the face value. In order to put a check on the write-up values in these insured loans there was adopted an amendment by our colleague Mr. Cochran, of Missouri. The Senate has amended the House bill and increased to \$5,000,-000,000 the amount that the F. H. A. may guarantee or insure, and the Senate has practically cut out the protection afforded by the Cochran amendment.

My purpose in bringing these facts concerning the Green Tree Manor project in Louisville, Ky., is to urge upon the House the importance of the Cochran amendment. We should not permit the House nor the conferees to take out

or emasculate this important amendment.

The Louisville Real Estate Board, made up of experienced, honorable, and capable men, assert that the Green Tree Manor project could have been completed in its entirety for \$750,000, and the "tops" would have been less than \$753,-Yet the Government has guaranteed and insured a mortgage on that property for \$1,000,000, under a claimed value of \$1,397,000. This is a write-up of \$644,000. Under the terms of the mortgage, guaranteed and insured by the Government, on August 2, 1962, there will still be owing on this property \$685,000. As pointed out in this editorial, if the property was only worth \$750,000 new, the taxpayers will be holding the bag for \$685,000 August 2, 1962. This write-up was a fraud on the taxpayers of the Nation. Other frauds have developed. As the Government guarantees 90 percent of the face value of the mortgages and, as the bill is now written, the mortgages are to be paid in 26 years, we can hardly believe that these properties 26 years from now will be worth 90 percent of their present value. At the very best, the Government is bound to lose hundreds of millions of dollars and perhaps a billion or more dollars under these I

guarantees of four billions as provided in the House bill, and five billions as provided in the Senate bill. It is quite clear that if we have many Green Tree Manor projects that the taxpayers are bound to be called upon to make good heavy losses.

F. H. A. DIRECTOR NOT CONSULTED

Judge Roscoe R. Dalton, the State director of the F. H. A. for Kentucky, according to an interview appearing in the Louisville Times, April 14, 1939, Judge Dalton was not consulted. He states:

He and his office had no part in the appraisal, construction, or inspection of the Green Tree Manor Apartments. The deal was handled out of Washington.

Judge Dalton is an able lawyer and a capable businessman. and a director of the F. H. A. in Kentucky. I wonder why he and his associates in Louisville were not consulted? Why should a matter of this importance be undertaken in his city without his suggestions or advice? I am very glad to know that Judge Dalton had no part in this disgraceful affair. Why did the Louisville Real Estate Board receive no response from the President and other high officials here in Washington when it denounced this proposition, and were warned that the value should not be more than \$752,285 at tops, as against a write-up value of \$1.397.000?

It has come to light that there were big write-ups of other projects in other sections of the United States. Congress should investigate the F. H. A. to learn to what extent this agency is obligating the United States Government and guaranteeing loans on a write-up value of nearly double the real value of the property. If we are going to have F. H. A. to benefit the people of our country we should see to it that the people get the benefits and not a lot of big companies and their affiliates.

The national debt is now more than \$40,000,000,000. There should be added to this the guaranties the Government has made of principal and interest of \$5,600,000,000 in bonds issued by various Federal agencies. These bonds have been issued and sold and the proceeds disbursed by this administration. These guaranties will no doubt cost the taxpayers of the Nation a billion or more dollars. Now we are giving F. H. A. the right to guarantee at least \$4,000,000,000 worth of mortgages at 90 percent of their face value and payable over a period of 26 years.

Two distinguished United States Senators stated on the floor of the Senate more than a year ago, that the obligations of the United States Government were at least \$45,-000,000.000. Since that time these obligations have been increased nearly \$5,000,000,000 more. One of these distinguished Senators stated that no one knew the liabilities of the Government. Congress has given the F. H. A. and other agencies the right to insure and guarantee these obligations, and time alone will disclose the losses on these obligations, such as the Green Tree Manor. Graft and fraud must be eliminated. The taxpayers are entitled to protec-The Cochran amendment should be adopted, and the F. H. A. and these other agencies that are handing out billions of dollars should be investigated.

Clinton M. Hester, Administrator, Civil Aeronautics Authority

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

ARTICLE FROM NATIONAL AERONAUTICS FOR MAY 1939

Mr. COCHRAN. Mr. Speaker, in existence only about a year, the Civil Aeronautics Authority has already won the confidence of the trade as well as our citizens interested in aeronautics. To my mind this is due to the excellent personnel of the Authority. It was a source of great regret to me when Mr. Edward J. Noble resigned as Chairman, but the new Chairman, Hon. Robert H. Hinckley, and his associates, Hon. Harllee Branch, Hon. G. Grant Mason, Hon. Oswald Ryan, and the Administrator, Hon. Clinton M. Hester, have a background that makes it certain this most important Government agency will continue to win favor as it has in

It is no easy task to organize a new agency, especially when there are no precedents to follow. Past experience of the officials, in my opinion, was responsible for the Authority's

Without casting any reflection on his associates, I cannot help but feel the Administrator, Mr. Hester, was invaluable at the outset. This demonstrates the wisdom of appointing career men to important offices. Mr. Hester, a civil-service employee, has been with the Government for many years, and, no matter where assigned, he demonstrated exceptional ability, especially as an organizer and on Federal procedure.

Mr. Speaker, I have just had the pleasure of reading in the May issue of National Aeronautics a very interesting article concerning Mr. Hester, and under the permission granted by the House I include that article as part of my remarks. It

follows:

[From National Aeronautics for May 1939]

An Administrator Who Administrates—A Little Study of the Philosophy and Methods of Clinton M. Hester

It is quite usual to read in the newspapers that the Administrator of the Civil Aeronautics Authority is paying a visit to some city or another on our far-flung map. He may be in Omaha or San Francisco, Fort Worth or Seattle, Billings or Tulsa. The surprising thing is that, notwithstanding, those who visit Civil Aeronautics Authority headquarters in the Commerce Building in Washington nearly always find him at his desk. Hester's avid search for aviation knowledge, added to the heavy work of an uncharted administrative job, furnish much of interest in the study of this vigorous official. Evidently Hester has looked in the dictionary and has discovered that an administrator is one who directs, manages, and executes. Now that the Civil Aeronautics Authority has been in existence for about 9 months, it is probably interesting to explore a little the activities of the man who has been projected into a key position in American aeronautics. It is quite usual to read in the newspapers that the Adminnautics.

Perhaps Congress felt a sly touch of challenging humor when it enacted a law which to the ordinary layman appeared to create an authority with two if not three, rather distinct heads. A great an authority with two if not three, rather distinct heads. A great many people have tried to perceive the boundary line of the responsibility of each of the five members of the Authority and of the Administrator. Some openly predicted friction and all sorts of divergent opinions within the body. No doubt, there have been some, and from the first it appeared that it would be more or less an exploration in "trial and error" for a while. Certainly the good sense and give-and-take attitude, for the most part, of the nine men most directly concerned have prevented what could easily have become a serious state of affairs. part, of the nine men most directly concerned what could easily have become a serious state of affairs.

AVIATION ACCEPTS AUTHORITY

Aviation accepted the Authority with open arms. Of course, many have been vexed because of what appeared to them to be many have been vexed because of what appeared to them to be unnecessary delay in attacking and solving immediate problems. On the whole, aviation is pretty well satisfied. When a considerable number of the "big shots" in the Authority visited the National Air Races at Cleveland so soon after their appointment, those who met them were impressed, and in a few cases a triffe amused, with their college fraternity spirit of enthusiasm. They started off, apparently, by being "crazy about each other." If anything can be said to criticize their acts, a big offset is in their mutual respect and regard. Hester rarely makes a speech—and he makes many of them—without taking occasion to praise the Authority members. Authority members.

LEARNING THROUGH FLYING

He began by being honest with aviation and honest about imself. "Frankly," he said, "I know little of aviation's problems himself. "Frankly," he said, "I know little of aviation's problems in detail." Aviation liked that and all the more because he set himself on a program to gain knowledge. Since last August he has flown over all of our domestic air lines, a total of about 60,000 miles. He has visited the shops of more than one-half of the air lines, and has inspected one-third of the aircraft factories. He knows personally most of the leaders in the industry as well as many interested in private flying. What is equally important, he has met up with most of the C. A. A. field personnel. This flying he does pretty much at night, Sundays and holidays. After the Point Reyes accident in California, it was said that the condition of the Federal radio beam between Medford, Oreg., and Oakland, Calif., was a contributing factor to the accident. Out flew Hester to the scene of the accident, and in a sister ship to the one in the crash he rode in the cockpit from 12:15 midnight, between the two cities, and with earphones listened to the radio heam and could detect nothing wrong with it. Hester got the beam and could detect nothing wrong with it. Hester got the idea that a little first-hand information would be valuable since recommendations of the Air Safety Board are referred by the Authority to the Administrator for study and opinion.

When the crash came at Miles City, Mont., he was 500 miles away. He made a night trip to Miles City. This trip is a little story in itself. During the course of it, the motors quit, and he probably wished he were back in the Treasury Department. It developed, however, that one of the tanks had run out of gas and

developed, however, that one of the tanks had run out of gas and a little interval elapsed before fuel feeding was resumed. Anyhow, he got to Miles City at 3:45 a. m., went to the wreck and picked up another supply of information.

He left Washington at 1:35 a. m. on a Saturday morning to go to Fort Worth to the Southwest Aviation Conference. Bad weather detained him at Nashville for 6 hours. By the time he arrived at Fort Worth, his speech had been released to the papers and he spoke extemporaneously. Then he submitted himself for questions for an hour and a half, and maybe you think the boys didn't like that. Sunday he spent with Civil Aeronautics Authority regional supervisor and visited the Braniff shops at Dallas. He left by plane at 6:30 in the evening and, sitting up all night, arrived in Washington at 4 o'clock in the morning and was at his desk at 9.

His Sunday, all night, and holiday flying accounts for the fact

In Washington at 4 o'clock in the morning and was at his desk at y. His Sunday, all night, and holiday flying accounts for the fact that he doesn't neglect his duties at his Washington office—and that can't be charged against any members of the Authority. The Department of Commerce blotter, where those who observe unseemly hours of work are listed, indicates that they are usually there at their desks until 7:30 in the evening.

WIDE LEGAL EXPERIENCE

Clinton Hester is a lawyer with an A. B. from Washington University and an LL. B. from Georgetown. As a lawyer, he has had 20 years of experience with the Emergency Fleet Corporation, and as an attorney for the Department of the Interior, assistant counsel of the United States Shipping Board, counsel of the Office of Alien Property Custodian, Special Assistant to the Attorney General, and chief attorney for the Department of Justice and assistant general. chief attorney for the Department of Justice, and assistant general counsel for the Treasury Department.

Regardless of all of those critics of slow-moving Government processes, it is well to remember that an important counsel in any Federal division must learn that safe operations and fixing of policies have got to be based on facts, and that he learned during

The collection of facts is his guide and he can't go too far wrong on that basis. An advocate in court trials might probably, in the interests of his client, become skilled in matters that make for delay, but Hester isn't that sort of a practicing attorney. "Get the facts," he will say to one of the technical divisional chiefs. "Make your decision after you have a preponderance of evidence supporting your decision, and then you have nothing to fear."

ing your decision, and then you have nothing to fear."

Aviation likes Hester. He has made many friends, little and big, in the industry. There is nothing to indicate that such friendships have ever caused him to answer an unfair "yes," but rather they have been helpful in assisting him to answer a sometimes necessary "no." There used to be all too many complaints from aviation people that civil aeronautics was administered from Washington by men who did not know the problems at first hand. It cannot be charged that Clinton Hester is missing any opportunity to get out into the field and down to brass tacks. "Frankly, I know little of aviation" is no longer true of the Administrator. Administrator.

Administrator.

The amount of technical knowledge that he has picked up is surprising. He frequently takes part in the testing of blind landing systems. Only recently, he has made numerous landings by operation of such systems, both at Pittsburgh and Newark—all at night. Weather and navigation facilities are getting his attention. He does not proclaim himself a technician but in his own policy of learning the facts, he is getting the experience as well as the knowledge to evaluate facts that are found by experts in the Authority whose business it is to find them. He is very proud of his membership on the National Advisory Committee for Aeronautics, and takes a genuine interest in the work of the committee. interest in the work of the committee.

A SIZABLE TASK

Whether the Administrator has learned all of the functions vested in him or not, he has made a big start. Probably two-thirds of the 3,600 employees of the Authority fall directly under his jurisdiction, and two-thirds of the more than \$20,000,000 ap-propriated by Congress for the work of the Authority is spent to carry out his functions. He knows that it is his responsibility to encourage and foster the development of civil aeronautics and air commerce in the United States and abroad and to encourage the establishment of civil airways, landing areas, and other navigation

facilities—a sizable task in a great American activity which is showing so many promises of speedy development.

His physical vigor matches his keenness for knowledge. why he can fly 7,000 miles a month and still put in practically full time in one of Uncle Sam's nice offices. He has a concept of what has got to be done and plenty of vision for the future. He wants has got to be done and plenty of vision for the future. He wants his 12-year-old daughter sometime to be able to say that her father contributed something to the great advancement in American clayl corrections. can civil aeronautics which he is convinced will have taken place long before she becomes of age.

Recovery and Relief

EXTENSION OF REMARKS OF

HON. PEHR G. HOLMES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. HOLMES. Mr. Speaker, the administration in Washington and the Congress continues to talk about recovery and about putting the unemployed back to work. The country has been hearing a lot about it month after month, and year after year, for a long, long time, but recovery-of any substance and permanence—has not put in an appearance yet, and there are today, according to the best available estimates, no less than twelve to thirteen million persons who want work and need employment and who are without jobs except W. P. A. jobs.

The total number on the W. P. A. rolls during the 12 months' period commencing last July and ending this coming June, has averaged about 3,000,000. This is the figure stated by the President in his recent special message transmitting to Congress his request for \$1,750,000,000 for the

relief appropriation for the next 12 months.

Three millions on the relief rolls is the highest 12 months' average since the inception of direct Federal unemployment relief 6 years ago. To sustain these rolls during the 12 months ending June 30, Congress was required to appropriate \$2,250,000,000, which the Treasury in turn was required to borrow and add to the national debt in order to get the cash to meet the bills.

But the 3,000,000 on the W. P. A. rolls are not the only beneficiaries of Government bounty by any manner of means. There are other millions receiving aid, Federal and State, under the various features of the Social Security Act and other acts of Congress and Presidential Executive orders.

According to the Social Security Board the total number of men, women, and children who are monthly recipients of some measure of public assistance—whether it be work relief, or farm relief, or unemployment insurance, or pensions—is approximately 21,000,000, and that is almost one person out of every six throughout the Nation.

These figures show beyond dispute, that despite all the talk about "solving" the employment problem, it is as grave as ever-and as unsolved-and that insofar as it is measured by the financial load on the Treasury and on the taxpayers, it is getting heavier instead of lighter with no end in sight. In the light of this record and with our experience during the years of destruction the pretense that unemployment relief is just a temporary emergency matter, can no longer be maintained. There is no escape from the conclusion that it is a permanent state of affairs. Congress and the Federal Government ought to deal with it on that basis.

It is true that the President in his latest message to Congress on this subject speaks hopefully about reduction in the relief rolls and in the over-all cost of relief to the Federal Government during the coming year.

He asks now for approximately \$700,000,000 less in appropriations than the total which has been appropriated for relief this year. He forecasts an average of 2,000,000 on relief during the coming 12 months compared with 3,000,000 on relief now.

But the President qualifies his forecast and prospect of reduction with the same escape clause as in previous years. He writes-and I am quoting his exact words-"Barring unforeseen and unpredictable developments, we are justified in expecting an upward trend in the volume of unemployment between now and June 1940," and then adds that the \$1,750, 000,000 which he now asks of Congress for relief is "the amount that should be provided on the basis of that expectation."

That means that, so far as the President is concerned, the only hope of reducing the W. P. A. expenditures lies in pronounced improvement in business and a rise in private employment. Admitting that there is a possibility of expanding industry to such an extent as to reemploy a few million people, the President failed to give any encouragement or cooperation to accomplish this important task. He recommends no change whatever in the existing set-up of the W. P. A. He frowns upon all of the various proposals now before Congress designed to bring about savings or to increase the efficiency of the work-relief system, or for turning back to the States the administration of relief.

If Congress follows the course which the President urged then, I believe, we shall certainly have a repetition of the procedure and the experiences of the present year. We will be told next January that business has failed to make the expected improvement, that the expected reductions in relief rolls were not possible, that the relief funds, which Congress is to vote now, for the coming year, have been exhausted and that a deficiency appropriation is required.

Let me emphasize the fact that no Member of Congress, either Democrat or Republican, denies the responsibility of the Federal Government to extend aid to the needy and to the destitute, and to see to it that no person be without the necessities of life. No Member of Congress seeks to avoid that responsibility-heavy as is the cost upon the Government and upon the country. No responsible Member of Congress in either party proposes to entirely scrap the present system of work relief for the unemployed. But what Members of Congress are now seeking-all except those who are rubber stamps for the White House-is to devise ways and means for making the relief dollars go a lot further than they are now going, and for apportioning Federal relief funds more equitably between the various States, and, finally, for taking relief out of politics and taking the Communist

To this end it has been proposed to require the States to contribute some fixed percentage of the total cost of workrelief projects, and to require the allocation of relief funds upon some specific formula, and to decentralize the administration of relief, with some measure of State and local participation in and control over administration.

Time does not permit a discussion of the details of these various proposals, nor argument as to their expediency. My purpose in this radio talk tonight is simply to emphasize the fact that the question of unemployment relief is the most important and vital question now confronting the Congress; to emphasize the fact that the Republican Members of Congress are as sympathetic as their Democratic colleagues to the needs and necessities of the unemployed, and as disposed to be generous, but that the Republicans, unhampered by orders from the White House, are earnestly seeking ways and means for reducing the enormity of the financial drain upon the Public Treasury, for reducing the tremendous bureaucratic centralization of work-relief administration, and for devising a permanent system, that will

not build up a vast political machine of public employees, that will not destroy State and local governments, and that will not bankrupt the Federal Government.

Effects of Reciprocal-Trade Treaties on the Textile Industry

EXTENSION OF REMARKS

HON. HARRY SANDAGER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

LETTER FROM SECRETARY-TREASURER OF ISLAND TEXTILE ASSOCIATION THE RHODE

Mr. SANDAGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

MAY 17, 1939.

Col. Millard D. Brown,

President, Continental Mills., Inc.,

Armat and Lena Streets, Philadelphia, Pa.

Dear Colonel Brown: We have been following with much interest your exposition, over a period of months, of the fallacies and injurious effects on the textile industry of the United States of the

reciprocal trade treaty program.

We note with indignation the reply, after months of silence, which the Honorable Cordell Hull, Secretary of State, has made to your various statements, in which he attempts to justify the program of which he is the father and for the effects of which he

program of which he is the father and for the effects of which he can be held largely responsible.

It is possible that in the performance of the duties of the high office he holds he cannot find time to get out in the world of manufacture and trade and observe for himself the current growth of foreign importations and their effect on our industry. Undoubtedly he relies on his assistants in the Department of State to furnish him with the information which he uses to bolster up his arguments. Be that as it may, the fact is that British imports are cuiting into American manufactured goods in rapidly mounting volume. If Mr. Hull wants proof, let him go into the stores in large centers such as New York and Philadelphia and observe the prominence which is being given to British textile products and the great range of patterns and fabrics now being displayed and sold in increasing quantities.

We have this morning, in fairness to Mr. Hull and to you, made

we have this morning, in fairness to Mr. Hull and to you, made a personal canvass of the mills in Rhode Island engaged in the manufacture of the two classes of wool goods most seriously affected, namely, high-grade men's wear worsteds and women's wear woolens. These mills, without equivocation or reserve, stated that their selling houses had informed them that the British import situation was serious and would become more so. One mill told us that on fine, lightweight tropicals, British mills are underselling them in the American market by about 7½ percent, or 15 cents per vard.

or 15 cents per yard.

It is certain that American textile manufacturers, particularly the woolen and worsted manufacturers of New England where the industry is of such vital importance, do not propose to be sacrificed without a struggle. We here in Rhode Island, paying the highest textile wages in the world, are far more interested in the welfare of our own employees and our own stockholders than we are in the welfare of the underpaid workers of Europe and Asia. Asia.

Asia.

We have confined our observations in this letter to the woolen and worsted branch of the industry, because that is the branch whose rights you are so ably championing. The same situation as regards imports exists in the manufacture of cotton goods, of narrow fabrics and webbing, and other textile products. We are informed that there are many other industries which are having the same trouble that we are and are, presumably, being told by the Secretary of State that their woes are all imaginary.

It is to be beyond that with the publicity which you and other

It is to be hoped that, with the publicity which you and other public-spirited manufacturers are giving to the practical effects these trade treaties are having on American industry, sconer or later the Congress of the United States will return to their own hands, where it undoubtedly belongs, the treaty-making power which they unfortunately relinquished.

Sincerely yours,

RHODE ISLAND TEXTILE ASSOCIATION, E. F. WALKER, Secretary-Treasurer.

Idle Capital

EXTENSION OF REMARKS

HON. ROBERT W. KEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

EDITORIAL FROM THE NEWARK EVENING NEWS OF MAY 17,

Mr. KEAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Newark Evening News of May 17:

[From the Newark Evening News, of May 17, 1939] IDLE CAPITAL

President Roosevelt asks the Temporary National Economic Committee to answer the question of how to put idle capital to work. Idle men, money, and machines must be brought together, says the President, and it is the job of Government to "find and energetically adopt those specific measures" which will bring them together

energetically adopt those specific measures" which will bring them together.

There will be complete agreement with Mr. Roosevelt as to the urgency of the problem. There will also be some wonderment as to the question, when Mr. Roosevelt and his advisers ought to see all about them the answer. It lies in the confused foreign and domestic picture, in economic chaos, both at home and abroad in the Government's deficit financing, in the administration—Congress differences over taxes in some of the inherent characteristics of the New Deal itself.

For 6 years the administration has tried many devices that have

Congress differences over taxes in some of the inherent characteristics of the New Deal itself.

For 6 years the administration has tried many devices that have discouraged initiative and penalized success. Much was in a well-intentioned effort to correct unethical exploitation, but the administration has consistently refused to admit that it has made a mistake in any detail of its policy. Mr. Roosevelt could look into the mirror for the answer to his question.

Capital will not be sent out on errands of venture if the prospective rewards are too uncertain. That, in brief, is the reason why savings and bank reserves are piling up, why obsolete plants are not being replaced, why men are not being employed. The tax controversy is an immediate example. The President will not yield the principle of the undistributed-profits tax. Such yielding alone would not constitute tax relief, but it would be a sign to business that the administration was turning away, in at least one particular, from punitive measures.

Capital is skeptical, and not without reason, of Mr. Roosevelt's program and his methods of achieving it. From time to time there have been promises of cooperation, such as the Hopkins speech at Des Moines, but words have been lost in contrary actions that followed them. It is not the large capitalist alone who is reluctant to risk his savings; the little man is just as confused. In the circumstances it cannot be expected that money will come out of the

stances it cannot be expected that money will come out of the

The administration cannot ban'sh all the doubts and fears. Many of them lie beyond the control of any government, however willing and able it may be. But Mr. Roosevelt can help to bring an end to the denunciation and recriminations that have gone on throughout the period of "reform and recovery." If he will do so, some of the idle money will go to work again.

How to Reduce Government Spending

EXTENSION OF REMARKS

HON. JOHN G. ALEXANDER OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

LETTER FROM WALTER H. WHEELER

Mr. ALEXANDER. Mr. Speaker, I am pleased to present to the Members of Congress and to the entire citizenry of this Nation a sound and constructive suggestion for real tax reduction without a sting or a flaw.

I hope the Members will carefully read the following letter from Walter H. Wheeler, an outstanding and successful designing and consulting engineer of Minneapolis, as well as his article entitled "How Engineering Can Reduce Govern-ment Expenditures."

I call attention especially to paragraphs 7, 10, and 17 of his article. Mr. Wheeler's letter and article follow:

MINNEAPOLIS, MINN., May 8, 1939.

Hon. John G. ALEXANDER,

Member of Congress, Washington, D. C.

My Dear Congressman: Your letter of may 3 is received, and, acting on your suggestion, I am enclosing herewith an article which,

acting on your suggestion, I am enclosing herewith an article which, it seems to me, will present my idea for cutting the cost of Government buildings, bridges, etc., in nontechnical language, which the average reader will readily understand.

I do not believe there is anything in the laws under which the Procurement Division, Veterans' Bureau, War and Navy Departments, and District of Columbia are operating which would preclude the adoption of the program outlined. If there is, perhaps the Congress would wish to amend the acts before it adjourns by a blanker action which would apply to any such work and make it blanket action which would apply to any such work and make it possible for the Government to follow a procedure such as I have outlined.

I am glad to note that you were formerly in the building management business. It gives you first-hand knowledge of these problems

I would like to point out to you that the Government spent approximately \$12 per square foot in the construction of the new Interior Building, whereas private office buildings of class A type cost private owners \$5 to \$6 per square foot. I also wish to point out that the space in Government buildings is usually arranged that the space in Government buildings is usually arranged to accommodate some preconceived exterior architectural treatment and is not laid out to get the maximum use of the floor space in the building. I fail to see any good reason why the Government should spend twice as much for office-building space as private owners spend.

rivate owners spend.

I did not mention these figures in my article because they are due to architectural design and lavishness rather than to engineering design. It appears in what I have said about the United States appraisers' stores building in Baltimore, where the private architects planned a building with 150,000 square feet of floor using my system and provided a structural design to carry four additional stories with the money which had been set up by the Treasury Department to construct a building with 100,000 square feet of Department to construct a building with 100,000 square feet of

I am enclosing a reprint from Architectural Record of December 1937 showing the Railway Exchange Building in Denver, Colo., built with my smooth-ceilings system. I call your attention to the cost of this building, which I have underlined in blue. This building was published by Architectural Record as one of the outstanding architectural designs of the year. The exterior is Indiana limestone and black granite. It is a thoroughly high-class office building in every respect, with the latest type of push-button control ing in every respect, with the latest type of push-button control elevators which alone cost \$50,000 for the three. When one compares this building at 38 cents per cubic foot with what you are getting for \$1 per cubic foot in Washington, it is difficult to be reconciled to this waste and extravagance.

Yours very truly,

WALTER H. WHEELER.

HOW ENGINEERING CAN REDUCE GOVERNMENT EXPENDITURES

One of the most perplexing problems and one of the most dangerous to the future welfare of the United States, is the continuing excess of expenditures over and above revenue receipts.

This is a problem of the National Government and it is likewise a problem of local and State governments more or less throughout

The demands of the people for appropriations for new public improvements and for the rebuilding of existing facilities continue unabated although the collections from taxes do not and have not justified these new expenditures.

In order to keep up the expenditures, the Federal, local, and State Governments have gone deeper and deeper into debt and as yet no reversal of this trend has been apparent.

Private business, when faced with such a situation, must either cut its expenses to bring them within the amount of its income, or increase its earnings. Private business has found that raising prices, except under unusual conditions, does not increase earnings, but is likely to have the opposite effect, namely, reduce sales and reduce earnings. Government is finding the same thing true of its tax program. The higher the tax the less earnings there are to tax. Raising prices and raising taxes are both discouraging factors to the free exchange of goods and to the expansion of business activities.

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It seems clear that the only way the Government is likely to make expenditures come within income is to reduce the expenditures. Expenditures can be reduced by the application of engineering economics to the design of public improvements such as buildings, bridges, etc., and yet have the improvements.

7. There is an erroneous idea in the minds of many people that the prices guited by contractors and material dealers on public works.

7. There is an erroneous idea in the minds of many people that the prices quoted by contractors and material dealers on public works, and the rates of wages paid to the workmen thereon, are all the factors which control the cost. It does not occur to the average person that the cost of a building or a bridge or a dam or other structure is controlled by the engineering design and by the plans and specifications. Particularly, it does not occur to them that a building, bridge, or dam equally as large, good, and efficient in all respects, can be designed which will cost substantially less without affecting the profits of the contractor, the prices of materials. affecting the profits of the contractor, the prices of materials, or the rates of wages. Nevertheless, such a result is often possible by the application of the "science of engineering economics" to the problem.

Under the present system our public works are planned by bureaus in which engineers, architects, and draftsmen are employed to draw up the plans and prepare the specifications for any given structure. Advice sometimes is secured from outside engineers and technical men, but as a rule the bureau or department does all the work itself.

For years the writer has advocated competition in the prepara-tion of plans and specifications for public improvements, and his plan as published in Engineering News-Record August 11, 1932, and publicly and privately advocated prior to that time, and since,

and publicly and privately advocated prior to that time, and since, is as follows:

10. When a public improvement is to cost more than a certain sum, say, \$500,000, and is to be planned by a public bureau, let the bureau make its plans and specifications, but let it also employ competent engineers and architects in private practice to prepare alternate plans and specifications to fulfill the same requirements. Let these alternate plans then be advertised for bids together with the bureau plans. If the bids on the alternate plans and specifications are substantially less than the bids on the bureau plans and specifications, let the contract be awarded on the alternate plans and specifications, let the contract be awarded on the alternate plans and specifications, let the contract be awarded on the alternate plans and specifications are not substantially less than the bids on the bureau plans and specifications, pay the private engineers and architects only their out-of-pocket cost for the preparation of said alternate plans and specifications.

A bid which showed a saving of more than 5 percent of the cost of that part of the work for which the alternate plans and specifications were prepared, would be a substantial saving, and the adoption of the alternate plans with such a saving would normally result in a net saving to the Government.

In carrying out such a procedure it would not be necessary or advisable to have more than one set of alternate plans and specifications prepared on any given project.

Governmental bureaus and political bodies do not seem to favor a program as outlined above. The main objection of the bureaus seems to be that it might injure their reputation in the minds of the public if a private professional man or group should prove that his plans are more efficient and less expensive than the bureaus.

the public if a private professional man or group should prove that his plans are more efficient and less expensive than the bureaus. This is not a sound argument against this plan, and there are many arguments in favor of the plan which the writer is proposing, some of which may be listed as follows:

 Reduction in cost of public improvements.
 Reduction in cost of operation and maintenance of public improvements.

a. Stimulation of Government employees and private parties engaged in the practice of engineering and architecture to accomplish the desired results at the lowest cost without sacrificing strength, durability, utility, or appearance.

Several instances of which the writer has personal knowledge will be mentioned to illustrate how the success of this plan has

been demonstrated.

A certain county proposed the construction of a large bridge and highway development. The estimates based on the cost of other comparable bridges ranged from \$3,000,000 to \$4,000,000. The county board employed the writer's firm to engineer the project. The whole project, including engineering, cost less than \$2,400,000.

\$2,400,000.

A certain county proposed to build a grade separation. The county's estimate based on designs of the State Highway Department and the county engineer was \$27,000. The writer was asked to review the plans and specifications and report to the board. He reported that by redesigning the bridge it could be built for about \$13,000. The original plans and specifications were revised. The county board then decided to have the writer prepare an alternate set of plans and specifications. Bids were taken on both plans and the job built on the writer's plans for about \$11,000.

When the United States Appraison's States Building was built.

When the United States Appraiser's Stores Building was built in Baltimore, the writer proposed to the Supervising Architect of the Treasury Department that a new system of floor construction invented by him and called the smooth-ceilings system be used for this building. The writer had previously submitted an alternate design with his system for the Kansas City Post Office, which showed an estimated saving on that job of about \$80,000. This alternate was rejected on the ground that its adoption might cause delay, although the contractor assured the Department there would be no delay. As it was originally explained to the writer, the Baltimore appraiser's building was to cost \$1,000,000 for land and building, and the building was to have about 100,000 square feet of floor. Private architects were employed to draw the plans and specifications. The writer was employed by the Treasury Department as their consulting engineer to design the structural part of the building, using his "smooth ceilings" system. The building as built has over 150,000 square feet of floor and is designed to carry four additional stories. The writer estimates the saving to the four additional stories. The writer estimates the saving to the Government by using his floor system in this building at more than \$40,000. An elaborate load test was made on the first floor of the building, and the stresses in the concrete and steel were measured with accurate instruments. This test showed the construction to be exceptionally strong and stiff and the unit stresses to be very much smaller than were allowed for in making the

design.

When the new Interior Building was built the writer prepared an alternate structural design for one of the bidders, who estimated he could save \$250,000 by using his "smooth ceilings" system in this building. However, the bid of another was low on the base design. The writer then offered his alternate design to the low bidder. This bidder made an oral offer to the Treasury Department to deduct \$95,000 from his bid if he should be allowed to use the alternate. The Treasury Department rejected the offer on the ground that its adoption might cause delay.

The board of education, city of Minneapolis, made a contract with the writer to prepare alternate structural designs for three school buildings in Minneapolis. Bids were recently opened on the first and smallest of the schools. The low bid on the writer's alternate design shows a saving of about 14 percent in the cost of the structural part of the building, and a further saving of about

the structural part of the building, and a further saving of about 33 percent each time the interior of the building is redecorated. All of the savings herein recounted were effected without in any

way depreciating the value of the structures, merely by applying

the science of engineering economics to the problems.

If a similar saving can be made on proposed Government proj-

If a similar saving can be made on proposed Government projects, it would amount to a substantial sum. For example, the writer has heard that the proposed new War Department Building is estimated to cost \$27,000,000. A saving on this building comparable with those recited would be around \$500,000.

As evidence of good faith the writer is willing at his own expense to review the preliminary designs for proposed Government buildings and bridges estimated to cost \$500,000 or more and make definite proposals for preparing alternate structural designs for those projects on which he believes a substantial saving can be made. projects on which he believes a substantial saving can be made. These proposals would be based on sharing the saving with the Government, the writer to receive a percentage of the saving as his compensation, but not more than 50 percent of the saving in any case.

The writer proposes further to guarantee that his designs will comply with the Government building code for buildings and good

engineering practice for bridges.

The writer further believes that if there are any present rules or regulations or provisions in appropriation acts which would prevent the various bureaus from adopting the procedure outlined, these should be repealed or amended at once so the Government can avail itself of this opportunity to reduce expenses.

New Deal Theories Collapse

EXTENSION OF REMARKS

HON, LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

Mr. THILL. Mr. Speaker, today this country is in a serious depression with a staggering national debt of over \$40,000,-000,000.

During the last 51/2 years we have seen the Chief Executive take powers from a spineless Congress—powers greater than this Nation has ever delegated to anyone. But after spending these billions we are worse off than ever before.

We have been kept in this depression for many years, due chiefly to the unsound experiments of the New Deal. What were some of these experiments? The scarcity policy to raise prices, processing taxes, so-called reciprocal trade agreements, the N. R. A., the Triple A, and a host of other alphabetical nightmares.

I would be the last to say no good was accomplished by some of these New Deal policies; but there have been so many bad mistakes that business has the jitters, unemployment is rampant, and the morale of the American people is breaking.

Chief among the New Deal fallacies is their attempt to raise prices by producing less. The brain trusters, by stopping free competitive enterprise, abandon progress, and substitute eco-

nomic planning, regimentation, and control.

The farmer, under the Triple A, is told how much he should plant or produce. "Plow under your cotton, plow under your corn," say the horde of New Deal agents, "the Government will pay you." You are taxed to pay the farmer for destroying the necessities of life. The Government thus controls the activities of the individual, and he dare not oppose the plans drafted by those in power. This is monopoly. The same technique of control by state-owned monopolies is found in Russia.

When you restrict production free enterprise is suppressed, personal liberty is endangered, and progress is halted. The real danger of economic planning lies in that control of one activity soon leads to control of all economic life.

For example, the Coal Commission finds that raising the price of coal leads to a demand for an offsetting tax on fuel oil. Under the Triple A, the attempt to control the production of seven commodities led to the control of 13 major farm products. Control in the first instance was of acreage only, but now production and marketing are both controlled.

Now, what does all this mean to you? It means that you are no longer the judge of your own best interests; and

further, it means a lower standard of living.

Where there is Government control and domination individual initiative is destroyed. No longer would there be that aggressiveness of Americans which has given this country the highest standard of living in the history of the world.

When a factory shuts down there is a decrease in the production of goods and wages. When less corn is produced there is less corn to eat. When less cotton is grown there is less cotton to wear. The less we produce, the less we have. This affects all of us. If the standard of living is to be raised, then more, not less, must be produced.

The Government should encourage industry to produce as much as it can. New uses for our products should be found. If production decreases prices, so much the better, for as prices are lowered the consumer will be able to buy more with his dollar. This is the American way, which gives us greater production, lower costs and prices, and leads to higher standards of living and full employment.

But how can the New Deal theorists reconcile their policy of raising prices by producing less with their reciprocal-trade treaties, which permit products of cheap foreign labor to undersell American products made by American labor?

Foreign trade is helpful to the economy of this country. Make no mistake about that. We must import many commodities, such as tin, nickel, rubber, coffee, cocoa, and tea. In turn, this country produces such commodities as cotton, tobacco, automobiles, office equipment, electrical and industrial machinery, which are needed by others. We can and do produce more of these commodities than we consume. We should have foreign markets in which to sell these surplus

But this does not mean that we should reduce tariffs on our commodities to a point where foreign goods undersell similar American goods in our home markets.

By opening our doors to goods produced by cheap foreign labor, we take jobs and wages from our own citizens, we close factories, board up mines, and throw thousands of men on the streets looking for jobs.

A number of years ago Congress passed various immigration laws and exclusion acts because it was recognized that the influx of foreign labor, accustomed in its own country to low wages and long hours, would result in lowering wages, working and living standards of all American labor.

Is there any difference in disastrous effects between bringing cheap foreign labor over here to compete with our American labor and the bringing over of the products of cheap foreign labor, under so-called reciprocal trade treaties, to compete with the products of American labor?

At least, when foreign laborers came to America they became consumers. But when we import cheap foreign-made goods that foreign labor constitutes no consuming power in this country.

At least when one American worker takes the job of another and makes him idle the first worker helps to support him. But when we make American workers idle by importing cheap foreign-made products, the foreign workers do not help to support the idle American workers.

Let me quote a resolution unanimously adopted by the executive council of the American Federation of Labor, May

Resolved, That the executive council of the American Federation of Labor expresses its opposition to reciprocal-trade treaties which discriminate against American workers. We are opposed to reciprocal trade treaties' provisions which provide for importation of goods and merchandise which, because of low labor costs abroad, are sold at a lower price than the same goods and merchandise produced by workers in the United States, where wages and conditions of labor are established on a higher standard than those which prevail

John J. Mara, president of the Boot and Shoe Workers' Union, stated before the Committee on Reciprocity Information in Washington:

Not alone did these imports of Czechoslovakian shoes enter American markets, according to the United States Tariff Commission's findings, on a basis of some 59 percent less than cost of comparable American-made shoes, depriving American shoe workers of their job opportunities, but, in addition thereto, these shoes were delivered at prices so much below American costs of production that they forced down the wholesale price structure, preventing American shoe workers from obtaining wages which they were entitled to.

California, North Carolina, the New England States, the Southern States-all parts of the country have sent a flood of protests to Washington. Does the administration do anything? Absolutely nothing. As a result millions of Americans are forced out of employment. American farmers are deprived of a fair price for their products. Hundreds of thousands of American business houses suffer.

We must stop the influx of cheap foreign goods, which take jobs and wages from our own citizens. We must do away with those reciprocal-trade treaties, which close up our factories and seriously injure our own economic system, now bled white by the strain of these depression years. American agriculture and American industry are so weakened by the burdens they have carried during these years of New Deal experimentation that now every dollar's worth of foreign competition is 10 times more serious than would be the case in normal times.

Wars threaten the peace of the world; nations frantically struggle for world markets; dictators crush many portions of the earth. It behooves us to take care of our own citizens. We must see to it that they have jobs, that they have income, so that we can again become a prosperous and contented people.

Work In the Office of a Congressman

EXTENSION OF REMARKS

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

ARTICLE BY DAVID LAWRENCE IN THE WASHINGTON EVENING **STAR FOR MAY 18, 1939**

Mr. PITTENGER. Mr. Speaker, an article by David Lawrence in the Evening Star for May 18 calls attention to the duties, responsibilities, and work performed by Members of Congress. This article has to do with the recent action by the House of Representatives in authorizing employment of an additional clerk. I am setting it forth in connection with my remarks here because it fairly and accurately states the situation.

Ever since Congress convened in January I have had three employees in my Washington office, and in addition have had work done in my Duluth office. Yesterday was a typical day so far as my routine is concerned. In the forenoon I attended a Senate committee hearing which has to do with legislation that would benefit northern Minnesota to the extent of \$100,000 or probably more. It was important that I attend this hearing. It is important that I keep on attending hearings until this legislation is passed. The House convened at 12 noon. Roll calls and consideration of pending legislation kept me on the floor of the House until 5 p. m.

While many departmental requests were attended to by the clerks in my office, there was still the matter of conferences over propositions that concerned the district and also the question of giving personal attention to correspondence in reference to pending legislative problems. That was not reached until the evening.

Official correspondence in the office of a Member of Congress has more than doubled in recent years. And as a Member of Congress said the other day, there is no 40-hour week nor an 8-hour day in a Congressman's office.

I mention these facts because a great many people do not realize the enormous amount of work that must be handled in a Representative's office.

Mr. Lawrence's article is as follows:

When Members of the House of Representatives, without a roll-call vote, decided this week to increase their appropriation for clerk hire by \$1,500 a year, a sort of feeling of conscious guilt was promptly attached to the action. As a matter of fact, the Members of Congress might well have been proud of what they did, and the country would be many millions of dollars better off if the Congressmen and Senators had more instead of less help.

The total appropriation increase amounts to about \$660,000 a year, and all it takes care of is the hiring of clerks to handle mail. The processes of democracy encourage rather than discourage letter writing. Telling a Congressman or a Senator what the constituent thinks is nowadays regarded as the great privilege of citizens of a

which the construction of a senator what the constitution thinks is nowadays regarded as the great privilege of citizens of a free country. But when the Member of Congress fails to answer such a letter or telegram he is supposed to be indifferent, discourteous, or rude, and not fit to represent his district or State. Yet the job of answering correspondence is tremendous and the

job of classifying the letters and giving digests to the Member of Congress so that he or she may know what the trend of opinion happens to be is not something which can be done by clerks who

also have to formulate and take care of the replies.

CHORES ARE INCREASED Not a few hours but most of the hours of a Congressman's office force are taken up with running down requests for information or contacting Government bureaus. The larger the bureaucracy gets, the more are the chores of the Congressman and Senator increased.

The staffs of the 531 men and women in the House and Senate are woefully inadequate, and all because of a peculiarly developed notion, bordering on the side of demagoguery, that a Member of Congress must never vote any money for himself or his office. Also, there have been some abuses in recent years where Members of Congress have had on their pay rolls their own relatives, who in some

cases did no work at all but drew a salary check.

Even conceding these abuses, which were the exception rather than the rule, the work of the Members of both Houses has increased enormously, and hence to measure the needs of a Member of Congress by what some small minority might do is unfair not only to the Senators and Representatives who are conscientious about it but to the vast body of citizens whose interests are adversely

Not long ago the suggestion was made by this correspondent that every Member of Congress should have attached to his office a person with training in economics, someone who could actually examine and furnish memoranda to the Senator or Representative so he would know something about the legislation he is asked to pass upon. The action just taken by the House goes only part way. It furnishes an extra clerk at \$1,500 but does not really solve the major problem of getting legislation properly analyzed.

BUSINESS USES RESEARCH

The American people pay \$10,000 a year to each Senator and Representative. The average executive in business getting any sum of that size has a competent and adequate office staff, with specialists in his line of business and someone who can manage the office in his absence. Members of Congress are supposed to be in attendance at the sessions of the House and Senate as well as their committees. They cannot possibly run their offices and be on the floor and at the committee meetings and do justice to any of

in attendance at the sessions of the House and Senate as well as their committees. They cannot possibly run their offices and be on the floor and at the committee meetings and do justice to any of these three responsibilities unless they have assistance.

Suppose every Member of Congress had an office assistant who was not required to handle the clerical details but could concentrate on studying legislation. Suppose also that it cost the Government about \$2,000,000 or thereabouts, or an average of about \$4,000 a year per office. The question then would be this, Would it be worth \$2,000,000 a year to get intelligent legislation passed on economic problems? Suppose the theory of taxation as it deters business

activity or as removal of taxes furnishes incentive to business were at the moment thoroughly understood in the office of every Member of Congress, would it not be logical to assume that out of such knowledge might come a real tax-revision bill buttressed by facts and experience? And if American business were encouraged by a genuine tax-revision plan so economic recovery would come, wouldn't American people get a thousand times more their money's worth out of the expenditure for competent economists to help Senators and Representatives?

Senators and Representatives?

Businessmen have plenty of research assistants, but the facts they turn up are regarded as suspect by politically minded Representatives and Senators. But if their own staffs turned up the same facts—for 2 and 2 make 4, whether it is in a Representative's office or in a corporation's research bureau—there might be a different story to tell about the vast amount of economic legislation which nowadays dominates the work of both Houses of

Congressional Investigation of the Philippines

EXTENSION OF REMARKS

HON. JOAQUIN M. ELIZALDE

RESIDENT COMMISSIONER OF THE PHILIPPINE ISLANDS IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. ELIZALDE. Mr. Speaker, I am sure that the Philippine Government would welcome a congressional investigation of any aspect of Philippine national life. In my opinion, however, there is no need or basis for any inquiry into alleged Japanese infiltration into the Philippines—even less from any of the angles suggested in the resolution introduced

The Philippines, naturally, carries on a normal trade with Japan, as with all its neighboring countries. These relations are a matter of public record, and there cannot be, of course, any discrimination for or against any foreign nation. I can state emphatically that there is no discrimination whatsoever in favor of Japan, since our only trade preferences are with the United States.

As far as our cultural inclinations are concerned, our entire national life is founded and maintained on American principles and democratic ideals which are so fundamentally instilled that they will be maintained. Any influences alien to democracy and free government do not thrive and are not encouraged in the Philippines.

The suggestion regarding Japanese immigration is inaccurate, because the proposed new immigration legislation aims precisely toward a nondiscriminatory policy, establishing an equitable quota basis for the entrance of foreigners

into the Philippines.

We would be very happy and even anxious to have a congressional study at first hand of Philippine conditions and Philippine-American trade relations at any practicable time. It is obvious that the Philippine Commonwealth is proceeding most successfully under President Quezon's able leadership, and that a progressive liberal administration is being maintained.

This will be surely confirmed by all United States administrative agencies directly concerned with Philippine affairs. We cannot but welcome any inquiries regarding specific or general conditions in the islands.

Pay the Farmer Cost of Production

EXTENSION OF REMARKS OF

HON. EDWIN C. JOHNSON OF COLORADO

IN THE SENATE OF THE UNITED STATES Monday, May 22 (legislative day of Friday, May 19), 1939

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD remarks by myself on the subject, "Pay the Farmer Cost of Production.'

There being no objection the remarks were ordered printed in the RECORD as follows:

A SENSIBLE BILL

Mr. JOHNSON of Colorado. Mr. President, 17 Senators have introduced in the United States Senate a bill which, if it be enacted into law, will give the American farmers cost of production upon that part of their crop domestically consumed and place all surpluses of all crops in the hands of the Government for disposal to the needy or to be bartered or traded to foreign countries requiring these surpluses. Whether we like it or not, the barter system of disposing of surplus goods is the modern method of international trade. Embargoes, high tariff walls, and an utter lack of international money since America has virtually cornered the world's gold and silver supply and buried it at Fort Knox and West Point have brought that primitive method of international trade back into being. Powerful nations are using the barter systems today because they must use it if they would have trade. America does not like it, but fire is often best fought with fire, and when we are in Rome it is well to do as do the Romans. This cost-ofproduction bill would place no burden upon the Federal Treasury whatever; it would add no taxes, processing or otherwise; but it would establish a fair price to the American consumer and producer and concentrate surplus supplies of farm products in the hands of the Government to be disposed of in an orderly way at home and abroad.

SOMETIME, WHY NOT NOW?

Some day we must come to this kind of an agricultural program, for the reason that it is economically sound, fair to the American consumer, and fair to the American producer, and because it will put the American Government in an advantageous position in dealing with the foreign buyer and the foreign producing competitor. The sooner we accept the inevitable, "take the bull by the horns," and solve the agricultural problem, the sooner will we restore prosperity in this country. There can be no permanent or just prosperity in America so long as the farmer is kept in virtual bankruptcy and economic despair. America cannot reasonably expect to return to an \$80,000,000,000 annual income until the income of the American farmer, who represents 30 percent of our population, is raised from its present low status of \$7,000,000,-000 to a fair income of at least \$15,000,000,000. This cost-ofproduction bill will accomplish that very thing, and it will boost the national income at least \$10,000,000,000 and pay into the Federal Treasury half a billion additional in taxes. Some thoughtless persons arch their eyebrows when it is proposed to give American farmers cost of production on the portion of their crop domestically consumed, as though that were a fantastic dream or a "crackpot" scheme impossible of realization.

SOMETHING FOR NOTHING

I have never been able to understand why that attitude should exist. Can any honest industry continue in business if it produces below cost? It cannot. Make no mistakefailure, bankruptcy, and receivership face every industry that flies in the face of such an imperishable economic law. When you and I go to a restaurant to enjoy a good meal, we would have the proprietor paid cost of production plus a profit upon his investment for all the good services which he provides for our comfort. Likewise we would want the men and women who cook the food and wait on the table to have a living wage and reasonable hours; yet we seem perfectly willing that the farmer who grew the good things set before us to eat should not be paid the costs of producing these vital necessities. We have the heart to dismiss the farmer with scant concern because his distress is not visible to us in our smug comfort and for the further reason that his is the only industry that is powerless to resist our unreasonable expectations of getting something for nothing.

FARM PROBLEM COMPLEX

American farmers have tried for years to build up farm organizations to deal collectively with the consumers of farm produce and secure for their families and themselves a living wage. While these organizations have performed a great service and accomplished a great good, especially along educational lines among their own membership, they have never become powerful enough to drive a bargain with the American consumer which would protect their own markets. Farmers have found after a careful study that they are not only engaged in a complicated industry, which is interstate in character, but they have discovered that they must deal with deeply involved international economies and social problems. American farm prices to American consumers are not determined in our country but are fixed in Liverpool, Rotterdam, Habana, Hong Kong, and the other hundreds of foreign markets scattered throughout the world. Too, transportation costs to the foreign ports on goods never shipped out of America but consumed here at home are often deducted from the domestic price at the direct expense of the American farmer.

TWO-PRICE SYSTEM

Many American manufacturers and industries operate under a two-price system; they sell at one price upon the domestic market and at an entirely different price upon the foreign market. Many of them maintain factories and assembling plants on foreign soil to give them the advantages of low foreign wages, free penetration through foreign tariff walls and elimination of transportation costs. The farmer has never had an opportunity to market under that kind of a system. He is tied to the soil and is compelled to absorb the extra costs of high American standards not only upon the goods which he sells in the foreign market but upon the goods he sells in the domestic market based upon the foreignmarket price less transportation from his farm to the foreign port. He produces his whole crop under the expensive highliving standards of America and sells his whole crop to America and the world upon the low foreign standards of the Tropics, Europe, and Asia. He buys upon the American market in which industry has tariff protection and where labor has both its own powerful organization to consummate advantageous collective bargainings and Government protection aginst exploitation. The living standards of foreign farmers are very low. In most countries they constitute a peasant class, work long hours for a meager existence, have few opportunities and only very limited privileges; yet the American farmer is expected to produce for the American consumer on that kind of a basis and at the same time live in the American way. If it be the purpose of the American Government to establish a class of peasants and farm peons in this country, the certain method will be to continue to compel the American farmer to compete with the peasantry abroad not only on the 10 percent of his goods which finds a market abroad but upon the other 90 percent that finds a market in his own country. How unfair this is.

THE WALLACE PLAN A FAILURE

The Secretary of Agriculture has tried to solve this acute problem by paying doles-which he chooses to call by the pretty names of conservation benefits and parity paymentsout of the Federal Treasury to the American farmer so that he might have a squint from afar at the abundant life. To be eligible to receive these doles, however, farmers must accept a glorified economy of scarcity and cooperate with the Secretary in a program of curtailed production. Surpluses are not disposed of under his plan, but loans are made upon them, and they are then piled up in show windows as a constant threat to the price structure until now farm commodity prices are down to almost the lowest points of history. A whole year's supply of cotton is mortgaged to the Government, a 6 months' supply of wheat will be carried over into the next year's crop and Government-owned storage corn is reaching dangerous proportions. Prospective purchasers of these staple commodities do not know what hour the floodgates will be lowered and these distressed, mortgaged crops thrown upon the open market, so they naturally hesitate to invest in them. This queer hybrid of partially controlled production that does not control, and mortgaged stored sur-pluses, "the ever normal granary," has placed the American farming industry in a most precarious situation. It has bankrupt the Federal Treasury, wrecked the American farmer, and made American traders the proverbial "fat boy" among the nations of the world.

POLITICAL REVOLUTION

In a speech a little over a year ago on the floor of the United States Senate I predicted that the present farm program when enacted into law would bring about a political revolution in the Farm Belt. I did not want that to happen, and I am grieved that it has happened, because I believe in the purposes and objectives of the Democratic Party with all my heart. A terrible mistake is being made, and the tragic pity is that it is being done by a courageous administration that really wants to help the farmer but apparently does not know how to do it. Wallace has started down the wrong track and seemingly is too proud to admit failure. He means all right, but good intentions do not pay off mortgages and bills and taxes. The American farmer is interested in his Government; he is very unhappy over the staggering national debt of \$45,000,000,000 owed by his country. He realizes that a program based on debt cannot last. He resents having borrowed money handed to him as a dole as though he were a common pauper. He does not seek charity; he wants to be paid for the hard work he is so willing to perform.

The payments that are made to him out of borrowed money from the Federal Treasury require him to submit to a regimentation and control that humiliates him, disheartens him, breaks his morale, and drives him into sullen resentment and submerged anger. He only submits to this humiliating experience out of desperation and helplessness. He never can be convinced that he should surrender all of his liberty and freedom. He lives on a farm primarily because he loves liberty. He is not an imbecile; he is not a boy in his teens or an ignoramus, and it does not set well with him to be treated as such. He wants an honest recompense for the hard work that he performs. He does not object to working from early morning until late at night, but he wants to be paid for that work as other citizens are paid for their labor. He is not asking for a single advantage or a special privilege of any kind, but he would welcome a decent deal.

THE COUNTRY'S PROBLEM

This is more than just a farm problem, however. American prosperity is involved. If the farmer be given a fair economic opportunity the whole country will prosper. Last year our farmers produced a splendid, well-balanced crop of all farm commodities. It was not exactly a bumper crop or a record-breaker, but it was one of the best crops and one of the best-balanced crops that has ever been grown. It was well distributed throughout the country; no major droughts or catastrophes affected it to any great extent or over any large area; the production was even and comparatively satisfactory over the entire country; and yet with that fine crop the United States Government has had to go out on the highways and byways and borrow hundreds of millions of dollars to pay doles of one kind or another to the farmers to keep their bodies and souls together.

If these doles had balanced the farmers' budget, it would not be so serious, but little progress in that direction has been made. What further proof does one require to be convinced of the utter fallacy of such a program? With these doles and Federal loans and farm-security and rehabilitation programs added to the farm income, that income still barely reaches 10 percent of the national income. Thirty percent of American citizens live on our farms; if they had their share of the American income, it would need to be nearly three times the present income. If farmers' present low incomes were doubled, you would witness a prosperity in this country that would astound you and you would witness 5,000,000 men and women now unemployed given jobs on 5,000,000 farms now needing their help but without funds to employ them.

WISCONSIN

Ten days ago I made a hurried automobile drive of nearly 700 miles through the beautiful State of Wisconsin, and while I knew that financial conditions on farms were terrible, yet I was not prepared for the shock which I received. I found there the best improved farms that I have ever seen, the finest livestock, the most intelligent and thrifty farmers,

and yet farmer after farmer had the same sad story to relate—"impending bankruptcy." One farm, outstanding in its appearance—a good house, splendid, well-kept barns and outbuildings, well-bred livestock and modern machinery in first-class condition—reported that they were going behind \$150 per month and would have to let the hired help go in a few days and muddle along the best they could without hope of meeting their expenses and fixed charges. I did not see a single farm that did not need a hired man or two if there were some means of paying for them.

ASK THE FARMER'S WIFE

When I go into an agricultural country to learn the true conditions on the farms I do not seek out the representatives of the United States Department of Agriculture, the county agents, or the farm experts from the agricultural colleges, nor do I talk to the farm organization leaders or to the farmer himself. I have learned, through long experience as an actual farmer and as a manager of a farmers' cooperative, that there is a source of real information available if one seeks the truth as to the condition of farm finances. I talk to the farmer's wife; she knows; she makes up the budget; she has in mind the total income and the total outgo. She is familiar with the deprivations, the debts, the unpaid bills, the tax obligations, the hopes and aspirations and ambitions for her children, and all of the other problems and tribulations which harass her soul, and she will speak the plain, unvarnished truth—as Vice President Garner calls it-"with the bark off." She will say whether or not the farm is a going concern, and she will testify whether or not the long hours of toil of the whole family are meeting halfway with desired results.

The farmer himself is often too proud to admit failure even though that failure has not been brought about by any lack of industry, effort, and judgment on his part. His wife, on the other hand, will tell you straight from the shoulder without mincing words or making excuses the exact situation which her little brood faces. If the Members of the Congress would go out into the farm territory and have a heart-to-heart talk with the farmers' wives, they would come back to Washington and tear the present farm program into small bits, throw it in the ash can, or stamp it into the earth, and adopt a program that would do the job if it took all summer and all fall and all winter. Thousands of farms every month in Wisconsin are being "knocked down under the hammer" with few takers because the farmers cannot meet their mortgages and debt obligations. What is true in Wisconsin must be true, perhaps more or less intensified, throughout the country; the better the farm and the better the equipment, seemingly, the greater the difficulty.

FARMERS GOOD SPENDERS

If the farmer were paid the cost of production upon what you and I eat and wear, he could meet his bills and expenses and not need loans, rehabilitation, and doles; he would not be a burden upon the Federal Treasury, but instead would contribute in a major way to the general prosperity of his country. He would be changed from an object of "sweet charity" to a sound economic status. He would directly and indirectly contribute to the Federal Treasury, instead of being a burden to it. The farmer has always been the greatest consumer of goods in our country, for 90 percent of his income goes into the capital structure of his business. There is never an end to the improvements that can be made upon the farm; if the farmer has money, he invests in paint, sanitary facilities, furnishings for his home, improvements in his outbuildings, repairs to his implements, and investments in better bred livestock. The farm population would spend twice their present income in improving their homes and farm units if given the opportunity.

PAGE MISTER RIPLEY

I do not know whether the Wallace farm program has been called to the attention of "Believe-it-or-not" Ripley, but I am sure that he would be interested in many of the unbelieveable inconsistencies to be found in it. Do you suppose Ripley would be startled to learn that Florida, with the finest soil and climatic conditions for growing cane, is not

permitted to grow sufficient sugar to supply the needs of Florida and is compelled to buy sugar for her own consumption from Cuba, although amply able to supply herself? Here is another for Ripley: Congress provides sizable parity payments to corn growers on 42,000,000 acres in Illinois. Iowa, and contiguous area, but denies parity payments to other corn growers upon 50,000,000 acres in 36 other States. Would Ripley or his fans believe that Congress would pass a law that was not general in its application; that would take borrowed money out of the Federal Treasury to arbitrarily pay the corn growers in 12 States and deny such payments to corn growers in 36 States? Canada is a foremost surplus wheat-producing country. Would Ripley or anyone else believe that the United States last year paid Canadian grain processors 30 cents a bushel subsidy and bonus to import our wheat into Canada to be returned at a price lower than the domestic price to Maine as a dairy feed? I am certain that even Ripley would not believe that North Dakota farmers under the regimentation that has been forced upon them are not permitted to grow sufficient ensilage to feed their own livestock. I could go on calling such inconsistencies and shocking disclosures to your attention for a long time, but I will burden you with only one more. On my recent Wisconsin trip I talked with a very bright young farmer who was a graduate of the University of Wisconsin, and who personally related this incredible story to me. He said that he was a scientific farmer and utilized crop rotation to conserve his soil. He planted one of his fields to alfalfa to restore nitrogen to the depleted soil. After he had done so, he was approached by a representative of the United States Department of Agriculture and told that he was entitled to pay from the Federal Government for planting that alfalfa.

He thought that he was being "kidded" for a time, but the representative finally convinced him that he was in dead earnest. He then declined payment since he was not looking for something for nothing from his Government and went home and told his wife about it. She was the practical sort and sent him back to get the money to use to pay his taxes since he would have to put up his share of taxes anyway.

NATIONAL DEFENSE

America is spending billions for a national defense that I most sincerely hope and honestly believe will never be needed, but history records the fact that no people have ever been conquered until they have been starved into submission; and so I conclude that a good, healthy, sound farm economy with a dependable long-range production is the finest kind of national defense. Armies today march on their bellies as they did of old. If America be made strong in agriculture, she will have the best defense.

COST-OF-PRODUCTION BILL THE ANSWER

No country can possibly make a satisfactory social progress or an advance in culture, art, and science without a sound, dependable agriculture, for that is the basis of all of these things. The cost-of-production bill, perfected and improved if need be, is the right approach to the farm problem and will therefore, some day, be adopted by the American people. May that great day come soon.

Religion and Democracy

EXTENSION OF REMARKS

HON. JAMES M. MEAD OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, May 22 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, MAY 21, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by the junior

Senator from Utah [Mr. Thomas] on the subject of Religion and Democracy at the forty-fourth annual national memorial services of the Jewish War Veterans of the United States in the Temple Emanu-El, New York City, on May 21, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Thus has the poet uttered the heartthrobs of all the mothers and fathers who, caught by baleful war, have given their sons to their country:

"Why has the harsh wind Carried away the blossoms With his savage breath And left untouched, uninjured, The leaves of the old worn-out tree?"

We are met to do honor to these worthy dead. This is, therefore, a meeting with the deepest religious significance. Religion in the final analysis is merely a knot or a bond between those of us who are here today and those who were here yesterday, with the responsibility resting upon those who are here today to see that those who will be here tomorrow will have those ideals preserved for them which the past handed down to us.

which the past handed down to us.

I am not a Jew, as you are, but I am of Israel; therefore there is a meeting in our veins of kindred bloods; but greater than that there is also in our hearts a meeting of kindred ideals because we both have that heritage, that hope, that faith, and that aspiration common to all those who are sons of Abraham and who have caught

common to all those who are sons of Abraham and who have caught his spirit. Thus while we honor the dead our thoughts reflect the problems of the living and our prayers are for those that come after. If I were to take a text today, it would be one of Aesop's fables: An eagle in flight was shot down. As he fell to the ground wounded, pierced with an arrow, he turned to see what was responsible for his undoing and found that the arrow which had pierced him had been guided in its flight by eagle feathers. He died with the sad reflection that within us all are the elements of our own destruction. our own destruction.

If there are within us all the elements of our own destruction, probably there are within us also the opposite—the elements of our own salvation. Can we'of Israel be critical of ourselves to the extent of analyzing that within us which may be made responsible for our destruction and turn it to our salvation?

As my theme is to be one of religion, may my approach to that theme be judged only as a deeply religious man makes his judg-

The foundation on which all the great religions of the west rests is revelation. Our forefathers took for granted the existence of God, called themselves His children, and accepted as absolute those principles which God had made known to them through their prophets. All religions of the West, whether they be Hebraic, Mohammedan, Greek, or Christian, are based upon the concept of Mohammedan, Greek, or Christian, are based upon the concept of revelation; revelation, too, from a God who is perfection. Therefore the history of Hebrew, Greek, Christian, and Mohammedan peoples is a history of a clash of absolutes and a contest of conflicting loyalties. That has meant strife, martyrdom, devotion to cause, death for principle, and war for the glory of God. Honest and unscrupulous leaders alike in politics, in war, and in the church have been able to call upon the people and to depend upon their support by an appeal to one of these loyalties; thus the very principle on which our faith rests has contained the elements which have brought our destruction. Sometimes race has been which have brought our destruction. Sometimes race has been emphasized, sometimes religion, sometimes cause, but the appeal, whether it has been for race, religion, or cause has been based upon the principle of right, and in that sign we have conquered or died. Such is the glory of our past. And in each of the nations of the West who took part in the late World War there is a tomb in which rests the glory of that nation, to an Unknown Soldier. In much the same way the Greeks on Mars Hill in Athens erected a monument to the unknown god after the vagaries of the known gods had been exposed, proving the survival of a faith in that which was good.

Let us turn to my text and use it as it reflects the ills of today. The faith which was the faith of ancient Israel gave birth to the world's most intense nationalism built upon purity of race, common acceptance of God, and the necessity of living and dying for Him. Thus the religion of Abraham, Isaac, and Jacob was perpetu-Alim. Thus the religion of Abraham, isaac, and Jacob was perpetuated. When the Kingdom of Saul, David, and Solomon justified its existence and demanded loyalty to it, it did so on the basis of respect for the law and the prophets. It is because of the honoring of race and common heritage on the part of others that the Jew today in those places in the world where he finds himself in the most miserable of positions is a victim of the idea of nationalism, which was his own creation. That is the irony of life, and that reflects the thought that within us all are the elements of our own destruction. of our own destruction.

Let us turn to the broader field and see what ills a logical consequence of the acceptance of the concept of revelation has brought to us. We need not go farther back than the last three or four centuries to make my point, for in the history of Europe in the last two or three centuries we have passed through serious justifications with treatment acceptances. tions with tragic consequences as a result of deductions drawn from the concept of revelation. There was a time when persecution was general throughout Europe, when it was actually thought pleasing to God to kill, to burn at the stake, to torture horribly an unbeliever or a heretic, and it was believed that such treatment was given for the glory of God. Persecution seemed to be a natural condition, and man accepted it as a necessary one. As time went on a new spirit took hold of man, a spirit, too, justified from religion, and persecution gave place to forbearance. Man ceased to say we must kill for the glory of God and allowed those with whom he disagreed to live, but insisted that they live alone. The persecutors ceased to kill but they remained aloof. Men's religious differences were condoned but never accepted.

Then, when the new spirit broke on the earth which gave us our America, toleration took hold of the minds and hearts of men. The notion that man might worship as he saw fit, that he was free to believe as he wished became our greatest universal principle, hence we wrote it into our Constitution. Today we stand for a freedom which two centuries ago we thought would offend God, and we assume that this freedom is pleasing to our God. In ment was given for the glory of God. Persecution seemed to be

God, and we assume that this freedom is pleasing to our God. In practically every church in America today God is thanked for this spirit, and those who pray thank God for the privilege of worshipping Him according to the dictates of their own conscience, and they thank Him also for giving them the spirit that they might pray that to all those in America shall be preserved the right to worship how where or what they may

pray that to all those in America shall be preserved the right to worship how, where, or what they may.

But toleration is not the ultimate. Just as forbearance is superior to persecution, and toleration is finer than forbearance, just so the next step which men must take is superior to all three, and that step is essential if America is to realize her destiny. To the devotees of each religion must come an appreciation of the worth which is in others. And when that day comes, then will the desire of nations be fulfilled, then will men see eye to eye, and then will religion actually lead the way to that world-wide purpose of making this earth definitely a kingdom of men where no man shall be king, where the sons of God may wish to dwell and live as those should who have chosen to be God's children.

The spark of this greater promised day has been struck in the

The spark of this greater promised day has been struck in the Palace of Religion at New York's great world's fair. When the committee was first appointed to work out the religious exhibit, it was brought to my attention that a great Catholic, a great Protestant, and a great Jew had been named to work out details. I made bold to write to the directors of the fair that they did not want to honor jointly these three great branches of religion but that their scheme must be broader than this, that the universal

which underlies all religion should be their theme and not just the hope or the aspiration of the three greatest branches.

In my wanderings over the earth, I had learned to know the worthiness of the thoughts of the lowly, I had come to honor the aspirations and spirit of some whom we might call heathen, and it was good to know from actual contact that "God, who at sundry times and in diverse manners speak in time past that the fathers." times and in divers manners spake in time past unto the fathers by the prophets, hath in these last days spoken unto us by His Son" (Hebrews 1: 1), that "Truth shall spring out of the earth; and righteousness shall look down from Heaven" (Psalm 85: 11) and that "it shall come to pass afterward, that I will pour out my spirit upon all flesh; and your sons and your daughters shall prophesy, your old men shall dream dreams, your young men shall see visions" (Joel 2: 28).

It was from these experiences that I learned to appreciate what I think has been the greatest lesson of my life, a lesson gained, thank goodness, when I was so young that it actually became a part of my life. At the Chicago World's Fair in 1893, my mother took me to the meetings of the great Congress of Religions, where I heard Kenza Hirai, whom I learned to know when I lived later in Japan. This great Japanese, representing the religions of Japan, ended his speech at the fair with one of the noblest of the Japanese Hokku poems. I quote:

"There are many roads
That lead to the top of the mountain,
But when once the summit is gained The same moon is seen."

That is the religion of the future. In the spirit of this little poem can come a religious peace that the world has not yet known. It is in the spirit of this little poem that the dignity of the individual man is discovered. This is of necessity the religious attitude of all who having varying faiths nevertheless live as neighbors in our great democracy. This is one blessing we thank those we honor today for preserving for us.

Religion and democracy meant much to those we honor. They mean much to us too. You may ask why. I shall attempt an

Just as religion makes possible a unity of the past and the future as they are reflected in the present, just so does democracy make possible a unity of purpose out of a diversity of circumstance and a multiplicity of loyalties in the present.

In understanding that, we have the key to that form of govern-ment which will free men. This is one of America's contributions to better living for man on earth. It is a simple key, and it takes to better living for man on earth. It is a simple key, and it takes but a moment to describe it. Philosophically, though, it is the mere recognition of the fact that man is complex in his nature and that he may have many loyalties without being disloyal to any one of them. Here is the essence of democracy. It is not ours, but it is the philosophy of the single-willed states that demands but a single loyalty. Leaders in single-willed states demand that the state shall have one's all—his mind, his soul, his future, and his past. Democracy makes no such demand on man as that. Democracy teaches that we can be loyal to our God without being disloyal to our State; we can be loyal to our family without being disloyal to our God; we can be loyal to our friends without being

sacrifice.

disloyal to our parents. Thus in developing many loyalties, American democracy has broken that element which would bring its destruction; and American democracy reflects the corollary of our text, for if in us all there is the element of our destruction, if we

take that element out we may bring about our salvation.

Next, as to race: America, too, has solved this problem, for she has built her rights of citizenship upon the basis of place of birth and not upon the basis of blood, and thus American democracy is preserved safe from racial conflict. How was this destructive element to man's well being overcome? We can thank the Cluttle Wor for this. For when America accorded the fourteenth destructive element to man's well being overcome? We can thank the Civil War for this. For when America accepted the fourteenth amendment and thereby bestowed a right upon the Negro who had been freed, this Nation incidentally granted a political blessing to all men who live in America regardless of race, for all men born in the United States or under its jurisdiction are citizens of the United States and of the State wherein they reside. The fourteenth amendment enunciates two mighty principles which have in them the elements of saving our democracy, when tides like the one which today is marching in the earth, based as it is upon a false theory of racial purity, might otherwise become part of us. We turn to the charter of our liberties and learn that our citizenship is first of all dual in its nature, therefore each citizen citizenship is first of all dual in its nature, therefore each citizen has a double loyalty. But, better still, we recognize the principle that all who are born within the confines of America shall enjoy America's blessings. Can we not see in contrast what backward steps some parts of the world are taking away from the progress of man's development of the majesty of the great freedoms of person, property, soul, and mind? Would to God all Americans person, property, soul, and mind? Would to God all Americans were thoughtful of these truths!

Those whom we honor today contributed much toward preserving

in us the ideals which are ours. This day should be given over not only to a sincere honoring of those who have gone on and that which each has done but also to a feeling in the hearts of all of us here that we shall preserve their contributions not only for our good and our well being but also to hand them on to those who come after us—purified, made finer by a greater appreciation of that which they have done. Such is our task. I have faith that the Americans of today will religiously respect that task and preserve for generations unborn these blessings of life, liberty, and the

pursuit of happiness.

We shall end with the little poem with which we began, and in repeating the poet's question pray that the generation may soon come which will never have to ask that question of its own time. War should be a thing of the past. That it may be is a prayer worthy of our heart's and our Nation's desire.

"Why has the harsh wind Why has the harsh which Carried away the blossoms With his savage breath And left untouched, uninjured The leaves of the old worn-out tree?"

Address by Comptroller of the Currency at North Carolina Bankers' Association

EXTENSION OF REMARKS

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES Monday, May 22 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. PRESTON DELANO

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Hon. Preston Delano, Comptroller of the Currency, at the Fortythird Annual Convention of the North Carolina Bankers' Association held at Pinehurst, N. C., May 10-12, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There are certain sections of our United States in which the raveler instinctively feels that civilization is older, has thrust its roots deeper, and holds with more than usual tenacity to those fundamental principles which are established only through experience. There are areas in New England in which this is very noticeable; it is found again in the cultural influence left by the noticeable; it is found again in the cultural influence left by the cavaliers in Maryland; and certainly the most casual visitor could not fail to sense it in the very air of these Carolinas. Such a visitor hardly needs to be told that Englishmen were on these shores in 1587; that Roanoke Island saw the first child born of English parentage on this continent; and from that early adventure under Sir Richard Grenville there has been built here our electrocards at the English tradition and fortified oldest society, stemmed from the English tradition and fortified with the blood of its pioneers.

It is interesting to see what this background has done for the State of North Carolina. We from the North cannot fail to be impressed. This State was one of the last of the Original Thirteen to ratify the Constitution, and with characteristic English stub-bornness refused to do so until that document included the Bill of Rights. Here the maxim of "Hold fast to the good" is given

practical illustration in a social and political sense.

Yet you can defend your liberalism. I understand that in the past 28 years you have reduced the hours of labor in industry from 66 hours per week in 1911 to 48 hours in 1939; and that after long discussion you were one of the first to abolish child labor. The significant thing is the caution of this State in approaching change and its disposition to hold the ground once gained. The financial world will always remember how the North Carolina banks rallied to the support of your former Governor, the Honorable O. Max Gardner, in those critical days of 1932 when State bonds everywhere were under fire and there was a question raised as to the soundness of your securities. Mr. Gardner said at that time, "Our most cherished possessions are the faith, credit, and character of North Carolina. May I say that we will protect and preserve the honor and credit of this State if it should require the conscription of the resources and reserves of 3,000,000 North Carolinians." This is adherence to fundamentals, and I am putting stress upon such fundamentals because I wish, by your leave, to discuss briefly this morning the great necessity of holding on to them in these troublous times. I can think of no more appropriate forum.

We live in a difficult age. I suppose the future historian, with the We live in a difficult age. I suppose the future historian, with the perspective which comes from looking back on the first half of the twentieth century, will be able to classify and understand the tremendous forces which today are at work in the world. This may well be one of the great transition periods of history. We are altogether too close to it to understand its significance or what may be its outcome. In such periods there is great danger that men will discard as outworn and outmoded those all-important rules of conduct which represent the true criterion of their progress, thus losing outposts painfully won and which should be held whatever the sacrifice.

sacrifice.

Banking is a civilized practice, and as bankers we are especially interested in the preservation of those intangibles which only civilization gives us. They are our fundamentals. Unless we preserve them we cannot exist. Banking, as we know it, is only as old as your state. By a curious coincidence, the year—1587—that Sir Richard Grenville landed his little colony on Roanoke Island also saw the establishment of the first commercial bank in the world, the Banca di Rialto in Venice. From that beginning there has resulted the steady spread of banking practice which has had so much to do with the progress and development of the world. Thet contrisuited the steady spread of banking practice which has had so much to do with the progress and development of the world. That contribution by the banks has only been possible because civilization as it matures gives increasing values to character, to honesty, to justice, and to the sancity of the pledged word. It is only because men develop more character and more honesty that they replace the phrase, "Caveat emptor" with the more civilized one, "The customer is always right."

In the last 25 years this civilizing process has struggled against great odds. The World War of 1914, as is the case whenever force replaces reason, was a serious attack upon it. The era of speculation culminating in the world-wide economic collapse of the early 30's was another grave unsettlement and there is now a devastating threat with which we are concerned, first, as citizens of an evershrinking world; and, second, as the bankers of that world. This threat is contained in the doctrine that there is no power but physical force, and that physical force is its own justification. This doctrine contends that you do not have to be fair, that you do not have trine contends that you do not have to be lain, that you do not have to be honest, that you do not have to keep your engagements, that all virtues are summed up in the phrase "be strong." It is essentially the doctrine into which man was originally born, and the extent to which he discards it is the measure of his progress. There is no escaping the fundamental nature of this issue.

But it is the narrower aspect of the matter which, of course, primarily concerns banks and banking. Banks cannot live in a world which does not keep its engagements. The effect of whole-sale repudiation and moratoria is to drive all capital into hiding and to dry up that initiative so essential to a free economy. Certain very fundamental principles are under attack when the head of a responsible state cooly repudiates the bonds of a conquest

of a responsible state cooly repudiates the bonds of a conquered province and carries off the gold reserve of its central bank, much as a highwayman casually takes possession of your purse.

One result of all this turmoil is a confusion of thought and of leas. The Comptroller's office is concerned these days because there have been allegations that its examiners, through their influence upon national banks, are responsible for an undue constriction of industrial credit. I do not think this is so. I think such charges and the corollary assertion that the banks are refusing legitimate credit to industry are the result of confusion of mind as to the true nature of the banking function. Of course, I cannot speak with nature of the banking function. Of course, I cannot speak with authority on the question whether all banks or even all national banks are taking full advantage of all their opportunities to make sound loans. In the Comptroller's office we deal officially with loans that are made, not with applications that are declined. But I have had occasion to analyze some complaints of refusal of credit, and I have found that the complainants generally didn't make any showing of eligibility for bank loans, but, instead, revealed their need or their desire for additional risk capital. They were asking, in fact, not credit, but investment in their businesses. Answering an inquiry addressed to me during a meeting of industrial leaders in Washington the other day, I took the liberty of pointing out to them that, in my judgment, so far as there is a dearth of funds available for business and industry today, it is a dearth of risk or venturesome money and not a dearth of bank credit. I say this with the qualification that there are naturally different kinds and temperaments of bankers, just as there are dif-ferent kinds of businessmen. Some, of course, will be more alert

than others to take full advantage of their opportunities to give service to their communities and to forward the interests of their banks within the limitations of sound banking.

We need not be astonished at this lack of venturesome capital. It is the legitimate result of these last 25 years of war, speculation, depression, and the world disorder created by the present threats of unrescenting force. And I suppose we should not be tion, depression, and the world disorder created by the present threats of unreasoning force. And I suppose we should not be astonished when there results an attempt to have banks enter that field in order that someone may take up the burden. But here is an outpost which should be held. The risk sector of our economy is not a proper place for the employment of deposit money. The providing of venturesome capital is a very necessary function but it is a job for the enterpreneur, not the banker. The office of the Comptroller of the Currency is opposed to such speculative use of banking funds. But lest we be misunderstood, it should be added that the office of the Comptroller of the Currency is deeply interested that every consideration be given to applications for credit to the end that no proposal be denied a hearing and no proper request be refused.

There is another matter under current discussion concerning which we of the Comptroller's office feel strongly. We approach it with some diffidence. It is not as important as those vital principles which have been briefly touched upon this morning,

principles which have been briefly touched upon this morning, but in a way it is important as a symbol of something fundamental in the organization of American banking. I refer to my own office of the Comptroller of the Currency and the proposal to abolish it, with transfer of its functions to other agencies of the Federal Government.

the Federal Government.

It is always difficult to be disinterested in such a situation. I doubt if I can be entirely so in this instance. However, my own connection with the office is so recent that I may with propriety discuss certain features of the proposal which seem to me significant. This office is the oldest supervising agency of the Federal Government. During its 76 years of existence it has evolved methods and practices which give it dignity and tradition. It has an efficient staff and a valuable esprit de corps. It would be difficult to transfer these very real assets to other agencies and the abolition of the office would accomplish no economy or simplification of administration to compensate for the loss. It seems clear to me that the extinction of the Comp economy or simplification of administration to compensate for the loss. It seems clear to me that the extinction of the Comp-troller's office would be a distinct blow to the prestige of the national banks and might even imperil the existence of our dual banking system. In my judgment it would be a backward step for this office and its staff not to be preserved in its present form.

In conclusion, may I turn the clock back for a few minutes to another era of crisis and of grave concern. The year is 1863, and this is the advice and counsel of the first Comptroller of the

this is the advice and counsel of the first Comptroller of the Currency to the bankers of his day:

"Let no loans be made that are not secured beyond a reasonable contingency. Do nothing to foster and encourage speculation. Give facilities only to legitimate and prudent transactions. Make your discounts on as short time as the business of your customers will permit, and insist upon the payment of all paper at maturity, no matter whether you need the money or not. Never renew a note or bill merely because you may not know where to place the money with equal advantage if the paper is paid. In no other way can you properly control your discount line, or make it at all times reliable.

"Distribute your loans rather than concentrate them in a few hands. Large loans to a single individual or firm, although sometimes proper and necessary, are generally injudicious, and frequently unsafe. Large borrowers are apt to control the bank; and when this is the relation between a bank and its customers, it is not difficult to decide which in the end will suffer. Every dollar that a bank loans above its capital and surplus it owes for,

dollar that a bank loans above its capital and surplus it owes for, and its managers are therefore under the strongest obligations to its creditors, as well as to its stockholders, to keep its discounts

constantly under its control.

constantly under its control.

"Treat your customers liberally, bearing in mind the fact that a bank prospers as its customers prosper, but never permit them to dictate your policy.

"If you doubt the propriety of discounting an offering, give the bank the benefit of the doubt and decline it; never make a discount if you doubt the propriety of doing it. If you have reason to distrust the integrity of a customer, close his account. Never deal with a rascal under the impression that you can prevent him from cheating you. The risk in such cases is greater than the profits the profits.

the profits.

"Pay your officers such salaries as will enable them to live comfortably and respectably without stealing; and require of them their entire services. If an officer lives beyond his income, dismiss him; even if his excess of expenditures can be explained consistently with his integrity, still dismiss him. Extravagance, if not a crime, very naturally leads to crime. A man cannot be a safe officer of a bank who spends more than he earns.

"Pursue a straightforward, upright, legitimate banking business. Never be tempted by the prospect of large returns to do anything but what may be properly done under the National Currency Act.

Splendid financiering is not legitimate banking, and splendid financiers in banking are generally either humbugs or rascals."

These are the principles of sound banking laid down in 1863 by the first Comptroller of the Currency, Mr. Hugh McCulloch, I commend them to your thoughtful consideration, for these are fundamentals, and in my judgment, they still hold.

Election of Thomas Jefferson

EXTENSION OF REMARKS

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES Monday, May 22 (legislative day of Friday, May 19), 1939

STATEMENT BY JOHN E. GALE

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the Congressional Record a historical statement, written by one of the leading lawyers of Vermont, concerning the part played by Vermont in the election of Thomas Jefferson.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> [From the Rutland (Vt.) Herald of May 17, 1939] ONLY PROPER

To the EDITOR OF THE HERALD:

I note your pleasing message of congratulation to Vermonters in today's Herald. It is most fitting that the Jefferson Memorial should be of Vermont marble, and aside from the excellence of our products, recognition of Vermont's very material aid in the election of Thomas Jefferson should have been given due consideration in the placing of this important contract.

In 1800 there was no choice of President in the electoral college, and the election went to the House of Representatives, which, on the thirty-sixth ballot, elected Jefferson over Aaron Burr, with the the thirty-sixth ballot, elected Jefferson over Aaron Burr, with the help of Matthew Lyon, one of the two Vermont Members, who rendered most valiant service throughout the ordeal. Vermont was the only New England State to cast its vote for Jefferson, who was reelected in 1804, John Noyes, of Guilford, being one of the Vermont electors. But for the success of Jefferson, the purchase of the Louisiana Territory, of over a million square miles, might never have been consummated.

JOHN E. GALE.

GUILFORD, May 13.

President's Suggestions to Monopoly Committee

EXTENSION OF REMARKS

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES Monday, May 22 (legislative day of Friday, May 19), 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL OF MAY 17, 1939

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Milwaukee Journal of the issue of May 17, 1939. The editorial is entitled "President Roosevelt Asks Why?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Milwaukee Journal of May 17, 1939] PRESIDENT ROOSEVELT ASKS WHY?

"Improvement can only be made on a basis of clear analysis. Having made that analysis, I hope that your committee will then be able to indicate ways by which the machine may be made to function more efficiently."—President Roosevelt to Senator O'Mahoney, chairman of the Monopoly Committee.

Of all the statements Mr. Roosevelt has made, is any more sensational than this? After more than 6 years of drastic experiments—all kinds of experiments except experiments in economy—the President says there can be no recovery without "a basis of clear analysis."

With the end of his term coming up, with issues taking shape for 1940, President Roosevelt proposes to undertake that study which he himself says is preliminary to improvement. If, because for 1940, President Roosevelt proposes to undertake that study which he himself says is preliminary to improvement. If, because of emergency and the need of reassurance, this could not be done 6 years ago in 1933, it might have been begun 5 years ago, or 4 years ago, or even 3 years ago.

Instead, after 6 years of having his way in the fiscal and financial things he asked, the President says in his seventh year that "improvement can only be based" on a study of the financial machine.

If we could take this lightly, we might take a sort of humorous comfort in the revelation that Mr. Roosevelt is now one of us.

He, too, admits confusion and bewilderment.

But Mr. Roosevelt is not asking for a broad study of what has gone haywire with all the fine planning. He suggests a limit of inquiry by asking two questions: Is the trouble because our economy is "leaving an era of rapid expansion and entering an era of steadier growth?" Or "is it because of lag, leak, and friction in the operation of investment markets?"

Why not ask what we are doing differently from the are when

Why not ask what we are doing differently from the era when our financial machine worked and we went ahead? The depression came to us as to the rest of the world. But the rest of the world

came out of depression earlier.

When we plunged from the zenith of 1928-29 to the nadir of February 1933, there was need to reestablish confidence. But the reassurance was practically completed in the first 100 days of Mr. Roosevelt's first term. Since then confusion has increased, leading

at last to the anxiety and new depression of the last 2 years.

And now President Roosevelt wants to postpone measures of help and reassurance for another year. With his request for a study is revealed his wish to postpone tax reform. Then in 1940, an election year, what a chance to come out with better and bigger things and

campaign on a new New Deal!

"Tomorrow and tomorrow and tomorrow." Always there is something about to be done, something brilliant and new. At last we have reached a day when nothing else could give such reassurance to people wanting to get back to work as for Government to chart a course not made of dreams.

"Action forward"

"Action forward" was once Mr. Roosevelt's slogan. Now he wants postponement of known remedies for real evils. He's tinkered with every part of the machine from carburetor to differential. asks a committee to take a year finding out why the darn thing

doesn't run.

President Hoover, too, when he became flabbergasted because things didn't work for him, took refuge in "studies."

Relief Problem National Rather Than Local

EXTENSION OF REMARKS OF

HON. JED JOHNSON OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

RADIO ADDRESS BY HON. HOWARD O. HUNTER, DEPUTY ADMINISTRATOR, WORKS PROGRESS ADMINISTRATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I am submitting a very informative address recently delivered over the radio by Hon. Howard O. Hunter, Deputy Administrator of the Works Progress Administration.

The address follows:

When we wash up the exaggerations of partisan attacks on the When we wash up the exaggerations of partisan attacks on the W. P. A., and discount fishing expeditions and witch hunting, there remains a really major issue in this country on unemployment relief. This issue is: Who should administer and pay for relief for the unemployed, and how should such relief be given? It is a question of whether the present Federal work program for the unem-ployed should be continued or whether the Federal Government should return to a system of grants-in-aid to States, with the States and local governments administering unemployment relief.

I have participated in every form of relief since 1929, from private charity—through Hooverism—up to the W. P. A.

Out of close experience with unemployment relief I have reached

some very definite personal convictions.

The first of these convictions is that unemployment today is a national problem and not a local one. There is no local community in America today which can do anything about unemployment. The complexity of our system of industrial enterprise such that what happens in one part of the country may severely affect employment at a far distant point. And unemployment never hits evenly in all localities.

The second conviction I have is that unemployment in private enterprise is no longer an emergency matter. The increased pro-

ductivity of labor through mechanization of industry and agriculture and increased efficiency of management, has made it posculture and increased elliciency of management, has made it possible for a vastly increased production of all kinds of goods, with a decreasing manpower. This means that private enterprise in this country cannot for many years to come absorb all of the unemployed, no matter what Government does or does not do. Stopping Government spending and stopping the W. P. A. will only increase the number of unemployed.

And the fact that our business and industrial system cannot absorb all of our unemployed is not an indictment of the system. I would not advocate the abolition of any labor-saving device or

I would not advocate the abolition of any labor-saving device or any mechanical improvement. I would advocate an honest recog-nition of the fact that there is no way conceivable of reemploying all of the able-bodied un imployed, in any short period of time in private industry. And I would advocate a spirit of intelligent cooperation on the part of business in meeting this problem of

democracy.

And this leads up to my third conviction, that a program of public work for a considerable number of the unemployed is an essential factor in the continuation of a decent democratic government and in the preservation of our economic system of private

Now this issue of Federal versus local administration of relief is by no means a new issue. Previous to 1933 there wasn't anything but local financing and administration of relief, and there was

but local financing and administration of relief, and there was precious little of it.

As for grants-in-aid to the States for relief, the present administration, for 2½ years, practiced that system. And it simply did not work well. It worked badly because of the wide variety of standards of relief and administration. In too many parts of the country there was no recognition given to the fact that these newly unemployed people, that had grown in numbers from a handful to millions, were a new kind of poor people. They were not the same old paupers who had been handled under the archaic poor laws in most of our States. They were able-hodied unemployed people and the proportion of the same of the paupers who had been handled under the archaic poor laws in most of our States. They were able-hodied unemployed people and the proportion of the proportio

not the same old paupers who had been handled under the archalc poor laws in most of our States. They were able-bodied unemployed citizens—a cross-section of America.

The New Deal, in 1935, boldly ventured into a great democratic program of providing real work on useful public projects for these unemployed citizens. This program has been administered and largely financed by the Federal Government, with, however, a great degree of decentralization and local authority on many important fronts.

fronts.

It is now being proposed that this system of a Federal program of work for the unemployed be abandoned, and that the Federal Government go back to a discredited system of giving grants-in-aid

to States and localities for relief.

I do not mean by this that the principle of Federal grants-in-aid to States is either discredited or unsound in other directions. For instance, the grant-in-aid system for public highways has worked well for many years. But the unemployed are not highways and you can't talk with engineering accuracy about the unemployment problem in any State or locality as you can about a highway. No grant-in-aid scheme can be made flexible enough, or be made to work fast enough, to take care of the relief of the unemployed.

Work last enough, to take care of the relief of the unemployed.

I want to discuss this proposal on its merits. Of course I know, and you know, that those people who propose a return of relief to the States are members of the group in opposition to this administration, and that they have themselves made this a political issue.

* * But, let us examine their arguments. I know of no better exponent of these arguments than Senator Taff, of Ohio, who is a spokesman for this plan, and who is recognized as one of the important leaders in proposing this change. Senator Taff's who is a spotestian for this plant, and who is a spotestian to the important leaders in proposing this change. Senator Taft's noted and respected brother, Mr. Charles Taft, has also long been an advocate of the abandonment of the Federal work program by substituting a grant-in-aid system for direct relief, which he proposed 2 years ago as chairman of the National Community Chest Association.

The first argument is that local people know best who is in need of relief and can best determine who should get relief; and if there are to be any work projects, these local people also know

if there are to be any work projects, these local people also know what projects will be most beneficial.

As to this argument, I agree. And let it be said emphatically that in the operation of the present Federal work program through the W. P. A., no one except these same local people does determine who is in need and who should get W. P. A. Jobs, and it is local public officials in these same local communities who initiate and sponsor work projects for the W. P. A. On these two essential points the Federal W. P. A. is and has been effectively decentralized. So, obviously, there is no point to this argument.

The second argument raised is the one of States' rights. I am not sure that I can get through my beed whet States rights have

not sure that I can get through my head what State's rights have to do with a great national problem like unemployment. But I assume from the arguments that it means that the States should determine standards of relief and standards of work, as well as administration. Now, experience has shown that when the States had control of the administration of Federal relief funds, there were 48 standards of relief. In fact there were thousands of standards, because, in general, the States passed the job on to the counties and townships. Relief under this system ranged from nothing to \$3 a month in many States, on up to about \$35 a month in

to \$3 a month in many states, on up to about \$55 a month in a very few others.

Senator TAFT says that work would be given to the unemployed under a grant-in-aid system and cites the fact that it was given before the Federal W. P. A. It is true that in a few places work was given—but how! No wage standards, work for grocery orders, and not real work at that, but largely "made work."

APPENDIX TO THE CO.

Since the Senator is a spokesman for this proposed change, let us use his own State of Ohio as an example. In fact, he uses it himself as an example and says that even today the local government in his own town of Cincinnati provides a work program for its own relief clients. Yes; and what kind of a work program is it? The report of Cincinnati's own public welfare department says that the work consists of projects for maintenance of normal city enterprise—which obviously decreases regular employment—and that the pay on these projects is 25 cents an hour. But wait a minute—the people do not even get the 25 cents. They actually get 12½ cents and the other 12½ cents is dished out in grocery orders and they work up to 6 days a month. Here we uncover an essential fact behind the proposal to abandon the Federal work program, which is that the opposition doesn't want a real work program, which is that the opposition doesn't want a real work program, which is that the opposition doesn't want a real work program, or life under State administrative costs will be greatly reduced. On this point facts show the contrary. The administrative expense of relief under State administrative expense of state relief administrations is about 16 percent. Compared with this, the administrative expense of the V. P. A., which is limited by law to 5 percent, actually averages less than 3½ percent.

The fourth argument—and I am sure that the proponents of this plan must have their tongues in their cheeks when they propose this one—is that if relief is returned to the States it will thereby eliminate politics in relief. I just don't believe that any person who has the least realism about American politics will take this argument seriously. With a return of Federal relief to local administration, whatever politics there may be in it now will be multiplied by some 3,000 counties and 12,000 townships. Let us not forget that local politics got so bad under the Federal grants-inaid system that in six States, including the Sta

most States, according to present State relief standards, they would only get from nothing to \$10 a month. These savings would be made at the expense of the health and decent living of the unem-

ployed.

In the State of Ohio, however, they might not get anything at all if Federal grants-in-aid were dependent on any State contribution. I vividly remember the winter of 1937 and 1938 in the State of Ohio, when State relief broke down completely. The W. P. A. was able to give useful work to 260,000 heads of families in Ohio—which could not have been done under Senator Tart's plan. The great mayor of the great city of Cleveland, a Republican but nonpartisan in relief, has stated that the system of Federal work relief for the unemployed had saved his city from disaster and that if this was turned back to the States for administration it would be a deplor-

able backward step.

Many of those, though not all, who propose a return of relief to the States do not come right out and say that they prefer a doing the states of the states do not come right out and say that they prefer a doing the states of the stat to the States do not come right out and say that they prefer a dole to work, but they imply this in every argument they raise. It is clear that many people who propose to abandon the W. P. A. for a system of grants-in-aid to States do not really want the unemployed to work at real wages on useful public projects. What they want is an idle labor pool, giving a charity pittance. They do not like a program of work which enables these temporarily unemployed people to maintain their self-respect, bargaining power, and rights of citigoschip.

of citizenship.

We propose a continuance of work as against a dole, first, because it is the only decent American and democratic way to treat our citizens who are involuntarily unemployed; second, for the reason that it puts money into the hands of these people which is spent quickly in the normal channels of trade and continues to preserve our whole economic system; and, third, because the work these people do for the public is useful work and materially increases the national wealth.

And we believe from experience that this can only be done

the national wealth.

And we believe from experience that this can only be done through the flexible resources and administration of the Federal Government, with local cooperation such as we have today.

There still is much work to be done for the public good in this country. We have hardly touched the work that needs to be done on conservation, public-health facilities, recreational facilities, housing, and hundreds of other public improvements. In my opinion, the W. P. A. has been the greatest single expression of democracy that we have ever known in this country. As long as our Government meets its responsibilities for its unemployed citizens in this constructive and democratic way rather than in the destructive way of dictator nations, then these millions of unemployed will continue to believe in democracy and will eagerly say to us, "Give us a chance and we will build you a real America."

Lake Erie-Ohio River Canal

EXTENSION OF REMARKS

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

RESOLUTION OF COUNCIL OF THE BOROUGH OF PITCAIRN, ALLEGHENY COUNTY, PA.

Mr. McDOWELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution:

Whereas the Government of the United States of America proposes to construct a canal joining Lake Erie and the Ohio River in the vicinity of the city of Pittsburgh, Pa.; and Whereas the construction of such a canal will be highly injurious to the local industries of the city of Pittsburgh: Now, therefore,

Resolved, That the Council of the Borough of Pitcairn send its formal protest against the construction of such a canal to the proper governmental agency

The foregoing resolution passed this the 12th day of May 1939. M. T. BRENDLENGER President of the Council.

Attest:

WM. M. HICKS, Borough Secretary.

This is to certify that the foregoing is a true copy of the resolu-tion passed by the Council of the Borough of Pitcairn, Allegheny County, Pa., at a regular meeting of the council held on May 12,

[SEAL]

WM. M. HICKS. Secretary of Pitcairn Borough.

Freight Rate Justice

EXTENSION OF REMARKS

HON. ROBERT RAMSPECK OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ADDRESS BY HON. ROBERT RAMSPECK, OF GEORGIA, MAY 19, 1939

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the convention of the Southern Wholesalers' Association, Atlanta, Ga., May 19, 1939:

In the human body the blood in our veins is the life stream, the essential element, without which life stops. If this stream is clogged life ends. In our economic life transportation is the life stream. If it stops business comes to an end. Thus anything which interferes with this essential element in the economic system

tends to stop business.
In 1929, according to a study now being concluded by a well-In 1929, according to a study now being concluded by a well-known nonpartisan group, our people paid \$86,000,000,000 for finished goods. Of this huge amount \$9,000,000,000 was paid for the cost of transportation. We therefore see that in that year more than 10 percent of the cost of the things we bought was the cost of transportation. "Jones pays the freight."

We would not tolerate a tax system for our Nation that was not uniform. We would resist to the uttermost any such unfair method of levying taxes, and yet we have always been "taxed" for transportation without regard to uniformity and without regard to the cost of the services rendered.

The West and the South are "taxed" for transportation at a rate higher than that charged in the northeastern part of the country. This system is not just; it retards the development of the West and the South and it prevents those sections from enjoying a proper part of the general business of the Nation.

While much of what I will say today might likewise be applied to other forms of transportation, I will confine my discussion to the subject of railroad freight rates and their effect upon the economy

subject of railroad freight rates and their effect upon the economy

of the South and West.

The freight-rate structure of the country is divided into five zones or regions. The territory north of the Ohio and Potomac Rivers and east of the Mississippi, is known as eastern or official

West of the Mississippi we have three regions, the western trunk line, the southwestern, and the mountain Pacific. The States south of the Ohio and Potomac and east of the Mississippi

are designated as southern.

Using the eastern or official territory as the base, represented by the figure 100, the relative figures for the other regions are as follows: Southern, 139; western trunk line, 147; mountain Pacific, 171; and southwestern, 175. These figures show the differences in the levels of rates within those regions.

The rates from one region into another vary. They are not uniform, but generally speaking the rates from the southern region into official territory are approximately 20 percent higher than the rates within official territory.

This means that a southern shipper not only must pay for a longer haul to reach the congested centers of population in the North and East, but also must pay a higher rate per mile.

It is true that on some products we have low rates in the South and on some we have low rates from the South to the North. Generally speaking we find that these low rates are for the shipment of raw materials needed by the processing plants in the Using the eastern or official territory as the base, represented by

ment of raw materials needed by the processing plants in the North. The rates from South to North on finished goods are generally higher than the rates on similar products within the North and also higher than the rates from the North to the South

on finished goods.

The result of this system is to drain the South of its raw materials. It tends to prevent the development in the South of industries making finished goods, the market for which must be found in the large centers of population in the North and East.

If you want to get a true picture of this situation, put in language that a layman can understand, I suggest that you write to the United States Government Printing Office for a copy of House Document No. 264, Seventy-fifth Congress, entitled "The Inter-territorial Freight Rate Problem of the United States," prepared by J. Haden Alldredge.

Recently both Houses of Congress have been investigating this freight-rate question. In order that you may better understand the problem, I think it well to refer to some of the testimony

adduced at the hearings before the Congress.

Mr. C. E. Childe, a rate expert from Omaha, Nebr., in testifying on this subject, said:

"My personal opinion is that this subcommittee is attacking a key log in the economic jam that our country is in, which is holding back our national recovery and progress.

"I believe that constructive action by Congress on this matter of freight-rate discriminations would go a long way toward solving a great many of the specific problems that Congress and the country are attempting to deal with today

"I believe that the so-called railroad problem, including the prob-lem of the other transportation agencies, is intimately involved, and that elimination of freight-rate discriminations would do much, in fact, more than anything I know of, to put the trans-portation agencies back on their feet.

"I believe that business expansion would be promoted and encouraged, particularly in the South and West; and that the unemployment problem, the problem of wage inequalities, the farm problem, so-called, the matter of development of our national resources and national wealth, the \$80,000,000,000 income we are seeking for this Nation if you please, are all involved and interwoven in this subject of freight-rate inequalities.

"And, further, that the cost of living, the matter of living standards generally, and numerous social problems as well as economic problems, social problems arising out of congestion of our population in certain limited areas in the country, and the sparsity of population in vast portions of our country that need more people and more activity; problems of poverty and crime and education; all these matters, I think, Senators, are to an important extent tied up in this question of freight rate discriminations." criminations.

If time permitted I would like to quote many other statements from the testimony of Mr. Childe. Out of his many years of experience as counsel for those seeking rate adjustments, he painted a vivid picture of the results in hardship and retarded developments in the West and South resulting from discrimina-

tions in transportation charges.

The Interstate Commerce Commission was set up by the Congress in 1887 on account of the dissatisfaction of farmers and businessmen with the existing freight rates. Some progress has been made toward adjustment, but after 50 years of effort, the results are discouraging. The time has come for more positive action.

Many of the difficulties of the present situation arise because of the varying policies adopted by the railroads in the different sections in making rates. In the East the system is largely based upon mileage. It gives better rates to finished products within the territory than do the systems in other rate territories. It encourages through rates of a favorable nature on raw materials for the benefit of its processing plants.

As contrasted with this policy, the railroads of the West and South, in the earlier days, were little concerned with encouraging the establishment of industry. There was little industry in those

sections and the railroads undertook to take care of that in a few sections by specific rates.

The general policy of the western and southern roads was to keep rates as high as possible where competition did not compel reductions and to put them as low as possible where competition

The southern and western rates caused a very uneven develop-ment in those sections because the rates were uneven.

In the East the rates favored industry making finished goods while the rates of the West and South favored the production of raw materials, as contrasted with finished goods.

One of the strange facts as to freight rates is that the railroads do not base them upon the cost of the service rendered. This fact was brought out by counsel for the southeastern Governors in the recent case before the Interstate Commerce Commission. In that case representatives of the eastern railroads testified that no consideration was given to the cost of service in making rates. The witnesses testified that the roads got "all the traffic would bear." Such a system gives an advantage to ports and other points where competition exists and penalizes those points having no competitive

transportation facilities

This is the only business in the world, so far as I know, which undertakes to sell its product without regard to the cost.

It is interesting to see what the present rate structure does to the shipper. A few illustrations will be sufficient.

First, I will take shipments of first-class freight from southern to

eastern territory and compare that with shipments of similar freight within eastern territory.

From Atlanta to Chicago is 731 miles. The rate per hundred pounds on first class is 191 cents. From New York to Chicago is 890 miles and the rate is 152 cents. Although Atlanta is nearer

890 miles and the rate is 152 cents. Although Atlanta is nearer Chicago by 159 miles, its rate is 39 cents higher.

Another striking illustration is found in a comparison of the rates from New York and Atlanta to Louisville, Ky. The distance from Atlanta is 449 miles, and from New York it is 852 miles. The rate from Atlanta is 151 cents, and from New York it is 149 cents. Thus New York, although 403 miles farther from Louisville, enjoys a rate lower by 2 cents per hundred pounds.

There is certainly no justice in such a system.

Next I will compare rates within southern territory with rates from official territory to the South. From Smithville, Ga., to Nashville, Tenn., is 440 miles. It is exactly the same distance from Chicago to Nashville, yet the rate from Smithville is 148, while the rate from Chicago is 138, a discrimination against the South of 10 cents per hundred.

of 10 cents per hundred.

The discriminations against the Southwest are even worse. example, the distance from El Paso, Tex., to Springfield, Ill., is 1,236 miles. From Lewiston, Maine, to Springfield it is 1,216 miles. The rate from El Paso is 330 cents, and from Lewiston it is 173 cents per

hundred pounds. With a difference of only 20 miles in distance, Lewiston has an advantage of 157 cents per hundred pounds. From Amarillo, Tex., to Little Rock, Ark., is 627 miles. From Chicago to Little Rock is 621 miles, but the rate from Amarillo is 209 cents, while from Chicago it is only 177.

When you leave the class rates and take up the rates on specific goods you find the same unfair rates exist. For example, take

goods you find the same unfair rates exist. For example, take plumbers' goods. From Chattanooga to Columbus, Ohio, it is 452 miles. From Chicago to Pittsburgh it is 454 miles. The rate per hundred pounds from Chattanooga to Columbus is 54 cents, while the rate from Chicago to Pittsburgh is only 42 cents.

Take roofing material. The distance from Nashville to Chicago is 440 miles, while the distance from Pittsburgh to Chicago is 454 miles. The rate from Nashville is 35 cents, while the rate from Pittsburgh is only 27 cents.

Pittsburgh is only 27 cents.

These illustrations could be expanded into hundreds of similar cases, but I do not wish to weary you. I would, however, like to give a few examples of the part transportation costs play in the sales price of fruits and vegetables.

These figures are based upon sales prices on the markets of Philadelphia. Florida Bountiful Beans sold for 75 cents per bushel, of

which price 60 cents was railroad freight.

Alabama corn sold for 90 cents per crate, of which 75 cents was reight. Louisiana peppers sold for 75 cents per bushel and the freight was 37 cents. Georgia peaches sold for \$1.25 per bushel and the freight was 68 cents. The railroads in each instance received more than the farmers who produced the products.

Texas beets sold for 80 cents per half crate and the freight was 63 cents, the farmer actually losing 8 cents.

In a report prepared for the President the National Emergency Council said:

Council said:

* This difference in freight rates creates a man-made wall to replace the natural barrier long since overcome by modern rail-road engineering. Both actual and potential southern manufac-turers are hampered because attractive markets are restricted by the existence of a barrier that is now completely artificial. The southern producer, attempting to build up a large-scale production on the decreasing cost principle, finds his goods barred from the wider markets in the Nation's most populous area. In marketing his products over the wall he is forced to absorb the differences in freight charges.

"The artificial rate structure handicaps the South in its efforts to expand and diversify its industry. For example, under present conditions it is cheaper to concentrate and ship the South's zinc ore to the North, where it is made into metallic zinc, used to coat northern steel, and shipped back to the South for its "tin" roofs and other galvanized ironware, than it is to convert this zinc ore in the South without the economic less of cress bentling.

without the economic loss of cross hauling."

A group of outstanding citizens meeting in Atlanta in January of this year to study the report above referred to, said:

"The freight rate differentials imposed upon the South constitute a tariff against southern goods as discriminatory as the tariff against the goods of a foreign nation."

The South and West, as integral parts of the Nation, are justly entitled to fair treatment in regard to freight rates. We should and must have a national system of transportation charges, without discriminations against any section.

The result of this unfair system of freight charges has not only

The result of this unfair system of freight charges has not only damaged the West and the South but the railroad industry itself damaged the West and the South but the railroad industry itself is losing ground because its methods at arriving at charges to be made for freight are wrong. These methods are driving the business to other forms of transportation. Millions of workers have lost their jobs on the roads, and billions of tons of freight have been moved by other methods.

According to the report of the Committee of Six, appointed by the President to seek a solution of the problems facing the rail carriers, the railroads are today carrying less of the total traffic as compared with the year 1926.

Since that year the tonnage on the steam railways has declined approximately 19 percent, or more than 84,000,000,000 freight ton-miles. All other forms of transportation, except electric railways, have increased their tonnage.

In my opinion, the railroads must learn to carry more tonnage

In my opinion, the railroads must learn to carry more tonnage at a lower unit cost. They need and must have greater volume of business, and they can get it only by reducing the cost. This is the process followed by modern business.

Many believe that the ills of the roads arise from their control by financial interests in the East who dictate the policies without regard to the views of the operating officials whose lives have been given to service with the railroads.

I could cite many illustrations of loss of freight by the steam railroads because of high rates. Two will suffice. In Elberton, Ga., 2 truck lines hauled 13,000,000 pounds of stone in 2 years, because it was cheaper to use trucks than to pay the rates demanded by the railroads.

In Georgia we have a tire company operating a fabric plant which

In Georgia we have a tire company operating a fabric plant which

In Georgia we have a tire company operating a fabric plant which hauls its product to the tire plant in Ohio in its own trucks. On the return trip these trucks bring tires for distribution in the Southeast. Many similar illustrations could be given.

This system of discriminatory rates has caused a concentration of population, wealth, and industry in the favored sections of the Nation. It has promoted an uneven development of our country. New York City today has the greatest concentration of population to be found at any spot in the world. All of the large cities of our country are located on the Atlantic seaboard from Boston to Washcountry are located on the Atlantic seaboard from Boston to Washington and Baltimore, on the Great Lakes, or on the Pacific coast. While originally this may have been the result of water transportation, the railroads have favored these sections and have perpetuated this concentration of population. A similar concentration of wealth and business has followed.

tion of wealth and business has followed.

The North and East, being the favored rate territory, with approximately 21 percent of the area of the country, has 57 percent of the population. This section has 90 percent of the firms selling to retail druggists, 55 percent of the 75 leading life-insurance companies, 95 percent of the \$93,000,000,000 in life-insurance companies, 96 percent of the annual income of the 75 leading life-insurance companies, 97 percent of the excess income over disbursements of these same 75 companies, 69 percent of the insurance written in 1931, 79 percent of the \$15,000,000,000 in demand deposits in banks in 1933, 82 percent of the \$21,000,000,000 in time deposits in 1933, 84 percent of the individual income taxes for 1931, 83 percent of the individual income taxes for 1931, 83 percent of the individual income taxes for 1931, 83 percent of the individual incorporation income taxes in 1931, 85 percent of the individual incomes between \$40,000 and \$50,000, 83 percent of the colleges with endowments of \$2,000,000 and more, and 90 percent of the 200

endowments of \$2,000,000 and more, and 90 percent of the 200 largest nonbanking corporations.

Yet this section produced only 4 percent of the oil in 1932, 54 percent of the coal, and 9 percent of the lumber in the same year. It had only 38 percent of the 44 principal crops as to acreage and 36 percent of the value of the 64 leading crops in the same year. With less of the natural resources of the country, it has an overwhelming proportion of the income and earnings of the Nation, because of favorable factors which prevent the extension of processing in the West and South

ing in the West and South.

We of the West and South furnish the raw materials. owns many of them; it processes them and adds greatly to their value and resells them to us as finished goods. We thus pay tribute day by day to that section of the country.

In 1887, speaking to an eastern audience, the late Henry W.

Grady said:
"But agriculture alone—no matter how rich or varied its re-"But agriculture alone—no matter how rich or varied its resources—cannot establish or maintain a people's prosperity. No Commonwealth ever came to greatness by producing raw materials. Less can this be possible in the future than in the past. The Comstock lode is the richest spot on earth. And the miners, gasping for breath 1,500 feet below the earth's surface, get bare existence out of the splendor they dig from the earth. It goes to carry the commerce and uphold the industry of distant lands, of which the men who produce it get but dim report. Hardly more is the South profited when, stripping the harvest of her cottonfields, or striking her teeming hills, or leveling her superb forests, she sends the raw materials to augment the wealth and power of distant communities." tant communities."

The foresight of this great man is evident today. We have done for 50 years just exactly what he warned against. The result has been what he predicted.

The time has come for the South to wage another war. This time it must be a war of economics, a war of legislation, a war to strike from our peoples the shackles of discrimination. We demand our place as a part of the Nation, a free people, entitled to a just part of the business, the commerce, and the industry necessary to the life of a Nation of more than 130,000,000 people.

Believing that the time has come to fight, I have joined with the Representatives of 25 other States in a group movement to remove the freight-rate discriminations from our section and from the West. We are making progress. I believe that we will win this war. Justice and right are on our side. The welfare of the Nation demands a fair chance for the South and the West.

We seek this remedial legislation as a part of general legislation designed to rehabilitate the railroads. I expect to support any reasonable legislation offered for promoting the prosperity of the railroads, but I insist that they must play the game fairly. They must give fair and just rates to all sections.

I am interested in the welfare of the railroads for many reasons. They are necessary to our economic life, they furnish employment to many thousands of fine citizens in whom I am deeply interested, they spend vast sums in purchasing supplies and in paying taxes. We must solve their problems, but we must also demand of them justice for the South and the West.

They tell us that they are ready and willing at all times to join our shippers in efforts to get parity rates into the North if circumstances justify such action. They did join in the Governors rate case, but they did not testify that the rates proposed were "compensatory rates."

They do not tell you that when a parity rate into the North is put linto effect they ask for a division of the through rate which gives them a larger part thereof than they would be e

fight for justice in rates.

May I conclude this address by urging those here today to join hands and enter this fight? It means economic life or death for our section. It means the difference between poverty, unemployment, and debt and employment, development, and prosperity.

We have a great section. It is peopled by fine native sons and daughters of America. It today typifies more nearly the true spirit of America than any other section. It is rich in natural resources. An abundant Providence has favored it with a mild climate, with plentiful rainfall, and with many other advantages natural to the section. natural to the section.

natural to the section.

Our failure to keep step with the North in the development of these advantages is largely due to man-made restrictions. We must remove those restrictions. We too long have suffered under these disabilities without protest.

As Grady said, we cannot have prosperity by selling our natural resources to other sections. We do not even produce our own necessities in clothing, machinery, and in many food products. We must produce these and more for sale to other sections if we would enjoy our share of the national wealth and prosperity. enjoy our share of the national wealth and prosperity.

This is not a job for any one person, but a war in which everyone in the West and South should join hands, to the end that justice

and fair play may be our part in the national economy.

Trade Agreement With Argentina

EXTENSION OF REMARKS

HON. THOMAS A. FLAHERTY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

LETTERS FROM CARL F. WOODS AND WILL L. SMITH

Mr. FLAHERTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

CROSBY STEAM GAGE & VALVE Co., Boston, May 9, 1939.

on. Thomas A. Flaherty,

House Office Building, Washington, D. C.

DEAR SIR: There is enclosed herewith a letter from Will L. Smith, of Buenos Aires, which deserves your serious consideration. Mr. Smith is a man of the highest standing and reputation; he represents a number of large American interests as their sales representative in the Argentine. He has a first-hand knowledge of the situation, and his letter seems to me a particularly clear presenta-tion of the situation that is developing as regards American trade with South American countries.

I appreciate fully the complexity of this question from the standpoint of our own national economy, and I am sure you will be glad to have the views of an experienced and capable man, who is in a position to present fairly the situation as it exists today. I shall appreciate your consideration of this very important matter.

Yours very truly,

CAPL F WOODS President.

WILL L. SMITH, S. A., COMMERCIAL E INDUSTRIAL, Buenos Aires, April 20, 1939.

CROSBY STEAM GAGE & VALVE CO.,

30 Church Street, New York, N. Y.

GENTLEMEN: As you know, American interests in Argentina have been at a serious disadvantage for some time and recently have been faced with a crisis that has threatened the very existence of much business here. It is believed in Argentina that the only practical relations between the two countries would come from having a satisfactory trade expression.

feators trade agreement.

It has been suggested, therefore, that appeals be made to important companies to do everything possible at their end to create aproper understanding of the issues and prevent the irreparable harm that would result from failure. This action is suggested because of the growing opposition in the United States to the reciprocause of the growing opposition in the United States to the reciprocal trade-agreement program evidenced in the bills which have been introduced in Congress requiring Senate ratifications of all future agreements negotiated by the State Department, which would, of course, nullify the effectiveness of the act as a weapon for use against international competition.

The economic aspect of the trade agreement with Argentina is probably well known to you. Under the present import restrictions in this country, American markets are being lost and the Argentine branches and representations of American companies have been obliged to import from their European branch factories and from European companies.

European companies.

European companies.

The present aggressive policy of totalitarian countries must be met with firm and effective measures or the United States will suffer irreparable harm. Their methods are highly practical, as they offer to accept on barter large quantities of Argentine cereals and meat in exchange for manufactured articles, with the result that a large toll of United States trade has already been taken. The most effective check that could be administered would be a trade agreement between Argentina and the United States. It is, in fact, the only hope for successfully meeting the trade tactics of the totalitarians in Argentina and alleviating the serious condition of American trade.

of American trade.

The economic aspect, however, can be considered of secondary importance at the present time. The most important reason why negotiations must not fail is a far broader one. We refer to the salutary effect that such an agreement would have throughout all of Latin America. There is no question that it would be a vital feature in creating good will for the United States and would contribute materially to offsetting totalitarian political influence on this continent.

on this continent.

on this continent.

It is believed that if American companies were made well aware of those points of view, and if they will bring them to the attention of their Congressmen, Senators, newspaper publishers, chambers of commerce, trade organizations, and influential friends, there will be a general favorable attitude toward any reasonable agreement with Argentina. Such action on the part of large companies would help to curtail and lessen the effectiveness of any political opposition which might attempt to block negotiations of the trade treaty. The serious harm that would result from such an occurrence can hardly be overemphasized because of the importance of Argentina. The serious harm that would result from such an occurrence can hardly be overemphasized because of the importance of Argentina, politically and economically. The success here for American trade and commercial policy would, it is believed, have a far-reaching effect on American prestige in Latin America and serve as a check on opposing trade policies.

If this letter goes into your wastebasket, and all other American manufacturers take the same interest, American foreign trade will be seriously hurt.

be seriously hurt. Yours very truly,

WILL L. SMITH President.

Old Harbor Village Project

EXTENSION OF REMARKS

HON. JOHN W. McCORMACK

OF MASSACHUSETTS IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

EDITORIAL FROM THE OLD HARBOR VILLAGE NEWS

Mr. McCORMACK. Mr. Speaker, one of the low-rent housing projects constructed by the Federal Government is the Old Harbor Village project, located in my district, which

has brought joy and happiness and a new outlook on life to over 1,000 families. About 1 year ago the Federal Government entered into a lease with the Boston Housing Authority, an agency of the city of Boston, as a result of which the local agency operates and manages the project, doing so in an able, efficient, and highly satisfactory manner.

There has developed and exists among the residents of this community which the construction of the project brought

about, a fine community spirit.

Recently a publication known as the Old Harbor Village News was started, and in its first issue appeared a powerful editorial, which I include as a part of my remarks:

> [From the Old Harbor Village News] GOOD CITIZENSHIP STARTS IN THE CRADLE

I wonder if the critics of public housing realize that the making

I wonder if the critics of public housing realize that the making of good citizens starts when he or she is very young.

Too many of our future generation, in this the richest and most democratic country in the world, are deprived of the beautiful things of childhood; namely, a home that can be called a home; surroundings that match the atmosphere of the home, such as parks, places to play indoors because of severe weather conditions, and neighborly love for one another. A child brought up in these surroundings automatically becomes accustomed to the right way of living. As time goes on, children who haven't the right start in life soon drift into bad company unless they have great will-power.

in life soon drift into bad company unless they have great winpower.

When boys and girls approach maturity they like to invite their
friends into their own homes for a social event or other entertaining affairs. If the home is shabby looking within, with no
modern convenience, and cold and dreary, the girl or boy will
hesitate to invite his or her friends to join them at their home.
The result is the child longs for companionship and seeks it outside of his or her home if necessary.

Too often these boys and girls are led along the wrong path
of life, due mainly because they were deprived of a place they could
really call home.

really call home.

of life, due mainly because they were deprived of a place they could really call home.

Some people think a home is any place they hang their hat. They are wrong. A home means more than that. A home is a place where, in the summer time, a member of the family can come in and not be greeted by an odor of back-alley fumes and dry suffocating air. Where the child in the cradle is not perspiring for the want of a little fresh air. Where parents are not fatigued from attending the little ones at night, doing everything they possibly can to ease the uncomfortable condition of the children so that they may get some relief from the heat. A home is a place where a member of the family can enter in the winter with a smile knowing that regardless of what the temperature is outside, he can go into any room in his house and be able to feel warm and comfortable. A home is a place where members of the family are not huddled around a stove trying to keep warm, where the members of the family have a smile for each other; where mothers and fathers have love to offer their children. That is the real meaning of home, such a place is Old Harbor Village.

The residents of Old Harbor Village take this opportunity to thank our humanitarian President, Franklin D. Roosevelt; our mayor, Maurice J. Tobin; our representatives, both national and State, and members of the Boston Housing Authority, who so unselfishly serve on this board without any remureration for providing the residents of Old Harbor Village a place called home.

National Resources Committee

EXTENSION OF REMARKS

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

LETTER FROM CONSTITUENT

Mr. COX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from a friend and constituent of mine with regard to the work of the National Resources Committee:

> THE ALBANY HERALD. Albany, Ga., April 20, 1939.

Hon. E. E. Cox,

House Office Building, Washington, D. C.

MY DEAR JUDGE: Since talking with you several days ago I have been checking up on the National Resources Committee, and nowhere in its record do I find anything whatsoever to justify a suspicion that it desires to be handed a club and given a commission

to use it on State and local governments-or on anybody, or anything, anywhere.

thing, anywhere.

Let me repeat what I stated in the course of our conversation—that the National Resources Committee as it is now constituted has no power whatsoever. It cannot compel any agency, governmental or business or industrial or other, to do anything.

That is not the idea in planning. As you know, I am chairman of the Georgia State Planning Board, and am in touch with a number of other similar boards in the Southeast. Not one of them

number of other similar boards in the Southeast. Not one of them has power to compel obedience to orders or to comply with demands. As a matter of fact planning agencies do not work that way. They are fact-finding, coordinating, and advisory—always that and never more than that. They do not desire powers, for they are not administrative agencies. Their function is to plan, to study problems, gather and correlate information, submit reports to executive heads and legislative bodies, and prepare plans which may be adopted in whole or in part or rejected in their entirety.

The idea of a national or a State planning agency clothed with powers is fantastic. It is repugnant to the whole spirit of planning. I would not serve on a planning board or commission that was authorized to enforce its will—to "compel obedience." That may be zoning or in the nature of an exercise of police powers, but it certainly is not planning.

may be zoning or in the nature of an exercise of police powers, but it certainly is not planning.

Permit me to quote from an amendment to a Senate bill (S. 1265) introduced last February by Senator Hayden. I do not know what became of the amendment, and I am not considering its virtues or shortcomings, but it seems so clearly to proclaim the functions and lay down the limitations of planning that it is well worth reading. This is the extract referred to:

"The Board (National Resources Board) is authorized and directed (a) to investigate examine, study, analyze, assemble, and coordi-

"The Board (National Resources Board) is authorized and directed (a) to investigate, examine, study, analyze, assemble, and coordinate and at suitable intervals to review and revise basic information and materials appropriate to the formulation of plans or planning policies for the conservation, development, and utilization of the Nation's resources, and, on the basis thereof, such plans and planning policies; (b) to consult with all appropriate departments, bureaus, agencies, and instrumentalities of the United States, and Territories and possessions thereof, and of any State or political subdivision thereof, as well as with public or private planning or research organizations; (c) to advise with such departments, bureaus, agencies, instrumentalities, and public or private planning or research organizations, with respect to the conservation, development, and utilization of the Nation's resources, and to obtain from and furnish to them data and information relating to such matand furnish to them data and information relating to such matand furnish to them data and information relating to such matters; and (d) to prepare and submit studies, reports, and recommendations upon matters within its jurisdiction, upon its own initiative or whenever the President or the Congress may request such a study, report, or recommendation."

I am not championing the Hayden amendment or anything else. The point I make is that here is a clear statement of what planning seeks to accomplish, viz, find out what we have and where it is, then plan its intelligent conservation, its development, its use. There is not a word in the quoted statement about powers. For more than 5 years I have been in touch with the National Resources Committee and its predecessors National Planning Board, National Resources Board. Never by statement or intimation dur-

National Resources Board. Never by statement or intimation during that period have I heard hint of a program which could under any conceivable circumstances be other than "advisory only." I believe some such proposal was made several years ago in a bill—whether House or Senate I do not know—which someone prepared, but the National Resources Committee opposed it. It would have ruined planning. "Planning with power" would shake itself to pieces in short order.

pieces in short order.

Here in the Southeast we face many grave problems related to our resources—land, water, forests, health, education, agriculture, industrial development and, over and above all these and the rest, people. I have been studying these problems for years, and so have you. We have not been making impressive progress in dealing with them, but I make the confident assertion that planning offers the most hopeful approach to their eventual solution. Our weakness is due to our lack of information about what we have, where it is, why so much has been wasted, and how that waste can best be stopped; what penalties neglect and abuse now threaten, and what price our children and their children will pay if we fail to protect their heritage.

A national planning agency is indispensable to the States. I

what pite our children will play it we fail to protect their heritage.

A national planning agency is indispensable to the States. I make that statement without qualification, and out of my knowledge of the situation in at least six States. The present national agency (National Resources Committee) furnishes expert consultant service to State boards, and serves as a clearing house through which all the State boards, as well as regional planning groups, are kept in touch. It is a fountain of planning inspiration. When a State planning board faces a perplexing problem in planning, it asks the National Resources Committee for guidance—and gets it if the committee is able, within its available resources, to supply it. The National Resources Committee has made studies of very great value. A fair sample was last year's study of population problems. I am sure you remember that. It showed the whys and wherefores of a declining birth rate which forecasts a stationary population in the country by 1973, provided immigration restrictions remain as at present, and the birth rate does not increase. It was a typical planning study and one of dozens made by the National Resources Committee. I sent you several of the reports a few weeks ago.

reports a few weeks ago.

I am particularly anxious that you get a picture of planning as I have come to see it. We need intelligent planning in the

South as much or more than any other section needs it. tioned to you the forest resources study which our State planning boards have been making and in which the United States Forest Service has cooperated. It would have been impossible without the guidance and support of the National Resources Committee. I know, for the very good reason that the Georgia State Planning Board initiated the study, and I am intimately acquainted with

I hope I have not taxed your patience, but I have written a long letter, because this matter lies close to my heart. I can think of few better ways for spending a modest sum of Federal money than

is the better ways for spending a modest sum of Federal money than in support of planning.

If I can be of any service, please call me. The planning program now faces its greatest opportunity. It has won its place in government, Federal and State. To abandon it would be tragic. With cordial regards, I am,

Sincerely your friend,

H. T. McIntosh.

Charges Against Farm Tenant Purchase Program Refuted

EXTENSION OF REMARKS

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

LETTER FROM HON. HARRY L. BROWN AND THREE NEWS-PAPER ARTICLES

Mr. JOHNSON of Oklahoma. Mr. Speaker, during the debate in the House recently on the Department of Agriculture appropriation bill a member of the minority made quite a point of an article by Garet Garrett which appeared in the Saturday Evening Post, with regard to the first tenant purchase loan under the Bankhead-Jones Farm Tenant Act, which was made to Mr. Wiley L. Langley.

In order to present all of the facts in this case to the House, I offer for the RECORD a letter written to a Member of Congress by Hon. Harry L. Brown, Acting Secretary of Agriculture, under date of October 19, 1938, and also three newspaper stories regarding this loan and the progress Mr. Langley has made as the result of the assistance he has received, which are a very satisfactory refutation of the absurd charges made in this magazine article and echoed here on the floor.

The letter and the news stories follow:

This is in reply to your letter of September 9 relative to an article, "The Battle With Farm Tenancy," appearing in the Saturday Evening Post of September 10, 1938. The statement concerning the tenant purchase loan made to Wiley J. Langley does not give all the relevant facts and is inaccurate in several important

details. These inaccuracies can best be indicated by comparing passages from the article with the actual facts:

The first paragraph of the article says: "Seven miles from here Jasper, Ala.) by concrete and then half a mile up a dirt road lives a farmer named Wiley J. Langley, who received the first United States Treasury check that was written under the Bankhead-Jones Farm Tenant Act. That is the act that provides a fund of \$10,000,000 to be loaned to tenant farmers to enable them fund of \$10,000,000 to be loaned to tenant farmers to enable them to buy farms. There was some ceremony about it because it was the first check, and for the reason, besides, that the first deserving tenant farmer who could be found happened to live in Senator Bankhead's neighborhood, and Senator Bankhead wrote the law. The press associations sent out news stories on it; one of them said it was the opening of the Government's 'long-range battle against the evils of the share-cropper and tenancy systems in agriculture.'"

agriculture."

The implication is that Mr. Langley was hand-picked because he lived in Senator Bankhead's neighborhood. The fact is that it was a natural selection. Alabama has one of the most serious tenancy problems in the United States. It was first to complete its State organization under the Bankhead-Jones Act, 2 days ahead of Kansas and 5 days ahead of Georgia. Mr. Langley was recommended to the Farm Security Administration by a committee of Walker County farmers as capable, honest, and hardworking and likely to make a success of a murchase undertaking. His docket

Waker country latiners as capable, inclosed, and hardworking and likely to make a success of a purchase undertaking. His docket was the first to reach the regional office from the committee.

The article continues: "I went to see Langley. It was a beautiful Alabama day and he was sitting on his porch. He said he had been farming around there for more than 20 years. He had owned

two farms and was intending to buy this one when he rented it. He had raised a family of 12 children, 5 of them boys, all helpful, except that one had smashed up the family car a week before. He owned 4 mules, 3 cows, and all the tools he needed, and it was a good farm of 180 acres. You might know it was good because he had got 20 bales of cotton from 22 acres.

"Wiley J. Langley was born March 6, 1880. At the age of 17 he became a coal miner, which trade he followed until 1917. In 1918 he purchased a 35-acre farm which he owned for 10 years. In 1928, he purchased a 35-acre farm which he owned for 10 years. In 1924, with a large family to support and two sons coming of an age to help with the farm work, he disposed of his interest in the small farm and rented a 65-acre farm. Three years later (1931) he moved to another rented farm of 50 acres which he operated until 1934, at which time he moved to still another farm, with 62 acres in cultivation and 118 acres in woodland and pasture. He was renting the latter farm when he applied for a loan, and it was the more whereast with the more weare the Government to renting the latter farm when he applied for a loan, and it was the one purchased with the money loaned him by the Government to begin his second effort as owner-operator. Life as a cash crop tenant farmer had been an uphill struggle for Langley. He had livestock and equipment valued at \$785 which he mortgaged for \$1,082.12. Mortgage payments were past due. The Langleys also had \$367 worth of hay, corn, and cottonseed meal in the barn, \$30 worth of cottonseed on hand for the spring planting, about \$350 worth of household goods, and \$178 worth of food stored."

The article continues: "Then I asked him how it happened that he was the first to get in under the Farm Tenant Act. He didn't exactly know. He hadn't asked for it. He was down at the county agent's office inquiring about the cotton-loan program, having his 20 bales in it, and when they were through talking about it, the county agent asked him, he said, 'Langley, do you need any money?' At first he said he didn't, but then in another way maybe he did.

At first he said he didn't, but then in another way maybe he did. A farmer could always use a little money if he got it right. The county agent then asked him, he said, 'Langley, why don't you sign into the new farm-purchase plan?' They talked about it until he saw that if there was anything the matter with anybody's

until he saw that if there was anything the matter with anybody's head, it couldn't be his, because there wasn't a chance for him to lose, and he signed. A few days later the committee came to look him over. They said, all right, the Government would lend him \$3,000 to buy the farm. Then they said he might need some cash, because the county agent would want him to try some new ideas. For that they put down \$675.

Langley applied—as all other borrowers have—after being told of the opportunity offered him by the law. After the Langleys had been recommended for a loan by the local committee, Farm Security appraisal experts appraised the farm and its previous production record. They found the farm capable of producing a living for the family of 10 with enough over to keep up loan retirement and tax payments and ascertained that these costs of purchase and ownership would be less than was ordinarily paid for rent of the farm.

The next step was working out a farm-management plan by the

The next step was working out a farm-management plan by the Langleys with the assistance of farm-management experts of the Farm Security Administration. The first item to receive attention Farm Security Administration. The first item to receive was the debt encumbering farm equipment and livestock. Crediwas the debt encumbering farm settlement of the debt. Then a was the debt encumbering farm equipment and livestock. Creditors agreed to accept \$400 cash in settlement of the debt. Then a plan for operation of the farm for the ensuing year was mapped out. Cotton acreage would be reduced for 1938 to 16 acres, but there would be plenty of land for food enterprises. Livestock, as the most profitable utilization of feed and pasture acreages, was decided upon. The Langleys planned to acquire 2 brood sows for \$40 and two pigs for \$10. As one way of cutting down on living costs for the ensuing year, Mrs. Langley and her daughters planned to can a large supply of vegetables and fruits during the coming year. To do this a pressure cooker costing \$15 was needed.

Operating and living expenses for the coming year were calculated. These came to about \$775. The Langleys could not meet this from their own resources. They asked for a loan to buy fertilizer, seed, and small trees to set out an orchard and to have farm machinery repaired. The Rehabilitation Division of the Farm Security Administration agreed to make the loan, a total of \$211, for

Farm machinery repaired. The Remaintation Division to the Farm Security Administration agreed to make the loan, a total of \$211, for 1 year at 5-percent interest to meet these expenses. The Langleys also obtained a rehabilitation loan of \$465 to be retired over 5 years time at 5 percent—\$400 to refinance the outstanding debt at the reduced level, \$50 to buy sows and pigs, and \$15 to buy a pres-

sure cooker.

Thus the Langleys owe, under the rehabilitation loan program, \$304 to be paid at the end of the current crop year. In addition, they will owe installments on the longer-term loan of \$93 each harvest for 4 years thereafter—a total of \$676. These loans were made Vest for 4 years thereafter—a total of \$676. These loans were made by the rehabilitation supervisor of the county to help the Langleys get in a position to make a go of the new venture; they were not suggested or approved by the tenant purchase committee.

The article continues: "After this they looked at the house. Did

The article continues: "After this they looked at the house. Did he want to do anything to it? He said, hell, yes, now that he was going to buy the farm he wanted a new house on it. They put down \$800 for that. The total, then, was \$4.475, which, if he lived to be 92, he could pay off in 40 annual installments of \$164 each."

It is stipulated in the Farm Tenant Act that loans shall be made to is supulated in the Farm Tenant Act that loans shall be made to cover the cost of the farm and necessary improvements. Measures needed to safeguard the soil against impoverishment and erosion, to safeguard the health of the family, and to put the farm on a sound basis for operation are deemed "necessary improvements" under the terms of the act.

The farm purchased by the Langleys was found to need some fencing. Accordingly the loan was made to include \$50 for purchase of materials and the fences were put up by the Langleys. The house was not in condition to safeguard the health of the family. It was not screened, the roof leaked, the foundations were rotted. It was not a very safe basis for 40 years of home making. (A picture of the house is enclosed.) A total of \$725 was set aside to repair the house and \$25 was set aside to repair the well and protect it from pollution. This total of \$800 was included in the 40-year loan, on

pollution. This total of \$800 was included in the 40-year loan, on which repayment will amount to \$164.39 annually.

The article continues: "I went then to the Jasper courthouse, where all the Department of Agriculture people are, found the local administrator of the Farm Tenant Act, and said to him, 'How did you happen to pick Langley?'

"He said, 'What's the matter with him?'

"I said, 'I don't see anything the matter with him. As farmers go around here, he looks all right. I'm asking how you came to select him?' select him?

"He said, 'I don't see your point.'
"I said, 'Next to Langley is a man trying to make a living on 12 "He said, 'I don't see your point.'
"I said, 'Next to Langley is a man trying to make a living on 12 rented acres with 1 sick mule. I left them both up there in the shade, one of them lying on his back, wondering how it was that the Government going up that dirt road looking for people in trouble, passed right by him and stopped at Langley's place. Next to Langley, on the other side, on 60 acres of rented land, is a young farmer with a young wife and a new baby in her arms, and they may be still standing in the doorway where I left them, wondering why the Government put its chicken in Langley's pot."

"He said, 'You can't do anything for anybody without hurting somebody's feelings. Come in here and I'll show you.' He got out a folder containing hundreds of applications and began turning them over. 'Now, you see, here's a man made application who's got 1 mule and 1 old plow and owes \$60. We can't start with him. Here's a man with 2 good good mules, he says, but he owes \$226.19. He's just the same as got nothing. You can't start with a man like that, who's been farming all his life and's got nothing to show for it."

"I said, 'I see that. You've got to take a man who has something to start with and a record of success, like Langley, or else it won't work."

"He said, 'Now you've got it. So what is it you want to know?"

"He said, 'Now you've got it. So what is it you want to know?'
"I said, 'I want to know how the successful tenant farmer comes
to be a concern of the National Government. How does helping
the successful tenant farmer tend to meet the evil of farm ten-

"He said, 'We get the law. We don't write it. Anyhow, you've come to the wrong place. The people across the hall take care of the kind of farmer you mean. That's farm relief."

of the kind of farmer you mean. That's farm relief."

The tenant-purchase loan program is not designed to rescue victims of extreme farm poverty. It is the function of another program administered by the Farm Security Administration—the rehabilitation loan program—to help farm families on or near relief rolls win their way back to self-support and to a position where they may be eligible for a purchase loan in the future. In many instances "graduates" of the rehabilitation program are being selected by the county committees of local farmers to receive tenant-purchase loans. The function of the tenant-purchase program is to aid farm tenants of proven ability and experience, who gram is to aid farm tenants of proven ability and experience, who are unable to obtain a loan for purchase of an adequate farm, to borrow money on liberal terms and to apply the money which formerly went for rent toward home ownership. The program was conceived in the belief that an owner-operator has more incentive

conceived in the belief that an owner-operator has more incentive to be a good citizen and farmer than the tenant has.

That Congress intended the purchase loans to go to more responsible tenants is shown by the language of the act, which says that preference shall be given "to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations."

We are gratified by your interest in this phase of the Department's program. If further information is desired, we shall be glad to supply it; or Mr. Langley undoubtedly would be glad to answer your questions direct. His post-office address is Manchester, Ala.

Sincerely.

Sincerely,

HARRY L. BROWN, Acting Secretary.

[From the Baltimore (Md.) Evening Sun of March 23, 1939]

How It Turned Out - Former Farm Tenant Makes Good as Owner-First Sharecropper to Get Land Under F. S. A. Plan MEETS PAYMENTS, BUILDS HOUSE, AND SHOWS PROFIT ON CROPS

JASPER, ALA., March 23 .- The first tenant farmer in the country to become a landowner under the Bankhead-Jones Act, designed as

a remedy for the evils of sharecropping, made good on his first-year operation of the 180-acre tract he formerly rented.

Wiley J. Langley, 59, ruddy-faced father of 12, has "made good," both in his own mind and in those of his neighbors, to say nothing of the books of the Farm Security Administration, which handles the farm-tenant measure's funds.

OWN STATUS IMPROVES

With considerable fanfare, Langley was given a check for \$3,800 as the climax of ceremonies February 12, 1938, as speakers halled the step as the "beginning of a new epoch for the tenant farmer." Whether the F. S. A. plan offers a permanent solution to the farm-tenant problem, Langley is not prepared to say, but he has figures to show an improvement in his own status.

"It was pretty hard this first year." Langley said, "but I made a go of it all right, and I'll do better this year."

HOUSE COST \$1.300

Interest and retirement payment on the F. S. A. loan, which will be paid off in 40 years, amounts to \$164.72, as compared with the \$150 rent paid in former years, but he has a six-room home, built principally by himself and his sons, and far better equipment.

The well-kept home was built from materials purchased with a part of the loan. Necessary skilled labor for finishing brought its cost to \$1.300

cost to \$1,300.

SEVEN HUNDRED AND TWENTY BUSHELS OF CORN

His farm is 6 miles from Jasper, home of Senator John H. Bank-HEAD, who sponsored the farm-tenant act.

F. S. A. figures show Langley produced an average of 495 pounds of lint cotton per acre on the 11 acres allotted him, and realized \$548.26 from sale of the cotton and cottonseed.

In addition he harvested an estimated 720 bushels of corn, of which he expects to sell at least 100 bushels during the spring months, when corn prices in Alabama usually rise above 80 cents a bushels.

INCREASING CORN ACREAGE

The first \$164 payment has been made, and the next will not be due until fall, when a new cotton crop will have been sold.

By increasing his corn crop by 10 acres, Langley hopes to have 250 bushels to sell from his second year's efforts. An increase in his cotton-acreage allotment will give him 2 additional acres for that crop, and he plans to sell livestock for more than \$100.

His "net worth," as figured by the F. S. A., increased \$602.73 during 1938, principally because of his increase in livestock and his increased store of foodstuffs.

increased store of foodstuffs.

[From the New Orleans Item of January 24, 1939]

F. S. A.'s First Purchase Loan Farmer Ends Year Ahead of United States Schedule—Increased His Net Worth by \$602

JASPER, ALA., January 24.—Wiley J. Langley, Alabama farmer who a year ago became first in the Nation to get a purchase loan from the Farm Security Administration, reported he had bettered the program outlined for him by the Government.

The gaunt, graying 59-year-old father of 12 ran work-scarred fingers over columns of figures and found he had done all the Federal Government had asked—and more.

BORROWED \$3,800

For years the Langley family had struggled against all the unfavorable odds facing the South's poverty-ridden tenant farmers. The Bankhead-Jones Farm Tenant Act was passed by Congress. The Bankhead-Jones Farm Tenant Act was passed by Congress. It provided \$10,000,000 to help a limited number of tenant farmers, sharecroppers, and farm laborers get a new start. Langley obtained a loan of \$3,800—first under the act in the country. He used \$2,500 to purchase the 180-acre farm that he had rented previously. He built a new house, using timber off the farm, and bought seed, fertilizer, and other necessities.

Agents of the F. S. A. outlined a program for the Langleys. How well they succeeded is shown by this:

Scheduled to get 905 gallons of milk from their cows, they got 1,500 gallons; instead of 7 hogs and 1 beef, they raised 15 hogs and a beef; 57 gallons of sirup instead of 45 allotted; 60 bushels of potatoes instead of 54; and 45 hens instead of 50.

EIGHT HUNDRED BUSHELS OF CORN

They raised 3 acres of wheat, 800 bushels of corn, and 2 acres of truck crops and vegetables for home consumption. They were due to can 450 quarts of vegetables and 315 quarts of fruit, but canned only 500 quarts of both—principally because their new house was not finished until August, and Mrs. Langley had no place to do the canning.

"But we'll do better this year," Mrs. Langley promised.
"I bought my wife a new hat," Langley said proudly, "and I'm givin' my children all the learnin' they can stand. All of us intend to show what we can do, since the Government gave us a

"Every day I give thanks," he added, "that I can crawl out of bed and see the sun rise over my own land."

NET WORTH UP \$602

When Langley received the loan last year, the family's net worth was fixed at \$1,395.80. It now is \$1,998.53, an increase of \$602.73. A year ago the family was in debt \$1,082, and the chattel property was mortgaged. The annual rent was due, the house needed repairs, and Mrs. Langley struggled with an old wood stove. Langley now has paid the \$165 due on his loan, and expects to repay the \$3,800 and interest long before the 40 years allowed him. F. S. A. agents last year secured reduction of Langley's debts to \$400, and this was paid from the Government loan. The Langleys, in addition to having paid all obligations due, have a new home lighted by electricity, food for the family and livestock, and no fear of being evicted, as they constantly had under the hit-and-miss tenant system. miss tenant system.

TYPICAL TENANT FARMER BEGINS NEW LIFE WITH FIRST UNITED STATES LOAN—"IT'S GREAT TO SEE SUN RISING ON YOUR OWN LAND," SAYS WILEY L. LANGLEY, WHOSE INCOME MAY BE TREBLED

(By Thomas A. Dozier)

JASPER, ALA., March 14.—Seeing the sun come up over his own property is a new thrill for Wiley J. Langley, tenant farmer.

LXXXIV-App-134

Langley, recipient of the Nation's first farm-tenant loan-purchase check—for \$3,800—was, before February 12, a typical southern "squatter."

He was faced with the typical tenant farmer's problems. He owed \$300 to a Jasper bank and \$700 to a supply house where he had purchased seed, fertilizer, and other agricultural necessi-

He had little chance of paying off this indebtedness. His chattels, including the family's four mules, were mortgaged to the

bank. His rent was due.

His total income for the past year amounted to a little more than \$600, which left him more than \$500 "in the red."

PAID \$150 RENT

Additionally, Langley faced the ever-present possibility of being ordered off the 180-acre farm tract for which he paid \$150 per year at any time the owner found a more profitable tenant or decided to sell.

He was forced to raise cotton and cotton alone, for banks and supply houses usually will not lend money and supplies on any crop in the South except cotton.

crop in the South except cotton.

Thus he had neither money nor inspiration for a diversified farm program. He was gradually wearing out the land with repeated

Mrs. Langley, a pleasant-mannered mother of 12, struggled to feed hungry mouths with dilapidated equipment.

Today Langley's outlook is different.

His debts have been adjusted to \$400 and paid off under a Farm Security Administration loan. The \$3,800 check enabled him to purchase the 180-acres farm, as well as seed and fertilizers for next

GETS BROOD SOWS

augment his income.

Contrasted with the \$600 which he eked from the cotton-weary soil of his farm last year, Langley may expect under a Government-mapped crop-diversification program a gross income of \$1,582 during 1938.

No longer does he have to exclude all other crops to make way for "King Cotton." The Government is showing him how to plant soil-building crops and also how to market valuable timber which grows on his land.

Of his estimated \$1,582 income, Langley will pay \$164 as the first of 40 yearly payments to the Government on the purchase loan and \$93 for 5 years on the debt-adjustment loan.

TO BUILD NEW HOME

With his new-found prosperity Langley plans no extravagance. He will build a new home for his wife and their six children who are at home. The house will have a new cook stove and will be supplied with electric energy from a nearby power line.

Foreign Trade Week

EXTENSION OF REMARKS

HON. ROBERT L. DOUGHTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

RADIO ADDRESS BY HON. CORDELL HULL, MAY 21, 1939

Mr. DOUGHTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following message of the President of the United States, read by Secretary Hull, and radio address of Hon. Cordell Hull, Secretary of State, in connection with the celebration of Foreign Trade Week, May 21. 1939:

It gives me great pleasure to read the following message which I have received from the President with reference to the celebration of Foreign Trade Week:

of Foreign Trade Week:

"Tomorrow, May 22, we are celebrating the opening of Foreign Trade Week, and also National Maritime Day. For us this is an affirmation of purpose and of faith. These celebrations have to do with works of peace: the beneficial exchange of goods; traffic of merchant ships on many seas; the friendly development of commerce. Pacific intercourse is still the ideal of most of the world. It is the dominant purpose of the foreign policy of the United States. Our hope and aims are that peaceful interchange shall again become the normal state of affairs.

"In carrying out this intention we have a right to expect breadth of vision from all groups in our own country. Increased foreign trade yields large dividends in terms of economic well-being and friendly relations with other nations; but to secure it there must be fair exchange. We must take as well as give; import as well as

fair exchange. We must take as well as give; import as well as export. We shall profit by doing so.

"For nearly 5 years now we have been engaged in a vigorous effort to expand our foreign trade by means of reciprocal-trade agreements, based upon the principle of equality of treatment, for the reduction of excessive trade barriers. This effort has been gratifyingly successful, despite many obstacles. Almost 60 percent of our total foreign trade is now carried on with countries with which we have concluded agreements. By continued vigorous effort we can make of this essential part of our general program for economic recovery in the United States an even more effective means of promoting the general welfare. moting the general welfare.

"To you who are engaged in foreign commerce, I extend cordial

greetings.

"FRANKLIN D. ROOSEVELT."

I am happy to have the opportunity again to participate in the Nation-wide observance of Foreign Trade Week. During the past year there has been, I am convinced, a growth in appreciation among our people of the importance of foreign commerce to the

economic life of our country and increased public support for the trade-agreements program upon which we embarked in 1934. Our efforts over the 5-year period 1934-39 have resulted in the negotiation of 21 trade agreements. These agreements enlarge and safeguard trade with countries with which we conduct approximately 60 percent of our total foreign commerce. Without of course impulsing that the agreements are the sole cause it is

and safeguard trade with countries with which we conduct approximately 60 percent of our total foreign commerce. Without, of course, implying that the agreements are the sole cause, it is gratifying to report that in the 2-year period 1937-38 our average exports to the countries with which we have trade agreements were 61 percent greater in value than in the pre-agreement period, 1934-35, while exports to all other countries increased by an average of about 38 percent.

During the last 12 months we have signed important new agreements with the United Kingdom, Canada, and Turkey. The United Kingdom agreement, which became effective on January 1, 1939, covers not only trade with that country but also with Newfoundland and the British colonies. Agriculture, labor, and industry should secure much benefit from these new agreements. The United Kingdom agreement is particularly significant from the standpoint of agriculture, as that country has been our most important market for farm products. The improved treatment secured for our trade in the form of duty reductions, duty removals, bindings of duties or preferential margins against increase, and more favorable quotas will help American producers of wheat, corn and pork, fruits, rice, tobacco, cotton, and numerous other farm commodities—products making up approximately 92 percent of our total agricultural exports to the United Kingdom and accounting on the average in recent years for about \$250,000,000 worth of our export trade with that country. New trade opportunities are likewise secured in this agreement for a wide range of industrial exports to the United Kingdom, the value of which in 1936 was \$80,000 000.

The span of agreements which now forms the basis of our trade in 1936 was \$80,000 000.

The span of agreements which now forms the basis of our trade

with so much of the world signifies that a large number of com-mercial nations, including many of the most important ones, are actively cooperating with the United States in a policy of trade

liberalization.

Trade under these agreements operates in the sphere of private initiative, free from regimentation. It is conducted on a basis of equality—the basis which contributes most to a healthy expansion of commerce. Our accumulated experience confirms and strength or commerce. Our accumulated experience commiss and strenger-ens our faith in this type of commercial agreement, promoting as it does mutually beneficial interchange. Such agreements are in marked contrast to discriminatory trade arrangements depending upon the will of centralized authority, involving the strictest control of exchange operations, and of practically every phase of normal business relationships.

Looking into the future we can, under anything like normal conditions, anticipate a satisfactory upward response in our foreign commerce, which, as compared with 2.9 billions of dollars in 1932, commerce, which, as compared with 2.9 billions of dollars in 1932, reached 6.4 billions in 1937, but receded to 5.1 billions in 1938. Demand on the part of the outside world for American farm and factory products is great and to a large extent unsatisfied because of artificial barriers which are gradually being scaled down by means of reciprocal-trade agreements. In this connection, however, I wish to emphasize again that over a substantial period of time the goods and services which others buy from us must be paid for by the goods and services we buy from them. Trade cannot be

A sustained and thriving commerce with the rest of the world is necessary for the preservation of sound domestic prosperity and our cherished liberties. There are those who deny this. Some would have us abandon the difficult task of sustaining this commerce. Others would have us shirk the responsibilities that arise from the fact that we live in the world and not out of it. There are also those who, in complete disregard of the cost to their fellow citizens, and in the long run even to themselves, would have us entirely

and in the long run even to themselves, would have us entirely shut out imports of particular products in order to obtain a complete monopoly of the domestic market.

This country could, of course, live entirely by itself if the need were dire enough. We could feed, clothe, and house ourselves, and carry on many of our ordinary occupations, but the disadvantages would be tremendous and the dislocations extreme. Let us consider briefly some of the inevitable results of such a policy.

First, we should have to accept a definite decline in the production of goods and services available for the well-being and comfort of our people. Instead of attaining that improved standard of life of which we are all hopeful, we would would have to reconcile ourselves to a general lowering of the standard.

Further, we should have to adapt to new economic activities those whose work or income arises from our interchange with other

countries. We have already upon our hands a serious problem of many farmers driven by changed conditions from the land or eking out a bare existence from the soil. We should have to cope with the situation created by additional jobless farmers the produce of whose farms is now exported. Numerous workers in industrial plants throughout our industrial cities, large and small, would find their jobs gone. Our ports and shipping would languish. The general economic distress would involve heavier taxes, greater social unrest, new burdens on the Government. Those who are most vociferous in their advocacy of narrow nationalism would probably be among the last to accept with good grace the severe measures of governmental regimentation to which such a policy would lead. policy would lead.

The full effects of our economic isolation would have swift and disastrous results not only for curselves but also for the rest of the world. The struggle everywhere for sustaining life would become more intense. And inevitably the loss of hope for economic improvement by the peoples of other countries would create the desperation which induces men to follow reckless leadership down the

This is our economic stake in the world and the world's economic stake in us. This is the economic reason why the policies of other stake in us. It is these countries concern us and our policies concern them. It is these facts that make hollow the repeated declamations that what happens abroad is of no concern to us and need not be taken into

pens abroad is of no concern to us and need not be taken into account in deciding our own course.

The commercial as well as political policies of other countries are of importance to all of us, affecting, as they do, the whole of our economic life. They determine whether trade can be carried on with reasonable assurance of continuity and freedom from arbitrary hindrances. They affect the decisions governing the active investment and use of our resources. They determine whether there shall be a paralysis of effort for fear all will be lost in case of war. They determine whether our commerce shall be primarily in materials and weapons for human destruction or in the things which people need for peaceful consumption.

and weapons for human destruction or in the things which people need for peaceful consumption.

These considerations dictate to us an active policy both in behalf of a growing commerce and in behalf of tranquil and orderly political principles in international relationship. We need for our own prosperity and security a world in which nations can achieve a full utilization of their economic capabilities in producing for exchange with each other. We need a world in which mobilized mankind ceases to be keyed by exhortation to the pitch of reckless action, in which arbitrary force is abandoned as the basis of international conduct, in which the practice of genuine friendship among nations is again restored.

For months now—for years in fact—a desperate disquiet has

For months now—for years in fact—a desperate disquiet has entered into the affairs of nations. Each and every country, according to its own place and danger, has become involved in the creation of competitive armaments. This march toward mutual destruction—for that is what it is—has already gone far. Whereas in more normal times the pride of rulers lay in the freedom and serenity of their people, their moral and spiritual progress, in the learning of their scholars, and in the gifts of their artists today it is concentrated upon the number of their their artists, today it is concentrated upon the number of their

their artists, today it is concentrated the stanks or bombing planes.

This must end. The universal desire of all peoples, when they surmount their fears and apprehensions, is, I am convinced, to live at peace with their fellow men. By peace I mean the peace of understanding and not mere yielding to superior force. Therefore, there must be a return to the determination not to resort fore, there must be a return to the determination not to resort to war as a means of settling grievances. There must be an end to the attempt to substitute for fair discussion the threat of stronger to the attempt to substitute for fair discussion the threat of stronger arms. There must be an agreement that will limit and ultimately lessen the creation of armaments. And with these developments there must come trade and economic arrangements between nations that will redound to the great material benefit of all. These arrangements, once the atmosphere of mutual recrimination and distrust can be dispelled, would go far in increasing the world's real wealth and in bringing about its full enjoyment by the people of all nettons. of all nations.

This is the broad course for which we are working. It is the course which, in plain duty both to ourselves and to our position in the world, we are bound to follow.

Japanese Terrorism in China

EXTENSION OF REMARKS

HON. ED. V. IZAC

OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

LETTER FROM REV. C. M. BARNES, OF SAN DIEGO, CALIF., RELATIVE TO THE TREATMENT OF CHINESE CIVILIAN MEN, WOMEN, AND CHILDREN BY THE JAPANESE INVADERS

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include excerpts of a letter I received recently from my good friend, the Reverend C. M. Barnes, of my home city of San Diego.

The excerpts are as follows:

In the light of known facts we must face the responsibility of assisting Japan in her hellish war upon China, by furnishing her with war material. Large quantities of scrap iron has been loadedhere in San Diego for Japan from which she has fashioned shells with which to kill civilian Chinese, and, who knows but that the shells which were used in the bombing of the Panay were not made from the scrap iron loaded here? And it is more than probable that the gasoline used to power the airplanes which dropped these shells, not only upon the Panay, but also upon the Standard Oil boats, was furnished by the Standard Oil Co. and was shipped from Pacific ports. from Pacific ports.

There is lying before me a recent letter from a well-known missionary (because of the fact that he resides in the Japanese-controlled portion of China we are withholding his name), who presents the subject in a concrete form so much more forcefully than I could do it that I am inserting the following extract:

"On the lake near our home 18 boatloads of fleeing Chinese

On the lake near our nome 18 locations of fleeing Chinese refugees, escaping the war zone, were being slowly pulled across the lake by one puffing tugboat. Here were thousands of civilians, mostly women and children. All of these boats were in a string, and not even a rifle among the lot—what a sight to rejoice the heart of the fighters who maintain the might of Japan in the air, as they surveyed the scene through their binoculars. Swooping down suddenly from the skies with powerful American planes. ing down suddenly from the skies with powerful American planes, five machines swept the boats with machine guns, and then in the very midst of the little fleet dropped two powerful bombs. In the very midst of the little fleet dropped two powerful bombs. In a second the peaceful scene was transformed into a shricking pandemonium as wounded men and women writhed on the bloodstained decks or fell overboard in their terror. Our quiet lake became a crimson bloodstained sea. Then back came the airplanes and again machine-gunned the terrified mass of helpless people. They dropped two more bombs and sailed away through the blue sky to report to the army headquarters another successful routine bombing, and incidentally to record the high efficiency. the blue sky to report to the army headquarters another successful routine bombing, and incidentally to record the high efficiency of their American-made equipment.

"This incident and many, many thousand more like it were never reported in American newspapers. This vast slaughter of civilians still continues, as I write this letter, after a year and a half of civilenian borrow is not seen never the proposed.

half of sickening horror, is not even news. It is merely reported in Japan as another victory and assures American business of further sales of gasoline and other war supplies to Japan."

The Menace of Communism

EXTENSION OF REMARKS

HON. GEORGE P. DARROW

OF PENNSYLVANIA IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

ADDRESS BY HON. JOHN O'CONNOR, MAY 18, 1939

Mr. DARROW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by former Representative John O'Connor, former chairman of the Rules Committee, before the Philadelphia Patriotic Luncheon Club on May 18, 1939:

Mr. Toastmaster, ladies and gentlemen, any group of patriotic citizens in these days is interesting, provided their interest takes them beyond the mere waving of flags and the singing of the national anthem.

Samuel Johnson said that "Patriotism is the last refuge of a scoundrel." I cannot attest to that, but I can bear witness after Samuel Johnson said that "Patriotism is the last refuge of a scoundrel." I cannot attest to that, but I can bear witness, after a generation of experience in public office, that patriotism is the chief implement in the well-filled bag of tricks of the demagog. He often uses it as a screen to hide his own shortcomings and often as a bait to lure the unthinking voter. It probably always will be that way, but taking stock, every now and then, may help to dispel this persistent deception.

In my opinion, in any discussion of our present patriotic duty or

In my opinion, in any discussion of our present patriotic duty or concern there are two branches, our domestic condition and the foreign situation as it might involve us in another war. Both are closely related—in fact, present conditions as to both seem to have the same background and spring from the same cesspools.

As to our domestic situation, our people have apparently not yet awakened to what has been going on in this country in recent years in respect to the infiltration of ideologies of foreign incubation. Here we call it the "New Deal" and a "social program." In Russia it is "fascism." In the last analysis, they are all sprung from the socialism preached by Karl Marx.

Every one of these new "schemes" of government, copied to a great

Every one of these new "schemes" of government, copied to a great extent in South America, involve the destruction of the existing

institutions of government, a dispensation with any legislative body, the supremacy and paternity of the state, and the leveling of the individual personally, socially, politically, economically, and religiously. He or she becomes an instrument of the state, with no right to individual thought or initiative, solely dependent on the state, feeding at the public trough, and reglmented and herded in the totalitarian scheme. Not pleasant words these, but a look behind the smoke screen of demagogic pretense will justify their expression.

I trust no one will think anything I say here today is "sour grapes" because of any "purge." The views I now express have been publicly uttered by me on several occasions in at least the last 2 years, bringing me the compliment of being placed "No. 1" on the "blacklist" adopted at the national convention of the Communist Party last year at Madison Square Garden. I am tempted to have that compliment inscribed on my tombstone as an epitaph. It naturally followed my radio speeches over Nation-wide hook-ups and my remarks on the floor of the House of Representatives attempting to call to the attention of the country the "menace of communism." I tried to call attention to the fact that countless Communists held high pertitions in our Faderal administration and were undermining. I tried to call attention to the fact that countless Communists held high positions in our Federal administration and were undermining our form of government under guidance from Moscow. For instance, the National Labor Relations Board is still swarming with Communists. The present member of the Cabinet, the Secretary of Commerce, Mr. Hopkins, who directed the W. P. A. for years, was a registered Socialist in New York City. Under him the W. P. A. was and still is controlled by the Workers' Alliance, which is itself under the domination of the Communists. Likewise the Communist-controlled C. I. O., under the leadership of John L. Lewis, is one of the most powerful influences in the Government, and may continue to be, unless something is done about it and soon. Mr. Browder adbe, unless something is done about it and soon. Mr. Browder advises his Communists to join with C. I. O. and the American Labor Party behind the New Deal—"Birds of a Feather." Just because John L. Lewis contributed over a half a million dollars in the last campaign does not alone account for his sitting on the right side of

the throne. His power is due to the fact that his views as to what should be done to "make over" the United States coincide with the theories of many officials presently in high office.

It all seems so easy to them to sit at a fireside and, through the curling smoke, evolve, overnight, a plan and program to entirely solve the economic, social, and political problems which we have accumulated in this country over a period of 150 years of democracy. To all of them, "democracy" is a failure, although we well know that we progressed mighty well under it for a century and a half before their advent on the scene—much to the surprise and envy of the rest of the world.

and envy of the rest of the world.

Many of the "noble experiments" of the past few years were copied from the "Five Year Plan" of Russia—and more may come within the inevitable next year and a half.

It was at first surprising to me that the Communists were supporting many of the movements devised at the fireside. For a time it was puzzling that they, the Communists, were the chief supporters of the three outstanding moves toward "fascism," because, of course, they do not believe in fascism or a dictatorship. I refer to the leadership of the Communists behind the "Supreme Courtpacking bill," the "Reorganization bill of 1938," and the "Purge" of that year.

The first, the Court-packing bill, would make the support of the court-packing bill, would make the support of the first, the Court-packing bill, would make the support of the first.

The first, the Court-packing bill, would make our courts subservient to the Executive. The second, the reorganization bill, would have placed dictatorial power in his hands and make the legislative branch of our Government all the more impotent. The third, the attempted "purge," would, if successful, have accomplished the first move of a dictator to abolish or render powerless the representative branch, or at least reduce it from a "rubber-stamp" status to that of practical subordination.

The Communists took to the front in support of all these moves, ably supported by some of their allied newspapers, one in this town, Philadelphia, with a half-brother in New York. The Communists were not really for these bills, not in their anarchistic and atheistic hearts. They were dead against fascism or a dictatorship, but they knew that if democracy were destroyed in this country, fascism would not long survive—not here. It would collapse, but, on the down swing, and in the chaos, which would inevitably follow, communism would come into its own. Democracy could not be revived. The Trojan Horse would stand on the White House grounds.

This is still the plan of the Communists. They do not even mind if, at the present moment, we have in fact a dictatorship. They welcome it as a minor operation until they wield the knife They welcome it as a minor operation until they wield the knife in the major operation. They applaud, with a snicker, when they hear repeated protestations that there is no dictatorship or any desire on anyone's part to play the role of a dictator, because they can see the tongue in the cheek, and it all falls in line with their plan of snooping down on the near corpse. Unfortunately, the people of America and business in our country have not awakened to this deep-laid plot from Moscow, aided and abetted by many in high places in the Government.

To the Compunist any means will justify the end even though

To the Communist any means will justify the end, even though it may mean a temporary set-back in their march to the goal of a communistic state. Only the other night Mr. Earl Browder, speaking to 18,000 Communists, just young folks, in Madison Square Garden, adjured them, for one hour and a half, to support President Roosevelt for a third time. They have adopted a plan of patient waiting for their "Tag"—a few years means nothing to them, if they can envision the collapse of our form of government and their coming into their own.

Our people have always been a patient people, slow to be aroused, postponing drastic action, until often great damage had

been done. But I do not despair that they still have in them the real patriotic enthusiasm of their forefathers to gather at another Lexington and defend their established institutions.

In the meantime, however, every ballot box is another bridge at Lexington. It is there that this tidal menace can be stopped be-Lexington. It is there that this tidal menace can be stopped before, maybe, it be too late. Irrespective of former party labels, and despite the fetish of political grouping, the decent people in our country can say "no farther shall you go" to all those aspiring to public office who entertain, to the slightest degree, theories and ideologies contrary to those which have been the keystones of America and have made her great—a land of the free.

There is no freedom under fascism or communism, nor under totalitarianism or even governmental "parentalism." Which is the worse I cannot say at the moment, because I have never been able to make up my mind, if relegated to a choice, whether I would prefer to live under fascism or communism. Offhand I think I might choose the former and take a chance at "liquidation." But America should stand for neither. Better that we return to monarchy, from which we freed ourselves.

A tyrannical king is preferable to a "benevolent" dictator.

Again I say, "Awake America to its greatest domestic menace—communism."

Now let us look at the foreign situation and the threat of our

Now let us look at the foreign situation and the threat of our

involvement in foreign war again.

Everybody returning from Europe issues a statement to the press, that they see no possibility of war in Europe. How is it we hear so much talk of war in our own land? Who is talking about this war? With, and between or among, whom is it to be fought, and when and where?

Someone has said that the only place war is being talked about is 1600 Pennsylvania Avenue, Washington, D. C. If that be correct, that source certainly does not express the views of the American people nor the attitude of the American Congress which still has, under the Constitution, at least, the last say as to whether or not

we go to war.

I have the honor of being a vice president of the National Committee to Keep Us Out of Foreign Wars. That committee is composed of about 50 present and former Members of Congress and is headed by the Honorable Hamilton Fish, of New York, a Representative in Congress, who is second to none in his knowledge of foreign affairs and our relations to them.

Naturally the Communists and others would like to embroil us in a war on the side of their mother, Russia, to vent their spleen against certain countries of Europe which repelled their invasions, even at the expense of temporarily establishing a Fascist form of

government.

Of course no red-blooded American sympathizes with the persecution and pogroms that have been going on in certain countries in Europe. We all abhor them and hope for the worst for those responsible for them.

Justice, though often slow, will ultimately triumph, and cruel

wrongs will be righted.

To involve us again in a foreign war, whether or not it be deliberately planned to distract attention from domestic problems, certainly is not on the agenda of the American people, except for the Communists and their collaborators in high places.

Of course no Communist is ever going to war in defense of our United States. I was going to say that no Communist was ever going to war. They are inherently all pacifists, unless it be the throwing of a bomb at the Capitol in Washington. But I am not sure that their enthusiasm for their cause and the destruction of our existing form of democratic government would deter tion of our existing form of democratic government would deter them from enlisting in a war on the side taken by their Russia under Stalin. Watch that.

Their mouthpiece, the Daily Worker, a newspaper in New York, avowedly the organ of the Government at Moscow, is even taking sides in the fabricated present issue between certain countries in Europe and the two alleged democracies. Imagine the Communists fighting for dear old England and France, except it be consonant with their deep-laid plan to hide within the Trojan Horse, until

their day shall come.

To the Communist our established American form of govern-To the Communist our established American form of govern-ment is just as repulsive as the different forms of government in Great Britain and France. They hate them all, but they hate democracy most—even far and above their hate for fascism. That is why they are willing to tolerate fascism for a while if they can

destroy democracy.

A dictator can plunge a country into war, despite the exclusive jurisdiction of the legislative branch of the government, if he at first makes that branch impotent or can appeal to the people to override their own Congress. That, dear people, is a real present danger. The first build-up is the reiterated plea of standing united behind certain "democracies" which might be threatened. Add to that the urge to act as the mediator of all international disputes and you have a real danger, not to be minimized in the accustomed American way of sitting back until after "the horse is stolen."

Now is the time to stand by, watch every move, protest every action considered un-American, use the right of petition, not yet taken away from us, but slightly damaged, along with free speech and a free press—insist on preserving our institutions and our democratic form of government—maintain our United States as a Republic.

The panacea you ask. Humbly, I give it to you.

To solve our domestic problems and our relations with foreign affairs, as the same might involve us in foreign wars, I say to you, first stamp out in our own land America's greatest menace communism.

Our Foreign Policy

EXTENSION OF REMARKS

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

RESOLUTION OF THE GRAND LODGE, WILMINGTON, DEL., ORDER OF THE SONS OF ITALY AND AMERICA

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the Grand Lodge, Wilmington, Del., Order of the Sons of Italy and America:

The most momentous question confronting the people of the

United States is the policy which should be adopted by our country in the event of a European war.

Great pressure is being brought to bear upon the Congress and creat pressure is being brought to bear upon the Congress and the people of the United States to commit the country in the event of such a war to a policy of lending material support to England and France to the exclusion of Germany and Italy. In fact, none of our possessions or national interests are involved in this European struggle.

The quarrel among these foreign nations is admittedly not one of ideologies. It is exclusively a contest to gain or retain economic educators.

economic advantages.

Our country has always been on friendly terms with Italy. Italy asserts no claim against the United States.

Italy's primary and most pressing problem has been and still is to provide a decent standard of living and a reasonable degree of economic security for its 43,000,000 people crowded on land scarcely larger than our State of Nevada, wanting in essential raw materials and yielding an insufficient food supply. The United States has never denied or interfered with the right of any nation to attempt to improve its condition as long as our possessions or to attempt to improve its condition as long as our possessions or national interests are not threatened. The traditional policy of the United States toward other nations,

The traditional policy of the United States toward other nations, whatever their form of government, was clearly laid down by George Washington in his imperishable Farewell Address:

"Europe has a set of primary interests which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics, or the ordinary combinations of her friendships or enmities.

"Observe good faith and justice toward all nations; cultivate peace and harmony with all.

"In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded, and that in place of them just and amicable feelings toward all should be cultivated.

"Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmittees of the other, betrays the former into a participation in the quarrels and wars of the latter without adequate inducement or justification.

"Even our commercial policy should hold an equal and impartial

hand; neither seeking nor granting exclusive favors or preferences."

The President of the United States, in violation of this traditional policy, has made declarations tending to make England and France "favorite nations," and tending to lead the United States to participate in their quarrels and possible wars without adequate interference. justification.

While some of the methods employed by some European governments in furtherance of their ends, such as acts of persecution of racial and political minorities, are repugnant to the American conscience, nevertheless they do not justify the United States in taking a course leading to participation in the quarrels and wars of Euro-

A war involving the four major European powers would be de-A war involving the four major European powers would be destructive of western civilization, leave Europe in a state of chaos, bring ruin to all people living in that continent, and thus open the path to the advance of communism. Participation by the United States in such a war would seriously imperil our own security and the permanence of our democratic institutions.

A policy of interference by the United States on the side of either of the opposing groups of European nations is not conductve to world peace or harmony at home. A policy whereby the United

States could cooperate impartially with the major European nations to bring about a just settlement of all their major differences would be a policy more likely to lead to a lasting peace.

Be it resolved by the Grand Council of the Grand Lodge of Delaware, Order of Sons of Italy in America, in meeting assembled in Wilmington, Del., on April 29, 1939:

(1) That the Congress be petitioned to adopt a joint resolution manifesting a spirit of friendship toward all nations and expressing the desire of the United States to cooperate impartially toward a lasting world peace.

(2) That the Congress be petitioned to request the President of

lasting world peace.

(2) That the Congress be petitioned to request the President of the United States to invite England, France, Germany, and Italy to participate in a conference having for its object the settlement of all major disputes existing among them, with the United States acting as impartial mediator.

(3) That the Congress be petitioned to reenact the present neutrality law without change.

(4) That the Congress be petitioned to investigate the nature, sources, and extent of foreign influence and foreign propaganda in the United States calculated to arouse our hatred and suspicion of other nations and to involve us in European quarrels and wars.

(5) That the Congress be petitioned to provide the United States

(5) That the Congress be petitioned to provide the United States with adequate air, naval, and land forces so that we may continue to enjoy security from threats and attacks of any nation; be it further

Resolved, That copies hereof be sent to our Senators and Repre-

sentatives in Congress.

Texas Investment Bankers' Association Backs

EXTENSION OF REMARKS

HON. W. R. POAGE

OF TEXAS.

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ARTICLES APPEARING IN MONTHLY BULLETIN PUBLISHED BY THE INVESTMENT BANKERS' ASSOCIATION OF AMERICA, TEXAS GROUP

Mr. POAGE. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following articles from the Monthly Bulletin of the Investment Bankers' Association of America, Texas group, pertaining to the public works program:

THE P. W. A .- A RECORD OF ACCOMPLISHMENT AND A SOUND PLAN FOR ITS CONTINUANCE

The present enabling act under which the P. W. A. operates became effective on June 21, 1938, and provided for an appropriation of \$965,000,000, of which \$750,000,000 were non-Federal projects. On this date the Public Works Administration had a reservoir of some 2,000 approved projects in its files and a trained technical and administrative staff of employees who had been with the P. W. A. for nearly 5 years and had supervised the construction of more than 30,000 projects. By January 1, 1939, the P. W. A. dead-line date for beginning construction, there were 6,163 non-Federal projects and 1,884 Federal projects under construction, having a total estimated cost of more than \$1,500,000,000. From the effective date of the act to September 30, 1938, the P. W. A. received nearly 12,800 new applications for Federal assistance in the way of loans and grants, reflecting the intense interest of communities throughout the country in this program. No applications for new projects were received after September 30, 1938, and construction on present projects was required to be substantially completed by June 30, 1940.

Included in the large number of projects being erected under the 1938 P. W. A. program are the non-Federal projects divided as to type as follows:

to type as follows:

Types of non-Federal projects	Number of proj- ects	Total allot- ments	Total esti- mated cost
Streets and highways Sewers, waterworks, power, and other	598	\$108, 409, 689	\$238, 705, 516
facilities	1,436	142, 167, 044	289, 762, 218
Educational buildings	2,808	220, 907, 508	469, 195, 114
Other buildingsFlood control, water power, and reclama-	945	119, 102, 260	242, 833, 273
tion	29 21	11, 929, 305	14, 185, 683
Water-navigation aids	21	5, 946, 829	11, 937, 404
etc.)	197	67, 918, 288	145, 401, 138
Miscellaneous	212	16, 844, 362	26, 560, 438

At the January 1, 1939, deadline, however, there were still pending 5,807 applications, providing for a total construction cost of \$1,775,510,286. Of these, 289 were applications from Texas providing for a total construction cost of \$134,106,856.

In view of the substantial interest still retained by these several thousand municipalities the Honorable Joe Starnes, Representative from Alabama, introduced in the House of Representatives ability for the Respectatives.

sentative from Alabama, introduced in the House of Representatives a bill known as House Joint Resolution 4576, to provide for a new program of non-Federal public works, and to make available an appropriation of \$500,000,000 for loans and grants. The bill further provides for the continuance of the Public Works Administration as a permanent agency of the Government, retaining a small staff of trained and experienced experts and others which could quickly be expanded when the need arises for an intensive program of public works. Mr. Starnes' synopsis of the bill by sections is as follows:

Section 1: \$500,000,000 is appropriated by the Administrator, Public Works Administration, with the approval of the President:

(a) For loans and grants to States, Territories, possessions, political subdivisions, and other public agencies.

(b) For loans and grants to public agencies and nonprofit corporations for projects for the construction of hospitals, sewage treatment and disposal plants, and for elimination of stream pollution; and

pollution; and

pollution; and

(c) For grants to public agencies for the preparation of plans and specifications for projects.

Allotments may be made only for projects that can be commenced by April 30, 1940, and substantially completed by December 31, 1941.

Section 2: On and after July 1, 1939, the Federal Emergency Administration of Public Works is to be known as the Public Works

Administration

Administration.

Section 3: All limitations on the life of the Public Works Administration are repealed, and the Administration is authorized to continue to perform its present functions.

Section 4: The Administration is given the following specific powers, but only within the limits of available appropriations:

(a) To construct or finance Federal projects, although no part of the appropriation made by this bill is made available for this

(b) To make loans or grants to public agencies or nonprofit cor-porations for projects for the construction of hospitals, sewage treatment or disposal plants, or for the elimination of stream pollution.

(c) To make loans or grants to public agencies for the construc-

reachent or disposal plants, or for the elimination of stream pollution.

(c) To make loans or grants to public agencies for the construction of other projects of such public agencies, the grant in any case being limited to 45 percent of the cost of the project.

(d) To acquire property by exercise of the power of eminent domain, and to construct and lease to public agencies projects eligible for allotment under subsection (b) or subsection (c): Provided, That the nonrecoverable portion of the cost of such project may not exceed 45 percent of such cost.

(e) To make grants to public agencies for the preparation of plans and specifications for projects pursuant to standards prescribed by the Administrator; such grants being limited to 3 percent of the estimated cost of such projects, and to an aggregate of \$10,000,000 in any fiscal year.

(f) To receive and consider applications.

(g) To purchase refunding bonds as an incident to financing a non-Federal project.

(h) To exchange obligations purchased by the Administration for other obligations of public agencies.

(i) To sell obligations purchased by the Administration for other obligations purchased by the Administration, and to use the proceeds in making further loans.

(j) To provide funds for temporary operation of projects which it has financed when necessary for the protection of securities which it has acquired.

Section 5: Provision is made for a regular staff to be appointed (with certain exceptions) subject to the Classification Act of 1923, as amended, the maximum annual compensation of such staff to be \$2,000,000. The appointment of additional employees is authorized when necessary to carry out public-works programs for which appropriations are made by Congress. Provision is made for administrative expenses, in addition to the amount appropriated by the Public Works Administration Appropriation Act of 1938 and the Independent Offices Appropriation Act of 1940, in an amount sufficient to carry out the program of public works authorized by the bill. cient to carry out the program of public works authorized by the bill.

Section 6: Conflicting provisions of existing acts are repealed, and the commencement and completion dates established by the bill are made applicable to any further allotments from funds previ-

ously appropriated.

Section 7: The act is to be cited as the "Public Works Administration Act of 1939."

A companion bill identical in every respect with this one (H. R. 4576) has been introduced into the Senate by Senator James Mead,

of New York (S. 2063).

The most important change in the new bill is the repeal of existing limitations on the life of the Public Works Administration and the retention of a nucleus organization, strictly limited as to size and expense.

The Starnes bill and its companion, the Mead bill, are the only measures now before Congress which carry an appropriation for the continuance of a P. W. A. program without changing the conditions under which the agency would operate. This bill (H. R.

4576) is pending at the present time before the Appropriations Committee in the House and before the Special Committee on Unemployment and Relief in the Senate, and it has the approval of the Public Works Administration and others who favor a carefully developed program of public works.

P. W. A. AND INVESTMENT BANKING

Attention is called to the article on the front page of this bulle-tin describing the possible future application of the Public Works

Administration.

On January 18, 1939, there were still pending P. W. A. applications providing for a total estimated construction cost of over one and three-fourths billion dollars. Of this amount approximately three-fourths billion dollars was requested in the form of grants, and the balance of approximately one billion dollars was to be raised either by loans to the municipalities by the P. W. A., by sale of new bond issues by the municipalities, or by actual cash participation of municipalities.

As regards our own State, the pending P. W. A. applications for

Texas were as follows:

Number of projects_____ Loans \$33, 209, 175
Grants 59, 386, 383

Total P. W. A. funds_____ 92, 595, 558 134, 106, 856 Estimated cost_

The difference between the above estimated construction cost and P. W. A. grants represents a difference of approximately \$75,000,000 that would have to be furnished by the municipalities in the event of a new P. W. A. appropriation, and in case all the above applications were allotted.

This \$75,000,000 would have to be furnished by Texas municipalities either through sales of new bond issues or by use of cash on hand. Even though loans totaling \$33,209,175 of this potential \$75,000,000 have been requested of the P. W. A. by these Texas municipalities, the entire amount would still actually be available for purchase by investment dealers having an interest in these new bond issues

General obligation bonds will account for a considerable part of the total and under present market conditions should find a ready market, except in the case of extremely small towns. Revenue bonds, accounting for the balance, will find a less ready market immediately following their issuance except in the case of large cities; but this type of security will constitute the greater part of the \$33,209,175 loans requested of P. W. A. As it has been the custom for the Reconstruction Finance Corporation to eventually purchase and take over the loan supervision of bonds purchased by the P. W. A., any P. W. A. construction program in the future will probably cause the R. F. C. to offer for public sale a large amount of the securities they now hold.

Many of these loans have been outstanding for several years and have records of earnings available which should entitle them to consideration as seasoned investments.

While it is not the policy of this column to either support or General obligation bonds will account for a considerable part of

While it is not the policy of this column to either support or condemn New Deal activities as a whole, it seems apparent that investment bankers should commend the P. W. A. for its highly constructive and efficient work and recommend to their Congressional representatives the continuation of the P. W. A. under its present set-up as provided for in the Starnes bill, H. R. 4576.

Farm Power-Alcohol

EXTENSION OF REMARKS

HON, KARL STEFAN

OF NEBRASKA IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

ARTICLE FROM THE COOPERATIVE CONSUMER

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD. I include the following article from the Cooperative Consumer, of North Kansas City, Mo., April 10, 1939:

[From the Cooperative Consumer, North Kansas City, Mo., April 10, 1939]

ALKY-GAS AND THE F. S. C. C.

This is a "believe it or not" story about two doctorsexpert in chemistry, the other a leader in the field of agricultural economics. If it isn't authentic, either gentleman has the right to set us right promptly.

The story begins with the charge of Dr. Leo M. Christensen that the Federal Government has refused to sell corn and wheat to domestic power-alcohol distillers at a price 1 or 2 cents above that

at which these grains are being dumped abroad. This charge by the former professor of chemistry at Iowa State College, and more recently the chief chemist of the Atchison, Kans., Agrol Co., appeared in a Des Moines, Iowa, newspaper March 29.

Why did the Federal Surplus Commodities Corporation turn down the proposal of Atchison Agrol Co. to buy some of its surplus grain? The story goes back again to Iowa State College, to the days when A. G. Black was a member of the faculty there—on the staff of the economics department. Black, now an important official in the Federal Department of Agriculture, could never see eye-to-eye with Christensen, then of the chemistry department of the college, on the subject of power alcohol. The matter was highly controversial then, as now, and the controversy between the two, it is said, frequently produced more heat than light.

Then Christensen cast his lot with the power-alcohol industry, while Black was called to Washington, D. C., to serve in the Federal Department of Agriculture. Black, according to the story, still cannot see the merits of alcohol gas. Moreover, he is in position now, it is said, to say "yes" or "no" in the sale of F. S. C. C. grain. And, so far as selling any of that grain to domestic power-alcohol distillers, his answer, according to our advices, has been a flat "no."

Personal reasons may not have entered in at all. F. S. C. C. may have turned down the Agrel peacle scient as a selling and the control of the story the agree of the second of the story the agree of the second of the supplementation of the second of the second of the supplementation of the same and the second of the secon

distillers, his answer, according to our advices, has been a flat "no." Personal reasons may not have entered in at all. F. S. C. C. may have turned down the Agrol people solely on sound economic facts alone. But there's a lot of interest among farmers and professional people here in the Middle West on the subject of utilizing surplus farm products in the manufacture of alcohol for industrial purposes. The Federal Department of Agriculture, therefore, should explain its stand on this matter publicly. If there must be subsidy in the sale of surplus grain, why not, indeed, subsidize power-alcohol interests here rather than those overseas? These matters are of interest to the whole country, not merely to the Department of Agriculture alone. They should be given a public airing.

Declaration of Dependence on God

EXTENSION OF REMARKS

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

RESOLUTION OF THE SECOND CONTINENTAL CONGRESS

Mr. COCHRAN. Mr. Speaker, Rev. D. D. Lane, C. M., of St. Louis, Mo., is a student of the early history of our country. In his research work, which has extended over a period of many years, Father Lane has brought to light numerous overlooked chapters of history, but his outstanding discovery, in which he takes great pride, is a resolution adopted by the original 12 colonies. Father Lane refers to this reso-lution as a "declaration of dependence on God," a prelude to the Declaration of Independence.

I was interested in receiving a copy of the resolution, as I am sure others will be, and for that reason I include it as part of my remarks:

DECLARATION OF DEPENDENCE ON GOD

(A prelude to the Declaration of Independence made in the Second Continental Congress, June 12, 1775)

On June 7 the Congress appointed a committee of three, namely, Mr. William Hooper, of North Carolina; Mr. John Adams, of Massachusetts; and Mr. Robert T. Payne, of Massachusetts, to bring in a resolution for a day of fasting, humiliation, and prayer, which resolution follows:

"As the Great Governor of the world by His supreme and universal providence not only conducts the course of nature with unerring wisdom and rectitude but frequently influences the minds of men to serve the wise and gracious purposes of His providential government; and being at all times our indispensable duty departs to exhausticate the providence with departs of the control of

providential government; and being at all times our indispensable duty devoutly to acknowledge His superintending providence, especially in times of impending danger and public calamity, to reverence and adore His immutable justice, as well as to implore His merciful interposition for our deliverance; therefore:

This Congress, considering the present critical, alarming, and calamitous state of these Colonies, do earnestly recommend that Thursday, the 20th day of July next, be observed by the inhabitants of all the English colonies on this continent as a day of public humiliation, fasting, and prayer; that we may with united hearts and voices, unfeignedly confess and deplore our many sins and offer the colonies of the all-wise Omniprotent and merciful up our joint supplication to the all-wise Omnipotent and merciful Disposer of all events, humbly beseeching Him to forgive our iniquities, to remove our present calamities, to avert these desolating judgments with which we are threatened, and to bless our rightful sovereign, King George III, and inspire him with wisdom to discern and pursue the true interest of all his subjects; that a speedy end

may be put to the civil discord between Great Britain and the American Colonies, without further effusion of blood; and that the British Nation may be influenced to regard the things that belong to her peace before they are hid from her eyes; that these Colonies may be ever under the care and protection of a kind Providence, and be prospered in all their interest; that the Divine blessing may descend and rest upon all our civil rules and upon the representatives of the people in their several assemblies and conventions; that they may be directed to wise and effectual measures for preserving the Union, and securing the just rights and privileges of the Colonies; that virtue and true religion may revive and flourish throughout our land; and that America may soon behold a gracious of the Colonies; that virtue and true religion may revive and flourish throughout our land; and that America may soon behold a gracious interposition of Heaven for the redress of her many grievances, the restoration of her invaded rights, a reconciliation with the parent state on terms constitutional and honorable to both; and that her civil and religious privileges may be secured to the latest posterity. "And it is recommended to Christians of all denominations to assemble for public worship and to abstain from servile labor and recreation on said day.
"Ordered That a copy of the above he signed by the President."

"Ordered, That a copy of the above be signed by the President, and attested by the Secretary, and published in the newspapers and in hand bills."

(The above resolution is taken from vol. 2, p. 1844, American Archives, by Peter Force, being the minutes of the Continental Congress, held in Philadelphia, September 5, 1774, continued and assembled for a second session May 1775.)

WASHINGTON NOMINATED

The nomination of Washington 3 days after, June 15, 1775, to be commander in chief of the forces raised and to be raised seems like the answer of God to the prayer and confidence expressed in the above Declaration of Dependence, June 12, 1775.

Rev. D. D. LANE, C. M., St. Louis, Mo.

A Tribute to Motherhood

EXTENSION OF REMARKS

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

ARTICLE BY H. S. ROBERTS

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the Record, I include the following tribute to motherhood, by H. S. Roberts, of Kansas City,

A TRIBUTE TO MOTHERHOOD

The word "mother" is universal in all languages because it is the language of the heart. It is understood alike by the Greek and the barbarian, the learned and the unlearned, the wise and the unwise, the prince and the pauper. The confusion of tongues at the Tower of Babel did not destroy that one word because it is eternal and forever.

is eternal and forever.

It is universal because it brings out the best that is in us, stimulates man to greater heights, and inspires him to finer things. It develops the finest sentiments in human nature and softens the heart of the monarch. Motherhood recognizes no distinction, acknowledges no class, and bows before no power save God.

Motherhood knows no barriers, it swims seas, scans prison walls, and traverses great distances. To her a son may never sink so low but he might rise and be again a man. To her he can never do wrong and should he achieve more than his share of success, "he is still my baby." She goes "through the valley of the shadow" for her own; she smiles through her tears when they are in trouble, and she will sacrifice beyond endurance and never complain. These and more is why the word "mother" is universal and in all languages. complain. These and and in all languages.

It is said that an angel was sent from Heaven to return with It is said that an angel was sent from Heaven to return with the three most beautiful things of earth; as he went along his mission he saw a beautiful rose; that thought he, he would take back, then he saw a baby's smile and that, too, must be taken along. He looked and looked when finally he saw the sacrifice a mother's love was making for her own and that, thought he, was the third. He started back to Heaven and when he returned he found the baby's smile was gone, the rose had withered away, nothing remained but the mother's love.

H. S. ROBERTS.

Reciprocal-Trade Agreement With Great Britain

EXTENSION OF REMARKS

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ARTICLE FROM NATIONAL GRANGE MONTHLY

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Fred Brenckman, which was published in the National Grange Monthly for May 1939:

[From the National Grange Monthly of May 1939]

SHALL THE AMERICAN PEOPLE BE CLOTHED IN EUROPEAN RAGS?— WORKINGS OF NEW BRITISH TRADE PACT POINT THAT WAY—UNITED STATES FACES A GRAVE SITUATION

(By Fred Brenckman)

How the American wool grower is being deprived in an important degree of the home market, and how the American people may expect in the near future to be clothed in large measure in the old rags of Europe, is shown by the workings of the reciprocal-trade agreement we made with Great Britain.

In February 1938, when the British trade agreement was pending, the office with support the Committee on Reciprocal trades.

one of the witnesses who appeared before the Committee on Reci-procity Information was a gentleman from Philadelphia, representprocity Information was a gentleman from Philadelphia, representing rag and waste dealers who supply byproducts and other substitutes for use in the manufacture of woolen goods and materials. He informed the committee in very earnest tones that the demand of the woolen industry for waste materials and rags was increasing to such an extent that the industry was sorely in need of a cheaper source of foreign supply. He stated that the domestic supply was inadequate, and he, therefore, urged that the then existing duties on wastes and rags be reduced.

COMMITTEE WAS DEEPLY IMPRESSED

The Committee on Reciprocity Information was apparently deeply impressed with the gentleman's plea, because when this trade treaty was finally promulgated the duties on wool wastes and rags were reduced variously from 40 to 50 percent. The result of this reduction in tariff duties is undoubtedly a matter of great satisfaction to European scavengers and rag dealers, and to those American woolen manufacturers who use these raw materials as substitutes for virgin wool.

woolen manufacturers who use these raw materials as substitutes for virgin wool.

Figures issued by the United States Department of Commerce show that during January and February of 1939, the first 2 months during which the treaty has been in effect, imports of wool wastes and of rags have increased variously from 227 to 2,008 percent over the same months of the preceding year. The American consuming public now has an opportunity of wearing clothes containing large percentages of European rags which may, or may not, be superior to domestic rags, but which certainly further reduce the legitimate market of the American farmer and wool grower.

During January and February of 1938, under the then existing tariff rates, which were carefully computed to afford necessary protection to the American public against low-cost foreign wool wastes and rags, there were imported into this country 162,632 pounds of wool wastes, valued at \$72,668. During the same months of 1939, under the reduced tariff rates adopted on the theory that foreign producers should have an opportunity to sell their materials in the American market, there were imported into this country 854,540 pounds of wool wastes, valued at \$280,170. In other words, the increases in imports for the first 2 months of 1939 were 425 percent in quantity, and 285 percent in dollar value.

PHENOMENAL RAG IMPORTS

PHENOMENAL RAG IMPORTS

It is the importation of rags, however, which shows the most phenomenal increase. These rags represent, in the main, materials from worn clothing and other wool products discarded by the European public and collected by European ragmen, to be sold to American rag dealers, who make them into reclaimed wool or shoddy for manufacture into fabrics which the American public will wear as new clothes.

new clothes.

In January and February of 1938, under a tariff duty of 18 cents per pound, there were shipped into this country 132,554 pounds of rags, valued at \$54,957. During the same months of 1939, under the reduced tariff duty of 9 cents per pound, there were imported into this country 1,824,040 pounds of rags, valued at \$506,907. In other words, the quantity of rags for the first 2 months of 1939 was 1,276 percent greater in quantity and 880 percent greater in dollars than for the similar period in 1938.

But the tremendous increase in imports of wool wastes and rags does not tell the entire story of the effect of the British trade treaty so far as the wool grower, the wool manufacturer, and the American public are concerned.

public are concerned.

The treaty also made reductions of 40 percent and more in the duties on certain weights and types of woolen fabrics. It is interesting to note what the effect of this tariff reduction has been during the first 2 months that the treaty has been in effect. For

¹Union of Twelve Original Colonies, 1774.

Note.—Georgia not represented until July 20, 1775 (the day of prayer); her first Delegate arrived at Congress with credentials from said colony September 13, 1775.—D. D. L.

instance, in January and February of 1938 there were imported into this country some 40,000 square yards of worsteds under 4 ounces per yard, with a value of \$20,212. In January and February 1939 this quantity was increased to 108,959 square yards, valued at \$39,339. In other words, the imported yardage increased 168 percent and the dollar value increased 94 percent.

cent and the dollar value increased 94 percent.

In worsteds weighing over 4 ounces per yard there were imported into the United States during January and February of 1938, 352,467 yards, valued at \$329,706. In January and February of 1939 these imports increased to 774,584 yards, valued at \$544,862, an increase of 119 percent in yardage and 65 percent in value.

Woolen materials also showed a decided increase from approximately 1,000,000 yards, with a value of \$941,000, during January and February of 1938, to 1,799,493 yards, valued at \$1,372,222, during January and February of 1939. This is an increase of 119 percent in yardage and 77 percent in dollar value.

MARKET FOR WOOL CHETALED

MARKET FOR WOOL CURTAILED

Figures and percentages are notoriously dry and uninteresting reading, but these figures and percentages represent reduced opportunities and incomes for farmers and workers in every part of the United States. The wool wastes and rags imported from the United Kingdom are a further replacement for new fleece wool raised by the American farmer.

The millions of yards of woolens manufactured abroad and imported into this country under reduced tariffs, which are a direct blow at our standard of living, take away from the American wool growers the only market that they have, which is the American wool manufacturers.

They deprive the American woolen mills of their only market, the American market, and they deprive thousands of where of their livelihood. From the standpoint of the internationalist the increased flow of rags and manufactured wool products into this country may make for a better balanced world economy. But this balance must be obtained at the expense of the American citizen, who is the sale passen paying for it. who is the sole person paying for it.

These increased imports make one fact certain: It makes abso-

lutely necessary the enactment of the Schwartz-Martin wool labeling bill, now pending before Congress, which requires that woolen manufacturers label their products with an honest statement of

fiber content.

Its provisions are fully adequate to enforce this requirement on foreign manufacturers. The tremendous increase in the importation of rags signifies not only that our domestic supply of the raw materials from which reclaimed wool and shoddy are made is inadequate, but that the demand for foreign supplies of rags is increasing steadily. Every pound of rags and wastes used in so-called woolen products means the loss to the American farmer and wool grower of from 2 to 3 pounds of virgin wool.

If the American woolen manufacturer is going to Europe for his rags he should at least be obliged to tell the consuming public buying woolen products that the materials contain shoddy made from these rags and not new fleece wool.

The foreign manufacturer should, in return for the low and in-

The foreign manufacturer should, in return for the low and in-adequate tariff duties he pays, be obligated to guarantee to the American public that his products are made of honest raw materials and not of substitutes and adulterants.

GRANGE SUPPORTS THE LABELING BILL

The National Grange has been a pioneer in legislation of the character represented by the Schwartz-Martin bill. It believes that this bill should be enacted into law, just as it believed in, and fought for, the enactment of the Pure Food and Drugs Act

more than a generation ago.

It is difficult to see how any Member of Congress who believes in fair and honest dealing, and who is in favor of the sound principle that we should legislate in the interest of the greatest good for the greatest number can oppose the energiment of the Schwarze. for the greatest number, can oppose the enactment of the Schwartz-Martin bill, which simply requires that the woolen manufacturer shall tell the consuming public the truth regarding the quality and kind of fiber which he uses in products sold as wool.

In contemplating the tremendous volume of rags now pouring into this country under the reciprocal-trade agreement with Great Britain, one cannot help wondering whether the British people themselves have so many rags to dispose of, or whether the ragmen of that country are scouring the whole of Europe in their patriotic zeal to supply American manufacturers of so-called woolen goods with rags for the use of the people of the United

Praise the Bridge That Carries You Over

EXTENSION OF REMARKS

HON. COLGATE W. DARDEN, JR.

OF VIRGINIA IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ADDRESS BY A. WILLIS ROBERTSON AT THE DEDICATION OF THE NEW HICHWAY BRIDGE OVER THE SHENANDOAH RIVER AT ELKTON, VA., ON MAY 20, 1939

Mr. DARDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech recently delivered by my colleague from Virginia, Hon. A. WILLIS ROBERTSON:

Mr. Chairman, ladies, and gentlemen, it was a pleasure to accept the gracious invitation of Elkton friends to join with them today in the dedication of this splendid new highway bridge over the Shen-

the dedication of this splendid new highway bridge over the Shenandoah River, a bridge to be a link in the great transcontinental
highway from the Chesapeake Bay on the south to the Great Lakes
on the north, appropriately designated as the Blue and Gray Trail.

The little wooden bridge that spanned the river at this point in
1862 figured prominently in Jackson's valley campaign when we
were experiencing in all of its fury and bitterness fulfillment of
Webster's prophecy of "a land torn by civil strife and drenched,
perhaps, in fraternal blood." After years of sectional bitterness,
growing out of that struggle, we had once more in 1917 a gloriously
united country; a country in which all could unite in saying:

"Here's to the boys of the windswent North!

"Here's to the boys of the windswept North! When they meet on the fields of France, May the spirit of Grant be with them all As the sons of the North advance.

"Here's to the boys of the sunny South!
When they meet on the fields of France. May the spirit of Lee be with them all As the sons of the South advance.

"Here's to the Blue and the Gray as one! When they meet on the fields of France, May the spirit of God be with them all As the sons of the flag advance.'

In the economic war we are now fighting there is as great a need for national unity as there was during the period of the World War, and we could not do better than to dedicate today this bridge to a closer social, political, and economic union between the North and the South.

the South.

I am particularly happy to join with you in dedicating a bridge at a point on the Shenandoah River which was first crossed by a white man in 1716—Governor Spotswood and his Knights of the Golden Horseshoe. The account of that memorable trip has ever been for me a fascinating page in Virginia's colonial history, and more especially because in the Governor's exploring party, according to Caruther's account, was one of my ancestors, Dudley Diggs, as well as William Byrd, ancestor of our distinguished junior Senator. This intrepid band set out in August 1716 from Germana, on the banks of the Rapidan, the home of Governor Spotswood, which during my boyhood was owned by my grandather. After a journey the banks of the Rapidan, the home of Governor Spotswood, which during my boyhood was owned by my grandather. After a journey of 3 weeks the Governor and his party reached the top of the Blue Ridge Mountains at a point now called Swift Run Gap, from whence they viewed for the first time the panorama of this glorious valley. So enthused were they over the discovery of such a rich and fertile area Governor Spotswood, as reported by one historian, proposed a series of toasts in honor of the King and members of the result femily. the royal family.

From the supply of champagne, burgundy, two casks of Virginia wine, read and white, Irish whisky, brandy, stout, cherry punch, and cider, with which this party had provided itself against the hazards of snake bite and other untoward incidents, a toast to the King's health was drunk in champagne and the soldiers fired a

King's health was drunk in champagne and the soldiers fired a volley; the health of the princesses in burgundy, with another volley; that of the rest of the royal family in claret, with other volleys. The record is silent as to who was toasted in cherry punch or cider, but enough is said to convince even the most casual reader that they duly praised the bridge that carried them course I do not have today either champagne or burgundy in which to toast the king of road builders, but if the same purpose can be served by a glass of clear and sparkling mountain water, I propose a toast to Henry G. Shirley, the best highway engineer in the United States, a man of vision, a man of skill, a man of indomitable courage, who in the brief space of some 17 years has lifted Virginia out of the mud, has spanned her flowing streams, has built for the Old Dominion a State highway system the equal of that of any other State of the Union and has accomplished those results on a pay-as-you-go basis. But be it remembered that chief credit for pay-as-you-go basis. But be it remembered that chief credit for Virginia's sound fiscal policies is due to Senator Harry F. Byrd. After firing a volley in honor of Mr. Shirley I would propose a

toast in honor of Wade Massie, who has been with him start in this great undertaking, and to each and every other member of the State highway commission who has contributed his share ber of the State highway commission who has contributed his share to this splendid achievement. Under a bill passed in 1916 a commission was appointed, of which I had the honor of being a member, to lay out a State highway system. That was the first year of Federal aid to State highway system. That was the first year of Federal aid to State highways, the aid being limited to roads designated as a part of a State highway system. No constitutional authority as yet has been found for some of the appropriations made by the Congress during the past 6 years, but the authority for appropriations for public roads rests upon the constitutional grant to the Congress to establish post offices and post roads, as well as the additional grant to provide for the national defense. The report of that commission was submitted to and adopted by the general assembly in 1918, setting up a State highway system of 4.000 miles. When Mr. Shirley assumed office on July 1, 1922, we had in our State highway system 4,100 miles of road, at least three-fourths of which was not hard surfaced and only 1,900 miles of which were being maintained. At that time many streams were crossed by ferry if, indeed, they could be crossed at all, and many of the bridges were one-way bridges, unsafe for a load in excess of 5 tons. of 5 tons.

For the fiscal year ending September 30, 1923, the total money available for all highway purposes was only \$9,000,000, which in-

cluded \$700,000 to go to the counties as State aid and \$1,690,000 under the provisions of an act sponsored by me in 1920 and later called the Robertson Act, allowing the State to borrow from the counties money on certificates of indebtedness for road building. It is of interest to me that the most outstanding project building. The Robertson Act, was the heaptiful bridge agrees the Ranga-

It is of interest to me that the most cutstanding project built under the Robertson Act was the beautiful bridge across the Rappahannock River at Tappahannock, named for my good friend and Senate colleague, the Honorable Town Downing.

In that day the "little red schoolhouse" was the rule and not the exception, and only the faithful few attended the rural church in the winter months. How well I remember as a boy of only 10 attending a country church in winter to hear a missionary lately returned from Africa. Naturally I envisioned his escape from lions and the other mighty beasts of the forest, only to hear him open his remarks with the statement that he had encountered more danger in traveling 12 miles to reach the church than he had danger in traveling 12 miles to reach the church than he had

experienced in 5 years in Africa.

Now we have in our State highway primary system 9,432 miles, of which 8,067 are hard-surfaced, including 105 miles of four-lane road and bridges and 331 miles of three-lane road and bridges. In the secondary system, likewise under the State highway department, are 36,356 miles, of which 4,535 are hard-surfaced. In the primary system there are 1,789 bridges over 20 feet in length, many of which are splendid examples of the bridge builders' art, and in the secondary system 4,111 over 20 feet in length. For the current fiscal year funds available for road work in Virginia are estimated nscal year funds available for road work in Viginia are estimated at approximately \$26,000,000. Good roads, churches, and schools are the blessed trinity of an era dedicated to social and economic advancement. The modern and efficient consolidated school followed and did not precede our State road-building program. Not all have agreed with Mr. Shirley's policy of pressing forward to the goal of a highway system that gave precedent to the main arteries of travel and designed to move an ever-increasing volume of commercial as well as tourist traffic in a safe and direct manner, but I dare say there are but few in Virginia today who would not gladly unite with us in saying of Mr. Shirley: "Praise the bridge that carries you over."

Contrary to general impression, the visit of Governor Spotswood to this section of Virginia was not made for the purpose of settling and developing the Shenandoah Valley, but rather for the purpose of investigating the feasibility of the construction of a series of forts through western Virginia, which then extended to the Great Lakes and the Mississippi, for protection of the British colonies from the French and Indians. Had Governor Spotswood erected a bridge at this spot across the Shenandoah River in 1816, it would have been for military purposes. Or else, after he became the Virginia head of a private company holding a lease to operate post offices in Virginia, it might have been for postal purposes.

In my study of the early history of bridges, I find that they were in my study of the early history of bridges, I find that they were built primarily for the purposes of war instead of for the more constructive purposes of peace. Every schoolboy is familiar with the remarkable feat of Xerxes in throwing a pontoon bridge over a mile long across the Hellesport in order that his invading army might reach Greece. Every schoolboy has thrilled to Macaulay's account of Horatius holding the far end of Pons Sublicius while the consuls of Rome hewed down the beams of the bridge to stave off attack:

off attack:

"Then out spake brave Horatius, The captain of the gate:
"To every man upon this earth Death cometh soon or late; And how can man die better Than facing fearful odds For the ashes of his fathers And the temples of his gods?""

From the days of the cave man who found a tree fallen across the stream and used it as a bridge until the decline and fall of the Roman Empire, bridges were built primarily for the use of invading Roman Empire, bridges were built primarily for the use of invading armies. Commerce moved on the broad bosom of stately rivers; highways and bridges were built for the iron heel of war or for the better administration of a conquered area. In the days of the "glory that was Rome," the area being administered by that one city was approximately that of the United States, with a total population of about 130,000,000. The Romans not only were great law-givers but were great builders of highways and bridges, some of which still stand as enduring monuments to Roman skill, and the provision of Roman law that if a highway engineer did a poor lob provision of Roman law that if a highway engineer did a poor job he lost his head as well as his job.

But prior to the fall of the Roman Empire there had been born

in Bethlehem of Judea a Bridge Builder of a new and different type—One who sought to teach us how to bridge the chasm of ignorance and superstition, to bridge selfishness, cruelty, and the inhumanity of man to man, to bridge bloodstained battlefields to

the land of perpetual peace.

Our colonial ancestors knew how to build the bridges of life. Thomas Jefferson was probably the most versatile man Virginia has Thomas Jefferson was probably the most versatile man Virginia has ever produced, and unquestionably our greatest philosopher. To me it has always been a significant fact that Jefferson, truly great in many fields of accomplishment, asked to be remembered by posterity for just three bridges that he built—the bridge from servitude to the freedom of the body, the Declaration of Independence; the bridge from the darkness of a benighted intellect to the broad noonday of a clear and radiant mind, the University of Virginia, capstone to a great public educational system; and the bridge from the tyranny over man's soul to freedom of heart and conscience, the statute for religious liberty in Virginia. And what a bridge to the "land of the free and the home of the brave" did those patriots construct at Philadelphia—the Constitution of the United States

I sometimes fear that since the close of the World War our bridge building has been too much of the steel and stone variety. I will admit that we can truthfully say:

"They have builded magnificent bridges Where the Nation's highways go;

O'er perilous mountain ridges And where great rivers flow. Wherever a link was needed between the new and the known, They have left their marks of progress, in iron and steel and stone.

There was never a land too distant. Nor ever a way too wide. But some man's mind, insistent,

Reached out to the other side.

They cleared the way, those heroes, for the march of future years.

The march was civilization—and they were its pioneers."

But those same pioneers, trained in the Calvinistic doctrine, "Without the shedding of blood, there is no remission," built each for himself the bridge of hard work and self-sacrifice to the far shore of economic security. He did not expect, nor did he ask, the Government to build for him a personal bridge to the more abundant life. Those pioneers did not dedicate their glorious hymn, "Come Thou fount of every blessing, tune my heart to sing Thy praise," to the dispensers of Federal bounties.

"Come Thou fount of every blessing, tune my heart to sing Thy praise," to the dispensers of Federal bounties.

During the past 6 years the Congress has been busily engaged in the building of economic bridges. With the best of intentions we have fabricated various and sundry laws designed to improve the economic condition of selected groups. But we should frankly admit that if the practical effect of bridges of that type is to shift the hardships of life from the backs of one group to those of another the essential quality of such bridges is changed in degree but not in kind from the bridges of the Roman emperors used by their armies to bring slaves to the Palatine hills and tribute to the Roman coffers. Some of the old Roman senators living in palatial homes on the outskirts of Rome had as many as 20,000 slaves. The struggle to gain power and influence for the purpose of shifting the hardships of labor to the backs of others is as old as the human race. No law that Congress can pass can change or repeal the law laid down to Adam and Eve when driven from the Garden of Eden: "In the sweat of thy face shalt thou eat bread, till thou return unto the ground." If we eat, someone must labor. If we accumulate wealth, someone must work. There is no bridge back to the Garden of Eden and no substitute for labor in the creation of wealth and a higher standard of living. Yet the Congress at this moment is confronted with the demand that we extract by means of a 2-percent Federal sales tax, from those who are laboring and producing, the aggregate of twelve or thirteen billion dollars per year in addition to present Federal sales taxes that produce a billion dollars annually and the sales taxes of some 27 States. This twelve or thirteen billion dollars of additional tax money is to be distributed to those of our population who are 60 years of age or more, on the condition that they thereafter cease from gainful employment, and on the theory that the redistribution of wealth is one and the same with the creation of health. Tax

is one and the same with the creation of wealth. Tax experts estimate that already government is imposing on the workingman concealed taxes that consume 15 percent of his cash income.

As I have previously indicated, the years immediately following the World War were devoted to the building of prosperity bridges—a grossly materialistic age. Then came the big depression, since which time our thoughts have been centered on recovery, but largely recovery of material things. Little attention has been paid to recovery of moral fiber, to the recovery of independence and self-reliance, to recovery of the spirit of the pioneers—the spirit of those who discovered this valley in 1716—the spirit of the Scotch-Irish and Pennsylvania Germans who shortly thereafter came down to settle and develop it. The national deficit in those qualities of heart should give us as great concern as the deficits in our national Budget.

Budget.

And certainly all of us should be concerned over our inability to build a bridge of peace. The Prince of Peace gave us the plans and specifications nearly 2,000 years ago, but no nation has ever been able to build a bridge that will carry us over to the land where perpetual peace hath spread her white wings. We fought against autocracy with the vain hope that it would be a war to end wars. We framed the League of Nations and the Kellogg Pact, but we can't praise those bridges, because they did not carry us over. We are not only still paying for the World War that was fought, but, as Secretary Hull recently said, "The world is now engaged in paying for a war that has not been fought." Until the threat of that impending struggle has been lifted from our minds and hearts we will continue to have billion dollar defense bills, we will continue impending struggle has been lifted from our minds and hearts we will continue to have billion dollar defense bills, we will continue to have subsidies for agriculture in lieu of free and open foreign markets for surplus production, we will continue to have relief jobs of Government-made work, we will continue to have group struggles to shift the hardships of life from one group of shoulders to those of another. Some think that Clarence K. Streit in his recent book, Union Now, has found the solution to that pressing problem, namely, the union of the democracies of the world. Speaking of that book, the Marquis of Lothian, who will shortly succeed Sir Ronald Lindsay as the British Ambassador to this country, recently said:

"The cause of war is national sovereignty, because sovereignty condemns mankind to live under conditions of anarchy. There are other factors making for war, no doubt, such as fear or greed or

pride or racialism. But it is anarchy which inflames all these evils to gigantic proportions and makes it practically inevitable that sooner or later they produce war, as they have continuously done since the decline of the last world system of law—the Roman Empire. * * * The only remedy for war is unity, which means Empire. * * * The only remedy for war is unity, which means the ending of sovereignty either by force from without, as Fascists or Communists propose (and such peace at best could be only temporary), or by the voluntary pooling of national sovereignty in some form of democratic federal union. Every compromise which leaves national sovereignty intact—and they have all been tried: League, isolation, disarmament, neutrality, outlawry of war—will fail, as they failed in the United States from 1781 to 1789, because they do not cut to the root of the cause of war—the division of mankind into entirely selfish and self-regarding units which will submit themselves to no common constitution or law."

mankind into entirely selfish and self-regarding units which will submit themselves to no common constitution or law."

We have in the United States, and have had for many years, a standard of living higher than that of any other country in the world. The people of the United States have been led to believe that we can always have a standard of living higher than that of any other country of the world, but I am not so sure this theory is sound. Certainly it is not sound if any considerable percentage of the population is looking to the Government to provide it. "Go West" was Horace Greeley's advice to the young men of his day; but we have already gone west, and no longer is there free land for either the migrant farm laboure or the city worker out of a job.

either the migrant farm laborer or the city worker out of a job.

The development of rich coal fields, the discovery of rich oil wells, brought in new wealth, but in the future we cannot safely wells, brought in new wealth, but in the future we cannot salely depend upon tapping new and hitherto undeveloped natural resources. Farm chemistry may discover new wealth in cornstalks and other farm products now wasted, or means for the profitable manufacture of textiles from soybeans or other vegetable crops, but that is speculative. We can now sit by our own fireside and hear the message of Hitler to the German people at the time it is delivered. And by the same token we can reed the economic effect hear the message of Hitler to the German people at the time it is delivered. And by the same token we can read the economic effect of what he proposes to do on the ticker tape in every broker's office. In a word, the whole world is now one economic unit. All the rest of the world is making sacrifices and it is not clear to me how we can avoid making sacrifices. Under the leadership of Napoleon the people of France made sacrifices for the dream of Napoleon to bring peace to Europe through the domination of all European countries by the French armies. But Waterloo proved the fallacy of a peace based upon the sword. And if Mr. Hitler seeks to bring peace to Germany in the same manner he likewise will meet his Waterloo. Yet the fact remains that without peace there can be no satisfactory standard of living either here or abroad and to achieve peace sacrifices of some type must be made.

When we find a way to build the bridge of peace that will carry us over we will have lifted the shadows from the road ahead and can say in the dying words of our great Stonewall Jackson: "Let us cross over the river and rest in the shade of the trees."

The Postal Service

EXTENSION OF REMARKS

HON. MILTON A. ROMJUE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 12, 1939

Mr. ROMJUE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at the State convention of the Missouri Chapter of the National Association of Postmasters, St. Louis, Mo., May 12, 1939:

It is a privilege to meet here in St. Louis today with the Missouri chapter of the National Association of Postmasters, and it is always a pleasure to visit with your genial host, Rufus Jackson, the postmaster of this great city. You are to be congratulated on the fine attendance at this convention, and I want to thank you for coming.

We are most fortunate in having an opportunity to share in the management and in the operation of the United States Postal Service, and I know that each and everyone of us has a justifiable of the transfer pride in our accomplishments. Few people realize the tremendous influence exerted by the Postal Service in the progress of business, transportation, and in the daily lives of our citizens.

ness, transportation, and in the daily lives of our citizens. The report of the Comptroller General of the United States shows that during the last fiscal year the transactions of the Postal Service resulted in a total turn-over of cash handled in post offices of more than \$8,000,000,000. This amount is one-third more than all of the money in circulation in the United States, and exceeds the total appropriations made by Congress for the maintenance of the whole Federal establishment, includ-

ing the emergency agencies. It amounts to more than \$62 for every man, woman, and child in America.

The ordinary postal revenues derived from the collection of postage broke all records last year, and the revenues received thus far in this fiscal year indicate further increases, which means that for the third successive year the postal revenues have shown steady gains, exceeding the revenues of any previous year in history.

I think it would be of interest to you to know that during the fiscal years of 1927 and 1928 the increase in previous years.

fiscal years of 1937 and 1938 the increase in postal revenues came largely from the smaller cities and towns, and during that period postal business lagged somewhat in the great industrial centers—while during the current fiscal year of 1939 increases have been shown in the large cities and we are still maintaining increased business in the smaller communities. Therefore, I can say to you that these here have been shown in the smaller communities. that there has been no business recession insofar as the postal service is concerned, and our revenues are ordinarily accepted as an accurate barometer of business conditions.

an accurate barometer of business conditions.

The mail volume is increasing daily, weekly, and monthly when compared to the same periods of last year. We have kept pace with this increased volume by adding more employees. We now have on our rolls and at work in the post offices more people than have ever been employed at any time in the history of the Service. Working conditions are better. The average salary of postal employees in the field service is greater than the average salary in other Government establishments, and certainly higher than the average income of employees in private industry. This indicates a steady gain in business, confidence on the part of the people, and shows that the patrons are taking advantage to a greater extent than ever before of the wonderful facilities of the United States Postal Service.

I am proud, indeed, to be able to make this report to you, and

I am proud, indeed, to be able to make this report to you, and I know that you, as public officials and as citizens, are pleased to note and accept this report as evidence of the fact that the to note and accept this report as evidence of the fact that the United States of America is keeping up its march of progress; that its people are increasing business activities; that they believe in their Government; that they are living up to the good-neighbor policy—for you and I know that when postal receipts are increasing in the smaller cities and towns a good part of that revenue comes from the ordinary social correspondence carried on between families and friends. When that condition exists everybody knows that we are getting along all right in America.

I make no claim for personal credit for the accomplishments of this fine establishment. While the Service has been generally improved during my administration as Postmaster General, frankness and honesty require that I give to you, the postmasters, to my most efficient staff in the Department, and to all of the postal employees the credit for such improvements. You know, and I know, that the Postal Service has been the most respected of all Government agencies for many, many years. Before we were born, postal

that the Postal Service has been the most respected of all Government agencies for many, many years. Before we were born, postal officials and employees, hundreds of thousands of them, had given the best years of their lives and their best efforts to the development of this magnificent communication system. All praise to my predecessors and your predecessors, and to the loyal army of workers that has given such a fine example of courage, fidelity, and efficiency. We make but one claim: That we have accepted our positions as a public trust. We have but one objective: That in the administration of this public trust we shall at all times safeguard the public interest and pass on to our successors an improved service in keeping with the progress of the Nation.

Our greatest asset is goodwill. In private business goodwill is recorded as a capital asset. In a public establishment such as ours we have no reason to reduce this asset to a dollar-and-cents value. We do know, however, that unless we do everything possible to develop goodwill we are not satisfying our patrons and we will not attain our objective.

not attain our objective.

I am happy to say to you that careful observance of postmasters and postal employees convinces me that we are reaping the benefit of our many campaigns to encourage courteous and efficient postal service. I hear many expressions and receive many letters commending postal people on their tact and courtesy. I want to thank all postmasters for this accomplishment and to urge that you continue your efforts along this line. Eternal vigilance is required if we are to meet our obligation to our patrons. We in the Department are convinced that the need for politeness is more pronounced in the post office than in most other public services. It is an important part of what we term "efficiency." We operate a monopoly, at least in the transmission of letters, therefore a patron has no choice but to deal with us; consequently, it is fundamental that we exercise great care in dealing with our customers who are in reality our employers.

Obviously, the patron is not always right, but we gain nothing in attempting to prove to him that he is wrong. Conversely, we of our many campaigns to encourage courteous and efficient postal

in attempting to prove to him that he is wrong. Conversely, we are not always right. While it is true that relatively few mistakes occur in the handling of the billions of pieces of mail annually, yet it is human to err, and our employees on rare occasions missend mail or delay the transmission of mail matter. When such a thing occurs be frank about it. Admit the fault and take prompt steps to prevent a recurrence. Apologize for the mistake and you will make a friend for the Postal Service and add to the goodwill

will make a friend for the Postal Service and add to the goodwill so valuable to the Department.

You, as postmasters, should constantly strive to secure the cooperation and goodwill of the employees of your office. Make each and every person in your establishment feel that the part he plays in the Service is an important part. Be firm when necessary and always point out the mistakes made by your subordinates. Let them feel that they have an individual responsibility to the public and encourage them to assume responsibility.

Never reprimand an employee in the presence of others. To do so injures his self-respect, causes him to resent the criticism, and defeats any good that might come from it. When irregularities occur, call the offender aside privately and administer the rebuke in a gentlemanly way. Authority should never assume the privilege of transgressing the laws of common courtesy of man to man.

lege of transgressing the laws of common courtesy of man to man. Be sure that your supervisors are properly trained, and regardless of the circumstances do not permit humiliating incidents to occur in maintaining discipline in your office.

It is your duty as postmasters to see that all employees are trained for their work. The importance of this phase of your jobs cannot be overemphasized. Adequate and understandable intructions should be furnished to all newly appointed employees, and these instructions may be repeated occasionally, for even those who are presumed to thoroughly understand their work are often helped by having their minds refreshed on some important points. I am sure that the average postal employee wants to learn more and more about this business, and if proper instructions are given in an enlightened manner, it will do much in quickening the purpose and energy of our personnel. energy of our personnel.

energy of our personnel.

There are several ways of instructing the employee, depending upon the size of the organization. It can be accomplished either singly or in groups. Regardless of the method that is followed, be sure that each and every individual under your supervision is trained for the task assigned to him, and be doubly sure that those assigned to window work where they contact the public have a complete knowledge of the details of the positions they occupy. Inaccurate information given to patrons is most annoying and causes complaints that are very difficult to answer. Admonish all those who are in a position to deal directly with the patrons to be courteous at all times, to give information only when they are sure the answer is correct, and to say "thank you" pleasantly at the conclusion of each transaction. Give your personal attention to this matter and you will accomplish more than you realize.

this matter and you will accomplish more than you realize.

It is also important to recognize good work. When some member of your staff has performed a task in a most efficient manner, or has done something to cause favorable comment on the part of a patron, let him know you are pleased with his work. It does not take long to pat him on the back and commend him for his inter-To do so encourages him to continue in his

est in the service. To efforts along that line.

I feel very strongly on this matter of tact and courtesy in our dealings with the patrons and employees, and shall appreciate your

continued cooperation.

You may be assured that the Department will cooperate with you if you will but seek its help when you are in need of assistance in solving any of your problems. The administrative agencies of the Department are organized and maintained for that purpose. The several bureaus under my general direction formulate policies and issue rules and regulations which are calculated to insure adequate and efficient service for the people and also to pract your interest.

and efficient service for the people, and also to protect your interest and the interest of the employees. We in the Department have no direct contact with our customers We in the Department have no direct contact with our customers but must of necessity leave that most important function to you and your staff in the local post offices, so that in the final analysis, no matter how high our purpose may be, unless we can secure your enthusiastic support we cannot be successful. For that reason I attend meetings of this kind whenever possible, and I encourage the administrative officials in the Department to do likewise—for I am convinced that these conventions offer us our best opportunity to engender good will and good feeling between the headquarters staff and the personnel in the field service. There are others here with me from the Department and a number of post-office inspectors are present, all of them available for counsel and advice concerning your service problems.

tors are present, all of them available for counsel and advice concerning your service problems.

I regret that other engagements which are principally my scheduled appearance at other State conventions prevent my remaining with you for a longer period, and I trust that I shall have an opportunity to meet with you again. Before concluding, I want to extend to you the warmest regards and best wishes of President Roosevelt, and to again assure you of my sincere appreciation for the fine work you are doing.

The National Labor Relations Board Should Be Amended

EXTENSION OF REMARKS

HON. WILLIAM M. COLMER OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

ADDRESS BY HON. WILLIAM GREEN, PRESIDENT, AMERICAN FEDERATION OF LABOR

Mr. COLMER. Mr. Speaker, on last evening the Honorable William Green, the able and sound president of the American Federation of Labor, delivered over the Columbia Broadcasting System network a very able and timely address on the subject of amending the National Labor Relations Act. While I am not sufficiently advised in the premises to comment with full approval on all of Mr. Green's statements, I have an abiding and substantial faith in this great American labor leader and patriot. Moreover I entertain a profound respect for the great labor body which he heads. The American Federation of Labor has always demonstrated that it is the real friend of labor. And it is the American Federation of Labor that is today responsible for the exalted position of the American laboring man.

Mr. Speaker, for fear that many of my colleagues in both branches of the Congress may not have heard this speech, I have sought this method of calling it to their attention and to the attention of the country generally. I commend it to the careful and sympathetic consideration of the Congress

and the country.

The speech follows:

The American Federation of Labor is now leading a struggle which is of direct and vital importance to every citizen of the United States.

We have asked Congress to make certain changes in the National Labor Relations Act and we are rallying all our forces in support of these amendments because we are convinced that their adoption will correct present injustices, stabilize labor relations in interstate industry, and help bring about national recovery.

As a democratic American institution, the American Federation of Labor always has been responsive to public opinion. We have done our utmost to merit public support of our policies. We believe we have abundant evidence today that the American public overwhelmingly supports the American Federation of Labor in its efforts to guarantee fair play in the administration of the National Labor Relations Act.

That is all we ask—fair play. That is all the National Labor Relations Act ever was intended to accomplish—fair play. That is what the National Labor Relations Board has disgracefully failed

what the National Labor Relations Board has disgracefully failed to live up to in administering the act—the principle of fair play. The American public was sounded out on the subject of the National Labor Relations Board several months ago by the National Institute of Public Opinion. In a poll of persons from all walks of life, this nationally accredited organization found that 92 percent felt the National Labor Relations Board was biased against the American Federation of Labor and in favor of the C. I. O.

Why does this feeling exist? And why did the delegates to the last American Federation of Labor convention, sharing this conviction, demand unanimously that the National Labor Relations Act be amended to as to guarantee fair play?

Act be amended so as to guarantee fair play?

The answer is found in the record of the Board. It shows that the National Labor Relations Act has been tragically malad-

Remember that the American Federation of Labor was the original sponsor of the National Labor Relations Act. We nurtured it and fought for it and succeeded in getting it enacted. We believed then in its principles and we are just as wholeheartedly committed to them now. All the law set out to do was to establish mitted to them now. All the law set out to do was to establish a basis of fair play in industrial relations between employers and their workers. It was expected that fair play would create good will, that peaceful negotiations would be substituted for costly strikes, and that the free flow of interstate commerce would no longer be seriously interrupted by labor troubles.

It hasn't worked out that way and the responsibility lies squarely with the Labor Board. Let me tell you the story.

The National Labor Relations Act became the law of the land in July 1935. The following October a minority group in the American Federation of Labor, defeated by a two-thirds vote on a question of policy at the federation's convention, refused to abide by democratic majority rule and revolted. Thus the C.I.O. was formed. It proceeded to institute a systematic campaign to

abide by democratic majority rule and revolted. Thus the C.I.O. was formed. It proceeded to institute a systematic campaign to disrupt and destroy the American Federation of Labor.

Then, lo, and behold! We suddenly found the National Labor Relations Board actively siding with the C.I.O. One member of the Board even stated in an official opinion that he favored the type of union organization fostered by the C.I.O. Later he won over another member of the Board to his viewpoint. In case after case, thereafter, the Labor Board in its decisions sought to destroy A. F. of L. unions which had been in existence for many years and force their members to be represented by the C.I.O. destroy A. F. of L. unions which had been in existence for many years and force their members to be represented by the C. I. O. All this in face of the fact that Senator Wagner, of New York, author of the law, had publicly stated on the floor of the Senate when the bill was under consideration that "there is nothing in the pending bill which places the stamp of Government favor on any particular type of union.

But the Board did not stop there. It went further. The next this are known it was transfer and provided the state of the st

But the Board did not stop there. It went further. The next thing we knew it was issuing administrative orders, in direct conflict with the law, setting aside legally valid contracts between bona fide American Federation of Labor unions and employers. In each case the C. I. O. benefited by the Board's action. Of course, we could not stand for that. We went to court. And in the Consolidated Edison case the Supreme Court of the United States reversed the Board and criticized it for "extravagant and unwarranted" assumptions. The Court said:

ranted" assumptions. The Court said:

"Further, the act gives no express authority to the Board to invalidate contracts with independent labor organizations."

This decision should have stopped the Board in its tracks. But it hasn't, Apparently the Board refuses to recognize the highest court's ruling as a check on its assumed authority but attributes it merely to procedural errors in the case.

This isn't all. Our complaints expires the Board and its staff.

This isn't all. Our complaints against the Board and its staff go even deeper. For instance, when one of our unions asks the Board to hold an employee election promptly and the C. I. O. asks for delay, the election almost always is delayed. When the position is reversed and we ask for delay, the Board acts with incredible speed. Time and again the Board has set new precedents and ostablished new rules to unser our case and established new rules to unser our case and the has incredible speed. Time and again the Board has set new precedents and established new rules to upset our cases and then has gone ahead and reversed its own rules and precedents on the films:est excuse whenever such a course would suit the purposes of the C. I. O.

It has reached the point now where our people, representing the American Federation of Labor and its 5,000,000 members, feel that they are entering a hostile camp when they appear before the Board. It is not just our imagination. We know we are viewed with enmity by the Board and its staff. We know that from certain members of the Board itself down through the roster of its employees there runs a common bond of sympathy with the C. I. O.

This holds true especially among those whose political and economic beliefs lean to the left. The extremists on the pay roll of the Labor Board and on the pay roll of the C. I. O. have undoubtedly formed a "united front." It is a "united front" of ideas. By sharing a destructive philosophy and letting it influence official judgment they have managed to accomplish as much damage to the American worker as though they had actually set down to-gether and entered a conspiracy to reshape the American labor movement.

This is strong language. But the facts justify it.

The present situation is so serious that the American Federation of Labor believes it must be remedied at once. We have asked Congress to do so by abolishing the present Board and establishing a new Federal Labor Board of five members. Only in this way can the Nation obtain the necessary house cleaning of puresulvible has wandered for affeld from its original functions.

a bureau which has wandered far afield from its original functions.

We should not stop there. We hope and trust that a new
Board will not duplicate the mistakes of the present one. But

Board will not duplicate the mistakes of the present one. But we must make certain that the wide discretionary powers vested in the Board will not be abused in the future. Therefore, in order to assure fair play, we have asked Congress to write into the law the rules of the game, rules that will apply to all and guarantee every party equal justice under the law.

First, we ask that in any plant where a craft or a group of skilled workers exists these workers be given the right to decide for themselves by their vote whether they wish to be represented in collective bargaining as a separate unit or whether they wish to be merged with all the other workers into a single unit. This is democracy. It is self-determination. Many skilled workers wish to be represented separately and have been so represented by their craft unions for many years because they believe they can comcraft unions for many years because they believe they can command higher wages for their skill by this method. Certainly they should have this right. It has never been denied to them before. Certainly they should not be deprived of it by a governmental agency operating under a law which was adopted to make labor

Secondly, we urge that the Board's authority to set aside legal contracts between bona fide labor unions and employers be clearly defined and limited. This amendment follows the decision of the Supreme Court in the Consolidated Edison case. We want the principles laid down in that decision written into the law so that the Board will know just what it can do and what it cannot do in the future, and there will be no further room left for misunderstandings.

Thirdly, we have introduced a series of procedural amendments, most of which are too technical and legalistic in their nature to explain in any detail here. Their purpose is to avoid unnecessary delays in handling of cases by the Board, to restrict arbitrary exercise of discretionary powers, and to permit court review of rulings on which the Board now says its own word is final.

In conclusion I want to emphasize that for more than half a century the American Federation of Labor has protected the interests of American workers to the fullest degree and has raised their working and living standards to the highest in the world. It is entirely in the interests of American workers that the American Federation of Labor is now seeking to strengthen and perfect the National Labor Relations Act. Any amendments sponsored by employer groups which have for their purpose the destruction of the basic principles of the Labor Act will find their sternest foe in the American Federation of Labor.

Now, let us see just who these people are who protest so vehemently that the National Labor Relations Act is sacred and that not even one of its precious semicolons must be disturbed. First in the line-up we find the Labor Board itself, a group of bureaum the line-up we find the Labor Board itself, a group of bureaucrats bitterly opposed to surrendering any part of their power.
Second in line stands the C. I. O., frantically trying at any cost to
keep intact the favored treatment it now enjoys from the Labor
Board. And, finally, we find lurking in the rear, but beating the
drum even louder than the rest, the Communist Party.

The American public will judge these warriors in a common
cause by their motives and by the company they keep.

Moscow-Led Communism Endorses the New Deal

EXTENSION OF REMARKS OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

EDITORIAL FROM THE NEW YORK JOURNAL AND AMERICAN OF MAY 16, 1939

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Journal and American of May 16, 1939:

[From the New York Journal and American of May 16, 1939] MOSCOW-LED COMMUNISM ENDORSES THE NEW DEAL

That the New Deal is regarded by leading Communists as part and parcel of their ideology, or at least as a fellow traveler in communism, is at last revealed beyond the shadow of a doubt by the speech made by Earl Browder, general secretary of the Communist Party of America, at the mass meeting of the Young Communist League in Madison Square Garden on last Wednesday

Browder not only announced Communist support for a third term for President Roosevelt but he boldly said:

"It [the Communist Party] must therefore look for a victory of the New Deal wing in the Democratic convention, or, failing that, face the alternative of breaking up, dispersal and defeat without a fight, or the launching of a new party of its own.

"Between a Garner-Glass-Wheeler Democratic Party and a Hoover-Dewey-Test Penyllicen Party it has no choice.

"Between a Garner-Glass-Wheeler Democratic Party and a Hoover-Dewey-Taft Republican Party it has no choice.

"The radical one-third of the voters find it necessary, therefore, to wish for and work for victory of the Roosevelt wing in the Democratic convention. But, having as yet no guaranty of such a victory, it must prepare for alternative action in case of defeat at the hands of the Garner-Glass forces."

In other words, he says that the Communist Party faces annihilation if it does not capture the New Deal physically, as it has already done politically. And he names as his "leader" President

Roosevelt.

If, further, according to Browder, un-American "radical," and red elements of the country cannot capture the New Deal entirely, they must then organize a party of their own—which means, in plain language, a revolutionary "popular front," which was the cause of the civil war in Spain and the collapse of France into a socialistic dictatorship.

Then, to the cheering of his red audience, Browder unveiled the purposes not only of the Communists but the close affinity between them and the New Deal when he said:

"The progressive and democratic majority is a coalition between the Democratic Party and the independent radical one-third of the electorate. President Roosevelt has embodied that coalition and

electorate. President Roosevelt has embodied that coalition and by his leadership has consolidated and strengthened it.

"If the coalition is to continue through the 1940 election to victory, it can only be under the same type of leadership and policy." This must be humiliating reading for all American Americans. It must be ignominious for all those millions of Americans who supported President Roosevelt and his New Deal policies in 1933 to find those policies now part and parcel of the Moscow project for revolution and ruin directed right on our own soil!

The communistic spirit of the New Deal was decisively repudiated by the people at the polls last November. But only too well have the acts and speeches of the spokesmen for the administration justified the claims of Browder that the New Deal is the hope of all the radical and subversive elements in America.

Any further compromise with the foes of our traditions means that Europe and her crackpot theories are on the march here.

that Europe and her crackpot theories are on the march here.
And that will be national suicide.

Memo on Newspapers

EXTENSION OF REMARKS

HON. CHARLES A. HALLECK OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ARTICLE BY RAYMOND CLAPPER

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by

Raymond Clapper, which was published in the Washington | Daily News of May 20, 1939:

> [From the Washington Daily News of May 20, 1939] MEMO ON NEWSPAPERS

(By Raymond Clapper)

(By Raymond Clapper)

Personal memo on the newspaper business:

The chief reason that demagogs thrive is that the newspapers—
and the radio—pretend to take them seriously. Not editorially,
perhaps, but in the news columns, which is what really counts.

If you asked newspapermen here or elsewhere what they really
thought of this latest blast out of the Dies investigating committee,
I suspect that most of them would say it was 90 percent hogwash,
played up out of all proportion to its real importance. Any skilled
newspaperman, knowing nothing about the story, could read it in
the newspapers and be certain that it was flimsy "headline" stuff.

The offense of the newspapers is that making a fetish of "objectivity" they present this kind of dubious material exactly as if they
actually took it seriously. I find in the latest editions of Washington newspapers several columns played in the lead position, with
headlines giving it additional importance, the latest blast out of
the Dies committee describing an "anti-Jew crusade."

High up in the accounts in headlines or in black-face type is the
word that John D. M. Hamilton, chairman of the Republican National Committee, is to be called before the Dies committee because,
according to a witness, he "gave the names of Republican committeemen to participants in the (anti-Semitic) campaign."

Every newspaperman in Washington knows that anybody, by
writing to the Republican National Committee, can obtain a printed
list of the committee members. He can get the Democratle names

writing to the Republican National Committee, can obtain a printed list of the committee members. He can get the Democratic names by writing to Jim Farley. There is no secret about that. The lists are printed in the World Almanac, as John Hamilton pointed out when, for later editions, he had an opportunity to set the matter in its proper perspective.

But the news accounts kick off with the plain, flat, unexplained statement of a witness that Mr. Hamilton sent a committee list to the anti-Semitic agitators, leaving the inference to be drawn by the average reader that in some way Mr. Hamilton was mixed up in the activity. It was Mr. Hamilton who spoke out last fall against the Jew-baiting senatorial primary campaign in Kansas of Rev. Gerald Winrod, a Republican.

When some of us months ago said the Dies testimony "exposing" red activity was trivial, unverified stuff blown up with hot air, we were regarded suspiciously as secret radical sympathizers. I hope that it is permissible to similarly point out the weaknesses in the present smearing treatment of John Hamilton without being regarded as a secret sympathizer with the Republican National Committee. Committee.

Those outside the newspaper business complain that the press "distorts" the news, meaning that it is twisted and given an editorial slant. That is not the trouble.

Newspapers have made a fetish of "factual objectivity" and have carried it to such extremes that, as is seen in this instance, a "dead pan" straightaway statement, all literally correct, leaves a "dead pan" straightaway statement, all literally correct, leaves a completely erroneous impression with the reader. And if the reader is left with an incorrect impression, the reporting, no matter how "factual" it may be in the literal sense, is misleading. Is such misleading of the reader to be justified on the ground that "Dies said it and therefore it is news"? To say that Mr. Hamiton, according to a witness, gave the names of Republican committeemen to participants in the anti-Semitic campaign leaves the impression that this was something unusual, a special favor to the course when as every Weshington newspaperment knows it was group, when, as every Washington newspaperman knows, it was nothing of the kind. Is it good journalism to let that insinuation go through unexplained to trusting readers under the excuse of being "objective"?

Deing "objective"?

It is this kind of "objectivity" that builds up demagogues. Newspapers don't do it intentionally. The cry that they deliberately "distort" news is itself a gross distortion. The distortion comes about, in such instances as this one, through a technical, literal accuracy which unconsciously leaves a distorted impression on the reader. The trouble arises because a demagogue hands a half truth to the reporter, who thereupon, trying to be accurate, relays the half truth to the reader in exactly the same literal manner that he would relay a whole truth.

Massing of the Colors, National Cathedral, Washington, D. C., May 21, 1939

EXTENSION OF REMARKS

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ADDRESS BY HON. WILLIAM B. BANKHEAD, SPEAKER OF THE HOUSE OF REPRESENTATIVES

Mr. LEWIS of Colorado. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. WILLIAM B. BANKHEAD, Speaker of the House of Representatives, at the massing of the colors, National Cathedral, Washington, D. C., on May 21, 1939:

There greets the eye of beholders today in the amphitheater of Washington Cathedral a spectacle strangely inspiring and comforting to our minds and hearts. Within the shadows of this great edifice, erected to the everlasting glory of God, are presented the massed colors of our armed forces and allied church and civic organizations of the National Capital. We have come to pay tribute to all those who have fallen for our Republic.

By the very nature of the ceremonial it is an hour for exalted memories, as well as an opportunity for intensive rededication. It is above all things else an occasion that justifies an appraisal of the significance of these banners and standards, so proudly held aloft before the eyes of men.

before the eyes of men.

In commercial value they are things of little moment, but as symbols of the heart and soul and patriotic consecration of the people of a very great nation they are of immeasurable value. To the pawnbroker the simple golden band of a wedding ring that joined together man and wife for a half century of devoted companionship is a mere bauble; to them it is a thing beyond all price. The modest crucifix of a believer would make small appeal to the avarice of an auctioneer, but to one who knows that there are hidden things of an everlasting faith of greater value than the treasures of the Pharachs, he holds to his little cross long after he has relinquished earthly ambitions and the thirst for temporal power.

And so it is with the symbolism of these gallant colors—in them-

After such premise, let us for a moment interpret that significance, everything.

After such premise, let us for a moment interpret that significance in terms of American citizenship. These colors are not only vividly contemporaneous, but also bear the imprint of heroic, dignified, and sacrificial reminiscence. They recall to mind far off, but please God, unforgotten things.

God, unforgotten things.

The spirit of Patrick Henry, whose impassioned eloquence kindled in colonial hearts an irrepressible passion for liberty, may well be our guest today. The intellect of that giant political philosopher, Thomas Jefferson, author of the Declaration of Independence, can find its counterpart in the meditations of this multitude of citizens, as devoted as he to the proposition, "that all men are created equal; that they are endowed by their Creator with certain unaltenable rights; that among these are life, liberty, and the pursuit of happiness."

Out of the mist of far-off years stands in retropped the color.

out of happiness."

Out of the mist of far-off years stands in retrospect the noble figure of George Washington, to the people of the United States as immortal as the firmament. Marshaled under these ensigns through the last 150 years have served and labored in war and in peace a vast parade of other great leaders, of great thinkers, of great actors in the drama of government, and going along with them, unnumbered millions of privates in the ranks of armies and of industry, without whose loyalty and courage it would have been impossible to carve out in history so collossal an epic of human freedom.

impossible to carve out in history so collossal an epic of human freedom.

Without undertaking to catalog the long list of illustrious participants in this imagined cavalcade of immortality, the impulse cannot be restrained of paying tribute to my one-time chieftain, that superb idealist, as well as practical statesman, whose "apathetic and unconscious form" lies in sequestered dignity amid the silences of this cathedral—Woodrow Wilson, once our Commander in Chief. What do these colors stand for in the contemplation of our Nation? What is our Nation? Where lies its strength? What is the justification for that patriotic loyalty we are today convened to magnify?

Here in the National Capital are the places where the functions of government are represented. On Capitol Hill the Congress and the Supreme Court, and in the White House the Chief Executive, sit for the performance of their constitutional prerogatives, and nearby are the headquarters of other agencies of government. But it must always be remembered that the power and majesty and recourses of this Nation are ledged out vender in the heat and it must always be remembered that the power and majesty and resources of this Nation are lodged out yonder in the hearts and the homes of our people. Do not forget the preamble to the Constitution. For the very first vibrant and all-compassing phrase in our fundamental law the founders chose these words: "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

The first duty, therefore, of all executives and all legislators is

The first duty, therefore, of all executives and all legislators is to remember the source of their temporary power and to preserve to the masses of the people the largest possible measure of freedom, security, and prosperity. By no other course can we expect the people to respect and venerate and fight for the stability of our institutions. There is no surer method of alienating the affections of men for these colors than by making them the symbols of oppression and discrimination.

Fortunately, during our many changes of administration under our party system there have been no flagrant departures from these objectives on the part of those in power. Thereby have the people continued to cleave to the high traditions of our democratic institution with "an affection which hopes and endures and is patient."

We are now confronted with domestic and international prob-lems that place severe pressure upon our stamina and course of action. The entire world seems to be shaken and disturbed and uneasy because of the frenzy caused by the fear of another world war. There is grave apprehension among many of our own people that in the event of such a cataclysm we may be drawn into its

vortex. I do not share in that apprehension as an inevitable

result.

It is my humble opinion that an overwhelming majority of the

It is my humble opinion that an overwhelming majority of the American people at this hour feel that our national policy in this tense situation should be upon these broad bases:

(1) We should take every reasonable precaution to place our armed forces upon the highest plane of efficiency to meet any attack from any quarter upon the continental United States or any part of the Western Hemisphere.

(2) We should continue to use every moral persuasion at our command to preserve the peace of the world without provocative implications of any kind upon our part.

(3) We should reassure the American people that there is no disposition or intention upon the part of this Government to engage in any act of aggression beyond our own territory or to use

gage in any act of aggression beyond our own territory or to use our armed forces to fight upon European or Asiatic soil.

There is one other source of anxiety in the minds of our patriotic citizens that is worthy of consideration on this occasion. We are supposed to be a homogeneous people. We are supposed to give loyalty and reverence to our democratic institutions. These massed colors give mute evidence of the tenacity and solidarity with which those who love the Republic have clung to the guaran-

ties of our Constitution, and especially the Bill of Rights and our system of representative government.

Nevertheless, there is abundant evidence that we have sinister Nevertheless, there is abundant evidence that we have sinister and mischievous forces and influences within our borders seeking with covert and sinister cunning to inject into the veins of our present political system the malignant virus of alien and destructive doctrines and to incite rabid racial and religious hatreds. There is no place anywhere upon our soil to harbor such activities or to condone their malevolence. It may be well to remind these subversive agents, regardless of either their origin or sponsors, that the benevolence of our guaranties of freedom of speech and assembly has very definite limitations.

I am happy to report that the Congress is diligently diagnosing the diseased tissue in our body nelltie and in due course will enact

I am happy to report that the Congress is diligently diagnosing the diseased tissue in our body politic and in due course will enact adequate remedies for its extirpation. It should not be interpreted that such suggestions are grounded upon any narrow prejudice against any race or creed or country or fostered by any scruple of bigotry or intolerance. If there ever was a country that has from its foundation been generous in its hospitality to the needy or persecuted from all nations, surely that has been the record of the United States of America. Nor are we unmindful of the vast contribution that has been made to the growth and culture and de-United States of America. Nor are we unmindful of the vast contribution that has been made to the growth and culture and development of this land by immigrants from other lands, including all of our ancestors. All that we now ask is that the present residents of our country, by birth or adoption, shall be loyal to our flag and our system of government; and if not willing to do that, then they must be prepared to take the inevitable consequences of their sedition their sedition.

But let us please for a moment recur to the spirit of this cere

But let us please for a moment recur to the spirit of this ceremonial. It is a blessed thing that occasional opportunities are afforded us to take surcease of the exacting rigor and routine of our busy lives and to feel the thrill and exaltation of nobler things. This would indeed prove to be a rather desolate and disappointing old world, were it not for occasional incursions of sentiment into the hearts and lives of men. There must be added to our material necessities some saving grace of gratitude, of spiritual contemplation, of tender reverie. All normal minds occasionally revolt at and resent the imperious demands of schedules and engagements and yearn for the unbridled liberty of contemplation. Let us embrace this hour and this environment as a medium of such enjoyment.

medium of such enjoyment.

The flags and ensigns out there remind us of the noble and glorious traditions of our country. They remind us of Lexington and Concord and Bunker Hill and Kings Mountain. They waved at Buena Vista and Chapultepec. Chickamauga and Chancellorsville Buena Vista and Chapultepec. Chickamauga and Chancellorsville and Gettysburg saw them ensanguined but glorified with fratricidal blood. Dewey and Sampson saw them triumphant at Manila and Santiago. Our Army upheld their noblest prestige at Belleau Wood, Chateau Thierry, and the Argonne. They are the tokens of a constitutional democracy giving every assurance for the protection of the personal liberties of the humblest citizen. They stand guardian over the security of a vast domain of incredible wealth. They typify a century and a half of magnificent history. They are the protectors of our firesides and altars. Surely this day with all these inducements to reconsecration we may be justified in catching something of the spirit of Richlieu's apostrophe to patrictism these inducements to reconsecration we may be justified in catching something of the spirit of Richlieu's apostrophe to patriotism and applying it to our own beloved country when he said: "All things for France! Lo! my eternal maxim. The vital axle of the restless wheels which bear me on. Beyond the map of France my heart can travel not, but fills that limit to its farthest verge." Let us be steadfast in the faith of our fathers. "Remove not the ancient landmark which thy fathers have set."

I shall trespass long enough upon your indulgence to offer another thought for your consideration.

Reference has been made to the possibility of another impending world war. The souls of men and women everywhere are affrighted at the mere thought of such an unimaginable tragedy. They can well foresee the diabolical ferocity and savagery of such a conflict. New instrumentalities of destruction make certain that great centers of population would reek as shambles of desolation. The very foundations of civilization might become as whited sepulchers. Frenzied negotiations are in progress day and night. Threats

Frenzied negotiations are in progress day and night. Threats and counterthreats issue from the chancelleries of Europe. The issue of peace or war trembles in the balance. It is inconceivable upon any rational assumption that the people of the nations involved desire to be immersed in the withering sacrifices of such a struggle. Is there no solvent at hand to avert this imminent catastrophe? If there is, I make bold to assert that it will be found in the immeasurable depth and reach and compass of applied religion. Many of us are yet old-fashioned enough, indeed credulous enough, to yet believe that the only supreme power on this earth is that of a universally aroused sentiment of moral and outsitud representability.

spiritual responsibility to ourselves and all men, centered in the omnipotent power of prayer.

There is yet time to invoke the humanity of the episode in Gethsemane on the night of the great betrayal. "And, behold, one of them which were with Jesus, stretched out his hand, and drew his sword, and struck a servant of the high priest and smote off his ear. Then said Jesus unto him, 'Put up again thy sword into its place; for all they that take the sword shall perish with the sword."

Napoleon forgot that admonition and saw his glories crumble Napoleon forgot that admonition and saw his glories crumble and decay in the somber isolation of St. Helena. Julius Caesar ignored it, and fell thrust through with steel at the foot of Pompey's statue. There are other ambitious men who still have the chance to profit by their example.

The citizens of our country refuse to embrace the doctrine of despair. Up then with the colors of freedom, the colors of morality and humanity, the colors of faith and religion. May you not ever be lowered in surrender to any of the forces of evil.

Fifty Years of Crime in America

EXTENSION OF REMARKS

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ADDRESS OF J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION, AT NASHVILLE, TENN.

Mr. O'BRIEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by J. Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, before the National Fifty Years in Business Club, Nashville, Tenn., May 20, 1939:

It is a distinct pleasure to meet with the members of the Na-tional Fifty Years in Business Club. I realize that it is my privitional Fifty Years in Business Club. I realize that it is my privi-lege, in addressing you, to speak to an invisible audience of thou-sands of persons, for you have established yourselves as a very important part of our social order. The sphere of your influence projects itself into every community in the land and the serious-ness of your purpose is attested by your desire to devote a portion of your time to the consideration of the suppression of crime. The keynote of your discussions has been centered around the general theme of the changes during the past 50 years. Undoubt-edly your successors 50 years from now will also devote much of their time and discussions to the changing modes. The world is never static or stagnant—it is molten and fluid, ever seeking new molds, ever receptive to new ideas. But the swift changes that

molds, ever receptive to new ideas. But the swift changes that constantly threaten us also summon us. Our greatest changes invariably present our finest opportunities. Even though we are rooted to the past, we must not forget that we belong to the future. It beckons with its manifold opportunities for those who wish to

make themselves of service to mankind.

The eyes of the world are focused upon America. She must look to you experienced men of the business world in facing her problems. She must seek assistance in the solution of these problems from all of us who cherish a heartfelt reverence for her past and whose hearts burn with an inexpressible thrill for her future. The record of 50 years of crime in America should cause us to bow our heads in shame. America today is seriously threatened by lawlessness and the very security, happiness, and welfare of our people are menaced.

people are menaced.

Crime, indeed, has kept pace with modern developments. Great progress has been made in crime detection and apprehension, but little has been done to strike at the sources of crime. While our population has doubled, crime has multiplied itself. No single industry or business, 50 or even 100 years old, is comparable in magnitude with the illegal activities of criminals. Their tentacles have found their way into every legitimate business and industry in the land. Even the almost impregnable forces of government. in the land. Even the almost impregnable forces of government have not been immune.

Lawlessness at times has corrupted legislative halls; it has pol-Lawlessness at times has corrupted legislative halls; it has polluted segments of the judiciary; it has contaminated public office; it has even demoralized certain of our law-enforcing agencies. Its subversive forces are gradually undermining the cornerstone of American democracy. Constantly it gnaws at the vitals of our social order. The business interests of the Nation have suffered tremendous damages from the plague of predatory activities. Certainly business can never reach the zenith of prosperity until widespread lawlessness is curbed. And it can be.

I need make only passing reference to the extent of present-day lawlessness. Our annual crime bill is \$15,000,000,000, or about \$120 for every man, woman, and child. This represents 400 percent more than we annually spend for education; it equals our annual food bill; and exceeds the amount annually paid in Federal, State, and municipal taxes. Our homes and our lives are threatened by an army of lawlessness numbering over 4,750,000 individuals.

Every 22 seconds a serious crime is committed in our supposedly every 22 seconds a serious crime is committed in our supposedly civilized land; every day, from dawn to dawn, 33 of our citizens are murdered. Last year nearly 1,500,000 serious crimes—such as murder, manslaughter, rape, robbery, burglary, and aggravated assault; and 13,000,000 lesser crimes, such as frauds, forgeries, embezzlements, vice, and other assaults—were committed. To be even more realistic, this means that one offense occurred for every nine persons in America last year. It is most disturbing to realize that crime in some form or other will visit at least one out of every four homes this year unless drastic steps are taken to stay the onslaught of our forces of lawlessness. There are in America today over three and one-half times more criminals than there are students in our colleges and universities; for every school teacher in America there are nearly four and one-half criminals.

are nearly four and one-nair criminals.

In your meetings you will discuss such matters as tariffs, commercial and industrial policies, fiscal and monetary matters, the development of foreign markets and subsidies, business efficiency and foreign affairs, together with scores of other problems. But you must realize that unless the men, women, and children of America are safe and secure in their homes and business establishments, unless the lives of those engaged in industry can be protected, and unless whole industries themselves can be freed from desperate, filthy racketeering, all these other questions become of secondary and perhaps minor importance. Like a pestilence, law-lessness stalks through the land—more deadly than the bubonic plagues of old. Men of greed, like syndicated leeches, are sucking the lifeblood of the Nation. They fear only a force greater than

theirs.

Truly, 50 years of crime in America has culminated into a positive threat to our social order. Whether we like it or not, we have been brought face to face with a crisis. Our future will not be determined by what we do 50 years or even 10 years from now, It will be determined by the manner in which we cooperate to solve the problem of lawlessness now. Our task is to summon the noblest action in order to safeguard our Nation. This crisis calls for strong character and honesty in every phase of endeavor. It demands that those forces which assail our liberties be exterminated with relentless justice. There can be no compromise between

righteousness and venality.
Corruption begets corruption. One of the worst degenerative forces in American life during the past 50 years has been corruption in public office. Corrupt politicians make venal politics, and right-thinking citizens know there is but one answer and one remedy. Corruption must be eradicated. Dirt accumulates un-disturbed when people grow accustomed to it and no longer feel ashamed. Venal machines of corruption attain their power beashamed. Venal machines of corruption attain their power because of a lackadaisical attitude on the part of our citizens, which is far too prevalent. Few communities in the land are free from contamination of the syndicated leeches who masquerade behind the flattering term "politician." The term "politician" when used correctly refers to one skilled in the science of government. No title is more honorable. Yet it has been prostituted and corrupted by sinister forces that literally steal the birthrights of freeborn American citizens. To be specific, I shall refer to a situation which indeed is not an isolated instance.

A few years ago on election day in a great American city the

A few years ago on election day in a great American city the armed fury of entrenched interests ran wild. The polls, instead of becoming a place where citizens could exercise their inalienable rights, became the gory scene of multiple crimes. Then came rights, became the gory scene of multiple crimes. Then another election. This time a brave and courageous Federal summoned a grand jury. He charged them with the words: "A corrupt vote is akin to a gun pointing at the very heart of America. If we would preserve America, we must preserve the purity of the ballot box, and we must do that if our prisons and our jails are crowded to suffocation with those who would destroy the Government." The to suffocation with those who would destroy the Government." The grand jury and the United States attorney started to work, and so did the men of the Federal Bureau of Investigation. That was in December of 1936. The revelations were startling. The investigation resulted in the conviction of nearly 300 persons in Federal court for violation of the election laws. In the first precinct investigated it was found that after the election officials had done their work not a single vote was cast for the defeated candidate. But scientific examination revealed that scores of ballots had been illegally altered.

At 5:30 p.m. on election day a gang of thugs appeared at one polling place and told one of the judges "to get." Another judge was told by a city official that if she persisted in counting the ballots she told by a city olicial that it she persisted in counting the ballots she would be taken for a "one-way ride." In another precinct it was disclosed that the ballots were taken behind the pulpit of a church, where erasures and alterations were made in the interests of the machine. In still another precinct one of the election judges was a 29-year-old woman who had previously been arrested seven times for forgery, disorderly conduct, and parole violation. She had twice been convicted and paroled.

This machine offered its support to all of the defendants who were indicted and assisted them by furnishing bond. Of course, the leaders would be expected to say, as they did, that they put

up the money for the bonds solely out of sympathy for the defendants in their hour of distress. They could see nothing wrong with this. In the trials involving these election frauds on various occathis. In the trials involving these election frauds on various occasions defense counsel openly admitted that their clients had violated State laws. One of the fearless Federal judges was prompted to say: "Those who are elected to protect the people from oppression and prosecute violations have not acted. Not a word has been said in protest. There has been no move to prosecute. They have done nothing. There have been * * * wholesale violations of State laws, and yet not a move has been made." The grand jury continued its work. The United States attorney worked. The Federal courts and the special agents of the Federal Bureau of Investigation worked. Gradually citizens began to regain confidence, as righteousness registered triumph after triumph. Facts were as righteousness registered triumph after triumph. Facts were marshaled, and again the Federal Government acted. The Attorney General of the United States, Hon. Frank Murphy, a man whose ney General of the United States, Hon. Frank Murphy, a man whose passion for honesty in public office is proverbial, stepped in—indictments were returned. Today the throne of the leader of this machine is toppling. And the Attorney General's challenge to public officials has echoed throughout the entire United States: "You hold your offices for one purpose alone," he said, "and that is to serve faithfully the people who are the source of your power. You cannot be beholden to any special leaders if you are to do an honest teh."

Meeting the menace of lawlessness is not a hopeless task if citizens everywhere arise to their responsibility. The forces of decency have weapons enough if men can be found with the courage and honor to use them. Despite the widespread extent of crime, we have made progress. The men of the F. B. I. have been coping with similar situations for years, and today 96 of every 100 criminals charged with the commission of a Federal offense investigated by the F. B. I., when taken into court, are convicted. During the most 5 years over 21 000 desperate criminals have been taken into past 5 years over 21,000 desperate criminals have been taken into custody and convicted in cases investigated by the F. B. I. I am happy to say that each of these criminals had his day in court in the orderly manner prescribed by the Constitution. Each had the the orderly manner prescribed by the Constitution. Each had the right of counsel, with the exception of the 16 criminals who, rather than surrender, sought to resist arrest. Facing the guns of gangland, the special agents of the F. B. I. had no alternative. They had to meet force with force.

And my heart becomes heavy when I think of the eight heroic agents who sacrificed their lives in line of duty by giving these enemies of society the benefit of the doubt and another chance to surrender, or who were shot in the back. Yet there is a small minority who apparently value the life of the criminal more than that of an officer of the law or innocent victim, who raise their voices in protest every time it becomes necessary for a special agent to resort to the use of firearms in self-defense.

agent to resort to the use of firearms in self-defense.

Kidnaping, that great despair to public confidence, has practically been conquered on every front in the Nation. One hundred and fifty-four times word has come to us since 1932 that a body has been snatched—152 times the cases have been completely solved and the kidnapers removed from society. They will kidnap and kill no more. In meeting the menace of kidnaping we have had to contend with crooked lawyers, renegades in public office, hide-out owners, money changers, undercover doctors, and others who aid crime by assisting its minions. I acknowledge with gratitude the public support which we of the F. B. I. have received. Truly, it has been a heartening factor. Each case that was solved has made our citizens feel a little more secure. The two unsolved cases will never be closed until the wrongdoers are brought to justice. They remain a challenge to law and order brought to justice. They remain a challenge to law and order and the men of the F. B. I. accept that challenge.

I have already mentioned that we have made greater progress in detection and apprehension of criminals than in the prevention of crime. I would go further and state that law enforcement has of crime. I would go further and state that law enforcement has made as much progress in the past few years as any other phase of public service. Law enforcement has been placed on a business-like, professional basis. The principles of modern industry and business efficiency and administration which you men of commerce have developed have been applied to this phase of government. And certainly we must all admit that successful law enforcement is a most important governmental function.

Reporting for the organization which I have been so proud to head during the past 15 years, I can definitely state it has not been a financial liability to the taxpayers of the Nation. Discounting for the moment the value of its services which cannot be estimated in monetary terms, in cold dollars and cents it has cost the taxpayers \$24,000,000 to maintain the Federal Bureau of Investigation during the past 5 years, and during that period we have returned or saved the taxpayers \$182,000,000—a dividend of over \$7 for every dollar which has been invested in its cost of opera-tion. This is apart from the security of person and property caused by the prompt detection, arrest, and conviction of thousands of predatory criminals.

Fifty years ago a peace officer, I am told, when he took his oath Fifty years ago a peace officer, I am told, when he took his oath of office, often was given a gun, a billy, and badge with the admonition, "Walk your beat and do nothing and do it well if you wish to succeed." Today that picture has changed, for law enforcement has truly achieved a professional status. Four years ago this summer we inaugurated the F. B. I. National Police Academy, which has already graduated 334 qualified police instructors from every State in the Union, Puerto Rico, the Canal Zone, Scotland Yard, the Royal Canadian Mounted Police, and the Quebec Provincial Police. The majority of these men are now operating police training schools, which accounts, in part at least, for the definite improvement of law enforcement. I look to the day when every police department in the land will have its own training school. As this type of training increases from year to year we may confidently hope that the same effective warfare on crime which our Bureau has been waging will be more and more reenforced by the enlightened cooperation of local agencies.

Crimes which 50 years ago would have baffled even the fictional Sherlock Holmes are being solved today through routine investigation. Consider the case which recently occurred in a Pennsylvania community. In perpetrating a burglary, a telephone wire had been cut to prevent the spreading of an alarm. Later the finger of suspicion pointed toward one Parris Compton. He was arrested. In his pocket was found a jackknife. An alert, well-trained police officer sent the knife to the F. B. I. laboratory for scientific examination. To the naked eye only a single fiber was visible which had lodged on the blade of the knife. White-garbed scientists studied this single fiber under a high-powered miscroscope. It was identical with the tipu fibers weren into the invalidation of the several tical with the tiny fibers woven into the insulation of the severed telephone wire, proving that the knife was used to cut the wire. The defendant was found guilty on evidence that stood bare and The detendant was found guilty on evidence that stood bare and undeniable, pointing to his crime. And this is but one of the 6,000 routine cases annually handled in the F. B. I. crime laboratory with its vast facilities available to all law-enforcement agencies without charge. Fifty years ago this violation would have gone unsolved had not a confession been extorted from a suspect. Here justice was vindicated. Not only is the pen mightler than the sword, the test tube is more effective than the rubber hose. And this goes on day after day.

But mere detection, apprehension, and conviction are not sufficient. The criminal must be either reformed and rehabilitated or forever ostracized from society. This is the least that the public welfare demands. And sooner or later most of them come out of prison. Last year prison doors opened four times every hour, day and night. A convicted criminal was released on condition that he abide by certain terms—one of which most certainly was that he would forever lead a law-abiding life. And this situation has been going on year after year. Ofttimes the release was obtained by fraud, ofttimes the prisoner was released under almost no supervision. It was not a rare occasion that the person would be released because of pressure brought to bear upon public officials.

The sound, humanitarian principles of parole have been prosti-The sound, numanitarian principles of parole have been prostituted by ill-informed sentimentalists. Increasingly this phase of criminal justice has been brought under public scrutiny. There is nothing new about parole. Twenty States had parole laws at the turn of the century. Only 3 out of the 48 States do not have parole laws today. Nevertheless, in addition to the Federal parole system, only a few States have parole systems that work—that are worthy of the name of parole. Here is a problem that definitely needs the influence of sound business efficiency and administration. It is a problem which has attracted the attention of Attorney General Murphy and has caused him to exclaim, "In the past not only have we failed to get the most out of parole, but from the beginning it has been a source of scandal."

The President of the United States, himself a long-time friend of parole, has recently said, "More than one-half of the persons in prison today have had to be locked up at least once before for a violation of the law. We have bungled in the manner and the method of their release."

With the warnings of these two great students of government before us, it is time that we approached the parole problem with a little more common sense. It is time that sound, practical, busi-nesslike methods supersede the whims of the gushing, well-wishing, mawkish sentimentalist. I believe that the public interest demands that the same principles be applied to the parole problem that have been applied to the detection and apprehension of criminals. guiding principle, the basic requirement, the sole consideration in judging each and every individual case in which parole may be administered should be the protection of the public. If sentimen-

administered should be the protection of the public. If sentimentality and emotionalism must intervene where only law and justice have their parts to play, let them step in to give such sustaining comfort as they may to menaced society.

We face the supreme task of self-preservation in conquering the ravaging desperado who lives by the laws which he chooses to obey. Either decency must prevail or we shall increasingly find ourselves bogged down in vice, corruption, and crime. These three are inseparable. Find one and you will soon find the others. The anti-date for lawlessness is decency and the development of character. dote for lawlessness is decency and the development of character. The underworld would not exist except for conditions in the upperworld. Yet social problems cannot be differentiated from moral problems. They are inseparable. Crime cannot be divorced from our social order; it is the product of our times. It can and must be brought to an irreducible minimum if civilization is to survive.

brought to an irreducible minimum if civilization is to survive.

The problem of youthful delinquency hovers over practically every home in America. It is appalling to note that last year 12 percent of our murderers, 28 percent of our robbers, 24 percent of our rapists, and 52 percent of our automobile thieves were under 21 years of age. Unfortunately, the responsibility for youthful law infraction today rests more upon the shoulders of the adult than it does upon that of youth. It exists largely because of a lack of discipline. Thirty million homes hold the solution. If the younger generation is properly trained and the proper examples set before it, the safety of tomorrow is assured. It is time for America to resurrect that standard of parental discipline and guidance which did so much to create law-abiding, successful, and forward-looking

citizens in the past. Criminals develop in our homes through errors of commission or omission. Shirking responsibility seems to be one of the signs of the times. Though we live in a modern era, nothing is more important than that we insure for the future. The course is from the high chair. It is up to the parents to see that the end isn't the electric chair. The American home holds the ultimate solution to our crime problem.

American Democracy as never before looms over the world's horizon as a beacon light of justice to all peoples. The very cornerstone of our social order is based upon the respect for the

cornerstone of our social order is based upon the respect for the rights of others and an adherence to the expressed will of the majority. We often say with pride that we live in a modern age. But every generation thought the same. Only one thing is truly modern—the traditional virtues of our heritage. Even they have been assailed by fly-by-night schemes and theories. Since the dawn of time adherence to certain rules of conduct has been fundamental. Laws of morality cannot be violated with impunity and neither can the laws of nature or of man.

Violation of the fundamental principles of sanitation and hygiene ultimately means incarceration by ostracism by reason of ill health. Violation of the laws of morality, if not forfeiting health, will surely mar character and decency. Excepting nature's catastrophes, the great disasters of the past 50 years have all sprung from a failure to adhere to lawful authority. The World War was precipitated by a murder and economic gangsterism. The economic crash of 1929 followed a violation of basic economic laws.

laws.

The greatest threat confronting the people of this Nation today is not hunger, communism, or the fear of foreign invasion. These are but the consequences of lawlessness. They are the antithesis of adherence to the laws of nature and society. Hunger could not exist but through violation of economic laws and fundamental principles of social justice. Communism has as its basic principle the overthrow of the laws of our democratic social order, and it is rooted in the slimy wastes of lawlessness. In times like these we must of course be prepared against foreign invasion, but at the same time we must not forget that the basic cause leading to the decline of all civilizations in the past has been debauchery of law and order. Let us abide by the truism of the ages and place of law and order. Let us abide by the truism of the ages and place first things first. The major task of society today is to insure that law and order shall reign supreme.

law and order shall reign supreme.

The pages of history are punctuated by the rise and fall of dictators. They are of three types. In the first instance, there are those who further their own selfish purposes and greed by operating behind a smoke screen of pseudo benevolence. Then there are the dictators of the gangster racketeering type, who rule by might and even create ideologies to serve their own purposes and instifut their own misdeeds. No civilization has long survived under justify their own misdeeds. No civilization has long survived under the hobnailed, crushing heel of might. Even our own people have not been wholly free of gangster racketeering dictators. In many communities we have seen the disastrous consequences of their unholy rule. We descrate the blood of the founding fathers which was shed for liberty and freedom every additional day that the racketeering gangster is permitted to exist. And, what is more, we invite our own destruction in not destroying him.

The third type of dictator is the very antithesis of those which

The third type of dictator is the very antithesis of those which I have mentioned. It is the dictatorship of the people, for the people, and by the people. In the United States we call it democracy—the dictatorship of the collective conscience of our people. We could just as well call it justice, for America stands for that. And when justice is not real—is not honest—is not the same for all peoples—then democracy does not exist in its purest form.

The true motivating spirit of our civilization must ever be justice. Anarchy is liberty without law. Liberty and law again define American democracy. To the youth of the land our responsibility is great. Youth must be inspired by the patriotic ideals which have dominated the designers and the builders of our Nation. It must be protected against the insidious propaganda emanating from those who would inject into our national blood stream the vicious, seditious, truly alien spirit of totalitarian dogmas and doctrines, such as "You must fight against the teachings which tell you to be a patriot in your country." The poison gas of misrepresentation and falsehood is used by them in enormous quantities. Neither communism nor fascism has a place in our social order. A concerted attack upon these twin vicious growths of an alien soil and an alien spirit is no less heroic than that waged by our Minute Men at Concord. American cannot exist half American and half alien. I think we are all agreed that we do not want the doctrines of foreign extremists to spread disaffection in the United States. of foreign extremists to spread disaffection in the United States. We are proud of our American form of government. If we want to improve on it, we will do it in our own way and in our own time. It is strictly an American affair, and the quicker the rest of the world learns this the better.

We need have no fears so long as justice reigns and civic right-eousness survives. Justice insures the integrity of a nation. Juseousness survives. Justice insures the integrity of a nation. Justice is character in action; it is honesty in endeavor; it is conscience without a blemish; it is the answer to 50 years of crime and the future of America. The minds and hearts of our citizens must be enlisted in the battle to make our Nation law abiding and law respecting. Obedience to the law means liberty. This is a crusade for America—true Americanism must prevail. May we dedicate every fiber of energy we possess toward this goal. Reciprocal-Trade Agreements

EXTENSION OF REMARKS

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Friday, May 19, 1939

ARTICLE BY PROF. G. W. DYER

Mr. SCHIFFLER. Mr. Speaker, I feel very deeply about the tariff question and the policy of negotiating reciprocaltrade agreements. Almost daily I am receiving messages from my constituents complaining about the effect of this policy upon their individual employment and business life. Yesterday I received from the United States Stamping Co. at Moundsville, W. Va., a letter in which the writer stated that their loss in business in Puerto Rico alone, due to imports coming in from Japan, Czechoslovakia, and Germany during the past 4 years has decreased from \$50,000 per annum to a low in 1938 of \$8.600.

On the same day I received information that due to the reduced rates and advantages given to zinc imports the United States Zinc Smelting Corporation, in order to continue operations, were compelled to make a 10-percent reduction in salaries and wages of all officers and employees.

These and other reports reaching me, I believe entirely unprejudiced and predicated upon actual facts, convinces me of the vital importance of abandoning our reciprocal-trade policy and of establishing protective tariffs for our industries, agriculture, and workers.

I sincerely hope that those in charge of the negotiations of these treaties will promptly recognize the disastrous effects of such and abandon them notwithstanding the appropriation made this day in the face of my opposition and of the opposition of many of my colleagues.

I include herein an article written by Prof. G. W. Dyer, of Vanderbilt University, which appeared in the April issue of The Protectionist, entitled "Destroying Foreign Trade," which I believe throws much light upon the foreign-trade situation.

The article is as follows:

[From The Protectionist of April 1939]
DESTROYING FOREIGN TRADE

(By Prof. G. W. Dyer, Vanderbilt University)

The news from South America as bearing upon our trade with our southern neighbors is considerably more pessimistic than the published reports of the Lima Conference indicated. The administration is much disturbed over the fact that Germany and Italy are really getting the business in South America over American competitors. This fact in all probability is a big factor in leading the administration to form an alliance against Germany and Italy. It is well that the administration is disturbed over our loss of business in South America. But it is puerile to pick a fuss with these nations because they are underselling us on the open markets.

It is well that the administration is disturbed over our loss of business in South America. But it is puerile to pick a fuss with these nations because they are underselling us on the open markets. Business is not controlled by political emissaries nor by goodneighbor gestures. Business at home and abroad is controlled by costs of production and market prices. The markets of the world are open to the public, and business leaders are thoroughly familiar with these markets. The idea that the Government may gain new business for this country by sentimental political speeches, spectacular South American conferences, and by sending out political salesmen to find new markets for American goods is based on either deplorable ignorance of business conditions or on collitical elemeters.

If the South American people are buying goods from Germany rather than from this country it is because the cost of production in Germany is such that the Germans can undersell us on these markets. There is in this condition no ground or excuse for ill-will against the Germans. The Germans have the undisputed right to control their costs of production and to sell their goods wherever they can find a market for them. If they have kept their costs down while we have run ours up through wild spending and unprecedented wastes of the taxpayers' money we should congratulate them, and condemn our own folly. To rail against them because they are underselling us on the open competitive market is childish.

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The all-important question for the administration to consider in this situation is not the German form of government, but the factors forcing high costs upon business in this country—the extravagant, wasteful, and radical policies of the administration. The condition in South America is only one of the disastrous results to American business from the "quack" policy of "spending ourselves out of the depression." It is the unbearable increase in costs of production put on American business by this administration, and not any form of government that is driving American business out of the world markets. * *

business out of the world markets. * * * When the Government takes approximately one-third of the value of the finished products in direct and indirect taxes, a cost burden is put on the other two-thirds that will drive business out of the foreign markets and cripple it seriously on the home

markets.

Aid to Dependent Children-A National Investment

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

Mrs. O'DAY. Mr. Speaker, during the last few years, and specifically during the last few months, much has been said in hearings before Congress and in the press throughout this country of the increase in the number of old people in our population. Surprisingly little has been said about the parallel decrease in the number of children, although in planning for the future it is essential to consider those who will carry the future's burdens. Conservation of youth, important under any circumstances, is particularly urgent today.

In 1920, for every 100 persons between 20 and 60, there were 90 persons under 20, and only 13 over 60. In 1935, for every 100 between 20 and 60, there were only 68 young people, and the number of those past 60 had increased to 17. By 1975 the number of young people will have dropped to 48, and the number of the aged will have risen to 34. The proportionate falling off in youth is half again as large as the increase in old age.

The implication of these figures is startling and calls for no further comment. The protection of every child is an issue of national self-preservation—more important for those of us who are already past youth and for the Nation than for the children themselves.

In past years it was our American boast that every child was a possible president of the United States. The typical American attitude was expressed in pride in our children and an effort to bring to all of them the opportunities that public schools, public health, and the security high income of individual families afforded them. But in recent years, in the stress of unprecedented problems, it almost seems that the forgotten man in this country is not a man but a child.

In the Social Security Act the Federal Government has already recognized this problem and our obligation to meet it. However, the present Federal contribution for aid to children is figured on a much more limited basis than for either oldage assistance or aid to the blind. In the first place, Federal grants-in-aid for dependent children cover only one-third of the States' expenditures, whereas for the other two programs they are matched dollar for dollar. In the second place, the maximum monthly payment to which the Federal Government will contribute is \$18 for the first child and \$12 for each additional child in the same family, whereas the maximum for the aged and the blind is \$30 for an individual. Taking these two limitations together, the net result is that the top limit for Federal contribution is set at \$6 for a needy child and \$15 for a needy adult. If there are two children in the family, the Federal Government will contribute \$10, whereas for two old people in the same family, if the State so provides, it may be \$30, or three times as much Federal money as would be available for two children.

This is without consideration for the fact that where there are dependent children there must always be a mother or

some other relative. Many States, according to their financial capacities, are granting more adequate allowances, but make up the difference from State and local funds. Thus the more financially able States supplement the program from their funds, but the children of less able States are penalized.

During the fiscal year 1937-38 more than four times as much money from combined Federal, State, and local funds was paid out for old-age assistance as for aid to dependent children-\$175,000,000 in Federal funds for old-age assistance as compared with \$22,000,000 for aid to dependent children.

Though other factors may have played some part in this situation, there can be no doubt that a major reason for the lag in aid to dependent children is the unfavorable differential in the social-security law. The Social Security Board in its report to the President and to the Congress proposes that this differential be removed and that aid for children be put on the same matching basis and monthly maximum as the other two programs. In addition the Board suggests that the age limit be raised from 16 to 18 when the child is regularly attending school.

I believe these recommendations deserve unqualified support. They are the least we can do in fairness to the States and in fairness to the children who are eligible for this aid. Adequate Federal participation in aid to dependent children is more than a question of equity or common human kindness. It is a question of national self-preservation. Speakers, in behalf of children, usually stress the tragedy of childish misery. We are a warm-hearted Nation. We want children to be happy. I could use that argument in behalf of these measures. I could tell of homes kept together and of children assured of a mother's care because of the money provided. I could tell of other families where this help has not been given and where fear and actual want are taking their toll of the health and courage of the children.

But I know that you, as well as I, are aware of the humanitarian aspects of this problem, and perhaps, for this very reason, we may overlook the practical aspect. To fail to meet this problem is to countenance progressively increasing waste of the Nation's human assets. That is why security of children seems to me one of the most vital issues in our whole social-security program.

Aid to dependent children is an investment in health. It has been found that children in families on relief lose onethird more time from school because of sickness than those in families with a minimum of security. Sick children, if they survive, often grow into ailing or invalid adults. The provision of healthful home care should go far toward saving needless waste of child life and toward reducing the cost of future illness and dependency.

It is an investment in independence. Destitution, like ill health, can become a lifelong affliction. Security in the formative early years increases the probability that children will grow up prepared to take care of themselves when they have reached maturity. Aid to dependent children helps to foster an attitude of self-respect, rather than supine acceptance of dependency. It will reduce the burdens of public relief and assistance that the Federal, State, and local governments will otherwise be called upon to bear in coming years.

It is an investment in good citizenship. The relationship between juvenile delinquency and broken homes is only one part of the larger problem of poverty and crime-but a very strategic part. Aid to dependent children in a sensible, practical way, gives to millions of young people a foundation on which to build for themselves a constructive relationship

There is no better way of caring for children than in their own homes. On every count it is better economy now and it is a better investment for the future. This investment in the homes and the health, in the self-confidence and the self-respect of dependent children has a dollars and cents value. And it has a value in the less tangible but no less real wealth which accrues to the Nation from the quality and character of its citizens.

Adoption of the amendments to the Social Security Act will permit the Federal Government to assume its full, its just, and necessary share in this great and constructive investment for the Nation's future. If we are to maintain our cherished position as the land of youth and promise, we must take this action now.

New Deal Enemies, the Bankers, Finance Spending Spree of Pied Pipers

EXTENSION OF REMARKS

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, May 22, 1939

ARTICLE BY ROGER W. BABSON

Mr. SHAFER of Michigan. Mr. Speaker, this being National Debt Week in the United States, I believe it is pertinent that an article by Roger W. Babson, appearing in the morning newspapers of the Nation, should be reprinted in the CONGRESSIONAL RECORD. I therefore ask unanimous consent to extend my remarks and to include this appropriate article concerning the financing of Government spending. The article follows:

(By Roger W. Babson)

One of the toughest jobs in the financial world today is the protection of money and property. The yield on money is lower than ever and the risks and taxes greater than ever. Consequently bankers and investors are scared to death. They do not know what to do. They feel that whatever move they make will be wrong. They have never been so hard pressed before—not even in the abyss of the depression. The only securities which now meet with favor here on Wall Street are Government bonds. Capital has been retreating into these issues for the past 5 years. Because the 5-year treating into these issues for the past 5 years. Because the 5-year notes are tax free they meet with an artificial demand. From one end of the earth to the other United States Government bonds are considered the strongest investments that can be bought. A number of factors have boosted these bonds to the highest price level in history, so that certain issues yield less than 1 percent.

WHY "GOVERNMENTS" ARE FAVORED

These Government bonds are particularly favored by managers of These Government bonds are particularly favored by managers of institutional and trust funds. Such people believe their primary job is to maintain the principal of the funds committed to their care. Income is a secondary consideration with them. Whereas 10 years ago a conservative investment fund might yield 5 percent, today it yields 2 or 3 percent. Bankers prefer United States "Governments" because they are exchangeable into dollar bills at any time. A bank's only obligation is to pay depositors "dollars," regardless of what the purchasing power of these dollars will be. Trustees, too, are buying "Governments," because they feel the price of these bonds will hold up.

I seriously question the action of both trustees and bankers on two grounds. First, I believe that interest rates will eventually

two grounds. First, I believe that interest rates will eventually advance. Either a business boom or a war would increase money rates and shove down the high price of "Governments." Even if the price did hold up, the purchasing power of their income and principal would decline. Buying Government bonds, therefore, may be as risky business today as was the buying of common stocks in 1928—except for those who want ready funds with which to meet death taxes.

REGISTRATION

The second reason why I question the purchase of Government bonds is the financial status of the United States Government. If these bonds had to be registered with the Securities Exchange If these bonds had to be registered with the Securities Exchange Commission in the same way that private bonds must be, I doubt if many could be marketed. Such registration statement would have to show that the United States Government has not even earned operating expenses for 10 years. What corporation could get bankers to pay a premium for its 2-percent bonds if it had only earned half of its operating expenses for 8 consecutive years?

Yet good corporation bonds can be bought to yield 4 percent. These are obligations of well-run companies manufacturing or merchandising useful products. Ultimately, the future of Government bonds depends upon the making of money by these private companies. Interest on Government bonds is paid out of taxes. Corporation income taxes are the most lucrative form of taxes. These are not collected until the interest on corporation bonds is

These are not collected until the interest on corporation bonds is paid. Hence, no corporation profits, no taxes. Therefore, from a security standpoint, these corporation bonds should be excellent.

REPUDIATION OR INFLATION

Bankers and trustees must realize that Federal debt can be reduced only in two ways: (1) By outright repudiation, which means simply canceling the debt; or (2) inflation, which has the same effect in a round-about way. Because they are buying Government bonds, however, these bankers and trustees feel that when repudiation or inflation ultimately comes the public will not blame them.

Despite their hatred of the administration's financial policies and I suppose no group hates the New Deal more—these bankers and trustees do not have the guts to refuse to buy Government tell us, "You can't definitely say that we will have inflation or repudiation, Mr. Babson. It is not yet clear that we will." Well, perhaps not. It is not yet clear that we will." Well, perhaps not. It is not yet clear that Christmas is coming again, either. I ask these men, "How can current public debts ever be paid off?"

paid off?"

Some answer, "They do not have to be paid off so long as they do not get any bigger." My retort is that public debt will continue to multiply unless public spending is slashed or taxes boosted. Can Federal spending, for instance, ever be reduced 50 percent? Anyone who thinks it can be cut should just review the history of the present session of Congress. It was widely advertised as an economy session. A week ago the Senate passed the largest farm appropriation bill in history by a vote of 61 to 14! Taxes can be increased easier than spending can be reduced. However, if taxes are pushed much higher I fear a national sit-down strike of taxpayers! taxpavers!

Meanwhile the lazy public goes on voting for the Pied Pipers who got us into this jam. If the spending fund of these public vultures could be cut off by those who still control the country's capital markets we would take our first step on the long come-back trail. Our bankers and trustees are not only jeopardizing the interest of their own depositors and beneficiaries but they are putting the price on Government bonds. The smaller income control to the price of their own depositors and beneficiaries but they are putting an artificially high price on Government bonds. The smaller investor, less well-informed, buys "Governments" because he thinks their high price means a stability and safety. Yes, every time I visit New York City I feel a great need for bankers and trustees with character and courage!

American Retail Federation

EXTENSION OF REMARKS

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

ADDRESSES BY THE PRESIDENT AND SECRETARY HOPKINS

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the addresses delivered last night by the President of the United States and Secretary of Commerce Hopkins before the American Retail Federation.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY PRESIDENT ROOSEVELT

I am happy to speak at this forum of the American Retail Federation. I feel a kinship between your business and mine. The backbone of the customers we are both trying to satisfy is the same—in your case the many small customers whose steady demand

same—in your case the many small customers whose steady demand for the necessities and a few luxuries of life make up your volume; in my case millions of average American families whose standard of living is the practical measure of the success of our democracy. For you who are in the honorable business of storekeeping, the flow of consumer purchasing power determines the difference between red and black on your account books, and for the Nation the difference between unemployment and prosperity.

That is why I want to devote this opportunity to a discussion of Government fiscal policy in relation to consumer purchasing power. Some highbrow columnists and some high-geared economists say that you and I think too much about consumers' nurchasing nower.

that you and I think too much about consumers' purchasing power and look at our economic problems from the wrong end. They say that we should glue all of our attention on the heavy industries and should do everything and anything just to get these industries to work and to get private investors to put up the money to build new buildings and new machines without regard to the average consumers' need or his ability to use these buildings or machines.

By and large, you will find that these experts are the same as those who in 1929 told us that conditions were sound and that we had found the way to end poverty when we were building luxurious office buildings, hotels, and apartment houses which consumers did not need and had not the purchasing power to pay for.

THEORIES STILL WRONG, HE SAYS

Today, in 1939, they tell you that conditions are not sound because we are trying to build the sort of houses and other things which our people really need and because we are trying to make sure that our people have the purchasing power to pay for these things. They were unrealistic and theoretical when they were prophesying

their new era in 1929—they are just as unrealistic and theoretical and wrong—when they are prophesying national bankruptcy in 1939. To translate this into terms of the retail trade the shelves of heavy industries in 1929 were seriously overstocked. You know what happens to storekeepers if they buy twice as much as the public can buy from them.

In the last analysis, therefore, consumer buying power is the milk in the coconut of all business.

Whether you are a big department store or do business in a small way on the main street of a small town, your sales are dependent on how much money the average family in the community earns. That is a homely way of putting it, but it is an munity earns. eternal truth.

eternal truth.

That is one reason why I have talked about the one-third of our population that is ill-clad, ill-housed, ill-fed. That third—40,000,-000 people—can buy very little at the stores. Therefore, their local stores can order very little at the factories. Some of my friends laugh at me when I stress this, laugh at efforts to establish minimum wages! But the little and the big storekeeper understand and know they will sell more goods if their customers have more money. I want, and I think I have your help, to build up the nurchasing power of the average of your customers. purchasing power of the average of your customers.

SAYS "GAMBLING" IS ADVOCATED

How shall we produce more customers with more money?
One school of thought is what I call the school of the gamblers.
You find some of them in every community, as well as in Wall
Street, and some of them, the political variety, even in the halls
of Congress and State legislatures.

That school is eager to gamble the safety of the Nation and of our system of private enterprise on nothing more than their personal hunch that if Government will just keep its hands off the economic system customers will just happen. I use the word "gamble" because there is no modern experience to support their

theory.

In fact, modern experience denies their theory. Between 1925 In fact, modern experience denies their theory. Between 1925 and 1933 Government abandoned practically all concern for business and put into effect a tax system such as old dealers dream about. Customer and the buying power of customers were left just to happen. You know how many and how much happened. These people who are playing the "it may happen" hunch today are actually the wildest-eyed radicals in our midst because, despite proved failures, they want to gamble on their own hunch once more. In the other school of thought we are conservative New Dealers. We are the conservatives because we simply cannot bring ourselves to take radical chances with other neonle's property and other

to take radical chances with other people's property and other people's lives.

Now, the owner of a private business may have the legal right to take a long chance that may make or break his personal fortune. If he alone goes out of business, the economic system is not endangered.

But the people who run the three branches of our Government do not have the moral right to gamble with the well-being of 120,000,000 Americans. If millions of citizens starve, it is no answer to the starving to say that in the sweet by and by business, left to itself, will give them a job.

ASSAILS CRITICS OF FEDERAL DERT

Partisans are going around the country scaring parents who are not starving by telling them of an increased national debt which their grandchildren will have to pay. Certainly that is not as alarming as telling parents who are already starving that an untrammeled business set-up will provide their grandchildren with food in 1989. Yet that is what the radical gamblers of business and politics might have to say if they put their theories into practice ext year.

Not one of you who are good Americans and practical Americans believe that we could repeat the catastrophe of those years immediately preceding and following 1929 and emerge from it with our economic and social system unchanged. No businessman, big our economic and social system unchanged. No businessman, big or little, can fairly or patriotically ask his Government to take a course of action that runs that risk.

That is why our school of thought—the conservative school—holds the view that an intelligent nation should rest its faith in

holds the view that an intelligent nation should rest its faith in arithmetic rather than in a hunch.

Today, in order to provide customers for business, your Government uses Government capital to provide jobs, to prevent farm prices from collapsing, and to build up purchasing power when private capital fails to do it. For example, out of every dollar spent by the Federal Government to provide jobs, more than 50 cents passes over the counters of the retail merchants of America.

We also use what we call social legislation—such as legislation to encourage better pay for low-paid labor and thereby provide more and better customers for you; such as legislation to protect investors, so that they may continue to be your customers without losing their savings in worthless stocks and bonds.

I wonder if you have any conception of the number of businessmen and bankers and economists whom I talk with briefly or at length in any given month of the year. I wonder if you have any conception of the variety of suggestions and panaceas they offer me. I wonder if you know the very large percentage of them who honestly and very naturally think of national problems solely in

terms of their own business. I wonder if you will be surprised if I tell you that most of them leave my office saying to me, "Why, Mr. President, I did not know about that. You have given me a new perspective. I never thought of the problem in that way

A CONVERSATION ON THE BUDGET

I sit in my office with a businessman who thinks the surest way to produce customers is to balance the Federal Budget at once.

I say to him, "How?"

Sometimes he says, "How should I know? That is your job.
Cut the Budget straight through 10 percent or 20 percent."

Then I take from my desk drawer a fat book and it is apparent at once that he has never seen or read the Budget of the Government of the United States.

ment of the United States.

He tries to change the subject, but I hold him to it. I say: "This Budget is not all of one piece; it is an aggregate of hundreds of items. Either we will have to cut every item 10 percent or 20 percent or, if we do not do this, cut some items very much more than 10 percent or 20 percent."

I point out the one and a half billion dollars for the Army and Navy. He pounds the desk and says: "Don't cut that item—not in these days."

I show him the item of a billion dollars for interest on the

I show him the item of a billion dollars for interest on the public debt. He owns some Government bonds and rejects any cut in his interest.

I show him the billion-dollar item for war and civil-service pensions. He says: "No; no cut there."

I mention the billion dollars for running the permanent func-I mention the billion dollars for running the permanent functions of the regular Government departments—they cost less today than under my predecessor. He readily agrees that the postman and the G-man and the Forest Service cannot be curtailed. The only people he would sever from the pay rolls are the tax collectors. That gets us down to a few other big items—totaling over \$4,000,000,000 to take care of four things—payments to agriculture, Federal public works (including P. W. A., reclamation, and flood control), work relief for the unemployed (including C. C. C.), and assistance for our old people.

assistance for our old people.

My visitor agrees with me that we are going through a transitional period seeking the best way to maintain decent prices for the farm population of America, trying to make them better customers of businessmen—and that even if we have not yet found the permanent solution we have got away permanently from 5-cent cotton and 10-cent corn and 30-cent wheat.

SOME INCONSISTENCIES NOTED BY HIM

I come to the public works item. He suggests that that can be cut 50 percent. I happen to know that his community is working tooth and nail to get a grant for a much needed new high school, or that his county suffered severe property losses from recent floods. I suggest that we will start economy right there and not give the grants, defer building the levee or the flood-control dam for 20 or 30 years for 20 or 30 years.

In every case I find what I suspected. His local chamber of In every case I find what I suspected. His local chamber of commerce, his local newspapers are yelling their heads off to have those projects built with Federal assistance. And I say to him—"Consistency, thy name is geography. You believe with the United States Chamber of Commerce that Federal spending on public works should cease, except in your own home town."

The item of funds for work relief; there my visitor-customer makes a last stand. He wants that out and out hard.

makes a last stand. He wants that cut, and cut hard.

We agree that there are between three and four million American workers, who, with their families, need work or money to keep alive. I drive him to the inevitable admission that the only alternative is to put them on a dole.

That is where I make a stand.

I tell my visitors that never so long as I am President of the United States will I condemn millions of men and women to the dry rot of idleness on a dole; never condemn the business enterprises of the United States to the loss of millions of dollars worth of customer purchasing power; never take the terrific risk of what would happen to the social system of American democracy if we foisted on it an occasional basket of groceries instead of the change to work of the chance to work.

DEFENDS THE WORK POLICY

I well know the difficulties and the cost of a work policy.

I do not need to be told that 5 percent of the projects are of questionable value—I know it. Or that 5 percent of the people on relief projects ought not to be on the rolls—I know that, too. But when you think of nearly 3,000,000 men and women scattered over all the 48 States and all of the 3,100 counties in America, I am proud of the fact that 95 percent of the projects are good and that 95 percent of the people are properly on the rolls. And I know that the American people cannot be fooled into believing that the few exceptions actually constitute the general practice. practice.

My friend across the desk murmurs something about old-age pensions. He is a bit half-hearted about this and he finally admits not only the need for dignified support of old age, given and accepted as a new American right, but he realizes that over a period of years this support will have to be extended rather than reduced. You and I and all Americans agree that we must work out this problem for our old nearly.

out this problem for our old people.

And so my visitor leaves convinced, in 9 cases out of 10, that balancing the Budget today, or even next year, is a pretty difficult if not an impossible job.

TELLS HIS STAND ON TAXES

A few words about Federal taxes:

They fall into three principal categoriesconsumer taxes. like the taxes on cigarettes and gasoline and liquor; personal taxes, like the personal income taxes and the inheritance taxes; and, finally, taxes \$6,000,000,000. corporations. on Together they yield nearly

For good, sound business reasons two things seem clear to me.

For good, sound business reasons two things seem clear to me. First, especially in view of the unbalanced Budget, we ought not to raise less money from taxation than we are doing now.

Second, it would be bad for business to shift any further burden to consumer taxes. The proportion of consumer taxes to the total is plenty high enough as it is. Remember, as businessmen and as retailers, that any further taxes on consumer, like a sales tax, means that the consumer can buy fewer goods at your store.

Therefore, I want to leave the proportion between these three groups of taxes just where it is now.

That means that if we reduce so-called deterrent taxes on business corporations, we must find substitute taxes to lay on business corporations. That language is as plain as an old shoe. Let me give you an example of what I call making a mountain out of a mole hill. There is a hullabaloo for the repeal of the undistributed earnings tax. You would think that this was the principal deterrent to business today. Yet it is a simple fact that out of \$1,100,000,000 paid to the Federal Government by corporations, less than \$20,000,000 comes to the Government from the undistributed earnings tax—less than 2 percent of the total.

LAYS DOWN TWO CONDITIONS

LAYS DOWN TWO CONDITIONS

Let me proceed. I am wholly willing to have this \$20,000,000 tax, less than 2 percent of the total, wholly repealed on two simple conditions, which are based on principle.

The first is that this \$20,000,000 shall be raised by some other

form of tax against corporations and not raised by some other groups of taxpayers—and that it shall be raised in such a way that it will be paid by the 28,000 bigger corporations, earning more than \$25,000 a year, and not by the 175,000 little corporations earning less than that sum.

second condition is that in the repeal of this tax we shall not return to the old tax evasion loophole by which a small group of very rich people were able to leave their profits in closely held corporations, thus avoiding the full rates of the higher brackets on their personal incomes. Patriotic people will not want to go on their personal incomes. Paback to that pernicious habit.

I have talked with you at some length about the radicals who have the hunch that we ought to go back to the conditions of 1929; about performing a major operation by amputating present

functions of government; and about the efforts of some who would reduce corporation taxes and add to consumer taxes.

But I would not have you believe that the conservative attitude of this administration plans as any permanent part of our American system an indefinite continuation of excess of outgo over cash receipts.

This week is dedicated by the exponents of the administration

This week is dedicated by the opponents of the administration to merchandising horror about the national debt. We are having a national debt week like a national clean-up and paint-up week.

HE TALKS ABOUT THE DEBT

Let us talk about the debt in businessmen's terms. In the first place, a nation's debt, like the deposit liability of a bank, must be considered in relation to its assets.

A large part of the Government debt is assets.

A large part of the Government debt is offset by debts owed to the Government—loans of many kinds made on a business basis by the R. F. C. and the Farm Credit Administration, for instance, and now being repaid on schedule. These assets are just as sound as the loans made by the bankers of the country.

Another portion of the debt is invested in Federally owned endeaverse. Like Paulder, Dom which will not out a principal and

Another portion of the debt is invested in Federally owned enterprises, like Boulder Dam, which will pay out, principal and interest, over a period of years.

A third part of the debt has been invested in works like flood-control dams and levees, to save us from heavy future losses. They will pay for themselves in a very few years by eliminating annual property damage which each year has run into hundreds of millions—pay by the saving of taxable values which otherwise would have floated off downstream.

The next thing to remember about the debt is that government.

The next thing to remember about the debt is that government, like businessmen, is investing in order to create a higher volume income, and, therefore, a bigger net yield for government. National income will be greater tomorrow than it is today because Government has had the courage to borrow idle capital and put idle labor to work idle labor to work.

The year before I took office our national income was thirty-nine billions. In 1937 it got up to sixty-nine billions. In 1938 it went back to sixty-two billions. Today it is running at the rate of sixty-five billions. At eighty billions, the income from present taxes will be sufficient to meet expenditures on the present scale and actually to reduce our relief appropriations.

SAYS NO SURPLUS STOCKS EXIST

Today, with no danger of surplus of goods overhanging the market—just because we have tried to keep consumer purchasing power up to production—the Nation is in an excellent position to move forward into a period of greater production and greater

employment.

And, when this week you see all the crocodile tears about the burden of our grandchildren to pay the Government debt, remem-

ber this:

Our national debt, after all, is an internal debt owed not only by the Nation but to the Nation. If our children have to pay interest on it, they will pay that interest to themselves. A reason-able internal debt will not impoverish our children.

But if we do not allow a democratic government to do the things which need to be done and hand down to our children a deteriorated nation, their legacy will be not a legacy of abundance or even a legacy of poverty amidst poverty.

Don't you green that the halfest our children as the state of the state o

amidst poverty.

Don't you agree that it is better to work unitedly to balance national income and national outgo at a level where government can do the things that have to be done to preserve our people and our resources, than to play the speculative hunch and withdraw government from lending and investment, from conserving property and from providing work for our capital and our people, in the hope that in some mysterious way a miracle will occur—a miracle which our only experience under modern conditions has proved impossible?

I keep saving "do not lose sight of the forest because of the

I keep saying "do not lose sight of the forest because of the trees." Let us always distinguish principles and objectives from details and mechanics. You cannot expect this administration to alter the principles and objectives for which we have struggled the

last 6 years.

But if you approve of the purposes that lie behind our policies, but believe our operating method can be improved, then your help and counsel are welcome—doubly welcome in this administration. That relates to the details of taxation, details of relief, the details of every administrative branch of the Government.

CITES ROLE THAT PEACE MAY PLAY

If I have spoken to you seriously tonight, it is because I believe that you, too, are thinking of the well-being of every man, woman, and child in our country—that you go along with me in every effort that I can make for the preservation of world peace and for the preservation of domestic peace—not merely an armed peace which foregoes war for the moment, but a peace that comes from a knowledge, both abroad and at home, that there will be no further acts of aggression on the part of nations, on the part of groups, or on the part of individuals. You think, rightly, of profits in your own business—so does every other American—so do I. But we are not ruled by the thought of profits alone. More and more we seek the making of profits by processes that will not destroy our fellow men who are our neighbors.

That is one of the functions of your Government. It seeks

men who are our neighbors.

That is one of the functions of your Government. It seeks your cooperation in the extension of that ideal. It is open to your advice and your help—because it believes that its fundamental ideals and yours are the same.

That is why I came to you, not in the spirit of criticism, not with a big stick, but with a simple plea for your assistance as American citizens in working out our common problems with good will and with the maintenance of the ideals of peace.

ADDRESS BY SECRETARY HOPKINS

It is with pleasure that I come before the American Retail Fedration. Yours is a comparatively young organization, but I be-lieve your forum is evidence of the increasingly important role

you will play in the field of retail distribution.

you will play in the field of retail distribution.

It is your undertaking to be truly representative of the Nation's retailers. This is a task of great importance and is a responsibility which I am sure will not be taken lightly. Many of our producing groups, because of their small numbers and compactness, have long been organized to represent themselves and their interests with great effectiveness. They have impressed their problems and needs upon the Government and citizens in general. It is easy to understand why the retailers of the country, because of their number and geographical scatter, have taken so much time to develop and express their point of view to any comparable degree. This forum will also serve another valuable purpose. It will reestablish in the public mind a picture of the vast scope of American retailing and the vital role it plays in our economic life. Because the store on the corner or down the block is so much a part of the daily routine, the average person seldom gives a thought to

of the daily routine, the average person seldom gives a thought to this complex and important business. He probably doesn't realize that there is one retail store for every

20 families in the country.

He probably doesn't realize that they provide work for a million and a half storekeepers and 4,000,000 employees.

He may not realize that they carry an annual pay roll of \$4,000,-000,000, or 10 percent of all wages and salaries paid in the Nation. He probably doesn't realize that in 1938 more than \$35,000,000,000 worth of goods was distributed through retail channels.

SERVES DOUBLE FUNCTION

This far-flung network of retailers serves a double function. First, it distributes the products of the farmer, the manufacturer, the miner, and the importer to the ultimate consumer. And, secondly, it is a sensitive agency which appraises the desires and needs of the consumer and relays these back to the producer.

When we study historical trends we find that the role of distribution is becoming of increasing relative importance in economic life. This country is blessed with the means of abundance, but we have failed to utilize fully these means for the common good. Although it is the responsibility of other segments of our business life as well, this challenge of effectively distributing what we are capable of producing is perhaps yours in a larger measure than that of any other single group.

The individual consumer wants more goods, but many of them The individual consumer wants more goods, but many of them also want more services in obtaining them. Among these services are increased diversity of product, installment and credit facilities, delivery, quick adaptation to changing demands, more attractive presentation, and other auxiliary services which make the retailer's performance more involved and more important. By providing these services you both enhance the market value of your efforts and help bring about distribution of the products of industry in a manner necessary to meet the expressed desires of some people. Paradoxically, furnishing these added services poses the problem of satisfying consumers who have neither the desire nor the money to pay for these extra services which many of us demand. Perhaps I should add that some of these services are of dubious social value, but are the natural results of competitive selling efforts. Thus the

but are the natural results of competitive selling efforts. Thus the multiplicity of brands and the snowballing processes of competitive advertising may add to the costs of distribution without giving corresponding benefits to the consumer.

WOULD ENLARGE AID TO CONSUMERS

While there are several agencies in the Federal Government engaged in activities for the benefit of consumers, I have always felt that the Government's whole program has never adequately pro-tected and promoted their interests. I am convinced the Department of Commerce should play an appropriate role in such a pro-gram. The development for consumers of standards and grades of certain products and the conducting of research in business practices directly affecting consumer interests are within the scope

of the Department's purposes.

In recent years consumer organizations have been growing, and through them the consumer has been able to express himself more articulately. You, as retailers, should welcome these expressions. Consumers should not only receive but are entitled to a place at the conference table with retailers, wholesalers, and manufacturers. If the Department of Commerce in cooperation with the Department of Agriculture, the Department of Labor, and other agencies can help satisfy consumer needs, we will have served a agencies can help satisfy consumer needs, we will have served a

useful purpose

Recently the Department of Commerce has moved into new fields of aids to business. I want to discuss with you what the Department is now doing as well as plans which I have in mind for the future. For this occasion, however, I shall confine my remarks to the Department's work on the domestic front relating to business

Particularly would I direct your attention to the Bureau of the Census and the Bureau of Foreign and Domestic Commerce. They collect, analyze, and disseminate information to help American businessmen in studying problems, local, national, or international

The development of analytical studies and the distribution of many types of economic information in concise and useful form through publications and conferences have long been the responsibility of these Bureaus.

SURVEYS AID BUSINESS

The Department's surveys are manifold. They include comprehensive population and industrial censuses at regular intervals. A current retail sales-reporting program provides monthly statistics on sales of retail stores, by trade and type of store, and now covers 28 States. Our objective is to expand this service to blanket all 48 States. An annual survey of retail credit, of collections and bad-debt losses, which, incidentally, is made in cooperation with the National Retail Credit Association, is part of

eration with the National Retail Credit Association, is part of the program.

The Department compiles national-income figures on annual and monthly bases. To make these income figures even more valuable to businessmen, we have just compiled and published them on a State by State basis. Many special reports on such practical problems as store arrangement and store modernization have been widely distributed.

Business has found all of these functions to be of practical value and has made wide use of the Department's services. However, I am impressed with the need for supplementing these endeavors on many fronts. Not only must we expand the work in existing fields but we must constantly explore new areas which challenge our progress and which offer opportunities of fruitful results.

Some weeks ago I publicly expressed the hope that Congress will approve a pending bill which would promote business through establishment of State business research stations, working with the Department of Commerce. This proposal was sponsored only after

Department of Commerce. This proposal was sponsored only after discussion and study by a committee representing the Conference of State University Schools of Business and Department of Commerce officials. As the bill states, the purpose of the legislation is—and I quote: "To improve the general economic welfare of the counand I quote: To improve the general economic wehare of the country by establishing, extending, and coordinating business research and to furnish aid and assistance to small business by providing facilities for research into their problems similar to the research facilities now available in large business enterprises."

BUSINESS LOOKS FOR INFORMATION

The individual businessman is called upon constantly to make decisions vital to successful operation. While many of these problems are identical in character from one area to another, others are local in nature. Many do not lend themselves to general study on a national scale. Under this program, projects can be undertaken of immediate and direct aid to business communities in the several States.

Our large business enterprises are becoming more and more aware of the increased need for information and understanding

of market opportunities, price policies, inventory practices, credit facilities, accounting techniques, advertising media, consumer preferences and other factors essential to profitable operations. This increased cognizance is evidenced by the growth of economic research units in large corporations. The limited resources of small businesses necessarily prevent them from undertaking similar studies though their needs are equally essential.

The present activities of the Department of Commerce are largely focused upon the collection and distribution to business, men of information either in statistical form or in descriptive terms concerning actual business operations. It is a service agency for business—and this is a significant function. However, the

terms concerning actual business operations. It is a service agency for business—and this is a significant function. However, the Department greatly needs to deal with national and business problems on a policy level—not so much in terms of individual businessmen as in terms of broad economic factors. To move specifically into this area, I propose to strengthen our work by creating within the present framework of the Department of Commerce a Division of Industrial Economics. This will involve consolidating several of the existing units in the Bureau of Foreign and Domestic Commerce, and the addition of some persons to our staff of unquestioned competence in this field. staff of unquestioned competence in this field.

RESPONSIBILITY OF SECRETARY

The Secretary of Commerce has a very real responsibility to the rest of the Government and to the business community. He must concern himself with the broad problems of public policy which involve determining what the Government should do to assist the economic system in preserving its health, and with those specific problems which arise in individual trade and industry situations.

These are not abstract problems. For example, a bill is presented to Congress and the appropriate committee asks us to express our best judgment of its necessity and probable consequences. This bill may affect the welfare of an entire industry, its management, its members, its investors, its suppliers, and its customers. An administrative agency may be considering some action of grave import.

members, its investors, its suppliers, and its customers. An administrative agency may be considering some action of grave import. An industry may be considering the adoption of policies affecting the public interest, and wish for advice from the Government.

It is obvious that even with the best will in the world and the full use of my time and energy, I cannot as an individual deal wisely with all these matters. I must necessarily lean heavily upon the resources and ability of men in the Department of Commerce who can bring to bear expert knowledge and long familiarity with the problems.

problems

problems.

To this end, this new division will strengthen the effectiveness of the Department of Commerce at two particular points. In the first place, it will concentrate its efforts on understanding and evaluating the economic state of the Nation. At the present time the Department is active in gathering information. It publishes the most comprehensive record of current business statistics produced anywhere in the world. It makes estimates of national income which are accepted as authoritative. However, we must do more than assemble information. The real job is to put these facts to work. At present, we are collecting pieces of a picture puzzle. But separate pieces mean nothing. We must concentrate on trying to put those pieces together. The Department of Commerce must be able to present the picture, not the puzzle.

MUST HAVE BASIS FOR DECISIONS

Decisions involving private policy and public policy, in the ab-Decisions involving private policy and public policy, in the absence of facts objectively interpreted, must rest on guesses concerning the direction and significance of our economic developments and trends. Unquestionably it is one of the fundamental tasks of the Commerce Department to provide as solid a basis as possible for these decisions. The problems are here. Decisions cannot be avoided. When there is a large area left for guesswork, it is inevitable that mistakes will be made, and misunderstandings and controversies will be most difficult of solution. Only by means of a continuous and elaborate study of the present can intelligence be substituted for guesswork in both public and private decisions.

The second area which must be thoroughly cultivated relates to

The second area which must be thoroughly cultivated relates to the problems of specific industries and trades. Certain problems emerge as general problems for the whole economy, others take the form of difficulties in specific industry situations. Some industries have laid their problems before the Government seeking help. Some industries are so important to the public welfare that the Government cannot shirk its responsibility by leaving them to struggle with their problems alone. Some industries have been forced by circumstances to adopt policies contrary to the public welfare.

In all these cases it is important that the Government be able In all these cases it is important that the Government be able to analyze the situation expertly and sympathetically. In certain circumstances it may be possible for the department to work jointly with the industry, exploring the situation thoroughly and seeking a constructive solution to the problem. There is a best solution for every problem. I believe that the Department of Commerce has a major contribution to make in finding those solutions, and shall proceed with such a program.

My aim is to administer the Department of Commerce in such a way as to make the greatest possible contribution to the effective working of our economic system—to the task of raising our national income.

REJECTS NARROW MEANING OF ACT

While I am mindful of the legal responsibility of the Department of Commerce to promote trade and industry, I have never assumed that Congress intended the enabling act to be interpreted in a narrow and restricted manner. I believe it is our responsibility to promote trade and industry not just for the benefit of one group in

our society, but, rather, for the common good. Business in its broader sense comprises not only owners and managers of enterprises, but the worker and consumer as well. Each is a vital link in a chain which makes up our whole economic structure.

Unless all these groups are in a healthy economic state, there can be no genuine prosperity. If profits are essential to business, as I believe they are, then most assuredly decent wages are equally essential to the worker, adequate farm prices equally essential to the farmer and a standard of living consistent with our conscitution.

essential to the worker, adequate farm prices equally essential to the farmer, and a standard of living consistent with our capacity to produce equally essential to the consumer.

Our economic machine has come a long way since 1932, when it produced a national income of only \$40,000,000,000. At present it is operating at a national income rate of more than \$65,000,000,000. While this \$25,000,000,000 gain measures substantial progress, we are still aiming for those higher levels that can be ours. Prices are lower than in 1929, when we had an \$81,000,000,000 income. But even at 1929 prices we are still several billion dollars below that level and our population has increased by some 9,000,000 persons.

HOLDS NATIONAL INCOME TOO LOW

Satisfying the wants and needs of our people makes it imperative that the national income be raised substantially by production of more goods and services. At the same time increased income and purchasing power must be directed toward those now unable to buy the food, clothing, and shelter they need.

After all, one out of every four families now receives an annual income below \$750—or \$15 per week. More than half of our families receive less than \$1,250 income per year—or \$25 per week. These figures makes obvious an abundant potential demand for more goods and services.

for more goods and services.

You retailers, familiar with buying habits, know what would happen if we could lift the \$15-per-week families into the \$25-per-week income group. There would follow a substantial increase in the purchase of goods and services by these people. These families would spend 22 percent more for food, 38 percent more for house-hold operation, 88 percent more for medical care, and 102 percent

hold operation, 88 percent more for medical care, and 102 percent more for clothing.

Not only would this increased income spell a more comfortable and dignified life for these families, but it would be reflected in higher profits for you. This administration recognizes and always has recognized the necessity of fair business profits as an essential basis for increasing employment and private investment.

It has opposed and will continue to oppose only those business profits made:

First, by misrepresentation of this to the property of the profits and the property of the profits and the property of the profits and the profits and

First, by misrepresentation of things that are sold, whether articles of consumption or securities;
Second, by exploitation of labor, whether in wages, hours, or conditions of work;

Third, by wanton destruction of natural resources, whether soil, minerals, or forests; or Fourth, by abuse of monopoly position, whether acquired by franchise or through trade-practice agreements.

URGES BUILDING SOUNDER STRUCTURE

Profits so made are subversive to private capitalism. looking businessmen must support Government in eliminating them so that we can build a sounder and stronger business structure.

This administration met a pressing challenge by developing the most fundamental economic and social reforms in the history of the Nation. With the underlying principles of these basic reforms there can be no compromise. To suggest that the laws which gave life to these principles can be improved is in no sense a valid

life to these principles can be improved is in no sense a valid argument against the merit and need of these reforms themselves. In the process of improving such measures as the Social Security Act, the corporate tax laws, farm legislation, and others, we must make certain, however, that the net result of our efforts will, on the one hand, tend to increase employment and production, and, on the other, enhance the opportunity of our humblest citizens to share in the decent way of life. I believe these two objectives are in no sense contradictory.

Surely the risking of private money in new enterprises and productive processes does not require an environment in which the farmer and worker is impoverished. Use of Government funds—belonging to all the people—to improve the lot of the worker and the farmer while our economy moves upward into balance is but the modern method of protecting our private economy. In earlier years this was done through subsidies, franchises, and grants of land.

Today it is done more directly through provision of jobs, benefits

Today it is done more directly through provision of jobs, benefits to farmers, loans to business, and assistance to the aged and the needy. We know that now there are more jobs, higher wages, greater profits, and better farm prices than prevailed during the period from 1929 to 1933. But we are not satisfied with this progress. We must push on to higher ground.

There may be those who fear the democratic process by which the people rule the Nation and choose agents to exercise executive functions in their behalf. I like it.

I like it because I enjoy the freedom of saying publicly or price.

I like it because I enjoy the freedom of saying publicly or pri-

I like it because I enjoy the freedom of saying publicly or privately anything I please.

I like it because I can go to whatever church I choose.

I like it because I enjoy reading the good things written about me, while, at the same time, recognizing the need for possessing the tolerant spirit which absorbs the barbs and blunt criticism found in the printed word.

With these rights treasured in the hearts of the American people, there is surely the genius, the imagination, the ability, and the determination to make our democracy work.

APPENDIX TO THE CONGRESSIONAL RECORD

Proposed Antialien Legislation

EXTENSION OF REMARKS

HON. SHERMAN MINTON OF INDIANA

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA, MAY 14, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Congressional Record an address delivered by the distinguished junior Senator from Montana [Mr. Murray] at the National Emergency Conference, Hotel Raleigh, Washington, D. C., May 14, 1939. This address constitutes a timely warning against the flood of antialien bills now pouring into the Congress and threatening the future peace and happiness of our people.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, you and I are gathered here to discuss what I conceive to be one of the gravest threats to the liberties of the American people that has faced us in the past hundred and forty years. It is a menace which must be met in a thoughtful forty years. It is a me and a forceful manner. and a forceful manner. I do not think we can afford for a single moment to underestimate its importance. The entire country should be roused by the danger which confronts it and threatens its future peace and happiness. If it is not—if the liberty-loving people of the Nation fail to recognize this impending danger and cause their full weight to be felt against this frenzied legislation. which would destroy our traditional rights and freedom—then I say we face an ominous future.

That is why I welcome and endorse this emergency conference,

which gives public recognition and calls public attention to the dangers that threaten American democracy.

It is always well to go back into American history and review the lessons that our fathers learned so that their travail may not have

been in vain for future generations.

In the year 1798 there was enacted in the United States a set of In the year 1798 there was enacted in the United States a set of four measures which have been referred to ever since as the alien and sedition laws. Even in those days when our country was in crying need of immigration—when we anxiously invited the oppressed and the poor of other lands, when we begged them to come to us to help develop the vast natural wealth of our land—even in those days the prophets of reaction, the politicians with an ax to grind for retrogression, linked together the alien problem and the so-called sedition question. They did this because they felt that one of the easiest harps to play upon was the ignorance of a mass of people; their resentment of the "foreigners" whose ways and language they did not understand and whom they consequently feared. That movement in our early history almost wrecked the Nation. Nation.

History is again repeating itself. We are discussing here today History is again repeating itself. We are discussing here today numerous pieces of legislation which were lately introduced in Congress. Most of them are called alien bills, and most of them present principles and ideas which are thoroughly alien and un-American. The alien and sedition laws of 1798 were also thoroughly alien and un-American. Like the measure which has already passed the House of Representatives, they provided for imprisonment without trial. The difference was that under the 1798 legislation a maximum of 3 years' imprisonment might be imposed; whereas the concentration-camp bill, recently passed in the House borrows from a later developed alien ideology and the House, borrows from a later developed alien ideology and

the House, borrows from a later developed alien ideology and permits indefinite imprisonment.

Measures which have been seriously introduced, and considered in Congress, forbid aliens to believe in Government reforms that are currently and widely advocated by Members of Congress; some of them—the child-labur amendment, for example—by an absolute majority of the people of the country. This is the first step toward regulation of the political thoughts and beliefs of citizens. The alien and sedition bills of 1798 took that second step, and made punishable by imprisonment "unlawful opposition" to the Government, and even criticism of the President, the Congress and other constituted Federal authority. Under its progress, and other constituted Federal authority. Under its pro-visions every newspaper that opposed the Government was har-assed through prosecution of its publishers, editors, or editorial

I am certain that the glorious history of our country and its am certain that the glorious history of our country and its development might have been far less glorious; that its great achievements in science, industry, and social progress might never have been made had not the people of the United States rebelled against those vicious laws. Despite the stifling of public opinion and criticism, the young and lusty American Nation rose up and overthrew the party whose administration had enacted these undermining laws. It struggled feebly for a few years after its defeat at the polls, and then, thank God, it died and has never

been heard from since.

It might be asked, who are these aliens about whom such a hullabaloo is raised? What is this terrible menace against which we are asked to forge such weapons as will automatically destroy ourselves as well? These aliens are today's replica of your father and my father, my mother and your mother. They are the you and me of yesterday before we or our ancestors became citizens.

and me of yesterday before we or our ancestors became citizens. The United States was settled by immigrants. We are a Nation of immigrants. Many came to these shores to improve their economic condition, but a larger number came to escape the religious and political persecution visited upon them by the despotic rulers of their native lands. The very first to follow the earliest explorers were refugees from England, men and women who sacrificed what worldly possessions they had and risked their lives in filmsy craft on a dangerous and uncharted ocean to reach a free land. Within a short while there came Irish victims of famine and oppression, French Huguenots, German democrats, Russians fleeing the mad tyranny of the Czars, and others from distant lands. These folk, among them some of the most advanced thinkers of their days, found a new life, a safe harbor, here. They expressed their appreciation of their new-found freehere. They expressed their appreciation of their new-found free-dom by adopting this new land as their own and by spending their strength and their lives in fostering its growth and preserva-tion. As a result, you find today in our civilization traces of the influence of nearly every race and every nation of the world. Beginning with the sober and industrious Dutch in Pennsyl-

Beginning with the sober and industrious Dutch in Pennsylvania, early in our history there came to our shores skilled agriculturalists from Northwestern Europe. Their descendants still till the ground selected and developed by their forebears. With our rapid industrial progress came the need for skilled and unskilled labor, also provided by the European countries. Today their children and their children's children tend the looms and pour the steel. Today, too, the children of these immigrants are, as in the past, contributing to the advancement of the arts and sciences. They are among our most respected citizens, occupying positions of honor and distinction in every State in the Union. America was not only discovered and settled by aliens; it was also developed by them. We owe our strength and our greatness to immigrants.

In my State of Montana, the only statue that graces the entrance

In my State of Montana, the only statue that graces the entrance to our capitol is the heroic bronze equestrian statue of Thomas Francis Meagher, an Irish immigrant deported from his native land,

Francis Meagher, an Irish immigrant deported from his native land, who lived to become one of the heroes of the Civil War and Montana's first Governor.

Today, as in the past 3 centuries, the old and unregenerate world still casts off its best sons and daughters. And still they look to us for a new home, and a new opportunity to serve mankind. Their contribution to the enrichment of life and pursuit of happiness is dependent on the liberty that they find here. In the past century and a quarter, 38,000,000 allens have landed on these shores. We are indeed a Nation of immigrants.

These immigrants hewed the forests, erected primitive homes from logs and mud, cleared and cullvated the fields. Year by year they pushed the frontier westward. Year by year, as this great young Nation expanded, these immigrants cut roads through the wilderness, dug the first canals, leveled the beds for the first railroads, manufactured and laid the first ties and rails, and constructed the first locomotives. They developed the great, inexhaustible mineral deposits of the West, and wrested from the ground the wealth which has made this the richest Nation on earth. earth.

But now certain people would have us believe that the alien today constitutes such a menace that no step is too extreme, no sacrifice too great, to stop it. There are three and a half million persons in the United States who are not citizens, according to the estimates of the Department of Labor. They have a lower crime ratio than any other group in the country. Literally millions of them have not become citizens for purely technical reasons, and my colleague the distinguished Senator from Massachusetts, Senator Walsh, only a few days ago introduced a bill which would make possible the naturalization of a quarter of a million aliens who served in the armed forces of the United States during the World War—aliens who offered to die for our democracy. Other measures have been introduced and, I hope, will be passed, which will remove technical obstacles to the naturalization of other large groups. This is constructive legislation on the alien problem. But now certain people would have us believe that the alien problem.

But this whole flood of bills that we are most particularly considering here at this emergency conference presents an entirely different ideology. Let us examine just a few of them. We see different ideology. Let us examine just a few of them. We see that their immediate object is to make the alien's life more difficult, to penalize him, to place restrictions on his life, his thought, his movement; to oppress and belittle him and make him feel his inferiority. The direct effect would be to separate the alien from the life of the community; to set him apart, to cast him out. The agitation which is so widespread and which has the passage of such legislation as its aim, is a brother to the agitation that brought Hitler into power in Germany. He picked on the Jews as a scapegoat. Here his imitators pick on the foreign-horn.

on the Jews as a scapegoat. Here his imitators pick on the foreign-born.

Take, for example, those measures which call for registration and fingerprinting of all aliens in the United States would oblige them under heavy penalty to carry on their persons at all times registration cards for identification. The Secretary of Labor, in a communication to the Senate Committee on Immigration, rightly points out that such a measure would tend to act as a deterrent

to naturalization of the noncitizen, by giving him the feeling that he is discriminated against by the Government.

But the Secretary of Labor points out also that such registration would be the first step to similar registration of the entire population, and that the whole idea is foreign to American principles and the traditional policies of individual freedom which have been established for our benefit by our forefathers and maintained throughout our national life by eternal vigilance until now.

Imagine a situation where three and a half million persons, for the most part indistinguishable in appearance from thirty or forty millions more occupying the same country, are obliged to carry identification cards at all times. There would be severe penalties attached to failure to have such cards available for police inspection. The police would have the duty of enforcing this law. I identification cards at all times. There would be severe penalties attached to fallure to have such cards available for police inspection. The police would have the duty of enforcing this law. I ask you, how would they enforce it? And I answer, they could not enforce it equitably, even were it a just law. Any attempt at enforcement of such a measure would bring untold violations of the liberties of citizens not required to carry such identification cards. Under an antilabor local or State administration, for example, we would see mass raids upon union headquarters in times of labor disputes and arrests of all there present—on the theory so often advanced that if labor strikes for its rights it is under the influence of allen agitators, and that consequently strikers should be required to produce identification cards as registered aliens or proof of citizenship. I doubt that more than 25 percent of our urban citizen population could readily produce proof of their citizenship. Certainly none carry such proof upon their persons.

The Secretary of Labor put it very mildly. Actually registration and fingerprinting of every person in the United States would be necessary to the administration of a law requiring this for aliens; and try to imagine, if you can, the confusion that would arise and continue until such time as the registration were absolutely complete, with police searching every nook and corner, keeping guard

plete, with police searching every nook and corner, keeping guard over traffic arteries, stopping every person, arresting and holding all

those not bearing cards.

And then, once the registration was complete, imagine what a splendid, Government-made blacklist labor-hating industrialists would then have.

Such measures have not only been introduced in the Congress. They are receiving serious consideration there and the agitation

for their passage grows every day.

The spectacle of such a domestic passport system introduced into this free country is one that should horrify every American. Unfortunately, too few of our people even know that such a plan is contemplated; nor do they know, I am quite sure, of other proposals which are receiving consideration and attention from the highly organized reactionary groups behind them—one of the most omnipresent lobbies in Washington.

A group of three bills were introduced in a single day in the House, all unknown to the general population, or even to more than a very small portion of those who would be affected by it. I will cite these bills because they illustrate the inevitable link between curtailment of the civil rights of aliens and a similar repression of the rights of citizens generally.

The first bill in this series provides, according to its title, for "the deportation of alien Fascists and Communists." But if you read past the title, you find something of a different picture. You find that the expression "Fascists and Communists" is defined, and in that definition I will venture to say, you could fit any trade-unionist at all active, and especially one who might venture better the receivable. onto the reservation of an antiunion employer to organize his plant. It is what is known as a shotgun definition, because it is so broad and so vague, capable of such broad interpretation, that no one really knows what it means; it simply scatters all over the lot

The second bill in the series has the same definitions. It applies them, however, to organizations instead of to aliens. It provides that any organization which might be hit by any one of the shotgun's scattered and unpredictable pellets, shall be registered and controlled as to its internal affairs by the Government. The main direction in which the shotgun is aimed, need I say, is the direction of lobor.

direction of labor.

The third bill uses the same definitions again. It provides that a citizen who might come under it shall not be permitted to work for the Government, directly or indirectly. If a Government employee is accused of being within the proscribed group, it is up to him to prove he is not, or be fired. The net effect of such a bill would be a case of jitters among Government employees thickness the contract of the con ployees which would turn everyone into a deaf mute in all matters where politics are concerned. And why should Government em-ployees be deprived of the right to think politically and inde-

pendently?

pendently?

Perhaps the answer will be found in an examination of still another measure, one of those that has already passed the House. It provides that any alien who believes in or belongs to an organization which advocates "any change in the American form of government" shall be deported. I referred to this bill earlier. This is the one that proscribes political thought by an alien on such measures as the various amendments which have been proposed to the Constitution. But the effect of this bill is not mentioned in its text at all. The effect of it would be to stiffe all political action by tradeunions, by organized religious groups, and other bodies which by their very nature cannot distinguish in membership between citizens and aliens. For, if they took formal action upon various proposals that are before the people of the country now, they would become "an organization which advocates" change in the American

form of government," and such of their members as were not citizens would be made deportable thereby.

The purpose of this bill is to stifle progressive political action by comparison.

organizations—it is for the most part progressive, not reactionary, ideas that involve "change." And it will only be the progressives in Government service who will be fired for political thought, too, if that bill becomes a law. Reactionaries propose and support it; reactionaries, if anyone, will pass it; and naturally reactionaries will administer it. That is the whole idea.

The pattern of this legislation now before Congress, purportedly to settle the "alien problem," is such that if even a small part of it were now to be enacted into law, this time next year you could not be here, representing organizations interested in the preserva-tion of American freedom. Two years from now, if the full pro-gram goes through, heaven knows what will be the conditions developed in this great American democracy. The possibility is that thousands will be in concentration camps. Turmoil and bitterness will fill the land.

The entire program of social reform which has been enacted in the past six and a half years is threatened by this apparent flank, but actually undercutting, attack. The root of all progress and of all improvement in the relations between man and man is liberty. This legislation cuts at those roots, deprives the body politic of its very life-blood.

If the people of America are to preserve their freedom in a world of expanding tyranny, they must be vigilant. They must look not only to the form, but to the spirit and to the effect of every measure that is presented to the legislatures of the States and of the Nation. Only an expanding liberty can live. Contraction of its boundaries means creeping death for our democratic institutions

I hope this emergency conference will mark the rebirth of a I hope this emergency conference will mark the rebirth of a new and vital interest in the so-called minor legislation in the Halls of Congress and the capitols of the several States; an interest which will erect watchtowers everywhere to rouse the people to the continuing battle against tyranny and oppression. Let us continue to stand solidly in support of our democratic institutions and never suffer that "light," which inspired millions of our forebears to cross the seas, to be dimmed or extinguished.

National Debt Week

EXTENSION OF REMARKS

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

ARTICLE BY RAYMOND CLAPPER

Mr. BROWN. Mr. President, it is generally agreed that Mr. Raymond Clapper, of the Scripps-Howard newspapers, is one of the ablest and fairest columnists in the country. His editorial in today's issue of the Washington News is such a clear, forceful, and timely analysis of the need in the past for Government aid to employment that I ask its inclusion in the RECORD, so that it may have the widest circulation I can give it. It is entitled "National Debt Week," and exposes the fallacy of the criticism leveled at the administration's program by the Republican National Committee.

There being no objection, the editorial was ordered to be

printed in the RECORD, as follows:

[From the Washington Daily News of May 23, 1939]

NATIONAL DEBT WEEK

(By Raymond Clapper)

(By Raymond Clapper)

The Republican National Committee has designated this as National Debt Week. The fact that under Mr. Recosevelt the public debt rose from \$22,000,000,000 to \$40,000,000,000 is being branded as the crime of the century.

To illustrate the magnitude of this spending—which the Republicans would like to have you think injured the country rather than helped it—the Republican National Committee set up an attractive little exhibit in a downtown show window. This exhibit includes a miniature model of the Empire State Building. Besides the model is the explanation that had the money which the New Deal has spent been devoted to construction of Empire State Buildings, 940 such could have been built, one for practically every smaller city in the country.

That was a very happy illustration, not for the Republican National Committee but for the New Deal's case.

First, the Empire State Building was constructed by private initiative and therefore is supposed to have been a highly efficient undertaking, not like Government spending which is supposed to

undertaking, not like Government spending which is supposed to be wasteful and useless. Well, I'll let anyone check on the amount

of office space that has been empty through the years in that white elephant of private enterprise and set it against some of the badly needed school buildings, hospitals, bridges, roads, playgrounds; yes, and even the much belabored W. P. A. writers' projects which have produced a set of guide books that has just won the praise of a committee of book publishers for excellence of workmanship. I wouldn't try to stretch the point, but would merely suggest that, just as private spending is not always efficient, so Government spending is not always wasteful.

just as private spending is not always efficient, so Government spending is not always wasteful.

Second, the Empire State Building illustration is not a happy one for the reason that it was because private enterprise was unable to continue erecting Empire State Buildings that the Government continued spending for construction even though its tax revenues were falling and the money had to be borrowed. Henry Dennison, president of the Dennison Manufacturing Co. of Framingham, Mass., offered some revealing information on this subject to the O'Mahoney Temporary National Economic Committee.

mittee.

Using figures of the National Resources Committee, of which he is a member, Mr. Dennison said that, taking total public and private construction together, we are spending no more today than we did 18 years ago, in 1920. Total outlays for construction and maintenance, public and private, grew from about \$8,000,000,000 in 1920 to \$14,000,000,000 in 1927—and then collapsed to \$4,000,000,000 in 1933. It was then that the first Roosevelt public-

works program was begun.

The difference between 1920 and now is not in the total outlay, The difference between 1920 and now is not in the total outlay, but in who is doing the work. In the 1920's, Government construction (Federal and local) amounted to 20 to 25 percent of the total. Private industry was carrying three-fourths of the load. Now the Government is carrying 40 to 50 percent—about half of the total load. (Incidentally, in dollars, the 1938 Government outlay—Federal and local—was not quite as much as it was in 1930—before Roosevelt.) Public construction fell off in 1931–33, but thereafter recovered to the levels of the late twenties.

Mr. Dennison makes another point about Government construction spending. In the 1920's, States and cities carried the major share of the public construction on a steadily increasing scale.

The depression found them unable to bear the load and State

The depression found them unable to bear the load and State and municipal construction declined sharply. The Federal Government moved in and by 1936 had brought total public construction wolume back to the level of the late twenties. This construction work, financed by the Federal Government but handled largely by local governments, covered schools, water and sewage systems, public buildings, and concernation projects.

lic buildings, and conservation projects.

Perhaps it would have been better had private industry continued to erect Empire State buildings. But since that couldn't be, would it have been better if the Federal Government also had quit building and thus have escaped adding to its debt? Opinions differ violently, but, in spite of National Debt Week and that income-tax payment which is due next month, I think it was milk well spilt and not to be cried over too much.

The Problem of Palestine

EXTENSION OF REMARKS

HON. WALTER F. GEORGE OF GEORGIA

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

EDITORIAL FROM THE ATLANTA CONSTITUTION OF MAY 20, 1939

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief editorial entitled "Whose Country?" dealing with the problem of Palestine, published in the Atlanta (Ga.) Constitution of May 20, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Atlanta Constitution of May 20, 1939] WHOSE COUNTRY?

The problem of Palestine is rapidly becoming one of the most irritating among many world disturbances. The latest British pronouncement of policy certainly tends to aggravate, rather than settle, the question and reflects little credit upon the policy makers of the Empire.

Basically the issue seems to resolve itself into a question of what race, what people, have the greatest right to Palestine as a national home. The Jews, actuated by sentimental longing for their homeland and by practical reasons growing out of the Jewish refugee problem in Central Europe, can certainly make out a good case for themselves at the court of public opinion. From all reports the great mass of the Arab population do not constitute a difficulty. They are content either to live among the Jews or to sell their property, at good price, to Jewish newcomers. There is a third party concerned, however. That is the British themselves. It is difficult to advance any reason, other than empire politics and diplomacy, for their presence in Palestine. Save as police and keepers of the peace they have no practical excuse for control of the country, and recent history indicates they have not achieved sufficient success as pacifiers to give them any special rights.

The Jews who have gone to Palestine since 1919 have bought such land and other property as they have acquired from Arab owners. They have achieved marvels of development, agriculturally and industrially. They have built fine cities and are, apparently, in a fair way to make Palestine a worthy proof of Jewish ability to create and to live in a home nation of their own.

The British themselves, in official reports, have blamed the recurring outbreaks of racial violence upon scattered bands of Arab terrorists, backed by German and Italian agitators, and making a good thing out of banditry through forced contributions from

war, that she would protect the Jews in reestablishing Palestine as their homeland. The Jews themselves have demonstrated they can create this homeland without injustice to the Arabs there. The greater part of the Arab population is not dissatisfied. Yet, because of the terrorist activities of small groups of Arab disturbers, Britain indicates it will refute its solemn pledge to world Jewry and to more than 400,000 Jews who have invested their funds and their lives in Palestine because of their faith in the Balfour promise.

Perhaps the best solution of the Palestine problem would be an international police force for protection of both Jews and Arabs for whatever time is necessary for the issue to work itself out in the natural course of events.

Credit Needs of Business

EXTENSION OF REMARKS

HON. CHARLES O. ANDREWS

OF FLORIDA

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

ARTICLE BY DAVID LAWRENCE

Mr. ANDREWS. Mr. President, there appeared in the Washington Evening Star of May 20 an article by David Lawrence, in which he urges the consideration by the Congress of the credit needs of business, and points out the effectiveness of the bill sponsored by the Senator from New York [Mr. Mead]. This comment by Mr. Lawrence, whose knowledge of business and attitude on recent reform measures are well known, should prove most valuable to the legislators. I ask unanimous consent to have the article printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of May 20, 1939] MEAD BILL CALLED BOON TO BUSINESS-PLAN TO INSURE BANK LOANS WOULD OPEN CREDIT CHANNELS

(By David Lawrence)

A spurt to American business of unprecedented proportions might easily result from the passage of a bill introduced by Senator James Mean, of New York, which is understood to have administration backing. It is a revision of an earlier bill, introduced several months ago, relating to intermediate credit for small businesses, but the

new measure goes much further in opening up the channels of credit than any preceding proposal.

The businesses which would get the credit are those which can use any sum up to \$1,000,000 in credit, so that a goodly number would hardly come within the category of "small businesses," as the

would hardly come within the category of small businesses, as the term has been popularly used, though many really small businesses would, of course, wish to take advantage of the plan.

The proposal, in brief, contemplates an insurance of bank loans. Only those banks which are themselves insured under the Federal Deposit Insurance Corporation are to be eligible, which means banks which now have some form of Federal supervision.

ELIGIBLE FOR REDISCOUNT

The new legislation, if adopted by Congress, would permit a bank to insure any loan up to 90 percent of its possible loss. The loans are to be made eligible for rediscount at the Federal Reserve banks, so they could hardly become frozen assets or impair the standing of a bank because they could quickly be turned into

Periodic reports would be demanded of banks and corporations participating in the loans, and regulations would be made by the

Reconstruction Finance Corporation, which is to be the principal lending agency behind the loans. Interest rates are to be fixed at 4 percent and an additional 1 percent is to be charged as the insurance premium, but the R. F. C. would have the right to permit the banks under certain circumstances to increase or decrease interest rates. The legislation would, however, establish 4 percent as the base. The text of the important provision of the Mead bill, which doubtless will be incorporated with a similar measure introduced in the House by Representative ROBERT ALLEN of Pennsylvania, follows:

of Pennsylvania, follows:

"Subject to the provisions of this act, the Corporation (meaning the R. F. C.), upon application, is authorized to insure any bank against the whole or any part of the loss or losses, in respect of principal or interest, or both, which such bank may sustain in excess of an amount equal to 10 percent of the principal amount of any loan which such bank may make to any person for any business purpose, and for the purpose of this act the Corporation is authorized to determine what constitutes a business purpose. For such insurance the Corporation is authorized to determine what constitutes a business purpose.

PROVISION FOR PREMIUM

"For such insurance the corporation shall charge a premium of "For such insurance the corporation shall charge a premium of not less than one-fourth of 1 percent nor more than 1 percent per annum of the unpaid balance of such loans; provided, that the corporation in its discretion may charge a higher premium, or may refuse to grant insurance altogether on any loans of any bank which, in the judgment of the corporation, pursues a policy of insuring only the more doubtful of its loans eligible for insurance. "The corporation shall from time to time fix the premium rates

insuring only the more doubtful of its loans eligible for insurance. "The corporation shall from time to time fix the premium rates to be charged for the insurance of loans, which rates may be adjusted in accordance with appropriate classifications based, among other things, upon the nature of the loans and the character of the risks involved, and the premium rates for which the corporation undertakes to insure any particular loan shall not be increased during the life of such loan."

Companies with an insured indebtedness exceeding \$1,000,000 could not have any more loans of this type under the proposed law, though they could have bond issues or any other kind of credit they can get. The loans are to be made for a period not less than 1 year and not to exceed 10 years. If there is any service charge, fee, or commission connected with the loan, as sometimes happens in mortgage transactions, the fee cannot amount to more than one-fourth of 1 percent for the life of the loan.

B. F. C. GIVEN BROAD POWERS

R. F. C. GIVEN BROAD POWERS

Loans can be insured even if they are "subordinated to short-term indebtedness incurred in the ordinary course of business." There is also the following provision, which gives the R. F. C. broad powers:

broad powers:

"The Corporation shall have power to insert in the insurance contract covering any loan insured under this act such terms and conditions as it may deem necessary or appropriate to carry out the purposes of this act or to prevent the abuse of the credit facilities herein provided."

The theory back of the bill is that the insurance premiums on the vast number of good loans which are paid at maturity will more than offset the possible losses from those loans which go "sour" in the course of a few years. Even so, the loans will probably be the course of a few years. Even so, the loans will probably be based on assets, so that total losses might be the exception rather than the rule. Provision also is expected to be made for regular installment payments, so that a company whose current position indicates it might not be able to meet some kind of amortization

indicates it might not be able to meet some kind of amortization plan over a period of years would probably not find itself eligible for the granting of these credits.

In connection with the first provision quoted, the bill sets forth that "any person" eligible for a loan means "an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or an unincorporated organization."

Also, the word "loan" is defined as "any loan, extension of credit, or renewal thereof."

So the proposal is broad enough to open up the whole credit.

So the proposal is broad enough to open up the whole credit system and thus put to work through established channels of pri-vate banking the billions of dollars of idle deposits accumulated in the Nation's commercial banks. If passed, it certainly may prove a tremendous impetus to business and may answer the question of lack of "confidence" by putting a Government agency back of the risk taken by banks.

The Beet Sugar Industry

EXTENSION OF REMARKS

HON. EDWIN C. JOHNSON OF COLORADO

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

LETTER FROM S. K. WARRICK, SCOTTSBLUFF, NEBR.

Mr. JOHNSON of Colorado. Mr. President, in the interest of having all the facts before Congress in our discussion

of the beet-sugar problem, I ask unanimous consent to print in the Appendix of the RECORD a letter and table from the pen of S. K. Warrick, a beet grower of Scottsbluff, Nebr.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

> UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT ADMINISTRATION, Scottsbluff, Nebr., May 16, 1939.

Hon. EDWIN C. JOHNSON

Senate Offices, Washington, D. C.

Senate Offices, Washington, D. C.

Dear Mr. Johnson: I enclose you an editorial from the Scottsbluff Daily Star-Herald of Sunday morning, May 14.

I also enclose you the sugar-beet price record in the Nebraska
district of the Great Western Sugar Co., for the 4 years 1930 to
1933, inclusive, and for the 4 years 1934 to 1937, inclusive.

Payments on the 1938 sugar-beet crop will not be completed
until some time in October 1939.

You will note that the farmers received \$1.24 per ton more for
their sugar beets on an average in the last 4 years than they did
in the first 4 years listed. The first 4 years were under the Herbert
Hoover administration, and the second 4 years under the present
administration.

The Great Western Sugar Co. discontinued a guaranteed contract with the closing of the 1931 season, and adopted a sliding scale sugar contract in 1932. The sliding scale contract has continued, with some changes, to the present date.

Based on the above figures, there are other industries that prob-ably would like to be "hamstrung."

Yours very sincerely,

NEBRASKA AGRICULTURAL CONSERVATION COMMITTEE, S. K. WARRICK, Member.

Record of average sugar-beet payments in the Nebraska district of the Great Western Sugar Co. in the years stated below

Guaranteed contract:	Per ton
1930	\$7.00
1931	5.50
Sugar-scale contract:	
1932	4.51
1933	4.48
Average price per ton for the 4 years	5.37
Sugar-scale contract:	
1934	6.39
1935	7.21
1936	5.84
1937	7.02
Average price for ton for the 4 years	6.61

Government Spending and the National Debt

EXTENSION OF REMARKS

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

RADIO ADDRESS BY HON. SHERMAN MINTON, OF INDIANA, MAY 21, 1939

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Senator from Indiana [Mr. MINTON] on May 21, 1939, on the subject, Government Spending and the National Debt.

The address, made over a national radio hook-up, is most interesting and instructive. It contains facts and figures which all should know.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The justification for any program is the necessity for the program, and whether it achieves the objective. With this thought in mind, let us look at the Government expenditures that have led us to our highest debt level.

On March 4, 1933, the economic structure of this country was in a state of utter collapse. We had just had 12 years of Government under the Republican Party, ranging all the way from the plundering of the Harding administration to the piddling. The Democratic Party had no part in the destruction of the economic fabric of this country. We inherited that mess from the Republican Party.

When the Roosevelt administration came into power in 1933, 15,000,000 men walked the streets of the richest Nation on the

face of the earth, begging for a job. Homes were being foreclosed at the rate of 1,000 per day. Farmers couldn't sell their crops for enough to pay their taxes and the interest on their debts. Thousands of banks had closed under Hoover and the depositors couldn't sands of banks had closed under Hcover and the depositors couldn't get their own money. Industry was on the verge of universal bankruptcy. Indeed, the crisis was so acute that had it continued unattended a short time longer, we would doubtless have had riot, bloodshed, and possibly revolution. That was the condition of the country after 12 years of Republican rule, when business had a free hand to do as it pleased, and did, and everyone had confidence, and every other man you met in the street was a confidence man. So, to appreciate Roosevelt, you have to remember Hoover. And, as my distinguished opponent, Senator Vandenberg, speaks tonight, please remember he was a part of the Hoover administration, and the Republican Party was responsible for all of it.

Whatever my shortcomines are, or that of others who believe as

Whatever my shortcomings are, or that of others who believe as I do, in this administration, just remember they can't be half as a do, in this administration, just remember they can't be half as great as Senator Vandenberg's. He and his party have not only had a chance to cure the panic, but they were the responsible party in power when it came. Senator Vandenberg has the advantage of me and my New Deal friends, in that he had a chance to try all his fine ideas and prevent the panic, but he didn't do it. Furthermore, he had a chance to try them in order to alleviate the panic, and he did not do it.

panic, and he did not do it.

panic, and he did not do it.

Borrowing and spending is not an invention of the New Deal. By force of circumstances the New Deal was compelled to shift the location of spending. There must be borrowing and spending to have prosperity. Between 1921 and 1929 private business in this country increased in debt at the rate of about \$6,000,000,000 per year. It takes spending by someone to keep the wheels of industry turning. Obviously, private business could not do the job in 1933. It was paralyzed. Someone had to step in and incur the debts to keep up the spending, which in turn, would keep the wheels of industry turning.

Separaty Turning.

industry turning.

Senator Vandenberg, you tell us who else there was to assume the burden of spending. In my judgment, there was only one agency that could do the job, and that was the Federal Government. So the Federal Government stepped in and started the spending. But instead of spending \$6,000,000,000 of borrowed money each year, as private business had done for 8 years before, the Government expended on an average of about \$3,000,000,000 per year. By such spending, the Nation's income was increased about 70 percent. Eight million men went back to work, and the leading corporations of the country for the years 1936 to 1938, inclusive, had an over-all profit of 8.3 percent on their investment, after deducting operating expenses, depreciation, and taxes. Understand, this was an average return, and it included inefficiently managed enterprises, as well as those well managed. It included sick industries, such as railroad equipment, as well as the most prosperous lines of business. road equipment, as well as the most prosperous lines of business. Contrast this return with the years 1927-29, which was supposed to be the heydey of prosperity, and when the general average of American industry was not 8.3 percent but 6.5 percent.

As Mr. Vanderpoel, financial editor of the Chicago American,

said:

"Contrast these figures and then explain the cries of business persecution that have been made by business leaders throughout the country, that have been heard in the Halls of Congress. They have poisoned the minds of people who have not had access to the facts and have become bewildered by a barrage of propaganda, intended, not as a help to the solutions of pressing problems, but as deliberate poison for selfish reasons. * * * Never before, as far as records are available, have there been 3 successive years when the average profit of industry has been as high as the last 3 years, and yet never before have the complaints of industry been as great."

The first quarter of this year the greatest corporation in the land, General Motors, had the biggest profit it ever knew in its history. It was just 600 percent greater than the same quarter of last year, and in 1936, its profit was 1,624 times what it was in the last year of the Hoover administration.

Thus, we see that spending by the Federal Government was "Contrast these figures and then explain the cries of business

Thus, we see that spending by the Federal Government was made necessary in the first place, by reason of the collapse of private industry, and the loss by it of the ability to spend. Furthermore, spending has alleviated the suffering of humanity, saved the morale of the worker, and has given to business the best profits

it has enjoyed in years.

If we had not reduced our expenditures for recovery in 1937, our national income would have been such that by broadening the our national income would have been such that by blenator has been income-tax basis, as suggested by Senator La Follette, we could have balanced the Budget. But we were going to balance the Budget before we raised our income, and the result was, we did neither. Government spending will have to be continued until such time as business can, or will, take up the burden of employment.

employment.

It is true, this spending program has given us the highest national debt we have ever had, now about \$40,000,000,000. While our debt is high, we can best judge of its size by comparing it with the debt of some other country. Take Great Britain, about which we have heard so much favorable comment because she has balanced her budget, although she was unable to find the wherewithal to pay her debts to us. Our national debt is about 57 percent of our national income. The debt of Great Britain is 140 percent of its national income. If our national debt was as large in proportion to national income as that of Great Britain, our debt, instead of being \$40,000,000,000, would be ninety-eight billions. The interest charges on Great Britain's national debt are 4 per-

cent of its national income, while the interest charges on our national debt are about $1\frac{1}{2}$ percent of our national income. But it must be remembered that this administration hasn't spent

all of that \$40,000,000,000, as some of our opponents would have you believe. Let us break down this figure of \$40,000,000,000. May I remind you that sixteen billion of that \$40,000,000,000 of our national debt is a carry-over from the World War. In other words, we lack \$16,000,000,000 of paying for the World War, and that sixteen billions is included in the forty billions. Let us take sixteen billions from forty billions and we have twenty-four billions. Well, Mr. Hoover increased our national debt over \$4,000,000,000. Now, I don't suppose the New Deal will have to answer for Mr. Hoover, so we take off four billion for him, and that leaves twenty billion. In that twenty billion is over \$2,000,000,000 that we spent to pay off the bonus. The bonus wasn't an obligation of the New Deal, but it was a just obligation that ought to be

tion of the New Deal, but it was a just obligation that ought to be paid, and we paid it.

I will tell you when it should have been paid. It should have been paid right after the war, while the war profiteers had the money in their pockets to pay the bill. But Mr. Mellon wouldn't let them pay it. He reduced the war profiteers' income tax instead. So we take off two billions for the bonus, and that leaves eighteen billions. We have over \$2,000,000,000 in the stabilization fund, and we take that off, and we have left sixteen billions. Well, we have over \$3,000,000 000 in the Treasury unspent, so we take rund, and we take that off, and we have left sixteen billions. Well, we have over \$3,000,000 000 in the Treasury unspent, so we take that off, and we have thirteen billions. But we have good recoverable assets, the proceeds of which will return to the Treasury, represented by mortgages on the homes, farms, and business property of the country, easily worth \$4,000,000,000, and you take that off, and you have \$9,000,000,000 spent for recovery and relief in this country. Nine billions of dollars spent to save men, women, and children from starvation and the country from a possible revolution.

revolution.

revolution.

That is less than Congress appropriated in 1918 for 1 year of war. In 1918 Congress appropriated for war alone, \$12,000,000,000, and in the conduct of that war we spent over \$45,000,000,000. Doing what? Saving men, women, and children from starvation? Not at all. We were transporting overseas millions of the finest blood of the land to fight and die on foreign soil and destroying the wealth of the Nation by the billions of dollars.

I sav to you ladies and gentlemen that if this rich country of

I say to you, ladies and gentlemen, that if this rich country of ours could afford to spend \$45,000,000,000 killing the best blood of the land and destroying the Nation's wealth, why, in the name of Heaven, may we not spend a few billion dollars that men, women, and children might live for their country? Our justification for spending is that we were forced to spend, and by spending we saved the life of the Nation.

Whenever the calemity bowlers tell you the Nation is broke you.

Whenever the calamity howlers tell you the Nation is broke, you just remind them that in 1932 Uncle Sam's bonds were selling for

Just remind them that in 1932 Uncle Sam's bonds were selling for 82 and now they sell above 100, and draw the lowest rate of interest ever paid by this Government.

Not all of the businessmen of the country view with alarm the spending program as does my friend, Senator Vandenberg. A few days ago Mr. E. C. Love, president of the Oklahoma Bankers Association, speaking to the bankers, had this to say about the spending program.

program:

You bankers should explain to the public the economic necessity for Government spending. If it were stopped now to balance the Budget, business would stop, taxes would fall, and the Budget would not be balanced. It is all nonsense that the national debt should remain below some mythical level. Debt must expand if business is to expand, especially ours. I do not believe the people are willing to balance the Budget by reducing Government expenditures because we would have to pay the price of lower business activity. We should express our dissatisfaction with the present tendency in the National Government to decrease expendi-

So, ladies and gentlemen, we will stop spending and balance the Budget as soon as we can balance the budget of those millions of people that Senator Vandenberg's party stopped from eating in

The America I Want

EXTENSION OF REMARKS

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. H. STYLES BRIDGES, OF NEW HAMPSHIRE, AND EDITORIAL FROM THE CHICAGO TRIBUNE

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject The America I Want, delivered by the senior Senator from New Hampshire [Mr. Bridges] on the occasion of the rededication of the Wigwam, on the seventy-ninth anniversary of the nomination of Abraham Lincoln. This address was delivered on the site of the riginal Wigwam in Chicago, Ill., on May 18, 1939. In connection with that address I ask that an editorial on the subject of the address entitled "Prosperity and Peace," appearing in the Chicago Tribune of May 20, 1939, be printed in the RECORD.

There being no objection, the address and editorial were

ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. H. STYLES BRIDGES

Fellow Republicans, as you are all aware, there gathered on this site 79 years ago, the delegates, officers, and guests of a Republican national convention. It was the convention of a new political party, a party composed of Americans who believed that the principles of our form of government, our independence, and our philosophy of individual liberty could be best maintained by the preservation of the Union. This convention was destined to nominate a man who was to become President of the United States—one of the greatest Presidents of the United States—Abraham Lincoln. Abraham Lincoln.

Abraham Lincoln.

On that May morning 79 years ago, those Republicans who met here on this site, although they were aware of the importance of their actions on the future and welfare of our country, did not foresee that 80 years later Republicans would again meet and again be faced with making that same all-important choice. As I see it, the importance of this gathering tonight is not so much to review the history of the convention of 1860 and to pay tribute to Abraham Lincoln as it is to bring to the attention of the America of 1939 the importance of the convention and election of the coming year. For our country today is as much in need of leadership as it was in 1860. So I will take only a moment to give you a picture of what occurred on that day 79 years ago.

moment to give you a picture of what occurred on that day 79 years ago.

The "Wigwam," which was the name of the building in which the Republican convention in 1860 assembled, was a temporary structure standing here on the corner of Lake and Market Streets, near the fork of the Chicago River. The building is said to have held about 10,000 people; the actual floor of the convention, which was crowded, held only 400. The gallery, which was reserved for ladies and for gentlemen who accompanied ladies, held about 9,000 and it has been said that it, too, was crowded.

The hotels of Chicago were jam-packed with delegates, friends, guests, convention officials, and general hangers-on. It has been

guests, convention officials, and general hangers-on. It has been said that the rates charged by the Chicago hotels at that time were outrageous. Before the convention, some of the larger hotels had charged a dollar to a dollar and a half per day for rooms and three meals. A 75-cent Sunday dinner, as advertised by one of the great hostelries of the day, was a royal banquet. The Chicago hotels were charged with profiteering during the convention be-cause they raised their rates. Two dollars and a half per day was

cause they raised their rates. Two dollars and a half per day was charged for room and board.

The "Wigwam" here was decorated with flags, bunting, and pictures. The decorations were done by the Republican ladies of Chicago. The chairs used by the delegates and in the galleries had been donated by patriotic Chicagoans. A union religious service on the Sunday night preceding the convention was held to dedicate the occasion. The Chicago of 1860 had done its best

in a big way.

The first two days of the convention were given over to the adoption of a platform and miscellaneous business. for President of the United States was planned for the afternoon of the second day of the convention, which was May 18. that time arrived, however, it was found that the ballots had not been printed. This fact becoming known, a delegate whose name been printed. This fact becoming known, a delegate whose faint is not now known, but who perhaps changed history, moved that the convention adjourn until the morning of the 19th. It is history that had the balloting begun on the afternoon of the 18th, William H. Seward, instead of Abraham Lincoln, would have be-

come our Republican nominee.

On Friday, the 19th of May, the "Wigwam" was packed. The balloting began early, and on the third ballot Abraham Lincoln, of Illinois, had received 364 votes which was a majority and was therefore the Republican nominee for President in 1860. Those hours, although pack-filled with as much excitement and tumult as surrounds a present national convention, did not affect Abraham Lincoln. He had not attended the convention. The story is told that shortly before the convention, a friend of Abraham Lincoln told him that inasmuch as he was going to be a Presi-dential candidate, perhaps it would be better if he did not attend. Lincoln replied that he had been puzzled over the question of attendance and had not made up his mind whether he was too important to attend or not important enough to stay away.

After his nomination, his friends sought him out to inform him of the result. They found him playing handball. Such was the simpleness of Abraham Lincoln. We all know what followed—Lincoln's speech of acceptance, the campaign, the election and the inauguration of Abraham Lincoln in 1861. The stirring deeds of Abraham Lincoln, his character, his life, his influence on the history of our Nation, his Gettysburg speech, his second inaugural address, are all known to Americans and need not be gone into at this time.

at this time.

Frankly, when I was asked to address this gathering I was puzzled for a time as to the subject of my speech. For several days, I could not formulate an adequate framework for my address. Last week end I visited my home in Concord, N. H.

While there, Johnny, the youngest of my three boys, came into my bedroom early Sunday morning, choosing a time when he could talk to me alone. He said, "Daddy, I want you to do something for me.'

He said, "I want an allowance." His boyish language was such that at first I could not understand what he meant. Then, grasping the import of his request, I asked him why he wanted an allowance; I asked him if there was anything which his grandmother

ance; I asked him it there was anything which his grandhouse couldn't get for him.

He said, "Yes, daddy, grandma can get things for me, but this is different. I want an allowance to be paid me each Monday, so that I can have some money of my own to do with as I want. I want to save to buy things I want and need."

I said, "How much do you want?"

He said, "A nickel a week."

That request of the little how of 6 years of age was the answer to

That request of that little boy of 6 years of age was the answer to That request of that little boy of 6 years of age was the answer to my problem of what to say to this gathering of Republicans. I saw the intelligence of the request of that little boy who had not been faced yet with the serious conditions of existence in our modern world, who had not been faced with the problems of our society or of our everyday life. The one thing he did know was that he wanted economic independence. Oh, he didn't think of it in those terms, but he did think to himself, "Now, if I have a nickel each week I won't have to ask grandma for money. I won't have to tell anybody what I am going to do with it." In short, that little boy wanted his individual independence. I granted his request and then I pondered the future.

I thought of the country in which that little boy was living. I thought of its conditions at the present time. I wondered what its condition would be when he was a grown man. That led me to

condition would be when he was a grown man. That led me to wonder what the conditions of our country were at the time of Abraham Lincoln. What would be the future outlook of a little boy of 6 years at the time of the nomination of Abraham Lincoln? What did Abraham Lincoln want for America? Did he want any more or any less than the Americans of our own generation? There, my friends, was the subject of my address, "The America I Want."

Went."

Let us get back to the Republican convention of 1860 and look for a moment at one of the planks of the platform of the Republican Party. Plank number six reads as follows:

"That the people justly view with alarm the reckless extravagance which pervades every department of the Federal Government; that a return to rigid economy and accountability is indispensable to arrest the systematic plunder of the public Treasury by favored partisans; while the recent startling developments of frauds and corruptions at the Federal metropolis show ments of frauds and corruptions at the Federal metropolis show that an entire change of administration is imperatively demanded."

In my estimation, that plank may be taken for the most part and placed in the platform of the Republican Party for 1940.

and placed in the platform of the Republican Party for 1940. Economy, thrift, and the return to sanity on the part of our Federal Government is today the most necessary objective. It is an objective which the Republican Party must stand on four-square, because we can never have recovery without economy. We Republicans are all aware of, and I am sure that the American people in general are aware of the fate of economy in the hands of the present national administration. This is neither the time nor the place for destructive criticism. The biggest national debt in the history of our nation, over 11,000,000 of unemployed Americans walking the streets, oppressive taxation, broken promises, an economic philosophy of destruction rather than production, a foreign trade policy which robs the American farmer and the American manufacturer and the American worker of their markets and their jobs, speak for themselves. But what are we

and the American manufacturer and the American worker of their markets and their jobs, speak for themselves. But what are we going to do about it? That is what the country is interested in. Today the people of the United States are concerned with two important problems. They are peace and recovery. They look to the Republican Party to present to them in the coming year a program which will mean the maintenance of peace and the economic recovery of the Nation. I will discuss the latter first.

The America I want for you, for myself, for my children, and for our people, is a Nation which is free, individually free. I don't want to be regimented and I don't want to be controlled by any man or by any government. I want to be able to take my nickel which I get every week and do with it as I please. I believe that the American workers wish to take their pay checks and do with them as they please because economic independence means security and freedom for the individual as well as the Nation. In order to get that nickel, and in order to have it free from the strings of control, our people must be given jobs, they must be given work.

given work.

Now how can those jobs come about? They can come about by starting the wheels of industry, by encouraging the forces of production, and by giving the American farmer the American market. They tell us nowadays that there are no frontiers, that there are no new lands in which to settle. But that is not New lands and new territories are not the only frontiers. There are frontiers of science, of maintenance, of technology, of finance, and of human discovery and adventure. Some of our present industries can and should be profitably expanded. From time to industries can and should be profitably expanded. From time to time, new industries will come into being. Capital goods of every kind wear out, and must be repaired, replaced, supplemented, and modernized. New processes will be developed to replace the old. For these, new factories and new machines will be needed. Encouragement should be lent to the development of such things. The America I want will lend such encouragement. It will not curtail and regiment and trample industries, labor, and the termoral by a thousand one convertibles and laws.

farmer by a thousand and one regulations and laws. It will not

throttle expansion by unjust tax laws which are based upon so-called social reform and not upon the Government's need for finance. Such taxes as the capital-gains tax and the undistributed-profits tax, are illustrative of the bonds which hamper investment in the forces of American production. We must release those forces, we must encourage industry, because in that way only can our unemployed be given jobs.

The America I want for my sons does not include for them a life-time on Federal relief. I have made many criticisms of the various unemployment solution schemes of the Federal Government. I have criticized the W. P. A. and the P. W. A. and the other projects. I have criticized them for the waste and the political graft which is inherent in their administration. I have not criticized them because they served in an emergency to provide food and clothing and shelter for even unemployed and for our destitute.

because they served in an emergency to provide food and clothing and shelter for our unemployed and for our destitute.

I do not believe that these relief agencies should be considered permanent parts of our Government set-up. We believe as a party that American industry can provide jobs if given the opportunity and if given freedom from the forces of the present administration which are strangling, hampering, and crippling private initiative wherever possible. If there is a portion of our population which is to be permanently unemployed, it is our duty and our objective to see to it that that portion is as small as possible. When that portion is reduced to its smallest limit the administration of relief should be returned to the States and to the localities. Only by such portion is reduced to its smallest limit the administration of relief should be returned to the States and to the localities. Only by such a move can relief be curtailed to the benefit of those in actual need. Only by such a move can the vast expense of the present Federal bureaucracies be abolished. A Nation with a tenth of its population jobless is a sick Nation. It is a Nation in need of a doctor. And our party, my friends, must be that doctor. We alone have the remedy, the remedy that has not been tried, the remedy that cannot fail—jobs and work.

The America I want is a solvent America. It is not a country.

The America I want is a solvent America. It is not a country which places a debt and tax burden on a child at birth that will haunt him during his entire life. The America I want is one that does not rob the unborn. For 7 years the present administration has been engaged in a vast spending program, a program based upon nas been engaged in a vast spending program, a program based upon pump-priming, a program which entails pouring into the channels of industry and in governmental agencies hundreds of millions of dollars of the people's money. Certainly, such expenditures keep the patient alive. But they do not make him well. We have reached the end of the trail; one more injection of spending means only further financial chaos. The Republican Party is the only instrument through which the people can prevent national bankinstrument through which the people can prevent national bank-

ruptcy.

The America I want is one that has at the head of its gov The America I want is one that has at the head of its government an administration of integrity, an administration that keeps its promises and abides by its platforms. An administration that the people can count on when planning for the future. Such an administration does not change its plans and programs as often as a chameleon changes its color. The American people know that no sane, economic program can be expected from the administration of Franklin D. Roosevelt. Six years of promises, 6 years of appeasement on the one hand and crack downs on the other, 6 years of keeping the club of infiation in the closet 6 other, 6 years of keeping the club of inflation in the closet, 6 other, 6 years of keeping the club of inflation in the closet, 6 years of snooping and spying to determine just how much of a crook every solvent citizen has been, 6 years of crackpot schemes. These things are carved into the heart of every right-thinking citizen of this country. Why should industry, why should the American worker, why should the American farmer trust the present administration of our Government?

present administration of our Government?

The America I want is an America that will guarantee the worker the right to work. The Republican Party must guarantee such right. In 1940 we must offer a constructive plan of national economy which will mean positive recovery. We will encourage industry by removing the shackles. We will encourage labor by guaranteeing to the American worker the right to work the American way, unhampered and free. I do not mean by this that the Republican Party advocates a return of industrial license or labor exploitation. We as a party believe in labor unions. We believe in the right to strike. We believe in collective bargaining. But we also believe that every free American worker should have the right to work where he pleases, when he pleases, and for whom he pleases, without being coerced or intimidated.

he pleases, without being coerced or intimidated.

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The America I want is one in which the older people may be assured of security. While we approve of the theory of social security, the present act must be amended. It must be amended so that our citizens in their old age may be assured of independence. The present act must be amended so that it will be equal for all classes of workers. It must be amended so as to place it on a pay-as-you-go basis. The future of our citizens in their old age cannot be secured by robbing their pay envelopes during their working years of tax money to be used to pay the current running expenses of the most extravagant government in the world. That is what happens now under the guise of social security.

The America I want is one that will have a sound currency, a sound medium of exchange. If a citizen has a dollar in his pocket, he wants to know that it is worth a dollar, and that it has the purchasing power of a dollar. In order to more adequately protect the soundness of our money, we Republicans advocate the repeal of all laws which give the Chief Executive the right to tamper with the people's money. A good example of such a law is the Thomas infiation amendment, which permits the issuance of three billions of dollars of greenbacks, unsecured and representative of nothing more than a watering of our money.

The America I want is a nation that has a fundamental agricultural policy based upon the economy of plenty rather than scarcity. The American farmer does not wish to be a burden on our economic society and he need not be a burden. Given the American market, which is his by heritage, he need not have the Federal Treasury checks for killing his pigs and cows, or for plowing under his cotton or corn. He need not have checks for filling what is termed an ever-normal granary. He need not have checks for not growing anything while foreign products are dumped into this country and sold on our markets to the detriment of American-grown products.

The America I want is one that has a sound program of foreign trade. This means that our commercial intercourse with foreign countries shall be carried on in a sound manner. Such a program will mean adequate protection of the home market from cheap foreign goods, manufactured below American standards of labor by cheap coolie workers. A complete revision of the so-called reciprocal-trade agreements is vitally necessary, and we as a party advocate such revision. Such revision will return the American market to the American farmer and American business.

This country is not looking for plans. This country is not looking for a Utopia. All our people are looking for is security, jobs, individual freedom, and a hope for the future. The Republican Party does not and will not try to fool anyone into believing that the moon can be brought down and carved up for distribution if only the people vote right. We leave the extravagant promises to those who in the leat 6 years have never these who in the leat 6 years have proved these who in the leat 6 years have proved these who in the leat 6 years have proved these who in the leat 6 years have proved these wholes of the leat 6 years have proved the second of the leat 6 years have proved the second of the leat 6 years have proved the leat 6 years have been proved the second of the leat 6 years have been proved the second of the leat 6 years have been proved the second of the leat 6 years have been proved the second of the leat 6 years have been proved the second of the leat 6 years have been proved the second of the leat 6 years have 10 years have only the people vote right. We leave the extravagant promises to those who in the last 6 years have proved themselves unable to fulfill the very simplest of their contracts with our people. We do promise jobs, and we do promise work, and we do promise a return to sane, economic thinking. The American people will subscribe to our program because they demand economic security, individual freedom, and work more than anything else in the world.

The American L want is an American at peace. The American L want is an American to the same and the same

The America I want is an America at peace. The America I want may give my little boy his nickel, but it will be of no use to him or to the millions of others in our country if we are to engage in war. One of the most necessary programs for our party to adopt is a program of peace. I hope the Republican Party will adopt a program which will mean no entangling alliances, no commitments, and no agreements by which our country might become involved in a war. I believe we should maintain in this hemisphere a true democracy.

democracy.

If other nations of this world wish to live under a different form of government than ours, that is their business. But so far as America is concerned, let us have an adequate Army, Navy, and air force. Let us offer the hand of friendship to all nations but let us insist upon the sanctity of the Monroe Doctrine. Let us be ready to resist invasion or political or economic aggression in any part of North and South America. Let us mind our own business. The America I want will not send my boys to die to readjust the boundary lines of Africa, Asia, or central Europe. The America I want will permit him to live in peace and security, without fear of war

In February of 1937, Franklin D. Roosevelt said to his friends, "When I retire to private life on January 20, 1941, I do not want to leave the country in the condition Buchanan left it for Lincoln. I cannot, in the brief time given me to attack its deep and disturbing problems, solve those problems I hope at least to have moved

them well on the way to solution by my successor. It is absolutely essential that the solving process begin at once."

We Republicans and the rest of the country know what solving We Republicans and the rest of the country know what solving processes began at that time. These processes were the Supreme Court packing bill, the first reorganization bill, the appointment of Hugo L. Black to the Supreme Court, the undistributed-profits tax, and the capital-gains tax, the unworkable Farm Act, the encouragement of sit-down strikes, industrial strife by the National Labor Relations Board, pump priming, use of relief money in politics, and other processes too innumerable to list at this time. The recent most elegant piece of work undertaken to aid the American farmer has been the Executive demand that the American Navy use foreign beef. Need I say more?

American farmer has been the Executive demand that the American Navy use foreign beef. Need I say more?

Those are the processes which the New Deal has adopted to bring the country back on its feet. I say to you, fellow Republicans, that this country will be turned over by Franklin D. Roosevelt to his Republican successor in far from good shape in January 1941. We have a task on our hands. To complete that task we must adopt an understandable, concise, simple program based upon peace and recovery, and we must nominate at our convention next year a man with understanding and ability who will carry out that program, a man who will restore the morale of our people.

our people.

The America I want is the America in which the doors of opportunity remain open. The kind of America I want and the kind of America you want is the kind of America Abraham Lincoln wanted and the America Abraham Lincoln got for us. It is the America of security, of plenty, of thrift, of production, and of peace.

[From the Chicago Tribune of May 20, 1939] PROSPERITY AND PEACE

Senator Bridges, of New Hampshire, spoke with great effect at the meeting here in commemoration of Lincoln's first nomination to the Presidency.

The trend of Mr. Roosevelt's administration, as Mr. Bridges said,

is toward bankruptcy and war. The new dealers have failed to give the country the prosperity promised in 1932 and 1936. The

enormous expenditures have failed to stimulate industry and comenormous expenditures have failed to stimulate industry and commerce. Relief payments are higher than ever. Unemployment has been reduced little if at all. The conduct of foreign relations has been calculated to involve America in any European war which may develop. Against these policies and trends the Republican Party stands and it is the only instrument through which the will of the people for peace and solvency can be made effective. The Republican Party has a great opportunity to rescue the country from disaster. Mr. Bandes pointed to the opportunity and also to the responsibility which goes with it.

It was a telling speech by an able man. It forecast with great

It was a telling speech by an able man. It forecast with great clarity the principal issues upon which the national campaign of

1940 will be fought and won.

Population and Resources From a Business Viewpoint

EXTENSION OF REMARKS

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

ADDRESS BY E. B. MACNAUGHTON

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject of Population and Resources From a Business Viewpoint, by E. B. MacNaughton, president of the First National Bank of Portland, Oreg. This address was delivered at a meeting of the Seattle Chamber of Commerce on April 28, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am to speak on the subject of Population and Resources and Their Importance to Business. I presume I am here today because the Regional Planning Commission wants you to hear the testimony of a businessman who realizes that national and regional and State planning is something that is vital and practical and badly needed—in contrast with the impression and opinion which

and State planning is something that is vital and practical and badly needed—in contrast with the impression and opinion which I suspect is in the minds of too many business people, that planning has to do only with folks who are visionary, who incline to be dreamers, and who wear long hair. I am sure that I do not meet that specification, and yet I have a real and genuine interest in planning. It may come out of my background as an engineer. In our part of the country, we need to give more thought to the subject of planning. When our Oregon State Planning Board attempted to get a renewal of its appropriation from the last session of the legislature it failed. This failure manifestly was due to a misunderstanding of what planning means. Planning is not something that is connected with the Democratic Party, or with impractical idealists. It is as fundamental and as necesary today as a correct balance sheet and forecast in your own business. Twenty-five years ago, Professor Turner, of Harvard University, gave a baccalaureate address in this city to the graduating class of the University of Washington entitled "The Passing of the American Frontier." It was one of the most significant and prophetic addresses ever given. In that address Professor Turner showed that from the time the colonists first landed on the Atlantic coast we had a frontier "safety valve"—any of our people who became dissatisfied or were maladjusted, for one reason or another, could move out and find a new start in life.

I thought of that address when, in coming into your city this

I thought of that address when, in coming into your city this morning, I passed through a mile or more of flat land covered with shacks built with the remnants of packing boxes. I thought of the change since the time when I came to this western country. of the change since the time when I came to this western country. Young men who came with me soon were taking up timber claims. Others took up wheat land in the Palouse country. All soon found a start. These people in the shacks who have been dispossessed, mostly for causes beyond their control, are today faced with a real problem and a real crisis in their lives. That problem and that crisis is not theirs alone. It is yours and mine. What is to be done with respect to this movement of population and the changed conditions which confront the people that are involved? are involved?

are involved?

The planning board primarily is concerned with getting facts before the American people as to the changes which are affecting our human resources and our natural resources. On the subject of this change in population they have many vital figures and information as to trends with which you should be concerned. Fundamental changes are taking place in our population. It is not merely a matter of movement. The American people have always been mobile, moving, when the chances were bad, to another place, without much thought as to where they are going.

There is a flattening in the curve of population growth. I remember when I first came across a statement to this effect 8 years ago by the Metropolitan Life Insurance Co., that I looked upon it as a factor whose effects would be more or less remote. upon it as a factor whose effects would be more or less remote. But today, in our own city of Portland, we have upward of 200 empty schoolrooms. This condition is not peculiar to Portland; it is true of almost every American city. The reason is that the birth rate has been declining. The birth rate in Oregon, for instance, has dropped from 19.3 per thousand in the year 1921 to 13.2 per thousand in 1932. Stuart Chase tells us that there are something like a million empty desks in elementary schools in the United States today. This is in sharp contrast with the enrollment that was there 15 years ago. This change in population means that the young people are not coming on to build up the total. The percentage of older people is increasing—hence the Townsend plan, hence the pressure for old-age security and pensions. pensions.

This subject of population is of great importance to us here on the Pacific coast. As business people, we have drawn for our prosperity to a very great extent upon two sources of activity: First, from the development and improvement of real estate and First, from the development and improvement of real estate and all activity that centers around real estate and the building business; secondly, from the development of our forest products. Merchants in years past who were able to get a reasonably good location on a business street in any western city had a pretty good assurance that if they were well-behaved they would prosper simply because the community was growing. The traffic count past their stores was increasing, and they got their share of the money. They felt they were successful businessmen, and perhaps they were—they were by the test of that day. But today, we know that too often the small merchant is not able to prosper. One cause lies in the fact that the population curve is flattening, a change in the flow of population is taking place. The building business is affected. All business activities centering around the growing curve of population are finding problems which are difficult to cope with and for which it is hard to find any solution. The other great source of our prosperity has had to do with

The other great source of our prosperity has had to do with the development of our timber resources. In our State of Oregon the planning board has shown that about 60 cents of every manufacturing pay-roll dollar comes from forest products. The timber business, the logging business, and the sawmill business, as we who are in the banking field know, are becoming more and more

precarious risks as far as the advancement of credit is concerned. Competition of lumber substitutes has developed, but, also, the costs of doing business have increased, not only because of higher wages and other demands, but because of the difficulty of getting the raw material in locations where it can be easily and profitably worked. The areas of logged-off land are increasing. The stand of timber still the greatest natural resource of our area is becoming worked. The areas of logged-off land are increasing. The stand of timber, still the greatest natural resource of our area, is becoming depleted. You have in Washington, as we have in Oregon, areas where the crop has been taken from the land; business is extinct or stagnant as a result. I am sure that there must be some difficult problems to solve in your Grays Harbor area just as in areas on our Columbia River watershed. We have been, with this crop, as with other resources in our whole country, miners rather than developers.

as with other resources in our whole country, miners rather than developers.

The purpose of the planning councils among the States and of the National Resources Committee is to get the facts as to these conditions before business people in a way that will open their eyes and make them appreciate the necessity of the conservation of our natural resources. It was about 25 years ago that Secretary Ballenger so violently opposed Theodore Roosevelt as he first undertook a program of conservation of timber in the Pacific Northwest. Today we no longer become violently angry when people say that we should begin to conserve these resources. We are becoming conscious of the need of study and of the need of reliable information. Marcus Aurelius, emperor but primarily philosopher, a long time ago, said: "Nothing has such power to broaden the mind as the ability to investigate systematically and truly all that comes under your perspective in life." It was true then; it is true today.

We heard an address in Portland a week or two ago, by the forester appointed to our district. He dwelt upon the effects that have come to the Wisconsin and Michigan peninsula, as the result of the mining of the timber and the mineral resources of that area. Instead of cropping the timber the area was mined and exploited for quick profit. It was a revelation to all of those who heard his remarks. Close upon that address there came to my desk a bulletin just released by the Pacific Northwest Loggers Association entitled "Timber Cropping in the Douglas Fir Region." I commend this to the attention of all of you. It is one of the finest statements I have ever seen made by a business group. It gives courage and hope that perhaps this idea of planning and conservation of resources is taking hold upon our business people, and that they are now becoming concerned not with quick, fast profit, but with the possibility of maintaining an industry upon and that they are now becoming concerned not with quick, fast profit, but with the possibility of maintaining an industry upon a sound, self-sustaining basis. The report printed in this bulletin was made for the benefit of the Seventy-fifth Congress, before letin was made for the benefit of the Seventy-fifth Congress, before which legislation has been laid looking toward a better handling of the forest crop in the Pacific Northwest—something of tremendous importance to us all. Much of the information in this publication came from studies made by the National Resources Committee and the planning councils in the States involved. Business people should become genuinely and definitely interested, and become a part of this planning movement. They should give it intelligent and eager support in all ways, par-

ticularly when it comes time for legislative bodies to make appropriations for the support of this work. If we are to continue to enjoy the prosperity which we have had thus far in our wonderful area of the Pacific Northwest we must begin to learn how to use more intelligently the resources which are left for us and to keep them available for those who will come after us.

This flattening of the curve of population means much to all parts of the country, but it probably means less to us than to other sections. Figures have shown, and studies have confirmed, that the movement of population in our country is a good deal like the separation of the milk placed in the cream separator. When the action is started, the heavier particles are thrown out to the outer edge. So, there has been going on in our country for the last 25 years such a separation movement—the young people from the Mississippi Valley, and other people driven out of the Piains because of the dust storms, have moved out to the perimeter of the country. We have, and will continue to receive, new increments of population out of proportion to our own natural increase.

If these people are to come to us and just land upon us without

increase.

If these people are to come to us and just land upon us without any thought and without any planning as to how they are to be taken care of and how they may be located where they can have a reasonable degree of success, we will simply have trouble—more and more trouble. We will be faced with the same kind of problem that disturbs California, and particularly southern California. There they made the promise of an El Dorado, said, "Come out and live with us." The idea was that if people could be gotten on the streets real-estate values would be built and business made better. The look was always at the immediate, quick dollar. Today if you go to southern California and talk recklessly and boldly about advertising for population you will not receive a very kind look. Many down there have begun to realize the fallacy. To get population is one thing. How to handle people after you get them is another. Will they simply become public charges because of unemployment, with the consequent advances in our appropriations for the poor and indigent?

This is all part of a planning program, a reason why business should be giving its support to that movement.

Referring again to the necessity of our taking care of our resources that are still left with us in our timber business, in our fishing industries, and in our soils, I feel that we have a great work to do—a work which cannot be done in a helter-skelter way. Thought must be given to it. First of all, facts must be obtained—basic information as to the present conditions and the probabilities or trends one way or the other, must be brought together in reports. If these reports seem to be rather verbose, do not become superficially critical, as our legislators did at their last session in Oregon saying that the planning board had gone off in a great many words, with nothing to show for its effort. Don't take that attitude, because first of all information must be obtained, and it is not the function of the planning councils nor of the National Resources Committee

from the heavens, it seems as though the rank and file of people have been looking for someone to "pass a miracle," as was said in Green Pastures, and find the answers right away.

We have gone beyond that time in our country, as Mr. Turner, in his address, pointed out, when we can say to the people, "Move on." "Go west, young man." "Get a new start." "There are all kinds of things out there where a young man can get his start." The answer to that argument today is the people who are living in these little shacks in the edge of this city. They are looking for a start.

while I am a Republican, perhaps a black Republican, I have a great deal of sympathy for many of the things that this present administration is trying to do. When I see it try through the farm-security program and other means to relocate these people where they can have a fighting chance to regain and maintain their own independence, I have no quarrel, as some people have who say that this is throwing away our money. Our whole government and our whole civilization in this country have been built on the basis that we shall insure the needy person a reasonable, fair chance to earn his own living. We gave it when the free land was here; we gave it in many ways. Now, if we are going to maintain this democracy, I think we must still continue, with reasonable prudence, to make it possible for these people who have been divested of their chance again to be able to strike their roots in and become self-respecting members in our communities and in our States. That, too, is part of the work of the planning councils—not to make these chances but to get together information and facts, and to make it possible for legislators and administrators in government to prepare proper plans and devise adeistrators in government to prepare proper plans and devise adequate laws and to appropriate proper sums of money for successful work of this kind.

Now, as a banker, and as a man who has to see that two and two add up to four and not to five, and who generally has very little regard for those that are of the visionary type, I want to say that I am thoroughly in favor and strongly support these activities which head up in the work of these planning councils and of the National Resources Committee. We all should be there

with them.

It has been said that we are today living in a world that has passed away with the years, a world that perished to make us men. A world has passed away. We are never going to be able

to press back our civilization, our society, in this country, in this State, into the pattern of and in conformity with the gridiron that controlled things 10, 20, or 30 years ago. That world has ceased to exist so far as we are concerned. A new set of problems confronts us all, and if we are going to be realists we are going to forget that just because things bear the labels of Democrat, or of Republican, or of any other form of politics, they are no good. If you are a conservative, you have to be a conservative willing to move on. You are going to have to keep in step, if you are to be able to keep what you have today and be happy with it. New ideas are current all over the world. The radio flashes the message of what Hitler thinks today, what Stalin thinks tomorrow, what Chamberlain thinks the day after tomorrow, and what Roosevelt, our own President, thinks next week. You cannot control that, and you cannot shut your mind and say, "It is no good." Try and take the good out of whatever anybody has suggested and make it workable. That, fundamentally, is what this group of planners is trying to do—working with facts, putting them together in a way that will be intelligent and a way that will be easy to comprehend. They then endeavor, from those facts, to do certain programing, and if you have harbored in your mind the thought that these people are visionaries and impracticable folks and should be disregarded, banish the thought; for really if anybody is performing a service for us all today, it is these people who are giving so much time and energy to the study of the problems which perplex us.

Silver Acquired by the Treasury

EXTENSION OF REMARKS

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES Tuesday, May 23 (legislative day of Friday, May 19), 1939

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the Congressional RECORD, a table compiled from a chart published in the Evening Star, Washington, D. C., on May 18, 1939. The table is entitled "Foreign and Domestic Silver Acquired by Treasury 1934-39, in Percent of Total Weight." It shows that in each year since the silver program began more than three-quarters of the silver acquired has been of foreign origin

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign and domestic silver acquired by Treasury, 1934-39, in percent of total weight

Year	Foreign ¹	Domestic, newly mined	Total
1934	92. 9 92. 9 81. 7	7. 1 7. 1 18. 3	100 100 100
1937 1938 1939 ³	81. 7 77. 4 85. 2 84. 3	22. 6 14. 8 15. 7	100 100 100 100 100 100

 $^{^1}$ Includes stocks nationalized on Aug. 9, 1934, some of which was of domestic origin. 2 Year ended Mar. 31, 1939.

Source: The Evening Star, Washington, D. C., May 18, 1939.

Improvement of Business Under the New Deal

EXTENSION OF REMARKS

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ARTICLE BY JAY FRANKLIN

Mr. GEYER of California. Mr. Speaker, we have heard a great deal-these days about the New Deal ruining business. The following article by Jay Franklin in the Washington Evening Star for May 22, 1939, will debunk these claims, with facts and figures. The article follows:

[From the Washington Evening Star of May 22, 1939]

WE, THE PEOPLE—BUSINESS RAGES ROOSEVELT IS RUINING IT, BUT FIGURES ARGUE DIFFERENTLY

(By Jay Franklin)

For some strange reason, the Tories rage and the Wall Streeters gnash their fangs whenever a New Dealer points out that they are making pots more money under Roosevelt than under Hoover. They became angry when I quoted the financial editor of the Chicago American, they became furious when I quoted the Associated Press, and they will probably excommunicate me for citing these figures from Dr. Eric Muehlberger. I do not guarantee them in detail, but I am convinced of their substantial accuracy.

The figures under comparison are for the first part of 1939 and The figures under comparison are for the first part of 1932 and the first part of 1932, using quarterly or weekly totals, as available. Remember, in early 1932 it was far from sure—politically—that President Hoover would not be reelected. Business had all the confidence the White House could pump into the market, taxes were conveniently low, there were no National Labor Relations Act, S. E. C., wage and hour law, or other forms of "regimentation" to act as a "deterrent" on business enterprise, and there were no serious foreign war scares. Here you have the picture of Mr. Hoover's "confident" business and Mr. Roosevelt's "discouraged" business: business:

Commodity	Under Hoover, 1932	Under Roosevelt, 1939
Stock prices (average)	\$81, 20	\$100, 61
Bond prices (average)	\$74. 29	\$85, 78
Monetary gold stock	\$4, 345, 000, 000	\$15, 801, 000, 000
Federal Reserve credit	\$1,859,000,000	\$2, 572, 000, 000
Currency circulation	\$5, 548, 000, 000	\$6, 915, 000, 000
Brokers' loans	\$379, 016, 662	\$547, 443, 175
New York rediscount ratepercent	3	1
Bank clearings (22 cities)	\$90, 859, 453, 000	\$96, 268, 786, 000
United States steel (tons shipped)	1, 124, 851	2, 235, 209
Steel-ingot outputtons	4, 329, 830	9, 506, 594
Pig-iron outputdo	3, 757, 196	8, 315, 927
Automobile production	376, 665	1, 055, 576
Building permits	74, 677, 796	293, 703, 797
Building permitsbarrels	36, 936, 900	57, 175, 850
Bituminous coaltons_	102, 455, 000	111, 650, 000
Electric currentkilowatt-hours	26, 094, 970, 000	37, 893, 658, 000
United States raw cotton consumed bales	1, 374, 010	1, 803, 521
United States wool consumptionpounds_	57, 600, 000	97, 400, 000
Rayon yarn consumptiondo		102, 400, 000
United States exports	\$461,000,000	\$699, 821, 000
United States imports		\$526, 652, 000
Gold imports.	\$89, 728, 000	\$745, 159, 000
Carloadings	9, 574, 837	9, 822, 512
Railway earnings (51 roads)	\$66,045,525	\$84, 998, 333
Sears, Roebuck sales	\$59, 793, 251	\$125, 428, 094
Moody's commodity index	86. 5	141.8
Wheatbushel	. 68	.95
Corndo	.45	. 66
Oatsdo	.34	. 46
Cottonpound	5. 77	9. 26
Wooldo	.441/2	.621/2
Crude oilbarrel.	2.02	2.00
Coal, furnaceton	11.62	10.08
Copperpound_	5. 72	10. 37
Leaddo	3.05	4. 75
Zinedo	2. 50	4. 50
Steel scrapton_	9. 81	14.75
Iron pigsdo	15.00	22.84
Steel billetsdo	27. 00	34.00

Industrial production	67	98	
Manufactures	65	96	
Minerals	84	110	
Construction	26	58	
Factory employment	68	91	
Factory pay rolls.	53	87	
Carloadings	61	66	
Department store sales	70	88	

Since all these figures are, at best, approximations, the whole case for the New Deal's business policy can be summarized by saying that in the sixth year of Roosevelt business is about 50 percent better than in the third year of Hoover.

All right, you business babies who are howling that Roosevelt is ruining you, let's see you take a crack at this picture. And remember these Hoover figures are taken from the first part of 1932, when you had your man in the White House and the Government was taking its orders from you. The figures for 1939 are taken from a period when Roosevelt was acting for the country as a whole, and they say that you are much better off under the New Deal than under the old order. And still you squawk! Mr. Farley, an Engaging National Figure

EXTENSION OF REMARKS

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

EDITORIAL FROM THE TULSA (OKLA.) WORLD OF MAY 16,

Mr. DISNEY. Mr. Speaker, under leave to extend my remarks in the Record, I include the following editorial from the Tulsa (Okla.) World of May 16, 1939:

> [From the Tulsa (Okla.) World of May 16, 1939] MR. FARLEY, AN ENGAGING NATIONAL FIGURE

Oklahoma extends a sincere and enthusiastic welcome to Post-Oklahoma extends a sincere and enthusiastic welcome to Post-master General James A. Farley. He is a foremost figure in the political and official life of the United States and he is a real power in each of many respects. His distinctions easily fall into three major phases. He is in the President's Cabinet and possibly its most distinguished member; he is chairman of the national Democratic organization and a politician of the first class; he is a Presidential possibility. Either of these items would entitle him to a genuine public welcome.

Jim Farley, as he is commonly known to millions, has grown mightly in stature since he first came to general notice. At first he was savagely attacked, and it was generally understood that that was one method of getting at Mr. Roosevelt. But the fierce political and personal attacks upon him have generally ceased and he is welcome everywhere. For instance, he was, when he started in national politics, a poor speaker. He did not appear much in public, but now he is really an orator and can hold his own in any company. As an administrator of the business which directly affects every person in the United States he is a guerrant of the starter of the start

public, but now he is really an orator and can hold his own in any company. As an administrator of the business which directly affects every person in the United States he is a success, and as national chairman he is noted for his straight Democratic politics and for his refusal to be anything other than a plain Democrat.

Mr. Farley has unquestionably built up one of the finest organizations ever known in the United States. He is very generally given credit for having formed a set-up which twice elected Mr. Roosevelt to the Presidency. In all the period in which he has been before the public, the chairman has appeared frankly as a partisan and he has not gone off after ideologies or expediencies. He sticks to his job and inspires loyalty everywhere. It is noteworthy that Mr. Farley is regarded as the incontestable Democrat of the President's Cabinet. He is not swayed by conservatism or liberalism or anything else except his duty as a political adviser and executive. His postal department is run as such and his party organization is run as such. It is not often that a man can make a big success of two such big undertakings.

The transformation of Mr. Farley from a local politician to a great national figure has been very interesting. At various times and in many places he has taken the gaff for the President or the national administration, but he hasn't backed up. He is different from any other Cabinet officer, and he has a vivid personality. For these reasons and because he is honored as a fine representative American, Tulsa and Oklahoma welcome him with acclaim and genuine feeling.

American Millers Association

EXTENSION OF REMARKS

HON, FOREST A. HARNESS OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ADDRESS BY HON. FOREST A. HARNESS, OF INDIANA, MAY 16,

Mr. HARNESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the American Millers Association at Louisville, Ky., May 16, 1939:

Each of you businessmen and women comprising this convention of the American Millers' Association has undoubtedly followed the trends in national policy with the keenest personal and business interest. You have watched each new law and each new administrative act as expressions of policy, and as indicators which point these national trends.

Even if time permitted, therefore, it would not be nece

Even if time permitted, therefore, it would not be necessary to review each act and law in great detail. My purpose, rather, will be to summarize for you the general march of events in Washington; and to give you, if possible, a fresh interpretation of these events in terms of your own particular interests.

As millers you are most directly interested in the domestic and world production and consumption of grain; and in the mechanics of transporting, processing, and marketing cereals and cereal products. But there is one major interest which you have in commutit all businessmen—actually, in fact, which you share with every with all businessmen—actually, in fact, which you share with every serious person in the country, regardless of his walk in life. You are vitally interested in the general business situation. You know from direct experience that your business prospers when general business conditions are favorable; and that it cannot long escape the general ills which inevitably follow when serious dislocations there were part of the prelimed economy, out of helance.

the general ills which inevitably follow when serious dislocations throw any part of the national economy out of balance.

Your first interest may appear to lie with agriculture, as your source of supply: with the transportation agencies which serve you; or with the wholesalers and retailers who are your market outlets. But you know that these agencies are merely integral parts of the whole, and that they prosper or suffer with the component whole as surely as night follows day. For this reason I shall limit my remarks to a discussion of how the trend in national policy is affecting the American economy as a whole.

Since convening on January 3 the Seventy-sixth Congress has carried through to enactment 41 public laws and resolutions.

carried through to enactment 41 public laws and resolutions. Fifteen of them may be cited as of interest to the American businessman. Among the new laws, aside from the major appropriation acts, I list the following as important from your viewpoint:

Laws continuing the functions of the Reconstruction Finance Corporation, the Commodity Credit Corporation, and the Export-Import Bank until June 30, 1941; the public Salary Tax Act of

An amendment to the Agricultural Adjustment Act providing for a reapportionment of cotton acreage allotments not planted by farmers entitled thereto.

An amendment to section 12 of the Soil Conservation and Domestic Allotment Act authorizing advances for crop insurance; and an act approved April 5 extending the time for retiring of

cotton pool participation trust certificates to December 31, 1939.

The various appropriation bills are at different legislative stages.

You are familiar with the number and variety of these which cover

The various appropriation bills are at different legislative stages. You are familiar with the number and variety of these which cover the normal functions of government, including the Army and Navy. Aside from relief and deficiency appropriations, the independent offices bill is the only one approved to date.

Among the bills that have passed one House, I call your attention to the following: S. 69, increasing domestic sugar quotas under the Sugar Control Act of 1937; S. 572, providing for the acquisition of strategic war materials; S. 1272, amending the National Housing Act to redefine metropolitan areas wherein higher limits of building costs are allowable; S. 1302, to make the Commally Hot Oil Act permanent; S. 1514, designed to reduce cotton surpluses by offering farmers 3.000,000 bales of cotton at 5 cents per pound as payment in kind for crop reduction; S. 1796, amending the Tennessee Valley Authority Act to permit bond issues for the purchase of private utilities; and H. R. 3325, to continue the stabilization fund and the President's power to regulate the gold content of the dollar to June 30, 1941.

For your information, the general consensus of Washington opinion would prompt one to predict that only moderate amendments will be made to the National Labor Relations Act this session; that Congress will appropriate more money for farm subsidies than ever; that an export subsidy scheme for cotton will probably be enacted; and that some moderate changes will be made in the wage and hour law.

I realize that there are many more things looming on the national and international horizons that you would like to know

I realize that there are many more things looming on the national and international horizons that you would like to know about. Perhaps the most important of these questions right now is whether there will be a general European war; and if there is, whether the United States can steer clear of it. You would like to know when the Budget will be balanced. You are equally interested in finding out if there will be any fundamental changes in the New Deal agricultural program; in business-control schemes, and in the tax structure. You would like to know if there is anything to appeasement, or if it is all talk. You would like accurate information concerning the enactment of processing taxes. And I imagine you would like to know if there will be a marked business recovery in the early future.

These are only a few of the questions you would like to have answered. So would we all.

While time does not permit treating each question in detail, we can cover the most important items by concentrating our attention on three major topics; namely, on fiscal policy, on the agricultural policy, and on the Federal control and regulation of business.

I don't need to tell you that the Federal Government has been spending a lot of money. You are well aware that the public debt is now over \$40,000,000,000. Don't ask me how much money that is, because I don't know. I do know that the \$68,000,000,000 spent, and to be spent in the decade 1931 through 1940 is enough to have bought all the assets of all manufacturers and all mines and quarries in the country with \$6,000,000,000 left over for small

Even though the normal operating expenses have been growing at a terrifying rate in this decade, the greater part of this money has been spent to "prime the pump." Of course, you are all familiar with the pump-priming theory, which holds that the peaks and valleys of prosperity and depression can be leveled by Federal engineering. When the national economy slows down, and private spending runs low, the Government should borrow for the purpose of transfusing new blood into our economic system. This, it is argued will lead to a resumption of private spending mainly for consumer goods. The resultant activity in the consumer goods industries then will spread into capital goods as the increased demands call for enlarged plant facilities and improved equipment.

mands call for enlarged plant facilities and improved equipment. Thus a self-sustaining recovery can be generated, whereupon Government support can be withdrawn.

Pursuing this theory, the New Deal has pumped more than \$21,000,000,000 into our economic life stream in 6 years. The best answer I know for those who still contend that the spending program has worked, or that it can ever be made to work, is the fact gram has worked, or that it can ever be made to work, is the fact that eleven to twelve million men and women—practically the figure for unemployment 6 years ago—are still vainly seeking work. Even though its exponents have revised the theory somewhat, and dressed it with the impressive new title of "compensatory spending," they can hardly hope to delude either the people or themselves about the inherent weaknesses which 5 years of actual experience have revealed in the theory itself. There is, first of all, the difficulty of reducing expenditures; second, the diminishing effectiveness of such stimulants with continued use; third, the distrust created by large public deficits; fourth, the terrific administrative costs; and finally, the impossibility of devising administrative machinery sufficiently sensitive and flexible to coordinate such an artificial activity to the natural functions of our economic system. economic system.

The third point mentioned, that is, the distrust created by large public deficits, is of particular interest and significance to us here. Businessmen can hardly be expected to make future commitments when they don't know what the future holds for them. And it is impossible to carry on an expansion without first

them. And it is impossible to carry on an expansion without first making some assumption as to what lies ahead.

It is interesting in connection with any discussion of the spending programs to compare the last few years with the years after the war, from 1920 through 1929. Against the theory that Government deficits are essential to restore the national income is the record of the years following the war, when we cut Federal expenditures from \$18,500,000,000 to around \$3,000,000,000 annually, lowered taxes four times, and reduced the national debt from \$26,600,000,000 to \$16,000,000,000, and, save for the brief interruption in 1921, the national income was steadily rising from \$56,800,000,000 to \$70,500,000,000 to 1929 \$56,800,000,000 to \$79,500,000,000 in 1929.

This record was possible because this was a period of great business expansion. With faith in the future, businessmen and investors were eager to go ahead with new ventures, putting people to work and producing new wealth, confident that capital so risked would yield a profit. They were not only confident that enterprise would yield a profit but that they would be permitted to retain a fair share of their earnings. And remember that this was all true in spite of disturbed conditions abroad.

One of the most direct consequences of our present fiscal policy

One of the most direct consequences of our present fiscal policy is the effect of the burden of taxation upon production. The amount of taxes paid by the American people last year was the highest on record. Aggregate tax revenue collected by all governmental units in 1938 is estimated at \$13,700,000,000 by the National Industrial Conference Board. Taxes paid last year were 40 percent more than in 1929, whereas our national income was environmentally 25 percent less than in that boom year.

approximately 25 percent less than in that boom year.

Our tax bill is increasing much faster than our income. This is strikingly shown by the fact that per capita taxes—Federal, State, and local—in 1938 took 23 percent of per capita income as against strikingly shown by the fact that per capita taxes—rederal, state, and local—in 1938 took 23 percent of per capita income as against 12 percent in 1928. Furthermore, not all expenditures were covered by taxes. If the Government had paid all its bills in 1938, nearly 30 percent of all the income of all the people in the country would have been collected in the form of taxes. Such a levy would have imposed such a staggering burden that it would have compelled a drastic downward adjustment in our living standards.

The crushing burden of taxes upon business enterprise is revealed by data compiled by the Treasury Department. According to this source, the total taxes paid by all corporations in the country in 1936, the latest year for which reports on returns are available, were 53 percent of net income. During the decade the Government has collected from corporations not far from twice as much as have the stockholders. The railroads paid taxes of more than \$340,000,000 in 1938, while their deficits for the period is estimated at \$120.000,-000. To cite further instances, taxes were equal to one-third of net income of the electric light and power industry, and 43 percent of the earnings in the petroleum industry. Taxes paid by the steel industry in 1937 represented 42 percent of net earnings, according to compilations made by the American Iron and Steel Institute, and amounted to \$330 for every person employed in the steel industry, or the equivalent of a year's wages for 108,000 workers. You know only too well that taxes are among your most important costs of production. You likewise know, from bitter experience perhaps, that your profits decrease as costs increase. You share this economic truth with all businessmen. You also know that low profits and the continuing prospect of small profits are no incentive to expansion. In other words, you agree with the President that "taxes are paid in the sweat of every man who labors because they are a burden on production and can be paid only by production."

But this is not the only disturbing trend in Federal taxing policy. Not only has the New Deal imposed a constantly increasing tax burden, but for the first time since the days of Chief Justice John Marshall we have seen a serious and definite tendency to use taxing power as an instrument of policy. The administration has quite frankly applied such levies as the capital-gains and undividedsurplus taxes, not as revenue-producing measures, but as avowed devices to regulate business and to control the flow of wealth created by productive efforts.

Thus the power to tax has been invoked to restrict the right of the individual to conduct his business as common sense, experi-

ence, and sound business practice may dictate.

Just in this session the way has been opened to carry the policy a step further, with the passage of the Salary Tax Act. At first blush this seems to be a desirable measure. Its purpose is laudable, for surely a Government employee should carry the same tax burden, in accordance with his ability, as his neighbor in private enterprise. But the same instrument which has been applied to restrict and control the individual can now be applied just as successfully against the rights of the States.

Since Daniel Webster declared before the Supreme Court, with the approval of Chief Justice Marshall, that "the power to tax involves the power to destroy," we have carefully resisted the tendency to invoke the taxing power as a weapon. Now, however, the businessman is confronted with still another unpredictable factor as he plans ahead. Future taxes may not only be burden-

some-they may be weapons of coercion.

If our objective is freedom to produce greater and greater wealth, and in turn, to achieve a constantly improving standard of living, it is certain that we must undertake important reforms in our fiscal and taxing policies. Which brings us to the question of what to expect in the way of fiscal and taxing reforms. Of this I feel certain: We cannot expect these reforms under the present administration. There is no tendency on the part of the present administration. There is no tendency on the part of the "spenders" to alter their policies. In fact, if you have listened to the defenders of compensatory spending as they declare that the program has failed only because it has been too niggardly, you will understand that the slightest concession to economy is forced.

Of course, we need not delude ourselves about taxes as long as

expenditures remain at such high levels. I believe there is an honest desire these days at the Treasury to undertake tax reforms which, if they did not lessen the total load, would at least remove the harsher restrictions, I believe the New Deal also has been forced to concede the fundamental importance of the business machine in any appreciable recovery. Hence, in recent months, the willingness to discuss the abstract principle of "appeasement." I see little evidence, however, that the administration has either the capacity or the honest desire to actually undertake such action.

We need no further evidence of the unwillingness to reform fiscal and taxing policies than the fact that the President, the man who is responsible for existing policies, the man who is supposed to submit a balanced Budget to Congress, has thrown up his hands and now contends that it is a problem for Congress to solve.

The only way we'll ever get out of this fiscal mess is to face the

issue courageously. Throwing up our hands won't get it done. Neither is it very intelligent to believe that those who got us into the predicament can ever get us out of it. Balancing the Budget simply comes down to getting the courage to do one of two things, either reduce expenditures or raise taxes, or a little of each.

Now, the only way you can reduce important expenditures is to eliminate governmental functions. Do not be misled by the idea that elimination of waste alone will balance the Budget. Even though I object to the manner in which he said it, the President was right when he said on January 3 that wasteful expenditures comprise only

a small portion of the ultimate savings we must effect.

Let me make it clear that no opportunity to cut operating costs in normal functions should ever be neglected. Waste, incompetence, and inefficiency should no more be condoned in a Federal depart-ment than it is in your own business. Unfortunately, however, the average Federal administrative agency has never been confronted, as you constantly are, with the necessity of functioning efficiently or facing bankruptcy. The President unconsciously reflected the attitude which results from such freedom from the cold laws of economics when he lightly dismissed the possibility of effecting savings through improved departmental methods.

As a practical matter it is difficult to eliminate functions in

face of pressure exerted by organized groups. These groups constantly seek an infinite variety of aids and subsidies, which make it all the more important that we stimulate production and recovery by every means at our command.

I believe we are making some headway in developing an intelligent economy attitude in Congress. That may sound like wishful thinking, in view of results to date, but I do feel that there is a salutary influence at work which will make itself felt as time goes on.

So much for spending. When we come to discuss agricultural policy we confront a still more difficult task. This is true because

it is impossible to discover just what our national farm policy is. If you think we have a farm program, listen to Senator Connally,

If you think we have a farm program, listen to Senator Connally, of Texas:

"Cotton is like a sinking ship. When a ship at sea is sinking you do not wait to work out navigation problems and try to devise a long-range program. You just shout, 'Man the lifeboats!' Now we are trying to man the lifeboats for cotton."

Notice those words, "try to devise a long-range program," coming after 6 years of what have year after year been described as "long range" programs. These remarks by Senator Connally were made in the Senate just 6 days ago, May 10.

Thinking generally, the objective of whatever policy the New Deal supports at the moment is to increase farm living standards. To achieve this the administration has tried a number of programs, action programs, so-called, to raise commodity prices and grams, action programs, so-called, to raise commodity prices and farm income.

To say that these action programs are puzzling in their utter inconsistency is to put the case mildly. First, we start upon the assumption that the way to restore prosperity is to raise prices. It is beside the point to say that the assumption was entirely fallacious, and that 6 years of experience have thoroughly discredited it, for, following the assumption, the administration has tried for 6 years to jack up prices and purchasing power. You all know the devices the New Deal has used to peg the American economy But when artificial restrictions began to cut down production we started importing from abroad.

importing from abroad.

Since this didn't go far enough, we generally lowered our tariffs through the series of reciprocal-trade agreements. That the tariff policy and the domestic programs are diametrically opposite in effect makes no difference. Next, we peg the price of cotton above the world price, and wonder why our cotton exports are the lowest in 50 years. Then we decide that the best way out is to restrict cotton production just that much more. If this throws southern farm labor on relief, then we hike relief appropriations and further unbalance the Budget. Furthermore, if it forces the southern farmers into new types of farming which make them competitors. farmers into new types of farming which make them competitors of the agriculturists of our grain, corn, livestock, and dairy regions, then we stiffen the restrictions on the farmers in those sections.

then we stiffen the restrictions on the farmers in those sections. When we artificially raise the price of wheat, and farmers take advantage of better prices to increase production, we cannot understand why that should happen to us, although it has happened every time any country ever tried it. You know about our diversion program. Under this program we buy up huge stocks of surplus foodstuffs and turn them over to the relief authorities for distribution. In fact, you are especially interested in the "blue stamp" system of distribution about to go into effect as an experiment in six selected communities. This is reported to be receiving considerable support among food processors and merchants, because it permits the commodities to move through normal channels. To this extent it is to be commended as a distinct improvenels. To this extent it is to be commended as a distinct improve-ment. But before you allow its attractive features to win your enthusiasm, let me urge you to ask yourselves what the ultimate outcome may be when the Government goes further and further into marketing. You may find a clue within your own particular experience if you will recall that hard-wheat flour has been trans-ported considerable distances for distribution in soft-wheat territories, while soft-wheat flour has gone back into that territory from

which the hard-wheat flour was purchased.

If you think there is any consistency or meeting of minds in regard to agricultural policy, consider the following statements. Before the House agricultural appropriations hearings recently Secretary Wallace said: "With regard to the years immediately ahead, about half of the farm problem is to be found in the cities; and if the people in the cities do not produce more, and if there is not less the problem is a pound to be real trouble in agriculture."

unemployment, there is bound to be real trouble in agriculture; and there is not less and there is nothing you can do in agriculture that will cure that."

With that thought in mind, now listen to Harry Hopkins, in his first important speech as Secretary of Commerce: "There can be no solution of our problem of unemployment until the farmer regains his proper economic position."

After that evidence of utter confusion, you should scarcely have heer surprised at the final pay-off which came at the President's latest press conference, when he defended the purchase of Argentine beef by the Navy. Here, after 6 frantic years in which the New Deal has used every conceivable device to rig domestic prices, is the President, himself, repudiating the underlying philosophy of his corn administration. his own administration.

If the price of American beef is too high for our Navy, it is because the New Deal has thrown killing restrictions upon agribecause the New Deal has thrown killing restrictions upon agriculture, and loaded the food-processing industries with insuperable burdens of taxation and regulation. It is beside the point to say that the New Deal has been wrong for 6 years if the President is right now; or that the President is entirely wrong if there has ever been any sense to the New Deal philosophy. What is pertinent is the fact that, having hamstrung the American economy, Mr. Roosevelt not only blithely abandons it in its dilemma, but advertises to the world our inability to compete either in price or quality with a foreign product. While every other nation in the world vigorously merchandises its wares Mr. Roosevelt tells the world to buy the superior and less expensive beef of the Argentine.

What is also pertinent is the fact that the President with his usual fine disregard for the virtue of consistency has again reversed directions without warning or explanation.

reversed directions without warning or explanation.

If this is a true picture of New Deal intelligence, then we are indeed in a predicament. This evidence of confusion supports my belief that there simply is no such a thing today as an agricultural policy. After viewing the Washington scene the conclusion is ines-

capable that the New Deal is more interested in the machinery of a program than in results. In other words, the mere fact that prices in terms of the old gold dollar are lower than ever, that production is entirely out of balance, that surpluses are, in some instances, greater than ever, doesn't matter. What seems important is the machinery, even if it doesn't work.

As to the future, I feel sure of only one thing: This administration is unlikely to admit the imperfections in its programs. For this reason many hold that farm conditions will probably get worse before they improve. You are now watching the latest absurdity—the proposal for an export subsidy on cotton and other staples seems on the way despite the fact that it does further violence to the trade-agreement program, which bars any other country which chooses to apply the same device. All that can be said for it in this connection is that it is a new way to spend money.

In looking forward to constructive action we must keep in mind that many countries have committed economic suicide, given time, by following restriction to its bitter end. Progress in the end will come not from restrictions and vague efforts to redistribute the

ome not from restrictions and vague efforts to redistribute the wealth already created but from increased production.

This is true not only in agriculture, but in every phase of the American economy; but for 6 years the New Deal has denied it, to the serious detriment of the country.

Regulation of business for the public's benefit long antedates the Roosevelt administration. Previous to the New Deal, however, the object of regulation was to preserve a system of individual trading, a greater of free enterwise free government and regulation was to preserve a system of ince enterprise, free government, and free men. The present administration changed the purpose from regulation for improvement to control which restricts and eliminates independence of action. The major New Deal efforts to control business include the following legislation: National Industrial Recovery Administration, 1933; Securities Act, 1933; Tensesse Valley Authority Act. Securities and Freeneys 4, 1934; 1934. dustrial Recovery Administration, 1933; Securities Act, 1933; Ten-nessee Valley Authority Act; Securities and Exchange Act, 1934; Connally Oil Act, 1935; Guffey Coal Act, 1935; National Labor Relations Act; Public Utility Act; Rural Electrification Act; Bitu-minous Coal Act, 1937; Fair Labor Standards Act, 1938. The results of the programs initiated under these acts are varied, but in no case do we find an outstanding success. Here we could list a number of notable failures, but two examples serve our

purpose.

list a number of notable failures, but two examples serve our purpose.

The N. R. A. must be judged by what it actually accomplished rather than by its aims. During the 2 years N. R. A. was in effect this country lagged notably behind most every other world power in recovery. From May 1932 to May 1933, just before the law went into effect, industrial production increased 21 percent. In the 2 years, May 1933 to May 1935, industrial production increased only 10 percent, or 5 percent per year. However, from May 1935 to May 1936, following the demise of N. R. A., industrial recovery stood at 21.6 percent. Recovery before and after N. R. A. was four times greater than during the life of the act. The net result was that labor's position was unimproved, while all nonwage earners, including farmers, suffered under N. R. A.

The Bituminous Coal Act of 1937 is another glaring illustration of the difficulties involved. While this act was passed 2 years ago, I call your attention to the one startling fact that the Commission has still to determine a schedule of prices. The current impasse in the coal industry is evidence that this act and its Commission is of no value even to the industry for which it was created.

Two interesting sidelights are worth mentioning in this connection. This act is another example of the peculiar New Deal confusion of cause and effect. Working upon the theory that high prices cause prosperity, this act undertook to legislate prosperity for the bituminous-coal industry by rigging the price of soft coal. This entirely overlooked the fact that much of the distress in the coal industry has arisen from the growing competition of other fuels, as well as a steadily advancing efficiency in the uses of coal. To assume that you could restore an industry's dwindling market by facking up the price of its product, of course, violates a principle

To assume that you could restore an industry's dwindling market by jacking up the price of its product, of course, violates a principle which everyone of you learned in your first year of business experience. It would never occur to you that you could induce a consumer to eat more flour by raising the price you ask him for flour, or that you could regain a market from a competitor by pricing your product so that he would have a still greater advantage over

I spoke of the growing competition from other types of fuel as one of the factors in the coal industry's problem. Where is the consistency in government which proposes, on the one hand to aid our coal miners; but on the other hand is pursuing a program of water-power development which, if fully applied, will be the coal industry which the coal industry. take a tremendous slice out of the coal industry's market? What can a coal miner think of a program of power development which would replace an estimated 500,000 tons of coal production

annually?

annually?

If you will permit me to place my own interpretation upon these trends in national policy as they relate to Government control of business, and to estimate future trends, I can hold out little hope to you under this administration. Every act has been an act of defeat and despair in its fundamental philosophy, even though you must admit the ostensible nobility of purpose it expresses. It has been the act of an administration which will not recognize the possibility of the further development of the United States as a progressive, dynamic, economic community; but which stubbornly insists that we have reached ultimate capacity, and must accommodate ourselves under governmental supervision to established limits.

That America has even approached the ultimate economic growth; or that it cannot again prosper as a developing com-

growth; or that it cannot again prosper as a developing community except under strictest bureaucratic regulation, only a few of the most stubborn and pessimistic believe. But the defeatist philosophy rules at Washington, and will doubtless continue to rule at least during this administration.

Unfortunately, we are confronted with an international situation so tense and so serious that the solution of our domestic problems will be hampered by distractions from abroad. So grave is the international situation, in fact, that our entire thought and energy in the coming months may be necessary to the cause of international peace, and the problem of protecting American interests in case war abroad proves inevitable.

America's position in international affairs today is fully as serious

America's position in international affairs today is fully as serious as it was in the months before our entrance into the World War. But, unfortunately, our domestic situation is now infinitely worse than it was in the years before the Great War. Then we were prosperous, happy, comparatively untroubled people. We had practically no Federal debt, and we were in the national habit of living within our income.

within our income.

We cannot say that of America today. We are now saddled with a national debt in excess of \$40,000,000,000, despite the heaviest tax burden we have ever carried, and we have a Federal Government which cannot live within its income, despite this heavy tax burden. We have class consciousness, class struggle, and social unrest to a degree unknown since the Civil War. We have an agricultural system dislocated, disconcerted, and dissatisfied. And we have an industrial system so completely circumscribed by a Washington bureaucracy that it may no longer display the vigor and creative capacity of which it previously was capable.

If the World War could create the havor which followed it.

If the World War could create the havoc which followed it, If the World War could create the havoc which followed it, especially here in America, it is even more vitally important now that our foreign policy should be directed to keeping America out of another general world conflict. As a preliminary statement, let me say that I believe no man or group of men can mold American foreign policy satisfactorily into a neutrality measure which can be expected to interpret unpredictable conditions arising in the future. Let me say, also, that I believe in giving the President the greatest possible freedom in dealing with our international problems.

international problems.

But let me add here that I do not agree with many of the President's measures in recent months. As far back as his speech in Chicago suggesting the quarantine of aggressor nations, our President has directed attention to foreign affairs. Consistently since, he has picked other propitious moments to distract national attention from domestic failure to foreign problems. And he has invariably used his forays into international fields in an effort to trustify the New Deel demostic program. invariably used his forays into international fields in an effort to justify the New Deal domestic program. As late as his message to the opening of this Congress, he cited our domestic program as definite development of national defense. Here I sharply disagree with him. I decidedly do not agree that the New Deal has strengthened us in any instance for national defense. I believe that every one of our hazards is entirely internal, and that every one of them is almost solely the product of the New Deal.

Largely as a result of New Deal policy, our country cannot possibly withstand the demands of a protracted war. With a national debt already threatening to overwhelm us, our national credit simply will not withstand the extra burden of war. The last war cost us roughly \$50,000,000,000. If you add that figure to our present national debt, you reach a total which even the most optimistic new dealer has not suggested that we can carry safely. That assumes, of course, that another war would cost us no more than the last.

There are many eminent critics of the President who declare

There are many eminent critics of the President who declare There are many eminent critics of the President who declare that his forays into the field of current foreign policy are pure drum beating in an effort to protect his administration's past against attention at any cost. As completely opposed as I am to his administration, I do not subscribe to this view. As critical as I am of the many things he has done in the matter of foreign relations, I cannot believe that his motives are anything but streetly in American interest.

eign relations, I cannot believe that his motives are anything but sincerely in American interest.

But I do say this: That America simply cannot afford a war at this time. America simply cannot afford to deceive itself into believing that anything transcends the necessity for resolving its domestic problems. Above everything else, we must put our own house in order—and the more imminent the foreign danger, the more necessary it is that we do this without delay.

How to do this? Simply promulgate a program that is friendly to business. Not friendly to big business, nor to little business, as such, but to all honest business. A program which expresses the essential unity of interest in industry, labor, and agriculture. A program to foster free competition and encourage legitimate enterprise. A program denying that bureaucratic control can ever approach the efficiency of free economy, and emphasizing the confident belief that the present high standard of living is only the beginning of America's possibilities. A program avowing that finally the natural forces of free competition can provide more of the good things of life to the consumer at low price, increase emthe good things of life to the consumer at low price, increase employment, improve income, shorten hours, and expand markets for the products of the farm.

A program, in short, which honestly fosters an economy of plenty, not a defeatist economy of scarcity.

This way lies the solution of our unemployment problem, and productive work for the men and women who are now vainly

seeking work. This way is the way to greater markets for every American effort, both industrial and agricultural. This is the way which leads to greater production, greater wealth, and the constantly improving standard of living which is America's true destiny.

Tennessee-Tombigbee Inland Waterway

EXTENSION OF REMARKS

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. RANKIN. Mr. Speaker, on yesterday this House, under one of the heaviest barrages of misleading propaganda I have witnessed for many a day, voted out of the river and harbor bill the provision for the construction of the Tennessee-Tombigbee inland waterway, which is absolutely necessary to complete the great waterway system of this Nation, and which was shown by the Army engineers to be justified from every standpoint.

It now appears that some Members voted "yea" under a misapprehension, thinking that they were voting for the proposition, or to sustain the Committee on Rivers and Harbors, when in fact they were voting to strike the provision from the bill and against the committee's position. Five Members from Tennessee, whose people would be among the greatest beneficiaries of this great project, were misled into voting against if.

The bill now goes to the Senate, and I feel confident this provision will be restored; and by the time it returns to the House, I hope the fallacy of this propaganda will be sufficiently manifest to disabuse the minds of the Members who were misled into voting against it, and that those Members who erroneously voted to strike it out will have an opportunity to correct that mistake.

Railroad employees were deluded into writing or wiring their Congressmen to oppose this provision in face of the fact that the evidence before the Committee on Rivers and Harbors showed that, regardless of the railroad propaganda to the contrary, no railroad man had ever lost his job because of river and harbor development. On the other hand, these projects have stimulated traffic and increased the employment of railroad men.

I have been a friend of railroad labor ever since I have been a Member of this House, and it was painful indeed to me to see them thus made the tools of the predatory interests that have fought against their interests for the last quarter of a century. These very railroads are strangling the American people to death with exorbitant freight rates that are too high for any nation on earth to pay, and by so doing they are slowing down traffic and throwing their own men out of employment.

The railroads of this country are making a drive, not only to eliminate water competition but to drive trucks and busses from the highways, in order that they may continue to impose these exorbitant rates upon a helpless public, and in that way wring from the unprotected masses of the American people money with which to pay dividends on the \$10,000,000,000 to \$15,000,000,000 of water or inflated values in their capital structures and pay the enormous salaries of their executives.

They concentrated on this Tombigbee inland waterway in the face of the fact that it had been recommended by the Board of Army Engineers, after 5 years of the most thorough study and investigation, and approved by the President of the United States, as well as by the Committee on Rivers and Harbors, and also unanimously endorsed by the Rivers and Harbors Congress.

The Rivers and Harbors Congress is an independent body of able men who are devoting their time and their energies to building up our system of inland waterways. They put in 4 years examining this project, and approved it unanimously.

The special board of Army engineers, headed by four of the ablest engineers in the service, with the assistance of a large corps of the ablest young men in the service, investigated this project for 5 years, going into every phase and every feature of it.

After showing that it was economically sound, and would pay for itself within a short time, in addition to contributing immeasurably to our program of national defense; after pointing out the great saving in transportation distances, and the other immeasurable benefits it would bring to that great section of the country, covering the Tombigbee, the Tennessee, the Ohio, the Cumberland, the Mississippi, and the Missouri River Valleys, and all the territory that drains into them—after pointing out these benefits, this special board of Army engineers recommended:

That the United States undertake the construction of a waterway to connect the Tennessee and Tombigbee Rivers, by way of the East Fork of the Tombigbee River, Mackeys Creek, and Yellow Creek, so as to provide a channel of not less than 9 feet in depth and a minimum bottom width of 170 feet in river and canal sections and 115 feet in the divide cut, with locks 75 by 450 feet clear inside dimensions, substantially in accordance with the general plan presented in this report.

This report was carefully and thoroughly reviewed by the General Board of Army Engineers of the War Department here in Washington, who gave it their unqualified recommendation, as follows:

After full consideration of the report secured from the special board, the Board of Engineers for Rivers and Harbors recommends that the United States undertake the construction of a waterway to connect the Tennessee and Tombigbee Rivers, by way of the East Fork of the Tombigbee River, Mackeys Creek, and Yellow Creek, so as to provide a channel of not less than 9 feet in depth and a minimum bottom width of 170 feet in river and canal sections and 115 feet in the divide cut, with locks approximately 75 by 450 feet clear inside dimensions, substantially in accordance with the general plan presented in the report of the special board.

It then went to the President of the United States, who referred it to other branches of the service, and after receiving their favorable reports also, he gave it his approval in the following language:

I approve this survey report for a waterway connecting the Tombigbee and the Tennessee Rivers.

The Rivers and Harbors Committee of the House of Representatives held extensive hearings on it, and, as I said, voted to approve it by an overwhelming majority; and I believe if the House had understood it, it would have been approved by an overwhelming vote.

Of course we expect the Senate to put this provision back in the bill, and to have it ultimately sustained by the House. No river and harbor project that has ever been so thoroughly investigated, and then approved by the Board of Army Engineers, the President of the United States, and the Committee on Rivers and Harbors, and unanimously endorsed by the Rivers and Harbors Congress, has ever yet failed of ultimate development.

It will save the Nation enough money to pay for itself within a few years. It will give flood-control protection to 1,000,000 acres of land along the Tombigbee River on which crops are being damaged and other property destroyed almost every year.

It will shorten the water distance from the Tennessee River to any point on the Gulf of Mexico by 630 miles.

It will shorten the water distance from the Tennessee River to Mobile by almost 1,000 miles.

It will shorten the water distance from all points on the upper Tennessee as high as Knoxville, to the Gulf of Mexico, by 630 miles.

It will shorten the water distance from all points on the upper Tennessee above Pickwick Dam as high up as Knoxville, to Mobile by approximately 1,000 miles.

From the standpoint of Tennessee it will be one of the greatest developments of all time. With the exception of a small area along the Mississippi River, the entire State of Tennessee is practically bottled up. Within her confines and the confines of the other areas adjacent to the Tennessee River in northwestern Georgia, northern Alabama, and northeastern Mississippi there lies the greatest wealth of undeveloped raw materials to be found in the world,

In that area lies the world's reserve supply of timber, and especially hardwood timber, that is so badly needed at this time.

In that area lies the world's reserve supply of coal that is shut out from the markets of the world by the exorbitant transportation rates that now prevail.

In that area lies the world's reserve supply of iron ore—beds as rich as the ones that lie around Pittsburgh or Birmingham—which are now undeveloped because of a lack of a cheap method of transportation.

In that area lie hundreds of millions of tons of limestone, asphalt, bauxite, bentonite, ceramic clays, and many other materials that are now imported from foreign countries because of a lack of some method of cheap transportation to bear them to the proper destinations.

In that area lies one of the greatest agricultural sections of the South, which was known during the Civil War as "the granary of the Confederacy."

In that area lies the great dairying section of the South, as well as the chief cotton-producing area east of the Mississippi River.

But all these are bottled up, to a large extent, because of a lack of this outlet to the sea.

It is only 494 miles from Pickwick Lake on the Tennessee River to Mobile, down this Tombigbee Inland Waterway, whereas the present route around by Cairo, Ill., is 1,291 miles—a difference of 797 miles.

Besides, this project would afford a slack-water route for ascending traffic up the Tombigbee to the Tennessee River, and then a downstream route to the mouth of the Ohio at Cairo. It would be a much more desirable route for ascending traffic, and for that alone it is estimated that it would save a minimum of \$1,000,000 a year.

It would shorten the water distance from all points on the Ohio River up to Pittsburgh, Pa., and Youngstown, Ohio, to the Gulf of Mexico by more than 200 miles, and would shorten the water distance from any of those points to Mobile by 370 miles; and, as I said, it would furnish this slackwater route for their ascending traffic.

It would shorten the water distance from all points on the Mississippi River above the mouth of the Ohio on up to Chicago on the Illinois River and Minneapolis and St. Paul on the Mississippi River to the Gulf of Mexico by 108 miles; and would shorten the water distance from all those points to Mobile by 278 miles, and would furnish them a slackwater route for ascending traffic, all the way up the Tombigbee and into the Tennessee River, and a downstream route from Pickwick Dam to the mouth of the Ohio.

It is more than 900 miles from Cairo to the mouth of the Mississippi. Think what a marvelous advantage it would be to have a slack-water route from the Gulf all the way up to the Tennessee River, and then downstream all the way from Pickwick Dam to Cairo, instead of having to fight the terrific, and sometimes treacherous, current of the Mississippi River.

Not only that, but this great waterway is necessary from the standpoint of national defense. It would give us an additional inside passage, traversing the great areas from which we draw our war materials, that would be safe from attack from the sea.

It is known to everyone that our supply of nitrates in case of war will be at Muscle Shoals on the Tennessee River. In the event of war, this would not only give us an outlet for the coal, iron, lumber, grain, cotton, and other raw materials, as well as finished products for all that great section of the country, but it would give us ingress and egress to our great nitrate supply, by a route that would be protected from attack from sea, and that would be almost 1,000 miles nearer to the Gulf than it is now to follow the long tortuous route down the Tennessee River to the Ohio, down the Ohio to the Mississippi, and down the Mississippi to its mouth.

If and when a connection is made between the upper Ohio and the Great Lakes, this route would furnish an ideal inland passage from the Gulf of Mexico to the Great Lakes, and then around through the Great Lakes and down the Erie Canal to New York and the Atlantic seaboard.

This is one of the greatest propositions of its kind that has been proposed to Congress in a century, and is just as sure to be constructed as the night follows the day. No project of this kind that has ever been so universally approved from every angle by men who are capable of making a thorough investigation has ultimately failed of construction.

The Army engineers tell us that it is the outstanding project on this earth where water traffic can be transferred from one major watershed to another with so much ease, at so little expense, and with such great savings in distances and transportation costs.

The level of Pickwick Lake is 125 feet above the level of the Tombigbee River at its head of navigation, only about 25 miles away. There is a slight sand ridge to cut through that contains no rocky barriers or hard formation to obstruct the work. It would connect the two streams and furnish a source of water at the summit, which would be Pickwick Lake, that would eliminate all possible question of the success of the enterprise.

We are told that in prehistoric ages the Tennessee in all probability flowed down the Tombigbee Valley, but some great upheaval raised it up to its present level above the Tombigbee and turned its course to the north. Now, by cutting through this slight sand ridge and installing the locks and dams provided in this report of the Army engineers a new outlet to the sea would be furnished that would be of inestimable benefit not only to that section but to all the American people in the years to come.

In addition to that, it would give us flood relief on the Tombigbee and its tributaries and restore to us the water transportation which that country enjoyed for more than a hundred years.

If the Congress finally turns this project down, then it might as well kill all river and harbor legislation and all flood-control legislation and cease spending the hundreds of millions of dollars which it is now appropriating for national defense; for, taken from all three of these standpoints, this is the most feasible, the most reasonable, and the most necessary project that has yet been presented to the Congress of the United States.

The opposition has raised a great hue and cry about the expense. They "strain at a gnat and swallow a camel." They would kill this great project and then spend many times this amount on other things of less importance.

This work would be spread over a period of at least 8 years, and would employ about 6,000 men. If it is finally defeated, many of those men, if not all of them, are going on the W. P. A. or relief rolls. If they are permitted to engage in this work they will be producing something constructive, and will feel that they are not wasting their time or accepting a Government dole.

Besides, the Army now has large hydraulic dredges that can be put to work cutting through this slight sand ridge that separates the Tennessee River from that of the Tombigbee. These dredges are run by electricity, of which the Government now has an abundance at Pickwick Dam, Wilson Dam, and Wheeler Dam, in that immediate area. This would greatly reduce the cost of constructing this project.

In addition to that, it will furnish a market for the lumber, steel, cement, gravel, concrete, and electrical machinery necessary to construct and operate these locks; and instead of injuring railroad labor, it will put more railroad men to work hauling materials for this purpose.

If every Member of the House had understood exactly what he was voting on, and had not been misled by the vicious propaganda spread by the railroads, or inspired by partisan or sectional motives, this proposition would have had practically no opposition.

I repeat that this is one of the greatest projects of its kind on this earth that can be constructed at so little expense, and produce such far-reaching and beneficial consequences.

It is just as sure to be constructed, ultimately, as the night follows the day; and it should be constructed now.

'APPENDIX TO THE CONGRESSIONAL RECORD

In Defense of W. P. A.

EXTENSION OF REMARKS

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

EDITORIAL FROM THE BOSTON EVENING TRANSCRIPT

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Transcript of May 17, 1939:

[From the Boston Evening Transcript of May 17, 1939] IN DEFENSE OF W. P. A.

IN DEFENSE OF W. P. A.

The 210 members of the Harvard faculty, nearly half of them professors, who signed a petition of American teachers in defense of the Federal Art Projects, stand on firm ground. They single out the art projects because it is through them that the whole work relief program is being attacked currently. They see in the art projects the "clearest and most characteristic expression of the policy of the Government to give relief to the unemployed by giving work suitable to their experience and training." It is the logical point for a test of strength on the major issue of Federal relief.

Most thoughtful liberals, we believe, accept the broad theory of work relief. It is more costly in taxes than direct relief or the dole. It is more costly, too, than a nonrelief works program of comparable size would be. But it is demonstrably less costly than would be a relief and a works program handled separately. It is perhaps for this reason that opponents of the W. P. A. center their attack on the art projects. These projects produce "luxuries" which, the economy leaders aver, the Government cannot afford under any set-up. The less successful work of W. P. A. artists is held up to ridicule, and the public is asked if that is what it wants its money spent for. These tactics ignore the central point of the W. P. A. program. The ultimate saving in work relief is not in the taxes currently paid to support it, but in the maintenance of morale in our vast army of unemployed and in the salvaging of skills and antitudes which

to support it, but in the maintenance of morale in our vast army of unemployed and in the salvaging of skills and aptitudes which would otherwise have been lost during this long period of inactivity. Art becomes momentarily less important in periods of economic strain, but the artist does not. His future in a society of self-supporting men and women is just as important as that of a tradesman or mechanic—more important in many ways.

Business and the New Deal

EXTENSION OF REMARKS

HON, THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ARTICLE FROM THE WASHINGTON STAR

Mr. THOMAS F. FORD. Mr. Speaker, those who understand the New Deal know that it believes not only in good business but in better business, and that the method of promoting business is to promote the general welfare of the American people through increased and widely distributed purchasing power.

That business is benefiting from New Deal spending and

other policies is proven from the record.

In the Washington Star of May 22, Jay Franklin cites figures from Dr. Eric Muehlberger, which, while not guaranteed in detail, are substantially accurate.

Here is the statement from the Star:

The figures under comparison are for the first part of 1939 and the first part of 1932, using quarterly or weekly totals, as available. Remember, in early 1932 it was far from sure—politically that President Hoover would not be reelected. Business had all the confidence the White House could pump into the market, taxes were conveniently low, there were no National Labor Relations Act, S. E. C., wage and hour law or other forms of "regimentation" to act as a "deterrent" on business enterprise, and there were no serious foreign war scares. Here you have the picture of Mr. Hoover's "confident" business and Mr. Roosevelt's "discouraged" business:

Commodity	Under Hoover, 1932	Under Roosevelt, 1939
Stock prices (average)	\$81, 20	\$100, 61
Bond prices (average)	\$74, 29	\$85, 78
Monetary gold stock	\$4, 345, 000, 000	\$15, 801, 000, 000
Monetary gold stock Federal Reserve credit	\$1,859,000,000	\$2, 572, 000, 000
Currency circulation	\$5, 548, 000, 000	\$6, 915, 000, 000
Brokers' loans	\$379, 016, 662	\$547, 443, 175
New York rediscount ratepercent_	3	1
Bank clearings (22 cities)	\$90, 859, 453, 000	\$96, 268, 786, 000
United States steel (tons shipped)	1, 124, 851	2, 235, 209
Steel ingot outputtons	4, 329, 830	9, 506, 594
Pig-iron outputdodo	3, 757, 196	8, 315, 927
Automobile production	376, 665	1, 055, 576
Building permits	74, 677, 796	293, 703, 797
Building permitsbarrels	36, 936, 900	57, 175, 850
Bituminous coal tons 1	102, 455, 000	111, 650, 000
Electric currentkilowatt-hours	26, 094, 970, 000	37, 893, 658, 000
United States raw cotton consumedbales	1, 374, 010	1, 803, 521
United States wool consumptionpounds	57, 600, 000	97, 400, 000
Rayon yarn consumptiondo	39, 800, 000	102, 400, 000
United States exportsUnited States imports	\$461,000,000	\$699, 821, 000
United States imports	\$398,000,000	\$526, 652, 000
Gold imports	\$89, 728, 000	\$745, 159, 000
Car loadings	9, 574, 837	9, 822, 512
Railway earnings (51 roads)	\$66,045,525	\$84, 998, 333
Railway earnings (51 roads)	\$59, 793, 251	\$125, 428, 094
Moody's commodity indexbushel	86.5	141 9
Wheatbushel.	. 68	.95
Corn	45	.66
Oatsdo	. 34	.46
Cotton	5.77	9. 26
Wool do do barrel	. 44½ 2. 02	.621/2
Crude oilbarrel	2. 02	2.00
Coal furnaceton	11. 62	10.08
Copperpound_	5. 75	10. 37
Leaddo	3, 00 2, 51	4.75
Zinedo	2. 51	4. 00
Steel scrapton	9. 80 15. 00	14.78
Iron pigsdo	15.00	22. 84
Steel billetsdo	27. 00	34.00
FEDERAL RESERVE BOARD IND	EXES (1923-25=10	0)
	21 III (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1	ETIS W SPERMIN
Industrial production	67	98
	00	96
Minerals	84	110
Construction Factory employment	26	56
Factory employment	- 68	9
Factory pay rolls Carloadings	53	8
Carloadings	61	.66
Department store sales	- 70	85

Since all these figures are, at best, approximations, the whole case for the New Deal's business policy can be summarized by saying that in the sixth year of Roosevelt business is about 50 percent better than in the third year of Hoover.

Relief for Those in Need

EXTENSION OF REMARKS

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

LETTER FROM GOV. RAYMOND E. BALDWIN, OF CONNECTICUT

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter, copy of which I have received from Gov. Raymond E. Baldwin, of Connecticut, giving the Governor's views and suggestions in respect to relief and work relief in the light of actual experience in Connecticut:

HARTFORD, May 11, 1939.

Hon. EDWARD T. TAYLOR,

Hon. Edward T. Taylor,

Chairman, Subcommittee on the Works Progress Administration, Committee on Appropriations, House of Representatives, Washington, D. C.

My Dear Congressman: I regret that pressure of State business in these the closing days of our Connecticut General Assembly makes it impossible for me to accept your invitation to appear personally before your committee. I doubly appreciate, therefore, your so kind invitation to me to present my views on some of the problems confronting your committee and the Nation in this manner by a written statement.

Biuntly, the people of Connecticut, for whom I speak, and, I think, the people of other States, are losing patience with "relief"—not that "relief" has been inadequate—if by "adequacy" we understand the bare function of holding body and soul together—but because there is a growing feeling that, with all of it—with all the "relief" activities and expenditures of government—the fact re-

mains that we have gotten nowhere.

The man on "relief" is no better off economically today than he was when the necessity for providing "relief" originally arose.

Added to this fact, I strongly urge the committee to give con-

sideration to the following:

In the decade since 1929, 10 generations of American youth have arrived at maturity. In this period "relief" has become, for 10 generations of American children, an accepted norm of American life. In countless homes are children the span of whose memories does not go back to "good times"—to the time that the head of the bousshed or edder by the or setter had a good to the household, or older brother or sister, had a good job.

household, or older brother or sister, had a good job.

Add to these the young men and young women who, since 1929, have arrived at maturity or at working age—the thousands upon thousands of school graduates of the past 10 years—who do not know the meaning, save by hearsay, of steady employment.

These, remember—these boys and girls and their older brothers and sisters of today—are our men and women, our citizens, of tomorrow. And for many of them "tomorrow" already has arrived; the "future" is here—they do not want "relief"; they want jobs.

To my mind, it is vitally essential that we regard relief and any future activities of the Works Progress Administration or similar agencies from this standpoint:

lar agencies from this standpoint:

Is relief to be a permanent fixture of the American landscape?

If the answer is "no", then, in providing for relief for the Works

Progress Administration and other relief agencies a prompt and
thorough revision of some of the fundamental concepts involved

thorough revision of some of the fundamental concepts involved is an immediate necessity.

Our preoccupation has been with relief, with assisting the unfortunate man and woman who, through no fault of their own, have been unable to find employment. In the great emergency that confronted this Nation that was the primary requisite.

But today the emergency has passed. Today we have not an emergency but a condition.

I desire to relief out most foreither to relief.

I desire to point out most forcibly to your committee that this condition will persist if we persist in treating it as an emergency.

I do not wish to be misunderstood: I believe most thoroughly

I do not wish to be misunderstood: I believe most thoroughly in and am in heartiest accord with the principle that no man or woman, willing to work but unable to find employment, should go hungry or cold, inadequately clothed or housed, or in want of necessary medical attention. Relief should and must be continued until the present condition is rectified.

Shall we, however, bend all our effort to providing relief and do little or nothing toward rectifying the condition that makes relief processory?

relief necessary?

Here in Connecticut a slogan is gaining ground without advertising, passing from mouth to mouth, and I sincerely suggest to tising, passing from mouth to mouth, and I sincerely suggest to your committee that you give it serious consideration. It is—
"There is no substitute for a good job; a good job in private industry." Say what you will, do what you will—"relief," W. P. A., all the rest of it, there is no substitute for a good job. The people of this country—the "relief workers" themselves—are becoming more and more aware of it.

You face dissatisfaction with "relief," not because "relief" is inadequate, but because "relief" is no substitute for a good job.

The people of this country do not want to go on being "on

The people of this country do not want to go on being relief" forever.

It is my impression, gained from reading your letter, that your committee already is aware, to some extent, of the extent of this

committee already is aware, to some extent, of the extent of this feeling. I note you say:

"The subcommittee is anxious to obtain constructive suggestions with respect to the W. P. A. and the participation of the Federal Government in the problem of furnishing employment for the employable unemployed."

To the extent that the Federal Government may be of assistance to the States in helping them to solve the unemployment prob-

lem, I may say that I am entirely in accord with your objective. In this, however, we must revert to certain basic principles: Employment—reemployment—is the function of private industry and

It is, moreover, a highly individualized, highly localized prob-lem—individual not alone to every individual industry or clas-sification of business, but to each individual industrial plant and business office, and to each individual industrial plant and and business office in each individual, specific locality. We in Connecticut face a set of unemployment—reemployment—problems entirely separate, distinct, and apart from those faced by, even, our neighbor States of New York and Massachusetts. And they, in turn, face their peculiar problems—problems peculiar to them—in their specific localities, and unrelated to the problems facing other States.

There are, to be true, certain broad, general phases common to the Nation at large. The people, especially the business people, of this country view with alarm the increasing burden of government debt. The businessmen of this country regard with apprehension much of government's apparent attitude toward

With relation to the costs of "relief," again we revert, not to the amount of such costs, however staggering, but to the growing discontent—not that the money is being spent, but that for all its spending the man on relief is no better off economically than he was before. We spend the money and get nowhere.

The Federal Government could do much to stimulate reemployment by encouraging the revival of business and industrial confidence; by cooperating with business and industry, assisting them

dence; by cooperating with business and industry, assisting them in every way possible.

But this, I realize, is not the specific problem facing your committee. The point I desire to make, and which I hope will receive your careful thought, is this:

If, as your letter suggests, the Federal Government at last is prepared to view "relief" in its proper perspective—that is, as one-half of a problem, the other half of which is reemployment—then we must make the point that reemployment is a local problem.

And the point must be made that "relief" is—yes; and always has been, although we have departed from the principle—a purely local problem likewise.

local problem likewise.

I urge this upon you: Let us not make the same mistake with reference to our handling of the problem of reemployment that we have made, and are making, in the handling of "relief." Here in Connecticut we feel strongly on this subject. In 1933, when we had reached what we thought then was the bottom of the depression, the general assembly of this State appointed, by legislative act, an emergency relief commission. Under this commission was placed the administration of relief funds furnished by the State and the administration of all Federal funds which

mission was placed the administration of relief funds furnished by the State and the administration of all Federal funds which were to come into the State for relief purposes.

That commission was made up of men who had, in the game of life, been tried and found true. Political considerations were cast aside. The commission represented the political ambitions of no party and it had no political ambitions of its own. It put relief havened the relief political ambitions of political ambitions of the poli

beyond the pale of politics and kept it there.

As the 1936 election approached, for no apparent good reason, we abandoned all this. And, instead, there was set up a far different system—a centralized system of "relief" centralized in Washington. The people of the State of Connecticut, with their background of 300 years of self-government and of home rule centered in their towns, resent this usurpation of their own and of the State's authority. May I direct to your committee's attention the fact that the power to spend millions of the taxpayers' money, placed in the hands of any Executive, gives to that Executive a terrible weapon, if he chooses to use it, to compel the people to his will. The expenditure of vast sums for "relief" under the direction of one man, or any one group of men, is a political weapon of the first magnitude—and we have seen it become just that. As the 1936 election approached, for no apparent good reason, we abandoned all this. And, instead, there was set up a far

And the surrender of the people's power to spend their own money—to spend the money collected from them in taxes—is completely and entirely un-American. It was for exactly such a reason that the Original Thirteen Colonies, Connecticut among them, rebelled. The whole structure of American government is based upon the fundamental rule that the people's money belongs to the people, not to be spent by agents of the Crown or administrators from Washington, but to be spent as the people wish, by the people's own representatives at home.

We have seen costs mount under the present system. We have seen a huge governmental machine in Washington superimposed upon our own local forms of government—a Washington machine to do the work that we could do at home with our already existing

machinery not only as well, but better.

And with all of this, as I say, the man on relief today is no better off economically than he was when the necessity for providing relief originally arose.

I ask you to ponder the question, Are we now to make the same mistake twice?

And I believe this question carries with it a warning:

In dealing with relief we dealt with an emergency, and though the immediate emergency long since has ceased to exist we are continuing to deal with distressed and for the most part helpless people. We could do much as we chose—set up huge governmental machinery in Washington, remove the people's powers of home rule, ride roughshod over the traditions of the States, and even over economic theory.

But now—now that we are coming to a realization that relief is only one half of the problem and that the other half is reemploy-

ment-now we face an entirely different condition.

Business and industry are not helpless. You cannot set up a machine in Washington to reemploy people in business or in industry. You cannot ride roughshod over the economic theories we call business principles. You cannot persuade the smallest storekeeper in the smallest hamlet of Connecticut, or any other State, to employ one single person more if local conditions—purely local—that he faces, are such that he knows it will not be "good business" to do so.

The instant you put—as your committee has put—"relief"

The instant you put—as your committee has put—"relief" in its proper perspective to the other half of the picture, namely, reemployment, the whole, full folly of ever having taken relief out of the hands of the local authorities becomes apparent important. out of the hands of the local authorities becomes apparent immediately. Because now we see that we are going to have to tackle relief and reemployment together as one problem, and the only way we are going to get anywhere with reemployment is State by State, local community by local community, each individual factory and store and business office doing its part according—entirely according—to what local conditions may be. It is my sincere belief, and I offer this to your committee as my suggestion, that the Works Progress Administration, and all other agencies of "relief," can be geared, and should be geared, to industrial and business recovery. The Works Progress Administration, especially, could be turned into a vast reservoir of labor,

both skilled and unskilled, upon which business and industry

might draw as recovery progresses.

But first, relief must be put back on a sound basis upon which it will be able to meet, and to satisfy, local conditions.

Put relief where it belongs—back into the hands of the States. And, through the States, into the hands of the local communities where relief needs are really known—but, more than that, where remployment needs are known and can most effectively be developed.

where relief needs are really known—but, more than that, where reemployment needs are known and can most effectively be developed. By doing this you make every relief agency a reemployment agency, for our local authorities will not have a man on relief if they can find him employment. And you make the Works Progress Administration the reservoir from which, locally, men and women may be drawn back into private industry as local conditions permit. Then let the Federal Government, and the governments of the States, cooperate with industry and business. Government's job is to cooperate with industry and business. "There is no substitute for a good job—a good job in private industry," and Government's job is to do all in its power to bring about conditions that make such good jobs possible.

We in Connecticut want to see relief and the W. P. A. continued as long as there is necessity. Connecticut has been liberal in her contributions to the Federal Governmen—in fact, has been paying far more than she has received. We do not begrudge our contribu-

far more than she has received. We do not begrudge our contributions for the welfare of others perhaps less fortunate than we.

We look, however, for results, not merely for relief indefinitely prolonged but for the restoration of jobs. And to that end we are hopeful that emphasis now will be placed, not upon relief merely, but upon relief as a means to an end—to put our citizens, locally, back to work back to work.

Very truly yours,

RAYMOND E. BALDWIN, Governor,

Arts and the W. P. A.

EXTENSION OF REMARKS

HON, CLAUDE V. PARSONS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

LETTER FROM FLORENCE S. KERR, ASSISTANT AD TRATOR, WORKS PROGRESS ADMINISTRATION ASSISTANT ADMINIS-

Mr. PARSONS. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following article from the Washington Post of Sunday last by Florence S. Kerr:

ARTS AND THE W. P. A .- THE FEDERAL THEATER AND WRITERS PROJECTS WARMLY DEFENDED

To the EDITOR OF THE POST.

Sir: In an editorial on May 3 you made an attack upon the W. P. A. white-collar program, which I have the honor to head. I have wished many times that editors and other commentators, who do so much to shape public opinion, would make use of information available at all times in our office before pronouncing judgment upon our program. Were this done, I assure you that you would find it impossible to attack us for "almost criminal waste" and other unpleasant practices, since they do not exist except in the minds of those who have not sufficiently informed themselves as to the actual facts. W. P. A. is essentially a works management and production program and it is directed by engineers and technical and

actual facts. W. P. A. is essentially a works management and production program and it is directed by engineers and technical and professional men and women who know their business.

I hope you realize that ill-informed attacks such as this latest of yours cannot be answered adequately in a few words. Let me point out in this limited space, however, first, that over 90 percent of the total sum spent to date upon the Federal Theater program has been paid for wages; that this sum is not huge at all, as you imply, but has been at the rate of \$100 per man per month (and of this amount, wages account for \$94) to cover all costs, including those of production and supervision.

You refer ominously to "communistic activity" in the writers' projects. Would I had 10,000 words and your ear at my disposal to handle that subject fully. Dear Mr. Editor, there is no communistic activity in the writers' projects. In New York City, however, among so-called young intellectuals, there is, as everyone knows, a great deal of loud, irresponsible, and, in my opinion, rather pathetically silly talk about communism. One cannot help being impatient with it, but I feel that the boredom it instills in sensible people is its best antidote.

But I wish to point out to you that we are the servants of Congress in our administration of the W. P. A. program, that Congress has expressly and categorically forbidden us to make any inquiries as to the political affiliations of any of our employees, and that, therefore, we are powerless to ask who is a Communist and who is not. Further, we are forbidden, on pain of felony and a fine of \$1,000 or imprisonment, to apply any pressure whatever upon any political grounds to any employee in our organization.

I ask you, under these circumstances, what we are to do about a situation we are not even allowed to investigate. Your paper, as well as others, has carried attacks upon members of our staff because of the political affiliations of our workers. My dear sir, when Congress changes the laws under which we operate, we will proceed to operate differently. But not until then, no matter how

proceed to operate differently. But not until then, no matter now grievously our patience is tried.

Your editorial that it is essential for "more efficient functioning of the W. P. A." that its operations be confined to construction projects, so that the community will have something "permanent" to show for the outlay.

You, as a man of the pen, surely do not need to be reminded of the impermanence of things that are built of stone and steel, as compared with words. As far as permanence goes, an art treasure, a hit of verse or music will probably be here long after you and a bit of verse or music will probably be here long after you and this work program are forgotten.

Are you aware that 280,000 of these people employed on non-

are you aware that 280,000 of these people employed on non-construction projects are women responsible for the support of their families, and that they are now engaged in preparing hot school lunches for undernourished children, acting as housekeep-ing aides for the needy sick, teaching adult illiterates to read and write, assisting at clinics, confinements, and immunizations, and

write, assisting at clinics, confinements, and immunizations, and performing hundreds of other skilled and unskilled tasks which are just as "productive" and just as necessary to the Nation as the building of bridges and highways?

White-collar projects include an education program that provides instruction to over 1,500,000 people; public-health projects that furnish medical and sanitary services to 300,000 people in any given week; research, scientific, library, Braille, and many other services of the greatest importance to our people.

The lives of artists, we are told, are generally difficult. So perhaps the painters, actors, writers, and musicians, on our rolls have been sufficiently toughened already not to mind the constant attacks made upon them by people whose lives would be far less interesting without the pictures, plays, books, and music of those upon whom they heap ridicule. upon whom they heap ridicule.

FLORENCE S. KERR. Assistant Administrator, Works Progress Administration. WASHINGTON, May 8.

The Administration and Business

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, the most important address made by Abraham Lincoln was his Cooper Union speech. The hall in New York where he made it still stands, and it accommodates less than 2,000 people.

The whole speech was printed next day in Horace Greeley's newspaper, the New York Tribune. And there it reaches 5,000 more people, a tiny handful of modern standards.

Nobody, in those comparatively peaceful days, had to hear or read any political material unless he wished to. our newspapers carry politics to millions. Our radio networks reach millions on millions more. And these channels are used, day after day, by members of the administration who wish to spank business-and by businessmen who wish to tear the hide off the administration.

Seeing that neither the administration nor business could last 1 minute without each other's support, I mourn the long spectacle of their civil war. I mourn it, and I am bored by it. My feelings are shared not only by my constituents but by that considerable share of the public who hope for something new and interesting in the press and on the air.

I suggest that in the present foreign emergency and with the desirability of indicating to all foreign peoples that we are a strong and united nation, that both administration and business will be well-advised to stop talking so much and so very abusively against each other. If business, from top to bottom, wants to divorce the present administration it can do so legally next year.

Meanwhile, I am wondering if the average smart businessman would not seem smarter and a better American, if he found something else to attack beside his old bugbears, like Mr. Roosevelt and Mr. Ickes. Perhaps the shock of finding himself not denounced by businessmen some morning in his newspaper, some evening over his radio, might induce Mr. Roosevelt and Mr. Ickes to give a friendly smile to business

I appeal to both sides of the controversy to abandon their commiserations and endeavor to effect a truce. Such a truce would, I am sure, act as a badly needed stimulus to unemployment, and I sincerely hope might ultimately pave the way for a similar truce between the two factions of labor which now find themselves in such a chaotic state. It is my firm conviction that the record of the past few years which reveals business and the administration constantly at loggerheads has had an adverse effect upon labor, as attested by the approximate figure of 11,000,000 unemployed with which we are still faced, and the prevalence of strikes and other disorders. Therefore, the best antidote I can suggest at this time is an immediate truce between business and the administration, by which the unemployed of the country and of my district may benefit.

How Bank and Insurance Savings Help Finance Government Spending

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

STATEMENT OF WADSWORTH W. MOUNT, ASSISTANT DIRECTOR OF RESEARCH, THE MERCHANTS' ASSOCIATION OF TOR OF R

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Mr. Wadsworth W. Mount, assistant director of research of the Merchant's Association of New York:

You know a lot of people think that, when the Federal Government spends a few billion dollars more each year than it collects ment spends a few billion dollars more each year than it collects in taxes, this resulting Government debt will be paid for by future generations and not by them. However true it is that future generations will have to pay higher taxes because of the increased national debt we are creating, it is equally true that everyone alive today is paying for part of this expenditure right now. This is particularly true if you own a savings bank account or a life-insurance policy, where you now get only about one-half of the interest you used to receive from such investments before the Government started to finance large annual deficits by issuing billions of additional Government bonds.

For instance, supposing you had \$5,000 in the savings bank in 1930. At that time you would be getting about 4-percent interest on this, or \$200 per year. At that time the savings banks could safely lend this money of yours to private individuals or businesses at 5 or 6 percent. This allowed them to pay you the 4 percent, and still have enough to pay the expenses of running the bank. Today you can only get around 2-percent interest on a savings account.

on a savings account. Why is this; and

Why is this; and how do these Government deficits and the issuance of additional Government bonds bring about lower interest on savings accounts and life-insurance investments? The answer is comparatively simple.

When the Government wants to spend more money than it ets in taxes from the people directly, it prints Government

bonds for the difference.

Now, if you own a Government bond, or if the Government owns Government bond, it is just as easy for either of you to get

cash for it from a bank.

A banker knows that when the United States Government A canker knows that when the United States Government prints a Government bond it says in effect that the Government will tax the people of the United States to make it good. He knows, therefore, that Government bonds are the soundest security in the country, just so long as we do not issue too many of them and have inflation.

Now, if you take a \$1,000 Government bond to the bank, disregarding slight variations due to interest, you can deposit it and draw \$1,000 of checks against it. And likewise, if the Government takes \$1,000,000,000 worth of Government bonds to the banks of the country, the Government can draw checks to people for \$1,000,000,000.

The chief difference between the Government bond you took to the bank and the Government bonds the Government took to the bank is that you probably had to pay for your bond out of your earnings, while the Government merely prints as many

bonds as they need to cover the deficit created by spending more than taxes pay for.

You may think that it is a good idea for the Government to print bonds when it needs more money than it gets in taxes, and that it doesn't affect you but only affects the taxpayers in the future who will have to redeem these Government bonds in taxes

but it does affect you right now if you own a savings account or a life-insurance policy, for you are getting far less interest on your money today than you did a few years ago as a direct result of this vast amount of new Government spending and borrowing.

You are getting less interest because the great amounts of Government bonds that have been issued lately are being issued at very low rates of interest, and the interest rate on all Government bonds has been reduced until it now averages about 2½ percent. Under present conditions, there are comparatively so few other investments that are safe that these Government bonds make up the bulk of the investments which banks or insurance companies can safely make with the money you deposit with

companies can safely make with the money you deposit with them.

The banker's first duty is to protect the principal of the depositors to the best of his ability. For generations the savings bank has been the safest place for an individual to put his money. Consequently if the banker cannot find enough people or businesses to lend your money to at 6, or 5, or 4 percent, he has no other place to invest it but in Government bonds at approximately 3, or 2, or 1 percent.

Because business is so uncertain today that men do not know which way to turn to make money, and because huge Government spending is meaning higher and higher taxes all the time on any money they do make, there are fewer and fewer private individuals and businesses willing or able to borrow on a basis that makes it safe for the banker to lend them your money.

As a result of the new billions of Government bonds that have been issued, most of which are held by the banks and insurance companies, you now find that as the banks can only get around 3 percent on safe investments of your money, they can, therefore, only pay you about 2 percent for the use of your money and still cover the expenses of running the bank.

Consequently your \$5,000 savings account only brings you \$200 income per year now, rather than the \$200 per year you received in 1930 when the savings banks could invest your money safely at a high enough rate of interest to pay you 4 percent; and you, therefore, have to lower your standard of living accordingly. It means that it will take you longer to pay for your life insurance, as the annual dividends are reduced.

This means also that if, for instance, you were trying to put in the savings bank enough money to give you \$2,000 a year income

This means also that if, for instance, you were trying to put in the savings bank enough money to give you \$2,000 a year income you will now have to save \$100,000 where, when saving banks were able to invest your money safely and pay you 4 percent, you would only have had to save \$50,000 to get this same income.

only have had to save \$50,000 to get this same income.

Specifically, every holder of saving-bank accounts and life-insurance investments is right now paying toward the vast increase
in the Government debt by losing approximately one-half of the
interest income he would otherwise most likely be receiving from
his savings in savings banks and life insurance. The yield on his
personally saved "social security" has therefore been cut in half.

Everyone in the Nation has to pay one way or another for the
money our Government officials are instructed to spend. Some pay
taxes directly, but everyone pays indirectly for all Government
services. The Government has nothing to give to the people except
what it gets from the people.

what it gets from the people.

Public Spending

EXTENSION OF REMARKS

HON. LOUIS LUDLOW OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

RADIO ADDRESS BY HON. CLIFTON A. WOODRUM, OF VIRGINIA, MAY 22, 1939

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House, I present for publication in the Record the address of Hon. C. A. WOODRUM, of Virginia, made during the National Radio Forum arranged by the Washington Star and broadcast over a National Broadcasting Co. network Monday night, May 22, 1939. This address discusses major issues in a masterful and constructive way. It is as follows:

When the Democratic Party, of which I am a member, came into power in 1933 we had made some pretty definite and specific promises to the American people. Not only in our platform, upon which we were elected, but in the utterances and commitments of

our candidates. Many of those promises we have kept. Some of them need attention. We promised an aggressive attack upon the disjointed economic order, under which in a land of great plenty and great wealth there was so much idleness and want and despair. We promised to take cognizance of the individual sorrow and suffering of the unfortunate. We promised to set up certain social and economic reforms which would make more tolerable the lot of the American worker and the American farmer, the two groups that suffer so much in times of great depression. We likewise equally and emphatically promised business and industry that we would set our economic house in order.

We condemned in scathing tones the existing system of deficit financing and promised to balance the Federal Budget. We proclaimed in stentorian tones that the credit and financial integrity of the Nation must be protected and preserved. We laid down the proposition that it was fundamentally true that there could be no lasting or permanent prosperity and no economic solidarity unless the credit of the Nation was preserved. To the working man and to the farmer, who were the special objects of our concern in that time of stress, we promised to so coordinate our national economy that they would not have to live in fear and trembling from one day to the next, but that they would be able to so plan their lives that they would be secure in the thought that there would be a job for the worker and a market for the farmer's produce.

for the worker and a market for the farmer's produce.

In an effort to make good those pledges and promises we set about courageously to set our economic house in order. Many of us in and out of Congress remember the hectic days of 1933 when we considered the bill to "preserve the credit" of the United States, known as the economy bill. So much concerned were we then about the credit and the financial integrity of our Government that, under the impetus of a ringing challenge in a message from our President, we passed legislation which cut more than \$400,000,000 from the current expenses of the Government. We felt that the situation was so desperate that we reduced expenses all along the line, including all Federal salaries, and the compensation of the line, including all Federal salaries, and the compensation of veterans

I cite these facts merely to show that in the early days of our efforts we felt keenly and sincerely that much importance should be attached to balanced Federal financing.

Much water has gone over the dam since those days. In order to

meet emergency relief conditions it was necessary for the Federal Government to spend large sums of money and to put it into circu-lation quickly, and without that careful supervision and control that should ordinarily attend such undertakings. The public re-acted very quickly to public spending. It liked it. Pressure groups were immediately organized. Insistent campaigns were inaugurated for bigger and better and more public spending, and so the story goes on from day to day and month to month and year to year. Energetic State and local officials quickly saw in the generosity of Uncle Sam an opportunity to pass on to the Federal Treasury many of their burdens. They have made the most of that

opportunity.

Let me say at this point in order to make my personal position very clear that, believing that there was a great emergency facing the American people and in order to prevent actual suffering and distress, I have supported almost without exception the objectives of the present administration. I sincerely believe that except for the courageous and humanitarian leadership of our President in those early days of this emergency there would have been quite a different story to tell in our country today. However, I am one of different story to tell in our country today. However, I am one of those who do not believe that the system or the operation has been perfect, and I am not willing to continue to turn over without restraint or without legislative control vast sums of money to be expended by an administrative agency that has not always demon-

stated its ability to act wisely or to spend public funds prudently.

The situation which faces us is paradoxical. It seems that we are blessed with too much of everything. In a land with bursting barns of grain, surrounded by fields ripe with golden harvest, there is hunger; fields are white with cotton, textile plants are idle and American citizens are naked. A land where there is much work to be done and yet millions of our able-bodied citizens are unable to find employment by which to support themselves and their families. A land where our leaders in finance, industry, and commerce have dreams of great industrial and commercial expansion, and yet do not have the formula with which to carry these into effect; the greatest country in the world, and the finest people, unlimited resources, indefatigable energy, and yet the brain and purpose of America have not been able to piece together this crazy quilt. We have not been able to solve this riddle. We have not been able to coordinate our economy or to bring stability out of this chase and confusion. Such is the problem that confusion.

of this chaos and confusion. Such is the problem that confronts us today. In its solution rests the economic security of the Nation.

I do not know what the answer may be to these economic problems. I am very definitely of the opinion that they cannot be permanently solved by legislative action alone. I am very emphatically of the opinion that the problem will not be solved by putting all of the workers on the Federal pay roll and by subsidizing all of the farmers of America. I feel very positive that we cannot continue to borrow and spend and spend and spend and borrow.

dizing all of the farmers of America. I feel very positive that we cannot continue to borrow and spend, and spend and borrow, unless we are reconciled to meet headon some day the "fiddler" when he comes to collect his pay, and come he surely will.

There is one thought I would like to get over right here. There seems to be an impression in certain quarters that it's all right to plunge right along to pile up a terrific public debt—that the worker and the farmer will get the assistance and "some-body" will pay taxes enough "sometime" to pay the bill. Who is going to pay it, and when? Taxes can only come from national

wealth. National wealth can only come from labor and produc-tion. The worker and the farmer have been the producers in this land of ours, and you can be very sure, my fellow countrymen, that when pay day comes, a large part of this bill will come out of your hides. Don't ever think for a split second that the tax gatherer will pass you up. You may not recognize the gentleman. He may slip in the back door; he will probably disguise his voice; but, nonetheless, he will take from you his toll.

We won't get anywhere in our present dilemme by taking ay

We won't get anywhere in our present dilemma by taking extreme views of the situation. Unfortunately, most of our thinking along this line has been from one extreme to another. On one hand we will find a group of citizens who, for partisan or other reasons, condemn in scathing tones everything that the administration has tried to accomplish. Everything is 100 percent when we will be a second to the contraction of the contractio

other reasons, condemn in scathing tones everything that the administration has tried to accomplish. Everything is 100 percent wrong. While these critics often have nothing fundamentally constructive to offer, yet they can wax eloquent in denouncing everything that has been attempted. On the other hand, we find a group who say that everything is 100 percent right; who are not willing to profit by experience, to recognize mistakes and failures, or to attempt to correct our errors. In the opinion of these partisans anyone who dares raise his voice or attempt to turn his hand to correct any of these blunders or failures is, as the case may be, a Tory, a reactionary, or a traitor to his party. Nothing constructive will come out of either of these groups.

Someone has very properly said there are three sides to every question: My side, your side, and the right side. What we should attempt today is to find the right side. Any American citizen not blinded by bitter partisan feeling will give credit to the present administration for many splendid and fine accomplishments. On the other hand, the most violent partisan of the present administration should be willing and anxious to correct our faults and failures, wherever we may find them.

We find these two extreme groups very well identified on the question of public spending. In one group we find the Budget balancers—those gentlemen who demand immediately, right now, today, a balanced Federal Budget. They can speak long and loud about all of these dangers attendant upon public spending, and yet when an opportunity presents itself to really do something about it, such as very recently when the Senate had under consideration the agricultural appropriation bill, there is a strange and ominous silence in these quarters. Thus we find the agricultural appropriation bill, there is a strange and ominous silence in these quarters. Thus we find the agricultural appropriation bill, there is a strange and ominous of sasa,000,000 over and above the estimates of the Bureau of the Bu of the Budget, and contrary to the recommendations of the President. I do not mean this as any unfair criticism. I merely cite it to show our present attitude.

The House of Representatives is not entirely blameless in this regard. Notwithstanding the fact that we have labored very hard during the current session to try to curtail public expenditures and hold them down certainly to the Budget level or below, a few days ago when we had up the bill providing appropriations for the civil functions of the War Department, my own body, the House of Representatives, loaded on \$50,000,000 over and above Budget estimates for river and harbor improvement, and flood control. This increase was made possible because of the votes of Republicans and Democrats. Sort of a nonpartisan enterprise. Thus we have in two instances actions by the Congress which add nearly a half billion dollars to public expenditures over and above Budget estimates. So much for the spending proclivities of

Congress.

Congress.

Now, when you go to talk about raising some taxes to try to meet these bills, you don't get very far. While there is a lot of talk going around about tax revision, the impression is always left that taxes are going to be reduced. So we face the paradoxical situation of reducing taxes and increasing expenditures. While I am not an economist or a financial expert, I must confess that I cannot follow the logic and reasoning of that sort of thinking. A public debt in America of \$40,000,000,000, while certainly enough to make us stop and think about it, does not necessarily threaten to destroy our credit or our financial integrity, provided that it does not continue to grow. But the public debt today is nearly \$3,000,000,000 more than it was a year ago. Our deficit for this fiscal year is a little over \$3,000,000,000 up to the present time, which is more than twice what it was a year ago.

which is more than twice what it was a year ago.

Now all of that is bad enough, but the most alarming symptom, to my way of thinking, is that nobody seems very much impressed with the necessity of really doing anything about it. Certainly nothing has happened or is happening in this session of Congress out of which we can get very much encouragement. I regret to have to say that, but nevertheless it is a fact. The costs of government will not be reduced and the Budget will not be balanced until there is the coordinated effort of the three

interested parties.

Now just who are the three interested parties? Party No. 1 is the taxpayer, the citizen. Party No. 2 is the legislative branch of the Government, the Congress. Party No. 3 is the executive branch of the Government. It will do no good for groups of citizens to adopt resolutions about balancing the Budget and reducing public acceptage larger extractions. ducing public costs as long as they continue to organize pressure groups to importune Congress for more projects and more public spending, all of which has the tendency of shifting from localities and municipalities and States the costs of their local government and of relief to the shoulders of the Federal Government. I am absolutely convinced of one thing, and that is unless somebody puts on the brakes, we are headed for either repudiation or drastic inflation of our currency, either of which would certainly be a major national calamity

Now, what about relief expenditures? I believe any thoughtful citizen familiar with the national situation will realize that in the immediate future, almost regardless of any natural business revival, the Fetieral Government is going to be called upon to make rather large outlays for unemployment relief. No one wants to see deserving American citizens suffer. Everyone is willing to try to help the deserving, and there is no doubt about the fact that literally the deserving, and there is no doubt about the fact that literally millions of American citizens today are in want, who are able and willing to work, but who, because of our disjointed economic system, are unable to find private employment. These people must receive public assistance. So far as the unemployables are concerned, they are and should be the responsibility of the locality or the State. Providing work for the able-bodied unemployed, however, is a national problem, and I think the Federal Government should have a part in trying to meet this problem. I am quite willing, under proper safeguards and restrictions, to appropriate within the limit of our means, money for this purpose. I do think, however, the time has come when we must take stock of the situation; when we should recognize the faults. frailties, shortcomings

however, the time has come when we must take stock of the situation; when we should recognize the faults, frailties, shortcomings, and blunders that have been made in the administration of the work-relief program; and when we should try to correct that.

Considering the magnitude of the task, the difficulties attendant upon any Federal work-relief system, I unhesitatingly accord to the administration and to the administration of W. P. A. much credit for the work that has been done. The W. P. A. program in many sections of the country has been good. It has met a pressing emergency need, and has afforded employment to millions of American citizens who without its aid undoubtedly would have experienced great sorrow and distress. But there are certain parts of its program, certain policies in administration, certain purposes for which great sorrow and distress. But there are certain parts of its program, certain policies in administration, certain purposes for which expenditures are made which I think are entirely indefensible. A committee of the House of Representatives, of which I am a member, in obedience to a resolution passed by the House, is now investigating the activities of W. P. A. The hearings are open to the public and the committee is securing much useful and valuable

information.

In a few weeks, I believe the committee will be able to report to the Congress and to the country, helpful and constructive suggestions with reference to this matter. I do not feel that it would be appropriate for me at this time to discuss in any de-

suggestions with reference to this matter. I do not feel that it would be appropriate for me at this time to discuss in any detail what these hearings have shown, or to comment particularly upon any feature of the evidence. I will say, however, that, in spite of the caustic and critical public utterances of W. P. A. officials, the committee, without exception so far as I know, is interested in finding out the true facts. I think it will readily give credit where credit is due, and I am confident that without fear or favor it will condemn those practices and policies which have not reflected credit upon this activity.

Let me make, if you please, one or two general observations. One of the great virtues of the American citizen which perhaps more than any other one single factor has enabled us here to build a great nation, is his industry, his perseverance, his individuality, his willingness to meet and overcome obstacles which may lie in the path of his progress. This applies to the American farmer and to the American workingman.

In handling our public assistance program, we should never lose sight of the objective that Federal aid to these groups of citizens is only because of their inability to make it alone, and should be limited and circumscribed to a temporary assistance, the ultimate objective being to rehabilitate the citizen so that he may be self-supporting and self-sustaining. I am afraid in our relief activities we have lost that objective. I am fearful that many of our citizens are rapidly learning to lean upon the Federal Government; to feel that it owes them a job, and to more and more lessen their efforts to be self-sustaining. Statistics show that about 17 percent of the W. P. A. workers in the United States have been on the program for more than 3 years.

On the other hand, thousands of deserving cases are not able to get W. P. A. employment. This national average is not so bad.

States have been on the program for more than 3 years.

On the other hand, thousands of deserving cases are not able to get W. P. A. employment. This national average is not so bad. But some of the metropolitan centers are shocking. The percentage runs as high as 44 percent in some of the heavily congested areas in the United States. Those citizens, employed by W. P. A., I very much fear have become content to stay there indefinitely. We must do something about that. In the rural sections of the country there is much evidence of the fact that W. P. A. employment and the wage rate have made it almost impossible for farmers to get the necessary labor upon their farms. I will comment briefly upon one other feature. It has been shown in our open hearings, and there has been much discussion in the press, of so-called subversive influences which are seeking to organize and control the unemployed workers of America.

It is a matter of common knowledge that a very determined effort is being made to mobilize and organize the unemployed people of America; to stir up strife and discontent and to manipulate

effort is being made to mobilize and organize the unemployed people of America; to stir up strife and discontent and to manipulate this great body of our citizens as a great political factor in local, State, and national elections. That subversive influences control this movement there is not the shadow of a doubt. The disappointing part of it is that the administrative officials of W. P. A. have not felt called upon to do anything about it. Not only that, but in many instances they have, I fear, given comfort and encouragement to the movement. I believe in civil liberties. I believe that men should have a right to have their own political opinions, but I hold that it is inexcusable and indefensible to have

any person upon the relief rolls or the work-relief rolls of this Government whose announced political philosophy is contrary to the form of government under which we live, and who believe in and support a political philosophy that advocates the overthrow of our present form of constitutional government.

In the last relief act, Congress put in a provision that took aliens off the relief rolls. I predict that in whatever legislation is

passed in the future, Congress will endeavor as best it can within constitutional limitations to circumscribe and restrict subversive activities, and to make it impossible for people to secure public assistance, or to influence its administration, who are not in sympathy with the American form of government.

Now, what is the conclusion of the whole matter? First of all,

we should refuse to embark upon any further experiments that will place a charge upon the Treasury. We should not only talk economy in government, but vote economy when opportunity presents itself. We should try to consolidate and perpetuate the splendid social reforms which we have set in motion. We should splendid social reforms which we have set in motion. mete, as best we can under appropriate restrictions and limitations, assistance to needy persons who cannot help themselves, but we must be able above all things to say in thunderous tones "No" to the manipulations of pressure groups who are constantly demanding increased public expenditures without reference to our national income, or our ability to pay. If the legislative and executive branches of this Government, supported by an intelligent citizenry, do not set about with resolute determination to set our economic buses in order then in my judgment we are headed for a great house in order then, in my judgment, we are headed for a great economic disaster.

Un-American Activities

EXTENSION OF REMARKS

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

Mr. DICKSTEIN. Mr. Speaker, many publications have appeared recently showing how the German Government wishes to continue its control over persons of German blood and their descendants in the United States and other countries, and how effective German methods have been to keep tabs on people of German blood in this country.

The organization concerned with this branch of activity has its headquarters in Stuttgart, Germany, and its leader or head is one Ernest Wilhelm von Bohle, whose antecedents and method of action was recently described in a German newspaper, the Volks-Echo, of New York City.

I am quoting from the Volks-Echo of May 13, 1939:

VON BOHLE WANTS UNITED STATES TO GO NAZI

A mild appearing man, who makes his headquarters at Tiergartenstrasse 4 in Berlin, is currently at work on a careful plan involving the United States. He is Ernst Wilhelm von Bohle, head of that division of the Nazi Government known as "Germans in Other Lands," Though more than 3,000 miles of water separate Von Bohle from our country, he holds in his hands the controls which are driving the Nazi espionage and propaganda machine with an ever greater dexterity toward its aim: a Nazi America. Who is Von Bohle?

Born 36 years ago in Bradford, England, educated in South

Born 36 years ago in Bradford, England, educated in South Africa and Germany, a traveler since his earliest days, Ernst Wilhelm von Bohle knows the world scene and so is well equipped for his task. He has worked in the department that he now controls, he was a member of the Reichstag in 1933, he learned his Next textice from his good friend Beldyn was Schireck Next controls, he was a member of the Reichstag in 1933, he learned his Nazi tactics from his good friend Baldur von Schirach, Nazi youth fuehrer, and he acts on the theory that "blood is stronger than passports." All Germans are members of the Third Reich whether they like it or not, according to Von Bohle. Said he at the 1935 Nuremberg Congress of the Nazi Party: "Just now we are in the midst of our fight for the creation of a Nazi Germany abroad." On August 30, 1937, declared he at Stuttgart: "We only know the concept of the complete German who as a citizen of his country is always and everywhere a German and nothing but a German. This makes him a Nazi."

LAYS GROUNDWORK

In the last few years Von Bohle has done a thorough job. Witness the fate of Austria, Czechoslovakia, and Memel. Witness the ness the fate of Austria, Czechoslovakia, and Memel. Witness the troubles stirred up by Nazi provocateurs in many other parts of the world, including South America and our own United States, and you know the job that Von Bohle has turned in. He is the little-known man of Nazi politics who carries on the important groundwork which eventually is intended to end either in a "putsch" or an "anschluss." Since he has direct charge of all "persons of German blood" outside the Third Reich and Danzig, his files bulge with their names, their histories, their beliefs—all spaded up by his world-wide spy network. The propaganda ministry and Gestapo (the Nazis' secret police) cooperate through Von Bohle. According to the Swiss newspaper Berner Tagwacht, there are 548 Hitler groups in 45 foreign countries manned by 25,000 propaganda agents and 2,450 special Gestapo hirelings.

The same issue of the Volks-Echo contains a statement about another Nazi agent who is now employed as a German consul in San Francisco. Here is the story of Capt. Fritz Wiedemann:

THE STORY OF CAPT. FRITZ WIEDEMANN, HITLER'S NEW CONSUL GENERAL IN SAN FRANCISCO

M. H .- In the first week of March Capt. Fritz Wiedemann arrived in San Franicsco, Calif., as newly appointed German consul general.

His first statement issued to American newspapermen in Berlin the day on which he was appointed to his San Francisco post reads: "I am firmly of the opinion that foreign representatives should not involve themselves in the internal affairs of the country in which they are stationed." This statement was quoted in the February issue of the German-American Commerce Bulletin, published in New York by the Board of Trade for German-American Commerce, Inc., a Nazi-financed institution.

I have every reason to doubt the truth of this statement because the story of Capt. Fritz Wiedemann, who was for many years Hitler's personal adjutant, shows him as being not only an outstanding figure in the Nazi Party for many years, but also as being very much interested and practically engaged in the Nazi movement in the United States as far back as the year 1933.

First, that Wiedemann was involved in the Nazi spy trial in New His first statement issued to American newspapermen in Berlin

First, that Wiedemann was involved in the Nazi spy trial in New York City;
Second, that on previous trips to the United States, he issued orders and instructions to the leaders of the Nazi Bund and of its predecessor;

Third, that Wiedemann was active in Hitler's blood purge, 1934.

Fourth, that Wiedemann was sent to London by Mr. Hitler during the Czechoslovakian crisis in September 1938, where he played

an important role to initiate Chamberlain's appeasement policy and to prepare the Munich sell-out of Czechoslovakia.

Fifth, that Wiedemann played an important role in secret conversations with representatives of the Japanese Government, in which he figured as Hitler's special confidential representative, and which finally materialized in the political and military treaty be-tween the Governments of Berlin and Tokyo.

This last fact gives us a hint to the real meaning of Captain

Wiedemann's new appointment as German consul general in San Francisco, which is a key post for an assertive and close cooperation between the German and Japanese secret service.

In successive issues this paper will publish the whole story of Captain Wiedemann, who, as the successor of Baron Manfred von Killinger, plays an even more dangerous role on the western coast of the United States.

WIEDEMANN 1933 IN CHICAGO

Today we confine ourselves to mentioning that Captain Wiedemann's close personal relation to Adolf Hitler is shown, first, by the fact that Captain Wiedemann, during the World War, was Hitler's superior officer in the same regiment of the German Army where Adolf Hitler was serving. Nothing has been heard of Wiedemann's activities for the time between the end of the World War and the beginning of Hitler's coming into power.

The first thing I knew about him in connection with Hitler's

Nazi movement was a trip to the United States, which Captain Wiedemann took during the Chicago World's Fair in 1933. Offiwiedemann took during the Chicago world's Fair in 1935. Online cially, he was at this time in charge of representing the German interests of trade at the world's fair. Vigorous protests of Chicago anti-Nazi groups prevented an official recognition by the Chicago World's Fair authorities of Captain Wiedemann's mission. However, Captain Wiedemann made the best use of his stay in Chicago by calling a conference of leaders of the Friends of New Germany. a Nazi organization, which later changed its name to the German-American Bund. At this conference where leaders from all over the country were present, Captain Wiedemann has given special instructions how Nazi propaganda should be carried on in the United States.

We will continue our exposure of Captain Wiedemann in the following editions of the German People's Echo.

Troubles in the Reign of King Cotton

EXTENSION OF REMARKS

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ARTICLE BY JOHN TEMPLE GRAVES. II

Mr. PATRICK. Mr. Speaker, writing from Birmingham, Ala., we have one who has ideas and the ability to delightfully

express them. He is John Temple Graves, II, a columnist, and one who is an adornment to the journalism of the South, indeed, to that of all America.

Oh, he was no great contributor to my becoming a part of this body—he is far too smart for that—but he is a worthy son of an illustrious father, and we of our section are proud

Yesterday he developed a picture of the present trials in the reign of King Cotton and he did so in a style and with a truth that makes well worth reading his offering for the day; and for the reason that it would be good for this entire group to the last person to read and reflect upon it, I am herewith placing it in the Congressional Record for this date.

The last paragraph is a departure, taking up a word of compliment for Senator LISTER HILL. This will be of interest to those who feel that it is a promotion to move from these Halls to the Halls of the Senate.

THIS MORNING

(By John Temple Graves, II)

"You dare not make war on cotton! No power on earth dares

make war upon it. Cotton is king!"

Thus spoke South Carolina's Senator James Henry Hammond to New York's Senator William H. Seward in 1858. He was wrong. Grant and Sherman made war upon it almost immediately. The radicals of reconstruction made frightful war. The boll weevil has made war. The American tax and tariff policy has made war. Ignorance and poverty have made war. Rayon, silk, linen, jute, and paper have made war. Wisconsin has made war. That cotton survives all its wars and is still, though sick, a monarch, is comment enough on its eternal place in the economy of markind.

on its eternal place in the economy of mankind.

This is National Cotton Week. Those who are weary of weeks may call it something else, but all must accept the fact that a crisis has come to cotton in America and the immediacy of measures needed to ward off a disaster that concerns not the South alone but the whole Nation.

but the whole Nation.

There is a division among us on the usefulness of measures taken or proposed for production and price control. But there can be no division on the measure to which National Cotton Week is devoted. There can be no division on the usefulness of simply whooping it up for the South's white staple, of becoming romantic again about it, of advertising it for old uses and new, of appreciating the new excellence of fabrics, of realizing and reaching for the greater consumption that may be bed with elegenerable of the constraint of t

excellence of fabrics, of realizing and reaching for the greater consumption that may be had with salesmanship. In an age of advertising cotton has gone pitifully unadvertised. In an age of high-pressure selling cotton has had almost no pressure at all. The time has come for a streamlining of cotton's distribution method—and they call it National Cotton Week.

Not southern cotton week, but National Cotton Week. That is because the whole Nation is bound by the No. 1 problem of its No. 1 problem. Unless the South is permitted to prosper in its old economy the Nation will suffer in two ways. It will suffer for lack of the market the South can be for national goods and services. And it will suffer from southern competition in new fields based on substandard and distress. The farmers of the West must have cotton a more rugged king in the South or they will must have cotton a more rugged king in the South or they will lose their markets to southern herds and hay. The factory folks of the North must have cotton king in better purple or the nature that abhors a vacuum will continue to suck their industries southward. Cotton is the whole of America's problem, and the first one of all.

This is something for our southern press and people to tell the country in Cotton Week. But something to tell ourselves is that the problem will never be solved without our own faith and works, that unless we are eager participants in all the science, advertising, organization, and personal expressions of affection and faith which cotton needs today, the rest of the country can carry us nowhere.

Cotton is old. Herodotus, the Greek, wrote of it 24 centuries ago; Caesar, the Roman, covered the Roman forum with fabrics of it 20 centuries ago; Columbus found it in America when he came; Cortez used it to quilt the jackets of his soldiers against Indian arrows; Andrew Jackson's men had it for breastworks against Pakenham's artillery at New Orleans. Cotton is universal. They grow it in India; they grow it in Egypt, Russia, Brazil, Turkey, China, Peru; they grow it on 9,000-foot elevations of the Andes, on fields 5,000 feet above the sea in Mexico, on mile-high plains of the Himalayas; but they grow it best of all in our own South. Cotton is eternal. Time is on its side against threats of coal and wood and other rivals exhaustible or slow in supply, for cotton comes in new harvest each year. Cotton is old. Herodotus, the Greek, wrote of it 24 centuries cotton comes in new harvest each year.

cotton comes in new harvest each year.

War has been made on it. Senator Hammond was wrong about that. But cotton is king, just as the Senator said, and will always be king. May our Southern States find a will and a way to remain the kingdom!

For the annual alumni-senior banquet address on May 29, which amounts to its commencement speech, the University of Alabama has selected LISTER HILL. The choice, in our opinion, is a tribute to growth. The junior Senator from this State has been growing all his life and is still at it. He was growing when he became the first president of the Student Government Association at the university. He was growing when he got his A B. degree there and versity. He was growing when he got his A. B. degree there and

later when he won his degree in law. He was growing all the years of his incumbency in the Lower House of Congress. And today, as a Member of the greatest deliberative body in the world, he has grown mightily in sight of those who once looked upon him as mere rubber stamp for the New Deal, an errand boy to the President. His courage, his sober judgment, his independence, eloquence, and patriotism, are recognized today by political friend and foe alike, and his State and its university honor him as an accepted political leader of the Nation. accepted political leader of the Nation.

Crab Orchard Lake Project

EXTENSION OF REMARKS

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

LETTER FROM THE SOIL CONSERVATION SERVICE

Mr. DIRKSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Soil Conservation Service:

> UNITED STATES DEPARTMENT OF AGRICULTURE, Soil Conservation Service, Washington, D. C., May 22, 1939.

Hon. EVERETT M. DIRKSEN,

HOIL EVERETT M. DIRKSEN,

House of Representatives.

MY DEAR MR. DIRKSEN: This is a further reply to your letter of May 13 with which you enclosed a protest received from Mr. Frank Singleton, of Carbondale, Ill., regarding the Crab Orchard project. I believe that Secretary Wallace wrote you on May 17, giving a rather full explanation of the background and present

giving a rather full explanation of the background and present status of this project.

There have been, as you mention, so many conflicting reports received about the Crab Orchard development that we made a special investigation of the project and of the criticisms which had been raised. The engineer who undertook this investigation with the help of a land acquisition specialist, was, I might add, one who had not previously been connected with this project or with the work of the service in that region. This investigation has made it clear that a great many of the arguments used against this project are based on misunderstandings or highly exaggerated facts. Our investigators also report that the failure of the local representatives of the agency that started the project to explain fully the purposes and methods of their work, helped to create certain misunderstandings and antagonisms which have recently been cleared up to a large extent. In this connection you will be certain misunderstandings and antagonisms which have recently been cleared up to a large extent. In this connection you will be interested in the following quote from the Chicago Times of April 9, 1939, which sent a reporter to the Crab Orchard area:
"More than a score of personal-interviews show the project falls only slightly showt of being universally popular in the communities affected. It is next to impossible to find adverse comment outside of the project area."

cally slightly short of being universally popular in the communities affected. It is next to impossible to find adverse comment outside of the project area."

Now as to the specific points raised by Mr. Singleton. He first criticises the lake because "it will merely be another swamp" and will average only 5 feet in depth. The engineering plans based upon measurements of elevation and flow indicate that the water will have a maximum depth of 25 feet and should average at least 10 feet in depth. It is true that in the upper end of the lake there will be shallow arms of water. To meet this problem, we are planning to build some check dams which will result in a rapid sliting up of these shallow areas.

Mr. Singleton says "they are driving 700 families from their homes." The actual fact is that there will be slightly more than 300 families bought out in this project. About two-thirds of the owners from whom options have been taken so far are selling their land voluntarily. About 56 owners of tracts located in the area to be flooded by the reservoir have contested the condemnation of their land, but many of these cases are actually being settled out of court. We expect that not more than 25 contested cases will have to be carried through the court. Prices paid for these condemned tracts are fixed by the Federal district court in St. Louis, Mo., in the usual manner, based upon the court's best information as to the actual value of the properties.

Many of the families have already moved and we have in our files letters from several expressing their satisfaction at being able to sell their poor farms in the Crah Orchard area and move to

Many of the families have already moved and we have in our files letters from several expressing their satisfaction at being able to sell their poor farms in the Crab Orchard area and move to better lands in adjoining counties. To avoid undue difficulties on the part of families who are using farm lands in the future reservoir area, we have decided not to close the gates of the Crab Orchard Dam until after the end of this year's crop season, thereby permitting the families to harvest crops even though they have sold their land.

Naturally, there are always certain families who object to selling

Naturally, there are always certain families who object to selling their land because of sentimental attachments, and this, unfortu-nately, is one of those things which must be encountered in any public venture which demands the acquisition by the Government

of all land within a given area. Recognizing this, we have exercised extreme care in arriving at a method of appraisal which would be the fairest possible. Our appraisers are experienced men who are familiar with local land values. Their appraisals have been checked by appraisers of the Federal land bank and adjusted whenever reconsideration made that advisable. We know of no better way of arriving at a valuation of properties that would be fair to the vendors and at the same time protect the interests of the Government.

Possibly as a result of sentimental attachments some people have

the Government.

Possibly as a result of sentimental attachments some people have exaggerated the productive value of their farmland in the Crab Orchard area. The soil survey of the University of Illinois shows that the best lands here are rated as No. 7 in the series which classes the soils of Illinois on the basis of productive value from No. 1 (the best) to No. 10 (the least productive). Much of the soil in this area, therefore, is unsuited to commercial agricultural use.

Mr. Singleton advises you that 17 cemeteries are being moved in this project. Actually only 4 cemeteries and 1 family burying ground, involving a total of 182 graves, will be flooded by the reservoir, and must therefore be moved. We definitely intend to make other Federal lands available for the removal of the graves at no cost to the families of the deceased. Other graves or cemeteries within the purchase area will not be disturbed.

The next point refers to land clearing. I am quite sure that when the job of clearing the reservoir area is completed the cost will prove to be only a fraction of the \$400 or \$500 per acre figure that Mr. Singleton uses. This spring, during flood season, there was a period of time when the ground was so soft and muddy that clearing costs ran rather high. The work was continued, because it was the only job on which the relief labor could be employed at that time. Normally such ground conditions do not exist and costs are not excessive. Approximately \$20,000 worth of timber has been salvaged from the clearing operations to date and used for construction purposes, while free firewood has been made available to local families and relief agencies.

Mr. Singleton also brings up the matter of the loss of taxes to the county as a result of public purchase of the land. As Secretary Wallace pointed out in his letter to you of May 17, the actual loss to the county amounts to approximately 1½ percent of the county's total tax base. Since only 44 percent of the county's income is derived from property taxes, the actual de

Mr. Singleton is correct in stating that from four to five miles of State highway No. 13 will have to be relocated as a result of the flooding of the reservoir. We were informed by the Illinois State Highway Department that relocation of this road had been contemplated even before the Crab Orchard project was initiated. The State is assuming the entire cost of constructing the new road.

We have attempted to meet the criticisms of the Crab Orchard project in the fairest and most objective manner possible. We regret very much that so much misinformation has been circulated. Most of the criticisms have completely ignored the major fact that Williamson County has suffered tremendously from the closing of williamson County has suffered tremendously from the closing of coal mines and the consequent heavy relief problem. The project that is now giving steady employment to approximately 600 relief workers is an attempt, based upon the surveys of both Federal and State authorities, to develop the natural resources of this area in such a way as to lay the basis for future economic improvement.

The correspondence which was attached to your letter is returned herewith.

Sincerely,

D. S. MYER, Assistant Chief.

Sugar Talks

EXTENSION OF REMARKS

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ARTICLE BY CLARENCE R. BITTING

Mr. CANNON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Clewiston News, of Clewiston, Fla.:

[From the Clewiston (Fla.) News of May 19, 1939] SUGAR TALKS

> (By Clarence R. Bitting) FOREIGN FOOD SUPPLIES

Considerable heat has been generated during the past few weeks relative to a few tons of tinned beef from the Argentine. President Roosevelt stated that Argentine tinned beef was both better

and cheaper than American canned meat. Ignoring, for the moment, the controversy relative to both quality and price, which are but slight incidents to the problem that has been posed for the American people, let us examine the fundamentals involved in this situation; these fundamentals are all condensed and consolitated in the situation; these fundamentals are all condensed and consolitated in the situation.

this situation; these fundamentals are all condensed and consolidated in one short, concise, clear, and straightforward question, namely, Shall the American people be deprived of their historic and inherent right to supply their own needs?

In 1934 Congress wrote a most emphatic "yes" in answer to this question when the Jones-Costigan sugar legislation was enacted, and again in 1937 emphatically denied the American people their historic and inherent rights by extending the monopolistic rights to our markets freely granted foreign countries by the Sugar Act of 1937

Act of 1937.

Act of 1937.

Sugar legislation was the opening wedge for foreigners to supply all our needs. In sugar there is no question of price as all sugar is sold in the open market at one and the same price. In sugar there was no question as to quality because sugar is produced in the United States under much better sanitary conditions than in foreign countries. American sugar workers are much better paid than those engaged in the production of sugar in foreign countries.

foreign countries. American sugar workers are much better paid than those engaged in the production of sugar in foreign countries. Sugar is a nonsurplus crop, considered by our Army and Navy as a critical wartime raw material. Despite all these considerations, Congress prohibits the American people from producing even as much as one-third the sugar they consume.

The wedge for foreign production of our necessities of life was furnished by our Congress when it guaranteed foreign countries and other offshore areas over 70 percent of our sugar market. The wedge is there and it should not be surprising to the American people if the door is forced open so as to guarantee to foreigners two-thirds of our requirements of beef, lamb, pork, poultry, eggs, butter, wheat, corn, cotton, textiles, vegetables, shoes, clothing, hats, and all the rest of the long list of necessities, comforts, and luxuries which go to make up the American standard of living. When supplied by foreigners, all of these items of daily use will be produced by peons, the unemployment rolls in the United States will be swollen beyond the most extravagant imaginations, and the Nation crushed under a staggering load of taxes and debt.

The American way of life can still be saved for the American people. The entering wedge of foreign dominance can be removed by repealing the inquitous Sugar Act of 1937 and returning to the American people their historic and inherent right to supply their own needs.

Hearings Before Committee on Labor on Amendment of Labor Relations Act

EXTENSION OF REMARKS

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

AN EXCERPT FROM THE MAY 9 BROADCAST OF FULTON LEWIS, JR., OVER RADIO STATION WOL, WASHINGTON, D. C., AND THE MUTUAL NETWORK

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief statement of Fulton Lewis, Jr., Mutual Network commentator, concerning the testimony of Congressman C. Arthur Anderson, of Missouri, before the House Labor Committee:

Now we had a merry show this afternoon, in the hearings before the Labor Committee of the House of Representatives. That's the

the Labor Committee of the House of Representatives. That's the committee that's headed by Representative Mary T. Norton, Democratic Congresswoman from New Jersey.

For several days the committee had been holding hearings on the various proposals to change the Wagner Labor Act and to overhaul the National Labor Relations Board, and the witness today was a Democratic Member of Congress from Missouri, Republications of the Congress of the Congr resentative C. ARTHUR ANDERSON, a rather vigorous critic of the N. L. R. B.

He is the sponsor of one of these bills to change the Wagner

He is the sponsor of one of these bills to change the Wagner Labor Act, and he is also the sponsor of a resolution calling for a general investigation of the Labor Relations Board by a separate special committee of the House.

This afternoon when Mr. Anderson appeared on the witness stand the New Deal Democrats of the Labor Committee (including Mrs. Norton herself) pounced on Representative Anderson with both hands and both feet—apparently it was a pre-arranged agreement. But as it turned out it was not a very successful job of pouncing, because Mr. Anderson pounced right back, and for a while the fur was flying in all directions.

In the first place, Representative Kent Keller, of Illinois, de-

In the first place, Representative Kent Keller, of Illinois, demanded to know why Mr. Anderson had introduced a resolution for an investigation of the Labor Board by a separate committee

and not by the Labor Committee itself. Representative Anderson said this was an easy one to answer. The reason he introduced the resolution was that this Labor Committee was refusing to conduct any investigation itself, so he proposed to have a special committee set up that would conduct the investigation. Kent Keller snapped back rather indignantly that the Labor Committee is conducting an investigation right now, and "you are the witness," and Mr. Anderson snapped back, just as indignantly, "Yes, it is, but it didn't start investigating until after I introduced my resolution and forced you to do so."

Representative Keller then kept on with a rather critical line of questioning, but Representative Anderson seemed to be taking care of himself well enough, for every verbal blow that Mr. Keller was landing on his chin he was delivering one back to Mr. Keller.

Mr. KELLER

Keller was landing on his chin he was delivering one back to Mr. Keller.

But finally, Representative Bruce Barton, the Republican from New York, interrupted the duel, he turned to Representative Keller and said, "I would like to ask whether the attorneys for the Board prepared Mr. Keller's list of questions for him." And Representative Keller almost exploded at that. He said he had not consulted any attorney for the Labor Board. He held out several sheets of paper from which he was reading. "Here, you can see for yourself that these are in my own handwriting." And Mr. Barton replied, "Well, I just wanted to ask the question. As a matter of fact the benign and kindly gentleman from Illinois (meaning Mr. Keller) acts as self-appointed attorney for the N. L. B. R. every time we take up labor matters in this committee." And Representative Anderson from the witness stand chimed in with this remark, "Yes, and also the attorney for the C. I. O., just as a few days ago, the distinguished gentleman from Illinois appeared at a convention of the United Mine Workers here in Washington, made a violent oration in favor of the C. I. O., then came to the floor of the House of Representatives wearing a C. I. O. badge." Mr. Keller leaped to his feet at this point, his face was very red. He denied that he had done any such thing.

Mrs. Norton, the chairman of the committee, had become quite

Mrs. Norron, the chairman of the committee, had become quite Mrs. Norton, the chairman of the committee, had become quite explosive by that time. She pounded on the table and said that any member of the committee had a right to ask the witness any questions he desired. So up spoke Representative Chestre Gross, a Republican from Pennsylvania. He said, "Well, I want to ask the chairman of the committee a question. I notice that any time anyone defends the Labor Board at these hearings the spectators here in the committee room applaud and cheer. I'd like to ask you, Mme. Chairman, how many people in this audience are employees of the National Labor Relations Board and what they are doing here."

of the National Labor Relations Board and what they are doing here."

Mrs. Norton came back with the reply that the hearings were open to the general public. It was no affair of hers whether the spectators were employees of the Labor Board or not. And at that point Representative Barron jumped in again with the remark, "Well, it occurs to me that it may be very much the affair of the taxpayers because the Labor Relations Board employees are being paid by the taxpayers to work, and not to sit in the congressional hearings and to cheer."

So there it ended, without any decision in favor of either side, but at least there were no bones broken and no skulls crushed.

Federal Expenditures and the National Debt

EXTENSION OF REMARKS

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

RADIO ADDRESS BY HON. JOSHUA L. JOHNS, OF WISCONSIN, APRIL 24, 1939

Mr. JOHNS. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address delivered by me over the radio on April 24, 1939:

Friends, first of all this evening I want to thank WHA for the privilege it has extended to the Wisconsin delegation in Congress to talk over this station with the thought in mind that the citi-

to talk over this station with the thought in mind that the citizens of the State of Wisconsin may be better informed of just what is transpiring down at Washington.

In discussing the radio talks by the Congressmen and Senators it is thought of all of us to make these broadcasts educational and of benefit to the citizens of our State. This evening I expect to discuss—during the time alloted to me—the subject of our national debt, our national income, our expenditures, and the deficits which are constantly increasing with the National Government.

The subject is not a new one with me, because for some 5 years I have been discussing this problem on many occasions when I have been asked to speak. If the radio audience wants to retain some figures that I am going to give you this evening I suggest that you get your pencil and paper and take down some of them,

and if you are unable to do this, that you make a mental note of some of the figures that I am going to give you.

The total expenditures of the Federal Government for the fiscal

The total expenditures of the Federal Government for the fiscal year ending June 30, 1933, were \$3,559,000,000; June 30, 1934, \$6,353,000,000; June 30, 1935, \$7,581,000,000; June 30, 1936, \$8,969,000,000; June 30, 1937, \$8,550,000,000; June 1938, \$7,684,000,000; and it is estimated at this time that at the end of the fiscal year June 30, 1939, we will have expended \$9,085,000,000.

In making these expenditures we have kept the Budget of the United States Government out of balance now for over 7 years and have been constantly suffering from greater deficits until we have reached the point now where those who are responsible for these deficits no longer refer to them as deficits but as investments. Of course, with individuals an investment in deficits soon leads to disastrous consequences. The deficits for the fiscal years beginning with 1933 are as follows:

1933 \$1,942,000,000 3,238,000,000 1934. 3, 780, 000, 000 1935_____ 1936 1937_____ 1, 442, 000, 000

But this year it will again increase, so it will reach the approxi-

But this year it will again increase, so it will reach the approximate figure of \$4,085,000,000.

Of course, there is a difference between the permanent expenditures of the National Government and those that may be classified as emergency—such as agencies for relief and other agencies established since 1933. These permanent expenditures of the Government instead of being reduced have also constantly increased. For the following years they were as follows:

1934	\$3, 607, 000, 000
1935	4, 215, 000, 000
1936	5, 627, 000, 000
1937	5, 473, 000, 000
1938	5, 454, 000, 000
1939 (approximate figure)	6, 436, 000, 000

These constantly increasing deficits have accumulated notwith-

These constantly increasing deficits have accumulated notwith-standing the fact that the taxes of the Government have also constantly increased since June 30, 1933, when the receipts were \$2,079.000,000; 1934, \$3,115,000,000; 1935, \$3,800,000,000; 1936, \$4,-115,000,000; 1937, \$5,293,000,000; 1938, \$6,241,000,000; and in 1939 it is estimated that we will receive approximately \$5,000,000,000. In 1933 it was suggested that the expenditures of the National Government should be reduced at least 25 percent and that everybody else should reduce their obligations accordingly. The people had confidence that this could be done because it had been done in the past, and from 1933 until 1939 private industry, municipal corporations, and other organizations reduced their indebtedness approximately 30 percent, while the Government increased its indebtedness to the same amount.

In 1933 we had approximately 11,000,000 unemployed people looking for work. Today we have approximately the same number and

In 1933 we had approximately 11,000,000 themployed people looking for work. Today we have approximately the same number and our relief expenditures have increased. At the end of the fiscal year 1934 they were \$1,846,000,000; 1935, \$2,353,000,000; 1936, \$2,387,000,000; 1937, \$2,505,000,000; 1938, \$1,983,000,000; and the emergency expenses from July 1 last year up to and including April 17 this year amount to \$2,480,676,000. This corresponds to \$951,586,522 in 1938 on April 16—a corresponding date—so that you can see the tremendous increase in relief expenditures.

From July 1 the beginning of our fiscal year up to and including

tremendous increase in relief expenditures.

From July 1, the beginning of our fiscal year, up to and including April 17 of this year we had expended \$7,258,129,771.50 and we have taken in \$4,536,442,854, leaving an excess of expenditures over receipts of \$2,721,686,917.50, and it is estimated that this will reach, before the end of our fiscal year June 30, \$4,000,000,000.

Our national debt at the close of business on April 17, 1939, was \$40,030,682,500. This corresponds with the same date last year of \$37,563,427,120.31. These figures may startle you, but they are given to you for the sole purpose of making you think of the seriousness of the situation. If I may be permitted, I would like to compare it with England in 1932 when it had a national income of \$11,759,000,000, while in 1937 it had a national income of \$23,672,000,000. \$23,672,000,000.

In 1932 the United States had a national income of \$46,359,-000,000 and in 1937 \$64,000,000,000. From these figures you will observe that England increased its national income over 100 perobserve that England increased its national income over 100 percent, while the United States increased only about 50 percent. From 1932 to 1938 the British budget showed a surplus of approximately \$400,000,000. For corresponding dates in the United States our Budget showed a deficit of nearly \$21,000,000,000. The per capita tax at this time for the United States is approximately \$95.16, while the United Kingdom is \$100.81, but the per capita debt of the United States is \$429.99, while that of the United Kingdom of Great Britain is \$207.89.

The interest on our obligations for 1938 was approximately \$926,000,000, and this year, with the lowest rate of interest this country has ever enjoyed on its obligations, our interest will be more than a billion dollars.

In 1937 taxes absorbed about 17.6 percent of the national income and, had we paid taxes and paid our obligations as we went along

and, had we paid taxes and paid our obligations as we went along instead of borrowing money to pay them, it would have taken approximately 24 percent of our national income to have paid the running expenses of our Nation.

In the 8 years from 1931 to 1938 the Federal Government alone spent \$23,777,000,000 more than it received in revenue.

As stated heretofore, our national debt is now over \$40,000,000,000 and in addition to that the Government has guaranteed some

\$5,000,000,000 other obligations, and under the F. H. A. bill we may guarantee as high as \$4,000,000,000 more. Our direct debt limit fixed by an act of Congress is \$45,000,000,000. At the present time our debt is over \$40,000,000,000, so at the end of this fiscal year we will have almost reached our limit without taking into consideration our guaranty on other obligations.

We must cut down the spending of money in this country, in my opinion, or we are due for some trouble and it may be very serious. All we need to do is to study the History of the Rise and Fall of Rome and some of the causes of the French Revolution and we can learn some very valuable lessons. To make it just a little bit plainer to the radio audience: In the last fiscal year ending June 30, 1938, our Government spent \$21,000,000 daily; \$875,000 every hour; \$14,583.33 every minute; \$242.21 every second.

Many corporations today pay more in taxes to the Government

\$242.21 every second.

Many corporations today pay more in taxes to the Government than they do to their stockholders, and some pay more in taxes to the Government than they pay to their employees.

I have been told that there is no adding machine made today that will carry the huge figures entering into the Government finances for any one year and for accounting purposes it is necessary continually to break down and subdivide the figures!

Another great danger in all this spending is that about three-fourths of the direct obligations of the Government are held by banks, reserve banks, insurance companies, and nonfinance corporations. This is a most dangerous situation, because if the Government obligations should drop 10 points it would cause very serious trouble not only in our own country but throughout the world. About 50 percent of the total direct-interest-bearing obligations are owned by the banks, and their holdings of Government securities, direct or guaranteed, now represent about 25 percent of their total investsecurities, direct or guaranteed, now represent about 25 percent of their total assets and more than 60 percent of their total investments. The insurance companies which have some 64,000,000 policy holders—many from people with moderate incomes, have invested their funds and now own more than \$4,500,000,000 direct obligations of the Government. These holdings have increased nearly 15-fold since 1930.

The danger that I want to point out is that with the constantly increasing debt we may reach a point where the public more have

The danger that I want to point out is that with the constantly increasing debt we may reach a point where the public may have raised in their minds a doubt as to our ability to pay. Just how near we are to that point, no one knows, and therein lies the great danger. Each day brings us nearer to that point unless we

stop creating deficits.

We also have entirely too much idle money in this country Just a few days ago the banks were holding \$3,810,000,000 in reserves that ought to be invested in business in this country today in order to have a national income sufficient to operate the Gov-ernment safely.

We all know the increasing tax burden has meant that every self-

We all know the increasing tax burden has meant that every self-supporting person has turned over an increasing amount of his labor to meet the increasing expenditures of the Government. The cost of keeping the unemployed necessarily falls on the employed. The purchasing power of the people depends upon the value of production and distribution of goods and services, and our future standard of living depends upon our future value of production, not upon the theory that if you produce less you will have more, whether it is earned or not.

We can reduce our obligations in this country, because it has been

We can reduce our obligations in this country, because it has been done in the past. None of us have forgotten that after the World War we cut Federal expenditures from \$18,500,000,000 in 1919 to about \$3,000,000,000 annually, lowered taxes four times, and we reduced the Federal debt from \$26,600,000,000 to \$16,000,000,000, and except for a brief period in the year 1921 the national income was gradually rising from \$56,800,000,000 in 1921 to \$79,500,000,000 in 1929. The people are satisfied that if governmental affairs are properly managed this can be done again. The people are learning a 1929. The people are satisfied that if governmental affairs are properly managed this can be done again. The people are learning a lesson now that will be of lasting benefit to future generations, and that is that every dollar paid in taxes is a dollar out of their purchasing power; that these taxes, added to the cost of articles bought, necessarily reduces the value of sales and the production of the article, and also lessens the incentive of capital to invest.

Over 60 percent of the people at the present time, according to polls that have been conducted, agree that we are spending entirely too much money. That seems to be a majority. Let us, as a majority, start doing something about it.

Problems of Today

EXTENSION OF REMARKS

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address by Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, before the Retailers' National Forum, Hotel Mayflower, Washington, under the direction of the American Retail Federation:

Mr. Chairman, ladies and gentlemen of the American Retail Federation, no one can come before such a gathering without full appreciation of the important part our retailers have in American life. I think I can understand your problems fully, because of my intimate contact through the years with merchants and retailers.

When a boy of seven, I was a hustling retail merchant, and my stock consisted of newspapers. All during my school days I owned a profitable route. That was an experience which has been valuable profitable route. That was an experience which has been valuable to me. It taught me a great many fundamentals of business. I learned the wisdom of fair dealing with the public. And I learned, too, it was necessary to spend less than you earned if the newsdealer was to be paid at the end of the week. Sometimes when I note hysterical Government spending without regard to income, I think it might be a good idea if all our public officials could have a little experience in mercantile life.

As publisher of a small-town daily since I was 24 years old, I have come to know quite intimately the problems and needs of retailers. Alertness, vision, resourcefulness, and character are essential for success in the retail business. The tricky retailer, who is ever cutting corners in his relations with the public and competition, generally finds at the end of the road it is unprofitable.

When I first came to Congress in 1924, there was only a remote

When I first came to Congress in 1924, there was only a remote when I hist came to Congress in 1922, there was only a remote interest in national legislation. Occasionally there would be a burst of limelight as some particular subject came to demand public attention. But when this issue was adjusted, quiet again prevailed and Washington, to the average man and woman, appeared very distant.

Today it is being driven forcibly to the attention of all that the

Government in Washington is a major influence in our daily lives.

PRIVATE ENTERPRISE MUST SURVIVE

That is why such gatherings as this are of the utmost importance in these times. If ever we are to enjoy solid and sustained economic recovery in this great country it will be because the millions of men and women engaged in private business contrive somehow to keep things going in the face of many discouraging and crippling obstacles. The job is a difficult one, I know. But these recent trying years have demonstrated the indomitable vitality of American business. The job will be done.

But I have come not to generalize upon questions of national concern. I want to discuss with you honestly and frankly some of the major problems which American business now faces and which.

the major problems which American business now faces and which, to my mind, the Government must solve before we can pull onto the broad highway of national prosperity and put our 11,000,000 unemployed back to work.

REPUBLICAN POLICIES IN CONGRESS

That is our great problem today, for every other difficulty before us is but a projection of unemployment. As the leader of the Republican minority in the House of Representatives, I may tell you in all sincerity that during the present session we have had but one

mail sincerity that during the present session we have had but one measuring rod for every piece of legislation recommended by the administration, Will it help put our unemployed back to work? We have fought for economy in Government because we believe that widespread fears of Federal fiscal policies are today the greatest single restraint upon a driving national expansion of business. In this endeavor, however, we have received very little moral support or encouragement from the administration

or encouragement from the administration.

We have advocated some comprehensive adjustments in the Federal tax structure to lift those penalizing provisions which hobble the very spirit of enterprise. And here again, up to date, we have made very little actual progress although many promising words have been uttered.

We have pressed for a clean-up in the corruption and political manipulation of relief; and in cooperation with a group of honest, sincere Democrats we have made real progress and, I believe, will make more in the weeks ahead.

We have advocated and supported amendments to the Wagner Labor Relations Act in the interest of equity and justice to employer and worker alike. This Congress should never adjourn until this great obstacle to recovery is adjusted. Here in America there must be equal opportunity, fair play, and honest cooperation between all engaged in industry if we are to have the fullest measure of properties. of prosperity.

If we can keep this Congress in session we will force other steps toward freeing business of existing crippling restraints. But, mark you well, it is already a tough fight even to keep Congress in session. Every influence of the administration is pressing for quick adjourn-

ment.

Early adjournment in the face of the many things which need to be done in the interest of recovery simply means abdication—a throwing overboard of the legislative program—a running away from the grave responsibilities of the national welfare.

URGES PATRIOTISM FOR RECOVERY

I am against calling harsh names. I do not believe that is the way out. Whatever is to be accomplished will be accom-plished through negotiations conducted in a spirit of cooperative good will. All history teaches us that.

The grave economic problems before the country will be satisfactorily adjusted if there is real cooperation on the part of all who want their country to succeed.

What is needed is an old-fashioned patriotic revival of Americanism. We must rededicate ourselves to fundamentals; we must cling to the virtues which made America the greatest country in the world; the land of hope and opportunity for all.

Above all, we must recreate a new spirit of unselfishness; a spirit which will put country above individual self; a spirit which will not demand benefits for a few at the risk of imperiling the

chances of all.

If we tackle these problems with real unselfishness, we will solve them, and the solution will bring greater happiness and prosperity to all; yes, even more to those who now seek to advance through selfish concessions.

No individual can prosper long unless the country as a unit is prosperous. Only through a realization of that great and self-evident truth can we achieve real national progress and make

secure the future of America.

G. O. P. PROGRAM IS CONSTRUCTIVE

For this reason we of the minority have adopted a firm policy of constructive action. We do not seek to oppose any measure merely because it is offered from the other side of the House. We have a definite and specific program. And to accomplish any part of it we have and will continue to subordinate partisanship to patriotism. Here in brief summary is the Republican program for this session:

(1) Keep the United States out of war.
(2) Move immediately to curb unnecessary, wasteful, and reck-

less spending.

(3) Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.

(4) Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.
(5) Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.
(6) Amend the National Labor Relations Act by Clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end present perceiving discord.

toward the public in order to end present paralyzing discord.

(7) Defines specifically the area of Government competition with private enterprise so that business may be able to create jobs with some certainty as to the future.

(8) Restore American markets to the American farmer and

wage earner and develop new markets for agricultural products.

(9) Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life insurance companies

(10) Create a special committee of Congress to inquire into the effect of the reciprocal trade agreement policy on American industry and agriculture.

(11) Clarify Federal rules and regulations so industry and busimay know what to expect.

ness may know what to expect.

(12) Reject all experimental legislation not clearly helpful in promoting recovery, or, which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.

We are convinced that no progress can be made toward restoring this country to a sound and permanent prosperity until a program along these lines is adopted and put into effect.

We are convinced if this program in its entirety is adopted by Congress and accepted by the President, our country will immediately take on new life and vigor and will presently begin to enjoy economic stability and a higher standard of living. Panaceas and short-cut methods have been tried and found wanting. The time has come to go forward to fundamentally sound principles.

and short-cut methods have been tried and found wanting. Ine-time has come to go forward to fundamentally sound principles. Words are not sufficient; action is imperative now. The entire economic life of the Nation is bogged down in a quagmire of experimentation and foggy theories. We must release the energies of our people from the restraints and devitalizing meddling of a headstrong and impractical Federal bureaucracy.

NEW DEAL REPULSES SOUND POLICIES

In line with this broad policy of constructive cooperation, the minority party in the House also has set up three special committees to inquire into various major issues of the hour. The first was our special committee on national defense policy, which gave tremendous impetus to a move which aimed at a clear

definition of United States foreign policy—insisting upon a policy in accord with the deepest traditions of Americanism, and one which would reaffirm our determination not to become a party to age-old intrigues and racial frictions of Europe and the Orient.

That policy is now the settled policy of the majority of the American people, and I think it safe to say that no administration in the people will deep to give the receiver from it.

in the near future will dare to swerve from it.

However far negotiations and conversations abroad may appear to lure this country from its traditional course, we may be sure

that an alert and articulate public opinion at home is now on guard against our military involvement overseas.

Next we appointed a special committee on the extraordinary powers of the President, the so-called "emergency powers," which were delegated to the White House by the successive rubber-stamp

were delegated to the White House by the successive rubber-stamp Congresses between 1933 and 1938.

This committe already has reported that the emergency powers have been of little value as a stimulant to real economic recovery. More important as a guide to future policy, the committee's studies have indicated clearly that every job attempted by this method of dictatorship and one-man government actually might have been accomplished under the orderly processes of congressional consideration, proper debate, and constitutional legislation.

FUNDAMENTAL PROBLEMS PERSIST

Indeed, we may look around us today and see clearly that from the national viewpoint we still have every fundamental problem to meet—11,000,000 unemployed, billions of idle capital, the unbalanced Budget, an elastic currency, Government competition in busi-

ness, excessive taxation, and demoralizing bureaucratic regulation.

On top of all these we now face the fears and alarms of a potential inflation, or of still more taxes to carry our \$40,000,000,000

national debt.

Meanwhile, in the interval since 1933 Federal tax collections have already trebied, increasing from, roundly, \$2,000,000,000 in the fiscal year 1934 to, roundly, \$6,000,000,000 in 1938.

ABLE ADMINISTRATION NEEDED

On the whole, I think it is no exaggeration to say that the investigations and researches of this committee have made it clear that the fundamental structure of our Government is adequate to cope with the problems of the day. What we need most urgently is an able and conscientious administration of the Nation's business an able and conscientious administration of the Nation's business under a philosophy not of selfish partisanship but of broad-gage Americanism—an Americanism which holds a deep faith in the ability of the people themselves to work out many of our difficulties under the forms and processes of constitutional freedom and legal security.

RESIST MORE DEBT

Third, we appointed a special committee to study the whole question of the national debt, its influence upon business plans, its tion of the national debt, its innuence upon business plans, its ramifications in threatened inflation, in restraint of private enterprise, and in the prospective load of taxes upon whole generations of our people during the next 100 years.

We have stood firmly against a proposal to increase the legal limit of the national debt above the present ceiling of

limit of the \$45,000,000,000.

We believe that no further Federal borrowing should be authorized by Congress until the administration gives some convincing evidence of a program to move toward a balanced Budget.

ESSENTIALS OF RECOVERY

Recovery cannot begin until all Americans may again face the future with confidence in the security and stability of constitutional government and the safety of our bountiful American system of private enterprise.

Confidence can never be restored to a harassed and worried business world by words and phrases alone. Action must square with appeasement promises if we are to have that confidence essential to recovery.

Nothing can be more fatal to business then excessive meddling

Nothing can be more fatal to business than excessive meddling on the part of the Government. Hordes of Government agents swooping down upon business concerns like a swarm of locusts can quickly destroy incentive and be the means of depriving men and women of jobs.

and women of jobs.

The other day a Democratic Congressman told me a story that illustrates the plight of the American businessman, both large and small; a situation particularly deadening to small business. The story came from an agent representing the Social Security Board. He went to a small business plant on a Government mission and found seven others ahead of him waiting to see the owner. Inquiry revealed six of the seven were Government agents. Even the social security agent was affected by this situation and decided he would try again some other day.

Even the social security agent was affected by this situation and decided he would try again some other day.

No wonder there is a growing resentment against the growth of bureaucracy. No wonder there is no recovery. The businessman who spends half his time answering Government questionnaires has no time for his own business.

I mention these specific activities of the minority during the present session merely to point out that we are alive fully to the urgent need of the Nation today, and secondly, to dispel the smoke screen of propaganda so persistently laid down by the new dealers, which would have the country believe the Republican Party has no program. Party has no program.

DEMANDS PRACTICAL MEASURES

We have a positive and constructive program-based, not upon collegiate theories or administrative brainstorms, but upon the realities of the world situation today, and upon the lessons of

We seek those practical measures which will put this mighty Nation back on the track. Our motto is "Let's put America back

We on the minority side emphatically reject the New Deal eco-nomic defeatism which proclaims there are no more frontiers to

be conquered.

We do not believe this great country has reached the end of the road. We do not believe that American youth must forever take a job at a dollar a day in the woods, or that our unem-ployed face no better future than a subsistence job in the W. P. A. Neither do we believe that America faces a future which will find everybody over a certain age on a meager Government pension.

AMERICA'S WILL TO PROGRESS

On the contrary, we on the minority side envision a day when our national income easily may reach \$100,000,000,000 a year.

We look forward to the day when the eyes of youth will glow once more with the light of hope, adventure, and enterprise.

We look forward to the time when American business may do more than work for the tax collector.

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We look forward to the day when the job maker and the job giver rightfully will be regarded as keymen in a revived scheme of economic abundance.

America has the resources, the skill, the technical equipment, and the manpower to push this Nation to heights of prosperity

and the manpower to push this Nation to heights of prosperity undreamed in the past.

But we may realize these high hopes only through a robust national confidence—through a confidence born of security, stability, order, and old-fashioned common sense in government.

We are hog-tied today not because we lack the vision of progress, not because we lack the courage of enterprise, but because the spirit of our people is hobbled by devitalizing bureaucratic restraints. restraints.

NATION'S FIRST TASK

Our first task is to restore the vigorous forward-looking and

Our first task is to restore the vigorous forward-looking and hopeful spirit of our people.

We are a nation in the chains of uncertainty and confusion. Business can hum only when it can plan with security and assurance for a period of 5 or 10 years.

We cannot go on forever on a day-to-day basis, hanging by our teeth to the slender hope that the morrow will not bring a new crack-down.

SEES REVIVAL OF AMERICANISM

It is a part of my job to keep in touch with what America is

It is a part of my job to keep in touch with what America is thinking.

I know that today America is looking forward eagerly and hopefully to a decided change in Federal policies.

I have seen thousands of letters from various parts of the country during the last 5 months. In them there is an undercurrent of deep conviction that our cherished American system of balanced constitutional government and private enterprise will weather this storm to the end.

America will come through. She has taken a terrible lashing. It has been a season to test the souls of men.

It has been a season to test the souls of men.

But I can assure you the tide has turned.

The deep spirit of America has found its voice. Our country is all through with court packing, crack-down, and purge. America already has made up her mind to be free again—free to do, free to dare, and free to prosper according to the bounty which a kindly Providence has entrusted to our hands.

That is my message to the business people of America today. Having paused for an interval to experiment with every economic hallucination recorded in the history of man, the American people have once more set themselves to move forward along the tested

have once more set themselves to move forward along the tested paths of peace, progress, and prosperity.

Solution of the Agricultural Problem

EXTENSION OF REMARKS

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

Mr. LEMKE. Mr. Speaker, here in this world physical welfare is inseparably linked with spiritual well-being. For the highest intellectual, physical, and spiritual development there must be a reasonable assurance of future security for our families and for our homes. There must be hope and aspiration. Yet, today, all is uncertainty, confusion, and despair. Everything is in chaos. Our civilization is in transition.

There is hunger and want in the land. Our Nation is in mental and physical distress. Hundreds of thousands of farmers have lost and are still losing their homes. This, because they feed and clothe the Nation for less than cost. Millions of laboring people have been and are still unemployed-are hungry and dying of malnutrition. All this in a land of plenty-in a land where we have so much that we have seen fit to restrict and destroy the very things necessary to satisfy our hunger and our want.

Little wonder thousands of farmers are asking, What happened to the National Farmers Union? Why do somenot all-of its officers oppose the farmers' cost-of-production bill? Why did these stab us in the back? Why did they wait until a few days before the bill was to be voted on by the Members of the House Agricultural Committee and then send a letter to each Member making a sudden assault upon it? Was not this bill born under the gallant leadership of John A. Simpson? Is it not the baby of the Farmers Union? Why should its national officers and a few of its State officers now attempt to strangle their own child?

The cost-of-production bill is the baby of the Farmers' Union. It was ably fathered and protected by the late John A. Simpson, the greatest farm leader this Nation ever produced. A leader who could not be subsidized by the Department of Agriculture or anyone else. A leader who represented the membership of his organization and 95 percent of the farmers of this Nation. Such leaders are rare and far between.

SUBSIDIZED LEADERS

What happened the other day happened in 1933 and will always happen when a great and human cause makes its appearance and struggles for recognition. In 1933 the Department of Agriculture subsidized a few of the farm leaders and sold the farmer down the river. It defeated the Norriss Simpson cost-of-production amendment. The Department, then and now, deliberately put farm leaders on the Federal pay roll for the express purpose of using them as cat's-paws with which to decoy the unwary farmer into the Triple A.

The other day that Department, through its Mr. Dodd and a few subsidized farm leaders, together with its 88,800 field men, began its fight on the farmers' cost-of-production bill. These tell Congress that they represent you and that you farmers can continue to feed and clothe the Nation below the cost of production. They are opposed to having this bill come up on the floor for consideration where all the pros and cons can be heard by the farmers. They do not wish to have the white light of publicity thrown upon their subsidization.

There is a mob of them now at the other end of Pennsylvania Avenue. They are on the Federal pay roll. They are designated in the Department of Agriculture as collaborators—should be fabricators. These are the so-called leaders that sent letters to the members of the House Committee on Agriculture, telling them that the farmer did not want cost of production. Some of these are staying rather overtime. They are afraid to go home because they now realize that the farmers are getting their number—betrayers of "a great and human cause" will always find that there is a judgment day.

CRITICISMS

Let us now answer the false charges and criticisms made against the cost-of-production bill in the letter sent the Members of Congress.

Criticism No. 1: "No safeguards are provided in the measure for the family-size farm, the cooperative farming association, and the tenant operator."

Answer: This is not true. The bill is universal in its operation and protects every farmer. It gives them cost of production for that part of their commodities consumed within the United States. It gives the American market exclusively to the American farmer and not to the Argentine or any other foreign nation.

Just what is a family-sized farm? Is it a Wallace farm? Is it a farm on which you spend \$200 in labor, cultivation, and clover seed and receive a soil-conservation check for \$49? Is it a farm on which a man and his wife may subsist but when they add two children to their household then all four will starve? Does not this family-size farmer need cost of production in order to live like an American citizen?

Criticism No. 2: "The measure would centralize authority in the Secretary of Agriculture to a degree never hitherto contemplated or proposed."

Answer: This is another inaccurate statement. This bill takes away powers from the Secretary and gives him duties to perform. It reduces his army of salaried lobbyists and subsidized farm leaders from 88,800 to 1,056. The truth is this bill takes control of the farmer's farm out of the hands of the bureaucrats and the subsidized lobbyists and places it back in the hands of the farmer where it belongs.

Criticism No. 3: "The bill is fascism."

Answer: If to give the farmers cost of production is fascism then make the most of it. This false statement comes with poor grace from those who make it. I happen to know that everyone of these was quite willing to destroy the indpendence

of the Supreme Court just a few short years ago. That would have been the first step toward fascism. They did not succeed in fooling the farmers then and they will not succeed now.

Criticism No. 4: "The obvious effect of such a program would be to subsidize foreign consumers at the expense of our own people, millions of whom are even now unable to purchase their requirements at current ruinous prices."

Answer: This statement is incorrect. Under the bill the farmer gets cost of production for that part consumed in the United States and he gets the world market for the surplus. At present he gets the world market for all.

The farmer, now, not only subsidizes foreign consumers but our own consumers. Under the Triple A your wheat has been sold abroad for charity as low as 20 cents a bushel. That is subsidizing foreign consumers. This same argument was made by Andrew W. Mellon when he opposed the McNary-Haugen bill. It comes with poor grace from subsidized farm leaders—from the paid lobbyists. The truth is that agricul-

ture is the basic industry. When the farmer has purchasing power then the laborer and the businessman have purchasing power. The greater the agricultural income the greater the income of the Nation.

Criticism No. 5: "Simply establishing a price does not necessarily mean that buyers will be readily available with adequate purchasing power to absorb the volume for domestic consumption."

Answer: These leaders now tell you farmers that you will have to continue to feed and clothe the Nation below the cost of production and continue to lose your homes. Surely they ought to know that when the farmer gets cost of production the unemployment problem will be solved. Then there will be prosperity and purchasing power for all. I am afraid they are more interested in the collaborators' fund then they are in the farmers. "False face must hide what the false heart doth know."

Criticism No. 6: "The measure fails to provide adequate and effective differentials as to the many grades and varieties of each commodity included in its sweeping provisions."

Answer: This is an untrue statement. The bill provides:

The Secretary shall also recognize and allow the usual and customary price differentials now or hereafter recognized or established in the channels of trade on grades, staples, classifications, or qualities below or above such basic grades, staples, classifications, or qualities.

Criticism No. 7: "Inasmuch as the bill applies only to agricultural commodities entering into the channels of interstate commerce, intrastate traffic in such commodities remains outside the effective scope of the measure."

Answer: This is another smoke screen. We know that when we fix the price on interstate and foreign commerce the intrastate follows the interstate price because no farmer would sell for less in intrastate than he can get in interstate commerce.

When the price was fixed at \$2.26 on wheat, there were no two prices, no matter whether the wheat was sold in interstate or intrastate commerce. When Mr. Hoover fixed the price on hogs at \$17.50 per hundred, there was no difference in price between the pork within the State or that shipped in from another State. The interstate governed the intrastate price.

Criticism No. 8: "The police force necessary to enforce the provisions for regulation and regimentation outlined in the bill staggers the imagination."

Answer: These collaborators have become so accustomed to regimenting the farmer that they allow their imagination to run away with them. This bill does away with regimentation. It makes use of the same machinery that Hoover used when Congress fixed the price of wheat, or when he fixed the price on hogs. It licenses the dealers in interstate and foreign commerce. It does not attempt to control the farmer or his farm. It simply compels these dealers to pay the cost of production as a minimum price. It reduces the 88,800 employees in the department, now used to police the farmer and direct his activities, to 1,056.

Criticism No. 9: "The bill is so full of loopholes and so poorly drafted that, even if it were enacted, farmers would never receive more than the paper promise of cost of production"

Answer: Again, a deliberate misstatement of fact. This bill has been drafted and redrafted. Ever since 1933 it has received the most careful consideration of many Members of Congress.

It is true it was not drafted by the "brainless trust," but draftsmen employed by Congress assisted in its drafting. It is one of the most perfect bills before Congress. I invite the authors of the letter to discuss this bill with me in any part of this Union, on any one or all of their nine criticisms based upon misrepresentation and erroneous conclusions.

NONPOLITICAL REVOLT

A nonpolitical revolt has taken place in Congress against the further deception and betrayal of agriculture. Eighteen Members of the Senate and 16 of the House, realizing that the Secretary of Agriculture's farm program has been a "flop," introduced this nonpartisan cost-of-production farm bill.

I give here the names of the Senators and Representatives who introduced and sponsor this cost-of-production bill.

Senators: Frazier, North Dakota; Wheeler, Montana; Thomas, Oklahoma; Bulow, South Dakota; Capper, Kansas; Shipstead, Minnesota; La Follette, Wisconsin; Nye, North Dakota; Russell, Georgia; McCarran, Nevada; Bone, Washington; Donahey, Ohio; Burke, Nebraska; Johnson, Colorado; Lundeen, Minnesota; Schwartz, Wyoming; Gurney, South Dakota; and Holman, Oregon.

Representatives: Massingale, Oklahoma; Lemke, North Dakota; O'Connor, Montana; Pierce, Oregon; Stefan, Nebraska; Gehrmann, Wisconsin; Mundt, South Dakota; Sweeney, Ohio; Leavy, Washington; Houston, Kansas; Buckler, Minnesota; Johnson, Illinois; Landis, Indiana; Seccombe, Ohio; Hawks, Wisconsin; and Fish, New York.

The long and determined fight that most of these 34 Members, together with other sponsors, have made for justice to the farmer, beginning with the McNary-Haugen bill, is a genuine guaranty that this cost-of-production bill is real farm legislation and not the Wallace "Alice in Wonderland," makebelieve kind. No "fly by night" subsidized opposition can shake the farmers' faith in this cost-of-production bill or their confidence in these Members.

LOSING HOMES

These Members know that during the last 6 years of farm regimentation—of the insane policy of destruction and curtailment of agricultural wealth—about one farmer out of every five lost his farm by mortgage foreclosure, tax, or judgment sale. The price of that erroneous policy comes too high. These Members of Congress know that the farmer who still owns his farm is deeper in debt than he was in 1932. They know that the prices for farm commodities last fall were as low as they were in 1932, considering the difference in the purchasing power of the farmers' dollar.

INCLUDES FIFTY PRODUCTS

This bill would give cost of production to about 50 agricultural products. It would lift the entire agricultural structure out of the mud and leave the relative position undisturbed. If cost of production were given just on a few agricultural products then, naturally, there would be overproduction of those products, because then everyone would raise those particular products.

But, when the cost of production is given on 50 of the principal agricultural commodities then there would be no incentive of going excessively into the production of any one particular commodity. This is the safety valve against overproduction, because if you get cost of production for 100 percent of one commodity and cost of production for 75 percent of another commodity, you naturally would switch to the commodity of which there is no overproduction,

PROTECTS LABOR AND INDUSTRY

In order to protect domestic labor and industry, the bill provides further:

The Secretary may sell at or above the world price warehouse reserves and export quantities and percentage of any agricultural product to any processor or manufacturer for processing or manufacturing into finished or semifinished and manufactured or semimanufactured product, but he shall first require a sufficient bond from such processors or manufacturers to the effect that such

finished or semifinished or manufactured or semimanufactured product or any byproduct thereof will not be sold or disposed of directly or indirectly for domestic consumption.

It also provides further:

If the quantity and percentage estimated for domestic consumption should be insufficient by reason of flood, drought, pestilence, or other calamity, or for any other reason, to supply the demand for domestic consumption, the Secretary of Agriculture is authorized to supply such shortage out of the warehouse reserve or export quantities and percentages, at the cost-of-production price, plus storage and expenses.

It provides:

Any agricultural product, now owned or hereafter coming into the possession of the Government of the United States, or any department or agency thereof, shall be conclusively deemed to be warehouse reserves or exportable surpluses, and shall be disposed of only in accordance with the provisions of this act providing for the disposal of warehouse reserves and export quantities and percentages.

PROHIBITS IMPORTATIONS

This bill would prohibit foreign importations into this country until our farmers received cost of production plus 10 percent for that part of their commodities domestically consumed. It provides:

In order to carry out the purposes of this act, the Secretary of Agriculture is hereby directed that whenever he finds, upon investigation, that the world price, computed in United States currency, of any foreign agricultural product or substitute, in its manufactured or unmanufactured state, is below the cost-of-production price of any competing domestic agricultural product, in its manfactured or unmanufactured state, to notify the Secretary of the Treasury thereof.

Treasury thereof.

It shall thereupon become the duty of the Secretary of the Treasury to levy and collect upon such foreign competing agricultural product or substitute, notwithstanding that such agricultural product or substitute may have been originally produced in the United States or its possessions, in its manufactured or unmanufactured state, when imported from any foreign country into the United States or any of its possessions, a duty equal to the difference between the world price and the cost-of-production price of such product, plus 10 percent of such cost-of-production price.

This bill will repeal the so-called reciprocal foreign trade agreements. It will give to the American farmer the American market. The salaried lobbyists and subsidized leaders, in their letter of criticism, forgot to say one word about the foreign importations. In fact, they are quite willing to have the farmer and the laborer sold by the international manufacturer and the international banker in foreign market places. They are quite willing that agriculture shall pay for the World War a second time.

We imported from foreign nations \$8,373,652,981 of agricultural products, substitutes, and manufactured products thereof in the last 6 years. That is the foreign valuation. The domestic valuation would be over \$16,750,000,000. This would have been sufficient to have handed to every head of our 6,000,000 farm families a check for \$2,790.

That money would have done billions of dollars' worth of business in our country. In place of the stupid curtailment and destruction of agricultural wealth it would require an additional 87,237,280 acres to produce sufficient agricultural products for our own people.

PRICES UNDER THIS BILL

If this bill had been a law last fall you would have received \$1.50 a bushel for your wheat, 94 cents for your barley and corn, \$11.32 per hundred for your hogs, \$2.76 per hundred pounds of milk, 48 cents for your butterfat, 31 cents for eggs, 24 cents for chickens, and 30 cents for yours turkeys, and so forth.

These are cost-of-production prices. No honest person wants to consume the products the farmer produces for less than cost. If he does then he is consuming the home of the farmer—taking the bread out of the mouths of the farmer's children. It matters not whether he be a subsidized leader or a salaried lobbyist.

In short, if this bill had been a law your farm income would have been increased by \$7,500,000,000. Since every dollar of income that the farmer receives increases the national income by over seven and one-half, the national income would have been increased by \$56,625,000,000. This would give prosperity and buying power to all. Then there would be no further need of appropriating billions with which to subsidize business, labor, and agriculture.

CONCLUSION

I invite the farmers of this Nation to let their Congressman and Senator know whether or not they want cost of production. I know that the great majority of Members wish to know the actual sentiment of the farmer. They value a telegram or a letter from their constituents. They have a right to know whether you want them to sign petitions Nos. 5 and 6 at the Speaker's desk-whether you want the cost-of-production and the Frazier-Lemke refinance bills brought up for discussion and disposition on their merits.

I invite these farmers to form a cost of production and refinance club in every township and every county of this Nation. Self-preservation is still the first law of nature. When you form this club you will have taken the first step toward preserving agriculture. Then you can emphatically tell your farm leaders that you want this legislation and that they must not attempt to scuttle the ship by introducing camouflaged substitutes-for the purpose of confusing

I also invite the laborer and the businessman, who believe in a square deal and who are big enough to realize that when agriculture is prosperous the Nation is prosperous, to let their Congressman and Senator know that they too are in favor of giving the farmer cost of production for that part of his agricultural products consumed within this Nation. They have a right to know that you too want them to step up to the Speaker's desk and sign petitions Nos. 5 and 6.

Investigating the W. P. A. Questionable Aspects

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

LETTER FROM ROCKWELL KENT

Mr. COFFEE of Washington. Mr. Speaker, this House recently authorized an investigation of the W. P. A. The ostensible purpose of such investigation was an attempt to disclose evidence of inefficiency, prejudice, misfeasance, or malfeasance in office. One particular aspect of the investigation is very unfortunate. That is the seizure of an album of photographs of female nude models for use in professional art projects. It seems to me that the manner of such seizure of such album is most reprehensible and deserves censure by

Because complaint was made to me about this matter I wrote to one of the leading artists in America for his opinion in the matter. Mr. Rockwell Kent is preeminent among the artists of America for the brilliance of his attainments and the skill of his portrayals. He is an artistic genius of the first water. He has written me a letter in which he discusses the incidents to which reference has been made. I append the letter and in it let Artist Rockwell Kent express his views. The letter is as follows:

AUSABLE FORKS, N. Y., May 11, 1939.

The Honorable JOHN M. COFFEE,

The Honorable John M. Coffee, House of Representatives, Washington, D. C.

Dear Congressman: In reply to your letter of May 4, which owing to change of address on my part was unfortunately delayed in reaching me, I send you the following statement about the seizure by the committee investigating the W. P. A. of the nude photographs—and, I believe, of the addresses and telephone numbers—of women models.

An efficient administration of the art projects requires that a list of professional male and female models available to artists be kept on record. For this list to be of any practical value it has to be accompanied by photographs and, in the cases of those models who pose in the nude, nude photographs. The reason for this should be obvious. Photographs are the only kind of "reference" that an artist in need of a certain type for his projected picture or sculpture can be interested in. I believe that the United American-Artists, Local 60, of which I am president, keeps just such a file Artists, Local 60, of which I am president, keeps just such a file

of its professional model members. I am not sure for I have never happened to consult it.

Beginning with their student days, art students, young men, and young women, become accustomed in their life classes to the contemplation of nude models of both sexes. Their attitude is so invariably professional that I may say that there is even less thought by students and artists of carnal familiarity with a model than may occur between the sexes in a business office. I have never happened to know a model, male or female, who was not a thoroughly decent person as fastidious in personal morals as never happened to know a model, male or female, who was not a thoroughly decent person, as fastidious in personal morals as men and women of any reputable class. Many models are serious students of art, of the dance, or of university courses. Their very purity of heart seems to have justified them in the pursuance of temporary work to which there was vulgarly some stigma attached. Many models, because of this vulgar stigma, keep their work a secret. So much I may state as fact that would be borne out by every artist and student of art.

every artist and student of art.

In my opinion the seizure of the photographs and records of models constitutes a serious violation of private rights. Most models object to outsiders entering a studio when they are at work. They have every right to object to outsiders even glancing at their records and photographs. No end whatever can have been served by the investigators even looking into the model files. The seizure by the investigators even looking into the model files. The seizure of the files and the specializing in this seizure on women models I can only interpret as an expression of lasciviousness, and of an intention to pursue, annoy, and even victimize the girls. To those responsible for that seizure, and to those who have connived at it by looking at the photographs, I should like personally, and in the name of artists as a body, to convey my unqualified contempt. They are nasty people. You have my full authority to tell them so. If I had the names of those involved in this scandalous outrage, I would see to it that they were posted in every artists' club and

I would see to it that they were posted in every artists' club and union in the country. Let me assure you that I will do everything in my power to let artists, and decent people in general, know what character of men are to be found among their representatives in general and the second of the s sentatives in government.

Sincerely yours,

ROCKWELL KENT.

Federal Spending

EXTENSION OF REMARKS

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ARTICLE BY G. GOULD LINCOLN

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Washington Evening Star of today by G. Gould Lincoln:

[From the Washington Evening Star of May 23, 1939] THE POLITICAL MILL—ROOSEVELT CARRIES DEFICIT SPENDING DEFENSE INTO SESSION OF RETAILERS

(By G. Gould Lincoln)

President Roosevelt, in his speech to the forum of the American Retail Federation last night, held out the bait of Federal spending—to increase retail sales. This was not exactly new. The inference was plain, however, that if the Federal millions were not poured out to the W. P. A., the farmers, through public works, and all the other forms of Government spending, the retail sales would drop off.

The President insisted that the opponents of Federal spending on a large scale were gambling—gambling on the hunch "that if Government will just keep its hands off the economic system, customers will just happen." Some say it's a good gamble—although the President does not think so.

the President does not think so.

The American people gambled in 1932. They gambled on Mr. Roosevelt and the possibility of getting better economic conditions under his administration than they had had under the Hoover administration. Unless a good many political leaders, including some prominent Democrats, are mistaken, the people are going to gamble again next year—on getting something better than the Roosevelt administration. In fact, the people will gamble any time when they are dissatisfied with existing conditions.

CITES BILLION-DOLLAR INTEREST

The President himself brought out the fact in his address last night that the interest on the public debt of the United States Government today is a billion dollars or more annually. The public debt is now over the \$40,000,000 mark—and more than \$20,000,000,000 of the debt has been added during the Roosevelt administration. The President was using the interest figures to show that it was impossible to cut Government expenditure materially—and more than impossible to balance the Government Budget at present.

The great gamble which the Roosevelt administration is taking lies in the hope that continued expenditure of billions of dollars—in excess of Government revenues—will eventually turn the tide and bring prosperity to the American people. In the eyes of the President and his New Deal supporters, this is not a gamble. It is a sure thing.

But all the time the deficit spending is going on, the public debt continues to increase and the interest payments on the debt grow. Today a large share of every dollar that the American people put into the Federal Treasury, either in direct or indirect taxes, goes to pay not the principal of the Federal debt but the interest merely, about 20 cents out of every dollar of revenue.

STILL NOT ON TOP

This deficit spending may be a good gamble, but it has not so far brought the American people out of the hole. The relief expenditures continue vast—the President has asked for \$1,500,000,000 for next year for the W. P. A. alone. It is probable that later in the year 1940, still further appropriations for the W. P. A. will be asked, just as they have been in 1939—provided the W. P. A. system is not changed by Congress.

President Research pointed out in his address that the patients.

President Roosevelt pointed out in his address that the national income in 1932—the deepest period of the depression—was only \$39,000,000,000. Five years later, in 1937 he said, the national income had risen to \$69,000,000,000. In 1938, it dropped back to \$62,000,000,000. And this year it promises to be about \$65,000,-

In 1929 the national income of the United States was \$79,395,-000,000. In that year the public debt, most of it growing out of the World War expenditures and loans, had been reduced to about \$16,000,000,000. This year the President hopes for a \$65,000,000,000 national income. And the administration has expended \$20,000,-000,000 more than the income of the Federal Government during the administration's incumbency. the administration's incumbency.

EIGHTY BILLION DOLLARS INCOME GOAL

The President expressed a hope—a conviction, indeednational income of the country can be raised to \$80,000,000,000, the revenue derived from existing Federal taxes will be equal to most expenditures of the Government on the present scale, and actually

expenditures of the Government on the present scale, and actually to reduce relief appropriations.

The only New Deal remedy for the financial and economic situation, apparently, is to spend more billions of Federal money. The President held out no hope in his talk to the retailers that there would be a change in policy of Government as it relates to business. He said, "You cannot expect this administration to alter the principles and objectives for which we have struggled for the last 6 years."

The President peak and the principles are president peak and the principles are president peak and the principles are president peak.

The President pooh-poohed the idea that amendments to the corporate tax structure, advocated by many businessmen and now demanded by a majority of the Members of Congress, will have any beneficial effects on business. He pointed out that if the much-discussed undistributed-profits tax is repealed, it would mean only a loss of \$20,000,000 in revenue to the Federal Government.

MINIMIZES DEBT BOGEY

MINIMIZES DEBT BOGEY

The President sought to minimize the bogey of the huge national public debt. He ridiculed the G. O. P. because it has dedicated this week to an attack on the Roosevelt policies which have continued to increase this national debt. And, finally, he argued that "our national debt after all is an internal debt, owed not only by the Nation but to the Nation. If our children have to pay interest on it, they will pay that interest to themselves. A reasonable internal debt will not impoverish our children."

Presumably the \$40,000,000,000,000 debt, on which the Government is now paying more than \$1,000,000,000 interest each year, is a reasonable internal debt. A huge part of this debt has produced no goods, has created no tangible values, has gone over the damand must be paid for in taxes just the same.

To the President the critics of his spending program and his other peolicies are the radicals of today, and he and the new dealers are the conservatives. He insisted that he and the new dealers were "unwilling to take radical chances with other people's property and other people's lives." And yet the new dealers seem entirely willing to take chances with other people's money—collected from them in taxes—chances which have rolled up billions more of public debt, and which have failed to bring real recovery or to relieve unemployment on a major scale.

Federal Aid to Education in Puerto Rico

EXTENSION OF REMARKS

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO IN THE HOUSE OF REPRESENTATIVES Thursday, May 11, 1939

RESOLUTION OF THE SAN JUAN TEACHERS' UNION LOCAL NO. 582, AMERICAN FEDERATION OF TEACHERS

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the San Juan Teachers' Union, Local No. 582, American Federation of Teachers, affiliated with the Free Federation of Workingmen of Puerto Rico:

Whereas glaring inequalities characterize educational opportuni-

whereas garing inequatives characterize cutcational opportunities throughout our Nation;
Whereas the least satisfactory schools are found in rural areas, and under present conditions there is no prospect that the rural areas will be able to lessen the gap between the rural and urban schools through their own resources;

Whereas the Advisory Committee on Education, appointed by President Roosevelt, found that more than 60 percent of the children in the United States live in States that, on a State-wide basis, could not provide adequate financial allotment per child without heavier-than-average taxes;

heavier-than-average taxes;

Whereas most of the States admitted to the Union since 1860 were first organized as Territories through acts of Congress, there being provided in such acts a system of public schools, thus making the Federal Government the founder of the public educational system of most of the States;

Whereas public schools, normal schools, colleges of agriculture, universities, and other types of educational institutions have all benefited from extensive land grants by the Congress of the United States:

States;
Whereas the Federal Government has been allowing annual grants of money to the States for the support of instruction in land-grant colleges since 1890, for agricultural and home-economics extension service since 1914, and for the support of vocational education in public schools since 1917;
Whereas the participation of the Federal Government in the education of the citizens of the United States has been required by the fact that locally supported programs of education have never been sufficient to accomplish all vital national purposes;
Whereas it has been proved beyond any reasonable doubt that the ability of the States and local communities to provide education has always been unequal, and that this inequality has been augmented

always been unequal, and that this inequality has been augmented by the changes that have recently taken place in social and eco-

nomic conditions;
Whereas Federal aid for education is the appropriate procedure to uphold the principle of equality of educational opportunities for all the citizens of the United States, irrespective of race, religion, political point of view, or place of residence, and to perpetuate the democratic principles and institutions of our Nation;
Whereas, in spite of the fact that bill S. 1305 has been reported favorably by the Senate Committee on Education and Labor, there is still no indication it will reach the floor of the Senate;
Whereas we understand that the chairman of the Education Com-

is still no indication it will reach the floor of the Senate;
Whereas we understand that the chairman of the Education Committee of the House refuses to call hearings on H. R. 3517, a companion bill to S. 1305, until the Senate takes action on said bill:

Be it resolved by the San Juan Teachers Union, Local 582, of the American Federation of Teachers:

I. To demand, as is hereby most respectfully demanded, the unqualified support for Federal aid to education of the Resident Commissioner of Puerto Rico.

II. To urge, as is hereby most respectfully urged, that the House Education Committee hold hearings on H. R. 3517, Federal aid to education.

HI. To solicit from the United States Congress, as is hereby most respectfully solicited, the enactment of legislation providing adequate Federal aid to education.

IV. That copy of this resolution be sent to (1) the President of the United States, (2) the Vice President of the United States, (3) the Speaker of the House of Representatives, (4) the Resident Commissioner of Puerto Rico, (5) the chairman of the House Education Committee, and (6) the daily press.

The Virgin Islands

EXTENSION OF REMARKS

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

EDITORIAL FROM THE WASHINGTON STAR

Mr. CRAWFORD. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial which appeared in the Evening Star, issue of May 22, 1939:

THE VIRGIN ISLANDS

In the scramble to give American farmers an additional \$385,-000,000 as "parity payments" and other benefits, a bill now before Congress intended to rectify what can only properly be classified as an unfair discrimination against a small group is in danger of being overlooked. This small group has no powerful friends at court. It is composed of Virgin Islanders—American farmers without representation and without a vote.

Under the terms of the Sugar Act of 1937 sugar growers in the Under the terms of the Sugar Act of 1937 sugar growers in the Virgin Islands are restricted to a very small quota of production. No sugar refineries may be established in the islands, although sugar growing is the most important industry giving employment there. Sugar growers everywhere else under the United States flag are by this law entitled to benefit payments ranging from \$10 to \$12 per ton. Sugar growers in the Virgin Islands alone are denied these payments. They have been denied them ever since 1934 when the first sugar production restriction law was enacted. Not only do Virgin Island farmers suffer this unenviable distinction, but in addition they are required by law of the United States

Not only do Virgin Island farmers suffer this unenviable distinction, but in addition they are required by law of the United States to pay a burdensome and unique tax of \$6 per ton on all sugar exported from the islands to the United States, their only market. Thus, the Virgin Island farmer, in addition to being plagued by drought, by low per-acre yield, by high freight rates and by low market prices, receives \$18 less per ton for his product than does the sugar grower elsewhere under American jurisdiction. Survival of the sugar industry in the Virgin Islands is seriously jeopardized by this discrimination. If it is not removed, the unemployment and fiscal problems of 25,000 American Virgin Islanders will constitute a continuing reflection upon the United States Government's capacity to administer this small possession wisely and well.

ment's capacity to administer this small possession wisely and well.

Legislation introduced in this and the previous session of Congress, if enacted, would permit the removal of this unfair discrination. The bill now before Congress would accord to the Virgin Islands the same treatment that has been for many years accorded is and the same treatment that has been for many years accorded to Puerto Rico and the Philippine Islands with respect to the return to those possessions of internal-revenue taxes collected on their products imported into the United States. It would place growers of sugarcane in the Virgin Islands on a basis of legal equality with sugar growers elsewhere under the American flag. It would constitute a practical method, based on precedents already established elsewhere, of meeting the fiscal problems of the Virgin Islands and of assuring the continuance of their most important

Washington, long and unhappily aware on its own part of the in-justices and undeserved penalties incidental to a lack of congressional representation, bespeaks a fair and generous consideration of Virgin Islanders' problems by the Congress.

A Discussion of the Social-Security Pension Plan of Chairman A. J. Altmeyer, of the Social Security Board

EXTENSION OF REMARKS

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

RADIO ADDRESS BY HOWARD COSTIGAN, OF SEATTLE, WASH.

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein an interesting radio address by Howard Costigan, of Seattle, Wash. Mr. Costigan is a prominent spokesman of the liberal movement in the State of Washington, whose speeches are always provocative and arresting in their subject matter and treatment.

Mr. Costigan expresses the views of many liberals on the subject of social-security legislation and gives his suggestions as to what course should be pursued in connection therewith. The speech is as follows:

The House Ways and Means Committee is now holding open hearings on proposed changes in the social-security law. Last Tuesday Arthur J. Altmeyer, Chairman of the Federal Social Security Board, testified before this committee in regard to the Townsend plan and testified before this committee in regard to the Townsend plan and the general-welfare proposal concerning old-age pensions. The newspapers reported that Mr. Altmeyer denounced both plans as impractical and inequitable. He contended that the taxes proposed by the two pension systems would not create purchasing power as their supporters claim, but would merely transfer purchasing power from one group to another. He contended that this was special-group legislation, and therefore unsound. Of course, Mr. Altmeyer had in mind the Townsend proposal to raise the necessary funds by a 2-percent income tax on all incomes above \$2,000.

Chairman Altmeyer argued before the Ways and Means Committee that the only sound plan was that contained in the Social Security Act. He argued that the Social Security Act raised the necessary revenue on a more gradual basis, so that it would not cause a major disturbance in our economic system, and he argued that the present crisis existing among the aged people would gradually improve. No doubt Mr. Altmeyer had in mind (although he did not say so) that the aged would die off, and thus the Government would not have to pay so much in pensions if it waited long

enough. He also argued that the present Social Security Act is a self-liquidating proposal, because the contributory payments of those who have an income, together with contributions from employers and from the Federal Government, went into a reserve, which would rapidly increase until it would be sufficient to carry the payments which would be made out annually to the old people eligible under the act.

With due respect to Chairman Altmeyer, his arguments are unsound from at least two angles. Both from an economic angle and from an angle of social justice, there is more to justify either the Townsend plan or the General Welfare Act than there is to justify the provisions in the Social Security Act.

Many people do not realize that the Townsend plan is basically

Many people do not realize that the Townsend plan is basically an attempt to solve the economic problem facing the country even more than it is a pension plan pure and simple. The thinkeven more than it is a pension plan pure and simple. The thinking of Dr. Townsend and of his supporters is an old and time-honored tradition in America. Many of these aged Townsend supporters were in their younger days supporters of populism and of the Bryan fight for the free coinage of silver at a 14-to-1 ratio to gold. It has been an American tradition ever since the colonial days when a person no less distinguished than Benjamin Franklin advocated policies basically similar to those of the Populists. Up until the World War the United States was a debtor nation. It borrowed money on a large scale from the financial centers of Europe and the Atlantic seaboard in order to conquer the wilderness and construct a modern civilization. Periodically depressions brought ruin and hardship to millions of Americans, particularly the farmers, the workers, and the small-business man. These people were debtors; they had borrowed money in good times in order to improve their economic position, and they were forced by their creditors, the bankers and the wealthy businessmen, to pay these debts or go bankrupt in hard times. In the depression they were unable to get the money necessary to pay up their debts, and the wealthy creditors were able to take over their farms and their small businesses at a great profit to themselves. Because of

were unable to get the money necessary to pay up their debts, and the wealthy creditors were able to take over their farms and their small businesses at a great profit to themselves. Because of this condition in every depression in American history a great popular wave of monetary or credit reform invariably sprang up. If only money were more plentiful then the small farmers and the small-business men could pay their debts.

Dr. Townsend and his supporters have inherited this thinking from the long line of American predecessors such as Benjamin Franklin, Coin Harvey, William Jennings Bryan, and many others. They see their scheme as a means of solving the economic problem by releasing purchasing power and speeding up the circulation of money. And as far as Dr. Townsend is concerned, he has said repeatedly that this is the major purpose of his plan.

Irregardless of the final conclusions of economists about this economic feature of the Townsend plan, it is worthy of note that both the Townsend plan and the General Welfare Act have put their finger on one basic economic problem, and in this respect are much more sound than Chairman Altmeyer. The basic problem facing America today is to increase the purchasing power of the Nation, because the basic problem under the present economic system will collapse in the long run. The national income is composed of two things: First, the total of wages, salaries, and income which is used to purchase commodities; and, second, the amount of salaries, wages, and other forms of individual income which are saved. That which is saved does not go into direct purchasing power, but unless it is invested in building new plants, machines, homes, and similar capital goods it lies idle and, as all economists are agreed, idle savings causes the economic system to be unbalanced and inevitably produces a depression. Any plan which merely takes from one part of the national income and adds to another part does not increase produces a depression. Any plan which merely takes from one part of the national income and adds to another part does not increase the total national income and so will not solve our economic problem in a depression.

The social security pension plan which Chairman Altmeyer praises so highly is economically unsound because it does just this thing. In a depression period it simply takes away from the this thing. In a depression period it simply takes away from the national income and puts this money into a reserve which is to be spent at some later date, when the crying need of the depression is to increase purchasing power. Thus, the system of building a reserve and of requiring the workers to contribute does the worst thing possible; it reduces the total purchasing power by exactly the amount which is building up in this reserve. It piles up savings at a time when we already have more savings than we can invest through private enterprise. The two things which are necessary in order to get our economic system on an even keel again are to increase purchasing power again, and to invest in needed construction all the savings that are being accumulated. Moreover, this reserve which eventually builds up to a staggering total of \$40,000,000,000 holds a grave danger for the future. If Moreover, this reserve which eventually builds up to a staggering total of \$40,000,000,000 holds a grave danger for the future. If we had such a reserve in 1929 when the markets began to crash the Government would certainly have found it necessary to begin the payments of unemployment compensation and old-age pensions to millions of Americans in a very short time. In order to make these payments it would have been forced into throwing Government bonds upon the market, in order to get the necessary cash. And such an action would have made the crash ten times worse than it was because all of the purchasers were scared out or temporarily in distress and the bonds could not have been sold except at such low prices as to bankrupt the whole scheme. Thus Chairman Altmeyer is on very dangerous ground, indeed, when he levels charges of economic unsoundness against the Townsend plan and the General Welfare Act, and starts to justify the economic principles of the Federal Social Security Act. If anybody needs to take some elementary lessons in economics, Chairman needs to take some elementary lessons in economics, Chairman Altmeyer certainly is that one.

The supporters of the Townsend plan and of the General Welfare Act are perfectly right when they insist that the purchasing power of the country needs to be increased. Until it is increased, there is no possibility of putting more men to work, because business would be crazy to produce more goods until the people had money enough to buy them. These two pension plans, by increasing purchasing power, would enable the factories to put more men to work because it would increase the market for their goods. Raising the revenue by an income tax, particularly a tax on the higher incomes, is economically sound. The higher the income tax is the less purchasing power it represents, because an increasing amount of the income is then saved. And the beneficial effect of a graduated income tax is to redistribute the national income, taking from those come tax is to redistribute the national income, taking from those who have a surplus above their purchasing power and giving to those who do not have enough income, in order to buy the elementary necessities of life. The only thing missing in the Townsend plan or the General Welfare Act is a means of enabling the Government to utilize the now idle savings of the Nation in the necessary building which is also a vital part of any plan for economic recovery

recovery.

So much for the economic angle which Chairman Altmeyer raised. The second major objection was on the question of social policy. Chairman Altmeyer charged that these pension plans were a kind of special legislation giving undue favors to the aged, and discriminating against the other elements of our population. This is ironical indeed. The old people who stand in need of pensions are the work veterans of the country. It was their labors which enabled our country to conquer the wilderness and build up present-day America. They were neither lazy nor idle, during the long years in which they could engage in useful work. The United States, which is the wealthiest nation in the world, was made so by these people who by their work developed the The United States, which is the wealthiest nation in the world, was made so by these people who by their work developed the great natural resources of the continent. In a large part those past the age of 40 cannot get work because of the present labor policies of private enterprise. It is practically impossible for a man over 40 to get a job in private business, which is as careless about the human material which it uses as it is about our natural resources. It has squandered and wasted both of them, and continues to do so. And so long as this continues, private industry has the moral and the social obligation of being held accountable for the fruits of its own shortsightedness. These people seeking for the fruits of its own shortsightedness. These people seeking pensions also paid taxes during the many years in which they were able to work. They have therefore a moral obligation to were able to work. They have therefore a moral obligation to some consideration on the part of a government which they, through their taxes, have supported for many long years. Through no fault of their own their small savings, accumulated by years of hard work and personal economy, have been either used up or destroyed by the depression. Thousands of them entrusted these savings to business leaders and bankers, many of whom are now under indictment by the Federal Government on charges of misrepresentation and misuse of funds. These small savings, patiently accumulated for old age, have been wiped out by our financial leaders who, to say the least, certainly proved themselves to be unsound advisers and are therefore morally responsible for the desperate plight of many old people.

Chairman Altmeyer has reason to be thankful himself that the old people are both patient and charitable. Otherwise such

Chairman Altmeyer has reason to be thankful himself that the old people are both patient and charitable. Otherwise such grossly false arguments as those which they did not deserve, would get their reward through the justifiable anger of the pension seekers. Nobody in the world has a better claim on the Government than the aged work veterans of the Nation. Further consideration of the social problem shows that adequate pensions for the aged is not just the just social reward which they have a right to expect. It would relieve the thousands of young people now so burdened with the care of their aged relatives and enable these younger people to themselves improve their

young people now so burdened with the care of their aged relatives and enable these younger people to themselves improve their own standard of living. It would help solve the problem of unemployment since it would honorably and justifiably retire those of the aged who now have to work, thus providing the youth of the land with opportunities to take their places in industry. The Ways and Means Committee of the House will not have done its job until it has allowed people with more social vision and more economic understanding to come before them and expose the glaring weaknesses in the testimony of Chairman Altmeyer of the ing weaknesses in the testimony of Chairman Altmeyer of the Social Security Board. Supporters of these two pension plans should indicate to the House that they expect the Members of Congress to see that this opportunity is provided.

Essentials of Recovery

EXTENSION OF REMARKS

HON. JOHN W. McCORMACK

OF MASSACHUSETTS IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

ADDRESS BY JOHN W. HANES, MAY 4, 1939

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by John W. Hanes, Under Secretary of the Treasury, delivered at the annual convention of the Indiana Bankers Association, Indianapolis, Ind., May 4, 1939:

am delighted to be here and to have the unique privilege of I am delighted to be here and to have the unique privilege of appearing on the same platform with my banker brother, Bob. I am pleased to be here for many reasons. In the early days of the last century there was a large migration of North Carolinians into Indiana, and many of you people are descendants of those rugged pioneers. The grandfather of Herbert Hoover left North Carolina and came to Indiana, but, yielding to the impulse of the western movement, later traveled on to Iowa. Uncle Joe Cannon was born within 20 miles of my North Carolina home. He, too, moved to Indiana and thence to Illinois. Hoover and Cannon were Whigs, and they may have become dissatisfied with your Indiana Democratic organization, if you had one at that time, and moved on to other fields. to other fields

North Carolina and Indiana have many things in common. Our population is almost identical in size. The citizens of both States have always taken a deep and serious and somewhat kindred partisan interest in politics.

I am not the politician of my family. This gentleman is the statesman of the Hanes clan. Bob has served a number of terms in the North Carolina State Senate. I am holding my first, and perhaps my last, public office, and I was elected to it without being a candidate for it.

candidate for it.

Bob Hanes has a robust and well-developed notion that a budget, whether public or private, ought to balance. This is doubtless emphasized by the banker instinct in his blood stream. It is probably accentuated by the fact that the first 40 persons on the weekly list of overdrafts in his bank answer to the name Hanes—proving conclusively that their budgets are hopelessly out of balance. He believes that because the State of North Carolina operates under a balanced budget that it would be a wholesome thing for the Federal Treasury to give more consideration to the problems of income and outgo. I am prone to think that he sometimes overlooks the fact that the Treasury of the United States is but the agency of the Congress and that the Congress is the representative of the whole people.

but the agency of the Congress and that the Congress is the representative of the whole people.

I favor a balanced Federal Budget as much as Bob or any other person in this audience, and I feel that it will be helpful to the country, at this time, if we can find a convincing way of developing a definite trend in the direction of a balanced Budget. At the same time, I think the State governments should remember that one reason why they are able to live within their income is the fact that they have surrendered many State functions to Federal control, and that many services heretofore performed by the States have been transferred and urged as national projects.

One of the greatest races in America today is not the Derby in Louisville to be run Saturday. The greatest race in America for the past 6 years has been the race of Governors, politicians, and statesmen on the track of Congress, jockeying for place and position as they struggle for the credit and currency of the Federal Treasury. My home State, North Carolina, within the last 6 years, has received in grants, loans, subsidies, relief, and what not, from Uncle Sam, the amazing sum of over \$450,000,000, and your State, Indiana, has not been asleep in this period. You have received Indiana, has not been asleep in this period. You have received more than \$730,000,000 for the same purposes from the pockets of your Uncle Sam. I merely mention this encroachment of the State governments upon the Federal Treasury. I do not set it up as a defense or justification of an unbalanced Federal Budget. I do think it throws some light on the fiscal difficulties confronting us in the Treasury.

I have never deviated from the firm conviction I held when I was making up my mind to go to Washington—that the paramount problem of this democracy is recovery. I mean recovery so permanent and so thoroughgoing that the majority of our people will once again feel secure. I am thinking of conditions that will employ substantially all of our manpower and capital power in productive enterprises. productive enterprises.

productive enterprises.

I am going to recite a few facts so simple that they are likely to be overlooked or forgotten in our search for more complicated explanations of our economic difficulties.

Business is collective trading among people. Everybody has one thing in common with which to begin any trade—his or her time—60 minutes in the hour. When we want to punish anyone, we take away his money, viz, the earnings of past time, or his much more precious future time. To take away a man's future time we put him in jail. When we pay a man for services or work we give him a stipulated amount in money for an hour, a week, or a month. We pay him for his time. Employed time, therefore, is a medium of exchange.

When we pay a worker with what is called "money," this pay is

of exchange.

When we pay a worker with what is called "money," this pay is cashed time. Money is good only if it will buy goods and services. Therefore, goods are the backing for money. The value of money is—what money will buy. What people do not consume is called by two words meaning the same thing: "savings" or "profits." When we employ these savings or profits we call it "capital invested." By employing more people, more units of man and machine labor in the same time interval, we gain the value of time. There is only one way to save time and that is to employ it productively.

When we borrow, we get the use of the past savings of employed time, to finance through future periods. While we pay for the use of it through the future time, we work. The man who saves or has a profit lends his savings or capital the moment

he deposits it in a bank. The banks lend these deposits to borrowers. A borrower who has the use of something borrowed is in a position to get the time value out of it. These borrowings, as

rowers. A borrower who has the use of something borrowed is in a position to get the time value out of it. These borrowings, as they are converted, enable the borrower to pay off his loan. And by this means he saves and gains, if the borrowings have been well used in producing more value.

A business is started by a management group, or the incorporators of a company, borrowing from investors who become stock-holders, to get the money to build or buy a factory. When established they borrow from the makers of machines the equipment needed to equip the plant. They have 60 or 90 days or more to pay. They borrow from the utility company for 30 days the power to run their machines. They borrow from the material suppliers materials to fabricate. And finally they borrow from workers their time for 7 days. These borrowed elements are all put together and emerge in that form which we call "production." As this production moves into trade, the buyer borrows from the seller for varying lengths of time. That is what we call terms. And as the bills become payable to the seller he then pays his workers, pays his bills for material, pays for his electric power, and if successful, ultimately pays a dividend to his stockholders.

It is all borrowed, and no greater adjunct to the economic system exists than that which we have come to know as the privilege of borrowing. But to provide for this requires, first, that some people must have savings, since only what has been saved can be lent. So the more we have in savings (or called by the other name "profits") the more trade we can negotiate.

the more we have in savings (or called by the other name "profits") the more trade we can negotiate.

There is hardly a problem today confronting our economy which would not be solved by putting the large part of 10,000,000 men, now

idle, back to work.

There is hardly a problem today confronting our economy which would not be solved by putting the large part of 10,000,000 men, now idle, back to work.

For several years now we have been confronted with the spectacle of idle capital and idle labor existing side by side—capital waiting for opportunities to put labor to work and labor waiting for opportunities to find work. In all these years private capital has not been able to offer adequate opportunities for such employment. In consequence we have the army of unemployed, the various relief programs, and the large public expenditures.

The plant account of all our industrial companies, I am told, declined from \$41,000,000,000 in 1929 to about \$32,000,000,000 in 1937. Under more normal circumstances plant account should have grown by at least \$1,000,000,000 per annum during that period, or to a total of, roughly, \$50,000,000,000.

Under our economic system, the sum of approximately \$7,000 of capital assets, such as land, building, equipment, tools, is required to put a man to work. We have upward of 600,000 young men and women coming into our employment stream yearly. To put these 600,000 to work requires a minimum new annual investment in capital goods of at least \$4,200,000,000.

It is this type of enterprise capital which we have failed to attract to the capital markets during the past 10 years. In the American economy, such capital can be supplied only by private individuals and will be supplied by these individuals only if there is a reasonable prospect for profit.

The economic history of our country points clearly to the only sound solution for unemployment, for weak capital markets, and for unbalanced budgets; that solution is the creation of a healthy, prosperous economy whose maximum powers can be generated only under profitable private enterprise.

History proves further that whenever business profits were substantial, farm and labor incomes were generally high and Government revenues consistently increasing. When the profit system was functioning smo

terial civilization.

Profits earned by business are customarily spent on producers' goods—land, building, machinery, tools, etc. Profits thus plowed back into business form the basis for attracting additional credit resources and investment by the public.

Because such earnings can be capitalized at ten to twenty times their amount in new capital issues, \$100,000 of profits will make possible the purchase by industry up to \$2,000,000 worth of capital goods. This capacity of earnings to generate a multiple of dollars in spending power for every dollar of profits is a quality which we should never ignore.

in spending power for every dollar of profits is a quality which we should never ignore.

It is partially because we have had small profits during the last decade that we have experienced terrifying idleness of deposits, low production, unemployment, lack of investment in venture-some enterprise, and reduced national income.

I repeat that it is only by increasing industrial production through the maintenance of conditions under which private enterprise may make reasonable profits that our critical the maintenance.

through the maintenance of conditions under which private enterprise may make reasonable profits, that our existing ills may be cured. What other economic force besides profits has the almost miraculous quality of making a dollar of earnings do the work of many times its number?

There is current today a great deal of loose talk of a highly pessimistic tone to the effect that there are no longer any opportunities for investment. This, I think, is nonsense made credible by the strain of depression years. Full business recovery is so long in coming that we conclude it never will come.

Like the French and British soldiers during the war who became so conditioned by trench warfare that they could not take the

so conditioned by trench warfare that they could not take the offensive, we have been on the defensive so long that we cover up our unwillingness to take chances by saying that there are no opportunities. Only a few weeks ago I heard Mr. Kettering, of General Motors, describe before a distinguished group of Senators and

Congressmen the new industries that could be started now with the discoveries and inventions of the past few years. They are too numerous to dwell upon. It is highly important, however, that capital should have an adequate incentive to enter venturesome

we are confronted today with a great surplus of capital which does not decide to take a chance and a distinct shortage of that which does. Venturesome capital is needed to induce the investment of cautious capital. New enterprises can be started and old ones that are subject to rapid changes can be continued only with capital willing to take a chance. Moreover, even our most stable industries need a margin of enterprising capital willing to absorb the shock of the risks to which even those industries are subject in order to permit them to secure senior central through the issuthe shock of the risks to which even those industries are subject in order to permit them to secure senior capital through the issuance of bonds and preferred stock. The employment of a dollar of venturesome capital may permit the employment of several dollars of senior capital; but if no one is willing to take a chance, projects may be abandoned even if the earning prospects are promising.

The fact that despite an abundance of capital, there is no willingness to supply these assets, means that there are obstacles in the way of profitable investments. Some of these obstacles are, of course, beyond our control; others are beyond our vision; some, however, are of our own doing and can just as well be undone.

Undone.

There are a number of places where sympathetic action by Government might help restore courage and willingness to launch out in new enterprises. It is essential that we direct our energies toward every move that will encourage our people to invest in enterprises which will put men back to work.

Democracy is on trial, and we who hold that ours is the best of all possible systems, owe a duty to mankind to unite in a common effort to make democracy succeed. We must demonstrate that we can utilize democratic methods to surpass totalitarian results, instill greater vigor in our national economy, provide employment for all idle hands, and give to all our citizens the opportunity to share in higher standards of living than are available to any other people under any other form of government. To do so, we must enlist the wholehearted cooperation of business and Government, of capital and labor. and Government, of capital and labor.

Importation of Beef and Blackstrap Molasses

EXTENSION OF REMARKS

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

LETTER FROM IRA ASHBY

Mr. CHIPERFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Ira Ashby, manager of 20 tenant farms located in my district:

THOMPSON LAKE FARMS, Lewistown, Ill., May 19, 1939.

Hon. ROBERT CHIPERFIELD,

be done.

Hon. Robert Chiperfield, Washington, D. C.

Dear Sir: It is with surprise and indignation that I read from the papers that our President has purchased a supply of beef for our Navy from foreign countries, while our own farmers and stockmen here in the United States are needing all of the markets and resources that can be made available to them. According to the papers, the excuse is made that they received better beef and at a lower price than what they would have to pay here. I would hate to think that this country couldn't produce as good a beef for any use as the Argentine Republic, providing that they were paid the proper price for it. I think, personally, that our beef should be used in preference to any foreign meat regardless of the difference in price; because it looks so silly to try to subsidize us farmers on grain and then turn around and buy the products of this grain in foreign countries. If our boys are good enough to man the battle-ships and fight and protect this country, I surely do not think we should ask them to eat foreign beef while they are doing it. I believe if anything could be done to cancel this order that it should be done.

be done.

While I am on this subject, another thing I can't understand is why some countries are allowed to ship in blackstrap molasses to the Peoria market until it has virtually destroyed our corn market at the Commercial Solvents Co. In years gone by the Commercial Solvents Co. used large amounts of sample and offgrade corn for their manufacturing, and now I understand they don't even grind a single bushel of corn. Yet I saw in yesterday's paper where they had got a reduction in the rate from the Interstate Commerce Commission on blackstrap molasses from New Orleans to Peoria in trainload shipments. Think of the thousands of bushels of

corn that would be used in Peoria alone if whole trainloads of blackstrap molasses were not shipped in here from foreign coun-tries where labor is cheap.

Not only does this affect the American farmers, but it also affects our coal industry because surely these molasses are half processed into whatever the Commercial Solvents Co. intend to make them. So this means that part of the market for coal is lost for heating and converting the molasses to their present stage. I think this importation of blackstrap molasses is one of the most severe tragedies that has happened to the American farmer. I urgently wish that you could do something to make this impossible, or at least make it prohibitive until the price of corn reaches a higher level than it is at the present time, and without taxpayers having to subsidize the farmers. I think if something like this were adjusted that our farmers would not need the dole

like this were adjusted that our farmers would not need the dole or help from the Government.

I believe that the farmers should have a fair price for their wheat, corn, cotton, and other products. I believe a plan that would work would be one whereby the Government would set a fair price on what the farmer has to sell. Then allow the farmer to sell whatever amount that the domestic use could consume at this set price, and the balance be held in reserve on the farm under Government seal, and quotas issued thereafter as the domestic use could consume the surplus. For example, if the Government would set the price at 75 cents per bushel on corn, \$1.25 per bushel on wheat, then the Government could issue quotas on the crop from 30 to 60 days before it was harvested on the amount the farmers could sell. For instance, on our last year's corn crop it would have been better to have allowed the farmers to sell one-half their corn at 75 cents and put the balance of it under seal, same as they have it now where they adde a loan on the corn, and held this other half in reserve on the farm for future quotas.

future quotas.

If we farmers had large reserves on hand we had not sold, we If we farmers had large reserves on hand we had not sold, we would not be anxious to plant a large acreage of corn again, but would plant about what we thought we could market at a fair price without holding it too long. Should our surplus become too large, then it would be time enough to think about dumping the surplus on the foreign markets at a lesser price than what we got for it at home. In the past when we have had large surpluses of both corn and wheat on hand, it has always been used at some price. So I think the only thing we need do is to regulate the price and the amount we can sell, and time will use our surplus as it has in the past. Farmers should not be paid for holding their surplus on the farms except the set price that they will get for their grain when they do eventually market it. This plan would furnish us with the ever-normal granary that Mr. Wallace talks about, and inasmuch as we cannot regulate the weather, it is very essential that we do carry over from one year to another talks about, and inasmuch as we cannot regulate the weather, it is very essential that we do carry over from one year to another surpluses. If a plan similar to this were worked out, it seems to me that it would work no hardship on any taxpayer, and the farmers should pay their prorated share of the handling charges, the same as they do now under the Government dole system. I take the liberty of writing you this letter, because I know that you are interested in the farmers' problem, and I believe you will safeguard our interest whenever it is possible to do so.

Yours truly.

Yours truly,

IRA ASHBY.

Ten Million Industrial Jobs Predicted if Congress Puts Brakes on Spending

EXTENSION OF REMARKS

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

ARTICLE FROM THE NEW YORK JOURNAL AND AMERICAN OF MAY 14, 1939

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written by me and published in the New York Journal and American on Sunday, May 14, 1939:

TEN MILLION NEW INDUSTRIAL JOBS PREDICTED IF CONGRESS PUTS BRAKES ON SPENDING

(By Albert J. Engel, Republican Representative from Michigan, Member of House Appropriations Committee)

Washington.—If we in this country can put industry in a prosperous condition—barring competitive imports—agricultural prosperity will follow.

For every 180 men we employ in purely manufacturing industries, we can put 820 men to work on the farms and in supplementary

work.

If we could put 1,800,000 people back on the factory pay rolls, we would be able to put back to work a total of 10,000,000 persons, 6,200,000 of whom, according to United States Census figures, would be employed in supplementary occupations, in transportation, in mining, etc., and 2,000,000 more in agriculture.

The Government's course stellars state that once we reach a

The Government's own statistics state that once we reach a point in industrial production which equals 105 percent of the 1923-25 average, we will add approximately 400,000 persons to the pay rolls for every point that we can increase production over and

pay rolls for every point that we can increase production over and above that percentage.

Volume 4 of the Census of Unemployment, table No. 6, shows that in November 1937, there were 54,474,000 persons seeking gainful occupations. As this increases 400,000 a year, in November 1938, there were 54,874,000 persons seeking gainful employment.

PRODUCTION NEEDED TO PROVIDE JOBS

On this basis, it will require 137.2 percent of the 1923–25 average to keep these 54,874,000 persons at work. Since we are adding 400,000 persons a year to the total number seeking employment or

400,000 persons a year to the total number seeking employment or gainfully occupied, we would have to increase industrial production one point each year over the preceding year to keep this everincreasing number of persons employed.

In 1929, the national income produced was \$81,000,000,000, while the average industrial production was about 123 percent of the 1923-25 average. We were able to furnish jobs to 46,192,000 people, leaving 1,864,000 persons unemployed, if we take the American Federation of Labor figures as to the number of gainful workers, and 2,637,920 unemployed if we take the Department of Commerce figures as to the number of gainful workers.

The President in his message of January 3 said:

"This country need not always be a \$60,000,000,000 country. We are going to make it an \$30,000,000,000 country."

An \$81,000,000,000 income produced with an industrial production average of 123 percent which we had in 1929 during our most prosperous year, furnished jobs to 46,192,000. That same amount of industrial production and the same income produced would have left us in 1938 with 6,687,211 persons unemployed, if we take the American Federation of Labor figures on the number of gainful workers that year, or with 8,682,000 persons unemployed if we

workers that year, or with 8,682,000 persons unemployed if we take the Department of Commerce figures.

On a 1929 basis, we find that it requires approximately an \$1,800 income produced a year to furnish employment to one person a year. If this is true, then it would require an income produced of \$98,773,200,000 per year to keep these 54,874,000 persons employed.

employed.

employed.

If we add 400,000 persons a year to the number gainfully occupied or seeking gainful occupation, we would have to add \$720,000,000 income produced each year to keep these ever-increasing unemployed at work.

It is obvious that the difference between the 1938 income produced of \$60,000,000,000 and the required income produced of ninety-eight to one hundred billion dollars a year necessary to put these unemployed at work cannot be bridged by any public spending program. spending program.

If bridged, it must be bridged by private employment brought about primarily through industrial production.

Thus I am forced to the following conclusions:
First. That 6 years of spending has not brought about permanent nent recovery.

Second. That there are still from eleven to thirteen millions of unemployed and some twenty-two to twenty-three million persons receiving Government relief today.

Third. That an \$80,000,000,000 income produced would leave us with from 6,500,000 to 8,700,000 persons unemployed, with from fourteen to sixteen million persons receiving various kinds of Government aid.

Fourth. That it will require an income produced of from ninety-five to one hundred billions of dollars a year to put all the un-employed back to work.

STEPS NECESSARY TO END IDLENESS

Fifth. That the Federal Reserve Board's 1923–24 average industrial production will only provide employment on a 1923–25 basis and can only be used as a base from which to begin.

Sixth. That it will require approximately 137 percent to 140 percent of the 1923–25 average industrial production to put all the un-

employed back to work.

Seventh. That industrial production will have to increase progressively 1 percent and income produce \$720,000,000 each year to take care of the 400,000 additional gainful workers added to the total each year.

Eighth. If we assume that we always will have 2,000,000 unemployed because of shifting employment, we can reduce the industrial production one point for each 400,000 workers, or 5 percent, and the income produced approximately by \$3,600,000,000, or \$1,800 for each worker.

Ninth. That our objective should be an income produced of \$100,000,000,000 instead of \$30,000,000,000 and an industrial production of at least 135 percent of the 1923-25 average.

Concentration Camps in the United States

EXTENSION OF REMARKS

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

RADIO ADDRESS BY HON. VITO MARCANTONIO, OF NEW YORK, ON MAY 18, 1939

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over radio station WOL, Washington, D. C., through the facilities of the inter-city network, under the auspices of the National Council for Prevention of War:

On May 5 the House of Representatives, by a vote of 288 to 61, passed H. R. 5643, known as the Hobbs bill. This bill provides as follows:

"That any alien in any of the classes indicated in section 2 of "That any alien in any of the classes indicated in section 2 of this act, who has been or may hereafter be ordered deported by the Secretary of Labor, but whose deportation or departure from the United States otherwise is not effectuated within 90 days after the date of the warrant of deportation shall have become final, shall be taken into custody and transported to such places of detention as may be designated by the Secretary of Labor, and/or in such other place or places as may be thereafter designated by the Secretary of Labor, confined, though not at hard labor, until such time as deportation shall have become feasible, or departure from the United States otherwise shall have been arranged, or from the United States otherwise shall have been arranged, or until the Secretary of Labor, upon sufficient evidence of good cause, shall order the release of such alien temporarily or permanently on such bond as may be required, with or without rescinding the warrant of deportation."

The aliens who may thus be detained are described in section 2 of the act as those who fall in four categories of criminal aliens.

It was generally conceded during the debate on this bill in the House that the Secretary can under the first section of the bill.

House that the Secretary can, under the first section of the bill, arrest and detain any alien for the rest of his natural life in any place of detention designated by her, or in any other place chosen

by her.

The language of the act gives the Secretary of Labor not only the power to confine such aliens for the rest of their natural lives, but gives her discretionary power as to the choice of the place of detention. It may be a Federal penitentiary, a house of detention, or even a farm or camp, or any other place of confinement that might be conceived by the Secretary of Labor in the exercise of the discretion granted by this bill.

Nowhere in this bill is any provision found for due process. In other words, for any kind of a trial, with or without a jury. The issue raised by this bill is one of greatest importance. The issue is not that of protecting criminal aliens. Those of us who opposed the enactment of this bill had no intention of protecting criminal aliens. There are laws now on the statute books that adequately deal with these people. Furthermore, any more stringent legislation may be enacted to deal with them, provided that Congress exercises this legislative function in conformity with the fifth, sixth, and fourteenth amendments to the Constitution of the United States. Therefore, the question involved is not one of protecting criminal aliens, but the real fundamental issue is that of protecting and defending democratic procedure and due process,

in keeping with true American traditions.

No one questions that Congress has the right to deport aliens.

No one questions that Congress has the right to deport aliens. Nor does anyone question that Congress has the right to provide for the detention of deportable aliens as an incident to deportation. In other words, the detention as an incident to deportation. In other words, the detention as an incident to deportation must be reasonable for the purpose of effectuating deportation. The right to keep an alien in custody must be conditioned on the prospect of his deportation within a reasonable period of time.

When detention becomes unreasonable—that is, when a person is confined for a longer period of time than is necessary as an incident to deportation, or when an alien is confined for a longer period of time than is necessary to effectuate deportation, then such confinement becomes imprisonment, and Congress cannot provide for such imprisonment unless it does so by placing all of the due process and constitutional protection around the person who is liable to such imprisonment.

The Supreme Court of the United States has passed on this

The Supreme Court of the United States has passed on this question in the case of Wong Wing v. United States (163 U. S. 228),

question in the case of Wong Wing v. United States (163 U. S. 228), and decided as follows:

"We regard it as settled by our previous decisions that the United States can, as a matter of public policy by congressional enactment, forbid aliens or classes of aliens from coming within their borders and expel aliens or classes of aliens from their territory, and can, in order to make effectual such decree of exclusion or expulsion, devolve their power and duty of identifying and arresting the persons included in such decree and causing their deportation upon executive or subordinate officials. executive or subordinate officials.

"But when Congress sees fit to further promote such a policy by subjecting the persons of such aliens to infamous punishment at hard labor, or by confiscating their property, we think such legislation to be valid must provide for a judicial trial to establish the guilt of the accused."

It is true that section 1 of the bill provides that the aliens thus to be confined shall not be imprisoned at hard labor. This is a very naive method of trying to evade the constitutional requirements in the enactment of legislation of this character. The Constitution cannot be circumvented in this manner. Hard labor is not the test. The test is the method by which a person is deprived of his liberty and the method by which confinement or detention

is accomplished.

No one by the farthest stretch of the imagination can contend that the confinement provided for in the bill is an incident to deportation. In fact, the bill deals with those aliens only whose deportation. In fact, the bill deals with those aliens only whose deportation cannot be accomplished within 90 days. How can imprisonment bring about the deportation? One is entirely unrelated to the other. Furthermore, the duration of the imprisonment may be for 1 day and it may be for life. It rests within the judgment of the Secretary of Labor. Such indefinite imprisonment sidefinitely unreasonable, and not an incident to deportation. Such imprisonment, therefore, in accordance with the decisions, can be provided for by Congress only in accordance with the fifth, sixth, and fourteenth amendments to the Constitution of the United States. These amendments all provide that no person may be deprived of his liberty without due process, that is, without a judicial trial judicial trial.

judicial trial.

The language of the amendments, please note, use the word "person" and not "citizen." This, as well as the decisions that I have referred to, clearly establishes that the constitutional guaranties are as equally applicable to aliens as well as they are to citizens. Nowhere in the bill is there any provision for a judicial trial. No protection is set up for an innocent person, in keeping with American traditions of jurisprudence.

The proponents of the bill complained very vociferously when we characterized it is a concentration-camp bill. Just as they are the constitution by providing that

naively sought to circumvent the Constitution by providing that the imprisonment shall not be at hard labor, by the same form of specious argument, they informed us that the bill was not a concentration camp bill because it does not contain the words "concentration camp." However, what makes a concentration camp? Is it the barbed-wire fence that makes a concentration camp? That does not in and of itself make a concentration camp. If a person is sent by due process and after a judicial trial to a place that is surrounded by a barbed-wire fence, no one can contend that that person is sent

by a barbed-wire fence, no one can contend that that person is sent to a concentration camp.

What constitutes a concentration camp, what constitutes a Bastille is the method by which persons are sent to those places. Imprisonment without due process of law or without a judicial trial is concentration camp imprisonment. This bill confines people without due process of law, and without a judicial trial. It sends people to places of detention without due process of law, and without a judicial trial. Therefore, the characterization of this bill as a concentration camp bill, or a Bastille bill, or a lettre de cachet bill is a correct characterization.

For the purpose of dealing with a few criminal aliens we sub-

For the purpose of dealing with a few criminal aliens we stitute for our democratic procedure an undemocratic procedure, a procedure which dates back to the days of King Louis XIV, of a procedure which dates back to the days of King Louis XIV, of France, who sent people to the Bastille by simply placing his signature at the bottom of a letter. This letter was known as the infamous lettre de cachet. Does it make any difference whether it be by a letter signed by a king or an order signed by the Secretary of Labor which brings about imprisonment of any person without judicial trial or due process of law?

This bill imports into our country an alien totalitarian system of criminal procedure, a concentration-camp procedure, a Hitler procedure which is repugnant to the Constitution, repugnant to the Declaration of Independence, and repugnant to our demo-

of criminal procedure, a concentration-camp procedure, a Hiter procedure which is repugnant to the Constitution, repugnant to the Declaration of Independence, and repugnant to our democratic form of government. The bill is now before the Senate where I hope that the demagogy and hysteria which existed in the House at the time this bill was passed will not play as important a role in the debate in the Senate.

On Tuesday next the Judiciary Committee of the House of Representatives will have under its consideration the Smith bill. The Smith bill contains all of the bad features of the Hobse bill. If enaced into law, it will be the most flagrant disregard of our Bill of Rights. Among other Hitler imitations it provides for the registration and fingerprinting of all aliens and requires that these persons register every 6 months. The House a month ago passed the Dempsey bill, which, if enacted into law, would make it impossible for progressive organizations of all sorts from taking action on basic political issues because of the existence of noncitizens in their membership. The Dempsey bill gags every single noncitizen in the United States. It seems as though history were repeating itself. All of this antiallen legislation is not new. It is a repetition of the alien and sedition laws of 1798. The American people became nauseated by that type of legislation and reaffirmed a repetition of the alien and sedition laws of 1798. The American people became nauseated by that type of legislation and reaffirmed the principles for which the Revolutionary War was fought, and reaffirmed the principles of the Declaration of Independence by repealing every vestige of the Alien and Sedition Acts of 1798. Why these attacks on the alien? It is a smoke screen behind which the reactionaries are advancing against the democratic rights of the American people. It is the first objective of the offensive of the reactionaries against democratic rights.

Today the attack is against the aliens. Tomorrow it will be against the citizen. Today the concentration camp is being pro-

vided for the alien. Tomorrow it will be provided for the citizen. It can happen here. It is happening here. However, I am not discouraged. I have faith in the traditional desire of the American people to keep democratic institutions alive by preserving democratic rights. I have faith that the American people will become aroused and will launch the same counter offensive against our reactionaries of today who are writing the alien and sedition laws of today, as they did against the reactionaries of 1798, who wrote the alien and sedition laws of that date.

Regional Meeting of Democratic Women Winston-Salem, N. C.

EXTENSION OF REMARKS OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES Wednesday, May 24 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. ALBEN W. BARKLEY, OF KENTUCKY, MAY 23, 1939

Mr. BAILEY. Mr. President, the leader on our side of the Chamber, the senior Senator from Kentucky [Mr. BARKLEY], did my State and the Democratic women of my State the honor to make a very noble address at Winston-Salem, N. C., on May 23, 1939. I ask leave to have the address printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am happy to be in North Carolina this evening, for this great State was the home of my ancestors and the birthplace of my grandfather.

I am happy to be the guest of this great gathering of Democratic women from the 11 Southeastern States which you represent.

You are here as a vital and indispensable part of organized democracy in America. You are looking back and upon a glorious record of achievement that is coextensive with the history of the You are looking forward to the vindication of that record in 1940.

In 1940.

But, in a broader and deeper sense, you are concerned with the preservation of the fundamental conceptions of the rights of the people as they have been proclaimed and effectuated by the Democratic Party from Thomas Jefferson to Franklin Roosevelt.

You are concerned with the question of keeping the Democratic Party democratic. You are concerned with the problem of making democracy function for all the people in adapting itself to the complexity of modern life as completely as it adapted itself to the simpler problems of a simpler day.

The struggle for liberty, for equality, for real democracy in every age of the world's history has been accompanied by the jeers and the contempt of those who have looked upon Government as the agency of those who seek and enjoy some form of special privilege.

The Democratic Party was born of the struggle between privilege and equality.

The Democratic Party was born of the struggle between privilege and equality.

Born humble and without a name, Alexander Hamilton became the outstanding aristocrat. He would have limited participation in government to the rich, the educated, and the well born.

Born an aristocrat, Thomas Jefferson became the outstanding democrat. He believed that no man is wise or good enough to govern another man without that man's consent. He believed that those who are required to fight to preserve government are entitled to participate in it.

For this belief he was called a demagnitude a radical, and a danger-

For this belief he was called a demagogue, a radical, and a danger-ous perpetrator of theoretical innovations.

But he exercised so profound an influence upon American institu-

But he exercised so profound an influence upon American institutions that in his life of Alexander Hamilton, Henry Cabot Lodge declared that the election of Jefferson in the peaceful revolution of 1800 permanently fixed the status of our institutions as those not only of a republic but of a democratic republic.

During most of the century and a half of our history as a Nation, the Democratic Party has been the liberal and progressive party of America. It has sought to use the agencies of government to aid the people in adjusting their political, economic, and social problems as they arose, and to adjust them within the frame work of the Constitution.

With one or two exceptions, practically every extension of the right of the people to participate directly in the control of their Government has been initiated by the Democratic Party.

Practically every movement to liberalize and democratize the processes of government has been consummated through the driv-

processes of government has been consummated through the driving power of the forces of democracy.

It was the Democratic Party under Andrew Jackson that fought the first successful battle after Jefferson to restore the Government

of the United States to the people.

It was the Democratic Party which first proposed and ultimately succeeded in amending the Constitution so as to levy taxes accord-

succeeded in amending the Constitution so as to levy taxes according to the ability to pay.

It was the Democratic Party which first proposed and then saw adopted the amendment to the Constitution providing for the election of United States Senators by direct vote of the people.

It was the Democratic Party under Woodrow Wilson that submitted and saw adopted the amendment granting to the women of America the right to vote, thus taking them into partnership with men in shaping the destiny and molding the form of our Government.

Government.

It was the democracy of Woodrow Wilson that gave us the Federal Reserve System, the national good roads law, the Federal Trade Commission, the Department of Labor, and the first time granted to agriculture and to labor the right to organize for mutual protection and advancement.

These fundamental advances in the march of democratic ideals are not cited as a complete catalog of the record, but as outstanding examples of the constant fight which we have made to capture new territory in the warfare between those who would deny or withhold it.

We are engaged today in the struggle not only to extend and expand still further the application of the democratic theory in every phase of Government, but to preserve for the people the gains we have made during the past 6 years as well as the past 150 years.

150 years.
We need not delude ourselves about the character of the fight. The theory and processes of democracy are under attack on a wider front today throughout the world than at any time within the last century. They are under attack in America as well as

in Europe and Asia.

The task which faces us now and will face us next year and all the years of the future is to prove not only that democracy can work but that it has worked and is working in spite of the handicap thrown in its pathway by those who hate it or do not understand it.

understand it.

I shall not here recount the details of the record of the Roosevelt administration since the 4th of March 1933. But there are some things about it which the American people cannot afford to forget, and there are many things about the record of its predecessor which the American people cannot afford to forget.

And in the effort to make the American people forget both records, we do not propose to allow Republican spokesmen to assume that the American people are more forgetful or less intelligent than they themselves.

What is it that the Roosevelt administration has done or failed to do that characterizes it as the loathsome thing that the hitch-

to do that characterizes it as the loathsome thing that the hitching-post brigade would have us believe it to be?

ing-post brigade would have us believe it to be?
Did it find the American banking system prostrate and discredited? Not even our enemies can deny it.
Did we restore that system by restoring the people's confidence in it? Ask the banks themselves, and if they are unwilling to answer, ask the depositors in those banks. Will the Republican Party or its candidate for President next year tell the American people whether they will return our banking system to the shambles of 1932? If they will, let them speak out. If they will not, let them give us credit for revitalizing it and creating something they dare not touch they dare not touch.

Did we find the agricultural credit established by Woodrow Wilson paralyzed and impotent at the end and during most of the Hoover administration? Ask the farmers.

Did we set it up into business again, and have we reestablished it on a solid foundation and expanded its facilities for the service of agriculture? Ask the farmers.

Did we find millions of homes on the verge of foreclosure because Did we find millions of homes on the verge of foreclosure because of the lack of urban credit to the home owners of the Nation? Ask them in thousands of towns and cities throughout the Nation. Did we smite the rock with the rod of Moses, but to see the living waters of restored credit gush forth to preserve the firesides of

our country?

our country?

Ask a million home owners, and when the answer is heard in a chorus of grateful voices, let the croaking noises from the marshes of Republican despair shout back the hypocritical denial.

Did we double their income and make of the American farmer again the purchaser of the products of American industry? Take a look at the record and note that the income of our farmers rose from four and one-half billions per year to nearly nine billions per year. Did we find the income of the American farmer so desperately low as to render it impossible for him to produce except at a loss the things upon which the world depends? Ask the growers of cotton, wheat, corn, tobacco, and other essential crops grown on the farms of the Nation.

Though the economic condition of agriculture has not yet risen.

Though the economic condition of agriculture has not yet risen to the point which is our goal, it is infinitely above the point where we found it 6 years ago, and every farmer knows it, and every reactionary politician wishes it were not true.

Did we find international trade at the lowest ebb in a genera-tion, with hatred and suspicion manifesting themselves at every customs house and economic paralysis staring every nation in the

Ask the producers of surplus products of the field and the factory.

Have we reestablished the lines of commercial communication and reminded the world that no nation can live unto itself without reaping the consequences of its hermitage?

Let those who doubt the wisdom of the good-neighbor policy of this administration take a view of the quickening arteries of inter-national trade and consult those who give employment to American labor and profits to American investors in order that mankind may

labor and profits to American investors in order that mankind may enjoy the fruits of our enterprise.

Have we sought to elevate the standard of life in the crowded cities of our country? Have we sought to give to the children of the slums of our great cities a more wholesome environment in which to grow up as worthy citizens of this Republic?

Ask hundreds of thousands of families whose names rarely appear in the columns of the press and whose appreciation and gratitude are more responsive than that of many others who have received in the past greater financial benefits from the Government.

Have we stimulated the inherent desire to become a proprietor of a small portion of the earth's surface and build a home upon it?

Have we stimulated the inherent desire to become a proprietor of a small portion of the earth's surface and build a home upon it?
Have we sought to apply the theory that the larger the proportion of home owners in America, the greater will be the stake of the people in their institutions? Ask millions of American people who through the Federal Housing Administration, the Federal Housing Authority, the Home Owners' Loan Corporation, the Farm Credit Administration, and other agencies set up by the administration to stimulate the desire to preserve and build homes in which to rear their families.

Have we responded to the universal desire to educate the children of the Nation and take them out of sweatshops and put them in schools and upon playgrounds? Have we sought to stop the coinage of their bone and flesh and blood into commercial products for profits before their minds and bodies are sufficiently mature to

give them an even chance in the social and economic battle which they must fight in the years to come?

Ask the school teachers of the Nation. Ask the children and ask their grateful parents whether this administration, beyond all other administrations, has recognized the call of childhood and

youth for service in their behalf.

Have we by legislative and administrative policies given legal recognition to the right of labor to bargain collectively with its

Employer?

There are two sorts of investment, both of which are important and vital. One is the investment of money and the other is the investment of muscle and brain. Neither investment is of any value without the other. Ask the millions of hitherto voiceless working men and women whether now they have the right to sit across the table with their employer and work out their problems in mutual conference and respect.

Have we pleased the newer and the output.

conference and respect.

Have we placed the power and the authority of organized government at the service of investors that they may be protected from fraud and deception in the purchase of securities?

Ask millions of men and women who know that there is a place in the Securities and Exchange Commission where not only they may obtain information concerning corporations in which they may desire to invest their savings, but that there exists no longer the power to manipulate the value of those securities by practices that

are dishonest and in many cases criminal.

Have we sought to give employment to millions of our people in the performance of useful work, in the completion of permanent and useful additions to the wealth of every community in the

Nation?

Ask those who would have otherwise remained idle.

Ask those who would have otherwise remained idle. Ask them whether they would prefer to work for what they obtain and hold their heads erect in self-respect rather than receive a dole in the form of a few potatoes and a head of cabbage handed out by some patronizing agent of the Federal Government.

Have we sought to give a sense of security in the face of future unemployment and old age? Have we sought to give greater encouragement to the young and to those in the prime of life by holding out the hope that when unemployment and old age approach they may feel that a wise government and a wise administration has had the foresight to provide against these contingencies in the years to come? gencies in the years to come?

we have made but a modest beginning in the field of social security. Many older nations of the world entered upon this field a quarter of a century ahead of us. But ask the aged and unemployed, and I might add ask those who must bear the financial burden necessary for the consummation of this humanitarian movement whether they favor its total abandonment. We shall strengthen and improve these policies. We shall not abandon

In the midst of world chaos, have we neglected our own de-fense? Have we hidden our heads in the sands on the theory

that we are not a part of the world, that we can avoid its cataclysms, that we cannot be scorched by its consuming flames?

While the President of the United States has pursued a policy intended and calculated to prevent war anywhere in the world, which is the surest way to guarantee that we will never be involved in war, he has insisted and Congress has overwhelmingly followed him in the insistence that we shall be prepared to defend our nation, its institutions, its traditions, and prepared to defend the doctrine of James Monroe that any attempt by a foreign power to obtain a foothold in the Western Hemisphere would be an act inimical to the welfare of the United States.

In pursuance of that policy, we rejoice in the knowledge that there is a greater unity of spirit and of action among the republics of the western world than has ever been in the history of this

Republic.

Let me ask our opponents whether they propose to abandon these and other great constructive measures which have been inaugurated by the Roosevelt administration. And if they propose to abandon

them or any of them let them be sufficiently honest with the American people to inform them where they propose to begin.

Not one of them who speaks with any degree of responsibility will advocate or assert his belief in the abandonment of these great

objectives.

They pay lip service to these objectives by saying they endorse em. But they do not like the methods by which they have been them.

advanced.

What methods would they have adopted? I might even ask a more vital question whether they would have adventured at all upon the attainment of these objectives. They were in power for 12 years—I might say 12 long years without inaugurating a single one of the objectives which have been the soul of the New Deal and of those who believe in it.

and of those who believe in it.

They say they believe in these objectives, but they object to the financial outlay necessary for their attainment. They complain that we have increased the public debt. We do not deny that the public debt has been increased. But from the fervid fulminations of ambitious Republican orators one would think that the increase of the public debt was a Roosevelt invention. Who started the increase in the public debt? Herbert Hoover. When he took office on March 4, 1929, the debt of the United States was \$16,000,000,000. When he retired 4 years later it was more than \$22,000,000,000. \$16,000,000,000. \$22,000,000,000.

\$22,000,000,000.

In 4 years he increased the public debt by more than \$7,000,000,000 and during 3 of his 4 years in the Presidency there was a tremendous deficit in the Treasury.

Can our opponents point to a single permanent improvement anywhere in the Nation that represents the expenditure of any of this money? Is there a schoolhouse or a highway, or a courthouse, or a hospital, or a playground, water works, or a sewer system, or an electric facility anywhere in America to which they can point as justification for the expenditure of this increased indebtedness? I assume that all sensible men and women would prefer that the as justification for the expenditure of this increased indebtedness? I assume that all sensible men and women would prefer that the public debt be not only not increased but that it be reduced and ultimately eliminated altogether. But I deny that our country is headed toward bankruptcy because the Roosevelt administration has increased the public debt by fifteen or sixteen billion dollars. And, in contrast to the records of the Hoover administration, we can point to permanent improvement in almost every city and hamlet in the Nation to show where this money has gone.

namet in the Nation to show where this money has gone.

Highways, streets, sidewalks, sewer systems, water works, playgrounds, Civilian Conservation Corps camps, drainage improvements, new and improved courthouses, rural electrification, youth
education and training, financial aid to homes and business, and
countless other evidences of the Government's interest in the
social and economic welfare of all the people stand as monuments to the uses for which this money has been expended.

ments to the uses for which this money has been expended. The test of whether we are headed toward bankruptcy does not lie alone in the increase in the public debt. It lies in part in the total indebtedness, public and private, of all the people, and it lies in part in the relationship between indebtedness and assets.

While the public debt has increased by fifteen or sixteen billion dollars, in the last 6 years, the total indebtedness, public and private, of all the people of the Nation has declined by more than \$5,000,000,000. When Franklin Rocsevelt became President the total indebtedness of all the American people was \$160,000,000,000. Today it is \$155,000,000,000. Can any political financier convince the American people that we are headed toward bankruptcy when, while a portion of the total debt is increased, the total has decreased and that out of the whole a program of infinite improvement has been almost completed throughout the Nation?

One of the reasons why it has been necessary to increase the

One of the reasons why it has been necessary to increase the Treasury's indebtedness is because under our predecessor private credit almost completely evaporated.

From 1920 to 1930 the annual increase in the total debt of our people was about \$5,000,000,000. This was the decade in which we were told that poverty was on its way out, that the poorhouse would become a fading memory, and eternal prosperity loomed up like a glorious mirage before our view. But in considering the necessity for Government aid in all the activities which have renecessity for Government aid in all the activities which have required money, we must remember that since 1930 private long-term leans have fallen off by nearly \$35,000,000,000. Whether this decrease in long-term debts grew out of the inability or the unwillingness of banks and other leading agencies to afford credit may be an academic question. But in the absence of this credit, government had to step into the breach and ten or twelve billion dollars of the increase in the public debt of which our opponents complain is represented by loans to industry, to homes, and to other essential activities of the Nation, practically all of which will be returned to the Treasury and is now being returned on schedbe returned to the Treasury and is now being returned on scheduled time. When we subtract from the total increase of the public be returned to the Treasury and is now being returned on schedd unled time. When we subtract from the total increase of the public debt under Roosevelt, the total amount that will be returned to the Treasury, the total increase in 6 years will not be as great as the increase in the 4 years of his predecessor. In view of the results, I challenge any honest man or woman to make the comparison. When one views this record impartially, it stands out as a glorious achievement not only from a social and economic standpoint but from the standpoint of financial stability as well.

During the administration of our predecessors the obligations of the United States sold for less than par. Today they are above par, and every additional issue of Treasury obligations is many times oversubscribed. And the interest rates and the total interest charges upon these increased Government obligations are less than

they were under the administration of Mr. Hoover.

Political parties and political commentators and, I presume, the minds of the people at large are looking toward the contest for

supremacy in the President's election of 1940. That contest will be fought out on the record of the Roosevelt administration. The Democratic Party stands upon that record, and our opponents will not be permitted to straddle the fundamental issues involved by pretending to approve the objectives while objecting to the details of their accomplishment.

Without regard to conditions the Democratic Party will stand or

of their accomplishment.

Without regard to conditions, the Democratic Party will stand or fall in 1940 on the record of the Roosevelt administration. We are ready to lay before the American people in the minutest detail, if desired, not merely the objectives but the methods and the fundamental conception of the relationship between government and the people. In my judgment, the American people will not repudiate the first administration in 2 decades that has sought to humanize

the first administration in 2 decades that has sought to humanize our Government. They will not repudiate the record of the man who, while battling for peace and self-respect among the world, has battled for peace and self-respect at home.

When future historians write impartially the great achievement of the Roosevelt administration they will marvel at the almost incredible accomplishments which have marked its progress.

Let us who have been a part of that record, or who have benefted by it, or who have believed in it, unsheath our sword and unfurl our fiag, not in cowardice, not in retreat, not in apology, but in the militant knowledge that the American people are both just and intelligent and they will, when they know the truth, enthrone it again in their hearts and in their Government.

National Maritime Day

EXTENSION OF REMARKS

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES Wednesday, May 24 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. FRANCES T. MALONEY, OF CONNECTICUT, MAY 22, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered at Bowling Green, New York City, on the occasion of the celebration of National Maritime Day, May 22, 1939, by my distinguished colleague from Connecticut [Mr. Maloney]. The able address delivered by the Senator from Connecticut emphasizes the national significance attached to the maritime industry and its relation to our national well-being.

There being no objection, the address was ordered to be

printed in the RECORD, as follows:

A score of years more than a century ago the first American steam-propelled ship, the Savannah, left Savannah, Ga., for a "round voyage" across the Atlantic. As this tiny vessel breasted the broad Atlantic, history was in the making. An industry was to be transformed in a way to affect profoundly the lives and destinies of men and nations. In commemoration of that notable event President Roosevelt has designated the anniversary of that great accomplishment as National Maritime Day. And that is why we are gathered here, and why groups like us are holding similar observances in every important American port on this maritime holdiday. holiday.

holiday.

I have an inherent natural pride in the maritime industry—perhaps the oldest industry we have—because I come from New England. It was from New England, and from ports in my own State of Connecticut, that clipper ships—in those early days—went out to the seven seas. We were the earliest of the Americans to follow this romantic calling—first to brave the dangers of treacherous ocean waters, in craft that today would be looked upon as almost foolhardy. These ships came back to Connecticut and to other ports of New England with ivory and spices and other articles of commerce. It was largely as a result of those dangerous errands of trade and because of the heroism of the masters and crews of those vessels that there was established in this Nation and in this very region the beginnings of individual fortunes and great industrial and financial institutions.

Out of the trading traditions of that period came the skilled and

Out of the trading traditions of that period came the skilled and steady Yankee trader, who not only became famous over the world but pioneered in the building of institutions which are now famous and far reaching and which have contributed so much to the world's

greatest Nation.

greatest Nation.

Although Connecticut finds its greatest glory in fields other than maritime affairs—at least in comparison with its neighboring States—our devotion to the sea has never dimmed, but rather has our interest in matters pertaining to shipping been intensified. Not only are we concerned with the interests of maritime men, but we as a State are consciously proud of our great harbors. We look with optimism toward the day when Connecticut may once

more enjoy its place in the sun of the maritime trade. The Coast Guard Academy, which is located at New London, is an intimate link between Connecticut and the merchant marine. The manu-

link between Connecticut and the merchant marine. The manufacturers and businessmen of my State are now, as always, keenly aware of the vital necessity of shipping, and especially American shipping, to their business and to American industry.

This gathering of American citizens, for whom carriage by sea, its history and development, are part and parcel of your daily lives, know that during the eighteenth century and more particularly during the early half of the nineteenth century, American sailing ships were foremost in world trade. When steam vessels became fast enough to supersede our great clipper ships. ican sailing ships were foremost in world trade. When steam vessels became fast enough to supersede our great clipper ships, the American fiag, which until that time was found on mastheads in all of the ports of the world, was gradually replaced by other flags. American shipping declined. The reasons for that decline are not especially important now. What is important is that we must once more raise the American flag on the sea highways of world commerce to a point that will approximate its former pre-

During the boom occasioned by the horrible World War when the United States Government attempted the Herculean task of build-

United States Government attempted the Herculean task of building a merchant marine in 2 years, it appeared that we might regain the ground that was lost. We made some gain, but in spite of support from the Federal Government, the great war fleet was allowed to deteriorate and to some extent decay.

I should like to believe, however, that this day might mark the rebirth or the reawakening of the American merchant marine. Thanks to the Merchant Marine Act, 1936, and the efforts of the United States Maritime Commission, of which the distinguished gentleman who preceded me is a member, the American flag is once more becoming prominent and important in world trade. Since

gentleman who preceded me is a member, the American flag is once more becoming prominent and important in world trade. Since all things that are good in American government seem to be laid on a foundation of something said by George Washington, it is interesting to remember that as early as 1790 he said:

"We should not overlook the tendency of war to abridge the means, and thereby at least enhance the price of transporting productions to their proper markets. I recommend to the serious reflections of Congress how far and in what mode it may be expedient to guard against embarrassments, by such encouragement to our own navigation as will render our commerce and agriculture less dependent on foreign hottoms."

less dependent on foreign bottoms."

Partly because of this advice from Washington, and in part because of our earlier traditions, the Federal Government has always displayed a keen interest in shipping, but never so much as now. As a member of the Senate Committee on Commerce I have an especial interest in the promotion of an adequate merchant marine

especial interest in the promotion of an adequate merchant marine and am hopeful that I may, in some small measure at least, be able to assist in encouraging its further growth.

I should like to say at this time, in parentheses, that as I came to this observance this morning my mind dwelt upon the sweet memory of Senator Copeland, who was so devoted to the welfare of the men and the business that followed the sea. The maritime industry, his colleagues in the Senate, and his millions of friends in New York and over the country miss him as I do. Because he so much loved the work in which you are engaged, my heart, at the moment, seems to bleed a little. I pray that he is now enjoying the everlasting beauties of eternity. His illustrious successor, Senator Mean, has taken Senator Copeland's place on the Commerce Committee, and follows in his wake as a friend of the men of the sea. He is endowed with ability and a rare courage and strength, and he will earn your applause.

and he will earn your applause.

The Government is interested in the development of an American merchant marine for two reasons: First, to protect our foreign trade from complete dependence on foreign-flag ships, and secondly, to provide an adequate number of merchant vessels suitable as naval auxiliaries in times of naval emergency.

The idea of protecting American commerce by the maintenance of an American merchant marine is not in my opinion a smart public relations argument of American ship operators. On the contrary, it is an important and real necessity—as history has so clearly pointed out. During the period of the Boer War we were left without transportation facilities sufficient to handle our foreign commerce, because we had become careless of our merchant marine and had come to depend upon foreign-flag ships.

The lack of an American merchant marine in those days de-preciated the value of products of the American farms to a pitifully low level. Here was eloquent evidence to demonstrate how im-portant our shipping facilities were to the manufacturer, to the im-porter, and to the farmer of the Middle West. Again in 1914, when nations at war withdrew their ships from our trade, the products of our factories were piled high on American wharves, and stored in railway cars that crowded terminal yards because there was not available transportation. This serious dislocation of our foreign trade had a damaging, lasting effect. Now—in another unfortunate period in the world's history—it seems to me that we are bound, as a matter of national defense, and for the protection of our

as a matter of national defense, and for the protection of our farms and industries, to build an American merchant marine which will free us from a dependence on foreign-flag vessels.

With respect to providing auxiliaries for the Navy for national defense, it is obvious to anyone who thinks about it that our present merchant-marine fleet is inadequate to supply the type and number of vessels which the Navy must have if it is to function. Fortunately, however, the Maritime Commission has developed a program under which we are rapidly completing a number of vessels meeting the Navy requirements for such services. Hardly

a week goes by, it seems to me, during which a new ship is not being launched, and one which is built to Navy specifications and with sufficient speed properly to serve our national forces should there ever come a time of necessity. God forbid that that time ever come, but God give us strength properly to defend ourselves should we be caught in the vortex of another conflict. I have no fear that we will become involved in war, but I would be afraid if the American people were not of the almost unanimous desire that we be well prepared so well prepared that those with a thought of we be well prepared, so well prepared that those with a thought of war would pass us by.

There are no peoples of the world toward whom I have a feeling

There are no peoples of the world toward whom I have a feeling of hate. There are, however, a few governments, I'm sorry to say, which have so disregarded respect for the ordinary canons of decency that we would be naive if we did not possess a strength that they will respect. Without a competent police force even this great city might become a shambles. Without a great navy, we, as a nation, might one day find ourselves lacking the strength to meet

a ruthless enemy.

Congress has decided that it is absolutely necessary that this Congress has decided that it is absolutely necessary that this country produce a merchant marine adequate to protect our foreign commerce and provide a necessary naval auxiliary. The Merchant Marine Act, 1936, declares that it is the policy of Congress that the merchant marine should be built up by private enterprise, assisted where necessary by Government aid. The necessity of an adequate merchant marine, however, is so great that if private enterprise is unable to maintain it, it will be necessary that the Government assume the responsibility. It is my hope that such a course will not be necessary, and that we may revitalize the spirit of the masters of the old New England clipper ships and build a substantial merchant marine owned and operated by private American citizens.

masters of the old New England clipper ships and build a substantial merchant marine owned and operated by private American citizens. To have a successful merchant marine we must do more than merely construct ships. We must man them with efficient and contented crews of American citizens. In that direction we are also making progress. I am happy that labor disturbances, which were common in the maritime industry just a little while ago, have become less frequent. I believe that this has come about largely by the cooperative attitude of the seamen's labor organizations and of the yessel operators in compliance with the spirit of the National the cooperative attitude of the seamen's labor organizations and of the vessel operators in compliance with the spirit of the National Labor Relations Act. Both the labor unions and the American Merchant Marine Institute have done a good job in minimizing the disputes which are so destructive to orderly commerce. May the good feeling be intensified and magnified. May more American ships go down to the seas. May their progress to the sea give comfort to all Americans in showing that the Nation is on the job. May they give joy to our friends, and may they be notice to the world and our enemies therein—if such there be—that this peaceloving nation of ours in its devotion to peace has not forgotten to be prepared for war. prepared for war.

Missouri Chapter of National Association of **Postmasters**

EXTENSION OF REMARKS

HON. BENNETT CHAMP CLARK OF MISSOURI

IN THE SENATE OF THE UNITED STATES Wednesday, May 24 (legislative day of Friday, May 19), 1939

ADDRESS BY HON, JAMES A. FARLEY, MAY 12, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address delivered by Hon. James A. Farley, Postmaster General of the United States, at the State convention of the Missouri Chapter of the National Association of Postmasters held in St. Louis, Mo., on May 12, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a privilege to meet here in St. Louis today with the Missouri Chapter of the National Association of Postmasters, and it is always a pleasure to visit with your genial host, Rufus Jackson, the postmaster of this great city. You are to be congratulated on the fine attendance at this convention and I want to thank you for

coming.

We are most fortunate in having an opportunity to share in the management and in the operation of the United States Postal Service, and I know that each and every one of us has a justifiable pride in our accomplishments. Few people realize the tremendous influence exerted by the Postal Service in the progress of business, transportation, and in the daily lives of our citizens.

The report of the Comptroller General of the United States shows that during the last fiscal year the transactions of the Postal Service resulted in a total turn-over of cash handled in post offices of more than \$8,000,000,000. This amount is one-third more than

of more than \$8,000,000,000. This amount is one-third more than all of the money in circulation in the United States, and exceeds the total appropriations made by Congress for the maintenance of the whole Federal establishment, including the emergency agencies.

It amounts to more than \$62 for every man, woman, and child in America.

The ordinary postal revenues derived from the collection of postage broke all records last year, and the revenues received thus far in this fiscal year indicate further increases, which means that for the third successive year the postal revenues have shown steady gains, exceeding the revenues of any previous year in history.

I think it would be of interest to you to know that during the

fiscal years of 1937 and 1938 the increase in postal revenues came fiscal years of 1937 and 1938 the increase in postal revenues came largely from the smaller cities and towns, and during that period postal business lagged somewhat in the great industrial centers—while during the current fiscal year of 1939 increases have been shown in the large cities, and we are still maintaining increased business in the smaller communities. Therefore, I can say to you that there has been no business recession insofar as the Postal Service is concerned, and our revenues are ordinarily accepted as

an accurate barometer of business conditions.

an accurate barometer of business conditions.

The mail volume is increasing daily, weekly, and monthly when compared to the same periods of last year. We have kept pace with this increased volume by adding more employees. We now have on our rolls and at work in the post offices more people than have ever been employed at any time in the history of the Service. Working conditions are better. The average salary of postal employees in the field service is greater than the average salary in other Government establishments, and certainly higher than the average income of employees in private industry. This indicates a steady gain in business, confidence on the part of the people, and shows that the patrons are taking advantage to a greater extent than ever before of the wonderful facilities of the United States Postal Service.

I am proud, indeed, to be able to make this report to you, and

I am proud, indeed, to be able to make this report to you, and I know that you, as public officials and as citizens, are pleased to note and accept this report as evidence of the fact that the United States of America is keeping up its march of progress; that its people are increasing business activities; that they believe in their Government; that they are living up to the good-neighbor policy—for you and I know that when postal receipts are increasing in the smaller cities and towns a good part of that revenue comes from the ordinary social correspondence carried on between families and they are that they are that they are the transfer that the continuous contractions are the contractions.

friends. When that condition exists everybody knows that we are getting along all right in America.

are getting along all right in America.

I make no claim for personal credit for the accomplishments of this fine establishment. While the service has been generally improved during my administration as Postmaster General, frankness and honesty require that I give to you, the postmasters, to my most efficient staff in the Department, and to all of the postal employees the credit for such improvements. You know, and I know, that the Postal Service has been the most respected of all Government agencies for many, many years. Before we were born postal offi-cials and employees, hundreds of thousands of them, had given the best years of their lives and their best efforts to the development best years of their lives and their best efforts to the development of this magnificent communication system. All praise to my predecessors and your predecessors and to the loyal army of workers that has given such a fine example of courage, fidelity, and efficiency. We make but one claim—that we have accepted our positions as a public trust. We have but one objective—that in the administration of this public trust we shall at all times safeguard the public interest and pass on to our successors an improved corvice. the public interest and pass on to our successors an improved service in keeping with the progress of the Nation.

Our greatest asset is good will. In private business goodwill is recorded as a capital asset. In a public establishment such as ours we have no reason to reduce this asset to a dollar and cents value. We do know, however, that unless we do everything possible to develop goodwill we are not satisfying our patrons, and we will not attain our objective.

I am happy to say to you that careful observance of postmasters and postal employees convinces me that we are reaping the benefit of our many campaigns to encourage courteous and efficient postal service. I hear many expressions and receive many letters com-mending postal people on their tact and courtesy. I want to thank all postmasters for this accomplishment and to urge that you conall postmasters for this accomplishment and to urge that you continue your efforts along this line. Eternal vigilance is required if we are to meet our obligation to our patrons. We in the Department are convinced that the need for politeness is more pronounced in the post office than in most other public services. It is an important part of what we term "efficiency." We operate a monopoly, at least in the transmission of letters, therefore, a patron has no choice but to deal with us; consequently it is fundamental that we exercise great care in dealing with our customers, who are in reality our employers. reality our employers.

obviously the patron is not always right, but we gain nothing in attempting to prove to him that he is wrong. Conversely, we are not always right. While it is true that relatively few mistakes occur in the handling of the billions of pieces of mail annually, yet it is human to err, and our employees on rare occasions missend mail or delay the transmission of mail matter. When such a thing occurs, be frank about it. Admit the fault and take prompt steps to prevent a recurrence. Apologize for the mistake and you will make a friend for the Postal Service and add to the good will so valuable to the Department.

valuable to the Department.

You, as pestmasters, should constantly strive to secure the cooperation and good will of the employees of your office. Make each and every person in your establishment feel that the part he plays in the Service is an important part. Be firm when necessary and always point out the mistakes made by your subordinates. Let them feel that they have an individual responsibility to the public and encourage them to assume responsibility.

Never reprimand an employee in the presence of others. To do so injures his self-respect, causes him to resent the criticism, and defeats any good that might come from it. When irregularities occur call the offender aside privately and administer the rebuke in a gentlemanly way. Authority should never assume the privilege of transgressing the laws of common courtesy of man to man.

Be sure that your supervisors are properly trained, and regardless of the circumstances do not permit humiliating incidents to occur in maintaining discipline in your office.

of the circumstances do not permit humiliating incidents to occur in maintaining discipline in your office.

It is your duty as postmasters to see that all employees are trained for their work. The importance of this phase of your jobs cannot be overemphasized. Adequate and understandable instructions should be furnished to all newly appointed employees, and these instructions may be repeated occasionally, for even those who are presumed to thoroughly understand their work are often helped by having their minds refreshed on some important points. I am turn that the average postel employees wants to been more and sure that the average postal employee wants to learn more and more about this business, and if proper instructions are given in an enlightened manner it will do much in quickening the purpose

an enlightened manner it will do much in quickening the purpose and energy of our personnel.

There are several ways of instructing the employee, depending upon the size of the organization. It can be accomplished either singly or in groups. Regardless of the method that is followed, be sure that each and every individual under your supervision is trained for the task assigned to him, and be doubly sure that those assigned to window work where they contact the public have a complete knowledge of the details of the positions they occupy. Inaccurate information given to patrons is most annoying and causes complaints that are very difficult to answer. Ading and causes complaints that are very difficult to answer. Admonish all those who are in a position to deal directly with the patrons to be courteous at all times, to give information only when they are sure the answer is correct, and to say "thank you" pleasantly at the conclusion of each transaction. Give your personal attention to this matter and you will accomplish more than you realize.

It is also important to recognize good work. When some member of your staff has performed a task in a most efficient manner, or has done something to cause favorable comment on the part of a patron, let him know you are pleased with his work. It does not take long to pat him on the back and commend him for his interest in the Service. To do so encourages him to continue in his efforts along that line.

I feel very strongly on this matter of tact and courtesy in our dealings with the patrons and applicates and challenges.

dealings with the patrons and employees, and shall appreciate your continued cooperation.

You may be assured that the Department will cooperate with you if you will but seek its help when you are in need of assistance in solving any of your problems. The administrative agencies of the Department are organized and maintained for that pur-

of the Department are organized and maintained for that purpose. The several bureaus under my general direction formulate policies and issue rules and regulations which are calculated to insure adequate and efficient service for the people, and also to protect your interest and the interest of the employees.

We in the Department have no direct contact with our customers but must of necessity leave that most important function to you and your staff in the local post offices, so that in the final analysis, no matter how high our purpose may be, unless we can secure your enthusiastic support we cannot be successful. For that reason I attend meetings of this kind whenever possible, and I encourage the administrative officials in the Department to do likewise—for I am convinced that these conventions offer us our likewise-for I am convinced that these conventions offer us our likewise—for I am convinced that these conventions offer us our best opportunity to engender good will and good feeling between the headquarters staff and the personnel in the field service. There are others here with me from the Department and a number of post-office inspectors are present, all of them available for counsel and advice concerning your service problems.

I regret that other engagements which are principally my scheduled appearance at other State conventions prevent my remaining with you for a longer period, and I trust that I shall have an opportunity to meet with you again. Before concluding I want to extend to you the warmest regards and best wishes of President Roosevelt, and to again assure you of my sincere appreciation for the fine work you are doing.

ation for the fine work you are doing.

March of Fascism

EXTENSION OF REMARKS OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES Wednesday, May 24 (legislative day of Friday, May 19), 1939

ADDRESS BY DR. HAROLD C. UREY

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Congressional Record an address delivered by Dr. Harold C. Urey, of Columbia University, at the National Emergency Conference, held at the Raleigh Hotel, Washington, D. C., May 14, 1939. The address deals with the march of fascism, which has been spreading over certain sections of Europe and is now manifesting its influence in our own country. It discusses particularly the flood of antialien bills, which are essentially Fascist in their purport and intent, now appearing in the Congress of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The many sides of these numerous bills have been discussed by the speakers in this symposium, so that it would be quite impos-sible, I think, for me to add anything on this subject. I shall therefore review what I believe to be the broader aspects of this prob-lem. I refer to the speedy march of fascism, or perhaps one should say totalitarianism, which has been spreading over Europe, signs of which are appearing in France and England, and now in the United States. For essentially these antialien bills are Fascist in

intent and will be Fascist in their results.

For a long time I have realized that fascism, when it came to the For a long time I have realized that fascism, when it came to the United States, would come as 100-percent Americanism, but I had not quite realized what the scapegoat would be. I had thought perhaps it might be the Negroes or the Jews, but now we realize definitely that it is the foreigners who have appeared on the scene. It is in line with certain characteristics of the people of the United States, being all of us foreigners, that of course, we could not tolerate the most recent foreigners who arrived on our shores.

But what is fascism? This question is asked by many people, and most of us have but the haziest notions of what the underlying philosophy of this movement is. I should like to give you my concept of its underlying purposes and objectives. We all recognize that selfishness is a characteristic of human beings. We vary all the way from those who have the slightest trace of this characteristic who are willing to give everything they have to other people, to dedicate their whole lives to a particular movement, to those who are completely self-centered in their reactions.

It is difficult for us who sit here to realize that people exist who are so abjectly selfish as are certain powerful people in this modern

It is difficult for us who sit here to realize that people exist who are so abjectly selfish as are certain powerful people in this modern world. There are people who wish to acquire for themselves and their friends all power, all wealth, all unhampered freedom. Moreover, they believe that this can be done by curtailing the rights, wealth, and freedom of others. They wish to have their own freedom but would reduce others to slaves; they would acquire great wealth when others are reduced to poverty. If you see this characteristic of fascism, then you can understand many of the things they do. Such fundamental principles as justice, truth, and honor have no meaning whatever, since they are contrary to their fundamental objectives. mental objectives

In order to obtain their objectives it is impossible for them to tell the truth, because any cooperation they might receive from the great mass of people could never be secured if they frankly admitted their real purposes. Hence in their contacts with people their statements range all of the way from failure to state the truth through intentional misrepresentation to out-and-out lies of unballs with the statements. believable magnitude. In fact, Hitler has stated that in order to obtain one's ends lies should be so vast that people cannot believe they could be lies. Moreover, in fighting things of this sort we are hampered by the essential honesty and uprightness of most people. We are so honest that we cannot believe that other people intentionally lie in a brazen and bold fashion.

These anti-alien bills are essentially Fascist in their concept and purposes, as we all know. They have for their purpose not the eradication of corruption brought by a handful of aliens in the United States, but the curtailment of the rights of citizens of the United States. It is well, in considering things of this sort, to be sure that we, ourselves, are not of the intolerant Fascist group, for whenever one attempts to curtail his fellow citizens and their proposals one may lay himself open to the same countercharge. Hence let us look briefly at the characteristics of fascism or totalitarianism. let us look briefly at the characteristics of fascism or totalitarianism

as we see them today.

I wish to list some of these characteristics as I observe them in foreign countries. I list them without any intent of giving them in their order of importance at all. I am in a way only collecting my experimental data.

(1) The Fascist states that he believes in law and order. Of course, we all believe in law and order. But the Fascist objects to the democratic disorder that comes from people having different and conflicting ideas. He is anxious to get rid of this disorder and make everybody agree. This is his definition of law and order. Please note that many people have hailed the dictatorship of France under Daladier in the name of law and order.

(2) The Fascist suppresses the human freedoms that are guaranteed to us in the Bill of Pights of the Constitution, the profest

anteed to us in the Bill of Rights of the Constitution—the right of free assembly, the right of free speech, the right of free press, the right of trial by jury, and the right of being unmolested in our homes. All of these are suppressed in the totalitarian governments. Whenever they appear in our own country to that extent there is a similarity between their actions and the actions of our fellow citizens and our governments and the governments of the fellow citizens and our governments and the governments of the totalitarian states.

(3) The Fascist suppresses all organizations except his own. In particular he first outlaws all labor organizations. Perhaps the

C. I. O. and the A. F. of L. do not always behave in a purely democratic and altruistic fashion Sometimes I think there are cases when they do not, but I am nevertheless very suspicious of anyone who would completely abolish and hamper these organizations. Undoubtedly part of the alien bills are intended for this very object. It would be difficult for a labor organization having some

foreigners in its organization to engage in lobbying activities in Washington. To that extent we are certainly dealing with fascism. Moreover fascism advocates the total abolition of all religious and youth organizations, except its own. This primarily is done not because they object to religion but because they object to any organization where the members might freely discuss their ideas. A dictatorship must be totalitarian and can have no objectors what-

(4) The Fascist oppresses minorities. He, of course, claims to have a solution to all the ills which are plaguing the entire civilized world at the present time. Of course he has not and it is necessary for him to load the blame of that failure upon some minority. Moreover there are latent in people a very sadistic persecution complex, and by allowing his followers to give vent to this persecution complex he is able to mold them to his own objectives. In Germany we have seen the Jews and intellectuals and, to a lesser degree, the Christian sects persecuted. In Italy we see the intellectuals, and I am told, the Protestants oppressed. These antialien bills show that certain men in our Government are willing to use the foreigner as the scapegoat. The foreigner is entirely too minor a problem in this country to be worth considering for himself. I might mention that Father Coughlin's particular variety of totalitarianism has picked upon the Jew for his minority, and was not there some difficulty about Marian Anderson in this

city a short time ago?

(5) The totalitarian is intensely nationalistic. It is usually 100-percent Americans who perhaps are the most dangerous citizens. The Fascist includes in his selfishness not only himself but extends his intense feeling to his nation. He is interested in seeing that his nation succeeds beyond all others. He would like to see his so-called race populate the earth. This makes the existence of other independent states intolerable to him. It makes necessary

other independent states intolerable to him. It makes necessary the deceitful foreign policy of totalitarianism.

(6) He openly states that his object is to save the country from communism. It was under this slogan that fascism came to Italy, that national socialism came to Germany, that Franco came to Spain. It is perhaps difficult for us to know how great the Communist danger was in any of these countries at the time that fascism arose. In my mind, at least, the cure is at least as bad as the disease. I can see little difference in what happens in these three countries and what happens fundamentally in Russia. But at this point I am only pointing out the strategy under which But at this point I am only pointing out the strategy under which all these things are done; that is, saving the country from communism.

communism.

The United States was inoculated with the theory of communism approximately 20 years ago. Surely this country has come to a state of immunity from this particular "ism." It is impossible for the Communist Party to maintain its position on the voting ticket in New York State, because they are not able to muster as much as 50,000 votes. Nevertheless, many are saying that we must save the country from communism. Of course, if we do not have any out-and-out communistic scapegoat in this country or if we have no Socialists, we turn next to the Democountry, or if we have no Socialists, we turn next to the Demo-cratic Party, where the charge will be made that the President of the United States or the First Lady of the land are outstanding Communists

I can only say that people who engage in this sort of propaganda are following exactly the same pattern as those countries abroad who have followed the national socialistic or Fascist pattern, and I think they are to be looked at with caution, especially when they

think they are to be looked at with caution, especially when they appear in high offices in our Government.

(7) If one finally realizes that perhaps a man is a Fascist or a National Socialist or totalitarian then of course we must realize that he does not tell the truth. When one first suspects Fascist propaganda of being untruthful it becomes immediately obvious that it is a complete lie. These bills which we have been discussing here represent to my mind the very height of that propaganda. The basis upon which they are reached cannot possibly stand in the light of day. As speakers in this very conference have shown the number of aliens in the United States is entirely too small to be worthy of the slightest consideration at all. And furthermore the existing immigration and deportation laws of the furthermore the existing immigration and deportation laws of the United States and the Criminal Code of the United States is quite adequate to take care of the situation. Hence their objectives must be other than the avowed ones.

I invite you to look over our leaders in high positions in the United States Government in the light of these few superficial characteristics that I have listed. I think you must conclude that the Fascist-Nazi philosophy has penetrated into the Government of the United States to an extent far beyond any such penetration by the so-called Communist type of totalitarianism. We, as citizens of the United States, have a right to question the motives of people in Congress who have introduced this list of 70 bills, at least until the bills are passed and signed by the President.

In closing I should like to express my profound confidence in the United States and its people. Whenever things of this sort have come up in the past they have slowly been brought to the light of day and have been defeated. I only need to mention the organization known as the Knights of the Ku Klux Klan. It still exists in the United States, but its effect is negligible. The work of this con-

ference will also bring to public attention motives behind these bills

and the people of the United States will defeat them, I am sure.

Just a word to the admirers of Hitler, Mussolini, Franco, and Stalin. You always picture yourself as he who rides at the top. You always see yourself as the oppressor, not as the oppressed. You will rule, have the riches, have freedom. But the wheel of fate is treacherous. You may be in the labor battalion, the concentration camp, the one excluded from employment. But will you heed this warning? Not at all. You are so self-centered that you see nothing outside of your own importance. You are so short-sighted that you see nothing a year ahead and cannot think of your children and their children, just as you cannot remember that you are an alien yourself and probably have not a drop of pure American Indian blood in veins.

It is we who must protect these institutions for you and yours. Pardon our obvious irritation toward you and your short-sighted.

deceitful, and selfish activities.

Government Spending and the National Debt

EXTENSION OF REMARKS

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES Wednesday, May 24 (legislative day of Friday, May 19), 1939

RADIO ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN, MAY 21, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent that there be inserted in the Appendix of the RECORD an address by the very able senior Senator from Michigan [Mr. VANDENBERG] over the Mutual Broadcasting System during the American Forum of the Air program on Sunday, May 21,

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

I discuss Government spending and the national debt. I discuss Government spending and the national debt. I shall do it without burdening you with detailed statistics. But I shall give you a few general figures which ought to jolt any thoughtful citizen—unless he be Ponzi-minded—into a realization that our Santa Claus spenders are pushing us too close to bankruptcy for safety or comfort. Simple arithmetic is the same under any kind of a "deal"—old, new, raw, or square. You can be ever so bighearted and social-minded and generous with other people's money, but unless you keep your arithmetic straight, your sweet intentions won't save you from disaster. I quote Franklin D. Roosevelt, on July 30, 1932, when he was campaigning for President on the promise he would reduce Government expenditures 25 percent, if I may be pardoned that poignant reminiscence. Said Mr. Roosevelt:

Roosevelt:

"Any government like any family can for a year spend a little more than it earns; but you and I know that a continuation of that habit means the poorhouse."

The Federal Government has continued that habit for 9 un-

interrupted years; and now—attempting to make a virtue of necessity—we are engaged in an amazing effort, deliberately and consciously, to stretch an annual national income of \$60,000,000,000 into an annual national income of \$30,000,000,000,000 by spending the difference. This administration has deliberately and consciously chosen what the President himself described as the poorhouse route—and we are now so intent upon a pell-mell journey to the end of this road that the Senate this week added \$375,000,000 of extrabudgetary appropriations to the agricultural bill without even hesitating for roll calls en route. It is the folly of the ages. It either leads to bankruptcy or to the equally suicidal jeopardy of an inflation which will destroy the purchasing power of our money precisely as it did in the German Republic 15 years ago when 100,000,000 marks were stabilized on the basis of about 1 new

We are now "spending" at the rate of \$10,000,000,000 a year. Our operating deficit will be about \$4,000,000,000 this year. It will be the ninth heavy deficit in a row. The national debt this month crossed the \$40,000,000,000 line. This does not include at least crossed the \$40,000,000,000 line. This does not include at least four additional billions of contingent liability which we have guaranteed. Oh yes, there are some offsetting assets which will provide partially compensating credits. But the fact remains that we are paying about \$15,000 a minute out of the Treasury, day and night, while we are taking in only about \$8,000 a minute, and the gap constantly widens. No amount of wishful camouflage can hide this fateful trend. In spite of all the Pollyanna nonsense that we can spend ourselves into prosperity, the nagging voice of common sense whispers a sinister warning to us that we had better get off these skids before it is too late. The American people themselves sense it, as demonstrated by the Gallup polls, each one of which shows a progressively increasing public animosity to these prodigal expenditures.

The total cost of government in 1937-National, State, and localwas seventeen and one-half billion dollars. That is equivalent to the total annual income enjoyed that same year by all the people in 21 States west of the Mississippi River. Think of it! The total income of that great group of States only equals the total bill for government—and the bill still grows. How much longer can that enormous nonproductive absorption of the national income con-

In 1913 the cost of all government in the United States was \$34 per family. Now it is \$540 per family. And Washington sets the pace. Listen! If we were to confiscate every dollar of every American income in excess of \$5,000, it would not pay the bill for the Federal Government alone this year!

the Federal Government alone this year!

These enormous expenditures produce an ever-mounting debt which charges today's bills to the generations of tomorrow. We mortgage the birthright of tomorrow's youth. Meanwhile, we build up enormous carrying charges for ourselves. The annual interest charges alone are reaching a point where they equal what was the whole Federal Budget in prewar days. The Greeks had an epigram that "debts turn free men into slaves." But we need revert to none of this ancient wisdom out of a "horse-and-buggy age." We can rest upon modernistic authority. In his great retrenchment message of March 10, 1933, President Roosevelt said:

"Most liberal governments are wrecked on the rocks of loose fiscal policy, and we must avoid this danger."

most interar governments are wreated on the rocks of loose liced policy, and we must avoid this danger."

He was right; and the best proof lies in the fact that by courageously following a policy of hard economy during the first 4 months of his administration he got more economic recovery for this country than was ever registered in like time in the history of this country than was ever registered in like time in the history of any other land in any other time. Then something happened, and it has been happening ever since. Indeed, we now are told that deficit spending is actually the road to economic recovery. Well, we get the "spending," but we do not get the "recovery." As a matter of fact, the "spending" and the "debts" are two of the reasons why we do not get recovery.

Solvency and confidence were the keys to recovery during those first 120 days. They are still the keys today. The tragedy of it is that the keys seem to have been deliberately thrown away. The necessity is to find them and put them to use once more.

How can business thrive, how can it make a long-range plan for expansion and development, how can it substantially contribute to reemployment, when the public credit is in jeopardy? Increasing debts and increasing deficit spending inevitably lead to a Federal need for greater revenues—though we are now paying the highest peacetime taxes in our experience. Greater revenues mean greater taxes; and greater taxes fall primarily on business, although finally

peacetime taxes in our experience. Greater revenues mean greater taxes; and greater taxes fall primarily on business, although finally they must be paid, as President Roosevelt has said, in the "sweat of the brow of every man who toils." There is much discussion in congressional circles about reducing taxes as an encouragement to business. But how can you reduce taxes and increase appropriations simultaneously? How can you hope to stimulate business with a prospect of easier tax burdens when you paralyze business with the contemplation of an ever-mounting expenditure and an ever-mounting debt? It just doesn't make sense.

with the contemplation of an ever-increasing expenditure and an ever-mounting debt? It just doesn't make sense.

The only other alternative would be another Houdini manipulation of the value of the dollar under dangerous, floating powers still lingering in the White House. But that prospect is as terrifying to business as the other. Take either horn of the dilemma. Business and recovery are the victims. So are 12,000,000 unemployed. And so are the other 110,000,000 Americans who are still struggling to "carry on."

"Oh," but they say, "you cannot possibly balance the Budget today; where and how would you do it?"

Let's be entirely frank about it. I do not believe that anybody could actually balance the Federal Budget this year or next. We have created too many new instrumentalities of government, many of which are sound in principle and which the people would not permit to be abandoned. But we can stop the creation of new

of which are sound in principle and which the people would not permit to be abandoned. But we can stop the creation of new instrumentalities where we are. We can quit making new ones until we have caught up with the bills for those now existing. We can stop creating new Federal subsidies until we have found a way to pay for those created heretofore. We can postpone every new governmental enterprise not immediately essential and provably indispensable. We can clean house, wherever possible, in respect to existing undertakings. We can rip politics out of pay rolls. We can once more put a horizontal reduction on all Federal salaries in the higher brackets. We can quit boondoggling. We can substantially tighten up in all directions if the official tempo and the official pattern are to see how much we may save rather than how official pattern are to see how much we may save rather than how much we can spend.

An evidence of a real will to thrift, an evidence of a dependable conservation purpose will go far toward anticipating the solvency and stimulating the confidence which this national crisis so badly and stimulating the conneence which this national crisis so badly needs, and which will precipitate wholesome recovery. Those to whom we are voting large benefits certainly would prefer to get their living out of recuperated business than out of an empty treasury. There is no final advantage for anybody out of Federal services and subsidies if we destroy a solvent society and a sound economy in which to enjoy them. At the moment we are trying to make a still nurse out of a sow's examined it just can't be done.

make a silk purse out of a sow's ear—and it just can't be done.

The spending that is necessary in this country to restore business—and jobs—is private spending, not public spending. From

1919 to 1929 there was spent in this country for durable goods and privately financed construction alone a total of \$210,000,000,000, or an average of \$19,000,000,000 a year. But from 1932 to 1935 this figure dropped to less than five billions a year—and there we linger. It is a loss of something like \$15,000,000,000 a year. Public deficit It is a loss of something like \$15,000,000,000 a year. Public deficit spending, even at the alarming rate of four billions a year, cannot possibly be a substitute. There is no substitute. Furthermore, this public deficit spending is pretty generally conceded to discourage private investment and private enterprise. Our net deficit from 1931 to 1938 actually totaled more than all the deficits of all the other major nations of all the world combined for the same period. But it did not bring back the private spending of the Nation's enterprisers, the Nation's investors, and the Nation's plant managers. That requires a type of basic confidence which is not

Nation's enterprisers, the Nation's investors, and the Nation's plant managers. That requires a type of basic confidence which is not induced by the spectacle of an improvident government. For this and other reasons the United States stands at the bottom of the list among the 20 leading industrial nations of the world in degree of recovery between 1929 and 1938, according to the League of Nations charts. And that bespeaks the great stake which the unemployed themselves have in every effort to bring Federal income and outgo at least within speaking distance of each other.

This word in conclusion: It is infinitely easier and more enjoyable for public officials to spend than to save. The favorite formula of the Congressman who wants to stay indefinitely in public life is to vote in favor of all appropriations and against all taxes. But there comes a day of reckoning. It confronts the people and the Government of the United States tonight. We cannot much longer go on as we are. We must leave the road to ruin while there is yet time. If what the President said on March 10, 1933, was true, then it is emphatically more true now in the aftermath of the most then it is emphatically more true now in the aftermath of the most colossal spending spree in all recorded history: "Most liberal govern-ments are wrecked on the rocks of loose fiscal policy; we must avoid

this danger."

Silver Jubilee of the Missouri Farmers' Association

EXTENSION OF REMARKS

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

Mr. CANNON of Missouri. Mr. Speaker, we have just celebrated in Missouri an event of significance and importance to the entire Nation-the twenty-fifth anniversary of the organization of the Missouri Farmers' Association. On March 10, 1914, in a lonely little country schoolhouse, seven farmers met and organized the first Farm Club, and with the zeal of apostolic missionaries initiated a crusade that in 25 short years has developed the most successful and most powerful cooperative farm organization to be found in any State of the Union. On March 10, in commemoration of its founding, and its quarter century of service to the farmer and the country, thousands of members of the M. F. A., and their families, assembled in towns and rural schools throughout the State to celebrate their silver jubilee and listen to an address by William Hirth, founder of the association, over a Nation-wide broadcast.

The founding of the Missouri Farmers' Association marks a milestone in the history of cooperative farm organization. Its story reads like a romance. Beginning with seven members and no tangible resources, it has dotted the State with clubs, exchanges, filling stations, warehouses, and grain elevators. It has established selling agencies, creameries, processing plants, mills, truck routes, shipping associations, stockyards, and commission companies. It maintains representatives in the Chicago and New York markets and memberships on the St. Louis and Kansas City Boards of Trade. It markets farm commodities, including grain, livestock, poultry, and dairy products, and purchases farm supplies, involving an annual turn-over in excess of \$60,000,000 a year. It has made economic and legislative history, increased the farm income, lowered costs of production, and materially advanced standards of living both on the farm and in business communities dependent on farm patronage.

At a time when every buying and selling agency with which the farmer has to deal is highly organized, and farm organization is imperative if agriculture is to maintain its place

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with other industries—when "the butcher, the baker, and the candlestick maker" are organized and the farmer must organize in self-defense—the Missouri Farmers' Association and its auxiliaries, the Women's Progressive Farm Association and the Junior Farmers' Association, are filling that need with remarkable thoroughness and efficiency.

The M. F. A. is essentially democratic. Through it the farmers are "doing the job themselves." Each club elects its own officers, and each activity is managed by a board which selects its manager and supervises its operations, and the State organization is administered by officers and executive committees elected at annual conventions.

The M. F. A. is a business success. Each year the local units are audited and "melon cuttings" are held at which patronage dividend checks are distributed to M. F. A. customers. During the quarter century of its existence the association has paid out large sums in dividends, not including the millions of dollars it has brought its members through increased prices for farm products and savings in the purchase of farm supplies. It is in that respect a convincing example of how successfully farm cooperation can be carried Through M. F. A. agencies its members are assured at least 1 or 2 cents more per dozen for their eggs, and much more per pound on poultry. Its creameries and milk plants have forced a constantly narrowing margin on cream as between the local and central market price. Its grain elevators are handling grain on a far less margin per bushel than the old-line grain elevators formerly charged, saving hundreds of thousands of dollars on this one item alone. Its livestock shipping associations have saved farmers from 50 cents to \$2.50 per hundred on livestock, running literally into millions during the past 20 years, without taking into account approximately \$2,000,000 saved in commissions by the M. F. A. livestock commission companies on the terminal markets. And the savings made on farm supplies, such as flour, feed, fertilizer, twine, fence, tankage, and so forth, runs into a staggering amount. In short, the Missouri Farmers' Association is demonstrating conclusively how successfully cooperative agriculture can operate when properly organized and administered.

The M. F. A. is also demonstrating effectively the power of organized agriculture in another important direction. Through its impartial, nonpartisan interest in legislation, it has become a power for honest government in the county court, the State legislature, and the National Congress. Mr. Hirth, more than any other one man, was responsible for the drafting of the McNary-Haugen bill. As chairman of the powerful Corn Belt committee, composed of farm leaders throughout the Central States, he secured the passage by heavy majorities in both House and Senate of this widely debated measure, which but for its veto by the President would have assured the farmer the home market, saved farm prices, and prevented the depression which inevitably followed when the farmer could no longer buy the products of industry and labor.

At Jefferson City the M. F. A. supplied the support required to pass the 1931 school law under which farm boys and girls attend high school free of tuition. It was one of the deciding factors in eliminating the sales tax of 2 percent on feed, thereby saving the Missouri farmer \$1 every time he buys \$50 worth of feed. It prevented the enactment of the State soil conservation districts law in both the fifty-ninth and sixtieth general assemblies. It compelled the enactment of a State income tax law, forced the passage of the county budget law, and sponsored the law requiring examination of county records by State auditors under which more than a million dollars in shortages has been uncovered. It saved huge sums and enforced economical government through two constitutional amendments, giving the Governor authority to veto portions of appropriation bills, and limiting the number of legislative clerks. It has just defeated the attempt of St. Louis and Kansas City to "redistribute" the school funds and deprive the rural schools of hundreds of thousands of dollars in free tuition and transportation for rural high school students.

The M. F. A. paper, the Missouri Farmer, is more than an official organ. It carries in each issue a highly diversified menu, literary, political, professional, and cultural. While it emphasizes the legislative and administrative interests of agriculture and provides practical and authoritative technical advice and information applicable to the everyday problems of the farm, it also supplies something of personal interest for every reader, and its "After-Thoughts" series, by Mr. Hirth, carry a deep philosophy and a human interest which make the Missouri Farmer one of the distinctive journals of the day.

Let me quote one of these paragraphs from the last issue: Granting that life on the farm has been a rather thankless task during recent times, cannot the average farmer hold body and soul together more easily than those who live in the cities with their idle millions? Nobody can tell what the future has in store for our beloved Nation, but come what may agriculture will remain the chief source of its new wealth, and thus if I were a young man starting out I would take my chances on the farm, and in so doing I would resolve to become a good farmer in all the term implies. After all, while farm life is no rose-bordered path, does it not also have its deep satisfactions? Of course, there are lean years, but also fat ones. There are heartless prices, but it's a long road that has no turn. So ponder deeply, my friends, ere you turn your back on the farm where Bobwhite greets you morning and night.

The Missouri Farmer is edited by H. E. Klinefelter, who previously served as secretary of the outstanding Franklin County Farmers Association for 7 years and has recently been succeeded in that position by Joseph H. Jasper, a worthy successor. I speak advisedly when I say it is, in my opinion, the best and most practical farm paper in America today.

No reference to the Missouri Farmers' Association would be complete without mention of some of the able men who have contributed to its growth and progress, such as R. J. Rosier, of Columbia, State secretary; Joseph G. Goeke, business manager of the official paper; Henry J. Rapps, of Union; Charles Maeger, of St. Genevieve; O. C. Lynch, of Catawissa; Maurice Maze, of Washington; Ed. Jaspering, of Truesdale; Herman F. Hetlage, of Wright City; John W. Kreutzer, of Owensville; H. J. Bucker, of Rhineland; Walter W. Bruens, of Hermann; Miss Elizabeth Gibson, of Bourbon; Frank Duebbert, of St. Elizabeth; James M. Boston, of Gerald; Urban Mueller, of Wentzville; and John G. Lynch, of Catawissa. And if my colleagues who so often express an interest in the M. F. A. as a model cooperative organization ever visit Missouri and desire to see a model exchange I recommend them to the exchange at St. James under the management of W. S. Miller, Mr. Miller, like F. L. Cuno, of Union, who has been fighting the battles of organized agriculture a lifetime, was one of the earliest pioneers in the association, and has recently rebuilt at St. James an exchange which is regarded by those competent to judge as the last word in cooperative plant, staff, and management.

But the incredible story of the origin and achievements of this great farm organization, with its purposes and program for the future, are best told by the founder himself. Speaking from station XERA on the night of its twenty-fifth anniversary, Mr. Hirth said:

Twenty-five years ago tonight, upon the initiative of Aaron Bachtel, seven farmers met in the little Newcomer schoolhouse in Chariton, County, Mo., and organized the first farm club. Some days before I had sent a general letter of suggestions to Mr. Bachtel, pointing out the kind of an organization I thought we should build, and after this statement had been read to the little crowd, the constitution and by-laws which I had supplied, were adopted. In this modest way began the most practical and powerful farm organization that has ever existed in any State in the United States, and I have often thought that there was something prophetic in the fact that it had its birth in a little rural schoolhouse called "Newcomer," for the farm-club movement was indeed destined to be a "new comer" among the farm organizations of

the country, and how truly this illustrated the old saying that

"great caks from small acorns grow."

Little did that small group of farmers realize as they sat beneath the faint glow of coal-oil lamps 25 years ago tonight that they were about to make a substantial contribution to the rural life of America. How dumbfounded they would have been if at the con-clusion of their deliberations there had been a knock at the door, and if upon opening it a stranger had entered and had said, "You have made history here tonight—you have launched a farm organization that in a few years from now will have millions of dollars invested in its hundreds of marketing agencies which will be scattered from the Iowa line to Arkansas; an organization that will establish its own sales agencies for poultry and dairy products in Chicago and New York, that will have membership on the St. Louis and Kansas City Boards of Trade, and its own or jointly controlled cooperative livestock commission companies at the great controlled cooperative livestock commission companies at the great corn Belt stockyards—that in the years to come will not only save its members and other farmers millions of dollars in the marketing of grain, livestock, poultry, and dairy products, and in the purchase of farm supplies, but whose yearly business activities will exceed those of the largest private corporations in St. Louis or Kansas City; that, with a yearly turn-over in excess of \$60,000,000, will become the biggest business in Missouri." And then he might have added, "And in time this organization will also become the prester influence for sound governmental policies Missouri has greatest influence for sound governmental policies Missouri has ever known.'

Not only would the little group of farmers who were assembled Not only would the little group of farmers who were assembled in the Newcomer schoolhouse 25 years ago tonight have regarded these prophecies of the stranger with amazement, but recovering from their astonishment they would have looked at each other, and said, "Impossible—a fairy tale!" And this illustrates the old saying that "Truth is stranger than fiction." Great events are rarely ever preceded by heralds—when one night back in 1773 a band of patriots disguised as Indians staged the Boston Tea Party, little did they dream that in this protest against taxation without representation they were initiating forces that a few years later would cause tation they were initiating forces that a few years later would cause a great revolution, and that out of that revolution would emerge the greatest Republic civilization had ever known. And so when on the cold morning of February 12, 1809, the word spread among the hill folks of Hardin County, Ky., that there was a new baby boy down at Tom Lincoln's cabin, who would have believed that in the after years this little "hillbilly" would free 3,000,000 slaves, and become the most beloved American?

THE OBJECTIVES OF THE M. F. A.

I know that there is pride in the hearts of the thousands of men and women, and farm boys and girls, who are listening to me tonight up in Missouri—pride in the part you have had in making the Missouri Farmers' Association the great organization that it is, and how I wish that time would permit me to recite the dramatic story of the M. F. A. with its mixture of victories and heartaches. But since my time is limited, all I can do is to impress upon you the things that have made the M. F. A. outstanding among the farm organizations of the Nation—why it is that during the tragic depression years the M. F. A. has grown stronger year after year, while many other farm organizations have given up the ghost. When I formulated the plans for the M. F. A., I had three great objectives in mind, and time has proven that they were sound.

First, I believed that the overwhelming objective of any worthwhile farm organization should be to market the things the men and women, and farm boys and girls, who are listening to me

while farm organization should be to market the things the farmer produces through farmer owned and controlled agencies, farmer produces through farmer owned and controlled agencies, not only to eliminate the middleman's profit, but because if farmers ever expect to have anything to say about what they shall receive for the products of their toil, they must retain control of these products from the farm to our great consuming centers. Undoubtedly the many thousands of carloads of poultry and dairy products which the M. F. A. has marketed in the big Atlantic seaboard cities during the last 20 years have put millions of dollars into the pockets of our members, and other farmers, which they would not have received if these products had been marketed through the old private channels. A private dealer usually exacts as much profit on the farm products he handles when prices are low as when they are high, and therefore when farmers market their own products they not only save the dealer's profit, but they place themselves in position to wield an influence for better prices in the central markets. And so through the for better prices in the central markets. And so through the years our hundreds of elevators and exchanges have likewise years our hundreds of elevators and exchanges have likewise saved our members and other farmers millions of dollars in the purchase of feed, flour, wire, fertilizer, binder twine, automobile tires, and other farm supplies. The M. F. A. has never made war upon private merchants as such—as a practical business proposition, we took the position years ago that farmers should market the products of their toil through their own agencies for the receiver. reasons I have mentioned, and likewise merchandise the leading farm supplies. When farmers can do this business at actual cost, why should they support a dozen or so private dealers in the average rural town?

THE PRICE INFLUENCE OF OUR EXCHANGES

The fact that each year we return to our members hundreds of thousands of dollars in earnings shows that farmers can do their own marketing and make big money in so doing. Here and there

our members complain because a certain exchange isn't paying patronage dividends at the year's end; and while, of course, this is highly desirable, on the other hand, in the more than 300 towns in which we operate exchanges I don't believe that we have an agency that doesn't during a year's time save the surrounding farmers its that doesn't during a year's time save the surrounding farmers its capital stock in compelling a better price on what they have to sell and in a lower price on farm supplies; and in proof, now and then when one of our exchanges closed its doors—and only a very few have closed—and the private dealers once more had things in their own hands, the price of eggs, poultry, and cream immediately went down, while the price of feed and other farm supplies advanced. Meanwhile we haven't an exchange in the State that couldn't pay a good patronage dividend at the year's end if all the farmers within its trade district gave it 100-percent support, and to bring about this kind of a situation within each of our trade districts is the overwhelming appeal I want to make to you tourish. bring about this kind of a situation within each of our trade districts is the overwhelming appeal I want to make to you tonight. Out of my long experience in the farm movement—and I have seen many farm leaders come and go—I want to say to you that, in my opinion, there never has been and there never will be a sounder plan than that of the M. F. A., and the keystone of this plan is that in every community the farmers shall own and operate an agency through which they can market their products, and merchandise the leading farm supplies, and there isn't a farming community in the United States in which, with intelligent management, they cannot do this with substantial profit to themselves; in a State-wide sense, these profits in any State will run into hundreds of thousands of dollars annually, while in a Nation-wide sense they will run into many millions. For 150 years the farmers of this country have made a good living for tens of the farmers of this country have made a good living for tens of thousands of private dealers who marketed the things they produced and who sold them farm supplies, and why should we con-

tinue to do this?

If today there existed an organization like ours in every farming State, not only would the aggregate savings in buying and selling run into many millions of dollars but the higher prices we could compel in our central markets on farm commodities would run into compel in our central markets on farm commodities would run into hundreds of millions of dollars. More than that, with a great organization like the M. F. A. in every State, we would be in position to demand of Congress a farm bill that would assure farm prices in our home markets based on the cost of production, plus a reasonable profit Verily, what a God's blessing it would be to American agriculture if the farmers of other States would build organizations like the M. F. A., and let us hope the time is not far distort when they will. far distant when they will.

TIME TO "FINISH THE JOB"

Meanwhile, we must finish the job we so ably and wisely began 5 years ago, and by this I mean that starting tonight we must nell our coats for a 100-percent membership as near as this is possible in every trade district in which we operate an elevator or exchange. In sending out his first appeal, Mr. Rosier suggested exchange. In sending out his first appeal, Mr. Rosier suggested that on this jubilee night our local leaders and members should be able to report not less than 5,000 new members, but I will be deeply disappointed if you do not report at least 10,000. But the overwhelming appeal I make to you tonight is that during the next week or so you will resolve to see how near you can make our membership 100 percent in each trade district, and since this will place practically all our elevators and exchanges in position to pay a substantial patronage dividend at the year's end, could you possibly put in a few days more profitably? Where we now have an elevator or exchange that is paying its operating expenses with the patronage of 60 percent of the farmers in its trade district, could it not "cut a melon" at the year's end if it had the patronage of 75 or 80 percent of the surrounding farmers?

We have done a magnificent job up to this time, but we haven't

We have done a magnificent job up to this time, but we haven't finished the job—we need to convince the farmers who are outside our association that if it will pay 60% of the farmers of a community to cooperate it will pay 80 or 90% of them much better, and there are thousands of farmers in Missouri who are ready to join the M. F. A. if only we will make this appeal to them face to face. There M. F. A. if only we will make this appeal to them face to face. There are many young farmers just starting on their own to whom we cld members should patiently explain the M. F. A. Because these young men will be the leaders of tomorrow, let's fit them for the job! What we members of the M. F. A. must realize is that our association can become no greater than we make it—that as farmers we are our "brother's keeper," and that in helping them to see the light we will be able to reap a richer reward ourselves. Never have industry and labor been as powerfully organized as they are today, and unless we are willing to take a few days off and bring our neighbors into the fold, have we much right to complain about being the "underdogy"? Therefore I hope that before your meeting our neighbors into the fold, have we much right to complain about being the "underdog"? Therefore I hope that before your meeting ends tonight you will appoint a committee of from three to five good members who, during the next week or so, will resolve to make your trade district as nearly 100 percent as possible, and Mr. Rosier will gladly send you literature to help out. We have built the greatest farm organization in the Nation, but we haven't finished the job—let's resolve to finish it tonight, and thus set an example for the farmers of the entire Nation!

THE M. F. A. AND SOUND GOVERNMENT

My second objective in planning the M. F. A. was to make it a power for good government, and during recent years we have successfully sponsored legislation and constitutional amendments

that have saved farmers and other taxpayers millions of dollars, and which have otherwise initiated sound policies of government. I do them no injustice when I say that during recent years the M. F. A. has been a much greater power for good government in our State than have the great chambers of commerce in St. Louis and Kansas City, and this should fill the hearts of our men and women with pride. Ordinarily the politicians look upon a farm organization with contempt, but this is not true of the M. F. A.—not only do they respect the clear vision of our leaders, but they know that our thousands of members have learned how to reward and punish at the ballot box, and how wonderful it to reward and punish at the ballot box, and how wonderful it would be if in each State farmers had a great organization of this kind. In recent radio addresses I have called attention to the raid which St. Louis and Kansas City are trying to make upon the funds of our rural schools, and, needless to say, we will fight this selfish effort to the last ditch.

A HAPPIER RURAL LIFE

My third objective was that through the M. F. A. we should make rural life more interesting, and in this field the thousands of fine farm women who belong to the W. P. F. A. and the bright boys and girls who belong to the junior farm clubs are making a wonderful contribution. In my opinion, the W. P. F. A. is the finest organization of farm women in the United States, and every farm woman in Missouri should belong to it. One of the crying needs of rural life in America is that we shall put more joy into the lives of our farm women and children and "where crying needs of rural life in America is that we shall put more joy into the lives of our farm women and children, and "where there is a will there is a way." For years our annual conventions have been the largest and most colorful farm gatherings in the Nation, and each year this interest grows. As famous speakers from other States have looked out upon these vast audiences and heard them sing "America" or swing into a beautiful old-time hymn, I have often seen their eyes fill with tears as they gazed upon this beautiful and inspiring spectacle. We must not only make the farmer's toil yield him a decent living, but we must make farm life itself happier.

FARMERS BULWARK OF OUR NATION

Reaching back 200 years or more, the men and women of the farm have been the true bulwark of our mighty Nation, and in this hour when strange foreign isms are being preached within our midst, they are more than ever before the true anchorage of the Republic as the fathers conceived it. When finally the tyranny of Great Britain became intolerable, it was the "embattled farmers" who repropuled to the midnight can of Paul Revers and who on the more Britain became intolerable, it was the "embattled farmers" who responded to the midnight cry of Paul Revere, and who, on the morning of April 19, 1775, fired at Concord Bridge the "shot heard round the world"; and so as on Christmas eve during the bleak winter of 1777, Washington stole out into the stillness of the night at Valley Forge and prayed out of the depths of his great heart that the struggle for liberty might not be in vain, his chief reliance was upon a tattered and half starved army made up almost wholly of farmers, many of whom left their crimson footprints upon the snow, and when finally Lord Cornwallis was compelled to surrender his and when finally Lord Cornwallis was compelled to surrender his sword at Yorktown, it was because of the unconquerable spirit of these lion-hearted farmers who were willing to die, to the end that their children and their children's children might live in a land where they were free to worship God as they wished, and, as free men, work out their common destiny. And so in the after years it was the sons and daughters of these soldiers of the Revolution who built their log cabins farther and farther into the wilderness, and who, braving the treachery of the Indians, and the heartaches and hardships of pioneer life, built deep and strong the foundations of the Republic; and so as the years have passed, the most of our Presidents first saw the light of day in humble farm homes, and this has likewise been true of the most of our great Governors and Senators, and "captains of industry." Had Abraham Lincoln been born in one of our great cities and spent his boyhood amid its grime and roar. I do not believe that he would have become the most beloved American—it was in God's great out-of-doors, and amidst poverty and hardship, that his great heart and mind developed qualities of tenderness and leadership that will make him immortal as long as civilization endures.

OUR CHIEF DANGER FROM WITHIN

In this dread hour, when the centuries-old civilization of Europe seems on the brink of collapse, more than ever before the preservation of constitutional government in the United States depends not upon the millions who are huddled together in our great cities, and who so readily listen to strange doctrines of government, but upon the millions of farm men and women who have never demanded special privileges for themselves, but who ask only that other groups shall do unto them as they would be done by. My fear for the perpetuity of our Republic springs not from by. My fear for the perpetuity of our Republic springs not from the aggression of European dictators who are trampling underfoot the laws of God and humanity, but from enemies from within who are poisoning the minds of our people against our democratic institutions. The millions of the farm believe deeply in the rights of private property, and those other guaranties of the Constitution, which, through the years, have made ours the greatest government in the world. But if our farmers are to remain the bulwark of the Republic in the days to come, then it is high time that Congress assured them of "economic equality," and by this I mean prices for the products of their toil in our home markets that will afford them a decent living, and otherwise their share of human happiness. No class of people can remain self-respecting citizens who are not given an opportunity to own debt-free homes, and to give their children a fair chance in life.

When Roosevelt became a candidate for President in 1932 he promised the farmers of the United States economic equality, but after 6 long years this pledge still remains unredeemed. My voice went out for him over the big radio stations of the Corn Belt both in 1932 and in 1936, and knowing him as I do, I do not doubt his sympathy for the farmer. But there is an old saying that "handsome is as handsome does," and with less than 2 years more to serve, the time has come when there is no time to lose if he ever expects to make good his pledge to the millions of the farm. What expects to make good his pledge to the millions of the farm. What our farmers want is not shots in the arm out of the Federal Treasury under the guise of soil conservation and crop loans but fair ury under the guise of soil conservation and crop loans but fair prices in our home markets—and if the workers in our cities are entitled to an American living standard, are not the farmer and his wife and children entitled to such a standard also? In a conference with the President last spring, I told him that in my opinion there was not the slightest chance to get the idle millions in the cities back to work except through the vigorously restored buying power of our farmers, for this alone can start our mills and factories to roaring. I am willing to let the future decide whether this view is sound or not.

Under the Wallace farm policies, the promise of economic equality for the farmer has become a ghastly farce—yea, under these policies

for the wallace farm policies, the promise of economic equality for the farmer has become a ghastly farce—yea, under these policies our farmers are more and more being told what they may or may not do, and what does this mean? It means the "nationalization" of American agriculture at the hands of the most arrogant and power-American agriculture at the hands of the most arrogant and powerful bureaucracy the Nation's capital has ever known, and will the farmers of this country much longer submit to such dictation? In my opinion, if they do, then they are unworthy descendants of the lion-hearted farmers of the yesterdays who made the Republic possible, and out of whose sweat in bygone years has come the lion's share of our Nation's wealth. Therefore, in this fateful hour we must give increased power to the M. F. A.—let us make this jubilee night a new milepost in the history of our great association, and in closing let me plead with the formers of other States who are listen. closing, let me plead with the farmers of other States who are listening in that they follow in our footsteps. I have made the long trip down here to get access to a radio station powerful enough to reach the thousands who are celebrating jubilee night back in my beloved Missouri. I hope my long pilgrimage has not been in vain, and now I bid you Godspeed and good night.

Values of Exports and Imports of Agricultural Products

EXTENSION OF REMARKS

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 24, 1939

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tables:

Agricultural exports, 3 months ended March 1938 and 1939 [Value of United States exports of agricultural products]

	3 months en	Decrease (-),		
Agricultural products	1938	1939	increase (+)	
Total agricultural exports	\$233, 686, 000	\$160, 312, 000	-\$73, 374, 000	
Cotton, unmanufactured	78, 909, 000	45, 665, 000	-33, 244, 000	
Tobacco, unmanufactured	36, 936, 000	28, 340, 000	-8,596,000	
Foodstuffs (total)	111, 380, 000	80, 806, 000	-30, 574, 000	
Wheat	27, 406, 000	16, 630, 000	-10, 776, 000	
Corn	27, 491, 000	8, 357, 000	-19, 234, 000	
Wheat flour	6, 189, 000	5, 381, 000	-808,000	
Oilcake and meal	3, 036, 000	2, 360, 000	-676,000	
Vegetables and preparations of Fruits:	3, 249, 000	3, 216, 000	-33,000	
Frach	8, 985, 000	10, 591, 000	+1,606,000	
Dried and evaporated	4, 577, 000	4, 570, 000	-7,000	
Canned	5, 483, 000	5, 401, 000	-82,000	
	6, 665, 000	7, 413, 000	+748,000	
Meat products	5, 037, 000	5, 772, 000	+735,000	
Dairy products (except fresh milk).	1, 252, 000	1, 378, 000	+126,000	
Other foodstuffs	11, 910, 000	9, 737, 000	-2, 173, 000	
Other agricultural products	6, 461, 000	5, 501, 000	-960,000	

Source: U. S. Department of Commerce figures.

Farm imports, 3 months ended March 1938 and 1939

Import item	3 month Mar	In- crease (+), de-		
	1938	1939	crease (-)	
Cattlehead_	89,000	274, 000	+	
Cheesepounds_	11, 231, 000	13, 220, 000	+	
Wheat for milling and exportbushels	83, 000	2, 595, 000	+	
Wheat byproduct feedstons	5, 000	69,000	+	
Flaxseedbushels_	4, 719, 000	6, 391, 000	# #	
Wool and mohairpounds_	11, 881, 000	64, 667, 000	+	
Hides and skins do	32, 426, 000	90, 226, 000	+	
Tobacco, unmanufactured do Cotton, unmanufactured do	17, 719, 000	17, 904, 000	‡	
Cotton, unmanufactureddo	22, 452, 000	21, 628, 000	1	
Molasses (inedible)gallons	45, 685, 000	46, 187, 000	+	
Eggs in shell dozens Potatoes, white or Irish pounds	52, 000	103,000	#	
Potatoes, white or Irishpounds	23, 789, 000	37, 357, 000	+	
Cottonseed oildo	7, 411, 000	16, 424, 000	+	
Cottonseed cake and mealdo	1, 036, 000	5, 032, 000		
Maple sugar and sirupdo	159,000	2, 187, 000	1 +	
Tapiocado	71, 124, 000	98, 349, 000	1	
Haytons	9,000	14, 000	1	
Canned beefpounds.	12, 175, 000	13, 196, 000	+	
Hams, bacon, etcdo	10, 899, 000	11, 562, 000 23, 563	1	
Silver fox fur skinsnumber_	6, 712		1	
Tomatoes, cannedpounds Pineapples, prepared or preserveddo	12, 282, 000	18, 522, 000 8, 090, 000		
Apples, freshbushels_	1, 355, 000	20, 733	+++++++	
Peanuts pounds	404,000	1, 223, 000	I	
Cashew nutsdo	6, 059, 000	7, 119, 000	100	
Potato starch do do	1, 030, 000	3, 161, 000		

Source: U. S. Department of Commerce figures.

A Double Check on War—How My War Referendum Resolution Would Operate to Keep America Out of Foreign Wars

EXTENSION OF REMARKS

HON. LOUIS LUDLOW

OF INDIANA IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

Mr. LUDLOW. Mr. Speaker, in asking the indulgence of the House my purpose is to explain to the Congress and the country how my Joint Resolution No. 89, providing for a referendum to the people on participation in foreign wars, would act as a double check on war and thus would greatly reduce the danger of America becoming involved in any foreign conflicts.

How often have we heard misinformed persons say:

"I am opposed to the Ludlow resolution because I believe the people would be more likely to be swept off their feet and rush into war than Congress would be."

Those who make this statement fail to understand the mechanism of House Joint Resolution No. 89, and have an entirely erroneous idea as to how it would operate.

In fact, it provides a double check on war.

Let us read the text of the resolution. It is as follows:

Except in case of invasion by armed forces, actual or immediately threatened by an approaching military expedition, or attack upon the United States or its Territorial possessions, or by any non-American nation against any country in the Western Hemisphere, the people shall have the sole power by a national referendum to declare war or to engage in warfare overseas. Congress, when it deems a national crisis to exist in conformance with this article, shall by concurrent resolution refer the question to the people.

Let us imagine that this proposed amendment is a part of the Constitution, and that an acute international situation involving the United States arises.

The first step toward a declaration of war by the United States would have to be taken by the Congress at Washington.

The people of America could not be "swept off their feet" into making a declaration of war until the Congress is first swept off its feet.

Action by Congress is the first check in a double check that is admirably designed to keep America out of war.

Unless Congress by concurrent resolution refers the question to the people there will never be a popular referendum, and under this proposed constitutional amendment no power on earth could compel the Congress to adopt a concurrent resolution calling for a popular referendum. Congress alone is to be the judge of when the time has come to submit the question to the people. If critics of my resolution are right in assuming that Congress is more stable and dependable and less likely to be swept off its feet than the people—an argument with which I do not agree—then they have nothing to fear from my resolution, for under it Congress has to act before the people can act.

My resolution only goes to the point of determining that if there is to be a decision on proposals to send our boys overseas to fight and die in wars of alien origin, the decision shall be by the great national jury of all the people, with women having equal voting rights with men. It simply means that this most important, most serious, and most tragic of all decisions would be made in the privacy of the ballot booths, each person alone with his Maker. In this way we would have the composite verdict of the judgment and conscience of the American people, which is the only way a question of such transcendent importance should be decided. Under this plan the people who have to do the dying and the suffering and to bear the unspeakable burdens and costs and woes and griefs of war would have the right to say whether America shall enter a nondefensive war in some far-away country outside of the Western Hemisphere.

To recapitulate, my resolution establishes a double check on war. The Nation cannot be swept off its feet until Congress is first swept off its feet. It is perfectly designed to bring the conservative, peaceful elements both in Congress and the country to bear against the efforts of war mongers to plunge America into war, for it provides a double negation on their activities.

The deluge of letters coming to me from all of the States convinces me that nine-tenths of the American people are in favor of my resolution and would like to see it adopted at the present session of Congress. The railroad brotherhoods, a million strong, have come out for it, and the great army of farmers belonging to the Farmers' Union has declared for it. The Church of the Disciples of Christ, with its millions of communicants, has declared for it. A page of the Congressional Record would not suffice to present the names of the organizations and key officials and individuals that have gone on record for it.

I have filed at the Speaker's desk a discharge petition, known as Discharge Petition No. 4, to bring this resolution out of committee for debate and a vote, and all Members of the House who endorse the proposal for this double check on war, and those who think that a proposal that holds the heart interest of so many millions of people at least is entitled to fair consideration and a record vote instead of death by strangulation in committee, are invited to sign this petition.

New Deal Tax Policies

EXTENSION OF REMARKS

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 24, 1939

Mr. THOMAS F. FORD. Mr. Speaker, it seems to me to be entirely fitting at this time to place in the Record some figures that must befuddle and surely belie the extravagant

statements being made by the minority and their big business cohorts as to the repressive effects of New Deal tax policies on industry generally.

I want at this point to refer to the remarks of my distinguished colleague from Michigan [Mr. Mapes] on page 2174 of the Appendix to the RECORD.

My good and distinguished colleague presents, what purports to be, a constructive program of the G. O. P.

A distinguished member of my colleague's party once referred to the Declaration of Independence as a mass of "glittering generalities."

I most respectfully ask permission to apply that characterization to my distinguished colleague's [Mr. Mapes] speech.

In presenting his so-called "constructive program," he says in proposal No. (3) "Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small."

In No. (4) he proposes to "revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery."

Now, just in the interest of facts, let us analyze those two "glittering generalities":

Industry, according to my good friend, Mr. Mapes, is suffering from the "repressive tax" on corporate earnings. Interesting and calamitous, if true.

Let us take a casual squint at the record. I am sure it will help us. Robert P. Vanderpoel, financial editor of the Chicago Evening American, for May 6, 1939, has this to say:

Industry, as represented by the first 260 representative corporations to report, earned a return on its net worth equivalent to an annual rate of 7.9 percent during the first quarter of this year. These figures are supplied by the National City Bank of New York.

The 260 corporations, having a net worth as of January 1, 1939, of \$9,880,681,000, had net profits, after all charges, including depreciation, interest, and reserves and after all taxes, of \$195,112,000.

The return on net worth of 7.9 percent contrasts with a return by these same corporations during the first quarter of last year

of 3.3 percent.

ALL GROUPS IN BLACK

The corporations are divided into 21 groups, all of which oper-

The corporations are divided into 21 groups, all of which operated on a profitable basis this year. A year ago 5 reported deficits. The best showing in the first quarter of this year was made by the General Motors Corporation (because of its size it is placed in a group by itself), which earned at an annual rate of 20.7 percent on its net worth. Other automobile manufacturers were not far behind. Seven concerns in this classification (Ford not being the beauty apparent when the property was returned by the profit of the profit o included because quarterly reports are not made public) earned 20.1 percent on net worth.

The next best showing was made by corporations in the metal business, manufacturing hardware, etc., with earnings equivalent to 16 percent on net worth. Manufacturers of miscellaneous products earned at a rate of 13.6 percent.

DRUG NET 12.6 PERCENT

Concerns in the chemical and drug business followed, with 12.6

concerns in the chemical and drug business followed, with 12.6 percent. Manufacturers of motor-vehicle parts earned 11.4 Corporations engaged in producing food products earned 11 percent. The poorest showing was made by the United States Steel Corporation, also given a classification of its own and reporting only 0.2 percent earned on its net worth. Other iron and steel producers earned at a rate of 2.7 percent. Railway equipment makers earned only 2.3 percent.

An examination of these figures makes it plainly evident not only that profitable opportunities for the investment of capital existed during this period but that such opportunities were exceptionally great.

AVERAGE EARNINGS

It must be remembered that these are average earnings. They include the returns of poorly as well as efficiently managed corporations, of industries that were having unusual difficulties, such as railway equipment, and that they were after all charges, including all those terrific business taxes of which everyone has heard so much.

In other words, representative industry, at a time when idle capital was of record-breaking proportions and the idle labor supply was enormous, earned an average return on invested capital at an annual rate of 7.9 percent.

The figures offer a challenge to economists, to business leaders, and Government officials. Certainly their significance is understood by few. This might be forgiven, because it is recognized that we are a nation of economic illiterates. but it seems to us that we cannot be forgiven for failure to study the matter and attempt to arrive at some sort of sound conclusions.

RECORD PROSPERITY

It should be recalled that this 7.9 percent return-which, incidentally, is for industry and does not include the railroads, making a very unsatisfactory showing: the utilities. where the showing is moderately satisfactory; trade, experiencing difficulties; mining, where profits are unsatisfactory in respect to coal and good elsewhere; or amusements earning a very good average return-follows a profit of 4.4 percent in the recession year, 1938, 10.5 percent in 1937, and 10.1 percent in 1936.

In short, industry has been experiencing almost unparalleled prosperity over this period when the complaints from industry have been the greatest in the Nation's history.

It occurs to me, that my distinguished friend from Michigan has not in reality given the matter much study. If he had, I am sure he would have found that industry, as a whole, is much more prosperous, if earnings on net worth is considered, than it has been for many years.

Facts are stubborn things. I hope that my distinguished friend and his colleagues, all members of the "crepe hanging brigade" will get busy and look a few facts in the face, in spite of the fact that that face may wear a broad grin because of their naïveté and, to quote the editor of the Chicago Evening News, their economic illiteracy.

Failure of the Wallace Agriculture Policy

EXTENSION OF REMARKS

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, May 23, 1939

Mr. JENKINS of Ohio. Mr. Speaker, under permission to extend my remarks, I wish to state that there has come to my hands a letter from a very prominent farmer in my State who complains bitterly against the Wallace program as it deals with agriculture. He says that the good farmers who heretofore have been keeping a proper proportion of their fields in grasses have been penalized. Citing his own case, he says that before the Wallace allotment program he had a very large percentage of his farm in grass while his neighbor had a very small percentage. In the allottment program his neighbor, who was a poor farmer according to the new standards, was given a greater allowance than he was. In other words, his having been a good farmer was a detriment while if he had been a poor farmer he would have been much better off as far as allottments are concerned. He maintains that the whole program lowers the moral courage of the farmer and makes them poorer and poorer in the long run.

I note by newspaper clippings that the Ohio State University, together with the three soil-conservation nurseries in Ohio, Indiana, and Kentucky, has been using hundreds of tons of tobacco as fertilizer. It is claimed that this tobacco had been taken out of the market under the New Deal policies and that-

Tobacco worth many thousands of dollars and purchased by the A. A. A. is turned into fertilizer which brings only \$1,440.

Another newspaper which illustrates the gigantic program graphically by pictures comments and says:

Use of low-grade surplus tobacco as fertilizer is in line with the policy of the Federal Surplus Commodities Corporation of developing new uses for surplus commodities. Up to this time the large quantities of tobacco purchased to sustain the price to growers has been reduced to nicotine extract and used to kill insects. About 3,000,000 pounds of the 11,000,000 pounds of the 1938 crop bought by the Commodities Corporation is being used for fertilizer experiments.

The agricultural program has broken down from nearly every angle.

Public Indebtedness

EXTENSION OF REMARKS

HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 24, 1939

Mr. COLE of New York. Mr. Speaker, National Debt Week, now being fostered by the Republican Party, is not a period of celebration, it is not a gala event, but rather a time of mourning in which the attention of an unmindful public is directed to the alarming condition of the fiscal affairs of this Nation. It is to hang a crepe of the blackest hue over the doorway of the Treasury Building in Washington.

After 9 years of unbalanced Budgets, average annual deficits of two and one-half billion dollars, and a national debt of over forty-one billions it is, indeed, a cause for mourning to hear President Roosevelt ridicule those who are concerned over the financial stability of our country. He offers no hope that in the near future we may be able to match our revenues and our expenses. In a flippant vein, he infers that debt is a wholesome thing for a nation because through interest on it an income for our people is assured. How quickly he forgets the plight of the lower third of our people about whom he has continued to prate with his New Deal assurances; he now abandons those who will inevitably be forced to pay that vast amount of interest to the fractional part of the upper third of our people who own the bonds, whom he has consistently continued to berate.

The strange position which the President has suddenly taken is no better explained than by the following editorial which appears in this morning's issue of the Washington

GAMBLING ON A HUNCH

With increasing frequency, as his efforts to solve basic economic problems have proved futile, President Roosevelt has resorted in his speeches to a rather shopworn oratorical device. He seeks to turn the tables on his critics by accusing them of the very faults or failings which are attributed to him. When it will stand up under analysis such a counter attack is very effective. But when neither logic nor reason nor common sense are in support, the impression, once the magnetism of the speaker has evaporated, is not happy.

impression, once the magnetism of the speaker has evaporated, is not happy.

Mr. Roosevelt's speech to the forum of the American Retail Federation on Monday night is a case in point. Because pump-priming is so clearly a dubious experiment the President retorts that those who criticize it are "gambling on a hunch." Because there is increasing anxiety about continuous deficit financing Mr. Roosevelt denounces those who are perturbed as "wild-eyed radicals," "New dealers," he says, "are the conservatives because we simply cannot bring ourselves to take radical chances with other people's property and other people's lives."

In a sense the President is justified in calling his deficit-financing policy "conservative." It is conservative to the extent that it has been used since time immemorial by governments without the wisdom, ingenuity or courage to face their problems squarely. It is certainly not radical, if radical is used in its true meaning of a policy designed to grapple with the roots of a

problem. Indeed reactionary is the most accurate term for Mr. Roosevelt's attitude toward the soaring national debt. The dislike of confronting an annoying catastrophe is as old as Nero or Nebuchadnezzar, who in their place and time could also find good alibis for indifference to fiscal difficulties.

Unfortunately for the President's argument, it is all too easy to show that he himself is the one who is playing a speculative hunch "in the hope that in some mysterious way a miracle will occur." The miracle which he seeks is a stable national income of at least eighty billions, and his "speculative hunch" is the anticipation that with this achieved, "present taxes will be sufficient to meet expenditures on the present scale."

expenditures on the present scale."

Such rosy anticipation is an old, old story, relied upon by millions of men; by thousands of companies, by scores of governments—all of them now swept by disaster from the stage. And all this oft-repeated tragedy roots in the inability to see that there comes a time, in the evolution of a man, an institution, or a nation when the mounting accumulation of debt is not merely hypothetically dangerous but inevitably disastrous.

In the case of the individual this time can be defined with some

hypothetically dangerous but inevitably disastrous.

In the case of the individual this time can be defined with some precision. Debt for constructive purposes may be incurred with equanimity as long as there is good prospect of a rising personal income. But the man whose expenditure habitually exceeds his revenue when his income has reached its maximum is rightly regarded by his fellows as a spendthrift fool.

Different only in kind is the case of the business which steadily increases its debt at a time when the industry of which it is a part confronts a period of stationary or diminishing returns. Like President Roosevelt, many an American railroad management has argued in the past that given a larger income it could readily meet increased obligations out of current revenues. But now we all know that the railroads as a whole are no longer an expanding all know that the railroads as a whole are no longer an expanding industry.

industry.

In similar manner the President lightheartedly assumes that the United States is still an expanding Nation. This assumption, in view of the known facts, is more optimistic than convincing. Our population curve has flattened out; our birth rate is low; our immigration is sharply curtailed and seemingly will continue to be so. Nor is there, in any other field of measurement, any reliable indication of the steady upward trend which would justify a mounting debt on the strength of future prospects.

So President Roosevelt throws a boomerang when he indicts those who are gambling "on nothing more than their personal hunch." It is his personal hunch that somehow by deficit financing we may achieve an annual national income of eighty billions.

nunch." It is his personal nunch that somehow by dencit mancing we may achieve an annual national income of eighty billions. Perhaps, if that hunch proves valid, "income from present taxes will be sufficient to meet expenditures on the present scale." But the "if" is big. And nothing the administration is doing serves to keep it from growing on the horizon.

Those of us whom the President now calls the radicals, those who seek to attain the same objective as he in the improvement of the lot of the vast majority of the people know that the only way the people can have more of the comforts of life is to have an abundance of those things that they want. Only by the production of wealth can a nation be prosperous. We further know that not a cent of money spent by government, with the possible exception of the T. V. A. experiments, ever goes to the production of wealth or for the permanent employment of our people. Money taken from business in the form of taxes means only that there is that much less that business has to use for the production of greater wealth. Only by the production of wealth can the people be permanently employed. Only by permanent employment can they have the security which is the common goal of us all.

In connection with National Debt Week I desire to call to the attention of the people of the Thirty-seventh District of the State of New York who have sent me here to represent their interests, just what the national, State, county, and local debts mean to them. For several weeks I have been preparing the following tables which show the per capita share of all public indebtedness of each person in each town, city, and village of the district. To me it has been a revelation to discover that in many instances its share of the public debt is greater than the assessed valuation of the property in the town. In most instances, half of the value of the real property, from which all wealth springs, is pledged to payment of the public debt.

It is not too late to avert the impending disaster of inflation. Assaults on the Public Treasury must stop.

APPENDIX TO THE CONGRESSIONAL RECORD

CHEMUNG COUNTY

Locality	Popula- tion 1930	Per capita share, na- tional debt	Per capita share, State debt	Per capita share, county debt (1937)	Bonded and temporary debt, includ- ing school (1937)	Per capita share, town debt	Aggregate public debt	Equalized assessed val- uation, real property (1937)	Percent prop- erty encum- bered by pub- lic debt	Gross public debt per
Chemung County	74, 680	\$25, 017, 800	\$3, 958, 040	\$50,000	1 (0)	\$3, 735, 721	\$32, 761, 561	\$67, 563, 639	0.48	\$438
Ashland Wellsburg. Baldwin Big Flats. Catlin Chemung Elmira, city. Elmira, town. Elmira Heights. Erin Horseheads Horseheads Village Southport. Van Etten Van Etten Village. Veteran Millport Village.	948 581 483 1, 679 670 1, 285 47, 397 5, 061 774 8, 420 2, 430 5, 421 1, 004 370 1, 515 389	317, 580 194, 635 161, 805 562, 465 224, 450 430, 475 15, 877, 995 1, 703, 140 1, 695, 435 259, 290 814, 050 1, 816, 035 336, 340 123, 950 507, 525 130, 315	50, 244 30, 793 25, 599 88, 987 35, 510 68, 105 2, 512, 041 269, 452 268, 233 41, 022 446, 260 128, 790 287, 313 53, 212 19, 610 80, 295 20, 617	663 406 238 1, 174 469 899 31, 177 3, 558 3, 542 541 1, 701 3, 794 702 250 1, 060 272	\$31, 500 9, 500 600 8, 975 7, 335 20, 765 2, 920, 400 72, 000 4, 282 455, 000 167, 900 4, 500	19, 173 70, 854 131, 224 16, 650 8, 169	399, 987 254, 507 188, 242 661, 601 267, 764 21, 341, 613 2, 048, 150 2, 039, 064 305, 115 3, 728, 064 1, 075, 765 2, 275, 042 394, 754 160, 460 621, 353 159, 373	653, 725 250, 724 145, 220 1, 199, 539 325, 750 1, 200, 226 47, 589, 789 5, 504, 50 7, 298, 496 339, 804 5, 564, 659 1, 818, 943 5, 654, 659 1, 219, 360 219, 360 756, 992 100, 697	.61 1.01 1.29 .55 .81 .40 .44 .38 .27 .89 .67 .59 .62 .73 .82 .73 .73 .74 .74 .75 .75 .75 .75 .75 .75 .75 .75 .75 .75	421 433 388 399 409 405 402 399 442 441 419 393 430 400
			SCHU	YLER COUNTY		A STATE OF THE STA		MONTH A		
Schuyler County		\$4, 324, 515	\$684, 177	\$816, 512		\$778, 626	\$6,603,831	\$13, 053, 544	0.50	\$511
Catherine_Odessa Village. Cayuta_Dix_ Watkins Glen_Hector_Burdett Village_Montour_Mentour Falls Village_Orange_Reading_Tyrone.	310 1,868 1,482 812 1,257	394, 295 126, 965 86, 430 1, 200, 305 990, 260 972, 840 103, 850 625, 780 496, 470 272, 020 421, 095 351, 750	62, 381 20, 087 13, 674 189, 899 153, 668 153, 912 16, 430 99, 004 78, 546 43, 036 66, 621 55, 650	72, 974 23, 498 15, 996 222, 146 183, 272 180, 048 19, 220 114, 616 91, 884 50, 344 77, 934 65, 100	\$224, 125 2, 000 7, 668 247, 500 117, 128 27, 912 2, 000 40, 647 86, 504 7, 957 11, 101 4, 084	68, 599 206, 920 2, 790 31, 122	753, 775 241, 149 123, 768 1, 859, 850 1, 651, 248 1, 334, 712 144, 290 880, 047 784, 526 373, 357 576, 751 476, 584	1, 017, 580 292, 595 629, 404 3, 476, 921 4, 584, 201 2, 647, 705 199, 350 2, 032, 635 1, 459, 487 381, 113 1, 865, 865 1, 002, 303	.74 .82 .19 .53 .36 .50 .73 .43 .51 .98 .30 .47	644 634 477 511 555 45 46 47 52 45 45
The man with the street Toy		and the second	STE	UREN COUNTY	Per milit n	iteather play	and the	3 700	1 117	Total III
Steuben County	Co. Co.	\$27, 694, 785	\$4, 381, 563	\$1,038,000		\$4, 655, 365	\$37, 769, 713	\$60, 757, 685	-	\$45
Addison Village Avoca Avoca Village Bath Bath Village Savona Bradford Cameron Campbell Canisteo Canisteo Village Caton Cohocton Cohocton Village Corning, city Corning, town Riverside Village South Corning Village Dansville Erwin Painted Post Village Fremont Greenwood Hartsville Hornell, city Hornellsville Arkport North Hornell Howard Jasper Lindley Prattsburg P	1, 788 940 940 7, 843 4, 015 545 567 704 1, 253 3, 391 2, 548 860 15, 777 714 995 3, 518 2, 328 4, 016 3, 518 2, 328 4, 016 16, 250 4, 520 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 16, 250 17, 24, 21 18, 24, 24 18, 24 18, 24, 24 18, 24	661, 625 515, 230 598, 980 314, 900 2, 627, 405 1, 345, 025 182, 575 169, 845 235, 840 423, 106 1, 135, 985 863, 580 288, 100 5, 285, 295 1, 003, 995 224, 785 239, 190 333, 325 1, 178, 530 779, 880 233, 496 324, 280 157, 450 329, 190 330, 310 316, 575 443, 750 330, 310 316, 575 476, 035 232, 285 239, 305 232, 825 231, 178, 640 281, 665 202, 805 210, 172, 800 210, 180 21	104, 675 81, 514 94, 674 49, 820 415, 679 212, 795 28, 885 26, 871 37, 312 66, 939 179, 723 135, 044 48, 495 51, 33, 355 45, 587 836, 181 158, 841 35, 563 37, 842 52, 735 186, 454 123, 384 36, 941 51, 304 24, 910 36, 199 861, 250 132, 765 30, 475 23, 956 54, 996 52, 288 50, 685 75, 313 30, 942 52, 099 36, 835 \$59, 572 44, 467 111, 724 56, 339 162, 763 96, 142 27, 348 37, 895 35, 851	23, 700 18, 456 21, 456 11, 280 94, 116 48, 180 6, 540 6, 084 8, 448 15, 156 40, 692 30, 576 10, 980 30, 192 10, 320 189, 324 35, 964 8, 052 8, 568 11, 940 42, 216 27, 936 8, 364 11, 1616 5, 640 8, 196 195, 000 30, 000 5, 424 11, 832 11, 340 17, 052 7, 708 11, 786 8, 340 87, 732 13, 488 10, 068 25, 296 12, 768 8, 55, 296 12, 766 8, 552 21, 768 6, 192 8, 580 8, 124 13, 812 3, 480	4, 570 787 \$590 100, 410 1, 241 179, 582 35, 000 137, 867	214, 836 17, 860 76, 085 10, 355 4, 000 26, 660 20, 130 21, 420 162, 960 37, 950 29, 832 68, 912 \$90, 355 81, 630	1, 034, 170 847, 536 750, 184 421, 800 3, 287, 722 1, 967, 685 228, 355 319, 040 283, 134 697, 549 1, 832, 130 378, 345 1, 136, 876 375, 677 7, 985, 800 1, 201, 285 285, 530 1, 180, 090 282, 312 493, 480 193, 880 277, 190 7, 486, 000 1, 198, 145 272, 250 210, 632 241, 222 478, 400 785, 502 210, 632 227, 787 278, 787 278, 787 278, 787 278, 787 278, 887, 770 386, 841 1, 022, 782 555, 510, 036, 641 1, 102, 782 555, 510, 036, 641 1, 102, 782 555, 1, 366, 267 881, 630 206, 900 206, 900 206, 900 2128, 470	578, 154 605, 323	62 684 844 1.23 533 658 658 658 682 683 683 683 683 683 683 683 683 683 683	\$40 48 40 48 51 44 48 40 40 40

TIOGA COUNTY

Locality	Popula- tion 1930	Per capita share, na- tional debt	Per capita share, State debt	Per capita share, county debt (1937)	Bonded and temporary debt, includ- ing school (1937)	Per capita share, town debt	Aggregate public debt	Equalized assessed val- uation, real property (1937)	Percent prop- erty encum- bered by pub- lic debt	Gross public debt per capita
Tioga County	25, 480	\$8, 535, 800	\$1, 350, 440	\$75,000		\$1, 104, 766	\$11, 066, 006	\$28, 679, 632	0.38	\$434
Barton Waverly Perkshire. Candor Candor Village Newark Valley Newark Valley Village Nichols Nichols Nichols Village Owego Owego Owego Village Richford Spencer Spencer Village Tioga	2, 504 669 1, 843 795 1, 407 533 7, 804 4, 742 805 1, 480 628	2, 418, 365 1, 896, 770 258, 285 858, 940 224, 115 617, 405 266, 325 471, 345 178, 555 2, 614, 340 1, 588, 570 269, 675 495, 800 210, 380 531, 645	382, 607 300, 086 40, 863 135, 892 35, 457 97, 679 42, 135 74, 571 28, 249 413, 612 251, 326 42, 665 78, 440 33, 284 84, 111	21, 657 16, 986 2, 313 7, 692 2, 007 5, 529 2, 385 4, 221 1, 599 23, 412 14, 226 2, 415 4, 440 1, 884 4, 761	\$118, 538 74, 700 7, 460 54, 466 318, 745 5, 582 227, 632 161, 440 9, 985 104, 887 8, 991 12, 290	\$0, 592 14, 049 136, 535 2, 132 137, 518	2, 941, 217 2, 379, 134 308, 921 1, 056, 955 275, 628 1, 039, 353 447, 380 555, 711 210, 535 3, 278, 996 2, 153, 080 324, 740 683, 567 298, 539 632, 807	8, 544, 965 4, 143, 822 615, 313 2, 343, 175 619, 108 1, 675, 635 802, 601 2, 118, 697 608, 321 9, 790, 314 6, 165, 033 495, 067 1, 262, 599 522, 725 1, 863, 897	.34 .57 .50 .45 .44 .62 .55 .26 .34 .33 .34 .65 .54 .57	407 420 399 412 412 563 562 394 420 454 403 461 473 398
			TOMPK	INS COUNTY		MITTER				712-20
Tompkins County	41, 490	\$13, 899, 150	\$2, 198, 970	\$566,000		\$2, 712, 563	\$19, 376, 683	\$63, 027, 677	0.30	\$467
Caroline Danby Dryden Dryden Dryden Village Freeville Enfield Groton Groton Village Ithaca, city Ithaca, town Cayuga Heights Village Lansing Newfield Ulysses. Trumansburg Village	3, 789 2, 004 20, 708 2, 943 507 2, 720 1, 451	541, 695 471, 345 1, 183, 890 223, 110 125, 290 314, 565 1, 269, 315 671, 340 6, 937, 180 985, 905 160, 845 911, 200 486, 085 797, 970 360, 795	85, 701 74, 571 187, 302 35, 298 19, 822 49, 767 200, 817 106, 212 1, 097, 524 155, 979 26, 871 144, 160 76, 903 126, 246 57, 081	21, 021 18, 291 45, 942 8, 658 4, 862 12, 207 49, 257 26, 052 269, 204 38, 259 6, 591 35, 390 18, 863 30, 966 14, 000	\$5, 168 4, 528 247, 474 500 8, 640 203, 300 77, 823 1, 786, 000 58, 500 30, 250 109, 695 2, 300 176, 385	46, 620 26, 180 106, 212 12, 633 79, 698	653, 585 568, 735 1, 664, 608 314, 186 176, 154 285, 179 1, 722, 689 987, 639 10, 089, 908 1, 238, 143 246, 190 1, 200, 415 584, 161 1, 131, 567 511, 574	933, 270 1, 011, 793 3, 449, 978 645, 842 313, 732 654, 120 3, 405, 422 1, 959, 671, 439 6, 657, 650 3, 216, 992 1, 158, 637 2, 838, 788 1, 032, 846	.70 .54 .48 .48 .56 .58 .50 .25 .18 .09 .36 .50 .40	404 404 471 471 471 410 454 492 487 420 485 441 402 475 474
			RECA	PITULATION						
County		Popula- tion, 1930	Per capita share, na- tional debt	Per capita share, State debt	Per capita share, county debt (1937)	Per capita share, town debt	Aggregate public debt	Equalized assessed valuation, real property (1937)	Percent property encumbered by public debt	Gross public debt per capita
Chemung Schuyler Steuben Tioga Tompkins		12, 909 82, 671	\$25, 017, 800 4, 324, 515 27, 694, 785 8, 535, 800 13, 899, 150	\$3, 958, 040 684, 177 4, 381, 563 1, 350, 440 2, 198, 970	\$50,000 816,512 1,038,000 75,000 566,000	\$3, 735, 721 778, 626 4, 655, 365 1, 104, 766 2, 712, 563	\$32, 761, 561 6, 603, 831 37, 769, 713 11, 066, 006 19, 376, 683	\$67, 563, 639 13, 053, 544 60, 757, 685 28, 679, 632 63, 027, 677	0. 48 . 50 . 62 . 38 . 30	\$438 511 456 434 467
Total		237, 230	79, 472, 050	12, 573, 190	2, 545, 512	12, 987, 021	107, 577, 794	233, 082, 177	. 46	461

Archbishop Spellman Arrives

EXTENSION OF REMARKS

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, May 24, 1939

ADDRESS BY MOST REV. FRANCIS J. SPELLMAN, D. D., ARCH-BISHOP OF NEW YORK

Mr. MICHAEL J. KENNEDY. Mr. Speaker, the people of the archdiocese of New York are most fortunate and exceptionally blessed to have received as their new shepherd His Excellency the Most Reverend Francis J. Spellman, D. D., to succeed their beloved and late lamented Cardinal Patrick J. Hayes. The largest and wealthiest diocese in the world requires a man of extreme piety, acumen, and unusual stamina, both physical and mental, supplemented by vision and native common sense, for his task is an enormous one. His

duties comprise the supervision and guidance of thousands of Catholics, as well as the greatest parochial school system in the world. A recent demonstration upon the occasion of the St. Patrick's Day parade in New York City gave evidence of this fact and revealed to the world the fine, upstanding products of our Catholic schools and colleges.

Never in the history of our time has there been a more growing need for molding good citizens in world affairs. Archbishop Spellman is charged with the responsibility of this task, and I feel that His Holiness displayed rare vision in his selection of His Excellency Francis J. Spellman to don the cloak of the archbishopric of New York to preach peace, good will, and good neighborliness to mankind. It is only by being good neighbors that we may expect to give and receive happiness, peace, and contentment. I know that the 1,000,000 Catholics of this archdiocese are proud and happy in their anxiety to cooperate with their new shepherd, whose brilliance of intellect, piety, and understanding attest to his fitness for the signal honor that has been conferred upon him.

Under leave to extend my remarks in the Record, I wish to include therein the text of the address which His Excellency Most Reverend Francis J. Spellman made following his

installation as archbishop of New York at St. Patrick's Cathedral on Tuesday, May 23, as follows:

Your Excellency, the Apostolic Delegate of Our Holy Father, Pope Pius XII; Brother Bishops, Brother Priests, Brothers and Sisters in Christ, My Dear Brethren, a traveler in search of a temple enshrining the beauty and majesty of religion may stand within this cathedral and be satisfied that he has found an answer to his quest. The grandeur of this holy place has lifted up the lowly and taught humility to the mighty. At its portals the world seems left behind and every advancing step brings heaven nearer and deepens the scull's union with distinct soul's union with divinity.

soul's union with divinity.

As a child I was brought here by my father and mother. As a youthful student in this city, often did I come here to pray, and never did I come without feeling renewed in the life of the spirit. On the altar in the Lady Chapel of this cathedral on July 16, 1916, I offered my first mass in America. Today I have walked the long aisle and approached the altar not as a young man come to commune awhile with God and then to depart fortified with new-found grace to meet the problems of youth and of scholastic tasks but I have come in my mature years to stay, to stay with the keys of this building of God, and all that it typifies and signifies entrusted to my care—here to remain, until God calls me to render an account of my stewardship. of my stewardship.

THE ANSWER OF SCRIPTURE

If this Gothic structure were only a work of art made by man. I would feel myself alone—chilled, perplexed, and afraid. But the divine Presence is here and in prayer I have support for my soul stronger than the arches that, pointing heavenward, hold up this edifice, and to the voice of my own misgivings the answer of Scripture is heard: "My grace is sufficient for thee" (II Corinthians xii: 9).

Dim would be the body of this church and shadowy my heart,

Dim would be the body of this church and shadowy my heart, but that in this cathedral which perpetuates the glory of His name, the same flame of faith that St. Patrick lit on the hill of Slane burns brightly. The altar candles—symbols of the living Christ—are aglow in the sanctuary. Christ—the living Christ—warms me, guides me, calls me, leads me. I follow.

To me, it is not without significance that my advent is in the springtime of the year. The spring is the time for planting. I come to sow the seed of the gospel. The ground is good because those who tilled it before me have left it so. The soil itself is active, and my helpers, the zealous clergy, the self-sacrificing religious, and the devoted faithful of the laity are good. From the hand of him whom God has called to eternal rest, the former great-hearted shepherd of this archdiocese, Cardinal Hayes, I take up the work before me. To this work I have been assigned by the supreme pastor of Christendom, nor do I make any other account of my life than to affirm that with all its faculties and energies, it will be spent until it can be spent no more for the gaining of souls for Christ. In the discharge of my office, I have an example that is near and compelling. that is near and compelling.

THE CARDINAL OF CHARITY

It is impossible that I should not be profoundly influenced by the life and virtues of my revered predecessor, Cardinal Hayes. Memory is faulty in many matters, but men that are men remem-ber charity in at least one of its two phases—either to be charitable or to be grateful. Therefore, it is that Cardinal Hayes lives in the hearts of New York and America because he was grateful for your

charity, and he was charitable with your greatness. More than all, no man can give—and the cardinal of charity gave all.

In my deepest heart this morning I carry the thought of him who has sent me to you—our Holy Father, Pope Pius XII. If it is expected that I should speak of myself, then I shall speak of him who has sent me to you—our Holy Father, Pope Pius XII. If it is expected that I should speak of myself, then I shall speak of him because he is my credentials to you, and all that is lacking in me is made up in him. Shall I not say more—that the Holy Father fulfills the desires and needs of all of us? How else explain the universal joy with which his election was acclaimed? Even before the announcement from the balcony of St. Peter's his name had been framed on the lips and his person enshrined in the hearts of people the world over. It was not necessary to inform an inquiring public about the personality and the virtues of the new Pope. The world had already drawn its own clear portrait of his character. Serene, humble, devout, sympathetic, a man close to the people and close to God, a high priest after the pattern of Jesus Christ, this was the superb figure whose appearance before the people in St. Peter's Square was greeted with jubilant cries that were taken up with increasing volume all over the world.

No little of this acclaim rose from the people of this city, irrespective of creed, of race, or of class. New York had given the then Cardinal Pacelli a glad and admiring welcome when he made his memorable visit to the United States 2½ years ago. He who is now our holy father has entered our city from the ocean's door, has passed through our streets, has looked down from above upon these towers that reached up to him, has spoken to us, has knelt in prayer

towers that reached up to him, has spoken to us, has knelt in prayer in our midst, and has blessed us.

THE RICHEST SEE

These experiences and more have ratified between the holy father and all of us a deep and a solemn pact of mutual understanding and of friendship. How heartening to all of us to think that he

knows us as we know him, that he loves us as we love him, that we can depend on his learning, knowledge, and affection to aid us in our difficulties, as in his trials we shall stand with him in true and unswerving devotion.

our difficulties, as in his trials we shall stand with him in true and unswerving devotion.

I have read that this see to which I have been appointed is the richest see. What are the riches intended—the riches of material things or the riches of divine grace and spiritual power in Christ our Saviour? The city of New York has length and breadth and height and depth of astonishing dimensions, enclosing marvels of human invention and construction and vast treasures of wealth; and while I am not unmoved—and who is not—by the startling evidences of size and of affluence and of progress, I do not estimate this city's preeminence with the eyes of one who regards only the passing external fashion. My viewpoint as a Catholic bishop is the apprehension of St. Paul, who wrote to the Corinthians: "We look not at the things that are seen, but the things which are not seen. For the things which are seen are temporal, but the things which are not seen are eternal." (II Corinthians v: 18).

The ancient world had its proud edifices, but they are no more. The outward form of this modern city of New York has continually changed. Where are the mansions and the emporiums that were the glory of a former age? They have fallen before the march of time so that they are hardly a memory. But in this metropolis there stands a building firm and indestructible, resisting the ages, and that building is the church which St. Paul described to the faithful of Ephesus as different from all other buildings because housing them as "fellow citizens with the saints and domestics of God; built upon the foundation of the apostles and prophets, Jesus Christ Himself being the chief corner stone. In whom all the buildings being framed together groweth up into a holy temple of God. In whom you also are built together into an inhabitation of

buildings being framed together groweth up into a holy temple of God. In whom you also are built together into an inhabitation of God in the Spirit" (Ephesians 2: 19–21).

THE TRUE ENDOWMENT

Where, then, are we to look for the true endowment that enriches a people? Not in outward magnificence, but "in the inward man" (Ephesians 3: 16), where Christ dwells by faith and charity. Riches there are indeed in this famed archdiocese—unsearchable and inestimable—the riches "in the abundance of the blessings of the gospel of Christ" (Romans 15: 29), the riches that grace has worked and multiplied from the beginning, and through all the history of this see—the knowledge of God, plety, peace, patience, hope, long-suffering, comfort, thanksgiving, a sincere charity, and whatsoever else is virtuous to fill the heart with "the fullness of God" (Ephesians 3: 9). God" (Ephesians 3: 9).

God" (Ephesians 3: 9).

Whatever be the expressions that have been made concerning my coming, I account myself only as "a servant of Jesus Christ," and I judge myself in the words of St. Paul—"not to know anything among you but Jesus Christ and Him crucified" (I Corinthians 2: 2). I wear the cross as my shield and my breastplate iecause I am set for the defense of the gospel. Armed with "the sword of the spirit, which is the word of God" (Ephesians 6: 7), my mind is forward. There are as many spiritual swords as there are words of the Lord. The most invincible is the name of the Lord Himself. The name of Jesus sounds no uncertain call, enlists no hesitant following, promises no doubtful victory. With this name upon my lips, and in the confidence it inspires, I begin my labors among you.

In the name of Jesus, dear people, may I not count on you to walk in the presence of God, to follow in the footsteps of the Master, to support the good works of our holy religion in the same generous measure that you have in the past, so as to maintain for your faith its renown in all the world?

In the name of Jesus, men and women of religious congregations, may I not count on you to instruct the little ones of the flock of Christ, to aid the poor, to comfort the sick, and to perform all the spiritual and corporal works of mercy, so that through your zeal and sacrifice the charity of Christ may more and more abound?

"THE BURDEN IS HEAVY"

In the name of Jesus, priests of the archdiocese of New Yorksecular and regular—may I not count on your sympathetic cooperation and your readiness to work with me with all your graces, with all your heart, and with all your strength for the salvation of

What return shall I make for all that I have received?
To my people, my care and my solicitude.
To my priests, justice and charity.
To the bishops, my brotherly affection.

To the apostolic delegate who has installed me, my loyal devotion.

To our holy father, Pope Plus XII, gloriously reigning, who has appointed me, the love of a son, and the undying fidelity of a Catholic bishop.

And to God, for this grace to me unworthy, I bow my head and direct my prayer that His grace in me may not be in vain. The burden is heavy. Without God, my capacity is nothing. In the end, I turn to you all for that help required even by St. Paul, the Apostle of the Gentiles, though he was a vessel of election: "I beseech you, therefore, brethren, through our Lord Jesus Christ, and by the charity of the Holy Ghost, that you help me in your prayers for me to God" (Romans 15: 30).